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Application Proof of



(the “Company”)

(A joint stock company incorporated in the People's Republic of China with limited liability)

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 时迈药业
Zhejiang Shimai Pharmaceutical Co., Ltd.
浙江时迈药业股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] under the : [REDACTED] H Shares (subject to the
[REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to
reallocation)
Number of [REDACTED] : [REDACTED] H Shares (subject to
reallocation and the [REDACTED])
Maximum [REDACTED] : HK\$[REDACTED] per H Share, plus
brokerage of 1.0%, SFC transaction levy
of 0.0027%, AFRC transaction levy of
0.00015% and Stock Exchange trading
fee of 0.00565% (payable in full on
application in Hong Kong dollars and
subject to refund)
Nominal value : RMB0.10 per Share
[REDACTED] : [REDACTED]

Sole Sponsor, [REDACTED]



华泰国际
HUATAI INTERNATIONAL

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The [REDACTED] is expected to be determined by agreement between the [REDACTED] (for itself and on behalf of the [REDACTED]) and us on the [REDACTED]. The [REDACTED] is expected to be on or before [REDACTED] (Hong Kong time) and, in any event, not later than 12:00 noon on [REDACTED] (Hong Kong time). The [REDACTED] will not be more than HK\$[REDACTED] per [REDACTED] and is currently expected to be not less than HK\$[REDACTED] per [REDACTED]. If, for any reason, the [REDACTED] is not agreed by 12:00 noon on [REDACTED] (Hong Kong time) between the [REDACTED] (for itself and on behalf of the [REDACTED]) and us, the [REDACTED] will not proceed and will lapse.

The [REDACTED], on behalf of the [REDACTED], may, where considered appropriate and with our consent, reduce the number of [REDACTED] and/or the indicative [REDACTED] range below that is stated in this Document (which is HK\$[REDACTED] to HK\$[REDACTED]) at any time prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. In such case, an announcement of the reduction in the number of [REDACTED] and/or the indicative [REDACTED] range will be published on the website of our Company at www.centrymed.com and on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and the [REDACTED] will be canceled and relaunched at the revised number of [REDACTED] and/or the revised indicative [REDACTED] range pursuant to 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 day which is the last day for lodging [REDACTED] under the [REDACTED]. Further details are set forth in the sections headed “Structure of the [REDACTED]” and “How to Apply for [REDACTED]” in this Document.

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[REDACTED]

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[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 entire Document 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 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 Products 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. We may continue to incur substantial costs and expenses in relation to research and development of our Core Products, and our Core Products may not be successfully marketed. In addition, we have incurred significant operating losses since our inception, and we expect to remain loss making in the near term. We had negative net cash flow from operating activities during the Track Record Period. We did not declare or pay any dividends during the Track Record Period and do not intend to pay any dividends in the near future. Your [REDACTED] decision should be made in light of these considerations.

OVERVIEW

Founded in 2017, we are a clinical-stage biotech company focused on the development of T-cell engager (“TCE”) therapy. We have four clinical-stage pipeline products, including two Core Products (DNV3 for the treatment of advanced/metastatic solid tumors and lymphomas, and SMET12 for the treatment of EGFR-positive advanced solid tumors).

TCEs are bispecific or multispecific antibodies engineered to redirect and activate T cells by simultaneously binding tumor-associated antigens (“TAAs”) on tumor cells and receptors on T cells to induce targeted cytotoxicity. We identified early on the differentiated potential of TCE, a new generation of immunotherapy designed to harness and direct the body’s immune system against cancer. Possessing deep insights and innovative capabilities in a high-growth industry, we translate these insights into clinical-stage products, driving our progress from concept to development. We have developed masked TCEs, which can be selectively activated in tumors, for the treatment of solid tumors. As a rapidly evolving therapeutic modality in oncology, the global TCE market reached approximately US\$3.0 billion in 2024 and is expected to reach US\$121.1 billion by 2035 at a CAGR of 40.0%. China’s TCE market reached approximately RMB0.7 billion in 2024 and is expected to reach RMB159.6 billion by 2035 at a CAGR of 63.8%.

As of the Latest Practicable Date, we had four in-house, clinical-stage drug candidates, including (i) DNV3, an advanced T-cell modulator (“TCM”) targeting LAG-3, (ii) SMET12, an innovative intravenous EGFR×CD3 TCE, (iii) CMD011, an advanced GPC3×CD3 TCE, and (iv) CMDE005, an innovative EGFR×CD3 masked TCE. In addition, we have two preclinical-stage drug candidates for multifunctional/logic-gated TCE, CMDE101 and CMDE102, which are trispecific masked TCEs targeting FOLR1×PD-L1×CD3 and PSMA×PD-L1×CD3, respectively.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR PIPELINE PRODUCTS SUCCESSFULLY, INCLUDING CORE PRODUCTS DNV3 AND SMET12.

SUMMARY

The following chart summarize the development of our pipeline product candidates as of the Latest Practicable Date.

Platform	Code	Target	Modality	Indication	Administration	Competent Authority	Regimen	Phase				Upcoming Milestone	Commercial Rights
								Pre-Clinical	Phase 1	Phase 2	Phase 3		
TCM	★ DNV3	LAG-3	Monospecific Antibody	Malignant Melanoma ⁽¹⁾	Intravenous Infusion	China NMPA	Combo with PD-1 + Chemo		Phase II Ongoing in China Expect to complete in 2026 Q4			Initiate Phase III Trial in China in 2027 Q3	Global
				NSCLC ^(1,2)					Phase II will initiate in China			Initiate Phase II Trial in China in 2026 Q3	Global
				Solid Tumors and Lymphomas ⁽²⁾					Phase I Completed in China in March 2022			Advance clinical trials for combination therapies	Global
				ESCC ⁽³⁾					Phase IIIa Ongoing in China Expect to complete in 2027 Q2			Initiate Phase III Trial in China in 2027 Q4	Global
TCE	★ SMET12	EGFR/CD3	Bispecific Antibody	TNBC ⁽⁴⁾	Intravenous Infusion	China NMPA & U.S. FDA*	Monotherapy	Phase I Completed for EGFR-positive solid tumors in China in February 2023				Initiate Phase IIa Trial in China in 2026 Q4	Global
				EGFR-positive Solid Tumors ⁽⁵⁾				Patient enrollment for Phase IIIa is temporarily suspended in China				No Specific Plan	Global
				Hepatocellular Carcinoma ⁽⁶⁾				Phase IIIa Ongoing in China Expect to complete in 2027 Q4				Initiate Phase III Trial in China in 2028	Global
				Solid Tumor ⁽⁷⁾				Phase IIIa Ongoing in China Expect to complete in 2027 Q4				Initiate Phase III Trial in China in 2028	Global
				Solid Tumor								Submit IND in China in 2027 Q4 & in U.S. in 2028	Global
				Solid Tumor								Submit IND in China in 2028 in U.S. in 2029	Global

Note: are Core Products. refers to masking peptide. The masking peptide is a short protein sequence designed to temporarily block the active site or binding region of a therapeutic protein, preventing it from interacting with its target, especially in healthy tissues, thereby reducing side effects. All products are innovative drugs and are self-developed by the Company.

(1) Locally advanced unresectable or metastatic melanoma
(1.1) Advanced treatment-naïve non-small cell lung cancer
(2) Advanced/metastatic solid tumors and lymphomas
(3) EGFR-positive advanced esophageal cancer
(4) EGFR-positive advanced triple-negative breast cancer
(5) EGFR-positive advanced solid tumors
(6) Advanced hepatocellular carcinoma
(7) EGFR-positive advanced solid tumors (such as non-small-cell lung cancer, colorectal cancer, urothelial carcinoma, head and neck squamous cell carcinoma, and pancreatic cancer)

* While SMET12, CMD011, and CMDE005 have obtained clinical trial approvals from the U.S. FDA, we do not currently have plans to launch clinical operations in the U.S. for the three product candidates.

SUMMARY

Immunotherapy has the potential to cure cancer. Unlike conventional therapies, immunotherapy harnesses the body’s immune system to target and eliminate cancer cells, offering the possibility of durable, long-term responses. TCEs have gained significant attention due to their ability to address cytokine release syndrome (“**CRS**”), a key challenge in immunotherapy. By precisely activating T-cells against tumor cells while minimizing immune overactivation, our TCEs provide a solution to control CRS and open new opportunities for treating solid tumors, establishing TCEs as a novel treatment modality with a potential for clinical application. TCEs have evolved from early 1+1 (one TAA and one T-cell binding domain) bispecific designs to masking, multifunctional, logic-gated formats, while steadily expanding indications from hematologic malignancies to solid tumors. We have strategically focused on applying the TCE technology, especially our proprietary TCE masking technology, to the treatment of solid tumors, a therapeutic area that has presented tremendous challenges in oncology. To date, most TCE drugs approved or under development target hematologic malignancies, which account for less than 10% of total cancer cases, compared with more than 90% for solid tumors, according to Frost & Sullivan.

TCEs are expected to enter an innovation stage driven by artificial intelligence (“**AI**”)-assisted design in the future. Supported by advances in AI-assisted molecular design and data-driven structural optimization, TCEs are evolving toward safer, more precise, and durable immunotherapies with expanding potential beyond oncology. The prolonged duration of efficacy of TCEs is expected to address a major pain point in the anti-cancer drug industry. The development of TCEs has reached a inflection point of transforming into a backbone cancer therapy.

Recognizing the transformative potential of this modality, we have focused our research and development efforts on advancing TCEs that achieve precise and sustained activation of T cells while maintaining a favorable safety profile. From establishing antibody libraries to developing proprietary engineering technologies, we have built the know-how and infrastructure to support our pipeline of TCE candidates. The key prerequisites for a backbone cancer therapy include upstream immune activation, zero-order cytotoxicity, and a favorable safety profile, all of which are inherent in our TCEs. Leveraging the upstream immune-activation mechanism of our TCE therapy, our candidates are designed to enable zero-order immune cytotoxicity, whereby activated T cells can kill tumor cells at a steady rate, regardless of the amount of tumor cells or tumor antigens engaged by the TCEs. Achieving the zero-order immune cytotoxicity requires toxicity control, precise tumor recognition, conditional TCE activation, prevention of T cell exhaustion and synergy of different anti-tumor mechanisms — the masking and multifunctional designs of TCEs are well suited to realize these functions. By optimizing T-cell affinity and applying our masking technology, we seek to improve the precision of T-cell activation, thereby achieving better control of immune-related side effects and reducing on-target off-tumor toxicity. Furthermore, our multifunctional TCEs are designed with an OR-gated dual-targeting format, which can activate T cells upon recognizing either one or both TAAs on the tumor cell surface, thereby improving tumor recognition and contributing to the prevention of tumor relapse. Collectively, these features position our TCEs with a potential to serve as backbone therapies in future immuno-oncology treatment regimens and to establish a differentiated foothold in this fast-growing global market.

We have advanced four product candidates into clinical development. Each of our drug candidates is developed through our dedicated R&D platforms, including our Multichannel Antibody Discovery Platform, H-shape Bispecific TCE Platform (“**H-BiTE Platform**”), Protease-activatable Bispecific TCE Platform (“**Pro-BiTE Platform**”) and Multifunctional/Logic-gated TCE Platform.

SUMMARY

Our Pipeline

As of the Latest Practicable Date, we had four in-house, clinical-stage innovative drug candidates, including one TCM and three TCEs:

Core Product DNV3: an advanced TCM targeting lymphocyte activation gene 3 (“LAG-3”), an inhibitory receptor highly expressed by exhausted T cells in the TME. DNV3 validates our proprietary high-capacity fully human IgM phage display antibody library as a foundation of our product candidates. DNV3 demonstrated a favorable safety profile and broad potential for combination therapy, with no recorded Grade 3 or higher CRS in our clinical trials. As of the Latest Practicable Date, DNV3 was under a Phase II clinical trial of DNV3 in combination with an anti-PD-1 antibody (toripalimab) and chemotherapy (nab-paclitaxel, cisplatin, or carboplatin) targeting locally advanced unresectable or metastatic melanoma. We completed the Phase I clinical trial of DNV3 monotherapy targeting advanced/metastatic solid tumors and lymphomas in March 2022. According to Frost & Sullivan, DNV3 ranked second globally and in China by stage of clinical development among anti-LAG-3 antibody drug candidates for melanoma treatment as of the Latest Practicable Date.

Core Product SMET12: an innovative intravenous EGFR×CD3 TCE. SMET12 validates our TCE structural design capabilities and sets a benchmark for our broader TCE pipeline. As of the Latest Practicable Date, SMET12 was under a Phase IIa clinical trial targeting EGFR-positive advanced solid tumors including esophageal cancer in China. SMET12 received FDA’s IND approval in November 2021. We completed the Phase I clinical trial of SMET12 targeting EGFR-positive advanced solid tumors in China in February 2023. According to Frost & Sullivan, SMET12 ranked first globally and in China by stage of clinical development among EGFR×CD3 TCE drug candidates as of the Latest Practicable Date.

CMD011: an advanced GPC3×CD3 TCE, which together with SMET12 validates our TCE molecular-format engineering and demonstrate the plug-and-play property of our TCE technology platforms. As of the Latest Practicable Date, CMD011 was under a Phase I clinical trial in China for advanced hepatocellular carcinoma (“HCC”). CMD011 received FDA’s IND approval in February 2025. According to Frost & Sullivan, CMD011 ranked within the top two globally by stage of clinical development among GPC3×CD3 TCE drug candidates, as of the Latest Practicable Date.

CMDE005: an innovative EGFR×CD3 masked TCE, which validates our protease-activated masking technology. CMDE005 is a patient-focused drug development initiative aimed at minimizing the safety risks associated with immunotherapy, particularly by reducing CRS. As of the Latest Practicable Date, CMDE005 was under a Phase I clinical trial in China for the treatment of various EGFR-positive advanced solid tumors. CMDE005 received FDA’s IND approval in April 2025. According to Frost & Sullivan, CMDE005 was the first and only in China and ranked among the top two globally incorporating masking peptide technology that has entered the clinical stage among the EGFR×CD3 TCE drug candidates, as of the Latest Practicable Date.

First-generation EGFR targeting monospecific antibodies, such as cetuximab and panitumumab, had encountered setbacks in the clinical development for treating ESCC and TNBC, due to a lack of significant survival benefits. However, EGFR remains a valid drug target for cancer treatment, and MOA innovation has enabled regulatory approval of drugs against the same target. TCE represents a MOA that is different from traditional monospecific antibodies. Through CD3-mediated T-cell recruitment and redirection, TCEs may induce more direct and potent tumor cell killing. So far, multiple TCEs have received regulatory approval for the treatment of certain types of solid tumors.

Our product candidates are all regulated as Class 1 innovative therapeutic biological products under the Biological Product Registration Classification and Application Dossier Requirements released by NMPA and implemented on October 1, 2020.

OUR STRENGTHS

We believe the following competitive strengths have contributed to our success and differentiate us from our competitors: (i) leveraging our TCE platform technologies for the development of solid tumor therapies; (ii) TCE and TCM pipeline with significant global market potential; (iii) advanced TCE masking technology, exemplified by our product CMDE005 ranking among the world’s top two masked TCEs; (iv) TCE technology platforms driving innovation with advanced R&D and CMC capabilities; (v) support from leading industry investors, strong medical partnerships, and robust clinical operation capabilities; and (vi) experienced leadership with a global perspective.

SUMMARY

OUR STRATEGIES

We intend to pursue the following strategies to further grow our business: (i) advance our pipeline products to market leadership for global clinical development, regulatory approvals and commercialization; (ii) continue to expand our pipeline by upgrading our TCE platforms and TCE database TCENet; (iii) collaborate to unlock the clinical and commercial potential of our pipeline; (iv) enhance international clinical development and expand market presence; and (v) leverage top talents as our core competitive advantage, ensuring sustainable success through strategic talent development.

COMPETITION

While we believe our pipeline of clinical and preclinical stage proprietary assets, 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. We focus on leveraging our industry experience and established R&D capabilities for the in-house discovery and development of TCE therapies for the treatment of solid tumors. We face fierce competition from existing products and product candidates under development in the market. See “Industry Overview” for more details on the competitive landscape of the various markets in which we compete.

RESEARCH AND DEVELOPMENT

Our R&D team is multi-tiered, covering the full innovation pathway from discovery through clinical translation. The early-stage research team, led by Dr. XIAO Zuoxiang and Dr. ZHOU Dongwen, has become a key driver of our innovation. Our clinical development team, under the leadership of Dr. XIAO Zuoxiang and Ms. WANG Yanping, combines deep medical expertise with strong operational capabilities to align development with clinical needs. With dual R&D centers in the U.S. and China, we operate an integrated model across time zones, supporting a continuous R&D cycle and efficient platform integration. Our in-house R&D team consisted of 33 employees as of the Latest Practicable Date, over 97% of whom held at least bachelor’s degrees, and over 70% members of our R&D team held master’s or higher degrees. For the years ended December 31, 2024 and 2025, our research and development costs attributable to our Core Products were RMB23.2 million and RMB26.7 million, respectively, representing 43.5% and 57.4% of our total research and development costs in the corresponding periods, respectively.

CHEMISTRY, MANUFACTURING & CONTROLS (“CMC”)

As of December 31, 2025, our CMC team consisted of six professionals with extensive experience in process development, production and quality management mostly from well-known biopharmaceutical and pharmaceutical companies. Our CMC team members are led by Dr. ZHOU Dongwen, a decorated industry scientist with over 20 years’ experience. We currently do not have in-house manufacturing capability and rely on CDMOs for the manufacturing of all of our product candidates. We engaged two and two CDMOs in 2024 and 2025, respectively. For CDMOs, we incurred expenses of RMB5.1 million and RMB3.2 million for development and manufacturing of our Core Products and other pipeline products in 2024 and 2025, respectively.

COMMERCIALIZATION, MARKETING AND BUSINESS DEVELOPMENT

Given the development status of our product candidates, we had not established a sales and marketing team as of the Latest Practicable Date. As we advance the clinical development of our product candidates to a later stage, we will evaluate their respective form of commercialization, taking into account the market condition, competitive landscape and our available resources at the material time. In the future, we intend to build our own sales team and network in preparation of the commercialization of our product candidates in China. For the commercialization of our product candidates in the overseas market, we plan to identify and collaborate with top pharmaceutical companies with significant global or local presence.

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, we did not have a customer or generate revenue from a customer.

SUMMARY

We mainly procure R&D and clinical-related services from third party suppliers. We maintain stable relationships with our suppliers to ensure the stability of material supply and delivery. In 2024 and 2025, purchase amount from our top five suppliers in each year of the Track Record Period in aggregate was RMB18.2 million and RMB15.6 million, representing 53.7% and 58.1% of our total purchase amount, respectively. Purchase amount to our largest supplier in each year of the Track Record Period was RMB7.4 million and RMB4.1 million, representing 21.7% and 15.3% of our total purchase amount, respectively. To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our top five suppliers were Independent Third Parties. During the Track Record Period, we purchased R&D and clinical-related services in our ordinary course of business from Hangzhou Tigermed and MabPlex, who were among our five largest suppliers, and such transactions were conducted on an arm’s length basis. As of the Latest Practicable Date, to the best of our knowledge, save for Hangzhou Tigermed and our Non-executive Director, Wang Yanbing, who held an equity interest below 1% in MabPlex, none of our Directors, their respective close associates or any Shareholder who owned more than 5% of our issued share capital had any interest in any of our five largest suppliers in each year during the Track Record Period.

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we held 21 patents and five patent applications in connection with our clinical-stage product candidates, including four patents related to DNV3, and eleven patents and one patent application related to SMET12. As of the Latest Practicable Date, we had not received any material concerns or inquiries from relevant competent authorities that makes us to believe that any of the pending patent applications will be rejected. See “Business—Intellectual Property” for details.

OUR SHAREHOLDING STRUCTURE

Our Controlling Shareholders

Immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), Dr. Xiao, indirectly through (i) Hangzhou Haomai, a company wholly owned by Dr. Xiao, (ii) Hangzhou Dimai, a limited partnership managed and controlled by Hangzhou Haomai, which in turn is wholly owned by Dr. Xiao, and (iii) Hangzhou Shimai, a limited partnership managed and controlled by Dr. Xiao, will control an aggregate of [REDACTED]% of our total issued share capital. Accordingly, Dr. Xiao, Hangzhou Haomai, Hangzhou Dimai and Hangzhou Shimai will be our Controlling Shareholders upon [REDACTED].

Pre-[REDACTED] Investments

We have undertaken four rounds of Pre-[REDACTED] Investments and raised total gross proceeds of RMB690.1 million. As of the Latest Practicable Date, we have utilized approximately 73.82% of the proceeds from the Pre-[REDACTED] Investments. See “History, Development and Corporate Structure—Pre-[REDACTED] Investments” for details of the background of our Pre-[REDACTED] Investors and the principal terms of the Pre-[REDACTED] Investments. Our Sophisticated Investors which made meaningful investment to us include Betta Biopharmaceutical and Hangzhou Taikun, which will hold approximately [REDACTED]% and [REDACTED]% of our total issued share capital upon the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), respectively.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary of the key financial information set forth below have been derived from and should be read in conjunction with our historical financial information, including the accompanying notes, set forth in the Accountant’s Report in Appendix I to this Document, as well as the information set forth in the section headed “Financial Information.”

SUMMARY

Summary of Consolidated Statements of Profit or Loss

The following table sets forth selected items of our consolidated statements of profit or loss, with line items in absolute amounts, for the years indicated.

	For the Year ended December 31,	
	2024	2025
	<i>(RMB in thousands)</i>	
Other income and gains	6,618	9,372
Research and development costs	(53,382)	(46,589)
Administrative expenses	(12,188)	(43,107)
Other expenses	(62)	(173)
Finance costs	(885)	(463)
LOSS BEFORE TAX	(59,899)	(80,960)
Income tax expense	—	—
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(59,899)	(80,960)
Attributable to:		
Owners of the parent	(59,899)	(80,960)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		
Basic and diluted (RMB)	(3.39)	(4.51)

We recorded net losses of RMB59.9 million and RMB81.0 million in 2024 and 2025, respectively. Our net losses recorded during the Track Record Period were primarily due to our research and development costs related to our substantial investment in research and development activities.

Our research and development costs consist of (i) clinical research and technical service fees, (ii) staff costs, (iii) raw materials and consumables, (iv) depreciation and amortization, and (v) others. For the years ended December 31, 2024 and 2025, our research and development costs attributable to our Core Products were RMB23.2 million and RMB26.7 million, respectively, representing 43.5% and 57.4% of our total research and development costs in the corresponding periods, respectively.

Summary of Consolidated Statements of Financial Position

The table below sets forth the selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from our audited consolidated financial statements included in Appendix I to this Document.

	As of December 31,	
	2024	2025
	<i>(RMB in thousands)</i>	
Total non-current assets	53,765	34,463
Total current assets	193,363	149,974
Total current liabilities	49,363	47,320
Net current assets	144,000	102,654
Total assets less current liabilities	197,765	137,117
Total non-current liabilities	22,032	21,888
Net assets	175,733	115,229

SUMMARY

During the Track Record Period, we had net assets position, which gradually decreased over the periods primarily due to the total comprehensive losses incurred in each period of the Track Record Period, as a result of our continuous investment in research and development activities. The decrease in net assets from RMB175.7 million as of December 31, 2024 to RMB115.2 million as of December 31, 2025 was mainly attributable to the loss for the year of RMB81.0 million.

The decrease in net current assets by RMB41.3 million from RMB144.0 million as of December 31, 2024 to RMB102.7 million as of December 31, 2025 was primarily due to (i) a decrease in financial assets at fair value through profit or loss of RMB77.0 million, (ii) an increase in trade and other payables of RMB10.9 million, partially offset by an increase in time deposits of RMB22.4 million and a decrease in interest-bearing bank borrowings of RMB11.0 million. The change was mainly attributable to our continuous investment in pipeline candidates and our expenditure for our operation.

Summary of Consolidated Statement of Cash Flows

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

	For the Year ended December 31,	
	2024	2025
	<i>(RMB in thousands)</i>	
Net cash flows used in operating activities	(53,353)	(50,480)
Net cash flows from investing activities	24,625	77,691
Net cash flows from/(used in) financing activities . .	27,853	(17,062)
Cash and bank balances at beginning of year	24,831	23,907
Cash and cash equivalents at end of year	23,907	33,913

In 2025, our net cash used in operating activities was RMB50.5 million, which was primarily attributable to our loss before tax of RMB81.0 million, primarily adjusted for (i) equity-settled share-based expenses of RMB19.7 million and (ii) increase in trade and other payables of RMB9.8 million.

In 2024, our net cash used in operating activities was RMB53.4 million, which was primarily attributable to our loss before tax of RMB59.9 million, primarily adjusted for (i) increase in deferred income of RMB9.7 million, (ii) decrease in trade and other payables of RMB6.7 million, (iii) gain on fair value changes of financial assets at FVTPL of RMB5.3 million, (iv) depreciation of property, plant and equipment of RMB4.5 million and (v) depreciation of right-of-use assets of RMB3.2 million.

Key Financial Ratios

The following table sets forth certain of our key financial ratios for the years or as of the dates indicated.

	As of December 31,	
	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>
Current ratio ⁽¹⁾	3.9	3.2
Quick ratio ⁽²⁾	3.9	3.2
Gearing ratio ⁽³⁾	0.2	0.2

Notes: (1) Current ratio is calculated based on total current assets divided by total current liabilities as of the dates indicated; (2) Quick ratio is calculated based on current assets minus inventories divided by current liabilities as of the dates indicated; (3) Gearing ratio is calculated based on total borrowings divided by total equity as of the dates indicated.

SUMMARY

RISK FACTORS

Our business faces risks including those set out in the section headed “Risk Factors.” 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 Company. Some of the major risks that we face include: (i) Our business and financial prospects depend substantially on the success of our drug candidates. If we are not able to successfully complete clinical development, obtain regulatory approval and commercialize our drug candidates, including our Core Products, or experience delays in doing so, our business prospects could be adversely affected; (ii) Clinical development of biopharmaceutical products is risky, time-consuming and inherently uncertain, and our drug candidates may fail to demonstrate the safety and efficacy required for regulatory approval; (iii) If 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; (iv) We have no experience in manufacturing biopharmaceutical products on a commercial scale, and currently lack in-house manufacturing facilities; if we encounter difficulties in the production of our drug candidates, our development and commercialization efforts could be adversely affected; (v) We intend to work with third parties for the commercialization of our drug candidates. We may fail to identify competent third parties for such purposes, fail to achieve the expected synergies with the clinical development partners, and have little or no control over the marketing and sales efforts of the commercialization partners; (vi) We may encounter difficulties in managing our growth and expanding our operations successfully.

DIVIDEND

We have never declared or paid any dividends on our ordinary shares or any other securities. As of the Latest Practicable Date, we did not have a formal dividend policy. 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 intend to declare or pay any dividends in the foreseeable future. [REDACTED] should not [REDACTED] 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 subject to our Articles of Association and the PRC Company Law, 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. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Regulations in China currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits as determined in accordance with its articles of association and the accounting standards and regulations in China.

As confirmed by our PRC Legal Advisor, according to the PRC law, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above. See “Financial Information—Dividend.”

[REDACTED]-RELATED EXPENSE INCURRED AND TO BE INCURRED

Our [REDACTED] expenses represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. Assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the mid-point of the indicative [REDACTED] range, we estimated that the total [REDACTED] expenses for the [REDACTED] are approximately HK\$[REDACTED], accounting for approximately [REDACTED]% of the gross [REDACTED] from the [REDACTED] (assuming no H Shares are issued pursuant to the [REDACTED]), of

SUMMARY

which approximately HK\$[REDACTED] is expected to be charged to our consolidated statements of profit or loss and other comprehensive income upon the completion of [REDACTED], and approximately HK\$[REDACTED] is expected to be accounted for as a deduction from equity upon the completion of [REDACTED]. The above expenses comprise of (i) [REDACTED]-related expenses, including [REDACTED] and other expenses, of HK\$[REDACTED]; and (ii) non-[REDACTED]-related expenses of HK\$[REDACTED], including (a) fee paid and payable to legal advisors and reporting accountants of HK\$[REDACTED], and (b) other fees and expenses of HK\$[REDACTED]. We recorded [REDACTED] expenses of RMB[REDACTED] as of December 31, 2025, among which RMB[REDACTED] were recognized in our consolidated statement of profit or loss, and RMB[REDACTED] were recognized in the consolidated statement of financial position to be accounted for as a deduction from equity upon [REDACTED]. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

WORKING CAPITAL CONFIRMATION

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

Our cash burn rate refers to the average monthly (i) net cash used in operating activities, (ii) capital expenditures, and (iii) lease payments. Assuming an average cash burn rate going forward of 2.5 times the level of the average expenditure during 2024 and 2025, even without taking into account the estimated net [REDACTED] from the [REDACTED], we estimate that our cash and cash equivalents and financial assets at FVTPL as of December 31, 2025, will be able to maintain our financial viability for 10 months or, if we take into account the estimated net [REDACTED] from the [REDACTED] (based on the low-end of the [REDACTED] Price stated in this Document), for [REDACTED] months. We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing, if needed, with a minimum buffer of 12 months.

[REDACTED]

SUMMARY

USE OF [REDACTED]

We intend to use the net [REDACTED] from the [REDACTED] for the following purposes:

- (a) approximately [REDACTED]%, or HK\$[REDACTED], will be used for further R&D and registration filing of our Core Product, DNV3;
- (b) approximately [REDACTED]%, or HK\$[REDACTED], will be used for further R&D and registration filing of our Core Product, SMET12;
- (c) approximately [REDACTED]%, or HK\$[REDACTED], will be used for further R&D and registration filings of CMD011;
- (d) approximately [REDACTED]%, or HK\$[REDACTED], will be used for further R&D of CMDE005;
- (e) approximately [REDACTED]%, or HK\$[REDACTED], will be used for potential investments or acquisitions of innovative technologies or product candidates, particularly in the areas of TCE, antibody engineering and immunotherapy. We will focus on targets and technologies that demonstrate strong synergy with our existing platforms to further enhance our technological barriers and enrich our product pipeline. As of the Latest Practicable Date, we have not identified any potential investment or acquisition target;
- (f) approximately [REDACTED]%, or HK\$[REDACTED], will be used for working capital and other general corporate purposes.

See “Future Plans and Use of Proceeds—Use of [REDACTED].”

NO MATERIAL ADVERSE CHANGE

We expect to record a net loss for the year ending December 31, 2026, which is primarily due to our expectation that significant research and development costs and administrative expenses will be further incurred.

Our Directors confirm that, up to the date of this Document, there has been no material adverse change in our financial or trading position since December 31, 2025 (being the date on which the latest consolidated financial information of our Group was prepared) and there has been no event since December 31, 2025 which would materially affect the information shown in our consolidated financial statements included in the Accountants’ Report in Appendix I to this Document.

DEFINITIONS

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

“Accountants’ Report”	the accountants’ report prepared by Ernst & Young, details of which are set out in Appendix I to this Document
“affiliate”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Articles of Association” or “Articles”	the articles of association of our Company, as amended, which shall become effective on the [REDACTED], a summary of which is set out in Appendix III
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Betta Biopharmaceutical”	Betta Biopharmaceutical Technology (Zhejiang) Co., Ltd. (貝達生物醫藥科技(浙江)有限公司), a Sophisticated Investor of our Company
“Board” or “Board of Directors”	the board of Directors
“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

[REDACTED]

“CentryMed US”	CentryMed Pharmaceutical Inc., a domestic business corporation incorporated in the State of Maryland of the United States on August 6, 2018, and a wholly owned subsidiary of our Company
“Chairperson”	the chairperson of the Board
“China” or “PRC”	unless the context requires otherwise, and for the purpose of this Document only, shall have the same meaning as Chinese Mainland

DEFINITIONS

“Chinese Mainland” or “Mainland”	the Mainland of People’s Republic of China, namely, excluding the regions of Hong Kong, Macau and Taiwan of the People’s Republic of China
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Co-founder”	Mr. Shao Qing, co-founder of our Group
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the 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
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Company”, “our Company” or “the Company”	Zhejiang Shimai Pharmaceutical Co., Ltd. (浙江時邁藥業股份有限公司), a limited liability company established in the PRC on September 4, 2017 and converted into a joint stock limited liability company on September 29, 2025
“Competent Authority”	has the meaning ascribed thereto under Chapter 18A of the Listing Rules
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholders”	has the meaning ascribed thereto under the Listing Rules and unless the context otherwise requires, refers to Dr. Xiao, Hangzhou Dimai, Hangzhou Haomai and Hangzhou Shimai. See “Relationship with Our Controlling Shareholders”
“Conversion of Unlisted Shares into H shares”	the conversion of [REDACTED] Unlisted Shares (as adjusted by the Share Subdivision) into H Shares on a one-for-one basis upon the completion of [REDACTED], as described in further detail in “Share Capital”
“Core Product”	has the meaning ascribed thereto under Chapter 18A of the Listing Rules, which is the product 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
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“CSDC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)

DEFINITIONS

“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of our Company
“Dr. Xiao”	Dr. Xiao Zuoxiang (孝作祥), the Founder, chairperson of the Board, an executive Director and a Controlling Shareholder of our Company
“EIT”	enterprise income tax
“EIT Law”	Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法)
“Employee Incentive Platform”	Hangzhou Shimai

[REDACTED]

“Extreme Conditions”	any extreme conditions or events, the occurrence of which will cause interruption to the ordinary course of business operations in Hong Kong and/or that may affect the [REDACTED]

[REDACTED]

“Founder”	Dr. Xiao, founder of our Group

[REDACTED]

“Group”, “our Group”, “we” or “us”	our Company and its subsidiary, or any one of them as the context may require, and where the context requires, the businesses operated by our Company and/or its subsidiary and their predecessors (if any)

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

DEFINITIONS

“H Share(s)” overseas listed foreign share(s) in the share capital of our Company with a nominal value of RMB0.10 each, which is/are to be [REDACTED] and [REDACTED] in HK dollars and to be [REDACTED] on the Stock Exchange

[REDACTED]

“Hangzhou Dimai” Hangzhou Dimai Equity Investment Partnership Enterprise (Limited Partnership) (杭州締邁股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on November 25, 2020 (of which Hangzhou Haomai is the sole general partner which is in turn wholly owned by Dr. Xiao), and a Controlling Shareholder

“Hangzhou Haomai” Haomai (Hangzhou) Enterprise Management Consulting Co., Ltd. (吳邁(杭州)企業管理諮詢有限公司), a limited liability company established under the laws of the PRC on November 9, 2020, a company wholly owned by Dr. Xiao and a Controlling Shareholder

“Hangzhou Shimai” Hangzhou Shimai Management Consulting Partnership Enterprise (Limited Partnership) (杭州時邁管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on October 29, 2020 (of which Dr. Xiao is the sole general partner), being our Employee Incentive Platform and a Controlling Shareholder

“Hangzhou Taikun” Hangzhou Taikun Equity Investment Fund Partnership Enterprise (Limited Partnership) (杭州泰鯤股權投資基金合夥企業(有限合夥)), a Sophisticated Investor of our Company

[REDACTED]

DEFINITIONS

[REDACTED]

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

[REDACTED]

“IFRS”	the International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by IASB and the International Accounting Standards (IAS) and interpretations issued by the International Accounting Standards Board (“IASB”)
“Independent Third Party(ies)”	any entity(ies) or person(s) who is not a connected person of our Company within the meaning of the Listing Rules

[REDACTED]

DEFINITIONS

[REDACTED]

“Latest Practicable Date” May 11, 2026 being the latest practicable date for the purpose of ascertaining certain information contained in this Document prior to its publication

[REDACTED]

“Listing Committee” the Listing Committee of the Stock Exchange

[REDACTED]

“Listing Rules” or “Hong Kong Listing Rules” the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

“Main Board” the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with Growth Enterprise Market of the Stock Exchange

“MIIT” Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)

“Ministry of Finance” or “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)

DEFINITIONS

“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)
“NMPA”	the National Medical Products Administration of China (國家藥品監督管理局) or, where the context so requires, its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局), or CFDA
“Nomination Committee”	the nomination committee of the Board

[REDACTED]

“PBOC”	People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Company Law”	Company Law of the People’s Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“PRC GAAP”	generally accepted accounting principles in the PRC
“PRC Government” or “State”	the central government of the PRC, including all governmental subdivisions (including principal, municipal and other regional or local government entities) and instrumentalities
“PRC Legal Advisor”	Commerce & Finance Law Offices, our legal advisor as to PRC laws

DEFINITIONS

“Pre-[REDACTED] Investments” the investments in our Company undertaken by the Pre-[REDACTED] Investors, the details of which are set out in the section headed “History, Development and Corporate Structure”

“Pre-[REDACTED] Investor(s)” the pre-[REDACTED] investors as described in “History, Development and Corporate Structure — Pre-[REDACTED] Investments”

[REDACTED]

“Document” this Document being issued in connection with the [REDACTED]

“Province” each being a province or, where the context requires, a provincial-level autonomous region or municipality under the direct supervision of the central government of the PRC

[REDACTED]

“Regulation S” Regulation S under the U.S. Securities Act

“Remuneration and Appraisal Committee” the remuneration and appraisal committee of the 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 (中國國家外匯管理局)

“SAMR” the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局), the successor of the State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局)

“SAT” State Administration of Taxation of the PRC (國家稅務總局)

“Securities and Futures Ordinance” or “SFO” Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

“SFC” Securities and Futures Commission of Hong Kong

DEFINITIONS

“Shanghai-Hong Kong Stock Connect”	a securities trading and clearing links program developed by the Hong Kong Stock Exchange, Shanghai Stock Exchange, [REDACTED] and CSDC for the establishment of mutual market access between Hong Kong and Shanghai, including Southbound Trading and Northbound Trading
“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB0.10 each
“Shareholder(s)”	holder(s) of the Share(s)
“Share Subdivision”	the share subdivision immediately prior to the [REDACTED], pursuant to which each of our Share with par value of RMB1 will be subdivided into ten Shares with par value of RMB0.10 each
“Shenzhen-Hong Kong Stock Connect”	a securities trading and clearing links program to be developed by the Stock Exchange, Shenzhen Stock Exchange, [REDACTED] and CSDC for the establishment of mutual market access between Hong Kong and Shenzhen

[REDACTED]

“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

[REDACTED]

“Sole Sponsor”	the sole sponsor as named in the section headed “Directors and Parties Involved in the [REDACTED]” in this Document

[REDACTED]

DEFINITIONS

“Sophisticated Investor(s)”	has the meaning ascribed to it under Chapter 2.3 of the Guide for New Listing Applicants
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the period comprising the financial years ended December 31, 2024 and 2025
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. dollar” or “US\$” or “USD”	United States dollar, the lawful currency of the United States
“U.S. Securities Act”	the United States Securities Act of 1933, as amended and supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder

[REDACTED]

“Unlisted Share(s)”	ordinary share(s) issued by our Company, with a nominal value of RMB0.1 each, which is/are not listed on any stock exchange
“VAT”	value-added tax

[REDACTED]

Certain amounts and percentage figures included in the Document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including our subsidiary) have been included in this Document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

GLOSSARY OF TECHNICAL TERMS

This glossary contains explanations of certain technical terms used in this Document in connection with our Group and its business. Such terminology and meanings may not correspond to standard industry meanings or usages of those terms.

“3+3 design”	a dosing method where three patients are initially enrolled into a given dose cohort. If there is no dose-limiting toxicity (“DLT”) seen in any of these participants, the trial proceeds to enroll additional participants into the next higher dose cohort. If one patient manifests a DLT at a specific dose, an additional three individuals are accrued into that same dose cohort. Development of DLTs in two or more out of six patients at a specific dose level indicates that the maximum tolerated dose (“MTD”) has been exceeded; further dose escalation is not pursued, and the prior dose level is expanded to six patients; if there is no more than one patient who experiences a DLT among those six patients, that dose level is considered the MTD
“ADA”	anti-drug antibodies
“AEs”	adverse events, any untoward medical occurrences in a patient or clinical investigation subject administered a drug or other pharmaceutical product during clinical trials and which do not necessarily have a causal relationship with the treatment
“AESI”	adverse event of special interest, AE of scientific and medical concern specific to the sponsor’s product
“antibody”	also known as an immunoglobulin, a protein used by the immune system to recognize and bind an antigen
“AFP”	alpha-fetoprotein, liver tumor biomarker
“BLA”	Biologics License Application, the submission to the U.S. FDA seeking approval to market a biologic product in the United States
“CAGR”	compound annual growth rate
“CD3”	Cluster of differentiation 3
“CDMO”	contract development and manufacturing organization, a pharmaceutical company that develops and manufactures drugs for other pharmaceutical companies on a contractual basis
“CAR-T”	chimeric antigen receptor T-cell

GLOSSARY OF TECHNICAL TERMS

“chemotherapy”	a category of cancer treatment that uses one or more anti-cancer chemotherapeutic agents as part of its standardized regimen
“clinical trial”	a research study carried out in human for validating or finding the therapeutic effects and side effects of test drugs in order to determine the therapeutic value and safety of such drugs
“CMC”	chemistry, manufacturing and controls
“cohort”	a group of patients as part of a clinical study who share a common characteristic or experience within a defined period and who are monitored over time
“combination therapy”	treatment in which a patient is given two or more drugs (or other therapeutic agents) for a single disease
“CRO”	contract research organization, a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis
“CRS”	cytokine release syndrome, an acute systemic inflammatory response characterized by the excessive and uncontrolled release of proinflammatory cytokines following immune activation
“dAb”	domain antibody, an antibody fragment consisting of a single monomeric variable antibody domain
“DCR”	disease control rate, the proportion of patients who have achieved either a complete response, partial response, or stable disease after treatment
“DLT”	dose-limiting toxicity, side effects of a drug that are serious enough to prevent an increase in dose
“DoR”	duration of response, the length of time that a tumor continues to respond to treatment without the cancer growing or spreading
“ECOG score”	Eastern Cooperative Oncology Group score, a scale from 0 to 4 (sometimes 5) used to measure a patient’s physical functioning and ability to perform daily activities, with lower scores indicating a higher level of function
“EGFR”	epidermal growth factor receptor, a cell surface protein that plays a key role in cellular signaling and growth

GLOSSARY OF TECHNICAL TERMS

“Fc”	Fragment crystallizable, the tail portion of an antibody that interacts with immune cells and complement system proteins to trigger immune responses
“FGL-1”	fibrinogen-like protein 1, an immune suppressive molecule that inhibits antigen-specific T-cell activation by acting as a major ligand of LAG-3
“FTO Analysis”	the freedom-to-operate searches and analyses
“FOLR1”	folate receptor alpha, also known as FR α , is a glycosylphosphatidylinositol (GPI)-anchored membrane glycoprotein that mediates the high-affinity binding and cellular uptake of folate and reduced folate derivatives through receptor-mediated endocytosis
“GCP”	good clinical practice, an international ethical and scientific quality standard for the performance of a clinical trial on medicinal products involving humans
“GLP”	good laboratory practice, a quality system of management controls for research laboratories and organizations to ensure the uniformity, consistency, reliability, reproducibility, quality, and integrity of chemical (including pharmaceuticals) non-clinical studies
“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
“Grade,” which is in relation to AE	term used to refer to the severity of adverse events according to Common Terminology Criteria for Adverse Events (CTCAE), using Grade 1, Grade 2, Grade 3, etc
“HCC”	hepatocellular carcinoma
“HNSTD”	highest non-severely toxic dose, the highest dose level that does not produce lethal, life-threatening, or irreversible toxicities
“ICI”	immune checkpoint inhibitor, a type of immunotherapy that block immune checkpoint proteins from binding with partner proteins
“IFN- γ ”	interferon-gamma
“IIT”	investigator-initiated trial
“immunotherapy”	use of the immune system to treat disease

GLOSSARY OF TECHNICAL TERMS

“indication”	a specific condition, disease, or medical purpose for which a drug, treatment, or medical device is intended or approved for use
“LAG-3”	lymphocyte activation gene 3
“mechanism of action”	the specific biochemical interaction through which a drug substance produces its pharmacological effect
“metastatic”	in reference to any disease, including cancer, disease producing organisms or of malignant or cancerous cells transferred to other parts of the body by way of the blood or lymphatic vessels or membranous surfaces
“monotherapy”	therapy that uses a single drug to treat a disease or condition
“msAb”	multispecific antibody, an antibody that is able to recognize two or more epitopes located on the same or distinct targets
“MTD”	maximum tolerated dose, the highest dose of a drug or treatment that does not cause unacceptable side effects
“MMPs”	matrix metalloproteinases
“NAb”	neutralizing antibody
“NCCN”	National Comprehensive Cancer Network
“NCI”	National Cancer Institute
“NDA”	new drug application, a process required by a regulatory authority to approve a new drug for sale and marketing
“NIH”	National Institutes of Health
“NSCLC”	non-small-cell lung carcinoma, any carcinoma (as an adenocarcinoma or squamous cell carcinoma) of the lungs that is not a small-cell lung carcinoma
“OBD”	optimal biological dose, the lowest dose with the highest rate of efficacy while safe
“ORR”	overall response rate, the proportion of patients who have a partial or complete response to therapy
“OS”	overall survival, a length of time that a patient with a specific disease is still alive, used as a measurement of a drug’s effectiveness
“PD”	pharmacodynamics, the study of the effects of the drug on the human body

GLOSSARY OF TECHNICAL TERMS

“PD-1”	programmed death protein 1, an immune checkpoint receptor expressed on T cells, B cells and macrophages, acting to turn off the T cell mediated immune response as part of the process that stops a healthy immune system from attacking other pathogenic cells in the body
“PD-L1”	programmed death-ligand 1, a protein on the surface of a normal cell or a cancer cell that attaches to PD-1 on the surface of the T cell that causes the T cell to turn off its ability to kill the cancer cell
“PFS”	progression-free survival, the length of time during and after the treatment of a disease, such as cancer, that a patient lives without the disease getting worse. In a clinical trial, measuring the progression-free survival is one way to see how well a new treatment works
“Phase I clinical trial(s)”	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 effectiveness. Phase I clinical trials can be divided into Phase Ia and Phase Ib clinical trials. Phase Ia typically involves dose-escalation studies, while Phase Ib generally focuses on combination therapy or dose-expansion studies
“Phase II clinical trial(s)”	study in which a drug is administered to a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases, and to determine dosage tolerance and optimal dosage
“Phase III clinical trial(s)”	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
“PK”	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
“PIs”	principal investigators, the key individual responsible for the overall design, conduct, and management of clinical trials
“preclinical studies”	studies testing a drug on non-human subjects, to gather efficacy, toxicity, pharmacokinetic and safety information and to decide whether the drug is ready for clinical trials

GLOSSARY OF TECHNICAL TERMS

“primary endpoint”	the main or most important outcome at the end of a study to assess the effect of the drug being investigated
“R&D”	research and development
“RAS”	rat sarcoma, a family of proteins that are critical regulators of cellular signaling pathways; it primarily includes HRAS, KRAS, and NRAS
“RP2D”	recommended Phase II dose, the dosage of a drug that is suggested for use in Phase II clinical trials
“SAE”	serious adverse events
“secondary endpoint”	additional events of interests which the study is not specifically powered to assess
“SD”	stable disease, a situation where a patient’s cancer does not significantly worsen or improve after treatment
“SMC”	the safety monitoring committee
“TAAs”	tumor associated antigens
“TCE”	T-cell engager
“TCM”	T-cell modulator, an agent that modulates the activity of T cells to treat diseases
“TCR”	T-cell receptor
“TEAE”	treatment emergent adverse event, adverse events not present prior to medical treatment, or an already present event that worsens either in intensity or frequency following the treatment
“TKI”	tyrosine kinase inhibitor, a type of EGFR-targeted therapy
“TME”	tumor microenvironment, the highly dynamic and heterogeneous milieu surrounding tumor cells, composed of both cellular and non-cellular components that interact to influence tumor initiation, progression, and therapeutic response
“TNBC”	triple-negative breast cancer
“toripalimab”	an anti-PD-1 antibody for the treatment of indications including multiple solid tumors, developed by Junshi

GLOSSARY OF TECHNICAL TERMS

“TRAE”	treatment-related adverse event, undesirable events not present prior to medical treatment or an already present event that worsens in intensity or frequency as a result of the treatment
“uPA”	urokinase-type plasminogen activator, a protease commonly overexpressed in many type of cancers and measurable in patients, providing a practical biomarker for patient identification and monitoring treatment response
“SCLC”	small cell lung cancer
“zero-order immune cytotoxicity”	the capability of the activated T cells to kill tumor cells at a steady rate, regardless of the amount of tumor cells or tumor antigens engaged by the TCEs

FORWARD-LOOKING STATEMENTS

This Document contains forward-looking statements and information relating to us and our subsidiary that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this Document, the words "aim," "anticipate," "believe," "could," "expect," "going forward," "intend," "may," "ought to," "plan," "project," "seek," "should," "will," "would," "vision," "aspire," "target," "schedules," and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in this Document, some of which are beyond our control and may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties.

The risks and uncertainties that could affect the accuracy of our forward-looking statements include, but are not limited to, factors relating to our operations and business prospects; our ability to maintain relationships 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; general economic, political and business conditions in the markets in which we operate; changes in the regulatory environment applicable to our industries and markets; our ability to maintain the market competitiveness; the actions and developments of our competitors; our ability to effectively control costs and optimize pricing; the ability of third parties to perform in accordance with contractual terms and specifications; our ability to retain senior management and key personnel and to recruit qualified staff; our business strategies and our ability to implement such strategies, including our service and geographic expansion plans; our ability to protect our intellectual property rights and maintain confidentiality; the effectiveness of our quality control systems; fluctuations or volatility in interest rates, foreign exchange rates, equity prices, trading volumes, commodity prices and overall market trends, including those relating to the PRC and the industries and markets in which we operate; and developments in the capital markets.

By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Specifically but without limitation, sales could decrease, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realized.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this Document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Document might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this Document are qualified by reference to the cautionary statements in this section as well as the risks and uncertainties discussed in the section headed "Risk Factors".

In this Document, statements of or references to our intentions or those of our Directors were made as of the date of this Document. Any such information may change in light of future developments.

RISK FACTORS

An [REDACTED] in our H Shares involves various risks. You should carefully consider all the information in this Document and in particular the risks and uncertainties described below before making an [REDACTED] in our H Shares. In particular, we are a biopharmaceutical company seeking to [REDACTED] on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules. Our operations and the biopharmaceutical industry involve certain risks and uncertainties, some of which are beyond our control and may cause you to lose all your [REDACTED] in our H 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] of our H Shares could decline, and you may lose all or part of your [REDACTED]. Additional risks and uncertainties not presently known to us, or not expressed or implied below, or that we deem immaterial, could also harm our business, financial condition and results of operations.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed "Forward-looking Statements" in this Document. You should seek professional advice from your relevant advisors regarding your prospective [REDACTED] in the context of your particular circumstances.

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, clinical trials and regulatory approval of our drug candidates, (ii) risks relating to manufacturing and commercialization of our drug candidates; (iii) risk relating to our financial position and need for additional funding; (iv) risks relating to our intellectual property rights; (v) risks relating to our business and industry, (vi) risks relating to doing business in jurisdictions where we operate and (vii) risks relating to the [REDACTED]. Additional risks and uncertainties that are presently not known to us or not expressed or implied below or that we currently deem immaterial could also have a material adverse effect on our business, financial condition, results of operations and prospects. You should consider our business and prospects in light of the challenges we face, including the ones discussed in this section.

RISKS RELATING TO THE DEVELOPMENT, CLINICAL TRIALS AND REGULATORY APPROVAL OF OUR DRUG CANDIDATES

Our business and financial prospects depend substantially on the success of our drug candidates. If we are not able to successfully complete clinical development, obtain regulatory approval and commercialize our drug candidates, including our Core Products, or experience delays in doing so, our business prospects could be adversely affected.

The biopharmaceutical industry is highly competitive and subject to rapid technological change. We will face significant competition with respect to any drug candidate that we develop or seek to commercialize. Many of our drug candidates will face competition from existing therapies or new drugs in development by major international and domestic pharmaceutical companies targeting the same indications or biological targets. For example, our Core Product DNV3 (an anti-LAG-3 TCM) may face competition from other LAG-3-targeting therapies being developed globally, as well as from established immuno-oncology treatments; and our Core Product SMET12 (an EGFR×CD3 TCE) may face competition from other TCE therapies with the same or similar targets as well as from EGFR-targeting therapies more broadly. If our competitors develop therapies that are more effective, safer, or reach the market faster than our drug candidates, or if they achieve better market acceptance, our ability to commercialize our drug candidates successfully could be significantly hindered. This intense competition could materially and adversely affect our financial condition, results of operations and business prospects.

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For the next few years, our financial condition and results of operations will be significantly dependent on obtaining regulatory approvals for, and successfully commercializing, DNV3, SMET12, CMD011, CMDE005 and other drug candidates. If we are unable to successfully obtain the required regulatory approvals, achieve commercialization or complete the clinical development of any of our major drug candidates in a timely manner, or if we experience significant delays or cost overruns in doing so, our business, financial condition, results of operations and prospects would be materially and adversely affected.

Clinical development of biopharmaceutical products is risky, time-consuming and inherently uncertain, and our drug candidates may fail to demonstrate the safety and efficacy required for regulatory approval.

We may experience numerous unforeseen events during clinical trials that could delay or prevent our ability to obtain regulatory approval or commercialize our drug candidates. For example, regulators may not authorize the commencement of a trial or may put a trial on hold; our clinical trials could produce negative or inconclusive results, requiring us to conduct additional trials or abandon projects; enrollment of patients may be slower than expected or patients may drop out at higher rates than anticipated; and we might have to suspend or terminate trials due to safety issues or failure to meet endpoints. We could also face higher than expected costs or supply shortages that disrupt our trials. If any of these events occur, we may be unable to commercialize our drug candidates at all, which would materially harm our business and prevent us from generating sufficient revenues or cash flow to continue operations.

If 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.

Before obtaining regulatory approvals for the commercialization of our drug candidates, we must conduct extensive clinical trials to demonstrate their safety and efficacy in humans. If the results of clinical trials of our drug candidates are not positive or only modestly positive for the proposed indications, or if they raise safety concerns, any or some of the following could occur: regulatory approvals for our drug candidates would be delayed or denied; we may be required to conduct additional clinical trials or other testing of our drug candidates beyond our current development plan; we may be required to add labeling statements, such as a "boxed" warning or a contraindication; we may be required to create a medication guide outlining the risks of the adverse effects for distribution to patients; we may be required to implement a risk evaluation and mitigation strategy program, including medication guides, doctor communication plans and other risk management tools with restricted distribution methods and patient registries; we may not be able to obtain regulatory approvals for all the proposed indications as intended; we may be subject to restrictions on how the drug is distributed or used; we may be sued or held liable for injury caused to individuals exposed to or taking our drug candidates; we may be unable to obtain reimbursement for the use of the drug; or conditional regulatory approval of our drug candidates may require us to conduct confirmatory studies to verify the predicted clinical benefit and additional safety studies. The results from such studies may not support the clinical benefit, which would result in the approval being withdrawn.

If our drug candidates ultimately fail to receive regulatory approvals due to unsatisfactory clinical trial results, our business, financial condition, results of operations and prospects would be materially and adversely affected.

Our drug candidates may cause undesirable adverse events.

Undesirable adverse events caused by our drug candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or in the delay or denial of regulatory approval by the regulatory authorities. There is a risk that ongoing

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or future clinical trials may identify unforeseen adverse effects or more severe side effects. These potential risks could affect the broader clinical applicability of our drug candidates and their use in combination therapies. In such an event, our clinical trials could be suspended or terminated and the regulatory authorities could order us to cease further development of, or deny approval of, our drug candidates for any or all targeted indications.

Drug-related adverse events could affect patient recruitment or the ability of enrolled subjects to complete the trial and could result in potential product liability claims. Additionally, if one or more of our drug candidates ultimately receives regulatory approval and undesirable side effects are subsequently identified, several potentially significant negative consequences could result, including: we may suspend marketing of the drug; regulatory authorities may withdraw approvals of the drug; regulatory authorities may require additional warnings on the label; we may be required to develop risk evaluation and mitigation measures for the drug or, if risk evaluation and mitigation measures are already in place, to incorporate additional requirements under such programs; and we may be required to conduct post-market studies.

Negative results from off-label drug use of our drug candidates could negatively impact our business, financial condition, results of operations and prospects and expose us to liability.

Products distributed or sold in the pharmaceutical market may be subject to off-label drug use beyond our control. Off-label drug use refers to prescribing a product for an indication, dosage or in a dosage form that is not in accordance with regulatory approved usage and labeling. Once approved, our products may be used for purposes beyond their labeled indications, such as treatment of other conditions for which we are conducting or may conduct exploratory studies. For example, as of the Latest Practicable Date, DNV3 was being developed for advanced/metastatic solid tumors and lymphomas, and locally advanced unresectable or metastatic melanoma and SMET12 was being developed for EGFR-positive advanced solid tumors, both of which may in the future be investigated or prescribed for other indications beyond those covered by regulatory approvals.

There is a risk that our drug candidates, upon regulatory approval for certain indications, may be subject to off-label drug use with indications, dosages or dosage forms not approved by relevant authorities. Similar to other innovative therapies in our therapeutic areas, reported clinical practice may involve off-label use, and the occurrence of such off-label use could render our drug candidates less effective or entirely ineffective for those indications, or cause unexpected adverse events, particularly if used at inappropriate dosage levels.

Any such occurrences could create negative publicity and significantly harm our business reputation, product brand name, commercialization efforts and financial condition. These occurrences may also expose us to liability arising from off-label use of our drug candidates upon regulatory approval, which may subsequently cause, or lead to, delays in our ongoing or planned clinical trials and may also ultimately result in failure to obtain or maintain regulatory approval.

Results of earlier clinical trials of our drug candidates may not be predictive of results of later-stage clinical trials.

Drug candidates in later stages of clinical development may fail to show the desired safety and efficacy traits despite having progressed through preclinical studies and initial and early phase trials. Numerous companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials. For example, first-generation EGFR targeting monospecific antibodies, such as cetuximab and panitumumab, had been investigated in the treatment of ESCC and TNBC. Although certain studies demonstrated preliminary anti-tumor activity, these antibodies generally failed to show significant survival benefits for the two indications. Future clinical trial results of our drug candidates may not be favorable for various reasons, and ultimately we may not be able to successfully develop and commercialize them.

In some cases, there can be significant variability in safety and/or efficacy results between different trials of the same drug candidate due to changes in trial procedures set forth in protocols, differences in the size and type of the patient populations (such as genetic differences), patient

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adherence to the dosing regimen and other trial protocols, and the rate of dropout among clinical trial participants. As our drug candidates progress from preclinical to early- to late-stage clinical trials towards approval and commercialization, it is customary that various aspects of the development program, such as manufacturing and formulation, are altered in an effort to optimize processes and results. Such changes carry the risk that they may not achieve these intended objectives.

In the case of any trials we conduct, results may also differ from earlier trials due to the larger number of clinical trial sites, involvement of additional countries and languages, and other logistical complexities. Any of these changes could make the results of planned clinical trials or other future trials less predictable, could cause our drug candidates to perform differently than expected, and could delay completion of clinical trials, delay approval of our drug candidates, and/or jeopardize our ability to commence commercialization.

Development of product candidates in combination with other therapies could expose us to additional risks.

In addition to monotherapies, we are developing certain pipeline products with other commercialized products as combination therapies to achieve potential synergistic effects and improved efficacy profile. For instance, we are investigating the safety and efficacy of our Core Product, DNV3, in combination with toripalimab, an approved anti-PD-1 antibody drug, in China. However, development of any of our product candidates in combination with one or more other therapies could expose us to additional risks. For instance, supply issues for such commercialized products may arise during our clinical development, which may lead to delay or suspension of our clinical trials for the combination therapy. Also, we may be unable to successfully develop or market our pipeline products or may experience significant regulatory delays, if safety, efficacy or other issues arise from any pharmaceutical product or medical treatment used, or intended to be used, in combination with our drug candidates. Additionally, as combination therapies may increase the rate of serious or unexpected AEs, which could result in a clinical hold as well as pre-approval and post-approval restrictions by the regulatory authorities on the proposed combination therapy, including narrowing of the indication, warnings, additional safety data collection and monitoring procedures, even if the cause of such serious or unexpected AEs is not directly attributed to our product candidate. Any of these events or restrictions could have a material adverse effect on our business, delay our regulatory approval, and decrease the market acceptance and profitability of our product candidate if approved for a combination therapy.

If we encounter delays or difficulties enrolling participants in our clinical trials, clinical development of our drug candidates could be delayed or otherwise adversely affected.

The timely completion of clinical trials in accordance with their protocols depends, among other things, on our ability to enroll a sufficient number of patients or participants who remain in the trial until their conclusion. 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 patients or participants to participate in these trials, or if there are delays in the enrollment of eligible patients or participants as a result of the competitive clinical enrollment environment. We may experience difficulties in patient enrollment in our clinical trials due to many factors: design and eligibility criteria for the clinical trial in question; perceived risks and benefits of the drug candidate under study; our resources to facilitate timely enrollment in clinical trials; patient referral practices of physicians; availability of competing therapies also undergoing clinical trials; our investigators' or clinical trial sites' efforts to screen and recruit eligible patients or participants; or proximity and availability of clinical trial sites for prospective patients or participants. Delays in patient enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could prevent completion of these trials and adversely affect our ability to advance the development of our drug candidates.

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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 our product pipeline on research programs and drug candidates that we identify for selected indications and prioritize those that we believe have greater clinical potential and strategic importance. As a result, we may forgo or delay the pursuit of opportunities with other drug candidates or indications that may later prove to have greater commercial potential or a higher likelihood of regulatory approval. Our spending on current and future R&D programs and drug candidates for selected indications may not yield any commercially viable products. Furthermore, if we do not accurately evaluate the clinical value, competitive landscape or market potential for a particular drug candidate, we may relinquish valuable rights to such candidate through out-licensing, co-development or collaboration 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 or indication in a therapeutic area where it would have been more advantageous to pursue a partnering arrangement.

The regulatory approval processes of the NMPA, FDA and other comparable regulatory authorities depend on numerous factors, and if we are ultimately unable to obtain regulatory approval for our drug candidates, our business will be substantially harmed.

The regulatory approval processes of regulatory authorities depend on factors that may be outside our control. Generally, such approvals take years to obtain following the commencement of preclinical studies and clinical trials. Approval policies, regulations or the type and amount of clinical data necessary to gain approval may change in the future during the course of development and may vary among jurisdictions.

We cannot guarantee that we will be able to obtain regulatory approvals for our drug candidates we may discover, in-license or acquire and seek to develop in the future. Our drug candidates could fail to receive regulatory approval for many reasons, including: disagreement with the design or implementation of our clinical trials; failure to demonstrate that a drug candidate is safe, 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; 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 an NDA or other applications to obtain regulatory approval; failure of the manufacturer of our drug candidates to pass GMP inspections during the regulatory review process or across the production cycle; and failure of our clinical trial sites to pass audits carried out by the NMPA, FDA or other regulatory authorities.

We work with various third parties to develop our drug candidates. If these third parties fail to duly perform their contractual obligations or meet expected timelines, we may be unable to obtain regulatory approvals for, or commercialize, our drug candidates, and our business, financial condition and results of operations could be materially and adversely affected.

We work with third parties on our ongoing preclinical and clinical programs. For example, we rely on contract research organizations ("CROs"), clinical trial sites, consultants and other third parties to monitor, support and/or conduct preclinical studies and clinical trials of our drug candidates. We work with these parties to execute our preclinical studies 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 protocols, legal and regulatory requirements and scientific standards, and our collaboration with the CROs does not relieve us of our regulatory responsibilities.

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If any of our relationships with these third-party CROs terminates, we may not be able to enter into arrangements with alternative CROs or to do so on commercially reasonable terms. Except for remedies available under our agreements with such CROs, we cannot control whether or not they devote sufficient time and resources to our ongoing clinical and nonclinical programs. If CROs fail to duly perform their contractual obligations or meet expected deadlines, if they need to be replaced or if the conduct or accuracy of the clinical data by them or our clinical investigators is questioned by regulatory authorities due to failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated and we may not be able to obtain regulatory approvals for, or successfully commercialize, our drug candidates. Switching or adding additional CROs involves additional cost and delays, which can materially and adversely affect our ability to meet our desired clinical development timelines. Any of the foregoing events may cause cost increases, restrict our ability to generate revenue and have a material adverse effect on our business, financial condition, results of operations and prospects.

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

Our relationships with principal investigators (“PIs”), key opinion leaders (“KOLs”), physicians and experts play an important role in our R&D and future commercialization of our drug candidates. We have established interaction channels with PIs, KOLs, physicians and experts to gain first-hand knowledge of clinical needs and clinical practice trends, which is critical to our ability to develop innovative and market-responsive therapies. However, we cannot assure you that we will be able to maintain or strengthen our clinical collaborations and relationships with our PIs, KOLs, physicians and experts, or that our efforts to maintain or strengthen such relationships will yield the successful development and commercialization of our drug candidates.

Industry participants may leave their roles, change their business or practice focus, choose to no longer cooperate with us or instead cooperate with our competitors. Also, their insights and perceptions, which we consider in our R&D process, may be inaccurate and lead us to develop products without significant market potential. Moreover, we cannot assure you that our academic collaborations or scientific promotion activities will continue to serve as an effective development or marketing strategy.

Industry participants may no longer want to collaborate with us, attend our scientific conferences, or participate in our clinical trials, and our marketing or collaboration strategy may no longer be able to yield results that are commensurate to our efforts spent. If we are unable to develop our drug candidates or generate returns from our relationships with industry participants as anticipated, our business, financial condition, results of operations and prospects may be materially and adversely affected.

All material aspects of the research, development and commercialization of our drug candidates are heavily regulated.

All jurisdictions in which we intend to conduct our biopharmaceutical activities strictly regulate the research, development, approval, manufacturing, marketing, sales and distribution of pharmaceutical products. These jurisdictions employ extensive regulatory requirements at each stage of the product life cycle, and differences in regulatory regimes across jurisdictions may lead to a higher compliance burden for us. The process of obtaining regulatory approvals and maintaining compliance with applicable laws and regulations requires significant time and financial resources.

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

We may fail to identify drug candidates for clinical development for a number of reasons. For example, our research methodology may be unsuccessful in identifying potential drug candidates with desirable safety and efficacy profiles, or those we identify may later be shown to have unfavorable pharmacological properties or manufacturing challenges that make them unmarketable or unlikely to receive regulatory approval. We cannot guarantee that we will be successful in identifying new drug candidates with sufficient clinical potential.

Research programs to pursue the development of our drug candidates for additional indications and to identify new drug candidates and drug targets require substantial technical, financial and human resources. Our research programs may initially show promise in identifying potential indications and/or drug candidates, yet fail to yield results suitable for further development due to: the research methodology used may not be successful in identifying potential indications and/or drug candidates; potential drug candidates may, after further study, be shown to have limited efficacy, unexpected toxicities or unfavorable pharmacokinetic characteristics that indicate they are unlikely to be effective drugs; or it may take greater time, effort and financial resources to identify additional therapeutic opportunities for our drug candidates or to develop suitable potential drug candidates through internal research programs than we will possess, thereby limiting our ability to diversify and expand our drug portfolio.

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

The biopharmaceutical industry is rapidly evolving, requiring continuous innovation and significant resources. We cannot assure you that we will successfully adapt to new technologies, bring new or enhanced products to market, or obtain sufficient intellectual property protection in a timely manner. Failure to do so may render our past efforts obsolete, reduce the competitiveness of our drug candidates, and adversely affect our business, financial condition and prospects.

RISKS RELATING TO MANUFACTURING AND COMMERCIALIZATION OF OUR DRUG CANDIDATES

We have no experience in manufacturing biopharmaceutical products on a commercial scale, and currently lack in-house manufacturing facilities; if we encounter difficulties in the production of our drug candidates, our development and commercialization efforts could be adversely affected.

As of the Latest Practicable Date, we do not operate our own manufacturing plant for commercial production, and we rely on third-party contract development and manufacturing organizations ("CDMOs") to produce our drug candidates. We have not yet manufactured any of our drug candidates at large scale for commercial use, and we have limited experience with the complex process of biologics manufacturing. Process development or scale-up challenges may arise as we progress from laboratory-scale to commercial-scale production. Manufacturing methods and formulations may need to be modified or optimized during development, and such changes carry the risk that the altered process will not achieve the intended results.

We could encounter issues meeting the strict quality standards and specifications required by regulators like the NMPA or FDA on a consistent basis, or experience shortages of raw materials, equipment malfunctions, or other disruptions. Any problems in scaling up production or maintaining product quality could delay our clinical trials, increase costs, result in product shortages, or impair our ability to supply the market upon approval. In severe cases, manufacturing setbacks could require us to delay or suspend development of the affected product, which would materially and adversely impact our business.

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We intend to work with third parties for the commercialization of our drug candidates. We may fail to identify competent third parties for such purposes, fail to achieve the expected synergies with the clinical development partners, and have little or no control over the marketing and sales efforts of the commercialization partners.

We may pursue collaborative arrangements regarding sales and marketing of our drug candidates in China and overseas. As of the Latest Practicable Date, we had not entered into any commercialization arrangement for our drug candidates. As we seek to establish these collaborations, we may face challenges in identifying capable third-party partners who can support commercialization. Even if we are able to establish such relationships, we may have limited control over their marketing and sales efforts, which could impact our ability to achieve expected revenue. Additionally, we cannot guarantee that we will be able to establish or maintain collaborations with third parties within the desired timeframe, or at all, which could delay or prevent the commercialization of our drug candidates and the generation of product revenue.

We may not achieve the expected revenue and cost synergies from such collaborations. These synergies are subject to significant competitive and economic uncertainties and may not materialize within the anticipated timeframe. Moreover, synergies from collaboration may be offset by additional costs, increases in other expenses, operating losses, or other problems unrelated to the collaboration. Disputes may also arise between us and our collaboration partners. Such disputes may cause delay or termination of commercialization of our drug candidates after their market launch or may result in costly litigation or arbitration that diverts management attention and resources. As a result, there can be no assurance that the synergies expected from these collaborations will be achieved.

We rely on third-party manufacturers for the supply of our drug candidates, and problems with, or loss of, these external suppliers could disrupt our operations.

For manufacturing of our product candidates, we currently outsource such production to a limited number of highly reputable CDMOs. If our CDMO partners encounter production difficulties, such as capacity constraints, raw material supply interruptions, or quality control issues, it could lead to delays in our clinical development or future product launches. For instance, any failure by our CDMO partners to deliver sufficient quantities of our drug candidates meeting required quality standards on schedule could slow down or derail our clinical trials or commercialization efforts. Reliance on third-party manufacturers means we have limited control over the production process and timelines. If we need to switch manufacturers or engage additional suppliers, we may face difficulties in identifying alternatives with the necessary capabilities, and technology transfer to a new manufacturer could be time-consuming and costly. Any significant disruption in our supply chain or need to find replacement manufacturers could result in delays, higher costs or an inability to meet demand for our products.

The market size of our drug candidates might be smaller than we expected.

Our estimates regarding eligible patient populations, pricing and available coverage and reimbursement determine our estimated market size, which may differ significantly from the actual market addressable by our drug candidates. These estimates, based on patient foundations, market research and other sources, may prove to be inaccurate. Further, new studies may change the estimated incidence or prevalence of the diseases we are targeting. As a result, the number of patients who may benefit from our drug candidates may be lower than expected, and the overall addressable patient population may be more limited.

For example, our Core Product DNV3 has been developed for the treatment of advanced/metastatic solid tumors and lymphomas. However, given the presence of existing or potential treatment options, the market potential of DNV3 may be limited. As a result, the actual

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addressable patients for DNV3 could be smaller than expected. Similarly, the addressable market size for our other drug candidates may be constrained competing therapies, the lower prevalence of the relevant diseases, and patient access to diagnosis and treatment.

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

Our products may fail to gain sufficient market acceptance by physicians, patients, third-party payers and other relevant parties in the medical community. If our drug candidates do not achieve an adequate level of acceptance, we may not generate significant revenue from our portfolio and may not become profitable.

The degree of market acceptance of our drug candidates will depend on many factors, including: the clinical indications for which our drug candidates are approved; physicians’ and patients’ perception of our drug candidates as safe and effective treatments; the potential and perceived advantages of our drug candidates over alternative treatments; the prevalence and severity of side effects; labeling or product insert requirements of the NMPA, FDA or other applicable regulatory authorities; limitations or warnings contained in approved labeling; the timing of market introduction of our drug candidates as compared with competing drugs; the cost of treatment in relation to alternative therapies; inclusion in the National Reimbursement Drug List (“NRDL”) or other government-sponsored medical insurance programs, or reimbursement by third-party payers; patients’ willingness to pay out-of-pocket in the absence of such coverage; the relative convenience and ease of administration compared to alternatives; and the effectiveness of our sales and marketing efforts.

Even if we achieve initial acceptance, we may be unable to maintain it over time if new products or technologies are introduced that are more favorably received, more cost-effective, or render our products obsolete.

Our drug candidates may not be covered by reimbursement programs or may become subject to unfavorable reimbursement practices, either of which could harm our business.

The successful commercialization of our drug candidates will depend in part on the extent to which reimbursement for these drugs and related treatments will be available from government health administration authorities and/or third-party payers, such as private health insurers and health maintenance organizations. The regulations that govern reimbursement for new therapeutic drugs vary substantially from country to country.

In China, the NRDL and Provincial Reimbursement Drug Lists (“PRDLs”) include drugs under the National Medical Insurance Catalogue, which affect the amounts reimbursable to program participants. There can be no assurance that any of our drug candidates will be included in the NRDL or PRDLs after initial approval for commercialization. If we fail to have our drug candidates included, our commercial revenues would rely heavily on patient self-payment, which could make our products less competitive.

A key trend in the global pharmaceutical industry is cost containment. Government authorities and third-party payers have increasingly sought to limit coverage and reimbursement amounts for particular medications. Our net revenue from sales may decrease as a result of price reductions required for inclusion in the NRDL or PRDL, or future policies imposing deeper-than-expected price cuts. Third-party payers may also require us to provide predetermined discounts or challenge the prices charged for our products.

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We cannot assure you that reimbursement will be available for our drug candidates, or that the level of reimbursement will be sufficient to support their successful commercialization. Reimbursement may impact demand for our drug candidates, as the higher costs associated with drugs administered under physician supervision may reduce uptake. If reimbursement is not available, or only at limited levels, we may not be able to commercialize our drug candidates effectively.

There may also be significant delays in obtaining reimbursement coverage. Reimbursement may be limited to the approved indications of the drug candidates by the NMPA, FDA or comparable authorities. Moreover, reimbursement does not imply that all costs will be covered, as patients may be required to bear a portion of expenses such as administration, distribution or supportive care. Net prices for drugs may also be adversely impacted by policies weakening IP protection, parallel imports, or government-mandated price negotiations.

RISK RELATING TO OUR FINANCIAL POSITION AND NEED FOR ADDITIONAL FUNDING

We have incurred significant net losses since our inception and expect to continue to incur losses for the foreseeable future; we may never achieve or maintain profitability.

We have devoted substantial financial resources to R&D of our drug candidates and have not generated any revenue from product sales to date. As a result, we have incurred net losses in each period since our founding. In particular, our net losses were RMB59.9 million and RMB81.0 million in 2024 and 2025, respectively, and we expect to continue to record significant operating losses in the near term. Investment in biopharmaceutical product development is highly speculative, requires large upfront expenditures, and carries a high risk of failure. We anticipate that our expenses will continue to increase as we advance clinical trials, seek regulatory approvals, build commercial capabilities, and expand our pipeline. These expenditures may not result in commercially successful products.

If any of our drug candidates fails in clinical development or does not gain regulatory approval or market acceptance, we may never achieve profitability. Moreover, even if we attain profitability in the future, we may not be able to sustain it. A failure to become and remain profitable could decrease our value, restrict our ability to raise additional capital or continue our R&D programs, and ultimately could lead to our business failure, in which case you may lose substantially all of your [REDACTED] in us.

We will need substantial additional capital to fund our operations, and if we fail to obtain sufficient funds on acceptable terms when needed, our business could suffer.

Developing biopharmaceutical products to approval and commercialization requires significant capital outlays over many years. We expect that we will seek further equity financing and possibly other sources of funding to support our ongoing trials, product launch preparations and other operating requirements. Our future funding needs will depend on many factors, including the progress and results of our clinical programs, the timing of regulatory approvals, the cost of building manufacturing and commercial infrastructure, and the evolution of the competitive and regulatory landscape. There is no assurance that additional financing will be available to us when required, or that it can be obtained on commercially reasonable terms. If we are unable to raise enough capital or must do so on terms that are overly dilutive or burdensome, we may have to delay, scale back or eliminate certain R&D projects or future commercialization plans. Insufficient funding could thus jeopardize our growth and could materially and adversely affect our business, financial condition, results of operations and prospects.

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We had net operating cash outflows during the Track Record Period and expect to continue to incur significant cash outflows in the foreseeable future.

Since our inception, our operations have consumed substantial amounts of cash. We had net cash used in operating activities of RMB53.4 million and RMB50.5 million in 2024 and 2025, respectively. We also face credit risk on the cash and cash equivalents deposited with financial institutions. If any of these institutions becomes insolvent and is taken into receivership by the relevant government agencies, there will be uncertainty as to the timing and extent to which we can recover our deposits.

We expect to continue experiencing net cash outflows from operating activities in the foreseeable future. We may need to obtain substantial additional funding to support the ongoing development of our drug candidates and our commercialization efforts, through [REDACTED] or private equity offerings, debt financing, collaborations or other sources. Adequate additional funding may not be available to us on acceptable terms, or at all. If we are unable to raise capital when needed or on reasonable terms, we may be required to delay, limit, reduce or terminate our R&D programs or commercialization efforts.

We may incur impairment losses for prepayments and other receivables.

Our prepayments and other receivables primarily consist of prepayments to suppliers, deposits and other amounts due from third parties. However, there is no assurance that suppliers and service providers will perform their obligations in a timely manner, and we are exposed to credit risk in relation to such prepayments and receivables.

The assessment of impairment losses involves significant management judgment and estimation of key assumptions, and adverse changes in circumstances may result in decreases in the value of our prepayments and other receivables. We cannot assure you that such assumptions and estimates will not lead to material adjustments to the carrying amounts of our prepayments and other receivables in the future. Any significant impairment losses of prepayments and other receivables could have a material adverse effect on our business, financial condition, results of operations and prospects.

We have not generated any revenue from the sales of drug products, and our ability to generate revenue and achieve profitability depends significantly on the successful development and commercialization of our drug candidates.

We currently have no drug products approved for commercial sale, have not generated any revenue from drug product sales, and do not anticipate generating any such revenue until after obtaining the requisite regulatory approvals. Our ability to generate revenue and achieve profitability depends on many factors, including: completing nonclinical and clinical development of our drug candidates; obtaining regulatory approvals and marketing authorizations; developing a sustainable and scalable manufacturing process, including establishing commercially viable supply relationships with third parties and/or building our own manufacturing capabilities; successfully launching and commercializing our drug candidates; addressing competing technological and market developments; identifying, acquiring and/or developing new drug candidates, intellectual property and technologies; negotiating favorable terms in collaborations, licensing, or other arrangements; maintaining, protecting, and enforcing our portfolio of intellectual property rights; and attracting, hiring and retaining qualified personnel.

Even if one or more of our drug candidates is approved for commercial sale, we anticipate incurring significant costs associated with commercialization. Our expenses could exceed expectations if regulators require us to change our manufacturing processes, perform additional studies, or comply with new standards.

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Our revenue will also depend on the size of the market for the approved indication, the price of the product, the scope of coverage by reimbursement programs, and the willingness of patients to pay out-of-pocket. If the approved indication is narrower than expected, or if competition, clinical guidelines or physician choice reduces the addressable patient pool, we may not be able to generate significant revenue from sales of our drug candidates.

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 financed our operations, including R&D activities, through bank loans and equity financing. As of December 31, 2024 and 2025, our interest-bearing borrowings were RMB31.0 million and RMB20.0 million, respectively. We expect to continue incurring significant cash requirements to support the development of our drug candidates, and upon commercialization, to fund working capital and operating expenses.

We may need to obtain substantial additional capital to meet our ongoing operating and capital requirements, especially to fund our R&D activities, regulatory submissions, commercialization of drug candidates, and manufacturing capabilities. Our future funding requirements will depend on many factors, including: the progress, timing, scope and costs of our clinical trials, including the ability to enroll patients; the outcome, timing and cost of regulatory approvals; the progress and scope of discovery and early-stage development of new drug candidates; the preparation for anticipated commercialization of drug candidates and related product launches; the manufacturing requirements and scale-up for clinical and commercial supply; the amount and timing of milestone and royalty payments payable to or from collaborators; the cost of filing, prosecuting, defending and enforcing intellectual property rights; the cash requirements of any in-licensed drug candidates or acquisitions; and the expansion of our workforce and related expenses.

We may seek additional funding through equity offerings, debt financings, licensing and collaboration arrangements, or other sources. Such funding may not be available on terms favorable to us, or at all. Any equity financing could dilute the interests of our shareholders, while debt financing could increase our repayment obligations and subject us to restrictive covenants, including limitations on incurring additional debt, licensing intellectual property, or entering into other transactions.

Our ability to raise funds will also depend on prevailing market conditions and factors beyond our control. If adequate funds are not available, we may be required to delay, limit, reduce or terminate preclinical studies, clinical trials, R&D activities or commercialization efforts for our drug candidates.

If we enter into collaboration or licensing arrangements to raise capital, we may be required to accept unfavorable terms, including relinquishing or licensing to third parties our rights to technologies or drug candidates that we would otherwise seek to develop or commercialize independently or reserve for future collaborations.

We are exposed to risks in connection with the fair value change of financial assets at FVTPL.

During the Track Record Period, we invested in financial products such as wealth management products and structured deposits issued by banks. Pursuant to the relevant regulations promulgated by China Banking and Insurance Regulatory Commission (the predecessor of National Financial Regulatory Administration), financial institutions selling wealth management products cannot guarantee the returns of principal or interest of such products. As a result, our investments in these products are not guaranteed and are measured at fair value through profit or loss. Accordingly, any changes in their fair value are recorded as fair value gains or losses, which may directly affect our financial results.

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We may continue to invest in financial products in the future when we have surplus cash on hand and consider such investments stable and attractive. However, we cannot assure you that we will not experience losses arising from these investments, or that such losses will not have a material adverse effect on our financial condition and results of operations. In addition, the fair value of such investments is determined by applying certain valuation methodologies, which involve various assumptions and uncertainties. Any change in these assumptions may lead to different valuation results and, in turn, changes in the fair value of these financial assets at FVTPL, which could adversely affect our financial results.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

We could be unsuccessful in obtaining or maintaining adequate patent protection for one or more of our drug candidates and our technology platforms, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties may compete directly against us.

As of the Latest Practicable Date, we held 21 patents and five patent applications in connection with our product candidates, including four patents related to DNV3, and eleven patents and one patent application related to SMET12, in China, the U.S. and EU. We cannot be certain that patents will be issued or granted with respect to our pending applications, or that issued or granted patents will not later be found to be invalid or unenforceable, or interpreted in a manner that does not adequately protect our drug candidates, or otherwise provide us with any competitive advantage. The patent position of biotechnology and pharmaceutical companies is generally uncertain because it involves complex legal and factual considerations. Patent applications we have applied for may not be granted in the end. As such, we do not know the degree of future protection that we will have on our drugs and technology, if any, and a failure to obtain adequate intellectual property protection with respect to our drug candidates could have a material adverse impact on our business.

The scope of patent protection in various jurisdictions is uncertain. Changes in either the patent laws or their interpretation may diminish our ability to protect our inventions, obtain, maintain, defend, and enforce our intellectual property rights and, more generally, could affect the value of our intellectual property or narrow the scope of our patent rights. We cannot predict whether the patent applications we are currently pursuing and may pursue in the future will issue as patents in any particular jurisdiction or whether the claims of any future granted patents will provide sufficient protection from competitors.

The coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance. Our patent applications may not issue in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us, or otherwise provide us with any competitive advantage. In addition, the patent position of biopharmaceutical companies has been a common subject of litigation in recent years. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain.

Our drug discovery and development efforts involve significant risks of intellectual property disputes, and third parties may allege that we are infringing on their patents or other proprietary rights.

As the biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that our current or future drug candidates may be claimed to infringe upon the intellectual property rights of others. If any third party asserts that our products, processes or technologies violate their patents, trade secrets or other IP rights, we would likely have to dedicate significant time and resources to defend against such claims. Patent litigation and other intellectual property proceedings can be protracted, expensive, and unpredictable. They could force us to divert management attention and incur substantial legal costs. If we were found to infringe a valid patent

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of another party, we could be required to pay significant damages or license fees, and potentially be enjoined from further developing, manufacturing or selling the affected product. We might also need to seek a license to the third-party’s intellectual property, which may not be available on reasonable terms, or at all.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document 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.

We rely on patent rights and other forms of intellectual property protection for our drug candidates. To obtain and maintain such patent rights, we are required to pay maintenance fees, renewal fees, annuity fees and various other governmental fees in multiple jurisdictions, including the China National Intellectual Property Administration (“CNIPA”), the United States Patent and Trademark Office (“USPTO”) and other comparable agencies. These agencies impose numerous procedural, documentary, and compliance obligations throughout the lifetime of a patent or patent application.

In some cases, non-compliance may result in the abandonment or lapse of our patents or patent applications, or the loss of priority, which could lead to partial or complete loss of patent protection in the relevant jurisdiction. Such events may occur, for example, if we fail to respond to official actions within prescribed deadlines, fail to properly submit required documents, or fail to make timely fee payments. If any of our patents or patent applications covering our drug candidates were to lapse, be abandoned or otherwise be invalidated, our ability to protect our innovations would be materially compromised. This could enable competitors or third parties to gain access to our proprietary technologies, enter the market with similar products.

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

We rely on patent protection for our drug candidates, including our Core Products. However, patent rights differ across jurisdictions and may be weak, unavailable or subject to challenge, invalidation or circumvention. In markets where we lack adequate protection, competitors may develop or commercialize competing products, or export infringing products into our target markets. Defending our rights globally could be costly and uncertain, and failure to do so may adversely affect our business, financial condition, results of operations and prospects.

We may from time to time be involved in lawsuits to protect or enforce our intellectual property rights, which could be costly, time-consuming and uncertain, and could delay the development or commercialization of our drug candidates.

Litigation relating to patents and other intellectual property rights is common in the biopharmaceutical industry and inherently uncertain. Any such proceedings may result in substantial legal costs, reputational harm, and diversion of management and employee resources. Moreover, discovery procedures may require disclosure of our confidential information, which could adversely affect us. Competitors may infringe our patents, or challenge their validity or enforceability. To counter infringement or unauthorized use, we may be required to initiate legal proceedings, which are costly and time-consuming. An adverse outcome could result in our patents being invalidated, narrowed, or not issued, thereby affecting the protection of our drug candidates. Conversely, third parties may allege that our drug candidates infringe their patents or other intellectual property rights. We may be required to obtain licenses, redesign our candidates, or cease related activities until the dispute is resolved, any of which could materially delay or prevent the commercialization of our drug candidates. In addition, publicity around intellectual property disputes could negatively impact the perceived value of our drug candidates and our business.

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reputation, and could reduce the [REDACTED] of our shares. Overall, defending and resolving such disputes could impose substantial unanticipated costs and materially adversely affect our business, financial condition, results of operations and prospects.

We may face intellectual property disputes with our business partners or other third parties.

We may be subject to claims from former employees, collaborators, contractors, or other third parties asserting inventorship, ownership, or other rights in relation to our patents or other intellectual property. In enforcing our rights, we may face counterclaims challenging the validity, ownership, or enforceability of our intellectual property covering the development, manufacturing, or commercialization of our drug candidates. If unsuccessful in these proceedings, we could lose rights over key patents, or have such rights narrowed, invalidated, or rendered unenforceable. Such outcomes could materially affect our ability to develop and commercialize our drug candidates.

If our trademarks and trade names are not adequately protected, we may not be able to build brand recognition in our key markets, which may adversely affect our business.

We own certain registered trademarks, but may not always be able to secure or enforce protection across all jurisdictions relevant to our business. Our trademarks and trade names may be subject to opposition, cancellation, or claims of infringement, and could be challenged or declared generic. Failure to adequately protect our trademarks and trade names could impair our ability to build market recognition and brand value for our drug candidates, particularly in competitive therapeutic areas. Over the long term, if we are unable to establish and maintain such recognition, our competitiveness and business prospects may be materially and adversely affected.

Intellectual property rights may not adequately protect our drug candidates or ensure our competitive advantage.

The degree of protection that patents and other intellectual property rights afford is inherently uncertain and may not adequately prevent competitors from developing similar or alternative technologies, or from challenging the validity of our rights. For example, our pending patent applications relating to our drug candidates may not result in issued patents, or may be narrowed, invalidated, or held unenforceable following legal challenges; issued patents may not provide sufficient commercial protection if competitors are able to develop competing products that do not infringe our patents or are launched in jurisdictions where we lack protection; the commercial value of our patents may be limited by the time gap between patent issuance and the potential approval of our drug candidates, particularly given the finite patent term; competitors may conduct research and development in markets where we do not have adequate patent coverage, and use the resulting knowledge to develop competing products for launch in our key markets; and we may fail to obtain, maintain or expand adequate patent protection in all jurisdictions relevant to the development and commercialization of our drug candidates. Additionally, patents owned by others could adversely affect our ability to develop or commercialize our drug candidates, or allow competitors to develop biosimilar products once our patents expire.

Patent protection is limited, and third parties may circumvent our patents or develop competing products once our patents expire, which could materially and adversely affect our ability to commercialize our drug candidates.

The protection afforded by patents is inherently limited. In China, patents are generally valid for 20 years for invention patents and shorter periods for design and utility model patents, subject to the timely payment of maintenance fees. Competitors may seek to challenge the validity, scope or enforceability of our patents, or develop generic or biosimilar products that compete directly once our patents expire.

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Because the development and regulatory approval process for our drug candidates is lengthy, the patent term protecting certain drug candidates may expire before or shortly after commercialization. Patent term extensions, if available, are subject to regulatory discretion and may not provide sufficient protection to prevent competitors from entering the market. As a result, our ability to exclusively market our drug candidates could be materially and adversely affected, which may significantly limit any potential sales and profitability of our products.

If we are unable to protect the confidentiality of our trade secrets or secure ownership of intellectual property developed by our employees, consultants and contractors, our business and competitive position could be materially harmed.

In addition to our patents, we rely on trade secrets and other proprietary information, including know-how and technological expertise, to protect our drug candidates and maintain our competitive position. We seek to protect such information through confidentiality agreements with our employees, consultants, CROs and other third parties. However, these measures may not always be effective. Any breach of confidentiality obligations could result in the unauthorized disclosure or use of our trade secrets, and we may not have adequate remedies to prevent such disclosure. If our trade secrets are independently developed or lawfully obtained by a competitor, we may have no effective means to stop them from competing with us.

Moreover, many of our employees and consultants have previously worked for other pharmaceutical or biotechnology companies, including our competitors. We may face claims that our personnel have misappropriated such trade secrets or intellectual property. Defending against these claims could be costly, time-consuming, and distracting, and even if we ultimately prevail, we may suffer reputational harm or lose key personnel.

Further, we generally require our employees, consultants and contractors to assign to us any intellectual property developed in the course of their engagement. These agreements may not always be self-executing or enforceable. If we fail to secure ownership of intellectual property that we regard as our own, or if such agreements are breached, we may lose valuable rights in our drug candidates.

Changes in patent law could reduce the value of our intellectual property rights and impair our ability to protect our drug candidates.

Patent laws and judicial interpretations in China, the U.S., Europe and other jurisdictions are evolving and may narrow the scope, validity or enforceability of our existing and future patents. Such changes could reduce the commercial value of our patents, increase uncertainty in protecting our drug candidates, and adversely affect our business and prospects.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We may encounter difficulties in managing our growth and expanding our operations successfully.

As we continue to advance our pipeline candidates, including our core products, through various stages of clinical development and prepare for potential commercialization, we expect to significantly expand our operations and organizational structure. This will require us to enhance our R&D, clinical, regulatory, manufacturing, supply chain, and sales and marketing capabilities, or to engage qualified third parties to provide such capabilities on our behalf. We may also need to establish or expand relationships with additional strategic partners, suppliers, and other third parties to support the continued growth of our business.

Such expansion will place substantial demands on our management, operational and financial resources, and require the development of effective systems and controls. Our future success will depend, in part, on our ability to manage these growth initiatives effectively, attract and retain

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qualified personnel, and ensure our operations comply with applicable regulatory requirements. We cannot assure you that we will be able to effectively manage our growth, or that we will successfully develop and commercialize our drug candidates or build the necessary manufacturing, sales and marketing infrastructure to support commercialization.

We may be subject to product liability lawsuits that could cause us to incur substantial liabilities.

We face an inherent risk of product liability as a result of the clinical testing and potential future commercialization of our drug candidates. We may be subject to claims if any of our drug candidates cause or are perceived to cause injury, adverse effects, or are otherwise found to be unsuitable during clinical trials, manufacturing, or commercialization. Any such product liability claims may include allegations of defects in manufacturing or design, improper or insufficient labeling, or inadequate disclosure of side effects or risks inherent in our products.

If we are unable to successfully defend against such product liability claims, we may be required to pay substantial damages or to limit, delay, or suspend our clinical trials or potential commercialization activities. The litigation process could require significant financial and management resources. In addition, any product liability claims, could result in: decreased demand for our drug candidates or any resulting products; suspension or delay of our ongoing or planned clinical trials; decreased willingness of patients or investigators to participate in future trials; adverse publicity or reputational harm; substantial monetary awards or settlement costs; diversion of management and scientific resources; and a material adverse effect on our business, financial condition, results of operations and prospects.

If we are unable to defend ourselves against such claims, we may also be subject to potential civil or regulatory liabilities under PRC law, including the revocation of relevant permits or licenses, product recall, or suspension of related clinical activities. Besides, the time, costs, and resources required to do so could materially and adversely affect our business operations and delay the development of our pipeline candidates.

We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business.

From time to time, we may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of our business. These may include matters relating to, among others, product liability, intellectual property rights, collaboration or service agreements, clinical research and development activities, employment or labor disputes, or other contractual matters. Any such claims, disputes or legal proceedings initiated by us or brought against us, whether with or without merit, may require significant management time and financial resources to resolve, and may materially and adversely affect our reputation, business operations and financial condition. Certain claims, disputes or proceedings may arise from our relationships with third parties such as our suppliers, CROs, clinical trial sites, licensors, and other service providers. Even if we are entitled to seek indemnification from these counterparties, we cannot assure you that they will be able to indemnify us in full, or in a timely manner, for any costs or losses that we may incur as a result of such claims, disputes, or proceedings.

Our Controlling Shareholders have had and will continue to have substantial influence over the outcome of shareholder actions in our Company. The interests of our Controlling Shareholders may not be aligned with the interests of our other shareholders.

Upon completion of the [REDACTED], our Controlling Shareholders will hold approximately [REDACTED]% of our total issued and outstanding Shares. As a result, our Controlling Shareholders will have substantial influence over our business, including decisions relating to mergers, consolidations, liquidation, the sale of all or substantially all of our assets, election of directors and other significant corporate matters.

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They may take actions that are not aligned with the interests of our other shareholders. This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive other shareholders of the opportunity to receive a premium for their shares as part of a sale of our Company, and may reduce the [REDACTED] of our Shares. Such concentrated control could also limit the ability of our minority shareholders to influence corporate decisions and may discourage any potential merger, takeover or other change of control transaction that our other shareholders might otherwise consider beneficial.

Our future success depends on our ability to retain key executives and to attract, hire, retain and motivate other qualified and highly skilled personnel.

Our success depends significantly on our continued ability to attract, retain and motivate qualified management and scientific personnel. Competition for experienced personnel in the biopharmaceutical industry is intense, and the pool of qualified candidates is limited. In recent years, the average staff cost in the biopharmaceutical sector, particularly for highly skilled R&D professionals, has continued to increase. We cannot assure you that we will be able to retain our key management or scientific staff, or that we will be able to attract qualified replacements in a timely manner should any of them depart. The loss of one or more members of our senior management or key scientific personnel could materially and adversely affect our research progress, product development, and overall business operations. As we continue to advance our clinical programs and prepare for potential commercialization, we expect to further expand our team and hire additional employees to support our development and operational needs. If we fail to effectively recruit, train, and retain these personnel, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We may be subject to natural disasters, health epidemics, acts of war, terrorism, business disruptions and other force majeure events, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

Natural disasters, epidemics, acts of war, terrorism or other force majeure events beyond our control may adversely affect the economy, infrastructure and general business environment in the regions where we operate. Our operations, and those of our third-party research collaborators, suppliers, CROs, CDMOs and other service providers, may be affected by events such as floods, earthquakes, sandstorms, snowstorms, fires, droughts, outbreaks of communicable diseases such as COVID-19, SARS, avian influenza or other epidemic or pandemic diseases, power shortages, network failures or potential geopolitical conflicts. The occurrence or resurgence of any public health event, including COVID-19 or other infectious diseases, could materially disrupt our clinical trials, delay our R&D activities, and adversely affect the operations of our business partners and service providers. There can be no assurance that similar epidemics or other large-scale public health emergencies will not occur again in the future or that such events will not have a material adverse effect on our operations and clinical development progress.

Serious natural disasters or other force majeure events may result in damage to property, loss of data or biological samples, or temporary closure of our offices or laboratories, leading to significant interruption of our business operations. Since we rely on third parties for certain research, development and clinical operations, any disruption or delay in their services caused by such events may affect our ability to progress our pipeline candidates according to schedule. Our insurance coverage may not fully compensate for all losses under such circumstances.

Any of the foregoing events, or other events beyond our control, may materially and adversely affect the overall business sentiment, lead to instability in the markets in which we operate, delay our R&D activities, or otherwise have a material adverse effect on our business, financial condition, results of operations and prospects.

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Counterfeits of pharmaceutical products similar to our drug candidates and the illegal and/or parallel import of competing drugs in the global market could negatively affect our future sales and reputation.

Certain pharmaceutical products sold in the market may be manufactured without licenses or approvals. Some may be mislabeled or contain incorrect information about their ingredients or origin. These are known as counterfeit pharmaceutical products. Globally, enforcement against counterfeit drugs remains limited. Counterfeit drugs that resemble our future approved drug candidates may appear after commercialization. They are often of inferior quality and sold at lower prices. Such counterfeit drugs could reduce our sales and harm our reputation. Some counterfeit drugs may not contain the same active ingredients as our genuine drug candidates. They may be less effective, ineffective or even unsafe. Such incidents could lead to negative publicity, regulatory investigations or litigation. Counterfeit drugs in the global market may also undermine public confidence in innovative pharmaceutical products. If counterfeit or unqualified drugs enter the market and are mistaken for our approved drug candidates, our reputation could be damaged.

If we or our business partners fail to protect the data and privacy of subjects in our clinical trials, or the medical institutions that we cooperate with fail to do so, our reputation may be damaged and we may be subject to penalties or other regulatory actions.

We and our business partners collect and store clinical trial data, including non-personally identifiable information of clinical trial participants. This requires us, our CROs and medical institutions to maintain strict internal control systems to safeguard such information. The global regulatory environment governing data collection, use and transfer is complex and evolving. Data protection laws and regulations differ among jurisdictions and are subject to frequent amendments.

In the course of our business operations, data loss or unauthorized disclosure may still occur. Such incidents may result from human error, employee misconduct or system failure. We also rely on third parties, including principal investigators, hospitals and CROs, to handle and store patient data. Any leakage, misuse or unauthorized access to such data by our third parties may be perceived by patients as our fault. Unauthorized disclosure of participant information could cause public concern and harm our reputation. Complying with privacy and data protection laws may also impose substantial operational burdens. If the applicable rules change or are interpreted differently, we may be required to adjust our practices within a short time.

We are subject to stringent PRC laws and regulations relating to data privacy and cybersecurity, and we may be subject to cybersecurity review or other regulatory actions.

On December 28, 2021, the Cyberspace Administration of China (“CAC”), together with 12 other governmental authorities, promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the “MCR”), which became effective on February 15, 2022. For more details the MCR, see “Regulatory Overview” in this document.

As of the Latest Practicable Date, (i) we had not been informed or identified by the relevant governmental authorities as a critical information infrastructure operator; (ii) we had been primarily engaged in the discovery and development of TCE drug candidates for the treatment of solid tumors and had not conducted any business involving the collection, storage or processing of personal information of more than one million users through network technologies or internet-based platforms; and (iii) we had not been subject to any cybersecurity review, inquiry, notice, warning, or sanctions by the CAC or other competent authorities.

On September 24, 2024, the State Council issued the Regulation on the Administration of Cyber Data Security (《網絡數據安全管理條例》) (the “Cyber Data Security Regulation”), which will take effect on January 1, 2025. This regulation imposes new compliance requirements on network data processing, including the security and protection of network data, management of cross-border data transfer, and obligations of network service providers. A network data processor

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whose activities “affect or may affect national security” will be subject to cybersecurity review under Article 13 of the Cyber Data Security Regulation. The regulation does not clearly define the scope of “affect or may affect national security,” and its interpretation remains uncertain. If we were deemed to have engaged in network data processing activities that fall within such scope, we could be required to undergo cybersecurity review and may be subject to penalties, suspension of operations, or revocation of permits, which may materially and adversely affect our business operations.

We may be restricted from transmitting our scientific data or human genetic resources outside of China.

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 set out the regulatory framework for the management and use of scientific data in China. Under these measures, enterprises in China are required to obtain government approval before transferring scientific data involving any state secret abroad or to foreign entities. Research funded at least in part by the Chinese government must also be filed with the relevant authority before the data can be published in any overseas academic journal. It remains uncertain whether our research and development of drug candidates would fall within the scope of the Scientific Data Measures. If the Scientific Data Measures or any subsequent regulations apply to us, we may need to obtain approvals before transmitting scientific data abroad, including preclinical or clinical trial data generated in China. We cannot assure you that we will be able to obtain such approvals in a timely manner, or at all. Any delay or failure to secure the necessary approvals could hinder our research and development process and materially and adversely affect our business, financial condition, results of operations and prospects.

In addition, the Administrative Regulations on Human Genetic Resources (《人類遺傳資源管理條例》) promulgated in May 2019 and the Biosecurity Law of the PRC (《中華人民共和國生物安全法》) promulgated in October 2020 impose additional approval requirements for the collection, storage, utilization and export of human genetic resources in China. If any of our research or clinical trials involve human genetic resources, we must obtain prior approval from the Ministry of Science and Technology of the PRC before transferring related data or materials outside of China. If our future research activities fall within the scope of these regulations, we may be required to apply for additional approvals. There is no assurance that such approvals can be obtained in a timely manner, or at all, which may materially and adversely affect our clinical development and collaboration with overseas partners.

Our future investments or acquisitions may have a material adverse effect on our business, financial condition, results of operations and prospects.

We may in the future evaluate and pursue investments, in-licensing arrangements, joint ventures and acquisitions to augment our R&D, manufacturing or commercialization capabilities in China and overseas. We may engage in discussions or negotiations for one or more such transactions from time to time. These transactions involve significant challenges and risks, including: difficulties integrating into our operations the personnel, systems, quality and compliance programs, products and services of an acquired or invested company; challenges aligning technology platforms, internal controls and financial reporting of companies we acquire or invest in; disruption to our ongoing clinical development and pre-commercial activities, diversion of management attention and increases in operating expenses; loss of skilled professionals and of established relationships with collaborators, hospitals, CROs or other partners of the businesses we acquire or invest in; for minority or non-controlling investments, limited ability to influence the controlling partner or shareholder, which may prevent achievement of our strategic goals for the investment; new regulatory requirements and compliance risks that arise from operating in new jurisdictions or industries; actual or alleged historical misconduct or non-compliance by a target (or its affiliates) prior to our transaction that could trigger negative publicity, investigations or liability for the target or for us; unforeseen or hidden liabilities or costs that adversely affect us after

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completion; regulatory reviews and approvals, including anti-monopoly/competition filings and other transactional clearances, that could delay, condition or prohibit a proposed transaction; the risk that any pending or future proposed transaction does not close; the costs of identifying and consummating transactions; use of substantial cash, incurrence of debt or potentially dilutive issuances of equity securities to finance transactions; significant goodwill impairment charges and amortization of acquired intangible assets; and failure to realize expected synergies, cost savings or growth opportunities within the anticipated timeframe, or at all.

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

We may evaluate potential acquisitions and strategic partnerships, including in-licensing or acquiring complementary technologies, intellectual property rights or manufacturing capabilities. Any completed, in-process or potential acquisition or strategic partnership may entail risks, including: increased operating expenses and cash requirements; the assumption of additional indebtedness or contingent or unforeseen liabilities; assimilation of operations, technology, internal controls and intellectual property of an acquired or partnered company, including difficulties associated with integrating new personnel and systems; diversion of management's attention from our existing R&D and clinical programs to pursuing or integrating such strategic transactions; retention of key employees, loss of key personnel or uncertainties in maintaining key collaborations and business relationships; risks and uncertainties associated with the counterparties to such transactions, including their R&D progress, product pipeline and regulatory approvals; and/or our inability to generate revenue or achieve anticipated synergies from acquired technology and/or partnered products sufficient to meet our objectives or offset the associated acquisition or collaboration costs.

As a result, we may not be able to realize the intended benefits of, or may choose not to proceed with, any potential collaboration, strategic partnership or in-licensing opportunity if we are unable to successfully integrate such new assets or operations into our existing business. Any such failure or delay could slow our clinical progress, increase our costs or otherwise adversely affect our operations and prospects. We also cannot be certain that any future collaboration, partnership or acquisition will ultimately justify the investment or deliver the expected outcomes. If we are unable to reach agreements with suitable partners on acceptable terms or at all, we may need to independently continue certain R&D or commercialization activities, which may require additional time, expertise and capital. In addition, if we undertake acquisitions, we may assume or incur debt obligations, incur one-time transaction expenses or recognize intangible assets that could result in significant future amortization charges.

If our CROs, CDMOs or other contractors and business partners fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could have a material adverse effect on our business and operations.

We are subject to numerous environmental, health and safety laws and regulations in the jurisdictions in which we operate, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our R&D activities may involve the use of small quantities of hazardous or flammable materials and may generate limited hazardous waste. In addition, we rely on third parties, including CROs, CDMOs and other business partners, to conduct certain research, manufacturing and testing activities on our behalf. These parties may also be subject to environmental, health and safety laws and regulations in their respective jurisdictions. We cannot eliminate the risk of contamination, injury or environmental incidents arising from the use, handling or disposal of hazardous materials by our CROs, CDMOs or other partners. In the event of an accident, we could be held jointly liable for any

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resulting damages, and such liabilities could exceed our available resources. We may also incur significant costs or penalties to remedy or mitigate such events or to comply with any orders or corrective actions imposed by relevant authorities.

In addition, we may incur substantial costs to ensure compliance with current or future EHS laws and regulations. These laws and regulations may become more stringent over time and may require us or our third-party partners to upgrade facilities, adopt new safety measures or modify operating procedures.

We may be subject, directly or indirectly, to applicable anti-kickback, false claims laws, fraud and abuse laws, physician payment transparency laws, healthcare and data security laws and regulations in China and other jurisdictions.

We conduct our R&D primarily in China, and may in the future seek regulatory approvals and commercialize our drug candidates in China, the U.S. and other jurisdictions. Our current and future operations may be subject to healthcare, anti-kickback, fraud and abuse, anti-bribery laws and physician payment transparency laws and regulations, including the Anti-Kickback Statute, the False Claims Act, and the Federal Physician Payment Act, as well as similar laws and regulations in China and other countries. These laws generally prohibit the offer or payment of any remuneration to induce the referral of patients or the purchase, lease, or order of any healthcare items or services reimbursable by government programs, and require transparency in payments or transfers of value made to healthcare professionals and institutions. Also, our potential expansion or business cooperation outside China may subject us to laws such as the Foreign Corrupt Practices Act of the U.S., which prohibits making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. There are uncertainties as to how these laws and regulations may apply to our current or future operations, particularly as we continue to collaborate with hospitals, physicians, CROs, CDMOs and other business partners in different jurisdictions. Efforts to ensure compliance with such laws may involve significant time, cost and resources.

Our business significantly depends on our reputation, and any negative publicity on us or our failure to maintain and enhance our recognition and reputation may materially and adversely affect our business, financial condition, results of operations and prospects.

We believe that the awareness and reputation of our brand and our research capabilities are essential to our success. Our reputation is closely linked to the perceived quality and integrity of our scientific research, the progress and outcomes of our clinical trials, and the professional conduct of our management and employees. Negative publicity concerning any of these aspects could harm our reputation and adversely affect our ability to attract collaboration opportunities, key personnel, investors and business partners.

As we continue to advance our drug candidates and expand our operations, we may increasingly rely on third parties, such as CROs, academic collaborators, consultants and other external partners. Because we have limited control over these third parties, any actual or perceived misconduct, data inaccuracy, regulatory non-compliance or unethical behavior by them could negatively affect our reputation.

Our reputation may also be affected by adverse developments in the biotechnology and pharmaceutical industries in general, including negative media coverage or regulatory inquiries concerning other market participants. If negative publicity or market speculation arises in connection with our drug candidates, clinical trial results or regulatory interactions, our reputation and credibility may be materially damaged. Any such event could reduce confidence among patients, healthcare professionals, investors and regulators, delay our development plans.

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Our information technology systems, or those of our CROs, CDMOs or other contractors and business partners, may fail or suffer security breaches.

Our information technology systems and those of our CROs, CDMOs and other external service providers are vulnerable to security threats and system failures. These threats may include computer viruses, unauthorized access, cyberattacks, hacking, data corruption, power failures, telecommunication interruptions or other unexpected events. Any such incident could lead to a loss of or damage to our critical data or systems and could cause material disruption to our research and development activities.

Our operations rely heavily on the storage and transmission of a large volume of confidential scientific data, clinical trial data and other proprietary information. If our systems or those of our contractors were to be compromised, our clinical data might be lost, corrupted or disclosed without authorization. If any clinical data relating to our drug candidates were lost or destroyed, this could result in delays in regulatory filings or approvals, require us to repeat pre-clinical or clinical studies, and significantly increase our costs.

In addition, any extended downtime, loss of access to key systems or failure to properly back up data could adversely affect our ability to recover or reproduce important research information. To the extent that any disruption or security breach results in data loss, unauthorized disclosure of proprietary or personal information, or other operational interruptions, we could be subject to liability and the development progress of our drug candidates could be delayed.

We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources.

We maintain insurance coverage in accordance with applicable PRC laws and regulations and industry practices. Our insurance primarily covers auto insurance, and liability insurance for clinical trials. However, we do not currently maintain insurance coverage for certain specific risks such as environmental liability or potential product-related losses. Given the nature of our business, our operations may be exposed to various risks not fully covered by existing insurance policies. If any event occurs that gives rise to a claim not fully covered by our insurance, we may have to bear the associated losses, which could result in significant financial costs and diversion of management attention. Our insurance may be insufficient to cover all potential liabilities that may arise in connection with our operations.

Difficult conditions and turbulence in the global economic, political and financial environment may adversely affect our business, financial condition, results of operations and prospects.

Uncertain global economic, political and financial conditions, including fluctuations in interest rates, exchange rates, inflation, liquidity of capital markets and investor sentiment, may materially affect our operations and financing capabilities. Global market volatility, driven by recent geopolitical tensions, changes in monetary policies of major economies, and heightened inflationary pressure, has increased the uncertainty of capital availability and funding costs for companies operating in emerging markets such as China. As a pre-commercial biotechnology company that relies heavily on external funding for our R&D activities, our business and prospects are particularly sensitive to the global financing environment. A tightening of global liquidity or a sustained high interest rate environment may limit investors' willingness to finance early-stage biotechnology companies, making it more difficult or costly for us to raise additional capital through equity or debt financing. Any downturn or volatility in the capital markets could therefore delay our financing plans, disrupt our R&D programs, and adversely affect our financial position. Moreover, prolonged market instability, investor risk aversion or a global economic recession could also negatively impact our collaboration partners, suppliers, CROs and other counterparties, which may lead to delays in our ongoing projects and increase our operational costs.

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RISK RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

Changes in economic, social conditions, policies and geopolitical relationships may materially affect our business, financial condition, results of operations and prospects.

Substantially all of our operations and assets are located in China, and our business performance depends significantly on the overall economic, social and policy environment in China. The PRC government has implemented and may continue to implement various policies and regulatory measures to adjust and guide the domestic economy, healthcare system and pharmaceutical industry. While such measures may benefit the general market environment, they may also adversely affect our operations, funding environment or growth prospects.

In addition, the ongoing uncertainties in global macroeconomic conditions and geopolitical relations may indirectly impact the PRC pharmaceutical industry, particularly with respect to the import of research materials, technology exchange and capital market sentiment. Further deterioration in geopolitical relations may affect the overall investment sentiment, capital flow, and supply of research materials or equipment in China pharmaceutical industry, which could indirectly impact our business operations and prospects. Any adverse developments in these aspects could negatively affect our business operations, financial condition and prospects.

International trade policies and relations may have a material adverse effect on our business and operating results.

Recent U.S. legislative and policy developments, including the BIOSECURE Act enacted as part of the U.S. National Defense Authorization Act for Fiscal Year 2026, reflect increased regulatory focus on biotechnology-related procurement, funding and supply chains. Although the BIOSECURE Act is primarily directed at U.S. federal procurement and federally funded programs, it restricts U.S. government engagement with entities designated as “biotechnology companies of concern” (“BCCs”) and may have indirect or downstream effects on commercial relationships and compliance expectations. In addition, evolving U.S.-China trade policies, including tariffs, export controls or other regulatory measures, may increase operational costs, limit access to certain markets, affect the availability or pricing of materials and services, or adversely impact our future business expansion strategies.

We are of the view that the BIOSECURE Act, together with other U.S. trade restrictions and tariffs, would not have a material adverse impact on our business, primarily because we currently conduct our clinical trials in China and do not have ongoing clinical trials in the U.S., and we are not a recipient of any U.S. federal government contracts, loans, grants, or funding, and we do not anticipate applying for such contracts, loans, grants, or funding in the foreseeable future. Even if we initiate clinical trials in the U.S. in the future, the U.S. tariffs would not have a material impact. Per the Harmonized Tariff Schedule Code 9817.85, product candidates to be used exclusively for development, testing, product evaluation, or quality control purposes are exempt from tariffs. Also, none of our major suppliers qualifies as or has been designated as a BCC under the BIOSECURE Act. Even if any of our suppliers or business partners were to be designated as a BCC or become subject to restrictions in the future, we believe we would be able to transition to alternative qualified suppliers to meet our operational needs. We have taken measures to broaden our supplier base and ensure the availability of alternatives in the event of a disruption with one or more suppliers. However, future amendments to the BIOSECURE Act or evolving regulatory interpretations may expand the scope of designated BCCs or broaden their application. We cannot assure you that we or our business partners, or their collaborators, will not be designated or otherwise become subject to additional restrictions. If any such events were to occur, our business operations, results of operations, financial condition, and future prospects could be materially and adversely affected.

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There may be new laws or regulations promulgated or interpretations of the laws and regulations in the future that may affect our business, financial condition, results of operations and prospects.

We are subject to extensive laws, rules and regulations in China where we operate. Given the continuous development of the PRC regulatory environment and the dynamic nature of the healthcare and pharmaceutical industries, new laws or regulations may be promulgated, or existing ones may be amended or reinterpreted from time to time. We are required to stay abreast of, and comply with, these evolving legal and regulatory requirements in a timely manner.

In particular, the regulatory regime governing the pharmaceutical industry in China has undergone significant changes in recent years and continues to evolve. Relevant authorities, including the NMPA, may from time to time introduce new rules or amend existing policies governing drug research, clinical trials, registration, production and commercialization. Such regulatory changes or their implementation may lead to increased compliance costs, additional approval requirements, or extended review timelines, any of which could delay our R&D progress, increase our operating costs, or adversely affect our business, financial condition and results of operations.

Procedures on the remittance of Renminbi into and out of the PRC may affect our ability to pay dividends and other obligations.

We are a company incorporated under the laws of the PRC, and our business operations are primarily conducted within the PRC. Substantially all of our future revenues are expected to be denominated in Renminbi. We may need to convert Renminbi into foreign currencies to pay dividends, if any, to our shareholders after our [REDACTED], or to satisfy other foreign currency-denominated obligations.

Under the current PRC foreign exchange regulations, current account transactions, such as dividend payments, generally do not require prior approval from the State Administration of Foreign Exchange (“SAFE”), but we are required to present supporting documentation and conduct such transactions through designated foreign exchange banks within the PRC. Capital account transactions, such as repayment of foreign loans or remittance of [REDACTED] from overseas [REDACTED], are subject to prior approval or registration with the relevant authorities. Any change, delay or restriction in the applicable foreign exchange policies could limit our ability to transfer funds out of the PRC, which may in turn adversely affect our financial position and ability to pay dividends or meet other funding needs.

Holders of our H Shares may be subject to PRC tax obligations.

Under applicable PRC tax laws, both the dividends we pay to non-PRC resident individual holders of H shares (“**Non-Resident Individual Holders**”), and gains realized through the sale or transfer by other means of H shares by such shareholders, are subject to PRC individual income tax at a rate of 20%, unless reduced by applicable tax treaties or arrangements. And the dividends we pay to, and gains realized through the sale or transfer by other means of H shares by non-PRC resident enterprise holders of H shares are both subject to PRC enterprise income tax at a rate of 10%, unless reduced by applicable tax treaties or arrangements. With respect to Non-Resident Individual Holders, income received from transfer of stocks of listed companies are currently exempt from individual income tax pursuant to applicable PRC regulations. However, the aforesaid regulations have not expressly provided that individual income tax shall be exempted from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges. On February 3, 2013, the State Council approved and promulgated the Notice of Suggestions to Deepen the Reform of System of Income Distribution (《國務院批轉發展改革委等部門關於深化收入分配制度改革若干意見的通知》). On February 8, 2013, the General Office of the State Council promulgated the Circular Concerning Allocation of Key Works to Deepen the Reform of System of Income Distribution (《國務院辦公廳關於深化收入分配制度改革重點工作分工的通知》). According to these two documents, the PRC government may be introducing

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regulations or policies that have the effect of cancelling foreign individuals’ tax exemption for dividends obtained from foreign-invested enterprises. There is no assurance that any gains on the sales of our H Shares and the dividend thereon will not be subject to PRC income taxes in the future.

There may be uncertainties in effecting service of legal process and enforcing foreign judgments against us and our management in China.

We are a company incorporated under the laws of the PRC, and substantially all of our assets and senior management are located in China. Similar to the difficulties faced by most of the countries around the world on effecting service of process and enforcing judgments obtained from foreign countries, it may be difficult for [REDACTED] outside the PRC to effect service of process upon us or our Directors or senior management within or outside the PRC, or to enforce judgments obtained in jurisdictions outside the PRC against us or them.

Although the Supreme People’s Court of the PRC and the government of the Hong Kong Special Administrative Region have 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 (《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》), it does not apply to certain judgments of civil and commercial matters. Consequently, [REDACTED] may face difficulties in seeking to enforce judgments against us or our management in China.

We are subject to risks in relation to our social insurance and housing provident fund contributions.

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) and the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》), we are required to make contributions to the social insurance plans and housing provident funds for our employees in accordance with relevant PRC laws and regulations.

During the Track Record Period and as of the Latest Practicable Date, we did not make full contributions to the social insurance and housing funds for employees in accordance with the relevant PRC laws and regulations and such shortfall amount was not material. We had not been subject to any administrative actions, fines or penalties during the Track Record Period and up to the Latest Practicable Date due to such non-compliance and we had not received any notification from the relevant PRC authorities requiring us to pay for the shortfalls or any overdue charges with respect to social insurance and housing provident funds as of the Latest Practicable Date. We cannot assure that we will not be required to pay any deemed shortfalls or be subject to penalties or fines regarding social security insurance and housing provident funds contributions, any of which may have an adverse effect on our business and results of operations.

Pursuant to the Article 19 of the Supreme People’s Court’s Interpretation (II) on Several Issues Concerning the Application of Law in Labour Dispute Cases (which took effect in September 2025) (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 “**New Judicial Interpretation**”), if an employer and an employee agree or the employee undertakes that social insurance contributions are not required to be paid, the People’s Court shall deem such agreement or undertaking invalid, and where an employer fails to pay social insurance contributions in accordance with the law, and the employee requests to terminate the labor contract and claims economic compensation from the employer in accordance with the PRC Labor Contract Law, the People’s Court shall support such claims. Our Directors are of the view that the New Judicial Interpretation would not have a material adverse effect on our business, financial condition or results of operations, based on the following considerations: (i) as advised by our PRC Legal Advisor, the New Judicial Interpretation does not affect the compliance status of our social insurance contributions, (ii) it does not influence the assessment of any contribution shortfalls or increase our exposure to penalties.

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RISK RELATING TO THE [REDACTED]

There has been no prior [REDACTED] for our H Shares and the liquidity and [REDACTED] of our H Shares may be volatile.

Prior to the completion of the [REDACTED], there has been no public market for our H Shares. There can be no assurance that an active [REDACTED] for our H Shares will develop or be sustained after the completion of the [REDACTED]. The [REDACTED] will be determined by negotiations between our Company and the Sole Sponsor (for itself and on behalf of the [REDACTED]), and may not be indicative of the price at which our H Shares will be [REDACTED] following the completion of the [REDACTED]. The [REDACTED] of our H Shares may fluctuate significantly and may fall below the [REDACTED] at any time after the completion of the [REDACTED].

The [REDACTED] of our H Shares may be volatile, which could result in substantial losses to you.

The [REDACTED] of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control. In particular, the market performance of other companies in the biotechnology and pharmaceutical industry, especially those with business operations located mainly in Chinese Mainland and [REDACTED] in Hong Kong, may affect the volatility in the price of and [REDACTED] for our H Shares. A number of biotechnology and biopharmaceutical companies [REDACTED] in Hong Kong have experienced significant fluctuations in their [REDACTED] after [REDACTED], including substantial declines from their initial [REDACTED] prices. The [REDACTED] performance of such companies may affect [REDACTED] sentiment toward biotechnology companies [REDACTED] in Hong Kong and, consequently, may impact the [REDACTED] performance of our H Shares. Pursuant to applicable PRC laws and regulations, within one year following the [REDACTED], all existing Shareholders (including the Pre-[REDACTED] Investors) will be subject to lock-up requirements and will not be permitted to dispose of any of the Shares held by them. Due to such restrictions, the liquidity and [REDACTED] of our H Shares in the short term following the [REDACTED] may be limited. These factors could materially affect the [REDACTED] and volatility of our H Shares, regardless of our actual business performance.

Future sales or perceived sales of substantial amounts of our H Shares in the [REDACTED] could have a material and adverse effect on the price of our H Shares and our ability to raise additional capital in the future.

The [REDACTED] of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, the issuance of new shares or other securities, or the perception that such sales or issuances may occur. As a pre-revenue biotechnology company, we expect to incur significant expenditures in connection with our ongoing R&D and clinical trial activities, and we may from time to time seek to raise additional capital through [REDACTED] or private [REDACTED]. Any future sales, or perceived sales, of a substantial amount of our securities, including in connection with potential follow-on [REDACTED], could materially and adversely affect the [REDACTED] of our H Shares and our ability to raise capital on favorable terms. In addition, our Shareholders may experience dilution in their shareholdings if we issue additional shares in the future.

You will incur immediate and substantial dilution and may experience further dilution if we issue additional Shares in the future.

The [REDACTED] of the [REDACTED] is higher than the net tangible asset value per Share immediately prior to the [REDACTED]. Therefore, [REDACTED] purchasing the [REDACTED] in the [REDACTED] will experience an immediate dilution in the [REDACTED] consolidated net tangible asset value per Share. As we are still in the R&D stage and have not yet generated any revenue from product sales, we may in the future conduct additional equity financings to fund our pipeline development, commercialization capabilities, and potential strategic collaborations. As a result, purchasers of the [REDACTED] may experience further dilution in the net tangible asset value per Share if we issue additional Shares in the future at a price lower than the net tangible asset value per Share at that time.

RISK FACTORS

Because we do not expect to pay dividends in the foreseeable future after the [REDACTED], you must rely on price appreciation of our H Shares for a return on your [REDACTED].

We are an early-stage biopharmaceutical company with no commercialized products and have incurred net losses since our inception. We expect to continue to incur losses for the foreseeable future as we advance the development and commercialization of our pipeline drug candidates. We currently intend to retain most, if not all, of our available funds and any future earnings after the [REDACTED] to fund the development and commercialization of our pipeline drug candidates and to support our ongoing R&D and operational activities. As a result, we do not expect to declare or pay any cash dividends in the foreseeable future. Therefore, you should not rely on an [REDACTED] in our H Shares as a source for any future dividend income.

Our Board has complete discretion as to whether to declare and pay dividends. Even if our Board decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend upon various factors including our future results of operations, financial condition, cash flow, capital requirements, and the amount of distributions received from our subsidiaries. Dividends under PRC law and our Articles may only be paid out of distributable profits, which refer to after-tax profits as determined under PRC GAAP or IFRS, whichever is lower, after making the necessary allocations to statutory reserve funds. Accordingly, the return on your [REDACTED] in our H Shares will likely depend entirely upon any future price appreciation of our H Shares. There is no assurance that our H Shares will appreciate in value after the [REDACTED] or even maintain the price at which you purchased the H Shares. You may not realize a return on your [REDACTED] in our H Shares and you may even lose your entire [REDACTED] in our H Shares.

Certain statistics contained in this Document are derived from various official government sources and have not been independently verified by us.

Certain statistics, information and data contained in this Document relating to China and elsewhere in the world, and the industry in which we operate have been derived from various official government publications. We believe that the sources of the information are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. However, information and statistics from official government sources have not been independently verified by us or any other parties involved in the [REDACTED] and no representation is given as to their accuracy. Due to possibly flawed or ineffective collection methods and analysis or discrepancies between published information and market practice, such statistics, information and data in this Document may be inaccurate or may not be comparable to statistics, information and data produced with respect to other economies. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other jurisdictions. In all cases, [REDACTED] should give consideration as to how much weight or importance they should attach to or place on such facts.

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

We strongly caution you not to rely on any information contained in press articles, online commentaries or other media coverage regarding us, our industry or the [REDACTED]. Prior to the publication of this Document, there may have been, and subsequent to its publication there may continue to be, press and media coverage relating to our Company, our business, our industry and the [REDACTED]. Such media coverage may include references to information, estimates or projections that do not appear in this Document, including financial or operational data, valuation analyses, or clinical and research updates regarding our pipeline drug candidates. None of our Company, the Sole Sponsor or any other person involved in the [REDACTED] has authorized or verified the accuracy or completeness of any such information or publication, nor do we accept any responsibility for such information. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information. To the extent that any such information is inconsistent with or conflicts with the information contained in this Document, we disclaim responsibility for it, and you should not rely on such information in making your [REDACTED] decision.

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]

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:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, our Company must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Stock Exchange.

We do not have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules. Our Group’s management, business operations and assets are primarily based outside Hong Kong. The principal management headquarters and senior management of our Group are primarily based in China. Our Directors consider that either by means of relocation of our existing our executive Directors or the appointment of executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company and our Shareholders as a whole.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements under Rule 8.12 and Rule 19A.15 of the Listing Rules. We will ensure that there is a regular and effective communication between us and the Stock Exchange by way of the following arrangements:

- (a) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorized representatives, who will act as our principal channel of communication with the Stock Exchange and ensure that our Company complies with the Listing Rules at all times. The two authorized representatives are Dr. Xiao Zuoxiang (孝作祥) (“**Dr. Xiao**”) and Mr. Li Shu Pai (李書湃). Each of our authorized representatives will be available to meet with the Stock Exchange within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by phone and email. Each of the authorized representatives is authorized to communicate on our behalf with the Stock Exchange;
- (b) each of the Authorized Representatives has means to contact all of our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. To enhance communication between the Stock Exchange, our authorized representatives and our Directors, we have implemented a policy that (i) each Director has provided their respective contact details (including phone number and e-mail address) to the authorized representatives; (ii) in the event that a Director expects to travel or is otherwise out of office, he/she will endeavour to provide his/her phone number of the place of his/her accommodation to the authorized representatives or maintain an open line of communication via his/her mobile phone; and (iii) each of our Directors has provided their respective mobile phone numbers, office phone numbers and fax numbers (if applicable) to the Stock Exchange;
- (c) our Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time when required;
- (d) we have appointed Ignite Capital (Asia Pacific) Limited as our compliance adviser (the “**Compliance Adviser**”) 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

WAIVERS AND EXEMPTIONS

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 Adviser will have access at all times to our Authorized Representatives, our Directors and our senior management as prescribed by Rule 3A.23 of the Listing Rules, who will act as the additional channel of communication with the Stock Exchange when the Authorized Representatives are not available. Our Company shall ensure that our Authorized Representatives, Directors and our senior management members will timely provide such information and assistance as the Compliance Adviser may need or may reasonably request in connection with the performance of the Compliance Adviser's duties as set forth in the Listing Rules;

- (e) we have provided the Stock Exchange with the names, mobile phone numbers, office phone numbers, fax numbers and email addresses of at least two of the Compliance Adviser's officers who will act as our Compliance Adviser's contact persons between the Stock Exchange and our Company. We will inform the Stock Exchange as soon as practicable in respect of any change of authorized representatives and/or the Compliance Adviser;
- (f) we will appoint other professional advisors (including legal advisors in Hong Kong) after the [REDACTED] to assist us in dealing with any questions which may be raised by the Stock Exchange and to ensure that there will be prompt and effective communication with the Stock Exchange; and
- (g) our Company has designated our staff members as the communication officer at our headquarters after the [REDACTED] who will be responsible for maintaining day-to-day communication with the authorized representatives and our Company's professional advisors in Hong Kong, including our legal advisors in Hong Kong and the Compliance Adviser, to keep abreast of any correspondences and/or enquiries from the Stock Exchange and report to our executive Directors to further facilitate communication between the Stock Exchange and our Company.

EXEMPTION FROM 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 TO THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires all prospectuses to include 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.

Paragraph 27 of Part I of the Third Schedule requires a company to include in its prospectus a statement as to the gross trading income or sales turnover (as the case may be) of the company during each of the three financial years immediately preceding the issue of the prospectus, 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.

Section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance provides that the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from the 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 [REDACTED] and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or would otherwise be unnecessary or inappropriate.

WAIVERS AND EXEMPTIONS

Rule 4.04(1) of the Listing Rules requires that 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 be included in the accountants' report to the prospectus.

Our Company is a Biotech Company as defined under Chapter 18A of the Listing Rules and is seeking a [REDACTED] under Chapter 18A of the Listing Rules. Rule 18A.03(3) of the Listing Rules requires that a Biotech Company must have been in operation in its current line of business for at least two financial years prior to listing under substantially the same management. Rule 18A.06 of the Listing Rules requires that 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 of the Listing Rules shall instead be references to "two financial years" or "two years," as the case may be. Further, pursuant to Rule 8.06 of the Listing Rules, the latest financial period reported on by the reporting accountants for a new applicant must not have ended more than six months from the date of the listing document.

The Accountants' Report set out in Appendix I to this Document is currently prepared to cover the years ended December 31, 2024 and 2025. As such, we have applied to the SFC for a certificate of exemption from strict compliance with section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the requirements of paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule regarding the inclusion of the Accountants' Report covering the full three financial years immediately preceding the issue of this Document on the following grounds:

- (a) our Company is primarily engaged in R&D, application and commercialization of biotech products, and falls within the scope of Biotech Company as defined under Chapter 18A of the Listing Rules. Our Company will fulfill the additional conditions for [REDACTED] required under Chapter 18A of the Listing Rules;
- (b) the Accountants' Report for the years ended December 31, 2024 and 2025 has been disclosed in this Document and is set out in Appendix I in accordance with Rule 18A.06 of the Listing Rules;
- (c) given that our Company is only required to disclose its financial results for each of the financial years ended December 31, 2024 and 2025 under Chapter 18A of the Listing Rules, strict compliance with section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the requirements of paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule would be unnecessary and/or irrelevant in the circumstance of the Company;
- (d) notwithstanding that the financial results set out in the Document are only for the financial years ended December 31, 2024 and 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 years ended December 31, 2024 and 2025, together with other disclosures in this Document, has already provided the potential [REDACTED] with adequate and reasonably up-to-date information in the circumstances to form a view on the track record of our Company, and our Directors confirm that all information which is necessary for the [REDACTED] to make an informed assessment of our Company's business, assets and liabilities, financial position, [REDACTED], management and prospects has been included in this Document. Therefore, the exemption would not prejudice the interests of the [REDACTED].

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

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality

Executive Directors

Dr. Xiao Zuoxiang (孝作祥)	13-1-1501 Binhe Huayuan Binjiang District Hangzhou Zhejiang Province PRC	Chinese
Mr. Shao Qing	8809 Mayberry Ct. Potomac MD 20854 United States	American
Dr. Zhou Dongwen (周東文)	Unit 1107, Building 9 Bincheng Kechuang Gongyu 80 Binxing Road Binjiang District Hangzhou Zhejiang Province PRC	Chinese

Non-Executive Directors

Mr. Ding Shizhe (丁師哲)	Unit 1, Building 4 Xinhua Yuan Gongshu District, Hangzhou Zhejiang Province PRC	Chinese
Mr. Wang Yanbing (王延兵)	Zhuyuan Xinju 217 Shanda Road Lixia District Jinan Shandong Province PRC	Chinese
Mr. Zhu Qi (朱琪)	Suite 201, Block 12 1555 Banquan Road Pudong New Area Shanghai PRC	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Address	Nationality
Independent non-executive Directors		
Ms. Ke Yang (柯楊)	Room 1801, Unit 4 Jia No. 52, Fucheng Road Haidian District Beijing PRC	Chinese
Mr. Li Jia (李嘉)	39B, South Tower 8 Phase 2, Residence Bel-Air No. 38 Bel-Air Ave Po Fuk Lam Hong Kong	Chinese (Hong Kong)
Ms. Zuo Ning (左寧)	11-1703 Haiyuemingdu Jianye District Nanjing Jiangsu Province PRC	Chinese

For details with respect to our Directors, see “Directors and Senior Management.”

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor and [REDACTED]	Huatai Financial Holdings (Hong Kong) Limited 62/F, The Center 99 Queen’s Road Central, Hong Kong

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

Legal Advisors to our Company

As to Hong Kong law and United States law

Davis Polk & Wardwell

10th Floor, The Hong Kong Club Building
3A Chater Road
Hong Kong

As to PRC law

Commerce & Finance Law Offices

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

**Legal Advisors to the Sole Sponsor and the
[REDACTED]**

As to Hong Kong law

Jingtian & Gongcheng LLP

Suites 3203-3207, 32/F, Edinburgh Tower
The Landmark, 15 Queen’s Road
Central
Hong Kong

As to PRC law

Jingtian & Gongcheng

45/F, K. Wah Centre
1010 Huaihai Road (M)
Xuhui District, Shanghai
PRC

**Reporting Accountants and Independent
Auditor**

Ernst & Young

*Certified Public Accountants and Registered
Public Interest Entity Auditor*
27/F, One Taikoo Place
979 King’s Road, Quarry Bay, Hong Kong

Industry Consultant

**Frost & Sullivan (Beijing) Inc.
Shanghai Branch Co.**

Room 2504-2505, Wheelock Square
No. 1717, Nanjing West Road
Jingan District, Shanghai, PRC

[REDACTED]

CORPORATE INFORMATION

**Registered Office, Headquarters and
Principal Place of Business in the PRC**

Room 2008, 20/F, Huachuang Building
No. 511 Jianye Road, Changhe Street
Binjiang District
Hangzhou City
Zhejiang Province
PRC

Principal Place of Business in Hong Kong

40th Floor, Dah Sing Financial Centre
No. 248 Queen’s Road East
Wanchai
Hong Kong

Company’s Website

www.centrymed.com
*(The information contained in this website
does not form part of this Document)*

Company Secretary

Mr. Li Shu Pai (李書滙)
Room 2008, 20/F, Huachuang Building
No. 511 Jianye Road, Changhe Street Binjiang
District
Hangzhou City
Zhejiang Province
PRC

Authorized Representatives

Dr. Xiao Zuoxiang (孝作祥)
13-1-1501 Binhe Huayuan
Binjiang District
Hangzhou
Zhejiang Province
PRC

Mr. Li Shu Pai (李書滙)
Flat H, 10/F
Koon Wong Building
On Ning Road
Yuen Long
Hong Kong

Audit Committee

Mr. Li Jia (李嘉) (*Chairperson*)
Ms. Ke Yang (柯楊)
Ms. Zuo Ning (左寧)

Remuneration and Appraisal Committee

Ms. Ke Yang (柯楊) (*Chairperson*)
Mr. Shao Qing
Mr. Li Jia (李嘉)

Nomination Committee

Dr. Xiao Zuoxiang (孝作祥) (*Chairperson*)
Ms. Ke Yang (柯楊)
Ms. Zuo Ning (左寧)

CORPORATE INFORMATION

Compliance Adviser

Ignite Capital (Asia Pacific) Limited

Unit A, 15/F, CMA

Building, 64-66

Connaught Road

Central, Hong Kong

[REDACTED]

Principal Banks

China Merchants Bank Co., Ltd.

Hangzhou Qiantang Branch

1869 Binsheng Road

Binjiang District

Hangzhou City

Zhejiang Province

PRC

Bank of Hangzhou Co., Ltd.

Hangzhou Science and Technology Branch

No. 3850 Jiangnan Avenue

Binjiang District

Hangzhou City

Zhejiang Province

PRC

INDUSTRY OVERVIEW

Certain information and statistics set out in this section have been extracted from various official government publications, available sources from public market data providers and an Independent Third-Party source, Frost & Sullivan. The report prepared by Frost & Sullivan and cited in this Document was commissioned by us. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. 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. The information from official government sources has not been independently verified by us, the Sole Sponsor, [REDACTED], any of their respective directors, employees, agents or advisors or any other person or party involved in the [REDACTED], and no representation is given as to its accuracy, fairness and completeness. For discussion of the risks relating to our industry, see “Risk Factors” in this Document.

ANALYSIS OF ANTIBODY DRUG MARKET

Overview of Antibody

Antibody, also called immunoglobulin (“**Ig**”), is a large protective protein produced by the immune system in response to the presence of pathogens such as pathogenic bacteria and viruses, which are antigens. Antibodies recognize and latch onto such antigens in order to neutralize and remove them from the body.

Antibodies are currently utilized as medicines for various conditions, including cancer, inflammatory disease, organ transplantation, cardiovascular diseases, respiratory diseases, and ophthalmologic disease. This list is continuously expanding.

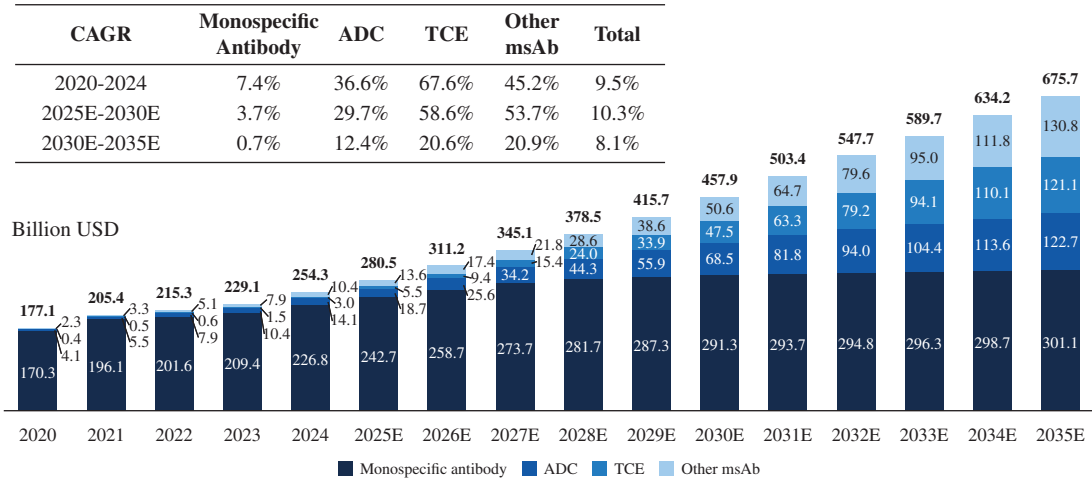
Bispecific antibody (“**bsAb**”) is an artificial protein that can simultaneously bind to two different epitopes. TCEs is a type of cell-bridging bsAbs. They are engineered molecules that link a tumor antigen with the CD3 receptor on T cells, thereby forming an immune synapse that triggers cytotoxic killing of tumor cells. TCEs offer the advantage of strong, major histocompatibility complex (“**MHC**”)-independent tumor killing and have been clinically validated in therapies such as blinatumomab. However, the application of TCEs faces certain challenges, including the risk of cytokine release syndrome (“**CRS**”), short half-lives, and limited targeting to tumors that express accessible antigens.

Market Size of Therapeutic Antibody

In 2024, global therapeutic antibody market grew to US\$254.3 billion, with a CAGR of 9.5% from 2020 to 2024. Monospecific antibody is the largest category in the global therapeutic antibody market by revenue, accounting for about 90% of the market. Though multispecific antibody (“**msAb**”) and antibody-drug conjugates (“**ADC**”) are still in an early stage of market development, their corresponding markets are expected to grow fast in the upcoming years with technological breakthroughs and advancement of clinical studies.

INDUSTRY OVERVIEW

Historical and Forecasted Global Therapeutic Antibody Market Size, 2020-2035E

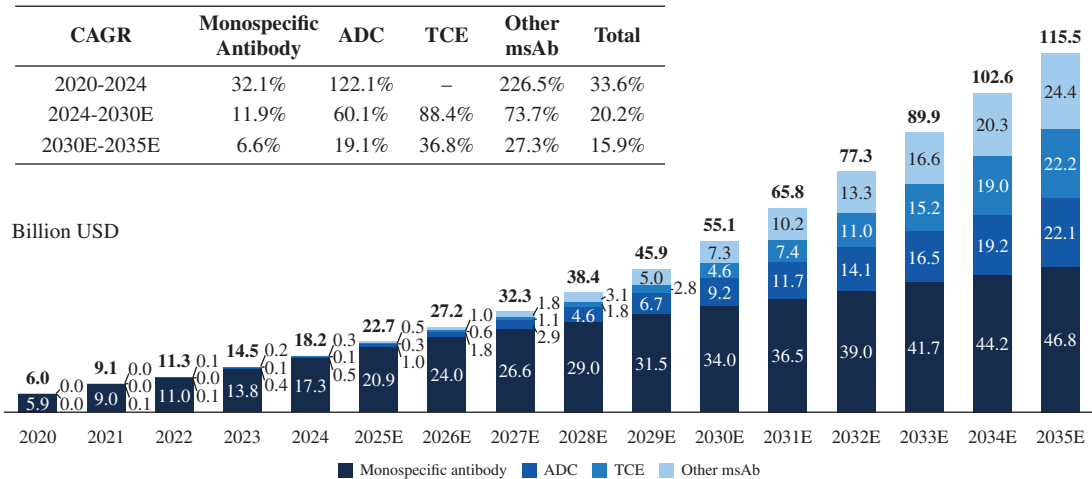


Note: Multispecific antibodies include bispecific, trispecific, and tetraspecific formats.

Source: Literature review, Annual report, Expert interview, Frost & Sullivan analysis

In China, the therapeutic antibody market reached US\$18.2 billion in 2024, with a CAGR of 32.1% from 2020 to 2024. Monospecific antibody is the largest category in China's therapeutic antibody market. For msAb and ADC, there are multiple clinical-stage pipelines under development. It is anticipated that the market of msAb and ADC will grow fast in the upcoming years with technological breakthroughs and advancement of clinical studies. China's therapeutic antibody market is expected to witness more diversified reimbursement systems, increased availability of biosimilars and launching of innovative antibody drugs in the next 10 years.

Historical and Forecasted Market Size of Therapeutic Antibody Market in China, 2020-2035E



Note: Multispecific antibodies include bispecific, trispecific, and tetraspecific formats.

Source: Literature review, Annual report, Expert interview, Frost & Sullivan analysis

INDUSTRY OVERVIEW

The number of approved antibody drugs and their indications have been continuously increasing globally and in China, with treatment penetration of antibody therapies steadily rising in areas such as oncology, autoimmune diseases, and metabolic disorders. This is particularly notable in oncology, where incidence is increasing year by year: the global incidence grew from 19.29 million in 2020 to 21.91 million in 2025, and is projected to reach 27.02 million by 2035; in China, incidence increased from 4.62 million in 2020 to 5.13 million in 2025, and is expected to reach 6.29 million by 2035. The pipeline for ADCs and monospecific antibodies continues to expand: as of now, there are 1,096 monospecific antibodies candidates, 420 ADC candidates, and 523 mAb candidates under active development globally; in China, there are 469 monospecific antibodies candidates, 264 ADC candidates, and 295 mAb candidates in development. Over the next 5-10 years, multiple ADC and mAb products targeting HER2, TROP2, EGFR, BCMA, and CD20 are expected to gain regulatory approval. In addition, technological advancements in linkers, payloads, and bispecific platforms are continuously improving, which is expected to further enhance efficacy and safety profiles and expand clinical applications.

In China, the NMPA has established accelerated registration pathways, including Breakthrough Therapy designation, Conditional Approval, Priority Review and Special Review, which significantly shorten the time-to-approval for innovative antibody drugs, particularly in oncology and rare diseases. In addition, the publication of biosimilar R&D and evaluation guidelines reduces regulatory uncertainty and facilitates faster market entry of antibody biosimilars. On the reimbursement side, the NRDL negotiation process and the “dual-channel” access policy can improve affordability and availability of high-cost antibody drugs, while centralized procurement mechanisms increasingly support broader uptake, especially for biosimilars. As a result, a growing number of innovative antibody drugs are anticipated to be included in the NRDL, improving patient accessibility and treatment rates. Meanwhile, the increasing penetration of biosimilars is expected to reduce treatment costs and expand patient coverage.

Globally, sustained R&D investment, licensing, and strategic collaborations by pharmaceutical and biotech companies are also key drivers supporting market growth in the antibody therapeutics sector.

ANALYSIS OF THE TCE MARKET

The development of TCEs traces back to its conceptual origin in the 1980s through multiple stages of innovation. After the approval of the first TCE drug catumaxomab in 2009 and the approval of blinatumomab as a breakthrough therapy in 2014, the field TCE research entered a rapid phase of development. In 2021, tarlatamab became the first classic first-generation TCE approved for solid tumors, further driving research in advanced designs. Looking ahead, AI in TCE design marks the beginning of a new development phase, offering a transformative potential to optimize molecular engineering and accelerate therapeutic advancement. At present, AI applications are primarily focused on rare diseases. In the future, they are expected to expand toward broader therapeutic indications.

Overview of TCE

Under normal circumstances, T cells have the ability to eliminate abnormal cells. However, tumors are often able to hide from T cells or suppress the signals needed for their activation. TCEs solve this problem by binding both to TAAs on cancer cells and to receptors on the surface of T cells such as CD3. The engagement of such proteins would send an intracellular activation signal that initiates the T cell's immune responses. As a result, the TAAs provide specificity (identifying the cancer cell) while engagement of T-cell receptors such as CD3 provides activation. By physically linking the T cells to the tumor and triggering the activation of the T cells, TCEs activate the immune system to recognize and eliminate cancer cells directly and selectively. This makes TCEs a powerful way to break through tumor defenses and restore the immune system's natural ability to eliminate cancer.

INDUSTRY OVERVIEW

TCEs can be designed in as either bispecific or multispecific format. For bispecific TCEs, they are designed to bind to only two targets: one on T cells (typically CD3) and one to TAAs on cancer cells. Multispecific TCEs, a type of advanced TCE, are designed to bind to multiple functional targets and/or TAAs, with immune cell receptors.

The addition of protease-activatable masking peptides to the TCE’s target-binding site may keep the TCE inactive in normal tissues and peripheral circulation. When the TCE enters in the TME, tumor-specific proteases such as urokinase-type plasminogen activator (“**uPA**”) and matrix metalloproteinases (“**MMPs**”) may cleave the masking peptide, restoring the TCE’s target-binding activity and anti-tumor function. As such, masked TCEs are specifically activated only in the TME, while remaining inactive in normal tissue and blood. This may reduce the side effects of traditional TCE drugs and significantly improve the specific tumor targeting, safety and therapeutic index of TCE drugs. Among the proteases, uPA possesses the best tumor-specificity. Thus, the uPA-mediated masked TCEs can minimize the on-target off-tumor toxicity.

uPA is a protease that plays a key role in tumor invasion and metastasis. It is broadly over-expressed in many cancers. This indicates that uPA is a very important common feature of these malignant tumors. For instance, an immunohistochemical analysis revealed uPA overexpression in approximately 93% of pancreatic tumor samples, often with uniform staining of tumor cells. In contrast, uPA has a low expression level in normal tissues and benign tumors. Other enzymes, such as MMPs and matriptase, are also highly expressed in malignant tumors, but with a lower level of tumor specificity. Some subtypes of MMP, such as MMP-9, showed only focal staining in about 37% of pancreatic tumors, underscoring its more heterogeneous and limited expression pattern. Moreover, there is considerable diversity in matriptase protein expression among breast cancers, with a substantial proportion of human breast tumors and established breast cancer cell lines not expressing detectable amounts of matriptase at all.

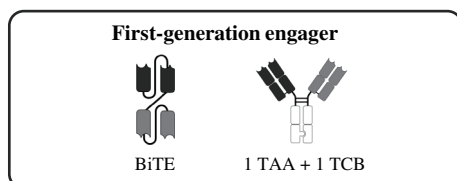
TCEs have evolved from early 1+1 bispecific designs to masking, multifunctional, costimulatory formats, while steadily expanding indications from hematologic malignancies to solid tumors, autoimmune and infectious diseases. The development of TCEs is expected to enter an innovation stage driven by AI-assisted design in the future. The following illustrates the evolution of TCE formats.

INDUSTRY OVERVIEW

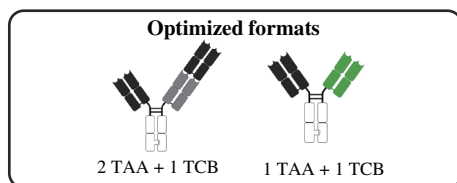
The Evolution of T cell Engager Formats

TCEs have rapidly evolved from early-generation bispecific antibodies to complex constructs.

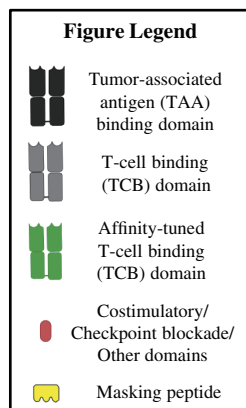
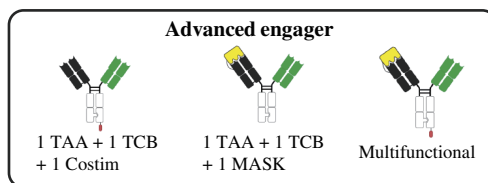
- **1+1 format: foundation of bispecific design**



- **2+1 format: harnessing avidity for selectivity**
- **1+1+1 trispecific format: addressing complexity and resistance**



- **Advanced therapies: engage masking multifunctional costimulatory moiety**



Source: Literature review, Frost & Sullivan analysis

Technological Evolution of TCEs

The technological evolution of TCEs represents a shift from basic molecular design to highly intelligent and selective therapeutics. Through advances in data-driven design, structural optimization, tumor-selective activation, and multifunctional logic gating, TCEs are evolving toward safer, more precise, and durable cancer immunotherapies.

Data-driven discovery. The foundation of TCE development lies in the establishment of comprehensive biological and clinical databases, integrating multi-omics, immune profiling, and real-world datasets. Data mining and AI-assisted target screening enable the identification of optimal tumor-immune synapse targets, improving specificity and therapeutic potential.

Structural optimization of TCEs. Structural optimization serves to improve the pharmacokinetics, tumor penetration and safety of TCEs. Technological advances in structural optimization are mainly directed to linker flexibility, antibody valency, and binding kinetics to balance potency and CRS risk. Current designs for structural optimization also incorporate Fc silencing, half-life extension, and manufacturability improvements, forming a bridge between molecular design and large-scale production.

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Advanced masked TCEs. The mainstream of TCE innovation lies in development of masking peptides. To overcome the key limitation of on-target off-tumor toxicity, advanced masked TCEs incorporate conditional activation mechanisms, which make TCEs remain inactive in normal tissues but are selectively activated in the TME. The design of masking peptide often uses protease-cleavable linkers or pH-dependent conformational changes to enable spatial control of T-cell activation (pH-dependent activation is not strictly tumor-specific, as acidic conditions can also be present in inflamed or hypoxic normal tissues). The approach enhances the therapeutic window and expands applicability of TCEs toward solid tumors — an area historically limited by safety constraints.

Advanced multifunctional/logic-gated TCEs. The frontier of TCE innovation lies in multifunctional and logic-gated constructs that integrate multiple immune pathways for precise control. These molecules combine tumor antigen recognition with checkpoint or co-stimulatory modulation, enabling “AND/OR/NOT” logic gating to fine-tune T-cell responses and overcome immune resistance. This evolution marks a transition from single-target cytotoxicity to programmable immune modulation, representing the future of solid tumor immunotherapy.

Advantages of TCEs Over Other Modalities

Below is a comparison of the key characteristics of TCE and other treatment modalities.

Characteristic	Small Molecules	Monospecific Antibodies	TCE	CAR-T Cell Therapy
Molecular Type	Small organic compounds, typically <500 Da, chemically synthesized.	Large proteins (~150 kDa), IgG-like structure, produced in mammalian cell lines.	Antibody-based bispecific constructs (various formats: BiTE ~50-60 kDa or IgG-like ~150-200 kDa).	Engineered autologous T cells expressing a chimeric antigen receptor.
Target	Intracellular or extracellular proteins, enzymes, receptors.	Extracellular surface antigens only.	Surface antigens on tumor cells (e.g., CD19, BCMA) and CD3 on T cells.	Surface antigens on tumor cells (e.g., CD19, BCMA).
Administration	Usually oral; convenient and patient-friendly.	Intravenous or subcutaneous infusion.	Intravenous infusion or subcutaneous; short-half-life formats often require continuous or frequent dosing.	Single intravenous infusion of autologous cells.
Half-life	Short (hours to days).	Long (weeks).	Variable: short (hours) for BiTE formats; longer (days to weeks) for IgG-like formats.	Long-term persistence (months to years).
Availability	Off-the-shelf; immediate use.	Off-the-shelf; immediate use.	Off-the-shelf; immediate use.	Patient-specific; 3–6 weeks manufacturing time.

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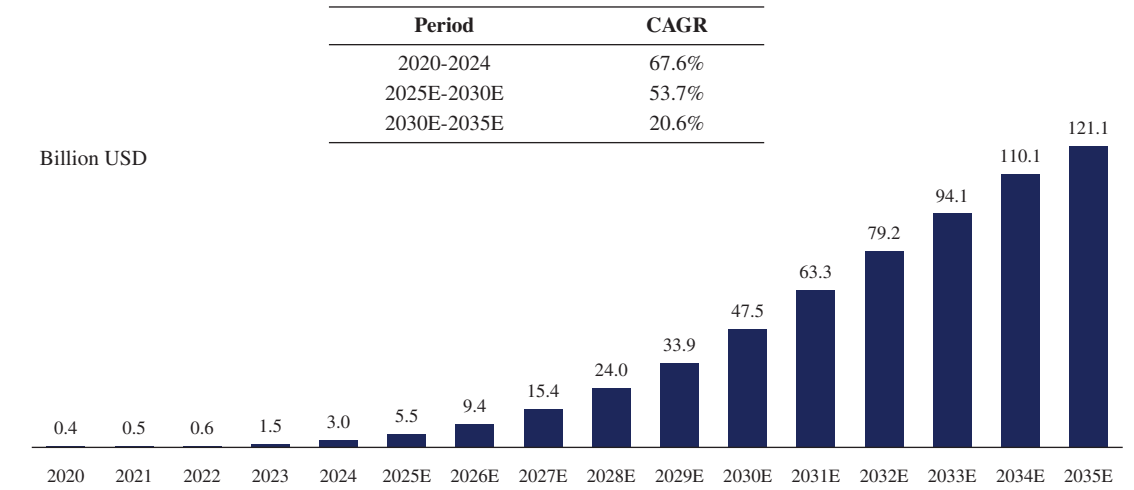
Characteristic	Small Molecules	Monospecific Antibodies	TCE	CAR-T Cell Therapy
Safety Profile	Off-target toxicity, drug-drug interactions, acquired resistance.	Infusion-related reactions, immunosuppression, infections.	Cytokine release syndrome (CRS), neurotoxicity; generally manageable with step-up dosing and supportive care.	Severe CRS, immune effector cell-associated neurotoxicity syndrome (ICANS); requires specialized management.
Efficacy Context	Broad applicability including solid tumors; resistance common.	Highly effective in hematological and select solid tumors; penetration limits in dense solid tumors.	Strong, durable responses in hematological malignancies; emerging data in solid tumors.	Deep, durable remissions in certain hematological malignancies; limited success in solid tumors to date.

Source: Literature Review, Frost & Sullivan Analysis

The Market for TCE Drugs

The size of the global TCE drugs market reached US\$0.4 billion in 2020 and US\$3.0 billion in 2024, representing a CAGR of 67.6% from 2020 to 2024.

Global TCE Drugs Market Size and Forecast, 2020-2035E

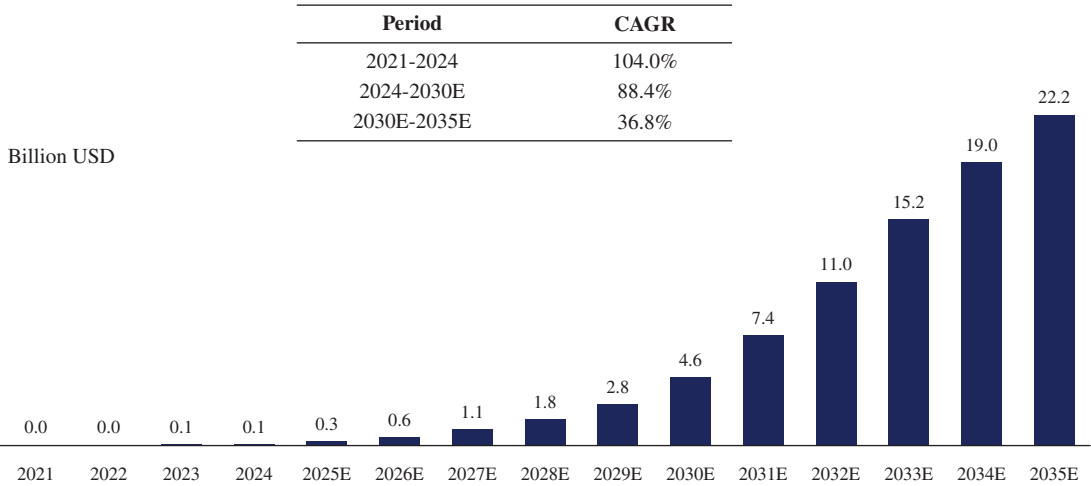


Source: Literature review, Annual report, Expert interview, Frost & Sullivan analysis

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The TCE drugs market in China reached US\$0.1 billion in 2024, with a CAGR of 104.0% from 2021 to 2024.

China TCE Drugs Market Size and Forecast, 2021-2035E



Source: Literature review, Annual report, Expert interview, Frost & Sullivan analysis

The TCE pipelines globally and in China have been rapidly expanding. As of now, there are 183 TCE candidates under development globally and 99 in China. Products targeting BCMA, CD20, DLL3, and other antigens have continued to receive clinical validation and are gradually progressing toward commercialization. TCE therapies have demonstrated high response rates in relapsed/refractory hematologic malignancies and are increasingly being explored in solid tumors. Over the next 5-10 years, more TCE products are expected to gain regulatory approval, thereby increasing market penetration and physician adoption. Meanwhile, a significant unmet clinical need remains in patients with relapsed/refractory tumors. In China, pharmaceutical and biotechnology companies have continued to actively pursue TCE-related business development activities, with 39 transactions recorded between 2020 and 2025. Chinese regulatory authorities are also supporting the development of innovative oncology drugs through policies such as priority review. As more domestically developed TCE products are commercialized and gradually incorporated into the national reimbursement system, patient accessibility and treatment rates are expected to improve further, driving corresponding market growth.

Currently, there are no approved EGFR-targeting TCE products in the global market. Based on the current development progress of global EGFR-targeting TCE pipelines and indication coverage, it is estimated that the first EGFR-targeting TCE product may be launched globally in 2030. Thereafter, with additional products gradually entering commercialization and the clinical value of EGFR-targeting TCE therapies in solid tumors being further validated, market penetration and treatment acceptance are expected to continue increasing. Considering the above factors, the global and China EGFR-targeting TCE market is preliminarily projected to reach US\$3.2 billion and US\$1.5 billion by 2035, respectively.

Growth Driver in the TCE Drugs Market

Large-capacity antibody libraries. Large-capacity antibody libraries remain a key growth driver for the TCE market. Such libraries enable quick screening and identification of TCEs directed to multiple TAAs, immune checkpoints, and disease-specific epitopes, establishing a solid foundation for antibody discovery.

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Integration of multifunctional modules. The integration of multifunctional modules such as masking peptides and checkpoint blocking domains, is accelerating the evolution of TCEs. These modules enhance precision immune activation at the tumor site, reduce systemic toxicity, and enable synergistic anti-tumor effects. Incorporating these advanced functionalities positions TCEs to become more effective and versatile immunotherapies.

AI-driven discovery and optimization. AI is becoming increasingly central to TCE discovery and optimization. Machine learning models help identify optimal epitope combinations, predict off-target interactions, and simulate immune synapse formation, accelerating preclinical candidate screening. AI integration reduces early-stage development risks, improves design precision, and enhances the probability of TCE success, making it a critical future growth driver.

Clinical protocol innovation. Optimized preconditioning regimens and strategies, adaptive dosing, and combination therapies maximize therapeutic potential while managing adverse effects such as CRS. Biomarker-guided and adaptive trial designs accelerate development timelines, improve patient stratification, and expand the clinical applicability of TCEs.

ANALYSIS OF ANTIBODY TARGETS AND RELATED THERAPEUTIC INDICATIONS

LAG-3-Targeting Antibody Drugs

Overview of LAG-3

Lymphocyte Activation Gene 3 (“**LAG-3**”) functions as an inhibitory immune checkpoint that regulates T cell activity. LAG-3 may be the drug target for the treatment of a wide spectrum of therapeutic indications, ranging from various solid tumors such as melanoma, lung cancer, and colorectal cancer, to hematological malignancies including leukemias and lymphomas, as well as autoimmune disorders. The involvement of LAG-3 in such diverse disease areas suggests its potential as not only a complementary or synergistic immune checkpoint in cancer immunotherapy, but also a critical modulator in the management of immune-related diseases.

Commercialized LAG-3-Targeting Antibody Drug

As of the Latest Practicable Date, there was one approved LAG-3-targeting antibody combination therapy (Opdualag®). It is mainly used for first-line treatment of unresectable or metastatic melanoma. However, in the adjuvant setting, achieving effective responses has been more challenging due to limited T-cell infiltration in the TME, highlighting the importance of additional immune mechanisms.

Commercialized Antibody Drug Targeting LAG-3					
Drug Name	Company	Target	Indication	Region	Approved Date
Opdualag (nivolumab and relatlimab)	BMS	PD-1, LAG-3	Unresectable or metastatic melanoma with tumor cell PD-L1 expression < 1%	US, EU	2022-03 (FDA) 2022-09 (EMA)

Note: As of the Latest Practicable Date.

Source: Clinicaltrials.gov, CDE, NMPA, NCCN, Cutaneous melanoma: ESMO Clinical Practice Guideline for Diagnosis, treatment and follow-up, Frost & Sullivan Analysis

According to both the National Comprehensive Cancer Network (“**NCCN**”) Guidelines (v2.2025) and the 2025 European Society for Medical Oncology (“**ESMO**”) Clinical Practice Guidelines, relatlimab (a LAG-3 monospecific antibody) is used in combination with nivolumab (a PD-1 inhibitor) as a fixed-dose regimen for the treatment of advanced melanoma. This combination therapy is marketed as Opdualag®. The retail price for the 20 mL vial Opdualag® in the U.S. is approximately US\$15,000. Its retail price in certain European regions (e.g., Nordic countries) is approximately US\$10,000 per 20 mL vial.

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Global Competitive Landscape of LAG-3-Targeting Antibody Drugs

As illustrated in the below table, globally ten antibody drug candidates targeting LAG-3 are under Phase II clinical stage and above.

Pipeline of Antibody Drugs Targeting LAG-3: Phase II and above							
Category	Drug Name	Company	Target	Indication	Region	Stage	First Posted Date
Monospecific antibody	Fianlimab	Regeneron Pharmaceuticals	LAG-3	Untreated unresectable advanced/metastatic melanoma	US, EU, other regions	Phase III	2022-03
	Relatlimab/ Nivolumab	BMS	LAG-3	Melanoma	CN	Phase III	2022-04
	DNV3	The Company	LAG-3	Locally advanced unresectable/metastatic melanoma	CN	Phase II	2024-10
	Ieramilimab	Immutep, Novartis	LAG-3	Advanced solid and hematologic malignancies	US	Phase II	2017-12
	Miptenalimab	Boehringer Ingelheim	LAG-3	Advanced or metastatic solid tumors	US, EU, other regions	Phase II	2018-09
	Tuparstobart	Agenus	LAG-3	Merkel cell carcinoma, HNSCC, endometrial cancer	CN, US, EU, other regions	Phase II	2020-07
	LBL-007	Leads Biolabs	LAG-3	NSCLC, esophageal squamous cell carcinoma	CN, US, EU, other regions	Phase II	2022-10
	HLX26	Fosun	LAG-3	Previously untreated advanced NSCLC	CN	Phase II	2023-03
	IBI110	Innovent	LAG-3	Alveolar soft part sarcoma	CN	Phase II	2025-02
Bispecific antibody	IBI323	Innovent	LAG-3, PD-1	NSCLC	CN	Phase II	2022-03
Combined mono antibody	MK-4280A	MSD	LAG-3, PD-1	Previously treated metastatic PD-L1 positive CRC	CN, US, EU, JP, other regions	Phase III	2021-07

Notes:

- As of 2026.5.11;
- NSCLC: Non-small-cell Lung Cancer, HNSCC: Head and Neck Squamous Cell Carcinoma; CRC: Colorectal Cancer

Source: Clinicaltrials.gov, CDE, NMPA, Frost & Sullivan Analysis

The world’s first LAG-3 antibody began generating sales in 2023, and the global LAG-3-targeting antibody drug market reached US\$0.6 billion in 2023. The global market grew to US\$0.9 billion in 2024 and is expected to reach US\$5.7 billion in 2030 with a CAGR of 35.4% from 2024 to 2030. By 2035, the global market is expected to reach US\$11.5 billion with a CAGR of 15.0% from 2030 to 2035. While no LAG-3 antibodies are currently approved in China, the market in China is forecasted to reach RMB0.8 billion in 2027 and RMB3.1 billion in 2030 with a CAGR of 59.0% from 2024 to 2030. By 2035, the market in China is expected to reach RMB6.9 billion with a CAGR of 17.4% from 2030 to 2035.

The LAG-3 pathway, an important immune checkpoint mechanism following PD-1/PD-L1, has been gradually validated in clinical settings. With the commercialization of related products, physician awareness and clinical acceptance are expected to continue increasing, while the incidence of melanoma, the main indication, is also rising steadily. In addition, there are currently 31 LAG-3-targeting antibody product candidates under development globally and 22 in China. In the future, more combination therapies targeting melanoma and other solid tumors are expected to receive regulatory approval. Meanwhile, demand for next-generation immunotherapies among patients with PD-1 resistance or suboptimal response continues to grow. Chinese regulatory authorities continue to support the development and commercialization of innovative oncology drugs. It is expected that, with the increasing use of combination regimens and the expansion of reimbursement coverage, the treatment rate and market penetration of LAG-3 targeting therapies will further increase, thereby driving market growth.

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As of the Latest Practicable Date, in terms of the highest clinical stage of pipelines, one monospecific antibody drug candidate targeting LAG-3 for melanoma was in Phase III, two (including DNV3) were in Phase II, and other candidates were in Phase I and/or II stages.

Commercialized Antibody Drug Targeting LAG-3 for Melanoma						
Drug Name	Company	Target	Indication	Region	Approved Date	
Opdualag (nivolumab and relatlimab)	BMS	PD-1, LAG-3	Unresectable or metastatic melanoma with tumor cell PD-L1 expression < 1%	US, EU	2022-03 (FDA) 2022-09 (EMA)	
Pipeline of Antibody Drugs Targeting LAG-3 for Melanoma						
Drug Name	Company	Target	Indication	Region	Stage	First Posted Date
Fianlimab	Regeneron Pharmaceuticals	LAG-3	Untreated unresectable advanced/metastatic melanoma	US, EU, other regions	Phase III	2022-03
Relatlimab/ Nivolumab	BMS	LAG-3	Melanoma	CN	Phase III	2022-04
DNV3	The Company	LAG-3	Locally advanced unresectable/metastatic melanoma	CN	Phase II	2024-10
Ieramilimab	Immutep, Novartis	LAG-3	Unresectable or metastatic melanoma	US, EU, other regions	Phase II	2018-04
Tuparstobart	Agenus	LAG-3	Unresectable/metastatic melanoma	US, Australia	Phase I/II	2020-05
LBL-007	Leads Biolabs	LAG-3	Melanoma	CN	Phase I/II	2022-08
GLS -012	Yuheng Biotechnology	LAG-3	Advanced melanoma	CN	Phase I/II	2022-08
MK-4280A	MSD	LAG-3, PD-1	Advanced melanoma	US, EU, JP, other regions	Phase I/II	2020-01
Encelimumab	AnaptysBio	LAG-3	Advanced melanoma	US, EU, other regions	Phase I	2016-06
INCA32459	Merus, Incyte Corporation	LAG-3, PD -1	Unresectable or metastatic melanoma	US, EU	Phase I	2022-10
AN8025	Adlai Nortye	LAG-3, PD -L1, CD86	Unresectable or metastatic melanoma	CN, Australia	Phase I	2025-11

Note:

1. As of 2026.5.11

Source: *Clinicaltrials.gov, CDE, NMPA, Frost & Sullivan Analysis*

Potential Indications of LAG-3-Targeting Antibody Drugs

Melanoma

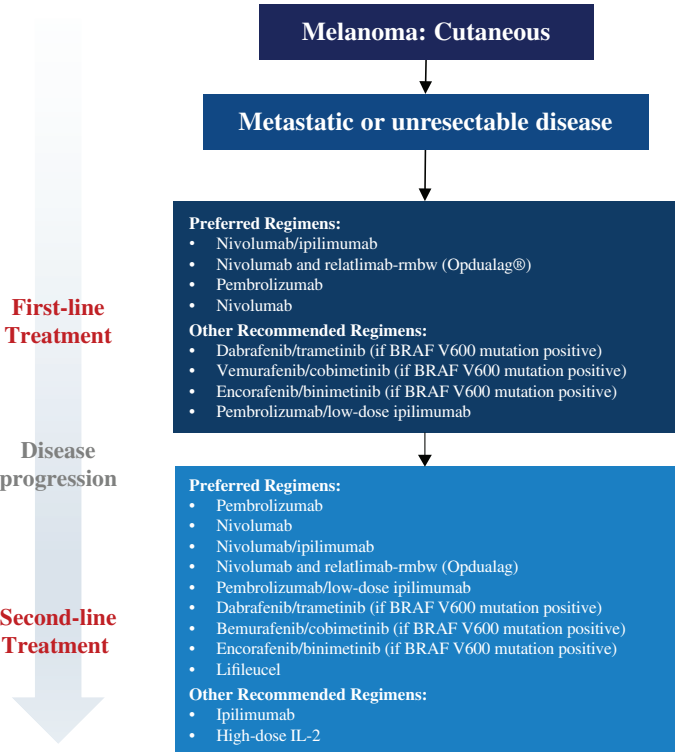
Overview of Melanoma

Melanoma is a type of skin cancer that develops from the melanin-producing cells known as melanocytes. It can be classified into different subtypes based on the tissue of origin. The main subtypes include: cutaneous melanoma, arising from nonhair-bearing skin; acral melanoma, a distinct form originating in the palms, soles, or nail beds; mucosal melanoma, arising from melanocytes in mucosal tissues; and uveal melanoma, originating from melanocytes in the eye’s uveal tract. Globally, over 90% of melanomas are cutaneous, while acral and mucosal types are extremely rare. In China, acral melanoma accounts for nearly 50%, mucosal melanoma for approximately 20–30%, and cutaneous and other types for about 20–30%, showing a distribution pattern markedly different from that in Western countries. The pathogenesis of melanoma involves complex interactions between environmental and genetic factors. Ultraviolet radiation is one major environmental trigger of melanoma. Genetics also plays a role in the occurrence of melanoma. Generally, individuals with dysplastic nevus syndrome, also known as familial atypical multiple mole melanoma, are at an increased risk for the development of melanoma.

Treatment strategies for melanoma are guided by the stage and extent of the disease. For localized and locally advanced melanoma, surgery is the cornerstone of curative treatment, including wide excision of the primary tumor and appropriate management of regional lymph nodes. Radiotherapy is reserved for selected highrisk or non-resectable situations and may also be used for

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palliative management of metastatic lesions. Regional therapies can be considered for limb-confined disease. Treatment decisions are stage-driven, multidisciplinary, and individualized, with genetic counseling and surveillance recommended for patients at high hereditary risk. For metastatic or unresectable melanoma, the treatment strategies are illustrated below.



Source: NCCN 2025 v2, Frost & Sullivan analysis

Incidence of Melanoma in China and Globally

Globally, the incidence of melanoma was 360.7 thousand in 2020, rising to 387.9 thousand in 2024, with a CAGR of 1.9%. The number is projected to increase to 420.8 thousand in 2030 and 441.6 thousand in 2035. In 2020, the incidence of melanoma in China was 23.9 thousand, rising to 27.3 thousand by 2024 with a CAGR of 3.4% the number is projected to increase to 32.6 thousand in 2030 and 37.0 thousand in 2035. Public health campaigns, wide adoption of sun protection measures, and monitoring of high-risk populations contribute to the slowing growth of melanoma incidence. Major developed markets such as Europe and the U.S. have already established relatively mature screening systems and diagnostic capabilities for melanoma, and the growth rate of newly diagnosed cases is expected to gradually decelerate. The rapid increase in diagnostic penetration driven by improved disease awareness and expanded screening in previous years is also expected to stabilize. As such, the growth of melanoma incidence due to improved diagnostic measures will not occur. In addition, slowing population growth in certain high-incidence regions is likely to limit the increase in new patients. Moreover, rising public awareness of sun protection and strengthened measures to reduce ultraviolet exposure are expected to partially mitigate future incidence growth. Furthermore, the incidence of melanoma in China remains relatively low compared with Western countries, and long-term patient growth is expected to remain relatively moderate.

In China, the number of metastatic or unresectable melanoma patients reached 4.7 thousand patients in 2020, and it increased to 5.2 thousand in 2024, representing 21.8% of all incidence of melanoma in China.

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Global and China Melanoma Drug Market

The global melanoma drug market increased from US\$14.1 billion in 2020 to US\$18.5 billion in 2024, with a CAGR of 7.0%. The global melanoma drug market is projected to reach US\$24.0 billion in 2030 and US\$26.7 billion in 2035. The melanoma drug market in China increased from US\$1.4 billion in 2020 to US\$2.0 billion in 2024, with a CAGR of 9.3%. The melanoma drug market in China is projected to increase to US\$3.1 billion in 2030 and US\$3.6 billion in 2035.

Clinical Needs of Malignant Melanoma Treatment

Treatment resistance and limited progression-free survival. Many patients eventually develop resistance to ICIs or BRAF/MEK inhibitors, leading to disease progression and limited survival benefits. The underlying mechanisms of resistance remain incompletely understood, and effective strategies to overcome resistance are urgently needed.

Limited efficacy of later-line therapeutic options especially with liver metastasis. For melanoma patients with liver metastasis, there is currently no effective treatment option. Also, for patients who fail initial immunotherapy or targeted therapy, subsequent treatment options remain scarce and generally provide modest clinical benefits. Thus, advanced melanoma faces a scarcity of subsequent-line options, which are characterized by low objective response rates and limited survival benefits.

Severe immunotherapy toxicity. Despite significantly improving survival, ICIs still pose a significant clinical challenge due to their toxicity. For example, severe immune-related adverse events (“irAEs”) occur in more than half of patients receiving ipilimumab plus nivolumab. And severe toxicity occurs (although at lower rates) with relatlimab plus nivolumab and single-agent anti-PD-1 therapy as well. Although the patient response to treatment was better for combination regimens, irAEs were also worse compared to monotherapy regimens.

Lack of biomarkers for guiding individualized treatment. In the decision-making for melanoma treatment, there is still a lack of prospectively validated biomarkers to guide individualized therapy. Existing markers — such as tumor mutational burden (“TMB”), lactate dehydrogenase (“LDH”), and the S100B protein — either have limited predictive value or have not gained regulatory approval. Consequently, the clinical choice between immunotherapy and targeted therapy primarily relies on physician experience and patient baseline characteristics, falling far short of the goal of precision medicine.

Nasopharyngeal Cancer (“NPC”)

Overview of NPC

NPC is a type of head and neck cancer mostly common in epithelia cells lining the inner surface of the nasopharynx.

Incidence of NPC in China and Globally

Globally, the incidence of NPC was 115.9 thousand in 2020 and 125.3 thousand in 2024, with a CAGR of 2.0% from 2020 to 2024. The number is projected to increase to 140.1 thousand in 2030 and 151.9 thousand in 2035. In China, the incidence was 49.7 thousand in 2020 and 52.2 thousand in 2024, with a CAGR of 1.3% from 2020 to 2024. The number is projected to increase to 55.7 thousand in 2030 and 58.6 thousand in 2035.

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Global and China NPC Drug Market

The global NPC drug market increased from US\$0.3 billion in 2020 to US\$0.5 billion in 2024, with a CAGR of 10.1% from 2020 to 2024, and the market is projected to increase to US\$1.0 billion in 2030 and US\$1.5 billion in 2035. The NPC drug market in China reached US\$0.1 billion in 2020 and US\$0.1 billion in 2024, with a CAGR of 12.6% from 2020 to 2024, and the market is projected to increase to US\$0.3 billion in 2030 and US\$0.5 billion in 2035.

Clinical Needs of NPC Treatment

Limited treatment options for advanced NPC. Despite recent advancements, treatment options for advanced NPC remain limited. A primary challenge is the lack of clearly defined driver mutations that can be targeted with precision medicine. NPC exhibits a complicated and heterogeneous genomic profile, complicating the identification of universal therapeutic targets. Additionally, the relatively low incidence of NPC in Western countries has resulted in fewer clinical trials and limited investment in the NPC area.

Low rate of early diagnosis. The early symptoms of NPC may be nonspecific to the disease, such as nasal congestion, a sore throat, or earache. These symptoms can be attributed to various common illnesses, making it challenging to attribute them to NPC without further investigation. Also, NPC is relatively rare compared to other tumors in head and neck regions. This rarity can contribute to a lack of awareness among healthcare professionals, further leading to delayed consideration of NPC in diagnosis and treatment.

Unmet supportive care needs in long-term survivors. The survivors of NPC face numerous life challenges resulting from treatments, including cognitive changes, fatigue, and emotional distress. Although targeted research is lacking, it is likely that NPC survivors will suffer from challenges similar to the general head and neck cancer population, including workplace rehabilitation, sexual dysfunction and fear of cancer recurrence.

EGFR×CD3-Targeting BsAb Drugs

Overview of EGFR×CD3-Targeting BsAbs

Epidermal growth factor receptor (“**EGFR**”) is a receptor tyrosine kinase involved in regulating cell proliferation, differentiation, survival, and migration. Excessive upregulation of EGFR activates downstream pro-oncogenic signaling pathways and promotes cancer cell proliferation. EGFR is commonly upregulated in cancers such as in NSCLC, metastatic colorectal cancer, glioblastoma, head and neck cancer, pancreatic cancer, and breast cancer. CD3, expressed by T cells, is tightly connected to the T cell receptor (“**TCR**”) to form the TCR-CD3 complex, which is involved in antigen recognition by T cells and T cell signaling.

EGFR×CD3 BsAb is a type of TCE. By simultaneously binding to EGFR on tumor cells and CD3 on T cells, EGFR×CD3 BsAb may bring T cells into close proximity with tumor cells and effectively recruit cytotoxic T cells to tumor sites, thereby enabling MHC-independent precise killing of tumor cells.

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As of the Latest Practicable Date, 1 EGFR-targeting bispecific TCE was in the Phase II stage, 3 were in the Phase I/II stage and 2 were in the Phase I stage globally.

Pipeline of TCE Bispecific Antibody Drugs Targeting EGFR							
Drug Name	Company	Target	Masking Technology	Indication	Region	Stage	First Posted Date
SMET12	The Company	EGFR, CD3	/	EGFR-positive advanced/metastatic solid tumors	CN	Phase II	2025-09
CMDE005	The Company	EGFR, CD3	Yes	EGFR-positive advanced/metastatic solid tumors	CN	Phase I/II	2024-10
VIB305	Vibrant Therapeutics	EGFR, CD3	Yes	EGFR-positive advanced solid tumors	CN, Australia	Phase I/II	2025-10
JY016	Dongfang Baitai Biotechnology	EGFR, CD3	/	EGFR-positive advanced solid tumors	CN	Phase I/II	2026-02
BC3448	BioCity Biopharma	EGFR, CD3	/	Locally advanced/metastatic malignant solid tumors	CN	Phase I	2021-12
SAR446368	Sanofi, Amunix Pharmaceuticals, VIR Biotech	EGFR, CD3	Yes	Locally advanced or metastatic solid tumors	US, Australia	Phase I	2025-05

Notes:

1. As of 2026.5.11;
2. Public information indicates that CMDE005, VIB305, and SAR446368 all utilize masking technology; however, only CMDE005 and SAR446368 have been publicly disclosed as using masking peptide technology. VIB305 is described as a logic-gated, masked TCE prodrug.

Source: Clinicaltrials.gov, CDE, NMPA, Frost & Sullivan Analysis

Potential Indications of EGFR×CD3-Targeting Antibodies

Esophagus Cancer

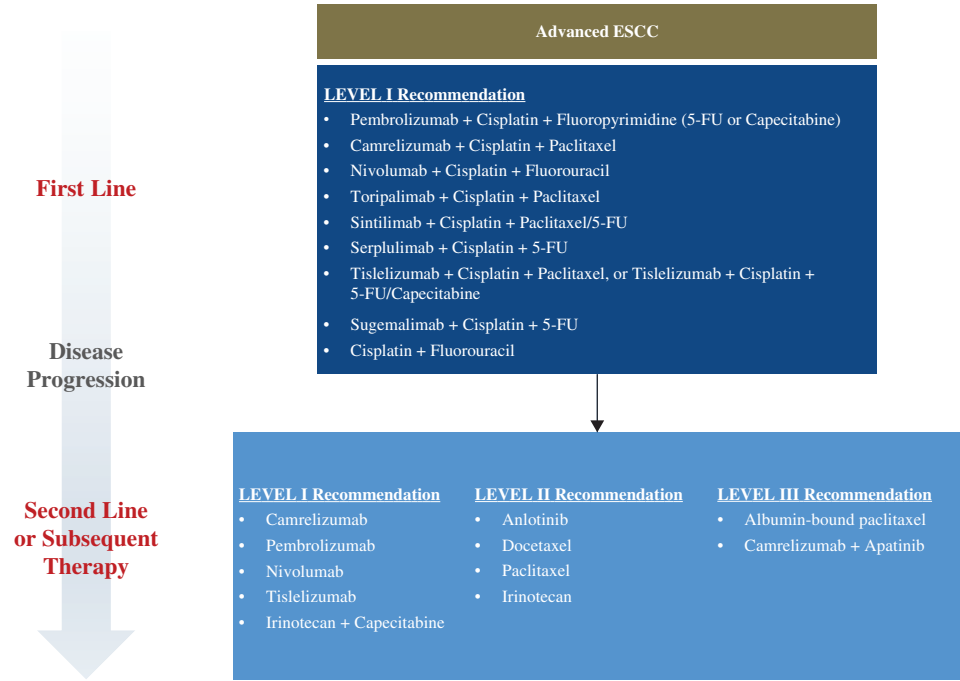
Overview of Esophagus Cancer

Esophagus cancer, which arises from the lining cells of esophagus, is one of the most common cancers around the world. Based on the tumor cell origin, esophagus cancer can be divided into two types, including esophageal squamous-cell carcinoma (“**ESCC**”) that is more common in the developing world, and esophageal adenocarcinoma (“**EAC**”) that is more common in developed countries. The most common symptom of esophagus cancer is the difficulty in swallowing. Other typical symptoms include chest pain, hoarseness, weight loss, chronic cough and vomiting. The major risk factor for esophageal cancer is the use of tobacco products. Other risk factors include age, gender and diet — men are generally more likely than women to get esophageal cancer, and frequent drinking of hot beverage may increase the risk of ESCC.

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The treatment paradigms of advanced ESCC are illustrated below.

Treatment Paradigm of Advanced ESCC in China



Source: CSCO 2024, Frost & Sullivan Analysis

The potential role of EGFR in cancer therapeutics for ESCC stems from its overexpression in ESCC cancer cells. EGFR is frequently overexpressed in ESCC, with reported rates of overexpression ranging broadly (~30–90% depending on assay thresholds and cohorts).

Incidence of ESCC in China and Globally

Globally, the incidence of ESCC rose from 435.0 thousand in 2020 to 484.0 thousand in 2024. In China, the incidence of ESCC was 189.6 thousand in 2020, which rose to 211.9 thousand by 2024 with a CAGR of 2.9% from 2020 to 2024. The number is projected to increase to 234.5 thousand in 2030 and 253.6 thousand in 2035.

Global and China ESCC Drug Market

The global ESCC drug market increased from US\$1.3 billion in 2020 to US\$2.3 billion in 2024, with a CAGR of 16.4% and the market is projected to increase to US\$7.0 billion in 2030 and US\$13.7 billion in 2035. The China ESCC drug market increased from US\$0.5 billion in 2020 to US\$0.8 billion in 2024, with a CAGR of 14.4%, and the market is projected to increase to US\$3.0 billion in 2030 and US\$5.6 billion in 2035.

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Competitive Landscape of EGFR Targeting Drugs

As of the Latest Practicable Date, there was no EGFR targeting drug approved for the treatment of ESCC, and there were 16 EGFR targeting drug candidates under clinical development of Phase I/II or beyond for the treatment of ESCC.

Pipeline of EGFR Targeting Drug Candidates for ESCC: Phase I/II and above							
Drug Name	Company	Target	Type	Indication	Region	Stage	First Posted Date
Izalontamab brenitecan	Biokin Pharma, BMS, etc.	EGFR, HER3	Bispecific ADC	Recurrent or metastatic ESCC, failed prior therapy with PD-1/PD-L1 mAb and chemo	CN	NDA	2026-01
Nimotuzumab	Biotech Pharma	EGFR	Monospecific antibody	ESCC	CN	Phase III	2015-03
Larotinib	HEC Pharma	EGFR, HER2	Chemical	Unresectable locally advanced or metastatic ESCC	CN	Phase III	2020-05
CPO301	CSPC Pharma	EGFR	ADC	Locally advanced or metastatic/recurrent ESCC	CN	Phase III	2026-02
SMET12	The Company	EGFR, CD3	Bispecific TCE	EGFR-positive advanced/metastatic solid tumors incl. ESCC	CN	Phase II	2025-09
Cetuximab	BMS, Eli Lilly, etc.	EGFR	Monospecific antibody	ESCC	Israel	Phase II	2020-01
Izalontamab	Biokin Pharma	EGFR, HER3	Bispecific antibody	Recurrent metastatic ESCC	CN	Phase II	2021-08
Pimurutamab	Fosun	EGFR	Monospecific antibody	Advanced ESCC	CN	Phase II	2022-02
Necitumumab	BMS, Eli Lilly, etc.	EGFR	Monospecific antibody	Metastatic solid tumors incl. ESCC	Japan	Phase II	2022-10
JS212	Anwita, Junshi	EGFR, HER3	Bispecific ADC	Advanced ESCC	CN	Phase II	2026-03
SKB571	Kelun-Biotech, MSD	EGFR, c-Met	Bispecific ADC	ESCC	CN	Phase II	2026-04
CMDE005	The Company	EGFR, CD3	Bispecific TCE	EGFR-positive advanced/metastatic solid tumors incl. ESCC	CN	Phase I/II	2024-10
MCLA-129	Merus, Betta	EGFR, c-Met	Bispecific antibody	Advanced solid tumors incl. ESCC	US, EU, Korea, Singapore	Phase I/II	2021-05
ABL104	ABLBio, Yuhua Corporation	EGFR, 4-1BB	Bispecific antibody	Locally advanced or metastatic EGFR overexpressing solid tumors incl. ESCC	Korea	Phase I/II	2025-05
HMPL-A580	Hutchmed	EGFR, PI3K, PIKK	ADC	Advanced or metastatic solid tumors incl. ESCC	CN, US	Phase I/II	2026-02
JY016	Dongfang Baitai Biotechnology	EGFR, CD3	Bispecific TCE	EGFR-positive advanced solid tumors incl. ESCC	CN	Phase I/II	2026-02

Note:

1. As of 2026.5.11

Source: Clinicaltrials.gov, CDE, NMPA, Frost & Sullivan Analysis

Clinical Needs of ESCC Treatment

Limited response and resistance to immunotherapy. The issue of resistance to immunotherapy is becoming increasingly prominent, and reliable predictive biomarkers for such resistance are lacking. Additionally, not all patients exhibit a favorable response to immune checkpoint blockade, highlighting the urgent need for reliable pre-treatment biomarkers that can predict a patient’s response to treatment.

Limited efficacy of systemic therapies. The treatment of advanced ESCC presents numerous challenges. The substantial heterogeneity of the disease poses challenges in achieving comprehensive therapeutic coverage through a single treatment approach, because molecular subtyping of the disease remains insufficiently defined. Consequently, the response rate to targeted therapies is limited, the prognosis remains poor, and the overall five-year survival rate is low (about only 10% for advanced ESCC patients).

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Triple-negative Breast Cancer (“TNBC”)

Overview of TNBC

TNBC is a type of breast cancer defined by immunohistochemistry (“**IHC**”) as being negative for estrogen receptor (“**ER**”), progesterone receptor (“**PR**”), and human epidermal growth factor receptor 2 (“**HER2**”). It accounts for approximately 15% of all breast cancer cases globally. TNBC is typically diagnosed more frequently in younger and premenopausal women.

The treatment paradigms of TNBC are illustrated below.

Treatment Paradigm of TNBC in China

Molecular Subtypes	Recommended treatment	
Triple Negative Breast Cancer	Chemo	Grade I Recommendation - Taxanes, including docetaxel, nab-paclitaxel, and paclitaxel; Anthracyclines, including epirubicin, pirarubicin, and doxorubicin; Cyclophosphamide. - Anthracyclines, including epirubicin, pirarubicin, and doxorubicin; Taxanes, including docetaxel, nab-paclitaxel, and paclitaxel. - Taxanes, including docetaxel, nab-paclitaxel, and paclitaxel and platinum-based chemotherapy.
	Chemo	Grade II Recommendation - Anthracyclines, including epirubicin, pirarubicin, and doxorubicin; Cyclophosphamide – Taxanes, including docetaxel, nab-paclitaxel, and paclitaxel. - Anthracyclines, including epirubicin, pirarubicin, and doxorubicin; Cyclophosphamide – Taxanes, including docetaxel, nab-paclitaxel, and paclitaxel and platinum-based chemotherapy.
	Chemo + Endocrine	Grade I Recommendation - Taxanes, including docetaxel, nab-paclitaxel, and paclitaxel and platinum-based chemotherapy-Anthracyclines, including epirubicin, pirarubicin, and doxorubicin with pembrolizumab. - Taxanes, including docetaxel, nab-paclitaxel, and paclitaxel and platinum-based chemotherapy + PD-1 inhibitors.

Note: The treatments listed are arranged according to their level of evidence, with treatments supported by more rigorous and reliable research listed first.

Source: CSCO 2024, Frost & Sullivan Analysis

EGFR overexpression in breast cancer is associated with large tumor size, poor differentiation, and poor clinical outcomes. EGFR is more frequently overexpressed in TNBC compared to other breast cancer subtypes, with reported rates of overexpression ranging from ~70% to ~78% in basal-like tumors, and up to ~89% in all TNBC subtypes. Currently, there is no EGFR targeting agent approved for the treatment of ESCC.

Incidence of TNBC in China and Globally

Globally, the incidence of TNBC was 339.2 thousand in 2020 and 364.9 thousand in 2024, with a CAGR of 1.8% from 2020 to 2024. The number is projected to increase to 394.3 thousand in 2030 and 422.8 thousand in 2035. In China, the incidence was 50.9 thousand in 2020 and 55.9 thousand in 2024, with a CAGR of 2.4% from 2020 to 2024. The number is projected to increase to 59.6 thousand in 2030 and 61.2 thousand in 2035.

China TNBC Drug Market

The TNBC drug market in China reached RMB3.5 billion in 2020 and RMB3.8 billion in 2024, with a CAGR of 1.9% from 2020 to 2024, and the market is projected to increase to RMB5.0 billion in 2030 and RMB5.9 billion in 2035.

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Competitive Landscape of EGFR Targeting Drugs

As of the Latest Practicable Date, there was no EGFR targeting drug approved for the treatment of TNBC, and there were 5 EGFR targeting drug candidates under clinical development of Phase II or beyond for the treatment of TNBC.

Pipeline of EGFR Targeting Drug Candidates for TNBC: Phase II and above							
Drug Name	Company	Target	Type	Indication	Region	Stage	First Posted Date
Izalontamab brenitecan	Biokin Pharma, BMS, etc.	EGFR, HER3	Bispecific ADC	Unresectable locally advanced or metastatic TNBC	CN	Phase III	2024-04
CPO301	CSPC Pharma	EGFR	ADC	EGFR-Positive recurrent or metastatic breast cancer incl. TNBC	CN	Phase III	2026-02
SMET12	The Company	EGFR, CD3	Bispecific TCE	EGFR-positive advanced/metastatic solid tumors incl. TNBC	CN	Phase II	2025-09
Pyrotinib	Hengrui	EGFR, HER2, HER4	Chemical	Metastatic TNBC	CN	Phase II	2020-05
Neratinib	Pfizer, etc.	EGFR, HER2, HER4	Chemical	TNBC	US	Phase II	2019-01

Note:

1. As of 2026.5.11

Source: Clinicaltrials.gov, CDE, NMPA, Frost & Sullivan Analysis

Clinical Needs of TNBC Treatment

Lack of durable immunotherapeutic strategies. Although ICIs have demonstrated clinical benefits in some TNBC patients, most responses are short-lived and fail to achieve durable disease control. There remains a lack of immunotherapeutic strategies capable of extending treatment benefit, such as rational combination regimens or novel immune-modulating approaches, highlighting the need for deeper mechanistic understanding and innovation in this area.

High heterogeneity and variable treatment responses. TNBC exhibits profound molecular and immunological heterogeneity, with subtypes such as basal-like, mesenchymal, and immunomodulatory showing varying drug responses, prognoses, and immune microenvironments. Reliable biomarkers to guide personalized therapy are still lacking, hindering progress in precision oncology.

Lack of effective targeted therapies. TNBC lacks the expression of ER, PR, and HER2, rendering endocrine and HER2-targeted therapies ineffective. Chemotherapy remains the mainstay of treatment, but responses are often limited and resistance frequently develops. There is an urgent need for effective targeted agents tailored to the molecular features of TNBC.

Non-small-cell Lung Cancer (“NSCLC”)

Overview of NSCLC

NSCLC refers to any type of epithelial lung cancer other than SCLC. NSCLC accounts for about 85% of lung cancer cases. Factors that contribute to NSCLC including tobacco smoking, exposure to radon/asbestos, arsenic in drinking water and air pollution. Genetic factor may also be relevant under certain circumstances.

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Incidence of NSCLC in China and Globally

Globally, the number of NSCLC cases rose from 1,991.7 thousand in 2020 to 2,216.9 thousand in 2024 with a CAGR of 2.7% from 2020 to 2024. The number is projected to increase to 2,569.3 thousand in 2030 and 2,890.4 thousand in 2035. In China, the incidence of NSCLC was 852.8 thousand in 2020, which rose to 946.7 thousand by 2024 with a CAGR of 2.7% from 2020 to 2024. The number is projected to increase to 1,059.4 thousand in 2030 and 1,161.0 thousand in 2035.

Global and China NSCLC Drug Market

The global NSCLC drug market increased from US\$52.8 billion in 2020 to US\$91.2 billion in 2024, with a CAGR of 12.7%. The global NSCLC drug market is projected to reach US\$182.2 billion in 2030 and US\$269.6 billion in 2035. The China NSCLC drug market increased from US\$6.5 billion in 2020 to US\$10.5 billion in 2024. The NSCLC drug market in China is projected to reach US\$24.8 billion in 2030 and US\$39.5 billion in 2035.

Clinical Needs of NSCLC Treatment

Limited response and resistance to treatment. ICIs have revolutionized NSCLC treatment, but a substantial proportion of patients either do not respond to the treatment or develop acquired resistance. Mechanisms such as tumor immune evasion, T-cell exhaustion, and intratumoral heterogeneity contribute to suboptimal outcomes. Additionally, resistance to third-generation EGFR-TKIs (e.g., osimertinib) remains a critical challenge, highlighting the need for predictive biomarkers, novel combination strategies, and advanced therapeutic modalities.

High recurrence and challenges in long-term disease control. Even after surgery or definitive chemoradiotherapy, recurrence rates in NSCLC patients remain substantial, particularly in Stage II-III. There is a lack of effective adjuvant or maintenance therapies that consistently improve long-term survival.

Insufficient management of brain metastases. A significant need in NSCLC is the lack of clear guidelines for optimally managing brain metastases in patients without targetable genetic alterations. While local therapies like stereotactic radiosurgery or whole-brain radiotherapy remain the standard upfront approach, they carry risks of neurocognitive decline and radiation necrosis. ICIs have shown promise in controlling brain metastases, but its role as a primary treatment remains uncertain due to variable intracranial response rates and a lack of prospective trials comparing it directly to local therapies.

Renal Cell Carcinoma (“RCC”)

Overview of RCC

Kidney cancer occurs when healthy cells in one or both kidneys grow out of control and form a lump (which is tumor). General symptoms of kidney cancer involve shortened breath, excessive fatigue, persistent back pain, blood found in the urine, abdominal swelling and recurring fevers. Usually, kidney cancer does not exhibit any symptoms in its early stages, but will as the cancer progresses. RCC is the most common type of kidney cancer, accounting for almost 90% of adult cases. RCC can histologically be further categorized into two subtypes, including clear-cell renal carcinoma (“ccRCC”) and non-clear-cell renal carcinoma (“nccRCC”). Compared to nccRCC, ccRCC has a worse prognosis and is more likely to be symptomatic, present at an advanced stage, and show a greater propensity to metastasize. The occurrence of nccRCC is relatively rare but similarly fatal compared to ccRCC at an advanced or metastatic stage. Overall, the 5-year survival rate of kidney cancer patients is 74.7% in the U.S. and 69.8% in China. Survival rates often depend on the stage of the cancer when it is first diagnosed.

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Incidence of RCC in China and Globally

Globally, the number of RCC cases rose from 388.2 thousand in 2020 to 417.2 thousand in 2024 with a CAGR of 1.8%. The global incidence is projected to increase to 450.0 thousand in 2030 and 487.7 thousand in 2035. In China, the incidence of RCC in China was 63.9 thousand in 2020, which rose to 68.7 thousand by 2024 with a CAGR of 1.8%. The incidence in China is projected to increase to 75.6 thousand in 2030 and 81.6 thousand in 2035.

China Kidney Cancer Drug Market Size

From 2020 to 2024, the kidney cancer drug market in China increased from RMB2.7 billion to RMB5.2 billion, representing a CAGR of 17.6%, and the market is projected to increase to RMB31.1 billion in 2035.

Clinical Needs of RCC Treatment

Challenges in achieving durable responses. Early-stage RCC is insidious at onset. Its main treatment is surgery, which carries a certain risk of recurrence. For advanced-stage RCC, its main treatments include targeted therapy and immunotherapy. However, advanced-stage RCC has a high mortality rate and poor prognosis. Even when patients initially respond to systemic therapies, sustaining long-term disease control remains a major challenge in RCC. Many patients experience disease progression within months, and existing therapies often provide only transient benefits.

Adverse reactions and toxicity of systemic therapy. Systemic therapies, which are standard therapies for RCC treatment, including immunotherapy alone or in combination, can cause a wide range of adverse effects, some of which may be severe and require prompt intervention. Optimizing safety management remains a critical need.

Limited novel biomarkers and therapeutic targets. RCC is often diagnosed at advanced stages due to its asymptomatic early course, limiting survival and prognosis. Current therapies include surgical resection, targeted therapies (e.g., TKIs, HIF inhibitors, mTOR inhibitors, anti-angiogenic agents), and immunotherapy (primarily ICIs targeting PD-1/PD-L1 or CTLA-4). For advanced or drug-resistant RCC, effective treatment options remain scarce, and novel biomarkers and targets are urgently needed to improve disease management.

Urothelial Carcinoma (“UC”)

Overview of UC

Bladder cancer refers to any of several types of cancer arising from the tissues of the urinary bladder, in which cells grow abnormally and may spread to other parts of the body. UC is the most common type of bladder cancer, accounting for about 90% of bladder cancer cases. It starts in the urothelial cells that line the inside of the bladder. Various factors may contribute to the development of bladder cancer, including smoking, age, gender, race, exposure to chemicals, previous cancer treatment, chronic bladder conditions and family history. Despite progress in diagnostic and therapeutic approaches, 10-15% of UC patients have metastasis at initial diagnosis, and the recurrence rate is high. The five-year survival rate for patients with distant metastases is only 4.6%. To date, first-line systemic therapies for UC have limited efficacy. The second-line therapies lack standard regimens and have demonstrated poor efficacy.

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Incidence of UC in China and Globally

Globally, the number of UC cases rose from 516.0 thousand in 2020 to 572.9 thousand in 2024 with a CAGR of 2.7% from 2020 to 2024. The global incidence of UC cases is projected to increase to 667.3 thousand in 2030 and 752.2 thousand in 2035. In China, the incidence of UC was 78.5 thousand in 2020, which rose to 89.0 thousand by 2024 with a CAGR of 3.2% from 2020 to 2024. The incidence of UC cases in China is projected to increase to 103.7 thousand in 2030 and 115.9 thousand in 2035.

China UC Drug Market

The size of China’s UC drug market was RMB1.3 billion in 2020 and reached RMB2.9 billion in 2024, with a CAGR of 21.8% from 2020 to 2024. The size of UC drug market in China is projected to reach RMB9.0 billion in 2030 and RMB18.6 billion in 2035.

Clinical Needs of UC Treatment

BCG immunotherapy resistance and treatment failure. Bacillus Calmette-Guerin (“BCG”) remains an important therapy for NMIBC, but its application is challenged by both limited efficacy — due to primary resistance in 20-40% of patients and acquired resistance leading to recurrence — and global shortages of the BCG immunotherapy that restrict accessibility. Also, the treatment options following BCG failure are scarce, highlighting a significant unmet clinical need.

Frequent tumor recurrence following NMIBC therapy. Non-muscle-invasive bladder cancer (“NMIBC”) has exhibited a high recurrence rate (50-70% within 5 years) across all treatment modalities, including transurethral resection, intravesical BCG, and chemotherapy. Despite adjuvant therapies, frequent cystoscopic surveillance (typically every 3-6 months) is required for monitoring potential recurrence, imposing substantial economic burdens and patient discomfort. The invasive nature of repeated cystoscopies, combined with associated anxiety and procedural risks, underscores the urgent need for less invasive, cost-effective monitoring strategies and more durable treatment options to improve long-term outcomes.

Treatment-limiting toxicities inherent to systemic chemotherapy administration. Cisplatin-based systemic chemotherapy remains an important treatment for advanced bladder cancer. However, its clinical utility is significantly limited by dose-limiting toxicities, particularly nephrotoxicity and myelosuppression, which preclude its use in patients with renal impairment. Alternative non-cisplatin regimens have demonstrated substantially inferior efficacy, creating a critical therapeutic gap.

Colorectal Cancer (“CRC”)

Overview of CRC

CRC is the development of cancer from the colon or rectum. It is the consequence of uncontrolled growth of colon cells that can invade/spread to other parts of the body. Signs and symptoms may include blood in the stool, a change in bowel movements, weight loss, abdominal pain and fatigue.

Incidence of CRC in China and Globally

Globally, the number of cases rose from 1,880.7 thousand in 2020 to 2,048.8 thousand in 2024 with a CAGR of 2.2% from 2020 to 2024. The global incidence of CRC is projected to increase to 2,310.6 thousand in 2030 and 2,581.9 thousand in 2035. In China, the incidence of CRC in 2020 was 489.8 thousand, rising to 542.4 thousand by 2024 with a CAGR of 2.6% from 2020 to 2024. The incidence of CRC in China is projected to reach 608.4 thousand in 2030 and 664.6 thousand in 2035.

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China CRC Drug Market

In China, the size of CRC drug market is estimated to increase from RMB15.2 billion in 2020 to RMB24.2 billion in 2024 with a CAGR of 12.3% from 2020 to 2024. The CRC drug market in China is projected to reach RMB55.5 billion in 2030 and RMB83.4 billion in 2035.

Clinical Needs of CRC Treatment

TME-driven resistance and variable treatment response. TME contributes significantly to therapeutic resistance, particularly in certain tumor subtypes with poor immune infiltration. Immunosuppressive cells and stromal interactions reduce the efficacy of immuno- and targeted therapies. Heterogeneity in the TME composition further drives variable responses, highlighting the need for strategies that modulate or overcome the TME-mediated resistance.

Challenges in long-term control of recurrent or refractory disease. Recurrent or refractory metastatic CRC poses a major clinical challenge due to rapid resistance development and limited durability of existing therapies. While rechallenge and combination strategies are under exploration, sustained responses are rare. In advanced stages, treatment remains mainly palliative, underscoring the need for approaches that prevent relapse and improve long-term outcomes.

Limited systemic management for advanced metastatic disease. Systemic options for chemorefractory metastatic CRC remain largely palliative. Existing treatments such as regorafenib offer only modest survival benefits with considerable toxicity, restricting the patient’s quality of life. Effective targeted therapies are confined to small genomic subgroups, leaving most patients without meaningful alternatives. Novel agents capable of extending survival with acceptable tolerability are urgently needed.

GPC3×CD3-Targeting BsAb Drugs

Overview of GPC3×CD3 BsAbs

GPC3×CD3 BsAbs are engineered molecules designed with two distinct antigen-binding arms that simultaneously recognize glypican-3 (“GPC3”) on tumor cells and CD3 on T cells. By bridging these two targets, GPC3×CD3 BsAbs recruit and activate T cells in close proximity to GPC3-expressing cancer cells, thereby triggering targeted cytotoxicity and tumor cell destruction through immune-mediated mechanisms. GPC3 is crucial for embryonic development but is minimally expressed in most adult tissues. GPC3 is highly upregulated in various tumors, where it promotes tumor growth and survival, with high expression in approximately 70-80% of hepatocellular carcinomas (“HCC”) and also in ovarian cancer. CD3 is expressed on T cells and mediates signal transduction for T cell activation.

Currently, no GPC3×CD3 BsAbs has received marketing approval. GPC3×CD3 BsAbs in clinical development, such as ERY974, are primarily intended for the treatment of GPC3-positive solid tumors, with a major focus on hepatocellular carcinoma and ovarian cancer. Some studies have also explored their potential use in lung, gastric and pancreatic cancers.

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Global Competitive Landscape of GPC3-targeting TCE Drugs

As of the Latest Practicable Date, three GPC3-targeting TCEs were in Phase I/II stage and three were in Phase I stage globally.

Pipeline of TCEs Targeting GPC3						
Drug Name	Company	Target	Indication	Region	Stage	First Posted Date
CMD011	The Company	GPC3, CD3	Advanced HCC	CN	Phase I/II	2023-12
CM350	Kang Nuoya	GPC3, CD3	Advanced solid tumors	CN	Phase I/II	2022-02
AZD9793	Astra Zeneca	GPC3, TCR, CD8	Advanced/metastatic solid tumors	CN, US, JP, other regions	Phase I/II	2025-01
ERY 974	Perseus Proteomics	GPC3, CD3	Advanced solid tumors, HCC	US, EU, JP, Taiwan	Phase I	2016-04
QLS31903	Qilu	GPC3, CD3	Advanced solid tumors	CN	Phase I	2022-12
MTS105	Metis TechBio	GPC3, CD3	Advanced HCC	CN	Phase I	2024-11

Notes:

1. As of 2026.5.11;
2. HCC: Hepatocellular Carcinoma

Source: Clinicaltrials.gov, CDE, NMPA, Frost & Sullivan Analysis

Global GPC3-targeting antibody drug market is expected to reach US\$0.6 billion in 2030 and US\$4.6 billion in 2035. The GPC3-targeting antibody drug market in China is expected to reach RMB1.4 billion in 2030 and RMB6.1 billion in 2035.

Potential Indications of GPC3-Targeting Antibodies

HCC

Overview of HCC

Liver cancer is the fourth most frequent cancer and the second leading cause of death from cancer in China in 2022. HCC is the most common subtype of liver cancer. HCC occurs in the setting of chronic liver inflammation, and most HCC patients also have an ongoing or chronic liver disease, such as cirrhosis. HCC is most closely linked to chronic viral hepatitis infection (hepatitis B or C) or exposure to toxins such as alcohol or aflatoxin. The major risk factors contributing to HCC include chronic infection with hepatitis B, C, or D viruses, liver cirrhosis, excessive alcohol consumption, exposure to aflatoxins, and tobacco use.

Incidence of HCC in China and Globally

Globally, the number of HCC cases rose from 739.5 thousand in 2020 to 818.1 thousand in 2024 with a CAGR of 2.6% from 2020 to 2024. The global incidence of HCC is projected to increase to 948.3 thousand in 2030 and 1,067.7 thousand in 2030. In China, the incidence of HCC in China was 316.1 thousand in 2020 and rose to 344.5 thousand by 2024 with a CAGR of 2.2% from 2020 to 2024. The incidence of HCC in China is projected to increase 380.7 thousand in 2030 and 412.2 thousand in 2035.

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Global and China HCC Drug Market

The global HCC drug market increased from US\$2.3 billion in 2020 to US\$4.5 billion in 2024, with a CAGR of 17.9%. The global HCC drug market is projected to reach US\$11.5 billion in 2030 and US\$18.3 billion in 2035. The China HCC drug market increased from US\$1.0 billion in 2020 to US\$2.1 billion in 2024, with a CAGR of 18.7%. The HCC drug market in China is projected to increase to US\$4.2 billion in 2030 and US\$6.1 billion in 2035.

Clinical Needs of HCC Treatment

High recurrence rate and limited adjuvant/maintenance options. Even after receiving potentially curative interventions (e.g., resection or local ablation), the likelihood of HCC recurrence remains high, with a recurrence rate of approximately 70% within 5 years among HCC patients. Current options for adjuvant or maintenance therapy are limited, leaving a major gap in long-term disease control and recurrence prevention.

Limited efficacy of systemic therapies. Although main therapies for advanced HCC, including tyrosine kinase inhibitor ("TKI"), chemotherapy, and immunotherapy combinations, have improved treatment outcomes, many patients still do not achieve durable responses or experience disease progression. Compared to other cancers, HCC has the lowest five-year survival rate (about 10%), far lower than the average five-year survival rate of around 30% for all tumor patients. The objective response rate achieved by targeted therapies such as sorafenib is only 2%-3%.

Lack of personalized treatment strategies. HCC is a highly heterogeneous disease, both genetically and clinically. However, most treatments are applied broadly without precise patient stratification. This lack of personalized therapeutic approaches limits efficacy and can expose patients to unnecessary toxicity, underscoring the need for biomarkers and strategies that guide tailored treatment.

PD-L1×CD3×X-Targeting Trispecific Antibody Drugs

Overview of PD-L1×CD3×X Trispecific TCE

PD-L1×CD3×X trispecific TCE is designed to simultaneously bind to three different targets: PD-L1, CD3, and "X" which refers to a TAA. The trispecific antibody aims for a synergistic and more potent anti-cancer effect. PD-L1 is primarily expressed on the tumor cell surface, where it acts as a ligand for the inhibitory immune-checkpoint receptor PD-1 on the surface of T cells and inhibits T cell activity. Blocking the PD-1/PD-L1 interaction can promote T cell activation, reinvigorate exhausted T cells, and enhance T cell-mediated antitumor responses. CD3 is expressed on the surface of T cells and forms non-covalent complexes with TCR to form TCR/CD3 receptor complexes. Upon antigen recognition by TCR, CD3 transduces activation signals to trigger T cell activation and the release of cytotoxic molecules such as granzymes and perforins, thereby effectively facilitate killing of tumor cells.

Potential Advantage of Trispecific TCE

The PD-L1×CD3×X trispecific TCE may bring various advantages. The PD-L1×CD3×FOLR1 trispecific antibody is able to target the multifactorial nature of cancer by simultaneously blocking the immune checkpoint, stimulating T cell and inhibiting tumor growth. Similarly, the PD-L1×CD3×PSMA trispecific antibody can engage T cells while targeting PSMA-expressing tumor cells, offering a potential strategy for enhanced efficacy in prostate cancer.

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Competitive Landscape of PD-L1×CD3×X-Targeting Antibody Drugs

As of the Latest Practicable Date, no PD-L1×CD3×X trispecific antibody drug candidate was approved and, specifically, no PD-L1×CD3×PSMA or PD-L1×CD3×FOLR1 TCE candidate was in the clinical stage.

REPORT COMMISSIONED BY FROST AND SULLIVAN

In connection with the [REDACTED], we have engaged Frost & Sullivan to conduct a detailed analysis and to prepare an industry report on the major markets for which our drug candidates are positioned. Frost & Sullivan is an independent global market research and consulting company founded in 1961 and is based in the United States. We have agreed to pay Frost & Sullivan a total fee of approximately RMB680,000 for the preparation of the Frost & Sullivan Report, and we believe that such fee is consistent with the market rate. The payment of such amount was not contingent upon our successful [REDACTED] or on the content of the Frost & Sullivan Report. Except for the Frost & Sullivan Report, we did not commission any other industry report in connection with the [REDACTED].

The market projections in the Frost & Sullivan Report were based on the following key assumptions: (i) the overall social, economic and political environment globally and in China is expected to remain stable during the forecast period; (ii) the economic and industrial development globally and in China is likely to maintain a steady growth trend over the next decade; (iii) related key industry drivers are likely to continue driving the growth of the market during the forecast period; and (iv) there is no extreme force majeure or industry regulation in which the market may be affected dramatically or fundamentally. The reliability of the Frost & Sullivan Report may be affected by the accuracy of the foregoing key assumptions, including those used to make future projections, are factual, correct and not misleading.

REGULATORY OVERVIEW

PRC LAWS AND REGULATIONS

We are subject to a variety of PRC laws, rules and regulations affecting many aspects of our business. This section sets out a summary of the most significant relevant laws, regulations, rules and policies that are applicable to our current business activities in the PRC.

REGULATIONS ON DRUG ADMINISTRATION

Drug Regulatory Regime

The Drug Administration Law of the PRC (《中華人民共和國藥品管理法》) (the “**Drug Administration Law**”) was promulgated by the Standing Committee of the National People’s Congress (the “**SCNPC**”) on September 20, 1984, latest amended on August 26, 2019 and became effective on December 1, 2019. The Implementation Regulations 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 “**Implementation Regulations**”) was promulgated by the State Council on August 4, 2002, and was latest amended on December 6, 2024 and became effective on January 20, 2025. The Drug Administration Law and the Implementation Regulations have jointly established the legal framework for the administration of pharmaceutical products in the PRC, including the research, development and manufacturing of drugs. The Drug Administration Law applies to entities and individuals engaged in the development, production, trade, application, supervision and administration of pharmaceutical products, which regulates and provides a framework for the administration of pharmaceutical manufacturers, pharmaceutical trading companies and medicinal preparations of medical institutions, and the development, research, manufacturing, distribution, packaging, pricing and advertisements of pharmaceutical products. The Implementation Regulations, at the same time, provides the detailed implementation regulations on the Drug Administration Law.

Non-clinical Research

The non-clinical safety evaluation study for drugs for the purpose of applying for drug registration shall be conducted in accordance with the Good Laboratories Practice for Drug Non-Clinical Laboratory Studies (《藥物非臨床研究質量管理規範》), which was promulgated on August 6, 2003 and latest amended on July 27, 2017 by the China Food and Drug Administration (currently known as the NMPA) and effective from September 1, 2017. In April 2007, the China Food and Drug Administration issued the Administrative Measures for Administration of Certification of Drug Good Laboratory Practice for Non-Clinical Laboratory Studies (《藥物非臨床研究質量管理規範認證管理辦法》), amended on January 19, 2023 and taking effect on July 1, 2023, which set forth the requirements for an institution to apply for a Certification of Good Laboratory Practice to undertake non-clinical research on drugs.

Application for Clinical Trial

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 China Food and Drug Administration (currently known as the NMPA) on March 17, 2017, the decision on the approval of clinical trials of drugs shall be made by the Center for Drug Evaluation (“**CDE**”) from May 1, 2017. According to the Administrative Measures for Drug Registration (《藥品註冊管理辦法》) (the “**Registration Measures**”), which was promulgated on January 22, 2020 and took effect on July 1, 2020, drug clinical trials shall be divided into Phase I clinical trial, Phase II clinical trial, Phase III clinical trial, Phase IV clinical trial, and bioequivalence trial. After the completion of the pharmaceutical, pharmacological and toxicological research of the drug clinical trial, the applicant may submit relevant research materials to CDE for applying for the approval to conduct drug clinical trial. The CDE will organize pharmaceutical, medical and other technicians to review the application and to decide whether to approve the drug clinical trial within 60 business

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days of the date of acceptance of the application. Once the decision is made, the result will be notified to the applicant through the website of the CDE and if no notice of decision is issued within the aforementioned time limit, the application of clinical trial shall be deemed as approval.

Accelerated Approval for Clinical Trial and Registration

According to the Registration Measures, the NMPA shall establish a system for accelerated marketing authorization of drugs to support clinically value-oriented drug innovation. For qualified drug registration applications, applicants may apply for the application of procedures for breakthrough therapy drugs, conditional approval, priority review and approval, and special approval. In the process of drug development and registration, drug regulatory authorities and their professional technical institutions shall provide necessary policy and technical support, such as technical guidance, communication, priority resource allocation, and shortening of review time limits.

Conduct of Clinical Trial

After obtaining clinical trial approval, the applicant shall conduct clinical trials at qualified clinical trial institutions. The qualified clinical trial institution refers to institutions that have the conditions to conduct clinical trials in accordance with the requirements and technical guidelines set forth in the Regulations for the Administration of Drug Clinical Trial Institutions (《藥物臨床試驗機構管理規定》), which came into effect on December 1, 2019. Such clinical trial institutions shall be subject to filing requirements, with the exception of institutions that only engage in analysis of biological samples which shall not be subject to such filing requirements. The NMPA is responsible for setting up a filing management information platform for the registration, filing and operation management of drug clinical trial institutions, as well as the entry, sharing and disclosure of information from the supervision and inspection activities conducted by the drug regulatory authorities and competent healthcare authorities.

The Announcement on Issuing the Guidelines for General Considerations for Clinical Trials on Drugs (《關於發佈藥物臨床試驗的一般考慮指導原則的通告》) promulgated by the China Food and Drug Administration (currently known as the NMPA) on January 18, 2017 provides technical guidelines for applicants and investigators in formulating overall research and development plan of drugs and separate clinical trial and provides references for evaluation of the technical standards of the drugs.

According to the Administrative Measures for Communication on the Research, Development and Technical Evaluation of Drugs (《藥物研發與技術審評溝通交流管理辦法》), revised by the CDE on December 10, 2020, during the research and development periods and in the registration applications of, among others, the innovative new drugs, the applicants may propose to conduct communication meetings with the CDE. The communication meetings can be classified into three types. Type I meetings are convened to address key safety issues in clinical trials of drugs and key technical issues in the research and development of breakthrough therapeutic drugs. Type II meetings are held during the key research and development stages of drugs, mainly including meetings before submitting the clinical trial application, meetings upon the completion of Phase II trials and prior to Phase III trials, meetings before submitting the marketing application for a new drug, and meetings for risk evaluation and control. Type III meetings refer to other meetings not classified as Type I or Type II.

Good Clinical Practices

Clinical trials must be conducted in accordance with the Good Clinical Practice for Drugs (《藥物臨床試驗質量管理規範》) (the “GCP Rules”) promulgated by CFDA, amended by NMPA and the National Health Commission of the PRC (the “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 subjects’ rights and interests, duties of researchers, sponsors

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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.

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 China market.

Marketing Authorization Holder Mechanism

Pursuant to the Drug Administration Law, the PRC implements the marketing authorization holder mechanism for management of the drug industry. The drug marketing authorization holder (the “MAH”) refers to an enterprise or a drug research and development institution that has obtained the drug registration certificate. The MAH shall be responsible for non-clinical research, clinical trials, production and operation, post-marketing research, adverse reaction monitoring, reporting and processing of drugs in accordance with the provisions of the law.

The MAH may manufacture drugs by themselves or entrust a pharmaceutical manufacturing enterprise to manufacture drugs. Likewise, they may sell drugs by themselves or entrust a pharmaceutical distribution enterprise to sell drugs. However, the MAH may not entrust a pharmaceutical manufacturing enterprise to produce blood products, narcotic drugs, psychotropic drugs, medical-use toxic drugs or pharmaceutical precursor chemicals, except as otherwise stipulated by the drug regulatory department under the State Council.

Drug Manufacturing

According to the Drug Administration Law and the Implementing Regulations, a drug manufacturing enterprise is required to obtain a Drug Manufacturing Permit from the relevant provincial drug administration authority of the PRC. The grant of such permit is subject to an inspection of the manufacturing facilities, and an inspection to determine whether the sanitary condition, quality assurance systems, management structure and equipment meet the required standards. According to the Measures for the Supervision and Administration of Drug Manufacturing (《藥品生產監督管理辦法》) (the “Drug Manufacturing Measures”), last amended on January 22, 2020 and came into effect on July 1, 2020, the Drug Manufacturing Permit is valid for five years and shall be renewed at least six months prior to its expiration date upon a re-examination by the original issuing authority. In addition, the name, unified social credit code, registered address (business premises) and legal representative specified in the drug manufacturing permit shall be the same as that set forth in the business license as approved and issued by the local counterparts of the SAMR. According to the Drug Manufacturing Measures, if the MAH does not manufacture the drug but entrusts others to manufacture the drug, the MAH shall enter into 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 the competent provincial counterpart of the NMPA where the MAH is located to apply for the Drug Manufacturing Permit.

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The Good Manufacturing Practice for Drugs (《藥品生產質量管理規範》) (the “GMP Rules”) was last amended on January 17, 2011 and came into effect on March 1, 2011. The GMP Rules comprise a set of detailed standard guidelines governing the manufacture of drugs, including institution and staff qualifications, production premises and facilities, equipment, hygiene conditions, production management, quality controls, product operation, raw material management, maintenance of sales records and management of customer complaints and AE reports. Under the Drug Manufacturing Measures, a GMP certification is no longer required for drug manufacturing enterprises, but drug manufacturing enterprises shall comply with the GMP Rules in their drug manufacturing activities.

Drug Distribution

According to the Drug Administration Law, the engagement in drug distribution, including drug wholesale and drug retail, is prohibited without a drug distribution license. A drug distribution license shall state the validity period and the scope of business and be subject to review and reissuance upon expiry of the validity period.

The Measures for the Supervision and Management of Drug Distribution and Use Quality (《藥品經營和使用質量監督管理辦法》) promulgated by the SAMR on September 27, 2023 and came into effect on January 1, 2024, and the Measures for the Administration of Drug Distribution License (《藥品經營許可證管理辦法》) was simultaneously repealed. The Measures for the Supervision and Management of Drug Distribution and Use Quality stipulates the conditions, procedures, changes and supervision and administration of the drug distribution license.

The Good Supply Practice for Pharmaceutical Products (《藥品經營質量管理規範》) (the “GSP Rules”) was last amended and came into effect on July 13, 2016. The GSP Rules set forth the basic standards in management of distribution quality of drugs and apply to enterprises engaged in drug distribution in the PRC, which require drug distributors to implement strict controls on its distribution of pharmaceutical products, including standards regarding staff qualifications, premises, warehouses, inspection equipment and facilities, management and quality control. Under the Drug Administration Law, the GSP certification is no longer required for drug distributors, but drug distributors are still required to comply with the GSP Rules.

Approval or Filing of Human Genetic Resources

The Regulations on the Administration of Human Genetic Resources of the PRC (《中華人民共和國人類遺傳資源管理條例》), promulgated by the State Council on May 28, 2019, latest amended in March 10, 2024 and came into effect on May 1, 2024, stipulates that in order to obtain marketing authorization for relevant drugs and medical devices in China, no approval is required in international clinical trial cooperation using China’s human genetic resources at clinical institutions without export of human genetic resource materials. However, the type, quantity and usage of the human genetic resources to be used shall be filed with the administrative department of health under the State Council before clinical trials. On May 26, 2023, the Ministry of Science and Technology issued 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 came into effect on July 1, 2023, optimizing the scope of administrative licensing and record-keeping, enhancing the operability of the human genetic resources administration system, and implementing the registration and reporting system for the management of human genetic resources.

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REGULATIONS ON COMPANY, FOREIGN INVESTMENT AND OVERSEAS INVESTMENT

Company Law

The establishment, operation and management of companies within the territory of the PRC are governed by the Company Law of the PRC (《中華人民共和國公司法》) (the “**Company Law**”). The Company Law was promulgated by the SCNPC on December 29, 1993, latest amended on December 29, 2023 and became effective on July 1, 2024. The Company Law governs the establishment, operation, corporate structure, and management of legal person entities within the PRC. According to the Company Law, companies established in the PRC can take the form of limited liability companies and joint-stock companies. Each company has the status of a legal person and owns its own assets. The Company Law also applies to foreign-invested enterprises.

According to the Company Law, companies shall contribute 10% of the profits into their statutory capital reserve upon distribution of their post-tax profits of the current year. A company may discontinue the contribution when the aggregate sum of the statutory capital reserve is more than 50% of its registered capital. Where the balance of the statutory capital reserve of a company is insufficient to make up its losses in the previous year, the company shall make up such losses using its profits of the current year before making contribution to the statutory capital reserve. Upon contribution to the statutory capital reserve with its post-tax profits, a company may make further contribution to the capital reserve with its post-tax profits. After making up its losses and accrued reserves, a company may distribute post-tax profits to its shareholders.

Foreign Investment

Investment activities in the PRC by foreign investors are principally governed by the Catalog of Encouraged Industries for Foreign Investment (2025) (《鼓勵外商投資產業目錄》(2025年版)) (the “**Encouraged Catalog**”), and the Special Administrative Measures (Negative List) for Foreign Investment Access (2024) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”), which are promulgated and amended from time to time by the MOFCOM and the NDRC, and together with the Foreign Investment Law of PRC (《中華人民共和國外商投資法》) (the “**FIL**”) and its respective implementation rules and ancillary regulations.

On March 15, 2019, the FIL was promulgated by National People’s Congress and came into effect on January 1, 2020, which established the basic framework for the access, promotion, protection and administration of foreign investment in view of investment protection and fair competition. According to the FIL, foreign investment shall enjoy pre-establishment national treatment, except for those foreign invested entities that operate in industries deemed to be either “restricted” or “prohibited” in the Negative List, and the State Council shall promulgate or approve a list of special administrative measures for access of foreign investments. To ensure the effective implementation of the FIL, the Regulations on Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) (the “**Implementation Regulations**”), was promulgated by State Council on December 26, 2019 and came into effect on January 1, 2020, which further clarified that the state encourages and promotes foreign investment, protects the lawful rights and interests of foreign investors, regulates foreign investment administration, continues to optimize foreign investment environment, and advances a higher-level opening.

On December 30, 2019, the MOFCOM and the SAMR promulgated the Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which came into effect on January 1, 2020. Since January 1, 2020, for foreign investors carrying out investment activities directly or indirectly in China, the foreign investors or foreign-invested enterprises shall submit investment information to the relevant commerce administrative authorities according to the Measure on Reporting of Foreign Investment Information.

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Overseas Investment

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) which was issued by the MOFCOM on September 6, 2014 and became effective on October 6, 2014, the MOFCOM and the commerce departments at provincial levels shall subject the overseas investment of enterprises 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.

Pursuant to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》) which was issued by the NDRC on December 26, 2017 and became effective on March 1, 2018, an enterprise in the territory of the PRC (the **"Investor"**) shall, in overseas investment, undergo the formalities for the confirmation or recordation, among others, of an overseas investment project (the **"Project"**), report the relevant information, and cooperate in supervisory inspection. Sensitive projects conducted by investors directly or through overseas enterprises controlled by them shall be subject to approval management. Non-sensitive Projects directly conducted by Investors, namely, non-sensitive Projects involving Investors' direct contribution of assets or rights and interests or provision of financing or security, shall be subject to recordation management. The aforementioned sensitive Project means a Project involving a sensitive country or region or a sensitive industry. The NDRC promulgated the Catalogue of Sensitive Sectors for Outbound Investment (2018 Edition) (《境外投資敏感行業目錄(2018年版)》), effective on March 1, 2018, to list the sensitive industries in detail.

REGULATIONS ON INTELLECTUAL PROPERTY

Trademarks

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) which was promulgated by the SCNPC on August 23, 1982 and latest amended on April 23, 2019 and came into effect on November 1, 2019, and the Implementation Regulations of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) which was promulgated by the State Council on August 3, 2002, latest amended on April 29, 2014, and came into effect on May 1, 2014, the Trademark Office under the State Administration for Industry and Commerce of the PRC (the **"Trademark Office"**) shall handle trademark registrations and grant a term of ten years to registered trademarks, which may be renewed for consecutive ten-year period upon request from the trademark owner. The Trademark Law of the PRC has adopted a "first-to-file" principle with respect to trademark registration. Where an application for trademark for which application for registration has been made is identical or similar to another trademark which has already been registered or is under preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Any person applying for the registration of a trademark may not prejudice the existing right of others, nor may any person register in advance a trademark that has already been used by another party and has already gained a "sufficient degree of reputation" through such party's use. A trademark registrant may, by entering into a trademark licensing contract, license another party to use its registered trademark. Where another party is licensed to use a registered trademark, the licensor shall report the license to the Trademark Office for recordation, and the Trademark Office shall publish it. An unrecorded license may not be used as a defense against a third party in good faith.

Patents

According to the Patent Law of the PRC (《中華人民共和國專利法》), promulgated by the SCNPC on March 12, 1984 and latest amended on October 17, 2020 which became effective on June 1, 2021 and the Implementing Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), promulgated by the State Council on June 15, 2001, and last amended on December 11, 2023 and effective from January 20, 2024, there are three types of patents in the PRC, i.e., invention

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patents, utility model patents and design patents. The duration of invention patent right, design patent right and utility model patent right shall be 20 years, 15 years and 10 years, respectively, which are all calculated from the date of application. Implementation of a patent without the authorization of the patent holder shall constitute an infringement of patent rights, and shall be held liable for compensation to the patent holder and may be imposed a fine, or even subject to criminal liabilities.

Specifically, for the purpose of compensating for the time taken to evaluate and approve a new drug to be put on market, the patent administrative department under the State Council shall grant compensation for duration of patent rights for invention of a new drug approved to be put on market in the PRC upon request of the patentee. The compensation period shall not exceed five years, and the total validity period of patent rights for a new drug after being approved for marketing shall not exceed 14 years.

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 SCNPC on September 2, 1993 and latest amended on June 27, 2025 and came into effect on October 15, 2025, the term “trade secrets” refers to technical and business information that is unknown to the public, has utility, may create business interests or profits for its legal owners or holders, and is maintained as a secret by its legal owners or holders. Under the Anti-Unfair Competition Law of the PRC, business persons are prohibited from infringing others’ trade secrets by: (i) obtaining the trade secrets from the legal owners or holders by any unfair methods such as theft, bribery, fraud, coercion, electronic intrusion, or any other illicit means; (ii) disclosing, using or permitting others to use the trade secrets obtained illegally under item (i) above; (iii) disclosing, using or permitting others to use the trade secrets, in violation of any contractual agreements or any requirements of the legal owners or holders to keep such trade secrets in confidence; or (iv) instigating, inducing or assisting others to violate confidentiality obligation or to violate a rights holder’s requirements on keeping confidentiality of trade secrets, disclosing, using or permitting others to use the trade secrets of the rights holder. If a third party knows or should have known of the above-mentioned illegal conduct but nevertheless obtains, uses or discloses trade secrets of others, the third party may be deemed to have committed a misappropriation of the others’ trade secrets. The parties whose trade secrets are being misappropriated may petition for administrative corrections, and regulatory authorities may stop any illegal activities and fine infringing parties.

Copyrights

According to the Copyright Law of the PRC (《中華人民共和國著作權法》), promulgated by the SCNPC on September 7, 1990 and latest amended on November 11, 2020 which became effective on June 1, 2021, and the Implementation Regulations of the Copyright Law of PRC (《中華人民共和國著作權法實施條例》) promulgated by the State Council on August 2, 2002 and latest amended on January 30, 2013, Chinese citizens, legal persons, or other organizations shall, whether published or not, own copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. Copyright owners of protected works enjoy personal rights and property rights with respect to publication, authorship, alteration, integrity, reproduction, distribution, lease, exhibition, performance, projection, broadcasting, dissemination via information network, production, adaptation, translation, compilation, and other rights shall be enjoyed by the copyright owners.

Domain Names

According to the Measures on Administration of Internet Domain Names (《互聯網域名管理辦法》), which was promulgated by the Ministry of Industry and Information Technology (the “MIIT”) on August 24, 2017 and became effective on November 1, 2017, the MIIT is responsible for supervision and administration of domain name services in the PRC. Communication

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administrative bureaus at provincial levels shall conduct supervision and administration of the domain name services within their respective administrative jurisdictions. Domain name registration services shall, in principle, be subject to the principle of “first apply, first register”. A domain name registrar shall, in the process of providing domain name registration services, ask the applicant for which the registration is made to provide authentic, accurate and complete identity information on the holder of the domain name and other domain name registration related information.

REGULATIONS ON INFORMATION SECURITY AND DATA PROTECTION

Personal Information Protection

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), or the Personal Information Protection Law, which became effective on November 1, 2021. The Personal Information Protection Law requires, among others, 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 directly related to the processing purpose.

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 the 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.

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) 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 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.

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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.

REGULATIONS ON LEASING

According to the Civil Code of the PRC, an owner of immovable or movable property is entitled to possession, use, earnings, and disposal of such property in accordance with the law. Subject to the consent of the lessor, the lessee may sublease the leased premises to a third party. Where a lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease if the lessee subleases the premises without the consent of the lessor. In addition, if the ownership of the leased premises changes during the lessee's possession in accordance with the terms of the lease contract, the validity of the lease contract shall not be affected. Moreover, pursuant to the Civil Code of the PRC, if the mortgaged property has been leased and transferred for occupation prior to the establishment of the mortgage right, the original tenancy shall not be affected by such mortgage right.

On December 1, 2010, the Ministry of Housing and Urban-Rural Development promulgated the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), which became effective on February 1, 2011. According to such measures, the lessor and the lessee are required to complete property leasing registration and filing formalities within 30 days from execution of the property lease contract with the development authorities or real estate authorities of the municipality or county where the leased property is located. If a company fails to do as aforesaid, it may be ordered to rectify within a stipulated period, and if such company fails to rectify, a fine ranging from RMB1,000 to RMB10,000 may be imposed on each lease agreement.

REGULATIONS ON FIRE PROTECTION AND ENVIRONMENTAL PROTECTION

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 Department 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.

Environmental Protection

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) was promulgated by the SCNPC and effective on December 26, 1989, and most recently amended on April 24, 2014. The Environmental Protection Law of the PRC has been formulated for the purpose of protecting and improving the environment, preventing and controlling pollution and other public hazards, safeguarding people's health, advancing the construction of an ecological civilization and

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promoting sustainable economic and social development. According to the provisions of the Environmental Protection Law of the PRC, in addition to other relevant laws and regulations of the PRC, the Ministry of Environmental Protection and its local counterparts are responsible for administering and supervising environmental protection matters. Pursuant to the Environmental Protection Law, construction projects that have environmental impact shall be subject to environmental impact assessment.

Environment Impact Assessment

On October 28, 2002, the SCNPC promulgated the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), which was latest amended on December 29, 2018. The State Council implemented the environmental impact assessment to classify construction projects according to the impact of the construction projects on the environment. The Administration Rules on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) was promulgated by the State Council on November 29, 1998, amended on July 16, 2017 and became effective on October 1, 2017. According to the Environmental Impact Assessment Law and the Administration Rules on Environmental Protection of Construction Projects, depending on the impact of the construction project on the environment, the construction employer shall submit an environmental impact report or an environmental impact statement, or file a registration form.

Pursuant to the Interim Measures for Environmental Protection Acceptance of Completed Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) effective as of November 20, 2017 and the Regulations on the Administration Construction Project Environmental Protection, after the completion of a construction project for which an environmental impact report or an environmental impact report form is required, the construction entity shall, according to standards and procedures prescribed by the environmental protection administrative authorities, conduct environmental protection completion acceptance check and compile an acceptance check report. A construction project for which an environmental impact report or an environmental impact report form is required shall not be put into production or use until the environmental protection completion acceptance check has been passed.

Pollutant Discharges Permitting 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.

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, utilise 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 authorisation. Furthermore, it is forbidden

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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.

REGULATIONS ON EMPLOYMENT AND SOCIAL WELFARE

Employment

The major PRC laws and regulations that govern employment relationship are the Labor Law of the PRC (《中華人民共和國勞動法》), (the **"Labor Law"**), which was promulgated by the SCNPC on July 5, 1994, last amended and came into effect on December 29, 2018), the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), (the **"Labor Contract Law"**), which was promulgated by the SCNPC on June 29, 2007 and became effective on January 1, 2008, and then amended on December 28, 2012 and became effective on July 1, 2013, and the Implementation Rules of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》), (the **"Implementation Rules of the Labor Contract Law"**), promulgated by the State Council on September 18, 2008 and came into effect on the same day. According to the aforementioned laws and regulations, labor relationships between employers and employees must be executed in written form. The laws and regulations above impose stringent requirements on the employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees. As prescribed under the laws and regulations, employers shall ensure their employees have the right to rest and the right to receive wages no lower than the local minimum wages. Employers must establish a system for labor safety and sanitation that strictly abides by state standards and provide relevant education to its employees. Violations of the Labor Contract Law and the Labor Law may result in the imposition of fines and other administrative liabilities and/or incur criminal liabilities in the case of serious violations.

Social Insurance

According to the Social Insurance Law of PRC (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on October 28, 2010 and latest amended on December 29, 2018, enterprises and institutions in the PRC shall provide their employees with welfare schemes covering basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance, work-related injury insurance and other welfare plans. The employer shall apply to the local social insurance agency for social insurance registration within 30 days from the date of its formation. And it shall, within 30 days from the date of employment, apply to the social insurance agency for social insurance registration for the employee. Any employer who violates the regulations above shall be ordered to rectify within a prescribed time limit; if the employer fails to rectify within the time limit, the employer and its directly liable person will be fined. Meanwhile, the Interim Regulation on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), which was promulgated by the State Council on January 22, 1992 and came into effect on the same day, and latest amended and became effective on March 24, 2019, prescribes the details concerning the social insurance.

Housing Provident Fund

According to the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》), which was promulgated by the State Council on April 3, 1999 and came into effect on the same day, and latest amended on March 24, 2019, any newly established entity shall make deposit registration at the designated administrative centers and open bank accounts for depositing employees' housing provident funds. Employers and employees are also required to pay and deposit housing provident funds, with an amount no less than 5% of the monthly average salary of the employee in the preceding year in full and on time. Any entity that fails to make payment of housing

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provident funds within the time limit or has a shortfall in payment of housing provident funds will be ordered to make the payment or make up the shortfall within a prescribed time limit, otherwise, the housing provident management center is entitled to apply for compulsory enforcement with the People’s Court.

REGULATIONS ON FOREIGN EXCHANGE

Regulations relating to Foreign Currency Exchange

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》), most recently amended in August 5, 2008. Under the PRC foreign exchange regulations, payments of current account items, such as profit distributions, interest payments and trade and service related foreign exchange transactions, can be made in foreign currencies without prior approval from the SAFE, by complying with certain procedural requirements. By contrast, approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital account items, such as direct investments, repayment of foreign currency-denominated loans, repatriation of investments and investments in securities outside of China.

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 a 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 the State Administration of Foreign Exchange 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 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.

On October 23, 2019, SAFE issued the Circular on Further Facilitating Cross-border Trade and Investment (《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》) (the “**SAFE Circular 28**”), which cancels the restrictions on domestic equity investments by capital fund of non-investment foreign invested enterprises and allows non-investment foreign invested enterprises to use their capital funds to lawfully make equity investments in China, provided that such investments do not violate the Negative List and the target 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.

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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》) 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 the PRC in accordance with the laws or established in accordance with any laws of foreign countries (regions) but with an actual management entity within the PRC shall be regarded as a resident enterprise. A resident enterprise shall be subject to a EIT of 25% of any income generated within or outside the PRC. A preferential EIT 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 EIT rate of 15%.

Value-Added Tax

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》), or 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%.

Taxation Relating to Dividends

Pursuant to the EIT Law and the Implementation Regulations for the EIT Law, a non-resident enterprise is subject to enterprise income tax for its PRC-sourced income (including equity investment gains such as dividends and bonuses paid by PRC enterprises), but shall be at a reduced tax rate of 10%, if such non-resident enterprise does not have an establishment or premises in the PRC or has an establishment or premises in the PRC but the PRC-sourced income is not connected with such establishment or premises in the PRC. The aforementioned income tax which shall be paid by non-resident enterprises shall be withheld at source, with the payer of the income being the withholding agent. Such withholding tax shall be withheld by the withholding agent from the amount paid or amount due and payable upon each payment or payment due and payable.

Pursuant to the Individual Income Tax Law of the PRC (中華人民共和國個人所得稅法) (the "IIT Law") promulgated by the SCNPC on September 10, 1980, last amended on August 31, 2018 and effective on January 1, 2019, and the Implementation Regulations for the Individual Income Tax Law of the PRC (中華人民共和國個人所得稅法實施條例) (the "Implementation Regulations for the IIT Law") last amended by the State Council on December 18, 2018 and implemented on January 1, 2019, dividend income derived by individual investors from PRC domestic enterprises (no matter the place of payment is in the PRC or not) shall be subject to individual income tax at a tax rate of 20% and shall be withheld by the PRC domestic enterprises, except for tax-exempt income stipulated in international conventions and agreements to which the PRC Government is a party, as well as other tax-exempt income and tax reduction circumstances stipulated by the State Council.

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Taxation relating to Share Transfer

Pursuant to the EIT Law and the Implementation Regulations for the EIT Law, a non-resident enterprise is subject to enterprise income tax for its PRC-sourced income (including gains from transfers of equity investments in PRC enterprises), but shall be at a reduced tax rate of 10%, if such non-resident enterprise does not have an establishment or premises in the PRC or has an establishment or premises in the PRC but the PRC-sourced income is not connected with such establishment or premises in the PRC. The aforementioned income tax which shall be paid by non-resident enterprises shall be withheld at source, with the payer of the income being the withholding agent. Such withholding tax shall be withheld by the withholding agent from the amount paid or amount due and payable upon each payment or payment due and payable.

Pursuant to the IIT Law and the Implementation Regulations for the IIT Law, gains on transfer of properties (including gains derived by individuals from the transfer of priced securities, equity, shares of property in a partnership enterprise) in subject to individual income tax at the rate of 20%. Pursuant to the Circular on Declaring that Individual Income Tax Continues to Be Exempted over Individual Gains from Transfer of Shares (Cai Shui Zi [1998] No. 61) (關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知(財稅字[1998]61號)) issued jointly by the Ministry of Finance and the SAT on March 30, 1998 and implemented therefrom, from January 1, 1997, gains of individuals from the transfer of shares of listed companies continue to be exempted from individual income tax. However, the aforesaid provisions have not expressly stipulated whether to levy individual income tax on the transfer of shares of PRC resident enterprises listed on overseas securities exchanges by individuals.

Tax Policies for Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect

On October 31, 2014 and November 5, 2016, the Ministry of Finance, the SAT, and the CSRC jointly promulgated the Circular on Tax Policies concerning the Pilot Program of the Shanghai-Hong Kong Stock Market Trading Interconnection Mechanism (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) and the Circular on Tax Policies concerning the Pilot Program of the Shenzhen-Hong Kong Stock Market Trading Interconnection Mechanism (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》), pursuant to which, the gains from the transfer of shares and income from dividends and bonuses obtained by PRC enterprise investors from investing in stocks listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect shall be included in their total income and subject to EIT in accordance with the law. Among which, income from dividends and bonuses received by PRC resident enterprises from continuously holding H Shares for at least 12 months is exempt from EIT by law. H Share companies are not required to withhold and pay taxes on the income from dividends and bonuses for PRC enterprise investors. The taxable amount shall be declared and paid by the enterprises themselves.

For dividends and bonuses received by individual PRC investors from investing in H Shares listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the H Share company shall apply to China Securities Depository and Clearing Co., Ltd. (the "CSDC"), and CSDC shall provide a list of individual PRC investors to the H Share company, which shall then withhold and pay individual income tax at a rate of 20%. Individual investors who have already paid withholding tax outside the PRC may apply to the competent tax authority of CSDC for a tax credit upon presentation of a valid tax reduction certificate. For income from dividends and bonuses obtained by PRC securities investment funds from investing in stocks listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, individual income tax shall be levied in accordance with the above provisions.

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On December 4, 2019, the MOF, the SAT and the CSRC jointly issued the Announcement on the Continued Implementation of the Individual Income Tax Policies on the Interconnection Mechanisms for Transactions in Shanghai and Hong Kong Stock Markets and for Transactions in Shenzhen and Hong Kong Stock Markets (MOF Announcement 2019 No. 93) (《關於繼續執行滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》(財政部公告2019年第93號)). It stipulates that for PRC individual investors, the transfer difference income derived from investing in stocks listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and the trading of Hong Kong fund units through mutual recognition of funds will continue to be exempt from individual income tax on a temporary basis from December 5, 2019 to December 31, 2022.

In addition, pursuant to the Announcement on Continuing the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mutual Recognition of Funds between Chinese Mainland and Hong Kong (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》(財政部公告2023年第23號)) (Announcement of the MOF No. 23 of 2023) jointly issued by the MOF, the SAT and the CSRC on August 21, 2023, the period for the implementation of the individual income tax exemption policy has been further extended to December 31, 2027.

REGULATIONS ON OVERSEAS LISTING

CSRC Filing

Pursuant to the Overseas Listing Trial Measures, promulgated by the China Securities Regulatory Commission (the “CSRC”) on 17 February 2023, which became effective on 31 March 2023, where a PRC domestic company seeks to directly or indirectly offer and list securities in overseas markets, the issuer or the designated entity shall file the required documents with the CSRC within three business days after its application for initial public offering is submitted.

The Overseas Listing Trial Measures also stipulate the circumstances where the overseas offering and listing is explicitly prohibited, including: (i) financing through listing is expressly prohibited by laws, administrative regulations or relevant rules of the state; (ii) the overseas offering and listing may endanger national security as determined by the relevant competent department under the State Council after examination according to the law; (iii) a domestic enterprise or its controlling shareholder or actual controller has committed a criminal crime of corruption, bribery, embezzlement, misappropriation of property or disrupting the economic order of the socialist market in the last three years; (iv) domestic enterprise is under formal investigation according to the law for being suspected of any crime or major violation of laws and regulations, but no clear conclusions have been made; (v) there is a major dispute over ownership of the equity held by the controlling shareholder or a shareholder controlled by the controlling shareholder or the actual controller.

CSRC Requirements on Confidentiality and Archives Administration

On 24 February 2023, the CSRC, the MOF, National Administration of State Secrets Protection and National Archives Administration of China jointly released the revised Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《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》, the “**Archives Administration Provisions**”), which came into effect on 31 March 2023. The Archives Administration Provisions shall apply to both (i) the PRC companies seeking direct listing on the overseas stock exchange and (ii) the PRC operating entities of a foreign company seeking listing on the overseas stock exchange that qualifies as an “indirect listing” (above (i) and (ii) collectively, “**Domestic Companies**”).

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According to the Archives Administration Provisions, the Domestic Companies shall establish and implement a solid confidentiality and archives administration system. If a Domestic Company decides to disclose any documents or materials containing state secrets, work secrets of governmental agencies or any information that may be detrimental to national security or public interest once leaked, proper governmental approval procedures should be followed. After obtaining the governmental clearance, the Domestic Company disclosing such information, as one party, and the securities companies and securities services providers receiving such information, as the other party, shall also enter into non-disclosure agreements, setting forth the confidentiality obligations of the securities companies and securities services providers. When providing above information to the securities companies and securities services providers retained by it, the Domestic Companies are also required to issue a written statement outlining its compliance with the relevant regulatory requirements and procedures.

H Share Full Circulation

“Full circulation” refers to the listing and circulation of the domestic unlisted shares of an H-share listed company on the Stock Exchange of Hong Kong Limited, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On November 14, 2019, the CSRC issued the Guidelines on the Application of “Full Circulation” of Domestic Unlisted Shares by H-share Companies (Announcement of the CSRC [2019] No. 22) (H股公司境內未上市股份申請“全流通”業務指引) (the “**Guidelines on ‘Full Circulation’**”) and last amended on August 10, 2023. According to the Guidelines on “Full Circulation”, provided that the requirements set out in the relevant laws and regulations and in the policies for state-owned assets management, foreign investments and industry regulation are satisfied, the shareholders of domestic unlisted shares may decide at their own discretion through negotiation the amount and proportion of shares applying for circulation, and entrust the H-share Listed Company to submit the application for “full circulation.” The H-share Listed Company shall apply to the CSRC for “full circulation” in accordance with the administrative licensing procedures required for the “examination and approval of overseas public offering and listing of shares (including additional issuance) by joint stock companies.” Upon approval of the application for “full circulation” by the CSRC, the H-share Listed Company shall submit a report to the CSRC within 15 days after completion of the registration of shares involved in the application with the CSDC. Pursuant to the Overseas Listing Trial Measures, for a domestic company seeking direct overseas listing, the shareholders holding the domestic unlisted shares of such domestic company who apply for the conversion of the domestic unlisted shares into overseas listed shares shall comply with the relevant provisions of the CSRC and entrust such domestic company to file with the CSRC.

On December 31, 2019, the CSDC and Shenzhen Stock Exchange jointly issued the Implementation Measures for H-share “Full Circulation” Business (H股“全流通”業務實施細則), which applied to the cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominee holders and other businesses in relation to H-share “full circulation” business.

In order to fully promote the reform of H-share “full circulation” and specify the business arrangements and procedures for registration, custody, settlement and delivery of relevant shares, the CSDC Shenzhen Branch issued the Guidance for H-share “Full Circulation” (中國證券登記結算有限責任公司深圳分公司H股“全流通”業務指南) on September 20, 2024, last amended on June 27, 2025, which specified the business preparation, account arrangements, cross-border share transfer registration and overseas centralized custody, etc.

REGULATORY OVERVIEW

OVERVIEW OF LAWS AND REGULATIONS IN THE U.S.

Laws and Regulations Regarding Drug and Biological Products

In the U.S., the FDA regulates drugs under the Federal Food, Drug, and Cosmetic Act (“FD&C Act”) and biologics under both the FD&C Act and the Public Health Service Act, together with their implementing regulations. Both drugs and biologics are also subject to other federal, state, and local statutes. The process of obtaining regulatory approvals and subsequent compliance requires the expenditure of substantial time and financial resources. Failure to comply with applicable U.S. requirements at any time may subject an applicant to administrative or judicial sanctions, including the FDA’s refusal to approve pending applications, withdrawal of approval, clinical holds, warning letters, product recalls, injunctions, and civil or criminal penalties.

Preclinical and Clinical Development

Once a product candidate is identified for development, it enters preclinical testing conducted in accordance with FDA’s Good Laboratory Practice regulations, including laboratory evaluations of product chemistry, toxicity, formulation, and stability, as well as animal studies.

A sponsor must submit the results of preclinical testing, manufacturing information, analytical data, and the clinical trial protocol to the FDA as part of an Investigational New Drug application (“IND”). The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA places the trial on clinical hold. The FDA may also impose clinical holds at any time during clinical trials due to safety concerns or non-compliance. All clinical trials must be conducted under qualified investigators in accordance with Good Clinical Practice regulations, and an Institutional Review Board (“IRB”) must review and approve each clinical trial plan before it commences at any institution.

Clinical trials are generally conducted in three sequential phases: Phase I trials involve a small number of patients and assess pharmacologic action, tolerability, and safety; Phase II trials evaluate proof of concept and dose selection in disease-affected patients, while collecting safety and pharmacokinetic data; Phase III trials involve larger patient populations at multiple sites and are designed to demonstrate effectiveness, safety, and the overall benefit/risk profile of the product.

Progress reports must be submitted at least annually to the FDA. Safety reports must be submitted within 15 calendar days, or within 7 calendar days for unexpected, fatal, or life-threatening suspected adverse reactions. Sponsors are required to register and disclose certain clinical trial information at www.clinicaltrials.gov.

Review and Approval Process

The results of preclinical studies and clinical trials, together with manufacturing and labeling information, are submitted to the FDA as part of a Biologics License Application (“BLA”). The submission of a BLA is subject to substantial user fees. Within 60 days of receipt, the FDA reviews the BLA to ensure it is sufficiently complete for substantive review. The FDA then conducts an in-depth review to determine whether the product is safe and effective and whether its manufacturing complies with current Good Manufacturing Practice (“cGMP”) requirements. The FDA typically inspects manufacturing facilities before approving a BLA and may refer the application to an advisory committee for review.

If the applicable regulatory criteria are not satisfied, the FDA will issue a complete response letter describing deficiencies that must be addressed before approval can be granted. The regulatory approval may also be limited to specific indications, and the FDA may require post-approval studies and may impose a Risk Evaluation and Mitigation Strategy.

REGULATORY OVERVIEW

Expedited Development and Review Programs

Accelerated Approval. The FDA may approve a biologic for a serious or life-threatening condition that provides meaningful therapeutic benefit over existing treatments based on a surrogate endpoint reasonably likely to predict clinical benefit, or on an intermediate clinical endpoint measurable earlier than irreversible morbidity or mortality. Products approved under this pathway are subject to rigorous post-marketing requirements, including confirmatory trials to verify clinical benefit. Under the Food and Drug Omnibus Reform Act of 2022, the FDA may require confirmatory trials to be underway at the time of accelerated approval, and Congress streamlined the procedures for withdrawal if clinical benefit is not verified. All promotional materials for products receiving accelerated approval are subject to prior FDA review.

Breakthrough Therapy Designation. A biologic may be eligible for breakthrough therapy designation if it is intended to treat a serious or life-threatening condition and preliminary clinical evidence indicates it may demonstrate substantial improvement over currently approved therapies on clinically significant endpoints. The FDA must respond to designation requests within 60 days. If designated, the FDA expedites development and review, including frequent meetings with the sponsor throughout development.

Orphan Drug Designation. Under the Orphan Drug Act, the FDA may grant orphan drug designation to biologics intended to treat a rare disease or condition generally affecting fewer than 200,000 individuals in the U.S. The first applicant to receive FDA approval for an orphan-designated indication is entitled to seven years of exclusive marketing, during which the FDA generally may not approve another application to market the same product for the same indication.

The BIOSECURE Act

On December 18, 2025, the BIOSECURE Act became law as part of the Fiscal Year 2026 National Defense Authorization Act. The Act prohibits U.S. executive agencies from contracting with, or providing funds to, "Biotechnology Companies of Concern" ("BCOCs"), which include entities on the Department of Defense's Section 1260H list and companies designated by the Office of Management and Budget ("OMB") through a national security review process. Subsidiaries, parents, affiliates, and successors of designated BCOCs may also be covered if they independently satisfy the same national security criteria.

The Act's requirements are subject to phased implementation. OMB must publish its initial BCOC list within one year of enactment, followed by implementing guidance and Federal Acquisition Regulation updates. At maximum, full restrictions for 1260H list entities may not take effect for approximately 970 days after enactment, with 60 days after the FAR revision for 1260H entities and 90 days for other designated BCOCs. A five-year grandfathering provision protects pre-existing contracts entered into before the applicable effective date.

Laws and Regulations Concerning International Trade

Importation of goods into the customs territory of the United States is governed principally by the Tariff Act of 1930, as amended, the Customs Modernization Act of 1993, as amended, and the regulations of U.S. Customs and Border Protection ("CBP"). Under these laws and regulations, U.S. importers have primary legal responsibility for initially valuing, classifying, and determining the rate of duty applicable to imported merchandise. The importer is required to exercise "reasonable care" in entering merchandise into the United States. This includes when providing CBP information and documentation necessary for it to assess duties on imported merchandise, collect accurate import statistics, and determine whether an import complies with applicable laws.

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The United States imposes a variety of tariffs on imported goods. While the U.S. Constitution grants Congress the authority to impose tariffs, several statutes have shifted that authority to the President under certain circumstances. Within the United States, agencies involved in international trade regulation include the CBP, the U.S. International Trade Commission (“ITC”), and the Office of the U.S. Trade Representative (“USTR”). CBP is responsible for collecting tariffs on goods imported to the United States during the customs clearance process. The ITC is a quasi-judicial agency that administers U.S. laws governing trade remedies and provides analysis, information, and other support concerning tariffs and other international trade matters for the President, U.S. Congress, and the USTR. The ITC also investigates alleged violations of U.S. trade law, including unfair trade practices under Section 337 of the Tariff Act of 1930, illegal foreign financial subsidies, and violations, and Section 201 of the Trade Act of 1974 (imports of goods into the U.S. at an increased quantity that is a substantial cause of serious injury to a U.S. domestic industry). The USTR is a cabinet-level position within the office of the President of the United States, and serves as the President’s principal adviser, negotiator, and spokesperson regarding matters of international trade.

The USTR is authorized to take certain action under Section 301 of the Trade Act of 1974 (“Section 301”), including without limitation the imposition of tariffs or other restrictions on imports, if it determines after investigation that a foreign government has engaged in unfair trade practices. In 2018, following a USTR investigation and report, the United States imposed tariffs on certain imported goods of Chinese origin. Section 301 tariffs are assessed and collected in addition to any other duties that may apply (including, without limitation, anti-dumping duties, countervailing duties and Section 232 tariffs for aluminum and steel from the Trade Expansion Act of 1962). Both the United States and China have brought claims against one another before the World Trade Organization in connection with this trade dispute.

In early 2025, President Trump separately invoked the International Emergency Economic Powers Act (“IEEPA”) to impose additional tariff measures, including tariffs on imports from China, Canada, and Mexico based on concerns regarding illicit trade in fentanyl, as well as broader “reciprocal” tariff measures covering a wide range of products imported from most countries. On April 9, 2025, the United States implemented a 90-day pause on the varying reciprocal tariffs except for those on Chinese goods, leaving the 10% baseline tariff in place. On May 12, 2025, China and the United States jointly announced a 90-day suspension of certain trade restrictions, under which the United States imposed tariffs of 30% on most Chinese imports during such period, while China imposed tariffs of 10% on U.S. imports. On July 29, 2025, China and the United States jointly announced a 90-day extension of the tariff suspension. On November 1, 2025, the White House announced that the United States would reduce the tariffs on Chinese imports imposed to curb fentanyl flows by removing 10 percentage points from the cumulative rate, effective November 10, 2025, and would maintain its suspension of heightened reciprocal tariffs on Chinese imports until November 10, 2026.

On February 20, 2026, the U.S. Supreme Court issued its decision in *Learning Resources, Inc. v. Trump*, holding that IEEPA does not authorize the President to impose tariffs. The ruling invalidated tariffs imposed under IEEPA, including the fentanyl-related tariffs and reciprocal tariff measures. Tariffs imposed under other statutory authorities, including Section 301, Section 232 of the Trade Expansion Act of 1962 (“Section 232”), and antidumping and countervailing duty orders, were unaffected by the ruling.

Following the Supreme Court’s ruling, President Trump imposed a 10% global tariff under Section 122 of the Trade Act of 1974 (“Section 122”), effective February 24, 2026. Section 122 permits the imposition of tariffs for up to 150 days absent further congressional authorization; accordingly, the Section 122 tariff is currently scheduled to expire at the end of the 150-day period unless extended by legislation. The President has indicated that his administration intends to use other available authorities, including Section 301 and Section 232, to impose longer-term replacement measures. Specific details of such replacement measures have not been announced as of the date hereof.

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Employment Laws

The employment of individuals in the United States is governed by federal, state and sometimes local laws. Federal laws set the minimum legal standard for employee rights; state and local laws may set different standards. Most employees in the United States are hired “at-will,” meaning that their employment can be terminated at any time, with or without notice or cause. At-will employment can be modified by an employment agreement between an employee and employer, but in no event may an employee be terminated for an illegal reason (such as discrimination or harassment), nor may an employee be terminated or retaliated against for engaging in a legally protected activity. Individual verification of eligibility to work in the United States is required. In addition, employers are required to maintain workplaces that are free of harassment based on protected characteristics such as sex, race, etc.

Intellectual Property Laws

Intellectual property protection in the United States is primarily governed by federal law. Patent rights are governed by the Patent Act, which grants the patent owner the right to exclude others from making, using, offering for sale, selling, or importing the patented invention in the United States. Copyright protection is governed by the Copyright Act, under which original works of authorship fixed in a tangible medium are protected upon creation. Trademark rights are governed by the Lanham Act, which provides for federal registration with the U.S. Patent and Trademark Office. Trade secrets are protected under the Defend Trade Secrets Act and analogous state laws.

Regulations on Data Protection and User Privacy

Data protection and user privacy in the United States are governed by a combination of federal and state laws, as well as common law principles. At the federal level, key laws include the Children’s Online Privacy Protection Act and the Federal Trade Commission Act, under which the Federal Trade Commission enforces prohibitions against unfair or deceptive acts or practices. At the state level, laws such as the California Consumer Privacy Act, as amended by the California Privacy Rights Act, impose additional obligations on businesses regarding the collection, use, and disclosure of personal information of California residents, including transparency, consumer rights, and data governance requirements.

The Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and the regulations promulgated thereunder, including the Privacy Rule (45 C.F.R. Parts 160 and 164), the Security Rule, and the Breach Notification Rule, impose obligations on “covered entities” (which include healthcare providers that conduct certain electronic transactions) and their “business associates” with respect to the use, disclosure, and safeguarding of individually identifiable health information. Violations of HIPAA may result in civil monetary penalties and, in cases of willful neglect, criminal penalties.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Founded in 2017, we are a clinical-stage biotech company focused on the development of novel T-cell engager (“TCE”) therapy. Our Company was established by our Founder and Controlling Shareholder, Dr. Xiao, together with other minority shareholders, on September 4, 2017, as a limited liability company under the laws of the PRC and was converted to a joint stock limited company on September 29, 2025. For details of the biographical background and relevant industry experience of Dr. Xiao, see “Directors and Senior Management.”

KEY MILESTONES

The following table summarizes the key business development milestones since our inception:

Year	Milestone
2017	We were established in the PRC as a limited liability company.
2018	We established three globally largest fully human IgM phage display antibody libraries and H-BiTE Platform.
	CentryMed US was established in the US.
2019	We completed CMC development and non-clinical toxicology study for DNV3.
2020	We obtained NMPA IND approval for clinical trials for TCM DNV3.
	We initiated the construction of the fourth large capacity fully human IgM phage display antibody library.
2021	We completed CMC development and submitted IND application for SMET12, leveraging our H-BiTE Platform.
	We obtained both NMPA and FDA IND approvals for clinical trials for SMET12.
	We established our Multichannel Antibody Discovery Platform including hybridoma and multi-species immunized libraries and Pro-BiTE Platform.
	We initiated the Phase I clinical trial for DNV3.
	We initiated the Phase I clinical trial of SMET12.
	We established our fourth large capacity fully human IgM phage display antibody library.
2022	We completed the Phase I clinical trial of DNV3.
	We completed the early stage R&D for CMDE005, leveraging our Pro-BiTE Platform.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Milestone
2023	We completed the Phase I clinical trial of SMET12. We completed CMC development and submitted IND application for CMD011. We obtained NMPA IND approval for clinical trials, and initiated the Phase I clinical trial, for CMD011. We completed CMC development for CMDE005. We established Multifunctional/Logic-gated TCE Platform and initiated the R&D of CMDE101 and CMDE102.
2024	We obtained NMPA IND approval for clinical trials for CMDE005. We obtained NMPA IND approval for clinical trials for our DNV3 in combination with anti-PD-1 antibody and chemotherapy. We initiated the Phase I clinical trial for CMDE005. We initiated the Phase II clinical trial of DNV3 in combination with anti-PD-1 antibody and chemotherapy.
2025	We obtained FDA IND approval for clinical trials for CMD011. We obtained FDA IND approval for clinical trials for CMDE005. We initiated the Phase IIa clinical trial for SMET12. We initiated the CMC development of CMDE101.

OUR SUBSIDIARY

As of the Latest Practicable Date, we had one subsidiary which was wholly owned by the Company since its establishment and up to the Latest Practicable Date. Details of our subsidiary is set out below:

Name of subsidiary	Place of incorporation	Registered capital/Issued share capital	Date of incorporation and commencement of business	Principal business activities
CentryMed Pharmaceutical Inc.	US	US\$100,000	August 6, 2018	Research and development

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

(1) Establishment of Our Company

On September 4, 2017, our Company was established as a limited liability company in the PRC with an initial registered capital of RMB10,000,000. As of the establishment of our Company, our Company was held by the following Shareholders:

Shareholders	Registered capital subscribed	Corresponding equity interest in the Company
	(RMB)	%
Xiao Zuoxiang (孝作祥)	9,200,000	92.00
Zhu Ying (朱纓) ⁽¹⁾	500,000	5.00
Zhang Lixun (張厲尋) ⁽²⁾	300,000	3.00
Total	10,000,000	100.00

Notes:

- (1) Zhu Ying is an Independent Third Party to the Company.
- (2) Zhang Lixun is an Independent Third Party to the Company.

(2) February 2022 Capital Increase

Pursuant to a board resolution and shareholders resolution of our Company dated January 26, 2022, Hangzhou Shimai, our Employee Incentive Platform, subscribed for a registered capital of RMB785,965 of our Company for employee incentive purposes. Upon completion of the aforementioned capital increase, the registered capital of our Company was increased from approximately RMB14,933,332 to RMB15,719,297 in February 2022.

(3) Overview of Pre-[REDACTED] Investments

Our Company entered into several rounds of Pre-[REDACTED] Investments pursuant to the respective capital increase agreements with our Pre-[REDACTED] Investors. Apart from such capital increases, since our incorporation, there were also equity transfers among our Pre-[REDACTED] Investors. For details, see “—Pre-[REDACTED] Investments” in this section.

(4) Conversion into a Joint Stock Company

Pursuant to the shareholders’ resolutions and the promoters’ agreement dated September 28, 2025, the then existing Shareholders of our Company agreed to convert our Company into a joint stock limited liability company with a registered capital of RMB18,449,491 divided into 18,449,491 Shares with a nominal value of RMB1.00 each, which were subscribed by all the then Shareholders in proportion to their respective equity interests in our Company before the conversion. The conversion was completed on September 29, 2025 when our Company obtained a new business license issued by Hangzhou High-tech Industrial Development Zone (Binjiang) Market Supervision Administration Bureau.

(5) Share Subdivision

We expect to conduct the Share Subdivision immediately prior to the [REDACTED], pursuant to which each of our Share with par value of RMB1.00 will be subdivided into ten Shares with par value of RMB0.10 each. Upon completion of such Share Subdivision, the registered capital of our Company, which was RMB19,495,578 as of the date of this Document, will be divided into 194,955,780 Shares with par value of RMB0.10 per Share, which will be subscribed by all our then

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Shareholders in proportion to their respective equity interests in our Company immediately before the [REDACTED], and the number of our issued Shares will be 194,955,780, without taking into consideration the new Shares to be issued for the [REDACTED].

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any major acquisitions, disposals or mergers that we consider to be material to us.

REASONS FOR THE [REDACTED]

Our Company is seeking a [REDACTED] of its H Shares on the Stock Exchange in order to provide further capital for the development and expansion of our Company’s business, to strengthen our Company’s working capital and to further raise our business profile and global presence. For further details of our future plans, see “Future Plans and Use of [REDACTED].”

EQUITY INCENTIVE PLAN

In recognition of the contributions of our employees and consultants and to incentivize them to further promote our development, we have adopted the 2025 Equity Incentive Plan. For further details, see the section headed “Appendix IV—Statutory and General Information” in this Document. Hangzhou Shimai is our Employee Incentive Platform. The participants of the 2025 Equity Incentive Plan shall be granted awards in the form of the limited partnership interests in the Employee Incentive Platform corresponding to underlying Shares of the Company. As of the date of this Document, all awards corresponding to the underlying Shares held by the Employee Incentive Platform have been granted to the relevant grantees and each of the relevant grantees has been registered as a limited partner of the Employee Incentive Platform in respect of such award. No further awards are expected to be granted under the 2025 Equity Incentive Plan after the [REDACTED]. The terms of the 2025 Equity Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules as the 2025 Equity Incentive Plan does not involve the grant of new awards by our Company to subscribe for H Shares after the [REDACTED]. The capital contribution made by the partners to the Employee Incentive Platform was sourced from their own funds as of the date of this Document.

Hangzhou Shimai was established in the PRC as a limited partnership on October 29, 2020, and owns 11,409,650 Shares (as adjusted by the Share Subdivision) in the Company, accounting for approximately 5.85% of our issued Shares as of the date of this Document. Hangzhou Shimai is controlled by Dr. Xiao as its sole general partner. As of the date of this Document, Hangzhou Shimai was owned as to approximately 1.41% by Dr. Xiao as its general partner, and the remaining 98.59%, corresponding to 11,248,950 Shares (as adjusted by the Share Subdivision), was owned by the relevant grantees as limited partners under the 2025 Equity Incentive Plan, namely (i) Dr. Zhou Dongwen (周東文) (our executive Director, holding approximately 32.34% partnership interests), and (ii) other nine existing employees who are Independent Third Parties and not Directors, senior management or connected persons of our Company (holding approximately 66.25% interests in aggregate, among which (A) Mr. Liu Yang (劉揚) holds approximately 32.34% and (B) the respective partnership interests held by the other eight employees ranges from approximately 1.62% to 8.87%.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PRE-[REDACTED] INVESTMENTS

Overview

We underwent the following rounds of Pre-[REDACTED] Investments, details of which are set forth below.

Round	Form of investment	Date of agreement	Date of settlement of consideration (last payment)	Investor(s) ⁽¹⁾	Number of registered capital/shares involved	Consideration	Post-money valuation ⁽²⁾	Cost per Share ⁽³⁾	Discount to the [REDACTED] ⁽⁴⁾
Series A Investment ⁽⁵⁾	Subscription of registered share capital	June 16, 2018	January 4, 2019	Ningbo Kaiming and Ningbo Yuhe	RMB1,666,665	RMB50 million	RMB350 million	RMB3.00	[REDACTED]%
Series B Investment ⁽⁶⁾	Subscription of registered share capital	September 25, 2020	February 7, 2021	MabPlex, Taiyu Investment, Hangzhou Beiji, Hui ren Bobei, Wens Investment, Zhejiang Zheshang, Hangzhou Shanyao, Hangzhou Maishikang, Pingtan Fuying	RMB3,266,667	RMB140 million	RMB640 million	RMB4.29	[REDACTED]%
Series C Investment ⁽⁷⁾	Subscription of registered share capital	January 24, 2022	May 27, 2022	Hangzhou Taikun, Hongxin Zhuocheng, Ruituo Venture, Yueyi Yunzhong, Yongxi Yongye, Anji Maisheng, Hangzhou High-Tech, Hangzhou Chenghe, Beta Biopharmaceutical, Tongxin Zhongchuang, Saizhi Chuangyun	RMB2,730,194	RMB330 million	RMB2,230 million ⁽⁸⁾	RMB12.09	[REDACTED]%

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Round	Form of investment	Date of agreement	Date of settlement of consideration (last payment)	Investor(s) ⁽¹⁾	Number of registered capital/shares involved	Consideration (approximation)	Post-money valuation ⁽²⁾ (approximation)	Cost per Share ⁽³⁾ (approximation)	Discount to the [REDACTED] ⁽⁴⁾ (approximation)
Series Pre-[REDACTED] Investment ⁽⁹⁾	Subscription of registered share capital	January 16, 2026	February 10, 2026	Xiamen Gaotiejia Ruilu Venture Capital Partnership (Limited Partnership), Beicheng Venture, Hangzhou Taikun, Zhang Ping, Wang Haijiao	RMB1,046,087	RMB170.1 million	RMB3,170.1 million	RMB16.26	[REDACTED]%
Lock-up period				Pursuant to PRC Company Law, Shares issued by our Company prior to the [REDACTED] (including those held by the Pre-[REDACTED] Investors) will be subject to a lock-up period of 12 months from the [REDACTED].					
Use of [REDACTED] from the Pre-[REDACTED] Investments				We utilized the [REDACTED] from the Pre-[REDACTED] Investments for the principal business of our Group, including but not limited to research and development of our products, the growth and expansion of our business and general working capital purposes. As of the Latest Practicable Date, we have utilized approximately 73.82% of the [REDACTED] from the Pre-[REDACTED] Investments.					
Strategic benefits to our Group brought by the Pre-[REDACTED] Investments				At the time of the Pre-[REDACTED] Investment, we believed that our Group could benefit from the additional funds raised from the Pre-[REDACTED] Investments as well as their knowledge and experience.					

Notes:

- (1) For the details on the Pre-[REDACTED] Investors, see “—Information about Our Pre-[REDACTED] Investors.”
- (2) The consideration and the Company’s valuation at each round of Pre-[REDACTED] Investments was determined at arm’s length negotiations with reference to, among others (i) the background of the relevant Pre-[REDACTED] Investors; (ii) the prospect, development and the milestone achieved for various products at the material time; and (iii) the then market conditions at each round of Pre-[REDACTED] Investments.

The increase from the post-money valuation of Series A Investment to the pre-money valuation of Series B Investment was mainly because (i) we established three globally largest fully human IgM phage display antibody libraries and H-BYTE Platform by the end of 2018; (ii) we completed CMC development and non-clinical toxicology study for DNV3 in 2019; (iii) we completed early research and development of SMT12 and initiated CMC process development; and (iv) we obtained NMPA IND approval for clinical trials for TCM DNV3 in August 2020.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The increase from the post-money valuation of Series B Investment to the pre-money valuation of Series C Investment was mainly because (i) we completed CMC development and submitted IND application for SMET12, leveraging our H-BiTE Platform; (ii) we obtained both NMPA and FDA IND approvals for clinical trials for SMET12; (iii) we established our Multichannel Antibody Discovery Platform including hybridoma and multi-species immunized libraries and Pro-BiTE Platform; (iv) we initiated the Phase I clinical trial for DNV3 and SMET12; (v) we established our fourth large capacity fully human IgM phase display antibody library; (vi) we completed the Phase I clinical trial of DNV3; and (vii) we completed the early stage R&D for CMDE005, leveraging our Pro-BiTE Platform.

The increase from the post-money valuation of Series C Investment to the pre-money valuation of Series Pre-[REDACTED] Investment was mainly because (i) we completed the Phase I clinical trial of SMET12; (ii) we completed CMC development and submitted IND application for CMD011; (iii) we obtained NMPA IND approval for clinical trials, and initiated the Phase I clinical trial, for CMD011; (iv) we completed CMC development for CMDE005; (v) we established Multifunctional/Logic-gated TCE Platform and initiated the R&D of CMDE101 and CMDE102; (vi) we obtained NMPA IND approval for clinical trials for CMDE005; (vii) we obtained NMPA IND approval for clinical trials for our DNV3 in combination with anti-PD-1 antibody and chemotherapy; (viii) we initiated the Phase I clinical trial for CMDE005; (ix) we initiated the Phase II clinical trial of DNV3 in combination with anti-PD-1 antibody and chemotherapy; (x) we obtained FDA IND approval for clinical trials for CMD011; (xi) we obtained FDA IND approval for clinical trials for CMDE005; (xii) we initiated the Phase IIa clinical trial for SMET12; and (xiii) we initiated the CMC development of CMDE101.

The increase in the valuation of the Company in the [REDACTED] compared with Series Pre-[REDACTED] Investment was mainly because (i) we completed early research and development of CMDE101 and entered the CMC development stage; (ii) we have completed mid-term clinical data readout of the DNV3 melanoma project, with an overall ORR of 22.2%, DCR of 72.2%, mDOR of 5.59 months; mPFS of 5.55 months, among which the mucosal type ORR reached 28.0%; (iii) we expect to communicate with the National CDE regarding breakthrough therapy of the DNV3 melanoma project before August 2026; (iv) we expect to complete Phase I clinical trials and initiate Phase IIa of CMDE005 project before August 2026; and (v) the difference in the marketability in the Shares in Series Pre-[REDACTED] Investment and that of the Company upon [REDACTED], the difference in risks undertaken by the Pre-[REDACTED] Investors investing in a private company vis-à-vis [REDACTED] in a [REDACTED] company as well as the current market conditions.

(3) The cost per share is calculated by dividing the total investment amount by the number of registered capital/shares subscribed under each series financing, as adjusted by the Share Subdivision to be undertaken immediately prior to the [REDACTED] and with reference to the exchange rate disclosed in “Information about this Document and the [REDACTED],” to facilitate the illustration of premium or discount to the [REDACTED].

(4) The discount to the [REDACTED] is calculated based on the assumption that the [REDACTED] is HK\$[REDACTED] per H Share, being the mid-point of the indicative [REDACTED] range.

(5) On June 16, 2018, Ningbo Kaiming Investment Management Partnership (Limited Partnership) (寧波凱銘投資管理合夥企業(有限合伙)) (“Ningbo Kaiming”), the Company and several then Shareholders of our Company entered into a capital increase agreement, pursuant to which Ningbo Kaiming agreed to subscribe for RMB1,083,332 registered capital of our Company at a consideration of RMB32.5 million (the “Series A Investment I”).

On June 16, 2018, Ningbo Yuhe Science and Innovation Investment Management Co., Ltd. (寧波宇和科創投資管理有限公司) (“Ningbo Yuhe”), the Company and several then Shareholders of our Company entered into a capital increase agreement, pursuant to which Ningbo Yuhe agreed to subscribe for RMB583,333 registered capital of our Company at a consideration of RMB17.5 million (the “Series A Investment II”, together with Series A Investment I, the “Series A Investment”).

Upon completion of the Series A Investment, the registered capital of the Company increased from RMB10,000,000 to RMB11,666,665 on July 19, 2018.

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- (6) On September 25, 2020, an investment agreement was entered into among relevant parties regarding the series B investment (“**Series B Investment**”), the details of which are as follows:

Series B Investment

Subscriber	Number of Registered Capital Involved	Consideration
MabPlex	RMB583,333	RMB25 million
Taiyu Investment	RMB466,667	RMB20 million
Hangzhou Beiyi	RMB466,667	RMB20 million
Huiren Bobei	RMB466,667	RMB20 million
Wens Investment	RMB466,667	RMB20 million
Zhejiang Zheshang	RMB233,333	RMB10 million
Hangzhou Shanyao	RMB233,333	RMB10 million
Hangzhou Maishikang	RMB233,333	RMB10 million
Pingtian Fuying	RMB116,667	RMB5 million

Upon completion of the Series B Investment, registered capital of the Company increased from RMB11,666,665 to RMB14,933,332 on December 14, 2020.

- (7) On January 24, 2022, a capital increase agreement was entered into among relevant parties regarding the series C investment (“**Series C Investment**”), the details of which are as follows:

Series C Investment

Subscriber	Number of Registered Capital Involved	Consideration
Hangzhou Taikun	RMB827,332	RMB100 million
Hongxin Zhuocheng	RMB248,199	RMB30 million
Ruituo Venture	RMB165,466	RMB20 million
Yueyi Yunzhong	RMB165,466	RMB20 million
Yongxi Yongye	RMB206,833	RMB25 million
Anji Maisheng	RMB248,199	RMB30 million
Hangzhou High-Tech	RMB165,466	RMB20 million
Hangzhou Chenghe	RMB99,281	RMB12 million
Betta Biopharmaceutical	RMB248,199	RMB30 million
Tongxin Zhongchuang	RMB107,554	RMB13 million
Saizhi Chuangyun	RMB248,199	RMB30 million

Upon completion of the Series C Investment, the registered capital of the Company increased from RMB15,719,297 to RMB18,449,491 on February 16, 2022.

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(8) On January 28, 2021, Huiren Bobei entered into equity transfer agreements with Saizhi Bole and Tongxin Zhongchuang, respectively, pursuant to which Huiren Bobei agreed to transfer RMB70,000 and RMB396,667 of unpaid registered capital to Saizhi Bole and Tongxin Zhongchuang at nil consideration. Thereafter, Saizhi Bole and Tongxin Zhongchuang paid to our Company the consideration of RMB3 million and RMB17 million, respectively corresponding to the aforementioned registered capital transferred to them. The aforementioned equity transfers were completed on February 4, 2021. The considerations corresponding to the above registered capital subscription were determined after arm’s length negotiations between the relevant parties, with reference to, among others, the investment cost of subscribing for such registered capital in our Company paid by the transferors (in particular, having considered the increase in the valuation of our Company since their respective initial investment in our Company), the funding needs and investment plan of the transferors, the business growth prospect of our Company and the valuation of our Company in the Series B investment.

In February 2022, Ningbo Kaiming Investment Management Partnership (Limited Partnership) (寧波凱銘投資管理合夥企業(有限合伙)) transferred RMB628,772 of registered capital of our Company to Beta Biopharmaceutical at a consideration of approximately RMB76 million, respectively. The aforementioned equity transfers were completed on February 28, 2022. The considerations of the above equity transfers were determined after arm’s length negotiations between the relevant parties, with reference to, among others, the investment cost of subscribing for such registered capital in our Company paid by the transferors (in particular, having considered the increase in the valuation of our Company since their respective initial investment in our Company), the funding needs and investment plan of the transferors, the business growth prospect of our Company and the valuation of our Company in the Series C investment.

In November 2023, the last round of equity transfer among the Pre-[REDACTED] Investors was completed, whereby Ningbo Kaiming Investment Management Partnership Enterprise (Limited Partnership) (寧波凱銘投資管理合夥企業(有限合伙)) transferred registered capital of our Company in an aggregate amount of RMB422,060 to Beicheng Venture at an aggregate consideration of approximately RMB64.05 million. The considerations of the aforementioned equity transfer was determined after arm’s length negotiations between the relevant parties, with reference to, among others, the investment cost of subscribing for such registered capital in our Company paid by the transferor (in particular, having considered the increase in the valuation of our Company since their respective initial investment in our Company), the funding needs and investment plan of the transferors and the business growth prospect of our Company.

(9) On January 16, 2026, an investment agreement was entered into among relevant parties regarding the series Pre-[REDACTED] investment (“Series Pre-[REDACTED] Investment”), the details of which are as follow:

Series Pre-[REDACTED] Investment

Subscriber	Number of Registered Capital Involved	Consideration
Xiamen Gaotejia	RMB368,990	RMB60,000,000
Beicheng Venture	RMB307,492	RMB50,000,000
Hangzhou Taikun	RMB245,993	RMB40,000,000
Ms. Zhang Ping	RMB122,997	RMB20,000,000
Mr. Wang Haijiao	RMB615	RMB100,000

Upon completion of the Series Pre-[REDACTED] Investment, registered capital of the Company increased from RMB18,449,491 to RMB19,495,578 on February 5, 2026.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Special Rights of the Pre-[REDACTED] Investors

The Pre-[REDACTED] Investors were granted certain special rights including, but not limited to redemption right, liquidation preference rights, valuation adjustment, and veto rights on certain important corporate matters. Pursuant to a shareholder agreement entered into by our Company with, among others, the then Shareholders of the Company dated August 30, 2025 (the “**Supplemental Shareholders’ Agreement**”), (a) the redemption rights of the Pre-[REDACTED] Investors granted by the Company and the liquidation preference rights were irrecoverably terminated which shall have never had any legal effect and will not be reinstated under any circumstances one day before the benchmark date for the conversion of our Company from a limited liability company into a joint stock limited company (the “**Arrangement**”); (b) the redemption rights of the Pre-[REDACTED] Investors granted by the Controlling Shareholders shall be terminated on the day before the first submission of the [REDACTED] for an [REDACTED] to the Stock Exchange (the “[REDACTED]”), subject to reinstatement in the event of (i) the [REDACTED] being unaccepted, returned or rejected, and the Company failing to resubmit the [REDACTED] within 6 months after such event; (ii) the Company withdrawing its [REDACTED]; (iii) the Company failing to complete the [REDACTED] within 18 months after date of the [REDACTED]; or (iv) the Company failing to complete the [REDACTED] before June 30, 2027; and (c) all of the other special rights shall be terminated completely from the [REDACTED]. During the Track Record Period, there was no exercise of redemption rights by any of the Pre-[REDACTED] Investors. Save for the director nomination rights and information rights exercised by certain Pre-[REDACTED] Investors, and voting rights (on certain reserved corporate matters) at shareholders’ meetings exercised by all Pre-[REDACTED] Investors, no other special rights were exercised prior to the execution of the Supplemental Shareholders’ Agreement. There is no guarantee by the Company or any side agreement in respect of the redemption rights granted by the Controlling Shareholders. Considering that the Company has no obligation to the redemption rights granted by the Controlling Shareholders, no liability regarding such rights was recognized during the Track Record Period.

According to the Civil Code of the PRC, when conducting a civil activity, a person of the civil law (民事主體) shall, following the principle of autonomy of will, create, alter, or terminate a civil juristic relationship according to his own will; a civil juristic act is valid if the following conditions are satisfied: (1) the person performing the act has the requisite capacity for performing the civil juristic acts; (2) the intent expressed by the person is true; and (3) the act does not violate any mandatory provisions of laws or administrative regulations, nor offend any public order or good morals. The Civil Code of the PRC further states that the parties may rescind the contract upon agreement through consultation. As such, our PRC Legal Advisor is of the view that under the condition that the parties to the Supplemental Shareholders’ Agreement follow the principle of autonomy of will, the Arrangement that the Company’s redemption obligations were fully terminated and shall have never had any legal effect and will not be reinstated, is legally valid and enforceable.

For more details of redemption rights granted by the Company, please refer to Note 23 and Note 28 to the Accountants’ Report in Appendix I to this Document.

PRC Legal Advisor’s Confirmation

As advised by our PRC Legal Advisor, our Company has obtained all necessary approvals from competent authorities or made all necessary registration or filings with the relevant local branch of SAMR in respect of the Pre-[REDACTED] Investments in material aspects set out above.

Compliance with the Pre-[REDACTED] Investment Guidance

On the basis that (i) the consideration for the Pre-[REDACTED] Investments was settled no less than 120 clear days before the [REDACTED], and (ii) no special rights of our Pre-[REDACTED] Investors will exist after the [REDACTED] as disclosed in “— Special Rights

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of the Pre-[REDACTED] Investors” above, the Sole Sponsor confirms that the Pre-[REDACTED] Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants, including the “120 Day Delay” rule requirement under Chapter 4.2 of the Guide for New Listing Applicants. In particular, to understand whether the redemption rights granted by the Company to the Pre-[REDACTED] Investors had been terminated retrospectively, the Sole Sponsor has, among others: (i) discussed with the management of the Company to understand the background of the redemption rights granted by the Company to the Pre-[REDACTED] Investors; (ii) reviewed the shareholder agreement dated August 30, 2025 (the “**Supplemental Shareholders’ Agreement**”) to understand the termination clause relating to the redemption rights granted by the Company to the Pre-[REDACTED] Investors; (iii) discussed with the PRC Legal Advisor to understand the treatment of the redemption rights granted by the Company to the Pre-[REDACTED] Investors under the applicable PRC laws; and (iv) discussed with the Reporting Accountants to understand the audit procedures performed in this regard. Based on the abovementioned independent due diligence work performed, nothing has come to the attention of the Sole Sponsor that would cause them to cast reasonable doubt on the Company’s conclusion as mentioned above.

Information about Our Pre-[REDACTED] Investors

Two of our Pre-[REDACTED] Investors are Sophisticated Investors (i.e. Betta Biopharmaceutical and Hangzhou Taikun). Set out below are details of our Sophisticated Investors in our Company as of the Latest Practicable Date. Please refer to notes (1) to (21) to “Capitalization” for details of the other Pre-[REDACTED] Investors. To the best knowledge of our Directors, save for Beicheng Venture and Hangzhou Beiyi which are connected persons of our Company, each of our Pre-[REDACTED] Investors and their respective ultimate beneficial owner (where applicable) is an Independent Third Party.

Sophisticated Investors

Betta Biopharmaceutical

Betta Biopharmaceutical Technology (Zhejiang) Co., Ltd. (貝達生物醫藥科技(浙江)有限公司) (“**Betta Biopharmaceutical**”) invested in our Company in February 2022 and will hold [REDACTED]% of issued share capital of our Company at time of [REDACTED]. Betta Biopharmaceutical is a company with limited liability incorporated in the PRC on December 28, 2021. It is a wholly-owned subsidiary of Betta Pharmaceuticals Co., Ltd., a major pharmaceutical company listed on the Shenzhen Stock Exchange (stock code: 300558.SZ). Betta Pharmaceuticals Co., Ltd. focuses on production and sales of innovative drugs, and had a total asset of approximately RMB9.7 billion as of September 30, 2025. Therefore, Betta Biopharmaceutical is a Sophisticated Investor and has made meaningful investment in our Company at least six months before the [REDACTED].

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

Hangzhou Taikun

Hangzhou Taikun Equity Investment Fund Partnership Enterprise (Limited Partnership) (杭州泰龍股權投資基金合夥企業(有限合夥)) (“**Hangzhou Taikun**”) is a limited partnership established in the PRC on August 10, 2021. The general partner of Hangzhou Taikun is Hangzhou Tailong Venture Capital Partnership Enterprise (Limited Partnership) (杭州泰龍創業投資合夥企業(有限合夥)) (“**Hangzhou Tailong**”). The largest limited partner of Hangzhou Taikun is Hangzhou Taige Equity Investment Partnership (Limited Partnership) (杭州泰格股權投資合夥企業(有限合夥)) (“**Hangzhou Taige**”), holding approximately 49.00% of the partnership interest. None of the other limited partners of Hangzhou Taikun hold 30% or more of its partnership interest.

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The general partner of Hangzhou Tailong is Zhaotai (Zibo) Venture Capital Management Partnership Enterprise (Limited Partnership) (昭泰(淄博)創業投資管理合夥企業(有限合夥)), which is ultimately controlled by Mr. Liu Chunguang (劉春光). The largest limited partner of Hangzhou Tailong is Hangzhou Taige, holding approximately 99.00% of the partnership interest, which is ultimately controlled by Hangzhou Tigermed Consulting Co., Ltd. (杭州泰格醫藥科技股份有限公司) (“**Hangzhou Tigermed**”), a company listed on the Shenzhen Stock Exchange (stock code: 300347.SZ) and Hong Kong Stock Exchange (stock code: 3347.HK).

Hangzhou Taikun invested in our Company in February 2022 and will hold an aggregate of [REDACTED]% of issued share capital of our Company at time of [REDACTED]. Hangzhou Taikun is a dedicated investment fund focusing on investment in biotech and healthcare industry and has invested in companies including among others, GenFleet Therapeutics (Shanghai) Inc. (勁方醫藥科技(上海)股份有限公司) (a company listed on the Stock Exchange, stock code: 2595), TJ Biopharma Hangzhou Co., Ltd. (天境生物藥業(杭州)股份有限公司), Tyligand Bioscience Ltd. and Hanx Biopharmaceuticals (Wuhan) Co., Ltd. (翰思艾泰生物醫藥科技(武漢)股份有限公司) (a company listed on the Stock Exchange, stock code: 3378). Hangzhou Taikun is an investment fund of Hangzhou Tailong, which is a fund focusing on biotech and healthcare industry with a total assets under management of over RMB20 billion. Hangzhou Tailong has invested in various companies across biotech, medical devices and healthcare sectors, including among others, Duality Biotherapeutics, Inc. (a company listed on the Hong Kong Stock Exchange, stock code: 9606), Jiangsu CuroVax Biotechnology Co., Ltd. (江蘇康潤生物科技有限公司) and Beijing Luzhu Biotechnology Co., Ltd. (北京綠竹生物技術股份有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 2480). Therefore, Hangzhou Taikun is a Sophisticated Investor and has made meaningful investment in our Company at least six months before the [REDACTED].

To the best knowledge and information of the Company, all these above-mentioned entities and individuals are Independent Third Parties. Mr. Zhu Qi, our non-executive Director, is a board representative of Hangzhou Taikun.

CAPITALIZATION

Our Company [has [REDACTED]] for H-share full circulation to convert [REDACTED] of the Unlisted Shares into H Shares after the [REDACTED]. The conversion of Unlisted Shares into H Shares will involve an aggregate of [REDACTED] Unlisted Shares (as adjusted by the Share Subdivision), representing [REDACTED]% of total issued share capital of the Company as of the Latest Practicable Date. The table below is a summary of the capitalization of our Company as of the Latest Practicable Date immediately prior to and upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised and taking into account the Share Subdivision) and the conversion of Unlisted Shares into H Shares:

Name of Shareholders	As of the date of this Document		Immediately upon completion of the [REDACTED]				
	Number of Shares (as adjusted by the Share Subdivision)	Approximate ownership percentage in the total issued Shares	Number of Shares	Description of Shares	Approximate shareholding percentage in the total issued Shares	Number of H Shares to be counted towards public float	Shareholding percentage held by each public Shareholder
<i>Controlling Shareholders</i> ^(A)							
Hangzhou Dimai	58,972,920	30.25%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Hangzhou Haomai	27,766,730	14.24%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Hangzhou Shimai	11,409,650	5.85%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Subtotal	98,149,300	50.34%	[REDACTED]	[–]	[REDACTED]	[REDACTED]	[REDACTED]
<i>Beijia Entities</i> ^{(B)(1)}							
Beicheng Venture ^(C)	7,295,520	3.74%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
			[REDACTED]	Unlisted Shares	[REDACTED]	[REDACTED]	[REDACTED]

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Name of Shareholders	As of the date of this Document		Immediately upon completion of the [REDACTED]				
	Number of Shares (as adjusted by the Share Subdivision)	Approximate ownership percentage in the total issued Shares	Number of Shares	Description of Shares	Approximate shareholding percentage in the total issued Shares	Number of H Shares to be counted towards public float	Shareholding percentage held by each public Shareholder
Hangzhou Beiyi	4,666,670	2.39%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Subtotal	11,962,190	6.13%	[REDACTED]	[–]	[REDACTED]	[REDACTED]	[REDACTED]
<i>Saizhi Bole Entities⁽²⁾</i>							
Tongxin Zhongchuang ^(C)	4,248,880	2.18%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Saizhi Bole	560,000	0.29%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Saizhi Chuangyun	2,481,990	1.27%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Subtotal	7,290,870	3.74%	[REDACTED]	[–]	[REDACTED]	[REDACTED]	[REDACTED]
<i>Yunzhong Entities⁽³⁾</i>							
Ningbo Meishan	1,654,660	0.85%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Yueyi Yunzhong	1,654,660	0.85%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Subtotal	3,309,320	1.70%	[REDACTED]	[–]	[REDACTED]	[REDACTED]	[REDACTED]
Betta Biopharmaceutical	8,769,710	4.50%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Hangzhou Taikun ^(C)	10,733,250	5.51%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
				Unlisted			
			[REDACTED]	Shares	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Zhou Xiaoguang ⁽⁴⁾	6,987,640	3.58%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
MabPlex ⁽⁵⁾	5,833,330	2.99%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Ningbo Yuhe ⁽⁶⁾	5,658,330	2.90%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Taiyu Investment ⁽⁷⁾	4,666,670	2.39%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Wens Investment ⁽⁸⁾	4,666,670	2.39%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
				Unlisted			
			[REDACTED]	Shares	[REDACTED]	[REDACTED]	[REDACTED]
Xiamen Gaotejia ⁽¹⁹⁾	3,689,900	1.89%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Hongxin Zhuocheng ⁽⁹⁾	2,481,990	1.27%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Anji Maisheng ⁽¹⁰⁾	2,481,990	1.27%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Hangzhou Maishikang ⁽¹¹⁾	2,333,330	1.20%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Zhejiang Zheshang ^{(C)(12)}	2,333,330	1.20%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Hangzhou Shanyao ⁽¹³⁾	2,333,330	1.20%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Shao Qing ^(D)	2,329,210	1.19%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Yongxi Yongye ⁽¹⁴⁾	2,068,330	1.06%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Zhang Yongxian ⁽¹⁵⁾	1,826,830	0.94%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Hangzhou High-Tech ^{(C)(16)}	1,654,660	0.85%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
				Unlisted			
			[REDACTED]	Shares	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Zhang Ping ⁽²⁰⁾	1,229,970	0.63%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Pingtian Fuying ⁽¹⁷⁾	1,166,670	0.60%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Hangzhou Chenghe ⁽¹⁸⁾	992,810	0.51%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
				Unlisted			
			[REDACTED]	Shares	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Wang Haijiao ⁽²¹⁾	6,150	0.003%	[REDACTED]	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Subtotal	194,955,780	100.00%	[REDACTED]	[–]	[REDACTED]	[REDACTED]	[REDACTED]
<i>[REDACTED] taking part in the</i>							
[REDACTED]	–	–	[REDACTED]	[–]	[REDACTED]	[REDACTED]	[REDACTED]
Total	194,955,780	100.00%	[REDACTED]	[–]	100.00%	[REDACTED]	[REDACTED]

Notes:

- (A) Hangzhou Haomai, Hangzhou Dimai and Hangzhou Shimai (each a close associate of Dr. Xiao, our Director, and a Controlling Shareholder) will be our core connected persons and hence the H Shares held by them will not be counted towards the public float. Hangzhou Dimai is a limited partnership held as to (i) approximately 25.7% of the partnership interest therein by Hangzhou Haomai as its sole general partner; (ii) approximately 25.7% of the partnership interest therein by Ms. JIUN WANG, a former Director of the Company, as a limited

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partner; (iii) approximately 2.6% of the partnership interest therein by Ms. WANG Yanping, the chief operating officer of CentryMed US; and (iv) approximately 46.0% by the other four limited partners, each an Independent Third Party and held less than 30% of the partnership interests therein.

- (B) Beicheng Venture and Hangzhou Beiyi are both controlled entities of Mr. Ding Shizhe, our non-executive Director, and will be our core connected persons and hence the H Shares held by them will not be counted towards the public float.
- (C) Shareholders ultimately controlled by different levels of government within Zhejiang Province (including Beicheng Venture, Tongxin Zhongchuang, Hangzhou Taikun, Zhejiang Zheshang and Hangzhou High-Tech) are aggregated (representing an aggregate of approximately [REDACTED]% of total issued share capital of the Company upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised)) and collectively regarded as our substantial Shareholders, being our core connected persons, and hence will not be counted towards the public float.
- (D) Mr. Shao Qing, our Director, will be our core connected person and hence the H Share held by him will not be counted towards the public float.

(1) *Beijia Entities*

Beicheng Venture

Hangzhou Beicheng Venture Capital Partnership (Limited Partnership) (杭州貝橙創業投資合夥企業(有限合夥)) (“**Beicheng Venture**”) is a limited partnership established in the PRC on November 18, 2022. Beicheng Venture was managed by Hangzhou Beijia Investment Management Co., Ltd. (杭州貝加投資管理有限責任公司) (“**Hangzhou Beijia**”) as its general partner.

Beicheng Venture is a fund focusing on biotech and healthcare industry with a total assets under management of over RMB2 billion. Beicheng Venture has invested in various companies across biotech, medical devices and healthcare sectors, including among others, Chengdu Sino-Clone Organ Biotechnology, Co., Ltd. (成都中科奧格生物科技有限公司) and Longbio Pharma (Suzhou) Co., Ltd. (天辰生物醫藥(蘇州)股份有限公司).

Hangzhou Beiyi

Hangzhou Beiyi Equity Investment Fund Partnership (Limited Partnership) (杭州貝奕股權投資基金合夥企業(有限合夥)) (“**Hangzhou Beiyi**” together with Beicheng Venture, “**Beijia Entities**”) is a limited partnership established in the PRC on April 28, 2020. Hangzhou Beiyi is managed by its general partner, Hangzhou Beijia.

Hangzhou Beijia was held as to 90% by its largest shareholder Mr. Ding Shizhe (丁師哲), our non-executive Director. Therefore, each of Beicheng Venture and Hangzhou Beiyi is a connected person of the Company.

Hangzhou Beiyi is a fund focusing on biotech industry with a total assets under management of over RMB95 million. Hangzhou Beiyi has invested in various companies across biotech, medical devices and healthcare sectors, including among others, Angel Pharmaceutical Co., Ltd. (嘉興和劑藥業有限公司) and Vitoro Biotechnology (Zhejiang) Co., Ltd. (維眸生物科技(浙江)有限公司).

(2) *Saizhi Bole Entities*

Tongxin Zhongchuang

Hangzhou Tongxin Zhongchuang Investment Partnership (Limited Partnership) (杭州同心眾創投資合夥企業(有限合夥)) (“**Tongxin Zhongchuang**”) is a limited partnership established in the PRC on October 19, 2017. It is managed by its general partner, Zhejiang Saizhi Bole Equity Investment Management Co., Ltd. (浙江賽智伯樂股權投資管理有限公司) (“**Saizhi Bole**”), a wholly owned subsidiary of Hangzhou Saizhi Investment Co., Ltd. (杭州賽智投資有限公司) (“**Saizhi Investment**”), which is in turn ultimately controlled by Mr. Chen Bin (陳斌) and Mr. Huang Xin (黃昕). None of the limited partners of Tongxin Zhongchuang hold 30% or more of its partnership interest.

Tongxin Zhongchuang focuses on biotech industry with a total assets under management of over RMB484 million. Tongxin Zhongchuang has invested in various biotech companies, including among others, Novo Biotech Co., Ltd. (浙江海隆生物科技股份有限公司) and Hangzhou Derlead Biotech Co., Ltd. (杭州締藍生物科技股份有限公司).

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Saizhi Chuangyun

Hangzhou Saizhi Chuangyun Equity Investment Partnership (Limited Partnership) (杭州賽智創雲股權投資合夥企業(有限合夥)) (“**Saizhi Chuangyun**”) is a limited partnership established in the PRC on August 6, 2021. It is managed by Saizhi Bole as its general partner. The largest limited partner of Saizhi Chuangyun is Ms. Hua Hui (華慧), holding approximately 33.3333% of its partnership interest. None of the other limited partners of Saizhi Chuangyun hold 30% or more of its partnership interest.

Saizhi Bole

Zhejiang Saizhi Bole Equity Investment Management Co., Ltd. (浙江賽智伯樂股權投資管理有限公司) (“**Saizhi Bole**”) is a limited liability company established in the PRC on August 9, 2011. Saizhi Bole is a wholly owned subsidiary of Saizhi Investment.

Saizhi Bole is a fund focusing on biotech and High-Tech industry with a total assets under management of over RMB4 billion. Saizhi Bole has invested in various companies across biotech, cybersecurity and semiconductor manufacturing, including among others, Zhejiang Huode Bioengineering Company Limited (浙江霍德生物工程有限公司), Hangzhou Xian’ao Technology Co., Ltd. (杭州先奧科技有限公司) and Hangzhou Polymed Biopharmaceuticals, Inc. (杭州多域生物技術有限公司).

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

(3) *Yunzhong Entities*

Ruituo Venture

Ningbo Meishan Bonded Port Area Ruituo Venture Capital Partnership (Limited Partnership) (寧波梅山保稅港區睿拓創業投資合夥企業(有限合夥)) (“**Ruituo Venture**”) is a limited partnership established in the PRC on May 20, 2021. It is managed by its general partners, Guangdong Yueteng Enterprise Management Partnership (Limited Partnership) (廣東悅騰企業管理合夥企業(有限合夥)) (“**Guangdong Yueteng**”) and Hainan Longtu Private Equity Fund Management Co., Ltd. (海南龍圖私募基金管理有限公司) (“**Hainan Longtu**”). Guangdong Yueteng is ultimately controlled by Mr. Wang Yike (王義克) and Hainan Longtu is ultimately controlled by Mr. Huang Yiming (黃一洺) and Mr. Bao Jialong (鮑嘉龍). The largest limited partner of Ruituo Venture is Ningbo Gaofa Automotive Control System Co., Ltd. (寧波高發汽車控制系統股份有限公司) (“**Ningbo Gaofa**”), a company listed on Shanghai Stock Exchange (stock code: 603788.SH), holding approximately 35.7143% of its partnership interest, which is in turn controlled by Ningbo Gaofa Holdings Co., Ltd. (寧波高發控股有限公司), a company ultimately controlled by Mr. Qian Gaofa (錢高法), Mr. Qian Guonian (錢國年) and Mr. Qian Guoyao (錢國耀). None of the other limited partners of Ruituo Venture hold 30% or more of its partnership interest.

Ruituo Venture is a fund focusing on biotech industry with a total assets under management of over RMB99 million. Ruituo Venture has invested in various companies in biotech industry, including among others, Porton Biologics Ltd. (蘇州博騰生物制藥有限公司), Chengdu Maikokang Biotechnology Co., Ltd. (成都邁科康生物科技股份有限公司) and Sunvou Medical Electronics Co., Ltd. (無錫市尚沃醫療電子股份有限公司).

Yueyi Yunzhong

Ningbo Yueyi Yunzhong Equity Investment Partnership (Limited Partnership) (寧波悅義雲眾股權投資合夥企業(有限合夥)) (“**Yueyi Yunzhong**”) is a limited partnership established in the PRC on October 30, 2019. It is managed by its general partner, Hainan Longtu. Its largest limited partner Ningbo Bonded Zone Xinda International Trading Co., Ltd. (寧波保稅區鑫達國際貿易有限公司) holds approximately 99.77% of its partnership interest and is in turn ultimately controlled by Mr. Chen Fubin (陳富斌), Mr. Lu Yunsong (陸雲松) and Ms. Xu Weiping (徐衛萍). None of the other limited partners of Yueyi Yunzhong hold 30% or more of its partnership interest.

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

(4) *Mr. Zhou Xiaoguang (周曉光)*

Mr. Zhou Xiaoguang (周曉光), is a PRC resident and an individual Pre-[REDACTED] Investor of the Company. To the best knowledge of our Directors, Mr. Zhou Xiaoguang is an Independent Third Party.

(5) *MabPlex*

MabPlex International Co., Ltd. (煙台邁百瑞國際生物醫藥股份有限公司) (“**MabPlex**”) is a company with limited liability established in the PRC on June 25, 2013. None of the shareholders of MabPlex hold 30% or more of its equity interest.

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To the best knowledge and information of the Company, MabPlex is an Independent Third Party. Mr. Wang Yanbing, our non-executive Director, is a board representative of MabPlex.

(6) Ningbo Yuhe

Ningbo Yuhe Science and Technology Innovation Investment Co., Ltd. (寧波宇和科創投資管理有限公司) (“**Ningbo Yuhe**”) is a company with limited liability established in the PRC on February 28, 2018. Ningbo Yuhe is held as to 68.00% by Ms. Zhai Meidi (翟美娣) and 32.00% by Ms. Gu Yefei (顧業飛).

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

(7) Taiyu Investment

Hangzhou Taiyu Phase II Equity Investment Fund Partnership (Limited Partnership) (杭州泰譽二期股權投資基金合夥企業(有限合夥)) (“**Taiyu Investment**”) is a limited partnership established in the PRC on June 22, 2018. Taiyu Investment is managed by its general partner, Hangzhou TigerYeah Investment Consulting Co., Ltd. (杭州泰煜投資諮詢有限公司) (“**Hangzhou TigerYeah**”) holding approximately 7.14% of the partnership therein. Hangzhou TigerYeah is in turn controlled by Hangzhou Tigermed as to approximately 51.00% of the equity interest therein. The largest limited partner of Taiyu Investment is Shihezi Taier Equity Investment Partnership Enterprise (Limited Partnership) (石河子市泰爾股權投資合夥企業(有限合夥)) holding approximately 44.36% partnership interest in Taiyu Investment and is in turn controlled by Hangzhou TigerYeah. None of the other limited partners hold 30% or more of its partnership interest.

Taiyu Investment is a fund focusing on healthcare and biotech industry with a total assets under management of over RMB650 million. Taiyu Investment has invested in various companies in healthcare and biotech industry, including among others, Jiangsu Healthy Life Innovation Medical Technology Co., Ltd. (江蘇海萊新創醫療科技有限公司).

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

(8) Wens Investment

Guangdong Wens Investment Co., Ltd. (廣東溫氏投資有限公司) (“**Wens Investment**”) is a company with limited liability established in the PRC on April 21, 2011. Wens Investment is a wholly-owned subsidiary of Wens Foodstuff Group Co., Ltd. (溫氏股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300498.SZ).

Wens Investment is a fund focusing on biotech, agri-food consumption, new material and hard-tech industry with a total assets under management of over RMB5 billion. Wens Investment has invested in various companies in biotech industry, including among others, Guangzhou Koncen BioScience Co., Ltd (廣州康盛生物科技股份有限公司), Wecare Probiotics Co., Ltd. (微康益生菌(蘇州)股份有限公司) and Thousand Oaks Biologics Inc. (澳斯康生物(南通)股份有限公司).

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

(9) Hongxin Zhuocheng

Hangzhou Fuyang Hongxin Zhuocheng Equity Investment Partnership (Limited Partnership) (杭州富陽弘信卓成股權投資合夥企業(有限合夥)) (“**Hongxin Zhuocheng**”) is a limited partnership established in the PRC on February 08, 2021. It is managed by its general partner, Homsun PrivateEquity Funds Management Co., Ltd. (上海弘信股權投資基金管理有限公司), which is ultimately controlled by Mr. Gao Jianming (高建明). None of the limited partners of Hongxin Zhuocheng hold 30% or more of its partnership interest.

Hongxin Zhuocheng is a fund focusing on biotech and manufacturing industry with a total assets under management of over RMB310 million. Hongxin Zhuocheng has invested in various companies in biotech industry, including among others, Hangzhou Adamerck Pharmed Inc. (杭州奧默醫藥股份有限公司).

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

(10) Anji Maisheng

Anji Maisheng Enterprise Management Partnership (Limited Partnership) (安吉邁盛企業管理合夥企業(有限合夥)) (“**Anji Maisheng**”) is a limited partnership established in the PRC on December 10, 2021. It is managed by its general partner, Ms. Xu Shuai (許帥). None of the limited partners of Anji Maisheng hold 30% or more of its partnership interest.

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

(11) Hangzhou Maishikang

Hangzhou Maishikang Enterprise Management Partnership (Limited Partnership) (杭州邁時康企業管理合夥企業(有限合夥)) (“**Hangzhou Maishikang**”) is a limited partnership established in the PRC on July 30, 2020. It is held as to 32.5% by its general partner, Ms. Tian Xueling (田雪玲) and 32.5% by its limited partner, Mr. Tang Muyin (湯木銀). None of the other limited partners of Hangzhou Maishikang hold 30% or more of its partnership interest.

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

(12) Zhejiang Zhesang

Zhejiang Zhesang Transformation and Upgrading Fund of Funds Partnership Enterprise (Limited Partnership) (浙江浙商轉型升級母基金合夥企業(有限合夥)) (“**Zhejiang Zhesang**”) is a limited partnership established in the PRC on November 26, 2015. It is managed by its general partner, Zhejiang Zhesang Innovest Capital Management Co., Ltd. (浙江浙商創新資本管理有限公司) (“**Zhesang Innovest**”). Its largest limited partner Hangzhou Fucheng Venture Investment Partnership Enterprise (Limited Partnership) (杭州複承創業投資合夥企業(有限合夥)) (“**Hangzhou Fucheng**”) holds approximately 49.9875% of its partnership interest. None of the other limited partners of Zhejiang Zhesang hold 30% or more of its partnership interest.

The largest shareholder of Zhesang Innovest is Zhejiang Zhesang Capital Management Co., Ltd. (浙江浙商資本管理有限公司) (“**Zhesang Capital**”), holding approximately 40% of its equity interest, which is ultimately controlled by Zhesang Securities Co., Ltd. (浙商證券股份有限公司) (“**Zhesang Securities**”), a company listed on the Shanghai Stock Exchange (stock code: 601878.SH). The second largest shareholder of Zhesang Innovest is Hangzhou Fuzhuo Investment Management Co., Ltd. (杭州複琢創業投資有限公司) (“**Hangzhou Fuzhuo**”), holding approximately 30% of its equity interest, which is ultimately controlled by State-owned Assets Supervision and Administration Commission of Hangzhou Municipal People’s Government (杭州市人民政府國有資產管理委員會). None of the other shareholders of Zhesang Innovest hold 30% or more of its equity interest.

Hangzhou Fucheng is managed by its general partner, Hangzhou Fuzhuo. Its largest limited partner Hangzhou Tianjie Investment Management Co., Ltd (杭州天捷投資管理有限公司) (“**Hangzhou Tianjie**”) holds approximately 99.99% of its partnership interest and is ultimately controlled by Mr. Cai Xuelun (蔡學倫).

Zhejiang Zhesang is a fund focusing on biotech industry with a total assets under management of over RMB500 million. Zhejiang Zhesang has invested in various companies in biotech industry, including among others, Beijing Mabworks Biotech Company Limited (北京天廣實生物技術股份有限公司) and Lynk Pharmaceuticals Co., Ltd. (凌科藥業(浙江)股份有限公司).

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

(13) Hangzhou Shanyao

Hangzhou Shanyao Equity Investment Partnership Enterprise (Limited Partnership) (杭州山耀股權投資合夥企業(有限合夥)) (“**Hangzhou Shanyao**”) is a limited partnership established in the PRC on July 31, 2020. It is managed by its general partner, Mr. Jiang Jianqiao (江建橋). Its largest limited partner Mr. Jin Yeding (金冶釘) holds approximately 30% of its partnership interest. None of the other limited partners of Hangzhou Shanyao hold 30% or more of its partnership interest.

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

(14) Yongxi Yongye

Pingyang Yongxi Yongye Equity Investment Partnership Enterprise (Limited Partnership) (平陽永禧永燁股權投資合夥企業(有限合夥)) (“**Yongxi Yongye**”) is a limited partnership established in the PRC on May 12, 2016. It is managed by its general partner, Zhejiang Yongxi Yongyi Investment Management Co., Ltd. (浙江永禧永億投資管理有限公司), which is ultimately controlled by Mr. Fu Xudong (傅旭東). None of the limited partners of Yongxi Yongye hold 30% or more of its partnership interest.

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

(15) Ms. Zhang Yongxian (張永賢)

Ms. Zhang Yongxian (張永賢), is a PRC resident and an individual Pre-[REDACTED] Investor of the Company. To the best knowledge of our Directors, Ms. Zhang Yongxian is an Independent Third Party.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(16) *Hangzhou High-Tech*

Hangzhou High-Tech Venture Capital Co., Ltd. (杭州高新創業投資有限公司) (“**Hangzhou High-Tech**”) is a limited liability company established in the PRC on December 29, 2005. It is wholly owned by Hangzhou Hi-tech Financial Investment Holdings Group Co., Ltd. (杭州高新金投控股集團有限公司), a company ultimately controlled by Hangzhou Binjiang District Finance Bureau (杭州市濱江區財政局).

Hangzhou High-Tech is an investment company focusing on innovative company and industry with an aggregate amount of direct investment of over RMB3.5 billion. Hangzhou High-Tech has invested in various companies in biotech industry, including among others, Qunam Life Science Co., Ltd. (杭州諾馳生命科學有限公司) and Taipu Medtech (Suzhou) Co., Ltd. (泰普邁(蘇州)醫藥科技有限公司).

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

(17) *Pingtian Fuying*

Pingtian Fuying Investment Partnership Enterprise (Limited Partnership) (平潭複瀛投資合夥企業(有限合夥)) (“**Pingtian Fuying**”) is a limited partnership established in the PRC on August 25, 2020. It is managed by its general partner, Ms. Shen Zanfen (沈贊芬). Its largest limited partner Ms. Wang Xueqin (王雪芹) holds approximately 54.52% of its partnership interest. None of the other limited partners of Pingtian Fuying hold 30% or more of its partnership interest.

Pingtian Fuying is a fund focusing on biotech industry with a total assets under management of over RMB26 million. Pingtian Fuying has invested in various companies in biotech industry, including among others, Beijing BioInno Bioscience Co., Ltd. (北京百因諾生物科技有限公司).

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

(18) *Hangzhou Chenghe*

Hangzhou Chenghe Hongxi Equity Investment Partnership Enterprise (Limited Partnership) (杭州誠和鴻熙股權投資合夥企業(有限合夥)) (“**Hangzhou Chenghe**”) is a limited partnership established in the PRC on August 5, 2020. It is held as to 6% by its general partner, Hangzhou Chenghe Venture Capital Co., Ltd. (杭州誠和創業投資有限公司), which in turn is controlled by its largest shareholder, Mr. Ding Yibo (丁一波). None of the limited partners of Hangzhou Chenghe hold 30% or more of the partnership interest therein.

Hangzhou Chenghe is a fund focusing on biotech industry with a total assets under management of over RMB25 million. Hangzhou Chenghe has invested in various companies in biotech industry, including among others, Zhejiang Difference Biotechnology Co., Ltd. (浙江迪福潤絲生物科技股份有限公司).

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

(19) *Xiamen Gaotejia*

Xiamen Gaotejia Ruilu Venture Capital Partnership (Limited Partnership) (廈門高特佳瑞創業投資合夥企業(有限合夥)) (“**Xiamen Gaotejia**”) is a limited partnership established in the PRC on April 11, 2023. It is managed by its general partners, Xiamen Gaotejia Honglu Investment Partnership (Limited Partnership) (廈門高特佳弘瑞投資合夥企業(有限合夥)) and Shenzhen Gaotejia Hongrui Venture Capital Co., Ltd. (深圳市高特佳弘瑞創業投資有限公司), the ultimate beneficial owner of which is Bian Zhuang (卞莊). None of the other limited partners of Xiamen Gaotejia hold 30% or more of its partnership interest.

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

(20) *Ms. Zhang Ping (張萍)*

Ms. Zhang Ping (張萍), is a PRC resident and an individual Pre-[REDACTED] Investor of the Company. To the best knowledge of our Directors, Ms. Zhang Ping is an Independent Third Party.

(21) *Mr. Wang Haijiao (王海蛟)*

Mr. Wang Haijiao (王海蛟), is a PRC resident and an individual Pre-[REDACTED] Investor of the Company. To the best knowledge of our Directors, Mr. Wang Haijiao is an Independent Third Party.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PUBLIC FLOAT

With respect to the indicative [REDACTED] of HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED] per [REDACTED] (being the low-end, mid-point and the high-end of the [REDACTED], respectively), the expected market capitalization of the Company’s H Shares would be HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED], respectively. Pursuant to Rule 19A.13A(1) of the Listing Rules, the minimum number of H Shares held by the public at the time of [REDACTED] as a percentage of the total number of shares in the class to which H Shares belong is (a) 25% under the low-end and mid-point of the [REDACTED]; and (b) 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 million at the time of [REDACTED]; and (ii) 15% under the high-end of the [REDACTED].

Following the conversion of the Unlisted Shares into H Shares and upon completion of the [REDACTED] and the Share Subdivision (assuming that the [REDACTED] is not exercised) and assuming (i) an [REDACTED] of HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED] per [REDACTED] (being the low-end, mid-point and the high-end of the [REDACTED], respectively), and (ii) [REDACTED] H Shares representing [REDACTED]% of our total issued share capital upon the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised) will be counted as part of the public float for the purpose of Rule 19A.13A of the Listing Rules, the market value of the H Shares held by the public at the time of [REDACTED] will be approximately HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED], respectively. Therefore, our Company will be able to meet the minimum public float requirement under Rule 19A.13A. For further details of the H shares counting towards public float, see “Capitalization” in this section.

FREE FLOAT

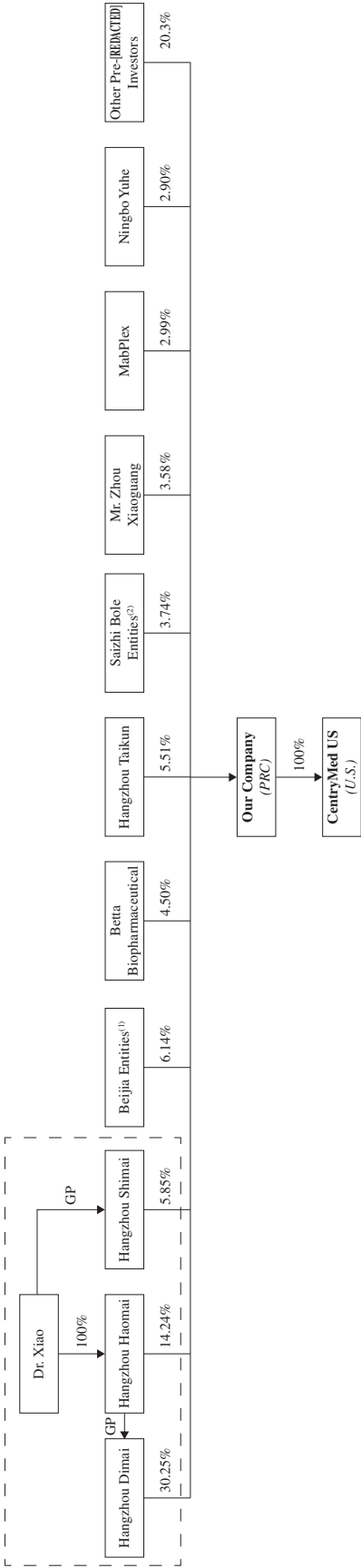
Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that is held by the public and not subject to any disposal restrictions (whether 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 the class to which H shares belong at the time of listing (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.

It is expected that, immediately following the completion of the [REDACTED], a market capitalization of not less than HK\$[REDACTED] of the H Shares [REDACTED] on the Stock Exchange is not subject to such disposal restrictions at the time of the [REDACTED] (assuming (i) an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the low end of the indicative [REDACTED], (ii) the [REDACTED] is not exercised; and (iii) taking into account the Share Subdivision). Accordingly, our Company will be able to satisfy the requirements under Rule 19A.13C of the Listing Rules.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE IMMEDIATELY BEFORE COMPLETION OF THE [REDACTED]

The chart below sets out the shareholding structure of our Group immediately before completion of the [REDACTED] (taking into account the Share Subdivision):



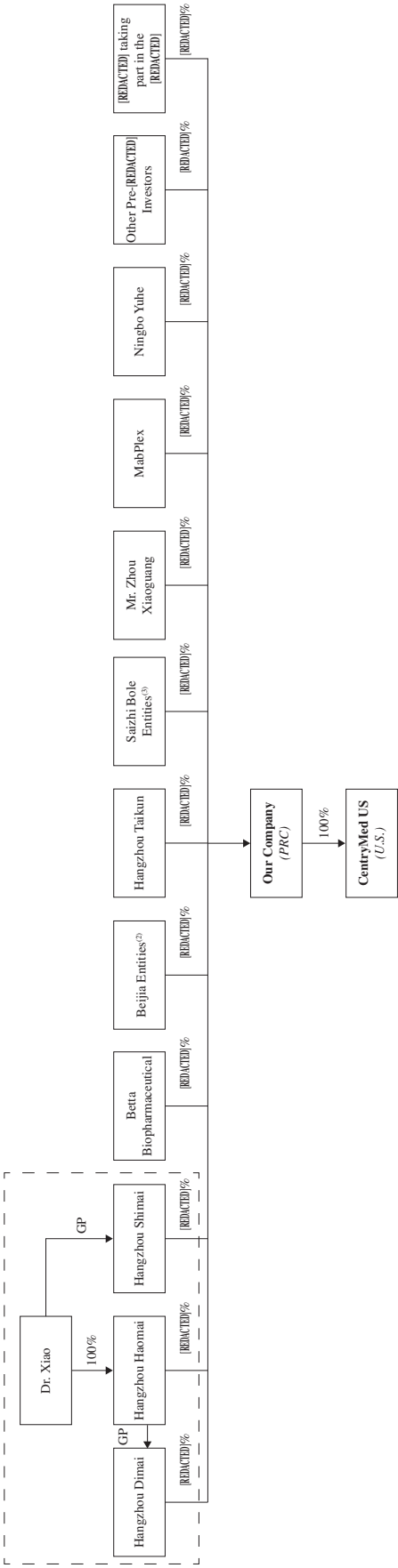
Notes:

- (1) Beijia Entities includes Beicheng Venture and Hangzhou Beiyi.
- (2) Saizhi Bole Entities includes Tongxin Zhongchuan, Saizhi Bole and Saizhi Chuangyun.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE IMMEDIATELY FOLLOWING COMPLETION OF THE [REDACTED]

The chart below sets out the shareholding structure of our Group immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised and taking into account the Share Subdivision):



Note: See the notes to “—Corporate Structure Immediately Before Completion of The [REDACTED]” above.

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OVERVIEW

Who We Are

Founded in 2017, we are a clinical-stage biotech company focused on the development of T-cell engager (“TCE”) therapy. TCEs are bispecific or multispecific antibodies engineered to redirect and activate T cells by simultaneously binding tumor-associated antigens (“TAAs”) on tumor cells and receptors on T cells to induce targeted cytotoxicity. We identified early on the differentiated potential of TCE, a new generation of immunotherapy designed to harness and direct the body’s immune system against cancer. Possessing deep insights and innovative capabilities in a high-growth industry, we translate these insights into clinical-stage products, driving our progress from concept to development. We have developed masked TCEs, which can be selectively activated in tumors, for the treatment of solid tumors. As a rapidly evolving therapeutic modality in oncology, the global TCE market reached approximately US\$3.0 billion in 2024 and is expected to reach US\$121.1 billion by 2035 at a CAGR of 40.0%. China’s TCE market reached approximately RMB0.7 billion in 2024 and is expected to reach RMB159.6 billion by 2035 at a CAGR of 62.9%.

Immunotherapy has the potential to cure cancer. Unlike conventional therapies, immunotherapy harnesses the body’s immune system to target and eliminate cancer cells, offering the possibility of durable, long-term responses. TCEs have gained significant attention due to their ability to address cytokine release syndrome (“CRS”), a key challenge in immunotherapy. By precisely activating T-cells against tumor cells while minimizing immune overactivation, our TCEs provide a solution to control CRS and open new opportunities for treating solid tumors, establishing TCEs as a novel treatment modality with a potential for clinical application. TCEs have evolved from early 1+1 (one TAA and one T-cell binding domain) bispecific designs to masking, multifunctional, logic-gated formats, while steadily expanding indications from hematologic malignancies to solid tumors. We have strategically focused on applying the TCE technology, especially our proprietary TCE masking technology, to the treatment of solid tumors, a therapeutic area that has presented tremendous challenges in oncology. To date, most TCE drugs approved or under development target hematologic malignancies, which account for less than 10% of total cancer cases, compared with more than 90% for solid tumors, according to Frost & Sullivan.

TCEs are expected to enter an innovation stage driven by artificial intelligence (“AI”)-assisted design in the future. Supported by advances in AI-assisted molecular design and data-driven structural optimization, TCEs are evolving toward safer, more precise, and durable immunotherapies with expanding potential beyond oncology. The prolonged duration of efficacy of TCEs is expected to address a major pain point in the anti-cancer drug industry. The development of TCEs has reached an inflection point of transforming into a backbone cancer therapy.

Recognizing the transformative potential of this modality, we have focused our research and development efforts on advancing TCEs that achieve precise and sustained activation of T cells while maintaining a favorable safety profile. From establishing antibody libraries to developing proprietary engineering technologies, we have built the know-how and infrastructure to support our pipeline of TCE candidates. The key prerequisites for a backbone cancer therapy include upstream immune activation, zero-order cytotoxicity, and a favorable safety profile, all of which are inherent in our TCEs. Leveraging the upstream immune-activation mechanism of our TCE therapy, our candidates are designed to enable zero-order immune cytotoxicity, whereby activated T cells can kill tumor cells at a steady rate, regardless of the amount of tumor cells or tumor antigens engaged by the TCEs. Achieving the zero-order immune cytotoxicity requires toxicity control, precise tumor recognition, conditional TCE activation, prevention of T cell exhaustion and synergy of different anti-tumor mechanisms — the masking and multifunctional designs of TCEs are well suited to realize these functions. By optimizing T-cell affinity and applying our masking technology, we seek to improve the precision of T-cell activation, thereby achieving better control of immune-related side effects and reducing on-target off-tumor toxicity. Furthermore, our multifunctional TCEs are designed with an OR-gated dual-targeting format, which can activate T cells upon recognizing either one or both TAAs on the tumor cell surface, thereby improving tumor recognition and

BUSINESS

contributing to the prevention of tumor relapse. Collectively, these features position our TCEs with a potential to serve as backbone therapies in future immuno-oncology treatment regimens and to establish a differentiated foothold in this fast-growing global market.

We have advanced four product candidates into clinical development. Each of our drug candidates is developed through our dedicated R&D platforms, including our Multichannel Antibody Discovery Platform, H-shape Bispecific TCE Platform (“**H-BiTE Platform**”), Protease-activatable Bispecific TCE Platform (“**Pro-BiTE Platform**”) and Multifunctional/Logic-gated TCE Platform.

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The following chart summarize the development of our pipeline product candidates as of the Latest Practicable Date.

Platform	Code	Target	Modality	Indication	Administration	Competent Authority	Regimen	Phase				Upcoming Milestone	Commercial Rights
								Pre-Clinical	Phase 1	Phase 2	Phase 3		
TCM	★ DNV3	LAG-3	Monospecific Antibody	Malignant Melanoma ⁽¹⁾	Intravenous Infusion	China NMPA	Combo with PD-1 + Chemo		Phase II Ongoing in China Expect to complete in 2026 Q4			Initiate Phase III Trial in China in 2027 Q3	Global
				NSCLC ^(1,2)					Phase II will initiate in China			Initiate Phase II Trial in China in 2026 Q3	Global
				Solid Tumors and Lymphomas ⁽²⁾					Phase I Completed in China in March 2022			Advance clinical trials for combination therapies	Global
				ESCC ⁽³⁾					Phase IIIa Ongoing in China Expect to complete in 2027 Q2			Initiate Phase III Trial in China in 2027 Q4	Global
TCE	★ SMET12	EGFR/CD3	Bispecific Antibody	TNBC ⁽⁴⁾	Intravenous Infusion	China NMPA & U.S. FDA*	Monotherapy	Phase I Completed for EGFR-positive solid tumors in China in February 2023				Initiate Phase IIa Trial in China in 2026 Q4	Global
				EGFR-positive Solid Tumors ⁽⁵⁾				Patient enrollment for Phase IIIa is temporarily suspended in China				No Specific Plan	Global
				Hepatocellular Carcinoma ⁽⁶⁾				Phase IIIa Ongoing in China Expect to complete in 2027 Q4				Initiate Phase III Trial in China in 2028	Global
				Solid Tumor ⁽⁷⁾				Phase IIIa Ongoing in China Expect to complete in 2027 Q4				Initiate Phase III Trial in China in 2028	Global
				Solid Tumor								Submit IND in China in 2027 Q4 & in U.S. in 2028	Global
				Solid Tumor								Submit IND in China in 2028 in U.S. in 2029	Global

Note:

★ are Core Products.

☞ refers to masking peptide. The masking peptide is a short protein sequence designed to temporarily block the active site or binding region of a therapeutic protein, preventing it from interacting with its target, especially in healthy tissues, thereby reducing side effects.

All products are innovative drugs and are self-developed by the Company.

(1) Locally advanced unresectable or metastatic melanoma

(1.1) Advanced treatment-naïve non-small cell lung cancer

(2) Advanced/metastatic solid tumors and lymphomas

(3) EGFR-positive advanced esophageal cancer

(4) EGFR-positive advanced triple-negative breast cancer

(5) EGFR-positive advanced solid tumors

(6) Advanced hepatocellular carcinoma

(7) EGFR-positive advanced solid tumors (such as non-small-cell lung cancer, colorectal cancer, urothelial carcinoma, head and neck squamous cell carcinoma, and pancreatic cancer)

* While SMET12, CMD011, and CMDE005 have obtained clinical trial approvals from the U.S. FDA, we do not currently have plans to launch clinical operations in the U.S. for the three product candidates.

BUSINESS

Our Pipeline

As of the Latest Practicable Date, we had four in-house, clinical-stage innovative drug candidates, including one TCM and three TCEs:

Core Product DNV3: an advanced T-cell modulator (“TCM”) targeting lymphocyte activation gene 3 (“LAG-3”), an inhibitory receptor highly expressed by exhausted T cells in the TME. DNV3 validates our proprietary high-capacity fully human IgM phage display antibody library as a foundation of our product candidates. DNV3 demonstrated a favorable safety profile and broad potential for combination therapy, with no recorded Grade 3 or higher CRS in our clinical trials. As of the Latest Practicable Date, DNV3 was under a Phase II clinical trial of DNV3 in combination with an anti-PD-1 antibody and chemotherapy targeting locally advanced unresectable or metastatic melanoma. We completed the Phase I clinical trial of DNV3 monotherapy targeting advanced/metastatic solid tumors and lymphomas in March 2022. According to Frost & Sullivan, DNV3 ranked second globally and in China by stage of clinical development among anti-LAG-3 antibody drug candidates for melanoma treatment as of the Latest Practicable Date.

Core Product SMET12: an innovative intravenous EGFR×CD3 TCE. SMET12 validates our TCE structural design capabilities and sets a benchmark for our broader TCE pipeline. As of the Latest Practicable Date, SMET12 was under a Phase IIa clinical trial targeting EGFR-positive advanced solid tumors including esophageal cancer in China. SMET12 received FDA’s IND approval in November 2021. We completed the Phase I clinical trial of SMET12 targeting EGFR-positive advanced solid tumors in China in February 2023. According to Frost & Sullivan, SMET12 ranked first globally and in China by stage of clinical development among EGFR×CD3 TCE drug candidates as of the Latest Practicable Date.

CMD011: an advanced GPC3×CD3 TCE, which together with SMET12 validates our TCE molecular-format engineering and demonstrate the plug-and-play property of our TCE technology platforms. As of the Latest Practicable Date, CMD011 was under a Phase I clinical trial in China for advanced hepatocellular carcinoma (“HCC”). CMD011 received FDA’s IND approval in February 2025. According to Frost & Sullivan, CMD011 ranked within the top two globally by stage of clinical development among GPC3×CD3 TCE drug candidates, as of the Latest Practicable Date.

CMDE005: an innovative EGFR×CD3 masked TCE, which validates our protease-activated masking technology. CMDE005 is a patient-focused drug development initiative aimed at minimizing the safety risks associated with immunotherapy, particularly by reducing CRS. As of the Latest Practicable Date, CMDE005 was under a Phase I clinical trial in China for the treatment of various EGFR-positive advanced solid tumors. CMDE005 received FDA’s IND approval in April 2025. According to Frost & Sullivan, CMDE005 was the first and only in China and ranked among the top two globally incorporating masking peptide technology that has entered the clinical stage among the EGFR×CD3 TCE drug candidates, as of the Latest Practicable Date.

OUR STRENGTHS

Leveraging Our TCE Platform Technologies for the Development of Solid Tumor Therapies

Since our inception, we have strategically focused on applying TCE to the treatment of solid tumors. From establishing antibody libraries to developing proprietary engineering technologies, we have built the know-how and infrastructure to support our pipeline of TCE candidates.

As a rapidly evolving therapeutic modality in oncology, the global TCE market reached approximately US\$3.0 billion in 2024 and is expected to reach US\$121.1 billion by 2035 at a CAGR of 40.0%. China’s TCE market reached approximately RMB0.7 billion in 2024 and is expected to reach RMB159.6 billion by 2035 at a CAGR of 62.9%.

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To date, most TCE drugs approved or under development target hematologic malignancies, which account for less than 10% of total cancer cases, compared with more than 90% for solid tumors, according to Frost & Sullivan. Despite a larger patient population and greater medical needs, only two TCE drugs for solid tumors had been approved globally as of the Latest Practicable Date. The number of TCE drugs in pipeline for the treatment of solid tumors has been growing at a faster pace than hematologic malignancies. Solid-tumor biology presents significant challenges for the development for TCE drugs, including the TME and physical barriers, which demands more advanced innovation in drug design.

Our TCE technologies are specifically designed to address the major challenges of TCE solid-tumor treatment, including CRS, limited tissue penetration, the lack of predictive biomarkers and acquired resistance. Among these, CRS has been recognized across the industry as a critical barrier for effective dosing, underscoring the importance of widening the therapeutic window. Our TCE masking technology is specifically engineered to achieve this objective. By employing an protease-activatable system, our TCEs remain inactive in healthy tissues and are selectively activated in tumors with high protease activity, thereby minimizing on-target off-tumor toxicity, reducing the risk of CRS while preserving potent anti-tumor efficacy. This enables higher effective dosing from the first infusion and supports a “first-dose stage power killing” effect, delivering strong and immediate tumor clearance while laying the foundation for durable clinical benefit.

In addition, our TCEs have the potential to mitigate tumor resistance, as they can redirect T cells to tumor cells through antigen recognition, a mechanism independent of MHC antigen presentation or tumor mutational status. Provided that the target antigen continues to be expressed on the tumor cell surface, TCEs may retain activity even in tumors harboring resistance-associated mutations such as EGFR or RAS mutations, while bispecific or multispecific designs can further reduce the risk of antigen escape. We believe these innovations position us at the forefront of TCE development and support the creation of transformative therapies with the potential to become backbone therapies in oncology.

As of the Latest Practicable Date, we had four in-house developed, clinical-stage drug candidates, including (i) DNV3, an advanced TCM targeting LAG-3, which validates our proprietary high-capacity IgM antibody library as a foundation of our TCE product candidates, (ii) SMET12, an innovative intravenous EGFR×CD3 TCE, (iii) CMD011, an advanced GPC3×CD3 TCE, which together with SMET12 validates our TCE molecular-format engineering and demonstrates the plug-and-play functionality of our TCE technology platforms, and (iv) CMDE005, an innovative EGFR×CD3 masked TCE, which validates our protease-activatable masking technology. In addition, we have two preclinical-stage drug candidates for multifunctional/logic-gated TCE, CMDE101 and CMDE102, which are trispecific masked TCEs targeting FOLR1×PD-L1×CD3 and PSMA×PD-L1×CD3, respectively. Each of our drug candidates is developed through our dedicated R&D platforms, including our Multichannel Antibody Discovery Platform, H-BiTE Platform, Pro-BiTE Platform and Multifunctional/Logic-gated TCE Platform.

Our product candidates not only represent important therapeutic opportunities, but also serve to validate our R&D system, demonstrating the strength of our capabilities in drug discovery, molecular-format engineering and clinical translation. These achievements grant us a competitive position in the TCE area. The global innovative drug market, especially in China, is experiencing rapid growth, with innovative Chinese biopharmaceutical companies increasingly attracting international collaboration and investment. As China-originated innovation gains wider recognition, future licensing opportunities may enable Chinese companies to play a larger role in pricing.

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TCE and TCM Pipeline with Significant Global Market Potential

Core Product DNV3, an Advanced Anti-LAG-3 TCM

DNV3 is an innovative anti-LAG-3 TCM. DNV3 has validated our high-capacity fully human IgM phage display antibody libraries and demonstrated a favorable safety profile in our clinical trials. With no recorded Grade 3 or higher CRS, DNV3 demonstrates a broad potential for combination therapy. As of the Latest Practicable Date, DNV3 was under a Phase II clinical trial of DNV3 in combination with an anti-PD-1 antibody and chemotherapy targeting locally advanced unresectable or metastatic melanoma. We completed the Phase I clinical trial of DNV3 monotherapy targeting advanced/metastatic solid tumors and lymphomas in March 2022. According to Frost & Sullivan, DNV3 ranked second globally and in China by stage of clinical development among anti-LAG-3 antibody drug candidates for melanoma treatment, as of the Latest Practicable Date.

As a TCM, DNV3 restores T-cell function by blocking the inhibitory LAG-3 pathway, thereby enhancing T-cell activation and anti-tumor immune responses. LAG-3 is an inhibitory receptor highly expressed by exhausted T cells in the TME. By binding to MHC class II and other ligands, LAG-3 transmits inhibitory signals that impair T-cell function, making LAG-3 a key target for cancer immunotherapy. Acting upstream in the immune response, LAG-3 has the potential to modulate multiple pathways, while also offering a favorable safety profile. Both LAG-3 and PD-1 are co-expressed on intratumoral T cells in various cancers, where they may synergistically promote T-cell exhaustion that limits effective anti-tumor immune responses. Dual PD-1 and LAG-3 blockade has shown enhanced anti-tumor effects compared to PD-1 or LAG-3 monotherapy. Additionally, in mouse studies, DNV3 exhibited a significantly higher binding capacity towards both T cells and B cells than existing comparable therapy (20% higher for T cells and over ten times higher for B cell), indicating its potential to address challenging indications where enhanced immune activation is required.

DNV3 is positioned to address the significant unmet medical needs in solid tumors, such as melanoma. Melanoma is among the five most common malignancies worldwide. According to Frost & Sullivan, the incidence was 388.5 thousand globally and 27.3 thousand in China in 2024, and is expected to grow to 441.6 thousand and 37.0 thousand, respectively, by 2035, representing a CAGR of 1.2% globally and 2.8% in China from 2024 to 2035. Due to the heterogeneity of melanoma subtypes, no therapy currently addresses all subtypes. For example, in cutaneous melanoma, there is no standard second-line therapy, leaving significant unmet medical needs.

In the ongoing Phase II clinical trial, the combination of DNV3 with an anti-PD-1 antibody and chemotherapy achieved an objective response rate (“**ORR**”) of 44.4% in 18 mucosal melanoma patients previously treated with PD-(L)1 inhibitors, approximately three times higher than that of existing comparable therapies based on publicly available information (without head-to-head comparison in clinical trials), offering new option for patients resistant to first-line PD-1 treatment. In cutaneous melanoma, investigator-initiated trial (“**IIT**”) and Phase II trial data showed an ORR of 66.7% in 12 cutaneous melanoma patients with the same combination therapy, which is over five times higher than that achieved by existing comparable therapies based on publicly available information (without head-to-head comparison in clinical trials). These results underscore DNV3’s therapeutic potential in addressing the low response rates of current immuno-oncology therapies. Moreover, DNV3 in combination with an anti-PD-1 antibody reached an ORR of 38.5% and medium PFS of 7.4 months in 13 melanoma patients with liver metastasis (medium size was 77.4mm), for whom there is currently no effective treatment option. DNV3 has also showed synergistic efficacy with reduced CRS when combined with our TCEs in preclinical studies.

As of the Latest Practicable Date, only one anti-LAG-3 antibody (opdualag: a combination of nivolumab and relatlimab) had been approved worldwide and none has been approved in China, highlighting the market opportunity for DNV3. According to Frost & Sullivan, DNV3 ranked second globally and in China by stage of clinical development among anti-LAG-3 antibody drug candidates for melanoma treatment, as of the Latest Practicable Date. Additionally, as of the Latest

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Practicable Date, no combination therapy of PD-1 and LAG-3 inhibitors had been approved in China, highlighting the substantial combination value and market potential of LAG-3 antibodies. The global anti-LAG-3 antibody drug market reached US\$0.6 billion in 2023. The market grew to US\$0.9 billion in 2024. And it is expected to grow to US\$5.7 billion in 2030 with a CAGR of 35.4% from 2024 to 2030. By 2035, the overall market is expected to reach US\$11.5 billion. In China, the anti-LAG-3 antibody drug market is expected to reach RMB0.8 billion in 2027. And it is expected to grow to RMB3.1 billion in 2030 with a CAGR of 59.0% from 2024 to 2030. By 2035, the overall market in China is expected to reach RMB6.9 billion.

DNV3 forms the foundation of our product pipeline, validating our fully human IgM phage display antibody libraries and exemplifying our strategy to achieve differentiation in a highly competitive market through innovations in drug design, molecular engineering, and rational clinical development. As a TCM with a favorable safety profile, DNV3 has a potential for use in combination with a broad range of therapies, including PD-1/PD-L1 inhibitors and other immuno-oncology therapies. By enhancing T-cell activity, DNV3 may complement and strengthen the efficacy of these therapies, supporting its potential to serve as an important therapy in immuno-oncology.

Core Product SMET12, an Innovative Intravenous EGFR×CD3 TCE

SMET12 is a fully human TCE targeting EGFR on tumor cells and cluster of differentiation 3 (“CD3”) on T cells. SMET12 is the world’s first EGFR-targeting TCE that has entered the Phase II stage, has the potential to become the world’s first intravenous EGFR×CD3 bispecific antibody and is the first in China to receive clinical trial approval from the NMPA, according to Frost & Sullivan. As of the Latest Practicable Date, SMET12 was under a Phase IIa clinical trial targeting EGFR-positive advanced solid tumors including esophageal cancer in China. SMET12 has received FDA’s IND approval in November 2021. We completed the Phase I clinical trial targeting EGFR-positive advanced solid tumors in China in February 2023. SMET12 has a potential for expansion into indications such as NSCLC and colorectal cancer. According to Frost & Sullivan, SMET12 ranked first globally and in China by stage of clinical development among EGFR×CD3 TCE drug candidates as of the Latest Practicable Date.

EGFR is a transmembrane receptor tyrosine kinase whose mutations or overexpression are frequently observed in cancers, leading to persistent downstream signaling that drives uncontrolled tumor growth and metastasis. CD3 is a critical component of the T-cell receptor (“TCR”) complex, responsible for transmitting antigen-recognition signals to activate T cells. Tumors often create an immunosuppressive microenvironment that exhausts T cells and enables immune evasion. By simultaneously binding EGFR on tumor cells and CD3 on T cells, SMET12 may overcome such immunosuppression and mediate potent tumor-killing activity. Besides, the binding activities of SMET12 are not dependent on specific EGFR mutations, allowing it to effectively target all tumor types that express EGFR.

Most TCE therapies face significant challenges in the treatment of solid tumors, such as the risk of CRS and the difficulty with tumor penetration. SMET12 has a well-defined anti-tumor mechanism to address these challenges.

- *Innovative Format Design and Engineering.* We incorporated a complete Fc fragment in the TCE format to achieve an optimal TCE half-life. To address mispairing issues for asymmetric bispecific antibodies, we proprietarily developed a monomeric Fc technology which has practically minimized the homodimeric by-products formation. To ensure best TME penetration, the molecular weight was maintained around 120kDa, smaller than IgG monoclonal antibody.
- *Managing CRS Risk and EGFR Safety Profile by Spatial Hindrance.* A key concern for TCE therapies is CRS, which can cause serious side effects and restrict feasible routes of administration. This brings challenges to the design of a bispecific antibody that

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simultaneously binds EGFR and CD3. Such a design process requires careful control. The binding of CD3, if too strong, can trigger cytokine storms and reduce efficacy, and the immune activity related to the Fc region of the bispecific antibody may further raise the CRS risk. To address these issues, SMET12 uses an engineered Fc design that extends half-life and limits unwanted immune activation, and its structure has been tuned to balance CD3 binding to avoid over-activation. With these innovations, SMET12 enables safer dosing and greater clinical feasibility even including outpatient settings. In addition to CRS, EGFR-targeted therapies are often associated with skin toxicities, such as rash and dermatitis. As of the Latest Practicable Date, SMET12 had demonstrated no typical EGFR-related toxicities (such as skin rash) in our pre-clinical and clinical studies, underscoring its differentiated safety profile. Also, in our completed Phase I and ongoing Phase IIa clinical trials of SMET12, all of CRS events observed were Grade 1 or 2 and recovered within two weeks.

- *Improving Tumor Penetration.* Many TCEs are too large to penetrate solid tumor stroma, thereby limiting their effectiveness. SMET12 is smaller than monoclonal IgG antibodies (*i.e.*, around 120 kDa for SMET12 vs 150 kDa for monoclonal IgG antibodies) and has an optimized structure, enabling better penetration into the solid tumor stroma. This design supports more efficient delivery to the tumor cells and stronger therapeutic activity.
- *Broad Applicability.* SMET12 targets tumors based on EGFR expression rather than relying on specific EGFR mutations. This is different from the functioning of many targeted therapies, which requires the presence of specific mutations in the target protein or tumor-type-specific biomarkers in the patient body. Such requirements may limit the applicability of target therapies across diverse patient populations. The targeting mode of SMET12 allows it to work effectively in tumors regardless of the EGFR mutation status, broadening its potential clinical use and improving treatment options for patients across different tumor types.
- *Enhancing Commercialization Potential.* Earlier TCEs often rely on continuous infusion pumps and inpatient monitoring, which increase costs and limit patient acceptance. SMET12 is the world’s first EGFR×CD3 bispecific antibody designed for direct intravenous infusion. It is also the first intravenous EGFR×CD3 bispecific antibody in China to receive clinical trial approval from the NMPA. SMET12 can be combined with PD-1 inhibitors, a combination already shown to produce clear synergistic effects in IITs. Together, these features not only enhance efficacy but also improve acceptance by physicians and patients, supporting broader adoption.
- *Manufacturing Efficiency.* SMET12 has demonstrated high chemical stability, low mispairing rate and high heterodimer yield with simplified manufacturing process via quality by design, thereby significantly improving manufacturing efficiency.

In preclinical studies, SMET12 demonstrated clear advantages from its innovative target combination and molecular design. It showed up to 40-fold greater affinity for CD3 in the presence of tumor cells compared with the absence of tumor cells, leading to significant tumor growth inhibition at doses as low as 20 µg/kg. Consistent antitumor activity was also observed across other EGFR-high mouse models. In the Phase I clinical trial, SMET12 showed superior safety at the dosage of 10-120µg, with no dose-limiting toxicity recorded. Investigator-initiated trial data showed that for tyrosine kinase inhibitor (“TKI”) resistant EGFR mutation-positive non-small-cell lung carcinoma (“NSCLC”) patients, the ORR was 41.7% (5/12), disease control rate (“DCR”) was 100%, and the median PFS was 7.2 months (95% CI: 5.0, 14). According to Frost & Sullivan, our median PFS marks a clear improvement over the median PFS of approved leading treatments for patients with at least one prior line of treatment, and is within the same range to leading candidates currently under development for patients with at least one prior line of treatment.

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Bispecific antibodies for the treatment of solid tumors represent one of the most active areas in oncology research and development. By bringing T cells and tumor cells together, TCE bispecific antibodies produce synergistic tumor killing with reduced resistance, thereby achieving a “1+1 > 2” therapeutic effect. Among them, the EGFR×CD3 combination is considered a promising TCE format due to its mechanistic advantages and potential for synergistic activity. As of the Latest Practicable Date, no EGFR×CD3 TCE product has been approved. The global EGFR TCE drug market is expected to reach US\$0.9 billion in 2030 and to US\$6.8 billion in 2035. In China, the EGFR TCE drug market is expected to reach RMB3.0 billion in 2030 and RMB8.5 billion in 2035.

SMET12 is our TCE candidate designed with an innovative target combination and molecular structure. This design has exhibited a therapeutic potential in solid tumors and created broad opportunities for combination with PD-1 and other immuno-oncology therapies. SMET12 validates our TCE structural design capabilities, sets a benchmark for our broader TCE pipeline, and accelerates the iteration of our subsequent pipeline assets.

CMD011, an Advanced GPC3×CD3 TCE

CMD011 is a fully human TCE targeting glypican-3 (“GPC3”) on tumor cells and CD3 on T cells. As of the Latest Practicable Date, CMD011 was under Phase I clinical trial in China for HCC and received FDA’s IND approval in February 2025. CMD011 also has a potential for expansion into other indications such as renal cell carcinoma. CMD011, together with SMET12, validates our TCE molecular-format engineering and demonstrates the plug-and-play property of our TCE technology platforms. This capability allows for the rapid generation of therapeutically viable candidates targeting different TAAs. According to Frost & Sullivan, CMD011 ranked within the top two globally by stage of clinical development among GPC3×CD3 TCE drug candidates, as of the Latest Practicable Date.

GPC3 has emerged as a promising target in oncology, particularly in liver cancer. It is characterized by high expression in tumor tissues and minimal expression in normal tissues in adults, making it an ideal target for the development of HCC therapies. By combining GPC3 with CD3, CMD011 provides precise tumor targeting via GPC3 while engaging CD3 to activate T cells to kill tumor cells.

Many GPC3-directed therapies under development continue to face safety challenges, particularly CRS. CMD011, developed on our proprietary H-BiTE Platform, incorporates an innovative molecular design to address these issues.

- *Innovative Format Design and Engineering.* We incorporated a complete Fc fragment in the TCE format to achieve an optimal TCE half-life. To address mispairing issues for asymmetric bispecific antibodies, we proprietarily developed a monomeric Fc technology which has practically minimized the homodimeric by-products formation. To ensure best TME penetration, the molecular weight was maintained around 120kDa, smaller than IgG monoclonal antibody.
- *Managing CRS Risk by Spatial Hindrance.* We have designed CMD011 to minimize homodimer formation (a common byproduct in the preparation of asymmetric bispecific antibodies), which could otherwise trigger excessive T-cell activation and non-specific toxicity. Also, the structure of CMD011 has been tuned to balance CD3 binding to avoid over-activation. This innovative molecular design reduces the risk of CRS, improving safety while maintaining potent antitumor activity.

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- *Outstanding Toxicological Profile.* Through our innovative structure design of CMD011 and target TAA selection, the product shows a prominent safety profile in comparison with similar products from competitive companies. The good laboratory practice (“GLP”) toxicology study has determined that the highest non-severely toxic dose (“HNSTD”) is 5mg/kg, which proximately corresponds to a fixed clinical dose of 96 mg for humans.
- *Ensuring Strong Antitumor Activity.* Through molecular design innovation and target selection, we have demonstrated robust antitumor activity for CMD011 in preclinical mouse models, achieving efficacy at doses as low as approximately 100 µg/kg. This demonstrates the potential of CMD011 as a therapeutic option for liver cancer, with the possibility of addressing the significant medical need for safer and more effective treatments.
- *Convenient Intravenous Administration.* Unlike the commonly used transarterial chemoembolization treatment for liver cancer (which delivers the drugs directly into the arteries feeding a liver tumor), CMD011 supports intravenous administration, offering a more convenient option. This makes CMD011 suitable for outpatient settings or long-term treatment, significantly improving patient adherence to the treatment regimen.

CMD011 has shown good tolerability in humans in its ongoing Phase I clinical trial in HCC patients. No Grade 2 or above CRS occurred in patients that received CMD011 from 10µg to 30mg once every two weeks, demonstrating the high specificity of the GPC3 targeting by CMD011 and a favorable safety profile at high doses. A decrease in the level of alpha-fetoprotein (“AFP”), a liver tumor biomarker, and stable disease (“SD”) have been observed in some patients, with the longest PFS being nearly 11 months, significantly extending the PFS achieved by existing standard of care treatments for advanced HCC. These findings suggest that CMD011 has the potential to overcome the limitations of traditional HCC treatments.

HCC is one of the most prevalent malignancies globally, with approximately 80% of patients diagnosed at intermediate or advanced stages where treatment options are limited and prognosis is poor. The five-year survival rate for HCC is only approximately 21% in the United States and 12.1% in China. According to Frost & Sullivan, the incidence of HCC reached 818.1 thousand globally and 344.5 thousand in China in 2024, and is expected to grow to 1,067.7 thousand and 412.2 thousand, respectively, by 2035, at a CAGR of 2.5% globally and 1.6% in China from 2024 to 2035, respectively. Current therapies are predominantly chemotherapy-based, while available targeted drugs remain constrained by short PFS, immunosuppressive TME, immune barriers and low tumor mutational burden. Global HCC drug market is estimated to increase from US\$2.3 billion in 2020 to US\$4.5 billion in 2024, with a CAGR of 17.9%. In the future, the global HCC drug market will further increase to US\$11.5 billion in 2030 and US\$18.3 billion in 2035, with a CAGR of 16.9% from 2024 to 2030 and 9.8% from 2030 to 2035. In China, HCC drug market is estimated to increase from US\$1.0 billion in 2020 to US\$2.1 billion in 2024, with a CAGR of 18.7%. In the future, the China HCC drug market will further increase to US\$4.2 billion in 2030 and US\$6.1 billion in 2035.

CMD011 has the potential to address critical shortcomings of current HCC treatments and is emerging as a breakthrough therapy. Its advancement also demonstrates the plug-and-play engineering capabilities of our TCE technology platforms, enabling efficient development of differentiated products across multiple indications.

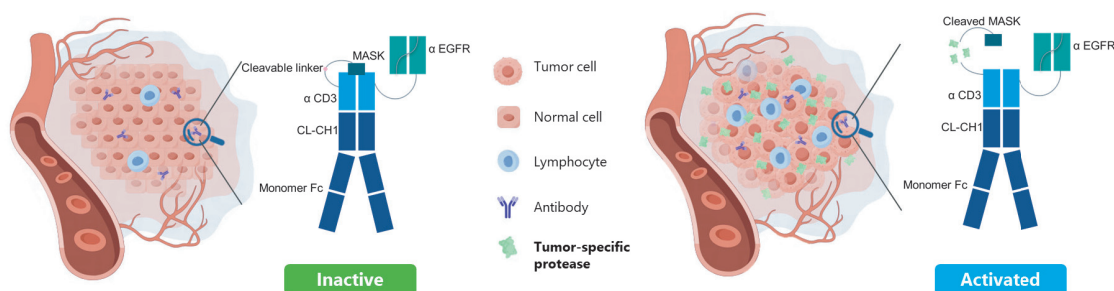
Advanced TCE Masking Technology, Exemplified by Our Product CMDE005 Ranking Among the World’s Top Two Masked TCEs

Leveraging our extensive expertise in TCE technologies, we developed the Pro-BiTE Platform for the TCE masking technology. Through a breakthrough protease-activatable system, the platform enhances the ability of bispecific antibodies to accumulate more effectively in the tumor tissue. The platform’s masking peptide design ensures that the drug remains inactive in normal tissues and

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peripheral circulation, where protease levels are low, while being selectively activated by tumor-specific proteases. This mechanism significantly expands the therapeutic window, addressing both resistance and safety challenges in solid tumor treatment. According to Frost & Sullivan, we are the only company globally to achieve one-step activation in masked EGFR×CD3 TCEs, demonstrating leadership in masking efficiency, a key parameter for minimizing on-target off-tumor toxicity and broadening the therapeutic window. The one-step activation refers to activating the therapeutic effect of TCE only in one step cleavage of the masking peptide.

We developed CMDE005, a protease-activatable EGFR×CD3 bispecific antibody. As of the Latest Practicable Date, CMDE005 was under a Phase I clinical trial in China for the treatment of various EGFR-positive advanced solid tumors, and received FDA’s IND approval in April 2025. According to Frost & Sullivan, CMDE005 was the first and only in China and ranked among the top two globally incorporating masking peptide technology that has entered the clinical stage among the EGFR×CD3 TCE drug candidates, as of the Latest Practicable Date.



Source: Company information

CMDE005 validates our strategic goal of demonstrating the clinical utility of masked peptide design.

- Innovative Format Design and Engineering.** The Pro-BiTE Platform for masked TCEs was developed based on the H-BiTE Platform. Besides the structural features inherited from the H-BiTE Platform, CMDE005 is added with a masking peptide located at the N-terminus of its heavy chain, which could specifically interact with the CD3 binding site, leading to the blockade of binding of CD3 receptor to CMDE005. To minimize the non-specific activation of T cells in the peripheral circulation, the antibody-dependent cellular cytotoxicity and complement-dependent cytotoxicity were abolished by introducing LALA substitutions to CMDE005’s Fc region. The molecular weight of CMDE005 was restricted to 128kDa vs 150 kDa for monoclonal IgG antibodies, ensuring optimal TME penetration.
- Controllable Side Effect.** CMDE005 was engineered using our Pro-BiTE Platform to achieve superior masking efficiency, with a novel masking peptide sequence introduced at the CD3 binding site. In normal tissues, CD3 binding is blocked, while protease cleavage in the TME restores CD3 activity. In pre-clinical studies, CMDE005 demonstrated a 10,000-fold reduction in CD3 binding in non-tumor tissues, while a competing product JANX008 achieved a 1,000-fold reduction based on publicly available information. With that, CMDE005 is expected to minimize on-target off-tumor activation, reduce CRS risk, and widen the therapeutic window.
- Activation Efficiency.** Upon unmasking in the tumor, CMDE005 potently activates T cells through a one-step process. This design enables efficient tumor-directed cytotoxicity while avoiding peripheral T-cell overactivation. CMDE005 is able to

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preserve EGFR in an “open” state. With that, CMDE005 ensures high tumor specificity and effective engagement of T cells in the TME. The one-step activation approach significantly enhances enrichment of active molecules in the TME.

- *Effective Infiltration.* Many TCEs are too large to penetrate solid tumor stroma, limiting their effectiveness. CMDE005 is smaller than monoclonal IgG antibodies (*i.e.*, 128 kDa for CMDE005 vs. 150 kDa for monoclonal IgG antibodies) and has an optimized structure, enabling better penetration into tumor tissue. This design supports more efficient delivery to tumor cells and stronger therapeutic activity.
- *Scalability.* Supported by our robust CMC capabilities, CMDE005 has achieved titer of 4 g/L with purity exceeding 99.3%. This enables process scalability and manufacturability for clinical and future commercial supply.
- *Anti-resistance.* CMDE005 targets EGFR based on receptor expression rather than mutational status, allowing applicability across a broad range of EGFR-expressing tumors. As such, CMDE005 is expected to overcome tumor resistance associated with EGFR mutations.
- *Reliable Biomarkers.* For many TCEs, there is a lack of biomarkers to clearly show which patients may benefit from the TCE treatment or how the treatment is working. CMDE005 uses a protease-dependent masking design that enables activation only in the TME. Because this activation depends on uPA, a protease often overexpressed in many cancers and measurable in patients, uPA may serve as a intrinsic biomarker to help identify the right patients for CMDE005 and track treatment response.
- *Convenience to Use.* CMDE005 supports intravenous administration, offering a more convenient option. This makes it suitable for outpatient settings or long-term treatment, significantly improving patient adherence to the treatment regimen.

In preclinical studies, CMDE005 achieved potent dose-dependent antitumor activity. In the HT1080 xenograft mouse model, near-complete tumor elimination was observed at the highest tested dose (120 µg/kg). In the ACHN renal carcinoma model, CMDE005 also demonstrated strong dose-dependent efficacy. The ongoing Phase I clinical trial results for CMDE005 demonstrated good tolerability in humans, with no dose-limiting toxicities (“DLT”) recorded in patients that received CMDE005 at 10 µg to 3mg once every two weeks, and no grade 3 or higher adverse events (“AEs”) or serious adverse events observed at doses up to 3 mg. All treatment-related adverse events (“TRAES”) were mild (Grade 1-2), manageable, and resolved completely. Additionally, preliminary signs of efficacy were observed in patients with NSCLC. Some patients in the low-dose group had recorded SD and shrinkage of the target lesions, suggesting potential therapeutic benefit. CMDE005 exhibited a dose-dependent immune response and efficacy profile, with controllable side effects.

A large population of patients with EGFR-expressing or EGFR-resistant tumors, both globally and in China, continue to face limited treatment options. Sequential therapies following resistance to TKI, a type of EGFR-targeted therapy, often show only modest efficacy and carry significant development risks. Leveraging our TCE masking technology, CMDE005 represents a paradigm shift in overcoming TKI resistance, with substantial clinical and commercial potential.

Our TCE masking technology represents a major innovation in TCE development, with a limited number of companies worldwide having demonstrated the expertise and capabilities required to advance this approach. We have established this technology as a central focus of our TCE pipeline. Leveraging our proprietary know-how and accumulated experience, we have become a global leader in masking peptide TCE research and development, both in terms of technological strength and stage of advancement. According to Frost & Sullivan, we are the only company globally to achieve one-step activation in masked EGFR×CD3 TCEs, demonstrating leadership in

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masking efficiency, a key parameter for broadening the therapeutic window. According to Frost & Sullivan, CMDE005 was the first and only in China and ranked among the top two globally incorporating masking peptide technology that has entered the clinical stage among the EGFR×CD3 TCE drug candidates, as of the Latest Practicable Date.

CMDE005 is our flagship TCE candidate. With its masking peptide design, CMDE005 has the potential to become a backbone cancer therapy. As the anchor for our TCE pipeline, CMDE005 positions us to continue developing innovative masked and multi-mechanism formats to address the substantial medical needs in solid tumor treatment. Using our protease-activatable masking technology, we have developed two preclinical-stage drug candidates for multifunctional/logic-gated TCE, CMDE101 and CMDE102, which are trispecific protease-activatable TCEs targeting FOLR1×PD-L1×CD3 and PSMA×PD-L1×CD3, respectively.

TCE Technology Platforms Driving Innovation with Advanced R&D and CMC Capabilities

We have established an innovation engine built upon our proprietary TCE antibody development system. Backed by a strong R&D team and extensive CMC expertise, this system forms a solid foundation for our advancement toward commercialization.

Our TCE antibody development system is built to address the key challenges of TCE therapy and unlock its full potential. We emphasize the control of side effects by improving the management of CRS for a broader therapeutic window. To enhance efficacy, we improve T-cell activation efficiency and support efficient infiltration, enabling stronger tumor penetration, and a first-dose stage power killing effect that can help turn “cold” tumors into “hot” ones and sustain immune attack. At the same time, we focus on scalability to ensure stable, cost-effective manufacturing, embed anti-resistance strategies to preserve durable activity across genetically diverse tumors, and apply predictive biomarkers, such as measurable protease activity, to guide patient selection and treatment monitoring. Together, these approaches provide a framework that underpins our innovation engine and advance the development of TCE therapies.

Our TCE antibody development system consists of four technology pillars, covering target and sequence discovery, antibody engineering, and functional validation. This is one of the most comprehensive “zero-to-one” discovery and development platforms for TCEs:

- *TCE Antibody Discovery — Multichannel Antibody Discovery Platform.* Our multichannel antibody discovery platform includes fully human IgM phage display antibody libraries and multi-species immunized libraries. With capacities of 10^{11} - 10^{13} antibody sequences, our fully human IgM phage display antibody libraries are significantly larger than the industry average of 10^9 - 10^{10} . This capacity and diversity enable rapid identification of high-quality, high-affinity lead antibodies, establishing a strong foundation for our drug discovery. With these libraries, we are able to perform high-throughput screening and rapid identification of high-affinity antibodies in just 1-2 weeks. Because these libraries are fully human, the identified antibodies need not go through the humanization process and carry minimized immunogenicity risks. Further, compared to IgG libraries, our IgM libraries offer greater diversity. This enables the selection of multiple epitopes with varying affinities targeting the same antigen. In addition to the fully human IgM phage display antibody libraries, we have established the discovery platform of hybridoma and multi-species immunized antibody libraries using mouse or rabbit B cells. These multi-species immunized antibody libraries are able to avoid the limitations of traditional hybridoma technology, including the long-cycle low-throughput screening for antibody sequences and the stability issues with antibody-encoding genes. They enable higher throughput and prevent the loss of genes during cloning, preserving antibody diversity. Finally, we utilize light chain shuffling technology to further improve antibody sequence diversity and affinity, enhancing the foundation for drug discovery.

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- *TCE Format — H-BiTE Platform.* Our proprietary bispecific antibody platform may optimize pharmacological properties to overcome two traditional challenges in bispecific antibody development, *i.e.*, druggability and high toxicity. The platform utilizes a unique dual-target architecture that attenuate CD3 binding affinity through steric hindrance, ensuring the minimal CD3+ T-cell activation in peripheral circulation. By optimizing the affinity for both CD3 and the target antigen, the platform improves the therapeutic efficacy of TCEs. Furthermore, the design features Fc modifications and a monovalent Fab structure, preventing light and heavy chain mispairing. With that, the platform generates 100% heterodimeric bispecific antibodies, avoiding the toxicity associated with the homodimeric byproducts for asymmetric bispecific antibodies. The Fc engineering features may also reduce cytokine release, thus improving safety profiles. With minimal substitutions (only two amino acids) in the Fc region, the platform reduces immunogenicity compared to other bispecific antibody platforms. These innovations make the H-BiTE platform one of the most competitive bispecific antibody platforms globally, offering significant advantages in clinical application and drug development.
- *TCE Masking — Pro-BiTE Platform.* Our Pro-BiTE platform leverages a protease-activatable bispecific antibody design to enable tumor-selective activation. By taking advantage of the differential expression of proteases in tumors and normal tissues, the platform introduces a masking peptide near the antibody’s target-binding site. This peptide remains intact in normal tissues and circulation, but is cleaved by tumor-specific proteases, such as uPA and MMP, upon accumulation in the TME. This mechanism significantly enhances both the safety and therapeutic window, allowing the antibody to target tumors effectively while minimizing on-target off-tumor toxicity.
- *Multifunctional/Logic-gated TCE Platform.* Our Multifunctional/Logic-gated TCE platform enhances T-cell activation, prevents T-cell exhaustion, and increases tumor-killing power by launching a synergistic targeted attack on tumors by both blocking the immune checkpoint and activating the T cells. Our multifunctional TCEs are designed with an OR-gated dual-targeting format, which can activate T cells upon recognizing either one or both TAAs on the tumor cell surface, thereby improving tumor recognition and contributing to the prevention of tumor relapse. This approach effectively addresses challenges such as antigen loss, mutations, and tumor heterogeneity, ensuring sustained and effective tumor clearance over time.

We are also developing TCENet, an AI-driven, end-to-end database designed to enhance the efficiency and precision of our TCE antibody discovery and development. By systematically integrating data across research, process development, and clinical stages, TCENet is expected to strengthen our capability to identify, design, evaluate, and optimize TCE candidates for solid tumors.

We have accumulated extensive expertise in process development and manufacturing control, which provides us with a competitive edge in CMC. For CMDE005, we achieved a titer of 4 g/L and a purity level exceeding 99.3%, meeting benchmarks comparable to leading global process standards. These results were achieved through close collaboration with CDMOs and guided by our molecular-level understanding of the TCE biology. We played an active role across the entire development process to ensure scalability, stability and quality. These capabilities provide strong assurance of product consistency from discovery to commercialization.

Our R&D team is multi-tiered, covering the full innovation pathway from discovery through clinical translation. The early-stage research team, led by Dr. XIAO Zuoxiang and Dr. ZHOU Dongwen, has become a key driver of our innovation. Our clinical development team, under the leadership of Dr. XIAO Zuoxiang and Ms. WANG Yanping, combines deep medical expertise with strong operational capabilities to align development with clinical needs. The integration of discovery scientists and clinical specialists enables coordinated oversight across the entire R&D process. Our in-house R&D team consisted of 33 employees as of the Latest Practicable Date, over

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97% of whom had obtained at least bachelor’s degrees, and over 70% members of our R&D team had obtained master’s or higher degrees. With dual R&D centers in the United States and China, we operate an integrated model across time zones, supporting a continuous R&D cycle and efficient platform integration.

We place a strong emphasis on intellectual property protection to secure our technology leadership. As of the Latest Practicable Date, we held 21 patents and five patent applications in connection with our clinical-stage product candidates, including four patents related to DNV3, and eleven patents and one patent application related to SMET12, in China, the U.S. and EU.

Support From Leading Industry Investors, Strong Medical Partnerships, and Robust Clinical Operation Capabilities

We have secured the recognition and support of leading healthcare industry investors, including Betta Pharmaceuticals Co., Ltd., Hangzhou Tigermed Consulting Co., Ltd and MabPlex International Co., Ltd. Their investments reflect confidence in the innovation and differentiated value of our products, while also providing us with financial resources and strategic industry support. Through these partnerships, we have established deep strategic collaborations, enabling access to critical industry resources, joint technological innovation, and expanded market channels. This collaborative model has accelerated the translation of our R&D outcomes and strengthened our competitive position within the TCE industry.

We have also established close collaborations with top-tier hospitals in China. We work with prominent principal investigators (“**PIs**”) to build an efficient, resource-integrated framework for clinical development. As of the Latest Practicable Date, our partner hospitals include among others Cancer Hospital, Chinese Academy of Medical Sciences, Fujian Cancer Hospital, and First Affiliated Hospital of Zhejiang University School of Medicine.

In addition, we have developed strong regulatory communication capabilities in both China and the United States. These capabilities enable the efficient progression of our drug candidates through clinical trials. For example, before submitting the IND application for the DNV3 combination therapy targeting melanoma, we had two rounds of communication with the CDE regarding the planned clinical trial and optimized our trial protocol accordingly. After we submitted the IND application, no major modifications of the trial protocol were requested by the NMPA during the review process, which greatly shortened the wait time from IND submission to IND approval to around two months.

We possess robust clinical operation capabilities. For example, it took only 11 months for us to advance from the GLP safety study to first patient in (“**FPI**”), a timeline significantly shorter than the industry average of 19 months. This demonstrates our execution strength in clinical planning, resource allocation, and team coordination, enabling us to rapidly and efficiently advance our pipeline into clinical development.

Experienced Leadership with a Global Perspective

Our founders and management team have an average of more than 31 years of experience in the biopharmaceutical industry. Their combined expertise in industry knowledge, strategic foresight, and operational execution enables them to work seamlessly across scientific, operational, and organizational aspects to drive our long-term, sustainable growth.

Founder, Chairman and Chief Executive Officer — Dr. XIAO Zuoxiang. Dr. Xiao has more than 30 years of experience in oncology clinical practice, disease mechanism research, and antibody drug development. Dr. Xiao previously served at leading U.S. institutions, including Johns Hopkins Bloomberg School of Public Health, Johns Hopkins School of Medicine, and the U.S. National Cancer Institute (“**NCI**”). Dr. Xiao has published over 30 articles in top journals such as *Cancer Cell*, *Genes & Development*, and *PNAS*, with more than 3,000 citations, marking his internationally

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recognized contributions in tumor biology and drug development. He is also widely regarded as a scientific entrepreneur with both strategic foresight and strong execution. Dr. Xiao obtained his bachelor’s degree in Medicine from Shandong First Medical University (山東第一醫科大學) in the PRC in July 1987 and his master’s degree in Medicine from Shanghai University of Traditional Chinese Medicine (上海中醫藥大學) in the PRC in July 1996 and his doctoral degree in oncology from Zhejiang University (浙江大學) in the PRC in March 2003. From May 2003 to April 2006, Dr. Xiao completed his postdoctoral training at The Johns Hopkins Bloomberg School of Public Health.

Senior Clinical Advisor — Dr. HE Ruyi. Dr. He is one of the most authoritative experts in China in clinical development and global regulatory regimes with more than 30 years of experience. Dr. He joined the U.S. FDA in 1999 as a Medical Officer in charge of new drug clinical evaluation until 2016. Dr. He joined the NMPA as the Chief Scientist, after having worked at the U.S. FDA for more than 17 years. Dr. He led numerous technical meetings, reviewed IND and NDA applications, and contributed to the development of regulatory guidelines across therapeutic areas. Dr. He played a pivotal role in reforming China’s drug review system, drafting technical guidelines, and fostering collaborations between Chinese and U.S. regulatory agencies. Also, Dr. He served as the Chief Medical Officer of RemeGen Co., Ltd. and Chief Scientist of SDIC Fund Management Co., LTD. Dr. He is the first CEO of the Global Health Innovation Institute co-sponsored by Shanghai municipal government and the Gates Foundation. Dr. He received his medical degree from China Medical University. He completed his intern and residency training in Internal Medicine at Howard University Hospital and affiliated hospitals in Washington, DC. and received his clinical and research training at the National Institutes of Health (“NIH”) in Bethesda, Maryland. Dr. He is a licensed, board-certified physician in Internal Medicine in the U.S.

Co-Founder, Senior Vice President and Director — Mr. SHAO Qing. Mr. Shao has extensive cross-border management experience in the pharmaceutical and biotech industries, having held senior executive roles at Porton Pharma Solutions Ltd. and others. Mr. Shao received his master’s degree in education from Virginia Tech in the U.S. in December 1994.

Vice President of R&D — Dr. ZHOU Dongwen. Dr. Zhou has over 20 years of research experience in protein structure-function relations and therapeutic antibody development. He previously served as a scientist at the Blood Research Institute of Wisconsin and as a postdoctoral research fellow at the U.S. NCI/NIH, where he advanced structural and functional studies of multiple proteins with therapeutic relevance. His research has provided important insights into protein biology and contributed to the development of antibody-based therapeutics. Dr. Zhou has published over 20 scientific articles in top academic journals such as *Blood*, *PNAS*, and *Nature Structural & Molecular Biology*. Dr. Zhou has received several notable honors, including the American Crystallographic Association Young Scientist Award, the NIH Postdoctoral Fellowship, and the Medical College of Wisconsin Postdoctoral Travel Award. Dr. Zhou obtained his bachelor’s degree in biochemistry from Anhui University (安徽大學) in the PRC in July 1999 and his doctoral degree in biochemistry and molecular biology from the University of Science and Technology of China (中國科學技術大學) in the PRC in June 2008.

Chief Financial Officer, Company Secretary and Board Secretary — Mr. LI Shu Pai. Mr. Li has over 20 years of distinguished work experience at a top audit firm, as well as various top financial institutions and public companies. Since 2014, he served as chief financial officer and director of multiple public companies before joining us in March 2026. Mr. Li obtained his bachelor’s degree in business administration from City University of Hong Kong (香港城市大學) in November 2001 in Hong Kong. He received his master’s degree in business administration from The Hong Kong University of Science and Technology (香港科技大學) in June 2014 in Hong Kong. Mr. Li was admitted as a Certified Public Accountant and a fellow member of the Hong Kong Institute of Certified Public Accountants in October 2004 and February 2012, respectively. He was also admitted as a fellow member of Association of Chartered Certified Accountants in July 2017.

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Chief Operating Officer — Ms. WANG Yanping. Ms. Wang has over ten years of experience in antibody drug research and development and has contributed to multiple novel antibody therapies with several U.S. patent filings. Ms. Wang oversees our U.S. operations and played a key role in the early development of the TCENet platform and antibody discovery. Earlier in her career, as a research fellow at the NIH, she worked on the development and scale-up of humanized monoclonal antibodies (scFv, Fab, and IgG) expressed in both prokaryotic and eukaryotic systems, applying purification strategies tailored to antibody properties. Ms. Wang obtained a Bachelor of Science degree in biotechnology from Nankai University (南開大學) in the PRC in June 2004.

OUR STRATEGIES

Advance Our Pipeline Products to Market Leadership for Global Clinical Development, Regulatory Approvals and Commercialization

DNV3. Both preclinical and clinical data support the potential of DNV3 to overcome tumor resistance to PD-1/PD-L1 inhibitors. Although PD-1/PD-L1 therapies are widely used, many patients eventually develop treatment-resistance, limiting long-term efficacy. DNV3 is designed to address this challenge and offer a new treatment option for PD-1/PD-L1 treatment-resistant patients. Our clinical development is currently focused on melanoma, one of the largest and most significant indications in immuno-oncology with substantial market potential. We completed the Phase I clinical trial of DNV3 monotherapy targeting advanced/metastatic solid tumors and lymphomas in March 2022. As of the Latest Practicable Date, DNV3 was under a Phase II clinical trial of DNV3 in combination with an anti-PD-1 antibody and chemotherapy targeting locally advanced unresectable or metastatic melanoma. The clinical trial is expected to complete in the fourth quarter of 2026. We plan to initiate a Phase III clinical trial of DNV3 in combination with an anti-PD-1 antibody and chemotherapy in the third quarter of 2027.

SMET12. SMET12 is the world’s first EGFR-targeting TCE that has entered the Phase II stage, has the potential to become the world’s first intravenous EGFR×CD3 bispecific antibody and is the first in China to receive clinical trial approval from the NMPA. As of the Latest Practicable Date, SMET12 was under Phase IIa clinical trial in China targeting EGFR-positive advanced solid tumors including esophageal cancer and received FDA’s IND approval in November 2021. We completed the Phase I clinical trial targeting EGFR-positive advanced solid tumors in China in February 2023. We expect to complete the Phase IIa clinical trial targeting esophageal cancer in the second quarter of 2027 and initiate a Phase III clinical trial in the fourth quarter of 2027. We also expect to initiate a Phase IIa clinical trial targeting TNBC in the fourth quarter of 2026. Depending on the results of the Phase II clinical trial of SMET12, we may consider initiating a Phase II clinical trial of SMET12 in combination with an anti-PD-1 antibody targeting selected EGFR-positive solid tumors.

CMD011. As of the Latest Practicable Date, CMD011 was under a Phase I clinical trial in China for HCC and received FDA’s IND approval in February 2025. CMD011 also has a potential for expansion into other indications such as renal cell carcinoma. We expect to complete the Phase I/IIa clinical trial in the fourth quarter of 2027 and initiate a Phase III clinical trial in 2028.

CMDE005. As of the Latest Practicable Date, CMDE005 was under a Phase I clinical trial in China targeting EGFR-positive advanced solid tumors and received FDA’s IND approval in April 2025. We expect to complete the Phase I/IIa clinical trial in the fourth quarter of 2027 and initiate a Phase III clinical trial in 2028.

Preclinical Drug Candidates. We expect to submit an IND application for CMDE101 to the NMPA in the fourth quarter of 2027 and to the FDA in 2028. We expect to submit an IND application for CMDE102 to the NMPA in 2028 and to the FDA in 2029.

Our pipeline reflects the breadth and strength of our technology platforms and the strong execution of our strategic priorities. We advance differentiated molecular designs, target high-value indications, and develop combination strategies to overcome resistance, building a portfolio that

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combines scientific innovation with strong clinical applicability. As our pipeline progresses through clinical development, we are reinforcing our leadership in the area of TCE, which we believe has the potential to become a backbone therapy for cancer treatment, and will position us to capture future opportunities for sustainable growth.

Continue to Expand Our Pipeline by Upgrading Our TCE Platforms and TCE Database TCENet

We will continue to enhance our TCE technology platforms, strengthening their capacity to generate highly selective and multifunctional/logic-gated TCEs. These platforms form the foundation of an antibody discovery and development engine aimed at addressing major clinical needs. In particular, we are working to overcome two longstanding challenges in bispecific antibody development: limited druggability and toxicities. Leveraging our proprietary animal model platforms for antibody indication screening, we plan to expand R&D investment and accelerate the progression of our drug candidates from preclinical research into clinical trials and subsequent biologics license application (“BLA”). This approach is expected to improve efficiency and shorten development timelines. We are also refining processes across the entire R&D process from target selection and drug design to regulatory filings to enhance overall productivity and ensure steady advancement of our pipeline toward key clinical milestones.

We also intend to further improve the capacity and quality of our antibody libraries, while continuing to refine our H-BiTE Platform to support the development of more competitive candidates. We are also investing in emerging technologies such as AI-assisted antibody design. By applying machine learning to identifying new targets, optimizing antibody structures, and guiding molecular design, we aim to enhance precision and increase the likelihood of success.

Looking forward, we plan to develop our proprietary TCE database, TCENet, into the central innovation engine of our R&D and focus on building a full-cycle innovation system from algorithms, data, pipeline development to commercialization. As part of this effort, we have built the world’s largest fully human IgM phage display antibody libraries (approximately 10^{13}) together with cross-species antibody discovery and screening capabilities, which is establishing high industry barriers. At the same time, we are standardizing our TCENet platform into a replicable solution that integrates algorithm models, molecular design tools, and data analysis modules. This transformation enables TCENet to function as a turnkey R&D platform that lowers development barriers and expands access to advanced TCE innovation across the industry.

Collaborate to Unlock the Clinical and Commercial Potential of Our Pipeline

We are committed to establishing strategic partnerships with domestic and international biopharmaceutical companies to fully unlock the clinical and commercial potential of our drug candidates. For early-stage projects, we may pursue licensing and co-development agreements to leverage external resources and accelerate R&D progress. By collaborating with a diverse range of stakeholders, we aim to expedite the development of high-potential candidates. For later-stage clinical projects, we will actively seek commercialization partnerships, leveraging our partners’ established market channels and sales capabilities to accelerate product launches and enhance commercialization efforts. Additionally, we will explore licensing-out opportunities with major global pharmaceutical companies to mitigate development risks and generate significant cash flow from licensing agreements. We are currently considering potential license out opportunities for our Core Products, but we have not established any concrete licensing arrangement.

Enhance International Clinical Development and Expand Market Presence

We are committed to strengthening our international clinical development capabilities and expand market presence across key regions. Our strategy focuses on building a comprehensive, multi-regional clinical development system and tailoring market entry strategies to meet the specific needs of different regions. We plan to establish clinical development centers in major

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pharmaceutical markets, including North America, Europe, and the Asia-Pacific region. Our goal is to assemble clinical teams with extensive international experience and design global, multi-center clinical trials that meet the standards of leading regulatory authorities such as the FDA, EMA and NMPA. We will prioritize the early-stage clinical development of CMD011 and CMDE005 in the U.S. and European markets, aligning progress with that in China to shorten the global commercialization timeline.

We will also adopt a differentiated approach to market access based on regional characteristics. In markets such as the U.S. and Europe, our focus will be on innovative therapies, seeking priority review status through self-submission or by partnering with renowned local pharmaceutical companies, thereby expediting both product approval and market entry. In emerging markets, including Southeast Asia and the Middle East, we will leverage our cost and efficacy advantages through strategies such as technology transfer and local manufacturing collaborations to broaden market coverage and accelerate adoption.

Leverage Top Talents as Our Core Competitive Advantage, Ensuring Sustainable Success through Strategic Talent Development

We are committed to attracting and nurturing top talent with a global perspective, specializing in drug discovery, clinical development and commercialization. By continuously expanding our talent pool, we aim to drive the advancement of our pipeline and TCE platforms, which are critical to enhancing our capabilities and supporting sustainable growth. Additionally, we will provide ongoing training and development programs for our employees to enhance their technical expertise and keep them aligned with the latest industry trends. This investment in talent development will strengthen our workforce and enable us to stay at the forefront of the rapidly evolving biopharmaceutical sector.

OUR PRODUCT PIPELINE

We are a clinical-stage biotech company focused on the development of TCE through an antibody discovery and development engine. Since our founding in 2017, we are strategically focused on TCE antibody therapeutics. Driven by clinical needs, we are committed to developing TCE-related therapies for cancer and autoimmune diseases.

As of the Latest Practicable Date, we had four in-house, clinical-stage drug candidates, including (i) DNV3, an advanced TCM targeting LAG-3, which validates our proprietary high-capacity fully human IgM phage display antibody library, (ii) SMET12, an innovative intravenous EGFR×CD3 TCE, (iii) CMD011, an advanced GPC3×CD3 TCE, which together with SMET12 validate our TCE molecular-format engineering, and (iv) CMDE005, an innovative EGFR×CD3 masked TCE, which validates our protease-activatable, masking technology. In addition, we have two preclinical stage drug candidates for multifunctional and logic-gated TCE, CMDE101 and CMDE102, which are trispecific masked TCEs targeting FOLR1×PD-L1×CD3 and PSMA×PD-L1×CD3, respectively. All these drug candidates are self-developed.

Core Product DNV3: an Advanced TCM Targeting LAG-3

Overview

DNV3 is an anti-LAG-3 TCM developed from our proprietary high-capacity IgM antibody libraries. LAG-3 represents a promising ICI beyond PD-1/PD-L1.

As of the Latest Practicable Date, there was one anti-LAG-3 antibody combination therapy (opdualag), which was mainly used for first-line treatment of unresectable or metastatic melanoma. In 2024, the total sales of opdualag reached US\$928 million. In China, there was no approved

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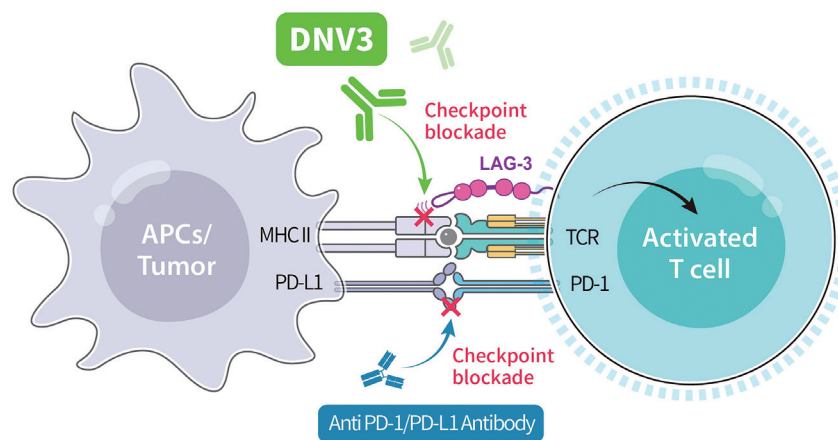
anti-LAG-3 antibody drug. According to Frost & Sullivan, DNV3 ranked second globally and in China by stage of clinical development among anti-LAG-3 antibody drug candidates for melanoma treatment, as of the Latest Practicable Date.

In the ongoing Phase II clinical trial, the combination of DNV3 with an anti-PD-1 antibody and chemotherapy achieved an ORR of 44.4% in 18 mucosal melanoma patients previously treated with PD-(L)1 inhibitors, approximately three times higher than that of existing comparable therapies based on publicly available information (without head-to-head comparison in clinical trials), offering new option for patients resistant to first-line PD-1 treatment. In cutaneous melanoma, IIT and Phase II trial data showed an ORR of 66.7% in 12 cutaneous melanoma patients with the same combination therapy, which is over five times higher than that achieved by existing comparable therapies based on publicly available information (without head-to-head comparison in clinical trials). These results underscore DNV3's therapeutic potential in addressing the low response rates of current immuno-oncology therapies. Also, DNV3 demonstrated a favorable safety profile in our clinical trials, with no recorded Grade 3 or above CRS. Moreover, DNV3 in combination with an anti-PD-1 antibody and chemotherapy reached an ORR of 38.5% and medium PFS of 7.4 months in 13 melanoma patients with liver metastasis (medium size was 77.4mm), for whom there is currently no effective treatment option.

We developed DNV3 internally and hold the global rights for its use, manufacture, and commercialization. We expect to be the market authorization holder of DNV3 in any jurisdiction. We started the R&D of DNV3 in 2017 by screening for and optimizing the sequences of the anti-LAG-3 antibody based on the Multichannel Antibody Discovery Platform. We then performed preliminary druggability assessment, *in vitro* and *in vivo* pharmacological and efficacy evaluations for DNV3. Thereafter, we retained MabPlex, a CDMO, to conduct CMC development. With these efforts, we obtained the first IND approval of DNV3 from the NMPA in August 2020.

Mechanism of Action

LAG-3-MHCII interaction blockade by DNV3 restores T cell activation



Source: Company information

As a TCM, DNV3 restores T-cell function by blocking the inhibitory LAG-3 pathway, thereby enhancing T-cell activation and anti-tumor immune responses. LAG-3 is an inhibitory receptor that is highly expressed by exhausted T cells in the TME. LAG-3 transmits inhibitory signals to T cells upon binding to MHC class II and other ligands, rendering T cells dysfunctional. Acting upstream in the immune response, LAG-3 has the potential to modulate multiple pathways, while also offering a favorable safety profile. Consequently, LAG-3 is a major target for cancer immunotherapy.

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LAG-3 is the third immune checkpoint inhibitory receptor to be exploited in human anti-cancer immunotherapies, and it is considered a potential cancer immunotherapy target in human therapy, right next to PD-1 and CTLA-4. LAG-3 and PD-1 are co-expressed on intratumoral T cells in various human tumors and mouse models of cancer. Previous studies have shown that PD-1 and LAG-3 may synergistically promote T-cell exhaustion while restraining clonal expansion and downstream autocrine signaling responses to IFN- γ . Dual PD-1 and LAG-3 blockade may synergistically limit tumor growth compared to monotherapy alone.

DNV3, an anti-LAG-3 antibody, is designed to block LAG-3’s inhibitory activity, thereby enhancing anti-cancer immune responses by T cells. Moreover, LAG-3 blockade has been shown to effectively alleviate the patient’s tolerance to PD-1 ICIs. Hence, synchronous LAG-3 and PD-1 inhibition may be a potential new strategy for tumor immunotherapy.

Market Opportunity and Competition

The near-term target market of DNV3 is China. We have no near-term commercialization or clinical development plan for DNV3 in the U.S. From a long-term perspective, in addition to China, the target jurisdictions for clinical trials and registration filing of DNV3 include the U.S., Europe and Australia, primarily in view of relatively high incidence of cutaneous melanoma in such markets. As of the Latest Practicable Date, there was one approved anti-LAG-3 antibody combination therapy (opdualag), which was mainly used for first-line treatment of unresectable or metastatic melanoma. As of the same date, for anti-LAG-3 antibody drugs targeting melanoma globally, one was in the Phase III stage, one was in the Phase II stage (DNV3), and others were in the Phase I/II stage. According to Frost & Sullivan, DNV3 ranked second globally and in China by stage of clinical development among anti-LAG-3 antibody drug candidates for melanoma treatment, as of the Latest Practicable Date. For details, see “Industry Overview—Overview of LAG-3—Global Competitive Landscape of LAG-3-Targeting Antibody Drugs for Melanoma.”

Competitive Advantages

Clinical Leadership. As of the Latest Practicable Date, only one anti-LAG-3 antibody combination therapy (opdualag) was approved globally, and none in China.

Enhanced Mechanism of Action. DNV3 restores T-cell function by blocking the inhibitory LAG-3 pathway, thereby enhancing T-cell activation and anti-tumor immune responses. LAG-3 is an inhibitory immune checkpoint receptor highly expressed by exhausted T cells in the TME. By binding to MHC class II and other ligands, LAG-3 transmits inhibitory signals that impair T-cell function, making it a key target for cancer immunotherapy. Acting upstream in the immune response, LAG-3 has the potential to modulate multiple pathways, while also offering a favorable safety profile. Preclinical studies have shown that DNV3 can effectively block LAG-3 binding to both MHC II and to fibrinogen-like protein 1 (“FGL-1”), thereby further augmenting immune responses. In addition, DNV3 has demonstrated a potential to enhance the antigen presenting and antibody production functions of B cells in preclinical studies, with a clinical potential to generate effective anti-tumor effects even with insufficient T cells.

Encouraging Efficacy. Clinical results indicate that DNV3 can overcome PD-1/PD-L1 drug resistance and achieve a high response rate. In the ongoing Phase II clinical trial, the combination of DNV3 with an anti-PD-1 antibody and chemotherapy achieved an ORR of 44.4% in 18 mucosal melanoma patients previously treated with PD-(L)1 inhibitors, approximately three times higher than that of existing comparable therapies (without head-to-head comparison in clinical trials). In cutaneous melanoma patients previously treated with PD-(L)1 inhibitors, investigator-initiated trial data showed an ORR of 66.7% with the same combination therapy, which is over five times higher than that achieved by existing comparable therapies (without head-to-head comparison in clinical trials). In an ongoing Phase II clinical trial, DNV3 in combination with an anti-PD-1 antibody and chemotherapy reached an ORR of 38.5% and medium PFS of 7.4 months in 13 melanoma patients

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with liver metastasis (medium size was 77.4mm), for whom there is currently no effective treatment option. These results underscore DNV3’s therapeutic potential in addressing the low response rates of current immuno-oncology therapies.

Production Efficiency. DNV3 demonstrates a high yield of up to 6.8g/L with a simple and stable manufacturing process, thereby significantly increasing the production efficiency.

However, as of the Latest Practicable Date, only certain IITs and a Phase I clinical trial with 11 patients had been completed for DNV3. The number of enrolled patients and follow-up period in these trials are limited.

Summary of Clinical Trials

The following sets forth an overview of the key clinical trials of DNV3.

Trial number	Phase	Study design	Sites	Subjects	Status	Patient enrollment
N/A	IIT	Evaluate the efficacy and safety of DNV3 in combination with toripalimab and chemotherapy	China	Patients with advanced melanoma	Completed	27 (Actual)
CTR20202356	I	Evaluate the safety, tolerance and pharmacokinetics of DNV3	China	Patients with advanced/metastatic solid tumors and lymphomas	Completed	11 (Actual)
CTR20243964	II	Evaluate the efficacy and safety of DNV3 in combination with toripalimab and chemotherapy	China	Patients with locally advanced unresectable or metastatic melanoma following failure of prior treatment with immune checkpoint inhibitors	Ongoing	60 (Expected)

An IIT of DNV3 plus toripalimab and chemotherapy in advanced melanoma in China sponsored by us

Trial design. The IIT enrolled 27 patients with advanced melanoma, who received nab-paclitaxel (initial dose 260 mg/m², reduced to 200 mg/m²), cisplatin (25 mg/m²), DNV3 (3 mg/kg), and toripalimab (240 mg) every 3 weeks for 6 cycles, followed by maintenance immunotherapy. The primary endpoint was ORR. The secondary endpoints included safety, PFS, DoR, DCR and OS.

Safety data. Initial nab-paclitaxel 260 mg/m² caused Grade 3 or above TRAEs in 55.6%, leading to dose reduction (200 mg/m²) which reduced Grade 3 or above TRAEs to 22.2%. Immune-related toxicities (Grade 3 or above immune-related AEs in 22.2%) were manageable without fatal events.

Efficacy data. The combination therapy showed 44.4% ORR (85.2% DCR) in the 27 patients which was further elevated to 54.5% in the subgroup of 11 patients with hepatic metastases. Notably, it also demonstrated substantial efficacy in anti-PD-(L)1-resistant cases, with a 42.9% ORR and a median PFS of 7.36 months. Among treatment-naïve mucosal melanoma, the ORR reached 50%. The median PFS for the total cohort (n = 27) was 7.29 months (95% CI: 4.96–10.28).

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In patients with liver metastases (n = 11), PFS was 4.96 months (95% CI: 1.38–NE). In patients previously exposed to anti-PD-(L)1 therapy (n = 21), PFS was 7.36 months (95% CI: 4.96–10.28). Treatment-naïve mucosal melanoma cases (n = 6) exhibited a median PFS of 5.78 months.

Data/IP ownership. We own the data and intellectual property relating to the IIT.

CTR20202356: A Phase I clinical trial to evaluate the safety, tolerance and pharmacokinetics of DNV3 in patients with advanced/metastatic solid tumors and lymphomas in China sponsored by us

Overview. This is an open and multi-site Phase I clinical trial of safety, tolerance and pharmacokinetics in patients with advanced/metastatic solid tumors and lymphomas.

The primary objective is to evaluate the safety and tolerability of DNV3 injection in patients with advanced/metastatic solid tumors and lymphomas. The secondary objectives are to evaluate the pharmacokinetics (“**PK**”), immunogenicity and anti-tumor activity of DNV3 in patients with advanced/metastatic solid tumors and lymphomas.

Trial design. The Phase I clinical trial enrolled 11 patients, who were treated with DNV3 once every two weeks in 28-day treatment cycles. Patients were assigned to sequentially escalating dose groups at doses of 0.1mg/kg, 0.3 mg/kg, 1 mg/kg, 3 mg/kg and 10 mg/kg. The first two dose groups (0.1 mg/kg and 0.3 mg/kg) used an accelerated titration method. One subject was initially enrolled in the 0.1 mg/kg dose group. If this subject experienced Grade 2 or above drug-related toxicity within 28 days of the first dose, the dosing method would switch to the traditional “3+3 design” method. If the subject did not experience Grade 2 or above drug-related toxicity within 28 days of the first dose, it would proceed to the next dose group (0.3 mg/kg). The 0.3 mg/kg dose group followed the same procedure as the 0.1 mg/kg dose group. The remaining three dose groups (1 mg/kg, 3 mg/kg, and 10 mg/kg) would use the traditional “3+3” method for dose escalation. The treatment period was 28 days to 24 months, and the follow-up period was at least 2 years.

The primary endpoints included DLT, AE and SAE. The secondary endpoints included PK, anti-drug antibody (“**ADA**”), ORR, duration of response (“**DoR**”), DCR, OS and PFS.

Trial status. We initiated the Phase I clinical trial in June 2021 and completed the trial in March 2022.

Safety data. 81.8% (9/11) of the enrolled patients experienced AEs. 45.5% (5/11) of the enrolled patients experienced TRAEs. Most of the AEs were Grade 1 or 2. 18.2% of the enrolled patients experienced Grade 3 or above AEs. No DLTs, SAEs, adverse events of special interest (“**AESI**”) or infusion reactions were reported.

CTR20243964: A Phase II clinical trial to evaluate the efficacy and safety of DNV3 in combination with toripalimab and chemotherapy in patients with locally advanced unresectable or metastatic melanoma following failure of prior treatment with immune checkpoint inhibitors sponsored by us in China

Overview. This is an open-label, multicenter, single-arm Phase II clinical trial to assessing the efficacy and safety of DNV3 in combination with toripalimab self-purchased by us and chemotherapy in patients with locally advanced unresectable or metastatic melanoma following failure of prior treatment with immune checkpoint inhibitors. The primary objective is to evaluate the efficacy of DNV3 in combination with toripalimab and chemotherapy in patients with locally advanced unresectable or metastatic malignant melanoma following failure of prior treatment with immune checkpoint inhibitors. The secondary objectives are to evaluate (i) the durability of response to DNV3 in combination with toripalimab and chemotherapy; (ii) the safety and tolerability of DNV3 in combination with toripalimab and chemotherapy; (iii) the pharmacokinetics profile of DNV3 in combination with toripalimab and chemotherapy; (iv) the immunogenicity of DNV3 in combination with toripalimab and chemotherapy.

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Trial design. The trial expects to enroll 60 patients. The combined therapy will be administered once every 3 weeks, and each administration will constitute a treatment cycle of 3 weeks (21 days). Chemotherapy drugs will be administered in the first 4-6 treatment cycles. The specific chemotherapy cycles and doses will be determined by the researchers based on the subject's disease condition and chemotherapy tolerance.

On the first day of each treatment cycle, nab-paclitaxel will be administered intravenously, followed by cisplatin, followed by DNV3, and finally toripalimab. Cisplatin is administered on days 1-3 of each treatment cycle; if carboplatin is used, the administration time is day 1 of each treatment cycle. After the chemotherapy regimen is completed, an interval of at least 30 minutes should be maintained before administering DNV3 combined with toripalimab. The dosage for each administration of the test drugs will be as follows: DNV3 3mg/kg; toripalimab 240mg; nab-paclitaxel 200mg/m²; cisplatin 25mg/m²; carboplatin AUC=5. The treatment period will be 21 days to 2 years, and the follow-up period will be at least 28 days. The primary endpoint is ORR. Secondary endpoints include DoR, RFS, OS, the incidence rate and severity of TEAEs, abnormal laboratory test values, physical examination, vital sign parameters, PK and ADA.

Trial status. We initiated the trial in November 2024 and expect to complete the trial in the fourth quarter of 2026. As of the Latest Practicable Date, the trial recruited 66 patients.

Clinical Development Plan

Between March 2022 and August 2024, we explored several different combination therapies of DNV3. In April 2022, we submitted IND applications for (1) a Phase I/IIa clinical trial of DNV3 in combination with toripalimab in patients with advanced/metastatic solid tumors and lymphomas, and (2) a Phase I/IIa clinical trial of DNV3 in combination with toripalimab in patients with recurrent/metastatic rare skin tumors. The IND applications included the clinical study report for the Phase I clinical trial of DNV3 monotherapy. Based on the Phase I clinical trial results, the NMPA approved the Phase I/IIa clinical trials of DNV3 in combination with toripalimab in June 2022. We conducted the two Phase I/IIa clinical trials, with an exploratory purpose, until 2024 and determined to focus on melanoma as the key indication for DNV3 combination therapy for further clinical development. Based on the results of the two Phase I/IIa clinical trials, we designed the trial protocol and obtained NMPA IND approval for a different DNV3 combination therapy with additional components (DNV3 in combination with an anti-PD-1 antibody and chemotherapy), which is expected to demonstrate greater synergistic targeted attack on tumors. Ultimately, we intend to seek marketing approval from the NMPA for DNV3 in combination with an anti-PD-1 antibody and chemotherapy.

We do not intend to initiate a Phase IIa clinical trial of DNV3 monotherapy. Instead, we expect to complete the Phase II clinical trial of DNV3 in combination with toripalimab (an anti-PD-1 antibody) and chemotherapy in the fourth quarter of 2026. We expect to conduct an end-of-Phase-II-meeting with the NMPA and then initiate a Phase III clinical trial of DNV3 in combination with toripalimab and chemotherapy targeting locally advanced unresectable or metastatic melanoma in the third quarter of 2027. We expect to initiate a Phase II clinical trial of DNV3 in combination with toripalimab and chemotherapy targeting advanced treatment naive NSCLC in the third quarter of 2026 and a Phase III clinical trial of the combination therapy targeting the same indication in 2028.

We have not initiated a clinical trial for DNV3 in the U.S., and we do not have a concrete clinical development plan for DNV3 in the U.S. We currently prioritize the clinical development of DNV3 in China and, based on cost-benefit considerations, are considering establishing collaboration arrangements for the overseas clinical development of DNV3. As of the Latest Practicable Date, we had not yet established any such collaboration arrangement.

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We have not established any collaboration arrangement with a third party for the use of toripalimab in our clinical trials for the combination therapy of DNV3. We procure toripalimab from an authorized distributor of Shanghai Junshi Biosciences Co., Ltd. (the MAH of toripalimab) in China.

Material Communications with Competent Authorities

We submitted to the NMPA the IND application to conduct a Phase I/IIa clinical trial of DNV3 monotherapy for advanced/metastatic solid tumors and lymphomas in May 2020 and received the NMPA's IND approval in August 2020. The IND approval recommended reducing the initial dosage level of DNV3 to be lower than 0.3 mg/kg in the Phase I clinical trial, and we accordingly set the initial dosage level to be 0.1 mg/kg. Also, the IND approval recommended that we obtain a certain amount of clinical data of DNV3 monotherapy before submitting an IND application for the combination therapy of DNV3 and an anti-PD-1 antibody. In addition, the IND approval required us to investigate the potential ADA responses in human trials of DNV3, in light of the immunogenicity and ADA responses of DNV3 observed in its preclinical animal studies. We initiated the Phase I clinical trial in June 2021 and completed the trial in March 2022 as we reached primary endpoints for the Phase I clinical trial. Our communications with the NMPA indicate that the Phase I clinical trial of DNV3 monotherapy was a standalone clinical trial. The trial protocol for the Phase I clinical trial, as a standalone clinical trial separate from the Phase IIa clinical trial, was clearly reflected in our IND applications for the Phase I/IIa clinical trial of DNV3 monotherapy, which was approved by the NMPA in August 2020. After completing the Phase I clinical trial of DNV3 monotherapy, we submitted the clinical study report for the trial to the NMPA, in the IND applications for the Phase I/IIa clinical trials of DNV3 in combination with toripalimab, which the NMPA approved in June 2022. The clinical study report marked the completion of the Phase I clinical trial, and the NMPA did not object to the clinical study report, further demonstrating the NMPA's recognition of the completeness of the Phase I clinical trial as a standalone trial. We initiated the Phase I/ IIa clinical trials of DNV3 in combination with toripalimab in October 2022 and completed the trials in November 2025.

We submitted to the NMPA the IND application to conduct a Phase II clinical trial of DNV3 in combination with toripalimab and chemotherapy targeting melanoma in August 2024 and received the NMPA's IND approval in October 2024. The IND application for the Phase II clinical trial included the clinical study report of the Phase I/IIa clinical trials of DNV3 in combination with toripalimab in patients with advanced/metastatic solid tumors and lymphomas and patients with recurrent/metastatic rare skin tumors. We initiated the Phase II clinical trial in November 2024 and expect to complete the trial in the fourth quarter of 2026.

The IND approvals we received for clinical trials of DNV3 in combination with toripalimab did not include any requirement on the source of toripalimab used in such trials. Separate approvals are not required if we were to use alternative suppliers of toripalimab. There are multiple alternative suppliers of toripalimab in China from which we may procure toripalimab to ensure consistent supply in our clinical trials.

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A detailed chronology of the material communications regarding DNV3 is shown below.

Time	Type of communication	Competent Authority	Scope	Basis of IND approval	Proposed/recommended protocol amendment
May 2020 . . .	IND application submission	NMPA	Phase I/IIa clinical trial of DNV3 monotherapy for advanced/metastatic solid tumors and lymphomas in China	N/A	N/A
August 2020 . .	Grant of IND approval	NMPA	Phase I/IIa clinical trial of DNV3 monotherapy for advanced/metastatic solid tumors and lymphomas in China	The non-clinical test (pharmacology, PK and toxicology) and quality study results of DNV3	The NMPA recommended reducing the initial dosage level of DNV3 to be lower than 0.3mg/kg in the Phase I clinical trial cki. We accordingly set the initial dosage level to be 0.1mg/kg.
August 2024 . .	IND application submission	NMPA	Phase II clinical trial of DNV3 in combination with toripalimab and chemotherapy targeting melanoma in China	N/A	N/A
October 2024 . .	Grant of IND approval	NMPA	Phase II clinical trial of DNV3 in combination with toripalimab and chemotherapy targeting melanoma in China	Results of Phase I clinical trial of DNV3 monotherapy for advanced/metastatic solid tumors and lymphomas in China, as well as the Phase I/IIa clinical trials of DNV3 in combination with toripalimab in patients with advanced/metastatic solid tumors and lymphomas and patients with recurrent/metastatic rare skin tumors in China	N/A

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BUSINESS

Core Product SMET12: an Innovative Intravenous EGFR×CD3 TCE

Overview

SMET12 is a fully human bispecific antibody (TCE) targeting EGFR on tumor cells and CD3 on T cells. Developed based on our proprietary antibody screening library and bispecific antibody platform, it is the world’s first EGFR-targeting TCE that has entered the Phase II stage, with the potential to become the world’s first intravenous EGFR×CD3 bispecific antibody, and is the first in China to receive clinical trial approval from the NMPA, according to Frost & Sullivan.

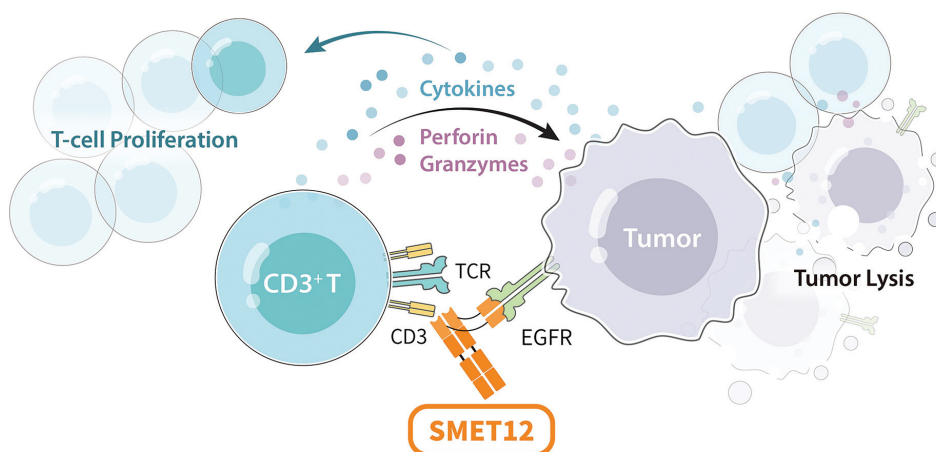
SMET12 is able to recruit and activate T cells to release cytotoxic molecules, such as granzymes, directly killing tumor cells. Moreover, SMET12 has demonstrated a favorable safety profile. A key concern for TCE therapies is CRS, which can cause serious side effects and restrict feasible routes of administration. Designing a molecule that brings EGFR and CD3 together is challenging and requires careful control. Strong CD3 binding can trigger cytokine storms and reduce efficacy, and Fc-related immune activity may further raise the CRS risk. To address these issues, SMET12 uses an engineered Fc design that extends half-life and limits unwanted immune activation, and its structure has been tuned to balance CD3 binding and avoid over-activation. In addition to CRS, EGFR-targeted therapies are often associated with skin toxicities, such as rash and dermatitis. As of the Latest Practicable Date, SMET12 had demonstrated no typical EGFR-related toxicities (such as skin rash) in our pre-clinical and clinical studies, and no Grade 3 or above CRS had been recorded. Therefore, SMET12 is expected to address clinical needs in oncology, offering significant social benefits and market potential.

We submitted the IND application to conduct the Phase I/IIa clinical trial of SMET12 monotherapy for EGFR-positive advanced solid tumors in June 2021 and received the NMPA IND approval in August 2021, making SMET12 the first NMPA-approved EGFR×CD3 bispecific antibody for clinical development. According to Frost & Sullivan, SMET12 ranked first globally and in China by stage of clinical development among EGFR×CD3 TCE candidates as of the Latest Practicable Date.

We developed SMET12 internally and hold the global rights for its use, manufacture and commercialization. We expect to be the market authorization holder of SMET12 in any jurisdiction. We started the R&D of SMET12 in 2017 by screening and optimizing the sequences of the EGFR×CD3 bispecific antibody based on the Multichannel Antibody Discovery Platform. With such sequences, we constructed the TCE structure for SMET12 base on the H-BiTE Platform. We then performed preliminary druggability assessment, *in vitro* and *in vivo* pharmacological and efficacy evaluations for SMET12. Thereafter, we retained MabPlex, a CDMO, to conduct CMC development. With these efforts, we obtained the first IND approval of SMET12 from the NMPA in August 2021.

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Mechanism of Action



Source: Company information

SMET12 is a bispecific antibody that can target both CD3 and EGFR. EGFR is a transmembrane receptor tyrosine kinase whose mutations or overexpression are frequently observed in cancers, leading to persistent downstream signaling that drives uncontrolled tumor growth and metastasis. CD3 is a critical component of the TCR complex, responsible for transmitting antigen-recognition signals to activate T cells. Tumors often create an immunosuppressive microenvironment that exhausts T cells and enables immune evasion. SMET12 has a well-defined anti-tumor mechanism. SMET12 binds to EGFR-positive tumor cells and CD3-positive T cells simultaneously. This dual binding mediates potent tumor-killing activity. Through the unique design of our H-BiTE Platform, SMET12 avoids toxicity caused by homodimerization and aggregation, while possesses optimal EGFR×CD3 affinity.

Market Opportunity and Competition

First-generation EGFR targeting monospecific antibodies, such as cetuximab and panitumumab, had been investigated in the treatment of ESCC and TNBC. Although certain studies demonstrated preliminary anti-tumor activity, these antibodies generally failed to show significant survival benefits, reflecting limitations of conventional EGFR monospecific antibodies in patient selection, resistance mechanisms, and immune activation. However, EGFR remains a valid drug target for cancer treatment. MOA innovation has enabled clinical breakthroughs against the same target. For example, amivantamab, a bispecific antibody that targets EGFR and mesenchymal-epithelial transition factor, was approved by the FDA in 2024 for the treatment of NSCLC, demonstrating that differentiated MOAs can substantially improve clinical outcomes. TCE represents another MOA that is different from traditional monospecific antibodies which function by targeting only the EGFR signaling pathway. Through CD3-mediated T-cell recruitment and redirection, TCEs may induce more direct and potent tumor cell killing. Clinical validation of TCEs in solid tumors has been shown in the FDA approval of tarlatamab (a TCE that targets CD3 and delta-like ligand 3) for treating small cell lung cancer in 2024.

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The near-term target markets of SMET12 are China. We have no near-term commercialization or clinical development plan for SMET12 in the U.S. As of the Latest Practicable Date, there was one EGFR-targeting TCE (SMET12) in Phase II clinical stage and one unmasked EGFR-targeting TCE in Phase I globally. For details, see “Industry Overview—Overview of EGFR/CD3 BsAbs—Global Competitive Landscape of EGFR-Targeting Antibody Drugs.”

Competitive Advantages

Clinical Leadership. SMET12 is the world’s first EGFR-targeting TCE that has entered the Phase II stage and first EGFR×CD3 bispecific antibody designed for direct intravenous infusion. It is also the first intravenous EGFR×CD3 bispecific antibody in China to receive clinical trial approval from the NMPA. SMET12 is designed with optimized T-cell affinity to mitigate the CRS risk associated with many conventional TCEs, and it is thus able to achieve systemic delivery via direct intravenous infusion.

Encouraging Efficacy. Many TCEs are too large to penetrate solid tumor stroma, limiting their effectiveness. SMET12 is smaller than IgG monoclonal antibodies (*i.e.*, around 120 kDa for SMET12 vs 150 kDa for monoclonal IgG antibodies) and has an optimized structure, enabling better penetration into tumor tissue. This design supports more efficient delivery to TME and stronger therapeutic activity. Clinical results indicate that SMET12 in combination with an anti-PD-1 antibody drug has shown significant efficacy in patients who had previously failed chemotherapy or targeted therapy. In NSCLC patients that had failed targeted therapy, SMET12 in combination with an anti-PD-1 antibody drug achieved DCR of 100.0%, ORR of 41.7% and PFS up to 18 months in an IIT.

Favorable Safety Profile for Outpatient Settings. A key concern for TCE therapies is CRS, which can cause serious side effects and restrict feasible routes of administration. Strong CD3 binding can trigger cytokine storms and reduce efficacy, while Fc-related immune activity may further raise the CRS risk. To address these issues, SMET12 uses an engineered Fc design tuned to balance CD3 binding and avoid over-activation, which not only limits unwanted immune activation but also extends half-life, and its structure has been tuned to balance CD3 binding and avoid over-activation. With these innovations, SMET12 enables safer dosing and greater clinical feasibility even including outpatient settings. In addition to CRS, EGFR-targeted therapies are often associated with skin toxicities, such as rash and dermatitis. As of the Latest Practicable Date, SMET12 had demonstrated no skin toxicities typically observed with EGFR-targeting therapies in our pre-clinical and clinical studies, underscoring its differentiated safety profile. Also, in our completed Phase I and ongoing Phase IIa clinical trials of SMET12, all of CRS events observed were Grade 1 or 2 and recovered within two weeks.

Convenience of Use. Earlier TCEs often rely on continuous infusion pumps and inpatient monitoring, which increase costs and limit patient acceptance. SMET12 is the world’s first EGFR×CD3 bispecific antibody designed for direct intravenous infusion. It is also the first intravenous EGFR×CD3 bispecific antibody in China to receive clinical trial approval from the NMPA. The administration of SMET12 by standard intravenous infusion is expected to improve its acceptance by physicians and patients.

Broad Applicability. Many targeted therapies require activating mutations or tumor-type-specific biomarkers, limiting their use across diverse patient populations. SMET12 targets tumors based on EGFR expression rather than relying on specific EGFR mutations, allowing it to work effectively in tumors regardless of the EGFR mutation status. Also, SMET12 maintains a high targeting efficiency at both high and low levels of EGFR expression. Most types of solid tumors are EGFR-positive and thus may be targeted by SMET12. Among them, certain tumor types (*e.g.*, esophageal cancer and TNBC) have a low expression of TME-specific proteases (*e.g.*, uPA). For treating such tumors, a masking peptide cannot be added to the therapeutic antibody (*e.g.*, TCE), because the masking peptide cannot be removed within the TME to allow activation of the antibody — in that case, the antibody will remain inactive within the TME and thus cannot exert its tumor

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killing function. SMET12, which has no masking peptide, is designed to address the types of solid tumors with a low expression of TME-specific proteases. Such solid tumors, which affect over 20 million and over 4.5 million people globally and in China, respectively, represent a significant market of over US\$160 billion globally and US\$25 billion in China. Thus, SMET12 has broad potential clinical use and may become improved treatment options for patients across different tumor types.

Manufacturing Efficiency. SMET12 has demonstrated high chemical stability, low mispairing rate and high heterodimer yield with simplified manufacturing process via quality by design, thereby significantly improving manufacturing efficiency.

However, as of the Latest Practicable Date, only certain IITs and a Phase I clinical trial with 16 patients had been completed for SMET12. The number of enrolled patients and follow-up period in these trials are limited.

Summary of Clinical Trials

The following sets forth an overview of the key clinical trials of SMET12.

<u>Trial number</u>	<u>Phase</u>	<u>Study design</u>	<u>Site</u>	<u>Subjects</u>	<u>Status</u>	<u>Patient enrollment</u>
CTR20212374	I	Evaluate the safety and PK characteristics of SMET12	China	Patients with EGFR-positive advanced solid tumors	Completed	16 (Actual)
CTR20212374	IIa	Evaluate the safety and PK characteristics of SMET12	China	Patients with EGFR-positive advanced solid tumors	Ongoing	80-150 (Expected)
CTR20231358	I/IIa	Evaluate the safety, tolerability, PK characteristics and preliminary efficacy of SMET12 in combination with toripalimab	China	Patients with EGFR-positive advanced solid tumors	Temporarily suspended	99-192 (Expected)

CTR20212374: A Phase I clinical trial to evaluate the safety and PK characteristics of SMET12 in patients with EGFR-positive advanced solid tumors in China sponsored by us.

Overview. This is an open, single-arm, dose escalation Phase I clinical trial assessing the efficacy and safety of SMET12 in patients with EGFR-positive advanced solid tumors.

The primary objective is to evaluate the safety and tolerability of SMET12 in patients with EGFR-positive advanced solid tumors. The secondary objectives are to evaluate the DLT, maximum tolerated dose (“**MTD**”), PK, pharmacodynamics (“**PD**”) and immunogenicity of SMET12 in patients with EGFR-positive advanced solid tumors.

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Trial design. The Phase I part enrolled 16 patients, who were treated with SMET12 once every two weeks in 28-day treatment cycles. A traditional “3+3 design” was adopted for the dose escalation schedule. Patients were assigned to sequentially escalating dose groups at doses of 10 µg, 30 µg, 60 µg, 100 µg and 120 µg, with at least 3 patients enrolled at each dose level. The treatment period was at least 6 weeks, and the follow-up period was at least 28 days.

The primary endpoints include the incidence rate and severity of TEAEs, abnormal laboratory test values, physical examination, vital sign parameters, and electrocardiogram. The secondary endpoints include DLT, PK, PD and ADA.

Trial status. We initiated the Phase I part in December 2021 and completed it in February 2023.

Safety data. 93.8% (15/16) of the enrolled patients experienced AEs, 43.8% (7/16) of the enrolled patients experienced Grade 3 or above AEs, and 81.3% (13/16) of the enrolled patients experienced TRAEs. 37.5% (6/16) of the enrolled patients experienced SAEs, and 18.8% (3/16) of the enrolled patients experienced TRSAEs. 43.8% (7/16) of the enrolled patients experienced AESI, which were all CRS. All of the AESIs were Grade 1 or 2 and were recovered within two weeks. No DLTs or infusion reactions were reported.

Efficacy data. The DCR for the 16 enrolled patients reached 43.7%. Among them, one NSCLC patient recorded a 29.8% reduction of the target tumor lesion, and one esophageal cancer patient recorded a 26% reduction of the target tumor lesion.

CTR20212374: A Phase IIa clinical trial to evaluate the safety and PK characteristics of SMET12 in patients with EGFR-positive advanced solid tumors in China sponsored by us.

Overview. This is an open, single-arm, dose expansion Phase IIa clinical trial assessing the efficacy and safety of SMET12 in patients with EGFR-positive advanced solid tumors.

The primary objective is to evaluate the anti-tumor activity of SMET12 in patients with EGFR-positive target indications. The secondary objectives are to evaluate the safety and tolerability of SMET12 in patients with EGFR-positive target indications, and the impact of SMET12 on the TME.

Trial design. The Phase IIa part expects to enroll 80-150 patients with multiple solid tumors.

The patients will be treated with SMET12 at a tentative exploratory dose of 120 µg every 2 weeks until death, loss to follow-up, pregnancy, disease progression as assessed by imaging (patients may continue treatment if clinically stable during confirmation of first disease progression), loss of clinical benefit, unacceptable toxicity, withdrawal of informed consent, and a maximum of 24 months (96 weeks) after the first dose, or the end of the trial, whichever occurs first. During the trial, if the investigator determines that the 120 µg dose is too high (for example, if multiple patients cannot tolerate this dose), the dosage level may be adjusted, for example, to 100 µg or another dose deemed appropriate by the investigator. The treatment period will be 28 days to 24 months, and the follow-up period will at least 8 weeks.

The primary endpoint is OS. The secondary endpoints include ORR, DoR, DCR, PFS, the incidence rate and severity of TEAEs, abnormal laboratory test values, physical examination, vital sign parameters, and electrocardiogram.

Trial status. We initiated the Phase IIa clinical trial in August 2025 and expect to complete it in the second quarter of 2027. As of the Latest Practicable Date, the trial recruited 25 patients.

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CTR20231358: A Phase I/IIa clinical trial to evaluate the safety, tolerability, PK characteristics and preliminary efficacy of SMET12 in combination with toripalimab in patients with EGFR-positive advanced solid tumors in China sponsored by us.

Overview. This is an open, multi-center Phase I/IIa clinical trial that involved both dose escalation and dose expansion. The trial consists of two parts: Part A for dose escalation and Part B for dose expansion.

For Part A, the primary objective is to evaluate the safety and tolerability of SMET12 in combination with toripalimab in patients with EGFR-positive advanced solid tumors; the secondary objectives are to evaluate the PK, immunogenicity and anti-tumor activity of SMET12 in patients with EGFR-positive advanced solid tumors. For Part B, the primary objective is to evaluate the anti-tumor activity of SMET12 in combination with toripalimab in patients with EGFR-positive advanced solid tumors; the secondary objectives are to evaluate the safety, PK and immunogenicity of SMET12 in patients with EGFR-positive advanced solid tumors.

Trial design. Part A expects to enroll 9-12 patients. A traditional “3+3 design” is adopted for the dose escalation schedule. Patients will be assigned to two escalating dose groups: one group will receive 30 µg SMET12 and 3mg/kg toripalimab once every two weeks; the other group will receive 60 µg SMET12 and 3mg/kg toripalimab once every two weeks. The treatment period will be four weeks. Primary endpoints include MTD, OBD, incidence rate and severity of AEs/SAEs, abnormal laboratory test values, physical examination, vital sign parameters, ECOG score and electrocardiogram. Secondary endpoints include PK, ADA, NAb, ORR, DoR, DCR, PFS and OS.

Part B expects to enroll 90-180 patients. The dosing scheduled will be determined based on the clinical data collected in Part A, after completion of the DLT assessment of the last patient in Part A. Primary endpoint is ORR. Secondary endpoints include PK, ADA, NAb, DoR, DCR, PFS, OS, abnormal laboratory test values, physical examination, vital sign parameters, ECOG score and electrocardiogram.

The follow-up period for the trial will be at least 28 days.

Trial status. We initiated the trial in June 2023 and temporarily suspended it in April 2025, to prioritize the clinical development of SMET12 monotherapy. As of the Latest Practicable Date, Part A recruited 7 patients, and Part B recruited 24 patients.

Clinical Development Plan

We expect to complete the Phase IIa clinical trial of SMET12 targeting esophageal cancer in the second quarter of 2027 and initiate a Phase III clinical trial of SMET12 in the fourth quarter of 2027. We expect to initiate a Phase IIa clinical trial targeting TNBC in the fourth quarter of 2026. Depending on the results of the Phase II clinical trial of SMET12, we may consider continuing the Phase I/IIa clinical trial of SMET12 in combination with an anti-PD-1 antibody (toripalimab) targeting selected EGFR-positive solid tumors. A Phase I clinical trial of the combination therapy or a Phase IIa clinical trial of SMET12 monotherapy is not required to be completed before the initiation of a Phase IIa of the clinical trial of the combination therapy.

We have not initiated a clinical trial for SMET12 in the U.S., and we do not have a concrete clinical development plan for SMET12 in the U.S. We currently prioritize the clinical development of SMET12 in China and, based on cost-benefit considerations, are considering establishing collaboration arrangements with multinational corporations for the overseas clinical development of SMET12. As of the Latest Practicable Date, we had not yet established any such collaboration arrangement.

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As SMET12 remains in clinical development and its current clinical data are primarily focused on safety, tolerability, and preliminary anti-tumor activity, the ultimate clinical positioning of SMET12 (including treatment line, combination strategy, and target patient population) remains to be determined based on the overall results from ongoing and future clinical trials. Current data are primarily focused on safety, tolerability, and preliminary anti-tumor activity. SMET12 is designed to target multiple EGFR-positive solid tumors. We intend to select the types of EGFR-positive solid tumors with the most favorable efficacy results as the intended indications of SMET12.

Material Communications with Competent Authorities

We submitted the IND application to conduct the Phase I/IIa clinical trial of SMET12 monotherapy for EGFR-positive advanced solid tumors in June 2021 and received the NMPA IND approval in August 2021. The Phase I and the Phase IIa clinical trials of SMET12 thus approved are two standalone clinical trials. The IND approval authorizes the conduct of both trials without stipulating any additional approval requirements from the NMPA. Also, the IND approval recommended adopting the traditional "3+3 design" in the dose escalation schedule in the Phase I clinical trial, and we accordingly adopted the "3+3 design" in the Phase I protocol. We initiated the Phase I clinical trial in December 2021 and completed it in February 2023 as we reached primary endpoints for the Phase I clinical trial. We had a pre-Phase-IIa communication with the CDE and received no objection from the CDE in August 2025. Thereafter, we initiated the Phase IIa clinical trial in August 2025 and expect to complete the trial in the second quarter of 2027. We expect to conduct an end-of-Phase-IIa-meeting with the NMPA and then, if allowed by the NMPA, initiate a Phase III clinical in the fourth quarter of 2027. In addition, we obtained the IND approval to conduct a Phase I/IIa clinical trial of SMET12 in combination with an anti-PD-1 antibody (toripalimab) in March 2023, based on the Phase I clinical trial results of SMET12 monotherapy. The IND approval did not include any requirement on the source of toripalimab used in the trial.

We submitted the IND application to conduct clinical trials of SMET12 for advanced solid tumors with high EGFR expression in the U.S. in October 2021 and received FDA's IND approval in November 2021. The IND approval covered an open-label, dose escalation Phase I clinical trial to evaluate the safety, tolerability, PK and preliminary efficacy of SMET12 in patients with advanced solid tumors with high EGFR expression.

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A detailed chronology of the material communications regarding SMET12 is shown below.

Time	Type of communication	Competent Authority	Scope	Basis of IND approval	Proposed/recommended protocol amendment
June 2021 . . .	IND application submission	NMPA	Phase I/IIa clinical trial of SMET12 monotherapy for EGFR-positive advanced solid tumors in China	N/A	N/A
August 2021 . .	Grant of IND approval	NMPA	Phase I/IIa clinical trial of SMET12 monotherapy for EGFR-positive advanced solid tumors in China	The non-clinical test (pharmacology, PK and toxicology) and quality study results of SMET12	The NMPA recommended adopting the traditional “3+3 design” in the dose escalation schedule in the Phase I clinical trial. We accordingly adopted the “3+3 design” in the Phase I protocol.
December 2022	IND application submission	NMPA	Phase I/IIa clinical trial of SMET12 in combination with toripalimab for EGFR-positive advanced solid tumors in China	N/A	N/A
March 2023 . .	Grant of IND approval	NMPA	Phase I/IIa clinical trial of SMET12 in combination with toripalimab for EGFR-positive advanced solid tumors in China	Results of Phase I clinical trial of SMET12 monotherapy for EGFR-positive advanced solid tumors in China	N/A
October 2021 .	IND application submission	FDA	Phase I clinical trial of SMET12 for advanced solid tumors with high EGFR expression in the U.S.	N/A	N/A
November 2021	Grant of IND approval	FDA	Phase I clinical trial of SMET12 for advanced solid tumors with high EGFR expression in the U.S.	The non-clinical test (pharmacology, PK and toxicology) and quality study results of SMET12	N/A

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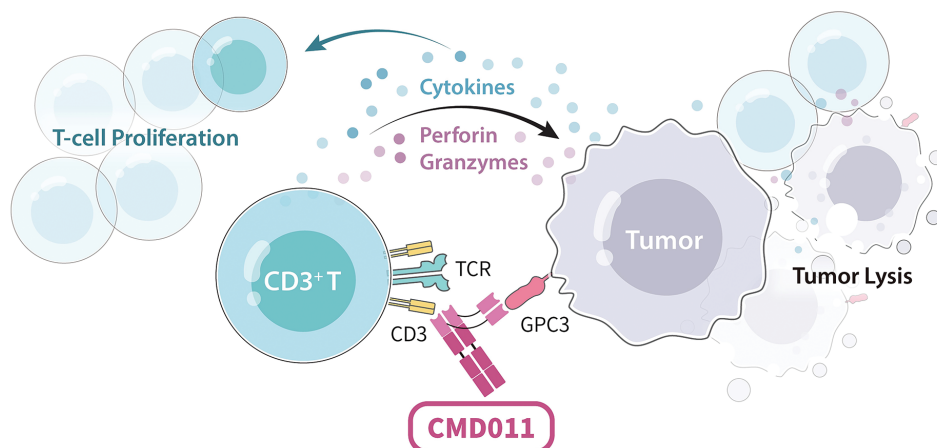
CMD011: an Advanced GPC3×CD3 TCE

CMD011 is a fully human bispecific antibody (TCE) targeting GPC3 on tumor cells and CD3 on T cells. It is intended for the treatment of advanced HCC, with a potential for expansion into other indications such as renal cell carcinoma. CMD011 is able to provide precise tumor targeting via GPC3 while engaging CD3 to activate T cells to kill tumor cells.

In February 2025, the FDA granted IND approval for CMD011, making it the third GPC3×CD3 bispecific antibody globally to secure FDA clinical trial approval. According to Frost & Sullivan, CMD011 ranked within the top two globally by stage of clinical development among GPC3×CD3 TCE drug candidates, as of the Latest Practicable Date.

We developed CMD011 internally and hold the global rights for its use, manufacture, and commercialization. We expect to be the market authorization holder of CMD011 in any jurisdiction.

Mechanism of Action



Source: Company information

GPC3 is specifically expressed in HCC tumor cells and has negligible presence in normal tissues, making it an ideal target for GPC3×CD3 bispecific antibody development. CMD011 exhibits a well-defined antitumor mechanism: by simultaneously binding GPC3-positive tumor cells and CD3-positive T cells, it activates T cells to eliminate tumors. Moreover, CMD011 is able to activate all major subsets of T cells, including CD8⁺ and CD4⁺ T cells, thereby eliciting broad T-cell responses to eliminate the tumor cells. This design also ensures balanced T-cell activation and maximizes efficacy.

Market Opportunity and Competition

As of the Latest Practicable Date, no GPC3-targeting antibody was commercialized globally. For GPC3-targeting TCE drugs, three were in Phase I/II clinical stage and two were in Phase I globally as of the same date. For details, see “Industry Overview—Overview of GPC3×CD3 BsAbs—Global Competitive Landscape of GPC3-targeting Antibody Drugs.”

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Competitive Advantages

Clinical Leadership. As of the Latest Practicable Date, no GPC3×CD3 TCE bispecific antibody was approved globally. CMD011 is among the first wave of such product candidates in clinical development worldwide. According to Frost & Sullivan, CMD011 ranked within the top two globally by stage of clinical development among GPC3×CD3 TCE drug candidates, as of the Latest Practicable Date.

Target Specificity. CMD011 targets GPC3, an antigen that is highly expressed in HCC cells but shows minimal expression in normal tissues. This enables more precise tumor targeting with improved safety and tolerability.

Encouraging Clinical Data. Through our molecular innovation and target selection, we have demonstrated robust antitumor activity for CMD011 in preclinical mouse models, achieving efficacy at doses as low as approximately 100 µg/kg. The Phase I clinical data demonstrated that CMD011 at 150 µg (low dose) achieved disease control in patients receiving therapeutic doses and significant anti-tumor activity. These results demonstrate the potential of CMD011 as a therapeutic option for liver cancer, with the possibility of addressing the significant medical need for safer and more effective treatments.

Comprehensive Activation Profile. We engineered CMD011 to efficiently activate multiple T-cell subsets, expanding immune engagement and enhancing its therapeutic potential. This design ensures balanced T-cell activation and maximizes efficacy.

Favorable Safety Profile. Through innovative structural design and target TAA selection, CMD011 achieved a prominent safety profile in comparison with peer products. The GLP toxicology study in cynomolgus monkeys showed a HNSTD of 5 mg/kg, which approximately corresponded to a fixed clinical dose of 96 mg for humans. The Phase I clinical results demonstrated that CMD011 was well tolerated in the HCC patients. Most TRAEs were mild (Grade 1-2), and all TRAEs were manageable and fully resolved.

Convenience of Use. Unlike the commonly used transarterial chemoembolization treatment for liver cancer, CMD011 supports intravenous administration, offering a more convenient option. This makes it suitable for outpatient settings or long-term treatment, significantly improving patient adherence to the treatment regimen.

Efficient Manufacturing. CMD011 demonstrates high chemical stability, low mispairing rate and high heterodimer yield with simplified manufacturing process, thereby significantly improving manufacturing efficiency.

Summary of Clinical Trials

CTR20233880: A Phase I/IIa clinical trial to assess the safety, pharmacokinetics and tolerability of CMD011 in patients with advanced HCC in China sponsored by us.

Overview. This is an open-label, single-arm, multi-center Phase I/IIa clinical trial to assess the safety, pharmacokinetics and tolerability of CMD011 in patients with advanced HCC who experienced disease progression after undergoing at least one systemic treatment. The trial consists of two parts. The Phase I part is for dose escalation, and the Phase II part is for dose expansion.

Phase I part

The primary objective is to evaluate the safety and tolerability of CMD011 in patients with advanced HCC. The secondary objectives are to evaluate the PK, PD, immunogenicity and anti-tumor activity of CMD011 in patients with advanced HCC.

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Trial design. The Phase I part expects to enroll 19-31 patients, who will be treated with CMD011 once every two weeks in 28-day treatment cycles. Patients will be assigned to sequentially escalating dose groups at doses of 10 µg, 50 µg, 150 µg, 450 µg, 750 µg, 1 mg, 3 mg, 10 mg and 30 mg. The treatment period will be at least 28 days, and the follow-up period will be at least 12 weeks.

The primary endpoints include DLT, optimal biological dose (“**OB**D”), AE and SAE. The secondary endpoints include PK, ADA, neutralizing antibody (“**NA**b”), ORR, DoR, DCR and PFS.

Phase IIa part

The primary objective is to assess the anti-tumor activity of CMD011 in patients with advanced HCC. The secondary objectives are to evaluate the safety, tolerability, PK, PD and immunogenicity of CMD011 in patients with advanced HCC.

Trial design. The Phase IIa part expects to enroll 30-60 patients, who will be treated with CMD011 whose dosing schedule will be determined by the safety review committee. The treatment period will be at least 14 days, and the follow-up period will be at least 12 weeks.

The primary endpoint is ORR. The secondary endpoints include PK, ADA, NAb, DoR, DCR, PFS and OS.

Trial status. We initiated the Phase I/IIa clinical trial in December 2023 and expect to complete trial in the fourth quarter of 2027.

Interim results. The Phase I part demonstrated good tolerability of CMD011 in humans. No CRS occurred in patients that received CMD011 from 10µg to 30mg once every two weeks, demonstrating the high specificity of the GPC3 targeting by CMD011 and a favorable safety profile at high doses. In the 150 µg cohort, disease progression was effectively controlled in all patients, showing significant antitumor efficacy. A decrease in the level of AFP, a liver tumor biomarker, and SD have been observed in some patients, with the longest PFS being nearly 11 months, significantly extending the PFS achieved by existing standard of care treatments for advanced HCC. These findings suggest that CMD011 has the potential to overcome the limitations of traditional HCC treatments.

Clinical Development Plan

We expect to complete the Phase I/IIa clinical trial of CMD011 in the fourth quarter of 2027 and initiate a Phase III clinical trial in 2028.

Material Communications with Competent Authorities

We submitted the IND application to conduct the Phase I/IIa clinical trial of CMD011 in China in July 2023 and received NMPA’s IND approval in October 2023. The IND application included the non-clinical test (pharmacology, PK and toxicology) and quality study results of CMD011. The IND approval recommended that the first human study enroll patients with advanced HCC who had disease progression after standard treatment or for whom there was no standard treatment option.

We submitted the IND application to conduct the Phase I/IIa clinical trial of CMD011 in the U.S. in January 2025 and received FDA’s IND approval for CMD011 in February 2025. The IND application included the non-clinical test (pharmacology, PK and toxicology) and quality study results of CMD011. The FDA did not raise any clinical hold issues in the IND approval.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET CMD011 SUCCESSFULLY.

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CMDE005: an Innovative Protease-Activatable EGFR×CD3 TCE as a Backbone Therapy

Overview

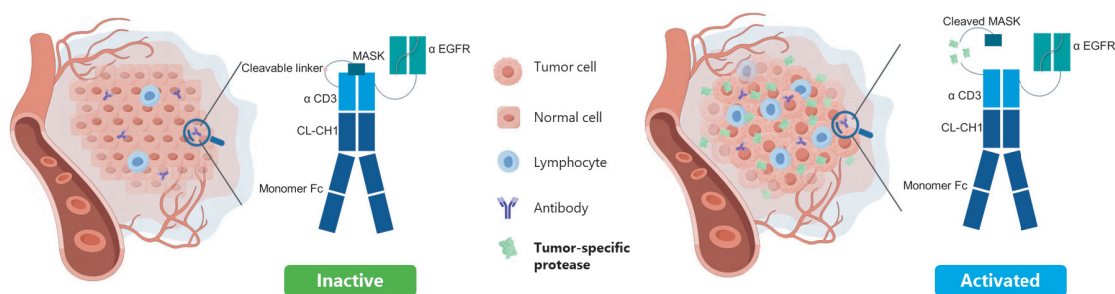
CMDE005 is recombinant humanized anti-EGFR-CD3 protease-activatable bispecific antibody (TCE) as a backbone therapy. CMDE005 incorporates the protease-activatable feature using our Pro-BiTE Platform. The key prerequisites for a backbone cancer therapy include upstream immune activation, zero-order cytotoxicity, and a favorable safety profile, all of which are inherent in our CMDE005, positioning it with a potential to serve as backbone therapies.

The Pro-BiTE Platform represents a breakthrough protease-activatable system, which adds a masking peptide design to the TCE to achieve precise targeting of tumors while minimizing on-target off-tumor activation and peripheral toxicity. The masking peptide can be selectively cleaved by proteases highly expressed in malignant tumors. As such, the platform enhances the ability of bispecific molecules to accumulate more effectively in tumor tissue. The masking peptide design ensures that the TCE remains inactive in normal tissues and peripheral circulation, where protease levels are low, while being selectively activated by tumor-specific proteases. This mechanism significantly expands the therapeutic window by addressing both resistance and safety challenges in solid tumor treatment. With that, CMDE005 holds promise for the treatment of various EGFR-positive advanced solid tumors. As of the Latest Practicable Date, no protease-activatable bispecific antibody product had been approved globally.

In September 2024, CMDE005 was approved for clinical trials by the NMPA for the treatment of various EGFR-positive advanced solid tumors. As of the Latest Practicable Date, CMDE005 was under an ongoing Phase I clinical trial in China. In April 2025, the FDA granted IND clearance for CMDE005. According to Frost & Sullivan, CMDE005 was the first and only in China and ranked among the top two globally incorporating masking peptide technology that has entered the clinical stage among the EGFR×CD3 TCE drug candidates, as of the Latest Practicable Date. CMDE005 represents a disruptive TCE and validates our strategic goal of demonstrating the clinical utility of masking peptide design.

We self-developed CMDE005 and hold the global rights for its use, manufacture and commercialization. We expect to be the market authorization holder of CMDE005 in any jurisdiction.

Mechanism of Action



Source: Company information

CMDE005 is a bispecific antibody that can target both CD3 and EGFR. It has a well-defined anti-tumor mechanism. By simultaneously binding EGFR-positive tumor cells and CD3-positive T cells, CMDE005 mediates potent tumor-killing activity.

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CMDE005 is a protease-activatable antibody. It utilizes a “masking peptide” to block CD3 binding activity. In the peripheral blood and normal tissues, the anti-CD3 arm of CMDE005 remains inactive. Upon reaching the TME, tumor-specific proteases (such as uPA) cleave specific linkers on CMDE005. This cleavage releases the masking peptide, unblocking the CD3 binding activity and converting CMDE005 into its active EGFR×CD3 bispecific antibody state. This mechanism enables targeted anti-tumor activity while minimizing on-target off-tumor toxicity against normal tissues, resulting in high tumor specificity.

Market Opportunity and Competition

As of the Latest Practicable Date, three EGFR-targeting masked TCEs were in active clinical trials. For details, see “Industry Overview—Overview of EGFR/CD3 BsAbs—Global Competitive Landscape of EGFR-Targeting Antibody Drugs.”

Competitive Advantages

Protease-Activatable Design. Incorporated with a protease-cleavable masking peptide into the EGFR×CD3 TCE, CMDE005 remains inactive in normal tissues and circulation, and is selectively activated in the TME by tumor-specific proteases. In normal tissues, CD3 binding is blocked, while protease cleavage in the TME restores the CD3-binding activity of CMDE005. With that, CMDE005 showed a 10,000-fold reduction in CD3 binding in non-tumor tissues compared to unmasked molecules, while a competing product JANX008 achieved a 1,000-fold reduction based on publicly available information. This enhanced masking efficiency minimizes on-target off-tumor activation and peripheral toxicity.

Clinical Leadership. Globally, no enzymatically activatable TCE bispecific antibody has yet been approved, and most remain in the Phase I/II clinical stage. CMDE005 is the first protease-activatable TCE candidate that has entered clinical trials in China, positioning it within the top two globally by stage of clinical development.

One-step Activation. According to Frost & Sullivan, we are the only company globally to achieve one-step activation in masked EGFR×CD3 TCEs, demonstrating leadership in masking efficiency, a key parameter for broadening the therapeutic window. The one-step activation approach significantly enhances enrichment of active molecules in the TME.

Preserved Tumor Targeting Ability. CMDE005 was designed to preserve EGFR binding, keeping the receptor in an “open” state to ensure high tumor targeting ability. The innovation of the masking strategy expands the therapeutic window and enables administration of higher effective doses and first-dose stage power-killing.

Encouraging Efficacy. In preclinical studies, CMDE005 achieved potent dose-dependent antitumor activity. In the HT1080 xenograft mouse model, near-complete tumor elimination was observed at the highest tested dose (120 µg/kg). In the ACHN renal carcinoma model, CMDE005 also demonstrated strong dose-dependent efficacy. CMDE005 exhibited a dose-dependent immune response and efficacy profile, with controllable side effects.

Favorable Safety Profile. In a Phase I clinical trial, CMDE005 was well tolerated at doses up to 3 mg with no dose-limiting toxicities, Grade 3 or above adverse events, or serious adverse events reported. All TRAEs were mild (Grade 1-2), manageable and fully resolved. This mechanism significantly expands the therapeutic window by 100-fold, addressing both resistance and safety challenges in solid tumor treatment.

Convenience to Use. CMDE005 supports intravenous administration, offering a more convenient option. This makes it suitable for outpatient settings or long-term treatment, significantly improving patient adherence to the treatment regimen.

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Efficient Manufacturing. CMDE005 demonstrates high chemical stability, low mispairing rate and high heterodimer yield. Using simplified manufacturing process, our robust CMC capabilities support a demonstrated titer of 4 g/L and purity exceeding 99.3%, thereby significantly improving manufacturing efficiency.

Summary of Clinical Trials

CTR20243706: A Phase I/IIa clinical trial to assess the safety, pharmacokinetics and efficacy of CMDE005 in patients with EGFR-positive advanced solid tumors in China sponsored by us.

Overview. This is an open-label, single-arm Phase I/IIa clinical trial to assess the safety, pharmacokinetics, and efficacy of CMDE005 in patients with EGFR-positive advanced solid tumors (including NSCLC and CRC). The trial consists of two parts. The Phase I part is for dose escalation, and the Phase IIa part is for dose expansion.

Phase I part

The primary objective is to evaluate the safety of CMDE005 in patients with EGFR-positive advanced solid tumors. The secondary objectives are to evaluate the PK, PD, immunogenicity and anti-tumor activity of CMDE005 in patients with EGFR-positive advanced solid tumors.

Trial design. The Phase I part expects to enroll 19-37 patients, who will be treated with CMDE005 once every two weeks in 28-day treatment cycles. Patients will be assigned to sequentially escalating dose groups at doses of 10 µg, 50 µg, 150 µg, 300 µg, 400 µg, 500 µg, 1 mg, 3 mg, 6 mg, 10 mg and possibly higher doses. The treatment period will be at least 28 days, and the follow-up period was at least 12 weeks.

The primary endpoints include DLT, OBD, recommended Phase II dose (“**RP2D**”), AE and SAE. The secondary endpoints include PK, ADA, NAb, ORR, DoR, DCR and PFS.

Phase IIa part

The primary objective to is assess the efficacy of CMDE005 in patients with EGFR-positive advanced solid tumors. The secondary objectives are to evaluate the safety, PK, PD and immunogenicity of CMDE005 in patients with EGFR-positive advanced solid tumors.

Trial design. The Phase IIa part expects to enroll 75-150 patients who are EGFR-positive with the following tumors: NSCLC, pancreatic cancer, urothelial carcinoma, renal cell carcinoma and others. The patients will be treated with CMDE005 once every two weeks in 28-day treatment cycles. The dosing schedule will be determined based on the results of the Phase I part.

The primary endpoint is ORR. The secondary endpoints include PK, ADA, NAb, DoR, DCR, PFS, OS, ECOG score, physical examination, vital signs, laboratory tests, electrocardiogram and echocardiography.

Trial status. We initiated the Phase I/IIa clinical trial in October 2024 and expect to complete it in the fourth quarter of 2027.

Interim results. CMDE005 demonstrated good tolerability in humans, with no DLT recorded in patients that received CMDE005 at 10 µg to 3mg once every two weeks, and no Grade 3 or higher AEs or SAEs observed at doses up to 3 mg. All TRAEs were mild (Grade 1-2), manageable, and resolved completely. Additionally, preliminary signs of efficacy were observed in patients with NSCLC: the medium prior line of treatment for enrolled patients was 3.5; one out of one patient in the 0.4 mg group recorded SD, one out of two patients in the 1 mg group recorded shrinkage of target lesions, and two out of three patients in the 3 mg group recorded SD. We are currently dosing

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the 6 mg group and expect to further increase the dosage due to the broad therapeutic window potential of CMDE005. CMDE005 exhibited a dose-dependent immune response and efficacy profile, with controllable side effects.

Clinical Development Plan

We expect to complete the Phase I/IIa clinical trial of CMDE005 in the fourth quarter of 2027 and initiate a Phase III clinical trial of CMDE005 in 2028. In the future clinical trials of CMDE005, we intend to recruit patients with the intended indications of CMDE005, which are EGFR-positive advanced solid tumors, such as NSCLC, CRC, urothelial carcinoma, head and neck squamous cell carcinoma, and pancreatic cancer.

Material Communications with Competent Authorities

We submitted the IND application to conduct clinical trials of CMDE005 in China in July 2024 and received NMPA's IND approval in September 2024. The IND application included the non-clinical test (pharmacology, PK and toxicology) and quality study results of CMD011. The IND approval indicated that, if we plan to investigate a combination therapy of CMDE005, we will need to evaluate the scientific validity and rationality of the combination therapy study plan after obtaining the clinical data of CMDE005 monotherapy, and then we will need to submit a clinical trial application for the combination therapy.

We submitted the IND application to conduct the Phase I/IIa clinical trial of CMDE005 in U.S. in March 2025 and received FDA's IND approval in April 2025. The IND application included the non-clinical test (pharmacology, PK and toxicology) and quality study results of CMD011. The FDA did not raise any clinical hold issues in the IND approval.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET CMDE005 SUCCESSFULLY.

Our Preclinical Stage Trispecific Protease-activatable TCE Candidates

We have two preclinical stage drug candidates, CMDE101 and CMDE102, which are trispecific protease-activatable TCEs targeting FOLR1×PD-L1×CD3 and PSMA×PD-L1×CD3, respectively. The two candidates were developed from our Multifunctional/Logic-gated TCE Platform.

CMDE101 and CMDE102 are trispecific protease-activatable TCEs that simultaneously recognize and bind to three targets: CMDE101 targets FOLR1, PD-L1 and CD3; and CMDE102 targets PSMA, PD-L1 and CD3. They are currently under preclinical development as a potential treatment for multiple solid tumors. FOLR1 and PSMA are overexpressed in a number of solid tumors, such as ovarian cancer, NSCLC, TNBC and prostate cancer, and implicated in tumorigenesis. CMDE101 and CMDE102 are expected to enhance the antitumor immune response by launching a synergistic targeted attack on tumors by both blocking the immune checkpoint activating the T cells. By setting up OR-gated targeting of TAA and PD-1, multifunctional TCEs can address several key challenges in cancer treatment, including antigen loss where cancer cells may hide their identifying markers from the immune system, mutations that help tumors evade detection, and tumor heterogeneity, where different tumor cells within the same patient express varying antigens. We expect to submit an IND application for CMDE101 to the NMPA in the fourth quarter of 2027 and to the FDA in 2028. We expect to submit an IND application for CMDE102 to the NMPA in 2028 and to the FDA in 2029.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET CMDE101 and CMDE102 SUCCESSFULLY.

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OUR TECHNOLOGY PLATFORM

TCE Antibody Discovery — Multichannel Antibody Discovery Platform

Our Multichannel Antibody Discovery Platform includes four ultra-large fully human IgM phage display antibody libraries and multi-species immunized libraries.

The fully human IgM phage display antibody libraries have capacities of 10^{11} - 10^{13} antibody sequences, significantly larger than the industry average of 10^9 - 10^{10} . They are also featured with Fab and domain antibodies ("dAb") formats with industry-leading diversity. This scale and diversity enable rapid identification of high-quality, high-affinity lead antibodies, establishing a strong foundation for antibody discovery, setting the foundation for TCE development. The libraries allow high-throughput screening and rapid identification of high-affinity antibodies just 1-2 weeks. Because these libraries are fully human, the identified antibodies need not go through the humanization process and have minimized immunogenicity risks. Further, our fully human IgM phage display antibody libraries provide broader sequence diversity than IgG phage display antibody libraries, thereby enabling simultaneous identification of multiple antibody candidates with different epitopes and affinities for the same target. Our fully human IgM phage display antibody libraries also enable direct discovery of dAbs, which, due to their small size, can penetrate solid tissues such as epidermis and solid tumors and target hidden epitopes, with greater ease of subsequent engineering. These libraries are crucial for drug target selection in our early-stage preclinical research.

In addition, we have established multi-species immunized libraries, developed from mouse, rabbit and other species. Some of our multi-species immunized libraries are built upon mouse B cells immunized with multiple antigens, which enable high-throughput screening. Compared with the traditional hybridoma methods for generating monoclonal antibodies, our multi-species immunized libraries can overcome several limitations of the traditional methods, including the long-cycle low-throughput screening for antibody sequences, as well as the stability issues with antibody-encoding genes.

Finally, we utilize the light chain shuffling technology to further increase the antibody diversity and obtain higher quality antibodies. Together, these complementary libraries enhance the efficiency and diversity of our early-stage preclinical antibody discovery.

We developed the Multichannel Antibody Discovery Platform internally without involvement of third parties. The platform development started in 2017. We established the ultra-large fully human IgM phage display antibody libraries in 2018 and multi-species immunized libraries in 2021.

TCE Format — H-BiTE: H-shape Bispecific TCE Platform

The H-BiTE Platform is characterized by three distinguishing features: shielding CD3 through steric hindrance, preventing light and heavy chain mispairing, high yield and stable production.

The H-BiTE Platform is designed to overcome poor druggability and toxicity challenges of traditional bispecific antibodies. The platform's structural engineering improves tumor targeting, broadens the therapeutic window, and simplifies manufacturing. The platform adopts a unique bispecific architecture that shields CD3 through steric hindrance, ensuring it is not exposed prematurely. By optimizing the affinity for both CD3 and the target antigen, the platform improves therapeutic efficacy. Furthermore, the design features Fc modifications and a monovalent Fab structure, preventing light and heavy chain mispairing and ensuring product stability. The platform generates 100% heterodimeric bispecifics, avoiding the toxicity associated with homodimeric and oligomeric products for asymmetric BsAbs. It also reduces cytokine release, improving safety profiles. With minimal mutations (only two amino acids) in the Fc region, the platform reduces immunogenicity compared to other bispecific platforms. Besides, the platform enables high-yield and stable production through conventional protein A purification, significantly simplifying process

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development and improving manufacturing efficiency. These features and innovations make the H-BiT E Platform one of the most competitive bispecific antibody platforms globally, offering significant advantages in clinical application and drug development. Several bispecific antibody candidates generated from our platform have demonstrated favorable developability, further validating its potential to support innovative therapeutic development.

We developed the H-BiT E Platform internally without involvement of third parties. The development of the H-BiT E Platform started in 2017, and the platform was established in 2018, when SMET12, the first product derived from the platform, entered CMC development.

TCE Masking — Pro-BiT E: Protease-Activatable TCE Platform

The Pro-BiT E Platform incorporates masking peptides containing protease-cleavable linkers near the target-binding sites of the antibody. These peptides effectively block the antibody’s activity in normal tissues and the peripheral circulation. When the antibody accumulates in the TME, tumor-specific proteases — such as uPA and MMP — recognize and cleave specific sites between the masking peptide and the antibody molecule. Cleavage releases the masking peptide, restoring the antibody’s target-binding activity and its anti-tumor function. This design significantly reduces on-target off-tumor toxicity caused by non-specific killing of normal tissues, conferring high tumor-targeting specificity. This mechanism dramatically improves the safety profile and therapeutic window of TCEs, offering a potential major breakthrough in solid tumor treatment and addressing significant unmet medical needs.

CMDE005 is the first product derived from this platform. It features convenient clinical administration (direct intravenous infusion) and broad-spectrum anti-tumor activity. As an immunotherapy, CMDE005 has the potential to improve the depth and duration of responses in responding patients compared to existing standard treatments, potentially enhancing overall survival benefit. Preclinical studies of CMDE005 demonstrated a blocking efficiency of over 10,000-fold and an expansion of the therapeutic window by more than 100-fold compared with SMET12, highlighting the high tumor specificity and the substantially reduced on-target off-tumor toxicity achieved by our enzymatically activatable Pro-BiT E design.

We developed the Pro-BiT E Platform internally without involvement of third parties. The development of the Pro-BiT E Platform started in 2017, and the platform was established in 2022, when CMDE005 entered CMC development.

Multifunctional/Logic-gated TCE Platform

As an industry leader with years of deep expertise in TCE development, we have established our Multifunctional/Logic-gated TCE Platform which enables the development of multifunctional TCEs designed to use a dual or multi-target approach to simultaneously target TAAs and T-cell receptors. Our TCE Multifunctional/Logic-gated platform enables the enhancement of T-cell activation, which is crucial for the immune system’s ability to recognize and destroy cancer cells. Our multifunctional TCEs are designed with an OR-gated dual-targeting format, which can activate T cells upon recognizing either one or both TAAs on the tumor cell surface, thereby improving tumor recognition and contributing to the prevention of tumor relapse. In addition to activating T-cells, the platform prevents T-cell exhaustion, a major challenge in cancer immunotherapy where immune cells become ineffective over time. By launching a synergistic targeted attack on tumors by both blocking the immune checkpoint and activating the T cells, our platform enhances the tumor-killing capacity of T cells, ensuring a more robust and durable immune response. This approach also addresses several key challenges in cancer treatment, including antigen loss where cancer cells may hide their identifying markers from the immune system, mutations that help tumors evade detection, and tumor heterogeneity, where different tumor cells within the same patient express varying antigens. By overcoming these obstacles, our Multifunctional/Logic-gated TCE platform ensures sustained and effective tumor clearance, improving the potential for long-term therapeutic success.

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We developed the Multifunctional/Logic-gated TCE Platform internally without involvement of third parties. The development of the Multifunctional/Logic-gated TCE Platform started in 2023, and the platform was established in 2025.

RESEARCH AND DEVELOPMENT

R&D Team

Our R&D team is multi-tiered, covering the full innovation pathway from discovery through clinical translation. The early-stage research team, led by Dr. XIAO Zuoxiang and Dr. ZHOU Dongwen, has become a key driver of our innovation. Our clinical development team, under the leadership of Dr. XIAO Zuoxiang and Ms. WANG Yanping, combines deep medical expertise with strong operational capabilities to align development with clinical needs. The integration of discovery scientists and clinical specialists enables coordinated oversight across the entire R&D process. With dual R&D centers in the United States and China, we operate an integrated model across time zones, supporting a continuous R&D cycle and efficient platform integration.

Our in-house R&D team consisted of 33 employees as of the Latest Practicable Date, over 97% of whom held at least bachelor’s degrees, and over 70% members of our R&D team held master’s or higher degrees. Our R&D team is led by a team of seasoned scientists with years of drug development experience. The following table sets forth a breakdown of the number of R&D team by function as of the Latest Practicable Date.

Functions	Number of R&D employees
Drug Discovery and Pre-clinical Development	17
Clinical Development	16
Total	33

The following table sets forth the identities, background and expertise of our core/key R&D personnel for the R&D of our product candidates. All of these core/key R&D personnel have been full-time employees since our commencement of the R&D work on such product and remained employed by the Group during the Track Record Period and up to the Latest Practicable Date.

Identity	Background	Expertise	Involvement and contributions to the R&D activities	Time of joining our Group
Dr. XIAO Zuoxiang . .	Obtained bachelor’s degree in medicine from Shandong First Medical University, master’s degree in medicine from Shanghai University of traditional Chinese medicine, doctoral degree in oncology from Zhejiang University	More than 30 years of experience in oncology clinical practice, disease mechanism research, and antibody drug development	Sequence screening and vector development for DNV3 and SMET12	July 2017

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Identity	Background	Expertise	Involvement and contributions to the R&D activities	Time of joining our Group
Ms. WANG Yanping . . .	Obtained a bachelor of science degree in biotechnology from Nankai University	Over ten years of experience in antibody drug research and development and having contributed to multiple novel antibody therapies with several U.S. patent filings	Antibody expression, purification and functional assessment for DNV3 and SMET12	August 2018
Dr. ZHOU Dongwen . . .	Obtained bachelor’s degree in biochemistry from Anhui University and doctoral degree in biochemistry and molecular biology from the University of Science and Technology of China	Over 20 years of research experience in protein structure-function relations and therapeutic antibody development	Antibody expression, purification and functional assessment for DNV3; sequence screening, structural optimization and functional assessment for SMET12; team management, molecular design and patent application for CMD011 and CDME005	November 2018
Mr. MIAO Hangbin . . .	Obtained master’s degree in marine biology from Xiaman University		<i>In vitro</i> and <i>in vivo</i> functional assessment for DNV3; <i>in vitro</i> and <i>in vivo</i> pharmacological efficacy studies for SMET12; sequence screening and preliminary functional assessment for CMD011 and CDME005	November 2017
Mr. LIN Jinxiong . . .	Obtained master’s degree in pharmacology from Zhejiang Chinese Medical University		<i>In vitro</i> and <i>in vivo</i> functional assays for CMD011 and CDME005	July 2019

All key R&D personnel involved in the development of the Core Products and our other product candidates remained employed by us during the Track Record Period and as of the Latest Practicable Date. The departed senior management and R&D personnel do not own any material assets of and technical know-how pertinent to the Group and in particular with the Core Products, including intellectual property.

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Drug Discovery and Pre-clinical Development

Our drug discovery and pre-clinical development is led by Dr. XIAO Zuoxiang and Dr. ZHOU Dongwen. We believe the size of our current R&D team, together with the engagement with scientific consultants, external advisors and CROs, is sufficient in managing our existing demand for clinical development in China and the United States.

Clinical Development

Clinical Development Team

Our clinical development team is led by Dr. XIAO Zuoxiang and Ms. WANG Yanping. As of December 31, 2025, our clinical development team consisted of 14 members, including professionals with strong drug development experience, who participate in clinical development strategy development, clinical trial protocol design, clinical trial operation organization, drug safety monitoring, and clinical trial quality control. Many of our clinical development team members had extensive relevant work experience. Among our clinical development team members as of December 31, 2025, over 25% held post-graduate degrees. Our clinical development team is generally responsible for the clinical development of our Core Products and other pipeline products.

Clinical Trial Design and Implementation

Our clinical development team manages all stages of clinical trials, from protocol design to overseeing the operations and conduct of clinical trials. Our rapid trial advancements are driven by (i) our strategic decision to initiate clinical trials based on preclinical results that are assessed as promising, (ii) optimized trial design, enabled by our rigorous quantitative analysis of integrated data, and whole-process oversight, and (iii) long-term partnership with various hospitals and principal investigators from different regions to achieve smooth execution.

Our clinical development team is also responsible for the selection of trial sites. Our site selection criteria include the site’s overall experience, understanding of the disease state, access to relevant experts and patients, geographical coverage, regulatory and quality management, range of services, staff proficiency, and technology. We have collaborated with numerous hospitals and PIs located in China that can support our clinical trials of different indications. The selection of these hospitals and PIs is guided by their specialized knowledge, access to suitable patient pools, and operational capacity. The scale and diversity of our partner network provide us with an advantage in implementing large-scale clinical trials and enable us to conduct multiple clinical trials concurrently. With the support of our partner hospitals, we are capable of recruiting participants from specific populations for trials that would otherwise be difficult to fulfill enrollment.

Our clinical development strategy is guided by the goal of addressing unmet clinical needs since the target selection stage. We do not intend any single clinical trial to be a one-time validation of the efficacy or safety of drug candidates. Rather, the design of clinical trials represents a continuous iterative process that starts with the underlying mechanism and is driven by the gradual accumulation of clinical data, to determine the safety, efficacy, and clinical positioning of drug candidates for specific indications. Also, safety is always a priority consideration for any clinical trial design.

For example, safety was the primary consideration in designing our clinical trials for CD3 targeting bispecific antibodies. CD3 targeting bispecific antibodies function by redirecting T cells to kill tumor cells by simultaneously binding to specific membrane proteins on the surface of tumor cells and CD3 on the surface of T cells. Such a mechanism dictates that the CD3 targeting bispecific antibodies not only possess potent immune activation capabilities, but also carry a higher risk of immune-related toxicity. As a result, we adopt a phased, incremental dosing strategy to gradually explore the acceptable dose range, administration method and therapeutic window of CD3 targeting bispecific antibodies. For early-stage clinical trials, we employ a dose-escalation design, which

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incorporates an initial dosing, observation periods between dose increases, and strict criteria for determining dose-limiting toxicity. Such a design aims to reduce the risks associated with cytokine release syndrome, immune effector cell-associated neurotoxicity syndrome, and other related adverse events.

In the selection of indications, decisions of clinical trial design are primarily made based on the underlying biology and risk-benefit balance. On the one hand, priority is given to advanced solid tumors with a high expression level of or strong dependence on the target protein, and for which standard treatment options are limited, such as EGFR-positive solid tumors or GPC3-positive hepatocellular carcinoma that have failed multiple lines of treatment. Patients with such solid tumors are expected to benefit most from the drug candidate. On the other hand, it is important to avoid enrolling patients who are expected to experience potentially unacceptable toxicity or insufficient clinical benefit in the early stages of clinical trials. Through exploratory studies in patients with different tumor types and varying levels of target protein expression, we aim to gradually identify the most promising target indications that are likely to demonstrate clear clinical benefit from the drug candidate.

In terms of safety and efficacy, we emphasize simultaneous assessment and dynamic balance. Regarding safety, the clinical trial design incorporates not only routine adverse event monitoring, but also a focus on recording immune-related toxicity and target-related toxicity. Clear rules for preparation before treatment, supportive care, and dose adjustment or discontinuation will be established. With that, safety signals are expected to be promptly identified through intensive early-stage monitoring. Regarding efficacy, early-stage clinical trials typically use objective response rate, disease control rate, and duration of response as primary or key secondary endpoints. Combining these endpoints with pharmacokinetic, pharmacodynamic, and biomarker analyses, early-stage clinical trials are designed to verify the association between T-cell activation and antitumor activity. After safe dosages and preliminary efficacy signals are thus established, late-stage clinical trials will gradually shift to more indication-focused investigation and confirmatory endpoints, to systematically evaluate the overall risk-benefit profile of drug candidates in the target patient population.

Relationship with CROs

During the Track Record Period, we engaged CROs to perform certain R&D tasks. We select CROs based on various factors including qualifications, experiences, industry reputation, adequacy of clinical trial equipment and data management capability. The CROs we collaborate with are able to offer comprehensive services across the entire product development lifecycle, from preclinical to clinical stages. Their expertise spans across various stages and fields related to research and development of product candidates, such as preclinical toxicology, quantitative pharmacological analysis, FDA registration, clinical data management and analysis. Our clinical development department closely supervises and monitors the performance of CROs to ensure they conduct clinical trials in accordance with our protocols and GCP requirement. CROs are typically responsible for facilitating in the selection of investigators, locating trial sites, local vendors, making local regulatory filings with our review and approvals, purchasing equipment and materials, engaging other third parties to further facilitate the clinical trials, enrolling qualifying trial participants, routine trial site monitoring, and trial data management and analysis.

We have adopted a management system for suppliers in evaluating the qualifications and capabilities of CROs and signing contracts with CROs that specify the quality requirements for each project milestone. We also regularly monitor the quality of the project implementation process of CROs through specific data and schedule management plans that we developed.

We engaged two and two CROs, namely CRO A and CRO B, in 2024 and 2025, respectively. CRO A is a leading dual-listed Chinese company, primarily engaging in CRO services and providing clinical operation support services globally. We incurred expenses of RMB2.8 million and RMB3.3 million in 2024 and 2025 for CRO A. CRO B is a leading dual-listed Chinese company, primarily

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engaging in CRO services globally, including drug R&D and data analysis services. We incurred expenses of RMB160 thousand and RMB2.3 million in 2024 and 2025 for CRO B. All of the CROs we engaged in each year during the Track Record Period were Independent Third Parties. According to Frost & Sullivan, there are numerous CROs in Chinese Mainland market that provide similar services. Therefore we do not have any material reliance on current CROs.

Regulatory Affairs

Our regulatory affairs team is responsible for the regulatory process of our product candidates, including assembling application dossiers for IND and BLA, addressing inquiries from relevant authorities and monitoring our R&D projects to ensure their compliance with relevant regulations. Our regulatory affairs team manages the regulatory submission process, which generally requires filings to be made to and approved by the regulatory authorities before clinical trials and commercialization of our products can be initiated. The regulatory affairs team prepares and manages regulatory filings by coordinating filing dossiers drafting, addressing regulatory questions and conducting CMC assessments for our product candidates. We possess extensive knowledge and experience in regulatory filings. Leveraging our expertise and established presence in the industry, we are able to design clinical trials that maximize regulatory alignment and operational efficiency.

CHEMISTRY, MANUFACTURING & CONTROLS (“CMC”)

CMC Team

As of December 31, 2025, our CMC team consisted of six professionals with extensive experience in process development, production and quality management mostly from well-known biopharmaceutical and pharmaceutical companies. Our CMC team members are led by Dr. ZHOU Dongwen, a decorated industry scientist with over 20 years’ experience. Our CMC team specialized in antibody drug process development, toxicology and pharmacokinetics study, and IND enabling throughout the drug development process. The CMC function in our Company plays a critical role in drug development. It is responsible for developing safe, robust, and economically sound production processes for our innovative drugs, and ensuring their quality meets regulatory requirements.

Manufacturing and Collaboration with CDMOs

For manufacturing of our product candidates, we currently outsource such production to a limited number of highly reputable CDMOs. These CDMOs engaged by us are specialized third parties that collectively provide us with various services in the manufacturing process of drug candidates. During the Track Record Period, we collaborated with CDMOs who have significant experience in supporting biotech companies, with research centers, test facilities, and a solid history of supporting various projects. The CDMOs we collaborate with have over ten years of R&D experience and are based in China. They possess extensive experience in the development and manufacturing of biopharmaceuticals, including antibody drugs and other large-molecule drugs, and are capable of providing services such as process development and GMP manufacturing. Teams we work with provide services like manufacturing, quality assurance, and quality control, ensuring reliable results for cell and gene therapies, antibody proteins, and other biotechnological products. We commission these CDMOs to manufacture active drug products to support our clinical development. We do not have in-house manufacturing facilities and capabilities, and we have no concrete plan to establish the same.

We did not experience any material product quality issues in respect of the products manufactured by our CDMO partners during the Track Record Period. Under our agreement with our CDMO partners, the CDMO partners are required to perform their services according to the prescribed time frame as set out in the agreement. Usually, we pay the CDMO partners in installments, with a specified credit period. Our CDMO partners are responsible for manufacturing our required products in accordance with certain product specifications, in compliance with cGMP

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requirements (where applicable), our quality standards and other applicable laws and regulations. We retain all the intellectual property rights and grant our CDMO partners the right to use our intellectual property rights for such manufacturing and packaging activities during the contract period. We are entitled to inspect and audit our CDMO partner’s manufacturing process. We mainly determine the service fees paid to the CDMOs in accordance with market prices of similar services, the number of products manufactured, and the quality and contents of the services provided. We do not share our IPs, know-hows and trade secrets with CDMOs.

We have adopted a management system for suppliers in evaluating the qualifications and capabilities of CDMOs and signing contracts with CDMOs that specify the quality requirements for each project milestone. We also regularly monitor the quality of the project implementation process of CDMOs through specific data and schedule management plans that we developed.

We engaged two CDMOs in the year ended December 31, 2024, namely CDMO A and CDMO B, for which we incurred expenses of RMB5.1 million. And we engaged three CDMOs in the year ended December 31, 2025, namely CDMO A, CDMO B and CDMO C, for which we incurred expenses of RMB3.2 million. CDMO A is a private company incorporated in China, engaging in CDMO services for large molecules and biopharmaceuticals, providing CDMO services for CMDE005. CDMO B is a leading private company incorporated in China, primarily engaging in CDMO services globally, focusing on development and manufacturing of biopharmaceuticals, providing CDMO services for DNV3, SMET12 and CMD011. CDMO C is a private company incorporated in China, providing CDMO services for process development and manufacturing of CMDE101. All of the CDMOs engaged in each year during the Track Record Period were Independent Third Parties. Our Directors confirm that our collaboration with CDMOs were all at preclinical stages, and any change of CDMOs would not have a material impact on our business. According to Frost & Sullivan, there are numerous CDMOs in Chinese Mainland market that provide similar services. Therefore we do not have any material reliance on current CDMOs.

COMMERCIALIZATION, MARKETING AND BUSINESS DEVELOPMENT

Given the development status of our product candidates, we had not established a sales and marketing team as of the Latest Practicable Date. As we advance the clinical development of our product candidates to a later stage, we will evaluate their respective form of commercialization, taking into account the market condition, competitive landscape and our available resources at the material time. For both DNV3 and SMET12, we place primary emphasis on market size when selecting target markets for commercialization, including the size and growth potential of the relevant therapeutic market and the diagnosed patient population. For details, see “Industry Overview.” For DNV3, we will adopt a dual-track commercialization strategy, i.e., direct sales in China and international partnerships for global markets. The pricing considerations for DNV3 in Chinese Mainland and overseas markets include: (1) cost (R&D, production, and sales costs); (2) market competition (clinical value-oriented pricing, in light of the price, indications, and efficacy of Opdualag); (3) reimbursement policy (differentiated pricing based on the varying health insurance policies of different countries; (4) affordability (purchasing power of consumers in different jurisdictions). Other than the aforesaid considerations, its price will also be benchmarked against opdualag, the only approved anti-LAG-3 antibody combination therapy. In the overseas market, we plan to actively pursue competitive pricing with similar therapies, government reimbursement, and coverage of commercial insurance policies. In China, we plan to leverage our production cost control advantages in the pricing of DNV3. We may seek pursuing inclusion of DNV3 in the NRDL based on consideration of multiple factors, including market changes, government policy adjustments, and shareholder interests. The commercialization of SMET12 will follow a similar dual-track strategy. We plan to collaborate with experienced commercialization partners in overseas markets, with pricing and reimbursement strategies aligned with those of major players in the U.S. and Europe (pharmaceutical companies with competing products, such as Amgen, Johnson & Johnson and AstraZeneca), aiming to ensure patient access and secure favorable commercial returns. The above-mentioned four major pricing considerations in determining DNV3 will likewise be taken into account in pricing of SMET12. In the future, we intend to build our own

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sales team and network in preparation of the commercialization of our product candidates in China. For the commercialization of our product candidates in the overseas market, we plan to identify and collaborate with top pharmaceutical companies with significant global or local presence.

In view that market acceptance of our drug products depends on consistent clinical benefits across studies, indications and patient populations, we adopt risk mitigation strategies, dose optimization approaches and longer-term development plans for our Core Products to support manageable and predictable safety profiles and alignment with standard treatment pathways. In terms of risk mitigation strategies, we adopt measures across key stages of clinical development, including patient screening, trial quality control, adverse event management and clinical site operations, to safeguard patient safety and ensure reliable clinical data for regulatory review and future clinical use. We also adopt dose optimization approaches by conducting stepwise dose exploration and subgroup-specific dose assessment based on pharmacokinetic, efficacy and safety data. These approaches are designed to determine appropriate therapeutic doses and dose adjustment principles, with a view to balancing clinical benefit and tolerability and supporting standardized dosing for future clinical use. For longer-term development plans of our Core Products and other pipeline products, following confirmation of clinical benefits in pivotal studies, we plan to continue pursuing indication expansion, combination therapy development and real-world studies to further accumulate evidence across different lines of therapy and patient populations. We also intend to leverage our pipeline products to build a broader treatment portfolio covering different stages of disease, with a view to supporting inclusion in authoritative clinical guidelines and facilitating broader clinical adoption after approval.

OUR SUPPLIERS

We mainly procure R&D and clinical-related services from third party suppliers. We maintain stable relationships with our suppliers to ensure the stability of material supply and delivery. In 2024 and 2025, the aggregate purchase amount from our top five suppliers was RMB18.2 million and RMB15.6 million, representing 53.7% and 58.1% of our total purchase amount, respectively. In 2024 and 2025, purchase amount to our largest supplier was RMB7.4 million and RMB4.1 million, representing 21.7% and 15.3% of our total purchase amount, respectively. The following table sets forth details of our five largest suppliers in each year of the Track Record Period:

Suppliers	Products or Services Purchased	Background	Business Relationship Since	Purchase Amount	Percentage of Our Total Purchase
				RMB'000	%
<i>Year ended December 31, 2024</i>					
Supplier C	R&D and clinical-related services, specially preclinical toxicology and pharmacokinetic studies for CMD011 and CMDE005	A leading Chinese company listed in Shanghai Stock Exchange, primarily engaging in CRO services globally, including preclinical toxicology and pharmacokinetic studies.	2018	7,373	21.7
Supplier E	Property leasing services	A private company incorporated in China, primarily engaging in property services in China.	2019	2,904	8.6

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Suppliers	Products or Services Purchased	Background	Business Relationship Since	Purchase Amount <i>RMB'000</i>	Percentage of Our Total Purchase <i>%</i>
Supplier F	R&D and clinical-related services, specifically the assignment of clinical research coordinators to assist PIs with non-medical tasks in clinical studies for DNV3, SMET12 and CDM011	A leading Chinese company listed in both Shenzhen Stock Exchange and Hong Kong Exchanges, primarily engaging in CRO services and providing clinical operation support services for global customers.	2019	2,778	8.2
Supplier B	R&D and clinical-related services, specifically R&D and manufacturing services for CMDE005	A private company incorporated in China, primarily engaging in CDMO services for large molecules and biopharmaceuticals in China.	2022	2,669	7.9
Supplier A	R&D and clinical-related services, specifically R&D and manufacturing services for clinical trial samples of DNV3, SMET12 and CMD011	A leading private company incorporated in China, primarily engaging in CDMO services globally, focusing on the development and manufacturing of biopharmaceuticals for clinical trial samples.	2018	2,468	7.3
Total				<u>18,192</u>	<u>53.7</u>
<i>Year ended December 31, 2025</i>					
Supplier G	R&D and clinical-related services, particularly clinical studies involving patients for DNV3, SMET12 and CMDE005	A Chinese hospital, primarily engaging in clinical trial and research services in China.	2022	4,114	15.3
Supplier F	R&D and clinical-related services, specifically the assignment of CRCs to assist PIs with non-medical tasks in clinical studies for DNV3, SMET12 and CDM011	A leading Chinese company listed in both Shenzhen Stock Exchange and Hong Kong Exchanges, primarily engaging in CRO services and providing clinical operation support services globally.	2019	3,338	12.4
Supplier E	Property leasing services	A private company incorporated in China, primarily engaging in property services in China.	2019	3,092	11.5

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Suppliers	Products or Services Purchased	Background	Business Relationship Since	Purchase Amount <i>RMB'000</i>	Percentage of Our Total Purchase <i>%</i>
Supplier A	R&D and clinical-related services, specifically R&D and manufacturing services for clinical trial samples of DNV3, SMET12 and CMD011	A leading private company incorporated in China, primarily engaging in CDMO services globally, focusing on the development and manufacturing of biopharmaceuticals for clinical trial samples.	2018	2,638	9.8
Supplier H	R&D and clinical-related services, specifically including data management, statistical analysis and pharmacovigilance services for DNV3, SMET12, CMD011 and CMDE005	A Chinese company listed in both Shanghai Stock Exchange and Hong Kong Exchanges, primarily engaging in CRO services globally, including drug R&D and data analysis services.	2021	2,449	9.1
Total				<u>15,631</u>	<u>58.1</u>

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our five largest suppliers were Independent Third Parties. During the Track Record Period, we purchased R&D and clinical-related services in our ordinary course of business from Hangzhou Tigermed and MabPlex, who were among our five largest suppliers, and such transactions were conducted on an arm’s length basis. As of the Latest Practicable Date, to the best of our knowledge, save for Hangzhou Tigermed and our Non-executive Director, Wang Yanbing, who held an equity interest below 1% in MabPlex, none of our Directors, their respective close associates or any Shareholder who owned more than 5% of our issued share capital had any interest in any of our five largest suppliers in each year during the Track Record Period.

CUSTOMERS

During the Track Record Period, we did not have a customer or generate revenue from a customer.

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INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we held 21 patents and five patent applications in connection with our clinical-stage product candidates, including four patents related to DNV3, and eleven patents and one patent application related to SMET12. As of the Latest Practicable Date, we had not received any material concerns or inquiries from relevant competent authorities that makes us to believe that any of the pending patent applications will be rejected. The following table sets forth an overview of our material granted patents and filed patent applications in connection with our product candidates as of the Latest Practicable Date.

Related Product ⁽¹⁾	Name of Patent ⁽²⁾	Owner ⁽³⁾	Inventors ⁽⁴⁾	Jurisdiction	Status	Filing Date	Grant Date	Expiration Date ⁽⁵⁾
SMET12. . .	Monomeric human IgG1 Fc and bispecific antibodies	Zhejiang Shimai ⁽⁶⁾	Chen Weizao, Xiao Zuoxiang, Fu Tao	Chinese Mainland	Issued	February 1, 2018	November 9, 2021	February 1, 2038
SMET12. . .	Monomeric human IgG1 Fc and bispecific antibodies	Zhejiang Shimai ⁽⁶⁾	Chen Weizao, Xiao Zuoxiang, Fu Tao	EU	Issued	February 1, 2018	December 11, 2024	February 1, 2038
SMET12. . .	Monomeric human IgG1 Fc and bispecific antibodies	Zhejiang Shimai ⁽⁶⁾	Chen Weizao, Xiao Zuoxiang, Fu Tao	Macau	Issued	February 1, 2018	January 24, 2022	February 1, 2038
SMET12. . .	Protease cleavable bispecific antibodies and uses thereof	Zhejiang Shimai	Chen Weizao, Xiao Zuoxiang, Fu Tao	Chinese Mainland	Issued	December 20, 2019	July 12, 2022	December 20, 2039
SMET12. . .	Protease cleavable bispecific antibodies and uses thereof	Zhejiang Shimai	Chen Weizao, Xiao Zuoxiang, Fu Tao	Hong Kong	Issued	December 20, 2019	December 2, 2022	December 20, 2039
SMET12. . .	Protease cleavable bispecific antibodies and uses thereof	Zhejiang Shimai	Chen Weizao, Xiao Zuoxiang, Fu Tao	Macau	Issued	December 20, 2019	October 27, 2022	December 20, 2039
SMET12. . .	Protease cleavable bispecific antibodies and uses thereof	Zhejiang Shimai	Chen Weizao, Xiao Zuoxiang, Fu Tao	U.S.	Issued	December 20, 2019	June 10, 2025	December 20, 2039
SMET12. . .	Protease cleavable bispecific antibodies and uses thereof	Zhejiang Shimai	Chen Weizao, Xiao Zuoxiang, Fu Tao	EU	Pending	December 20, 2019	N/A	N/A
DNV3 . . .	Human monoclonal antibodies against LAG3 and uses thereof	Zhejiang Shimai	Chen Weizao, Xiao Zuoxiang, Fu Tao	Chinese Mainland	Issued	May 9, 2018	November 9, 2021	May 9, 2038
DNV3 . . .	Human monoclonal antibodies against LAG3 and uses thereof	Zhejiang Shimai	Chen Weizao, Xiao Zuoxiang, Fu Tao	U.S.	Issued	May 9, 2018	May 24, 2022	May 9, 2038
DNV3 . . .	Human monoclonal antibodies against LAG3 and uses thereof	Zhejiang Shimai	Chen Weizao, Xiao Zuoxiang, Fu Tao	EU	Issued	May 9, 2018	September 18, 2024	May 9, 2038
DNV3 . . .	Human monoclonal antibodies against LAG3 and uses thereof	Zhejiang Shimai	Chen Weizao, Xiao Zuoxiang, Fu Tao	Macau	Issued	May 9, 2018	January 24, 2022	May 9, 2038
CMD011 . .	Antibodies against GPC3 and uses thereof	Zhejiang Shimai	Xiao Zuoxiang, Peng Jiaping, Zhou Dongwen, Zhou Wei, Miao Hangbin, Wang Guannv	Chinese Mainland	Issued	December 23, 2021	July 7, 2023	December 23, 2041

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Related Product ⁽¹⁾	Name of Patent ⁽²⁾	Owner ⁽³⁾	Inventors ⁽⁴⁾	Jurisdiction	Status	Filing Date	Grant Date	Expiration Date ⁽⁵⁾
CMD011 . .	Antibodies against GPC3 and uses thereof	Zhejiang Shimai	Xiao Zuoxiang, Peng Jiaping, Zhou Dongwen, Zhou Wei, Miao Hangbin, Wang Guannv	Hong Kong	Issued	December 23, 2021	September 22, 2023	December 23, 2041
CMD011 . .	Antibodies against GPC3 and uses thereof	Zhejiang Shimai	Xiao Zuoxiang, Peng Jiaping, Zhou Dongwen, Zhou Wei, Miao Hangbin, Wang Guannv	Macau	Issued	December 23, 2021	September 13, 2023	December 23, 2041
CMD011 . .	Antibodies against GPC3 and uses thereof	Zhejiang Shimai	Xiao Zuoxiang, Peng Jiaping, Zhou Dongwen, Zhou Wei, Miao Hangbin, Wang Guannv	U.S.	Pending	December 23, 2021	N/A	N/A
CMD011 . .	Antibodies against GPC3 and uses and compositions thereof	Zhejiang Shimai	Xiao Zuoxiang, Peng Jiaping, Zhou Dongwen, Zhou Wei, Miao Hangbin, Wang Guannv	Chinese Mainland	Issued	December 23, 2021	November 14, 2023	December 23, 2041
CMD011 . .	Antibodies against GPC3 and uses and compositions thereof	Zhejiang Shimai	Xiao Zuoxiang, Peng Jiaping, Zhou Dongwen, Zhou Wei, Miao Hangbin, Wang Guannv	Hong Kong	Issued	December 23, 2021	February 2, 2024	December 23, 2041
CMD011 . .	Antibodies against GPC3 and uses and compositions thereof	Zhejiang Shimai	Xiao Zuoxiang, Peng Jiaping, Zhou Dongwen, Zhou Wei, Miao Hangbin, Wang Guannv	Macau	Issued	December 23, 2021	February 26, 2024	December 23, 2041
CMDE005 . .	Protease cleavable recombinant bispecific antibodies and compositions and uses thereof	Zhejiang Shimai	Xiao Zuoxiang, Peng Jiaping, Zhou Dongwen, Zhou Wei	Chinese Mainland, U.S., EU	Pending	November 28, 2022	N/A	N/A

Notes:

- (1) All the patents and patent applications listed as relating to SMET12 and CMDE005 in the table are also the material patents and patent applications that relate to our technology platforms.
- (2) Unless otherwise indicated, the name of patents and patent applications within the same family is the same and is therefore disclosed once. The name of the patent reflects its scope of coverage.
- (3) All of these inventors were the employees of the Group before filing the corresponding patent applications.
- (4) The Group is the sole owner of all the patents and patent applications listed in the table.
- (5) The patent expiration date is 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.
- (6) All patents and patent applications listed in the table were self-developed. No third parties were involved in, or had contributed to, the Group’s patents or patent applications.

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Three patent applications relating to SMET12, CMD011 and CMDE005 remain unapproved as of the Latest Practicable Date, as disclosed in the below table.

Application No.	Related Product	Jurisdiction	Current Status	Reason for Pendency >3 Years ¹	Expected Grant Timeline ²
EP19900194.2	SMET12	Europe	Substantive examination started; first office action issued on Feb 12, 2025, response filed on Jun 04, 2025	Complex technical subject-matter; EPO examination backlog; normal for pharmaceutical-related inventions to undergo multiple rounds of examination	2-3 years from current date
US18/691,036	CMD011	America	Awaiting substantive examination	PCT entry date (Mar 11 2024) is recent; USPTO examination backlog; average pendency for pharmaceutical patents is 3-5 years from national-phase entry	3-5 years from entry date (i.e., ~2027-2029)
CN202280005740.7 . .	CMDE005	China	Awaiting substantive examination	CNIPA examination backlog; complex technical subject-matter; average pendency for pharmaceutical patents is 4-6 years from national-phase entry	4-6 years from entry date (i.e., ~2027-2029)

We have not identified any substantive legal impediments that would prevent the above patent applications from proceeding to grant. We are actively managing the patent applications and will address any office actions in a timely manner.

Regarding EP19900194.2 and CN202280005740.7, non-approval of the two patent applications has no material adverse impact on the commercialization of the Core Products and other product candidates. EP19900194.2 does not cover Core Products and other product candidates. The Core Products DNV3 and SMET12 are already covered by other granted patents. Although CN202280005740.7 covers CMDE005, we already hold granted Chinese patent ZL201880009333.7, which also covers CMDE005 and can provide patent protection for the product candidate.

Notes:

- (1) In all three major patent offices (EPO, USPTO, CNIPA), it is common for pharmaceutical-related patent applications to remain pending for more than three years after filing or national-phase entry. This is due to (i) high volume of applications and corresponding backlogs, (ii) technical complexity requiring multiple prior-art searches and examination rounds, and (iii) for PCT-based applications, the time required for translation, formalities review, and assignment to an examiner. The pendency periods for the above applications are within normal ranges for the respective jurisdictions.
- (2) The above estimates are based on typical prosecution timelines for pharmaceutical inventions in the respective jurisdictions and assume no substantive objections that would significantly prolong prosecution. The Company is actively managing these cases to avoid unnecessary delays.

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Regarding US18/691,036, non-approval of this patent application will affect market exclusivity of the related product, CMD011. Without a granted patent in the U.S., we would lack the statutory right to exclude others from making, using, selling, or importing the product in the U.S. Competitors could launch generic versions immediately upon regulatory approval, eroding our market share and pricing power. However, as advised by our IP counsel, the probability of ultimate non-approval is very low in view of the examination history of other applications in the patent family of this U.S. patent application and originality of the antibody sequences they cover under the U.S. patent law. We are actively managing this patent application and will take necessary steps, where appropriate, to secure a granted patent that adequately covers the relevant product.

We may rely, in some circumstances, on trade secret and/or confidential information to protect aspects of our product candidates. We have entered into confidentiality agreements with our senior management and key members of our R&D team and other employees who have access to trade secrets or confidential information about our business. Our standard employment contract, which we used to employ each of our employees, provides that we own all the rights to all inventions, technology, know-how and trade secrets derived during the course of such employee’s work.

We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems.

According to the freedom-to-operate searches and analyses (“**FTO Analysis**”) conducted by our IP counsel in China in relation to our clinical-stage product candidates and in the U.S. in relation to SMET12, CMD011 and CMDE005 for which we have obtained FDA’s IND approval, our Directors confirm that no substantial risk of infringement had been identified from the FTO Analysis in relation to our clinical-stage product candidates. Our Directors confirmed, as supported by our IP counsel’s view, that our patents and patent applications sufficiently cover all material aspects of the Core Products and/or their associated technologies.

We conduct our business under the brand name of “CentryMed” and/or “時邁藥業”. As of the Latest Practicable Date, we held 13 registered trademarks in Chinese Mainland and three registered trademarks in Hong Kong. We are also the owner of two domain names.

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 product candidates in which we may be a claimant or a respondent.

COMPETITION

The pharmaceutical and biotechnology industries are characterized by rapidly advancing technologies, competition and a strong emphasis on proprietary drugs. While we believe our pipeline of clinical and preclinical stage proprietary assets, 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.

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We focus on leveraging our industry experience and established R&D capabilities for the in-house discovery and development of TCE therapies for the treatment of solid tumors. We face fierce competition from existing products and product candidates under development in the market. See “Industry Overview” for more details on the competitive landscape of the various markets in which we compete. We face uncertainties in clinical trial development which are subject to a variety of factors, including satisfactory safety and efficacy results from clinical trials, successful enrollment of patients, and performance of CROs and other parties involved in clinical trial development and others.

INSURANCE

We maintain insurance policies that we consider to be in line with market practice and adequate for our business. Our principal insurance policies cover auto insurance and liability insurance for clinical trials. We currently do not maintain insurance for environmental liability or property loss. See “Risk Factors—Risks Relating to our Business and Industry—We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources.” We consider that the coverage from the insurance policies maintained by us is adequate for our present operations and is in line with the industry norm. During the Track Record Period, we had not made or been the subject of any material insurance claims.

EMPLOYEES

As of December 31, 2025, we had 51 employees in total. The following table sets forth the number of our employees categorized by function as of December 31, 2025.

Functions	Number of employees by function	Percentage
Drug Discovery and Preclinical Development	16	31.4%
Clinical Development	15	29.4%
General and Administrative	20	39.2%
Total	51	100.0%

We enter into individual employment contracts with our employees covering salaries, bonuses, employee benefits, workplace safety, confidentiality and non-competition, work product assignment clause and grounds for termination.

To maintain our workforce’s quality, knowledge, and skill levels, we provide continuing education and training programs, including internal training, to improve their technical, professional or management skills. We also provide training programs to our employees from time to time to ensure their awareness and compliance with our policies and procedures in various aspects. Furthermore, we provide various incentives and benefits to our employees, including competitive salaries, bonuses and share-based payment, particularly our key employees.

Our employees’ remuneration comprises salaries, bonuses, provident funds, social security contributions, and other welfare payments. We have made contributions to our employees’ social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds pursuant to applicable laws and regulations. During the Track Record Period and as of the Latest Practicable Date, we did not make full contribution to the social insurance and housing funds for our employees in accordance with the relevant PRC laws and regulations, and the amount of outstanding contribution was RMB0.6 million and RMB0.7 million in 2024 and 2025, respectively. No provision was made for outstanding contributions based on the considerations that (i) the credit

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reports obtained from the relevant authority confirmed that we did not have any record of violation of laws and regulations with respect to social insurance and housing funds; (ii) no employee had raised any material disputes against us regarding social insurance and housing funds matters, and we had not received any litigation documents related to material labor disputes; and (iii) the amount of social insurance and housing funds contributions required to be made up as directed by the relevant authorities due to our past underpayment is not material to our operation and accordingly, the Directors are of the view that such non-compliance would not have a material adverse effect on our business as a whole. See “—Risk Factors—We are subject to risks in relation to our social insurance and housing provident fund contributions.”

To prevent any future recurrences, we have implemented the following internal control measures: (i) we will prepare and maintain regular reports in respect of our payment of social insurance premium and housing provident funds for our employees for review by our Board and the head of our human resources department; (ii) we will regularly communicate with the relevant competent authorities and, where necessary, consult with our PRC Legal Adviser, to ensure that our calculation and payment methods are in compliance with the relevant laws and regulations; (iii) we will regularly consult with our PRC Legal Adviser to understand whether we are at risk of non-compliance with the relevant laws and regulations; and (iv) we will provide regular internal trainings to our Directors, senior management personnel and other responsible staff on the relevant laws and regulations and consult with our PRC Legal Adviser, where necessary, on the updates thereof.

Workplace Safety

We have adopted and maintained a series of rules, standard operating procedures, and measures to maintain our employees’ healthy and safe environment. We implement safety guidelines to set out information about potential safety hazards and procedures. We require employees to participate in safety training to familiarize themselves with the relevant safety rules and procedures. Also, we have policies in place and have adopted relevant measures to ensure the hygiene of our work environment and the health of our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any fatal occupational accidents. Our PRC Legal Advisor has confirmed that, during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material penalty in relation to health, work safety, social and environmental protection in China.

PROPERTIES

As of Latest Practicable Date, we did not own any real properties. We leased one property in China with an aggregate GFA of approximately 3,110 sq.m. We also leased one property in Maryland, U.S., with an aggregate GFA of approximately 279 sq.m. We believe our current facilities are sufficient to meet our near-term needs, and additional space can be obtained on commercially reasonable terms to meet our future needs. As of the Latest Practicable Date, our lease agreement for property in China has been registered with relevant authorities.

As of the Latest Practicable Date, none of our leased properties had a carrying amount equal to or exceeding 15% of our consolidated total assets. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 32L of the Laws of Hong Kong), this Document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to our Group’s interests in land or buildings.

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PERMITS, LICENSES AND OTHER APPROVALS

As of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material to our operations and such licenses, permits and certifications all remain in full effect. For more details regarding the laws and regulations to which we are subject, see “Regulatory Overview” in this Document. We had not experienced any material difficulty in renewing such licenses, permits, approvals and certificates during the Track Record Period and up to the Latest Practicable Date, and we currently do not expect to have any material difficulty in renewing them when they expire, if applicable. There is no material legal impediment in renewing such licenses, permits, approvals and certificates as they expire in the future as long as we are in compliance with applicable laws, regulations and rules. During the Track Record Period and up to the Latest Practicable Date, we had not been penalized by any government authorities for any non-compliance relating to maintenance and renewal of our material licenses, permits, approvals and certificates.

AWARDS AND RECOGNITIONS

The following table sets out a summary of the major awards and recognitions we have received.

Year	Award/Recognition	Issuing Authority
2018	2018 High-level Returned Overseas Personnel (Teams) Entrepreneurial Innovation Project in Hangzhou (2018年度高層次留學回國人員(團隊)在杭創業創新項目)	Hangzhou Municipal Human Resources and Social Security Bureau; Hangzhou Science and Technology Bureau
2019	2019 Hangzhou Leading Entrepreneurial Team (2019年度杭州市領軍型創業團隊)	Hangzhou Science and Technology Bureau; Talent Office of the CPC Hangzhou Municipal Committee
2020	First Prize in the 9th China Innovation and Entrepreneurship Competition Zhejiang Division and the 7th Zhejiang Province “Torch Cup” Innovation and Entrepreneurship Competition (第九屆中國創新創業大賽浙江賽區暨第七屆浙江省“火炬杯”創新創業大賽總決賽一等獎)	Zhejiang Provincial Department of Science and Technology
2021-2025 .	Hangzhou Quasi-Unicorn Company (杭州準獨角獸企業)	Hangzhou Venture Capital Association; Welian
2021	First Prize in Zhejiang Province in the 6th “Maker in China” Contest (第六屆“創客中國”浙江省一等獎)	Zhejiang Provincial Department of Economy and Information Technology
2021	Second Prize in National Finals of the 6th “Maker in China” Contest (第六屆“創客中國”全國總決賽二等獎)	Ministry of Industry and Information Technology; Ministry of Finance
2022	Shandong Antibody Drug Innovation and Entrepreneurship Community Subsidy Fund (山東省抗體藥物創新創業共同體補助資金)	Yantai Rongchang Biomedical Industry Technology Research Institute Co., Ltd.
2022	The 1st KPMG China’s Top 50 Bioinnovation Companies (畢馬威中國首屆生物科技創新50企業)	KPMG
2022	2022 Zhejiang Province Specialized, Refined, Special, and New Small and Medium Enterprises (2022年度浙江省專精特新中小企業)	Economy and Information Technology Department of Zhejiang
2023	National Disruptive Technological Innovation Competition Final Excellence Award (全國顛覆性技術創新大賽總決賽優秀獎)	Torch Center, Ministry of Science and Technology

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Year	Award/Recognition	Issuing Authority
2023	Third Prize in HICOOOL 2023 Global Entrepreneurship Competition (HICOOOL 2023全球創業大賽三等獎)	People’s Government of Beijing Municipality
2023	2023 Hangzhou Biopharmaceutical Industry High-Quality Development Special Preclinical Drug R&D Project (2023年杭州市生物醫藥產業高質量發展專項“臨床前藥物研發項目”)	Hangzhou Municipal Bureau of Economy and Information Technology
2023	Zhejiang’s Most Valuable Innovative Enterprises for Investment TOP50 for 2023 (2023浙江最具投資價值創新企業TOP50)	Economy and Information Technology Department of Zhejiang; Zhejiang Venture Capital Association
2024	Project establishment for the 2024 “Leading Goose” R&D Programs of Zhejiang Province (浙江省2024年度“尖兵領雁+X”研發攻關計劃項目立項)	Zhejiang Provincial Department of Science and Technology
2024	2024 Zhejiang Province Leading Innovation and Entrepreneurship Team (2024年度浙江省領軍型創新創業團隊)	Zhejiang Provincial Department of Science and Technology
2025	Project establishment for Zhejiang Province 2025 Annual “Pioneer Leading Goose+X” Science and Technology Plan (2025年度浙江省“尖兵領雁+X”科技計劃項目立項)	Zhejiang Provincial Department of Science and Technology
2025	“Innovative Binjiang New Force Enterprise TOP10” List	Hangzhou High-Tech Zone (Binjiang) Government
2025	2025 China Future Unicorn TOP100 (2025中國未來獨角獸TOP100)	China Investment Promotion Association; Welian

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ESG Governance Structure

The Board fully recognizes the importance of Environmental, Social, and Governance (“ESG”) management in achieving our green, compliance, and sustainability realization. Throughout our management and operation processes, the Board promotes the implementation of ESG principles and integrates them into our governance framework.

As the highest decision-making authority on ESG matters, the Board of Directors bears ultimate responsibility for defining the direction, setting the strategy and objectives, overseeing performance, and ensuring transparent reporting on our sustainable development. We have established an ESG working group to report to the Board of Directors no fewer than twice a year regarding policy formulation directions, strategic implementation progress, achievement of objectives, and other ESG matters. The ESG Working Group shall report to the Board and shall be responsible for, among others, the following matters: formulating our ESG strategies and objectives, identifying and managing ESG-related risks and opportunities, and advising the Board accordingly; maintaining communication with stakeholders such as investors, media, and government authorities to identify, assess, and monitor ESG topics of concern, and providing timely recommendations to the Board in response to changes or potential risks; establishing ESG-related policies, systems, and work plans, and reporting progress and results to the Board on a regular basis; coordinating the management and implementation of ESG initiatives, monitoring execution, and collecting, consolidating, and reporting the progress and performance of responsible departments; reviewing ESG disclosure content and providing recommendations to the Board; providing ESG-related training and materials to the Board.

The Board of Directors shall maintain oversight of all matters related to sustainable development with the support of this working group.

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Material ESG Topics

In accordance with the “Materiality” principle in the Hong Kong Stock Exchange’s “Environmental, Social and Governance Reporting Guidelines” and the management requirements for material issues in the Global Reporting Initiative “Sustainability Reporting Guidelines,” while also referring to the list of materialities in the pharmaceutical industry in the Stock Exchange of Hong Kong’s “Environmental, Social and Governance Reporting Guidelines,” SASB Health Cared Materiality Map, and leading companies materiality issues in this sector, and considering our actual situation, we have preliminarily identified the following key ESG matters.

Issues of importance	Importance	Potential risks/opportunities	Some quantitative indicators
Business ethics and anti-corruption . . .	very important	Good business ethics can establish a positive corporate image	Number of hours per person trained in anti-corruption (hours/person)
Product quality and safety	very important	Product quality assurance is the key to enterprise revenue	Percentage (%) of the total number of products sold or shipped that must be recovered for safety and health reasons
Data privacy and security	very important	Violations of confidentiality may result in compensation for litigation	Total number of incidents (items) in violation of customer privacy protection regulations and voluntary guidelines
Greenhouse gas emission	very important	Exceeding emissions limits can result in fines	Total greenhouse gas emissions (tons)
Development and training	very important	Talent is the cornerstone of enterprise development	Employee training coverage (%)
Employee health and safety	very important	Talent is the cornerstone of enterprise development	Number of working days lost due to work-related injury (days)
Risk management . . .	relatively important	Timely identification and response to risks can reduce losses	Number of major risk events (items)
Research and development and innovation	relatively important	It is the embodiment of enterprise competitiveness	The ratio of R&D amount to operating revenue (%)
Intellectual property right	relatively important	It is the embodiment of enterprise competitiveness	Number of intellectual property rights held (items)
Hazardous waste . . .	relatively important	Exceeding emissions limits can result in fines	Hazardous waste discharge (tons)
Supply chain management	relatively important	A stable supply chain to ensure timely delivery	Number of suppliers (households)
Equal employment . .	relatively important	Talent is the cornerstone of enterprise development	The proportion of female employees is (%)
Climate change	relatively important	Refer to Climate Change	Losses due to climate change (ten thousand yuan)
Customer relations . .	relatively important	Customer satisfaction supports the long-term development of enterprises	Received customer complaint handling completion status (%)
Community contribution	moderately important	The embodiment of corporate social responsibility	Social public welfare investment (ten thousand yuan)

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Following our [REDACTED], the ESG Working Group will continue to review material issues and maintain active communication with stakeholders through multiple channels. Stakeholder feedback will be systematically consolidated and submitted to the Board of Directors, enabling the Board of Directors to assess the significance of each issue to both stakeholders and us in a timely and informed manner. Such feedback will be integrated into the materiality assessment process and, where appropriate, reflected in our strategic planning to ensure the development of a more relevant and stakeholder-responsive materiality matrix.

Business Ethics

We place strong emphasis on upholding business ethics and are committed to establishing a sound ethical governance framework. We strictly comply with applicable laws and regulations, including the Company Law of the PRC, the Anti-Unfair Competition Law of the PRC, and the Opinions on Several Issues Concerning the Application of Law in Handling Criminal Cases of Commercial Bribery. We adopt a zero-tolerance approach to corruption, bribery, extortion, fraud, and money laundering. This policy is uniformly applicable to all activities involving our employees (including staff and directors), third-party representatives (such as agents, consultants, and joint venture partners), suppliers, clients, government officials, and healthcare professionals. To ensure the effective implementation of business ethics standards, we have established regular anti-bribery audit mechanisms, strengthened whistleblower protection systems, and integrated compliance criteria into its partner evaluation processes — thereby consistently fostering a clean, transparent, and compliant business environment.

Environmental Protection

We understand the significance and attach great attention to principles of green chemistry across our research, testing, and production processes. We are committed to ensuring the safety of pharmaceutical raw materials, minimizing the environmental impact of reaction products, continuously enhancing our processes, reducing the use of hazardous chemicals and waste generation, and safeguarding environmental and public health. We strictly adhere to pharmaceutical industry standards for biosafety and chemical management in laboratory systems, implementing green chemical design and complying with experimental waste disposal guidelines to protect the environment as well as the physical and mental well-being of employees. We will continue to enhance our energy management system, establish robust internal environmental risk assessment mechanisms, and develop comprehensive wastewater and exhaust gas treatment systems, thereby fulfilling our social responsibility in energy conservation and emission reduction. Specific requirements are as follows:

Waste Discharge and Management

Solid Waste. We continuously and consistently oversight our practices to comply with applicable laws and regulations in all jurisdictions where it operates, and implements full lifecycle management for hazardous wastes, including laboratory waste liquids, waste organic solvents, spent activated carbon, wastewater treatment sludge, biological waste, and medical/pharmaceutical waste. These wastes are managed in accordance with regulatory requirements from generation to final disposal, encompassing standardized production controls, secure storage, professional transportation, and compliant disposal procedures. During the storage phase, we rigorously enforce classification, labeling, and record-keeping systems, and engages qualified third-party institutions to perform safe and compliant disposal, thereby minimizing environmental risks and upholding our corporate environmental responsibilities.

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In 2024 and 2025, the total amount of waste generated by us is:

	For the year ended December 31,	
	2024	2025
Hazardous waste (tons)	0.07	0.04
General waste (tons)	5.0	5.2

Exhaust Gas. We strictly enforce our emission control system, ensuring compliance with regulatory standards while continuously improving the effectiveness of emission reduction through multi-stage treatment processes. We utilize technologies including adsorption, supported by high-efficiency exhaust treatment systems. Additionally, fume hoods and universal exhaust systems are deployed within enclosed systems to effectively control fugitive emissions. Through a combination of technological innovation and rigorous operational management, we are committed to minimizing exhaust emissions and mitigating environmental impact.

In 2024 and 2025, the total amount of pollutants emitted by us is:

	For the year ended December 31,	
	2024	2025
Total exhaust gas emission (kg)	0.5	0.5

Wastewater. We have established a stringent wastewater classification and treatment system, applying differentiated control measures based on the types of laboratory-generated waste liquids. These waste liquids are classified into four categories: general solutions, strong acids and alkalis, heavy metal solutions, and organic solutions. General solutions are diluted to meet discharge standards, while the other types are strictly segregated and stored in designated waste liquid tanks. All wastewater is handled by professionally qualified third-party institutions to ensure standardized treatment, full compliance with national environmental protection regulations, and to prevent any direct discharge into natural water bodies.

In 2024 and 2025, the discharge of wastewater by us is as follows:

	For the year ended December 31,	
	2024	2025
Waste water (tons)	556.0	522.6

Regarding waste emissions, we set the target to “strive to reduce the generation and discharge of pharmaceutical waste by 5% by 2028, with 2025 as the baseline year.” To this end, we have implemented a series of optimization measures: by refining R&D plans, strengthening operational training, and improving experimental success rates, we actively control the generation of waste liquids, waste reagent bottles, and medical waste.

Additionally, domestic sewage is pretreated in septic tanks before being discharged into the municipal sewage network. Experimental wastewater is collected and disinfected with sodium dichloroisocyanurate before being discharged via the pipeline. Organic exhaust gases are collected and treated through activated carbon adsorption, then emitted through the DA001 exhaust stack at a height of 60 meters.

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Resource Consumption and Carbon Emissions

We consider resource conservation and efficient utilization as a key foundation of sustainable development. Through the establishment of a green management framework across research and development, production, and operational processes, we systematically enhance the efficiency of energy and material utilization, continuously reduces resource consumption intensity per unit of output, and maximizes resource value.

In 2024 and 2025, the total amount and intensity of consumption of various resources are as follows:

Water consumption:

	For the year ended December 31,	
	2024	2025
Amount (ton)	668.6	626.8
Intensity (tons/person)	13.4	13.3

Power consumption:

	For the year ended December 31,	
	2024	2025
Amount (kilowatt-hour)	324,113	362,026
Intensity (MWh/person)	6.4	7.7

Goals and Strategies

Based on an in-depth analysis of the macro-environment, active alignment with national “Dual Carbon Goals” strategic directives, integration of industry trends and our own developmental context, and through prudent evaluation and benchmarking against peers, we have systematically developed and established the following ESG objectives.

We aim to implement energy-saving measures to ensure full compliance with environmental regulations. We set the target to “reduce per capita electricity consumption by 5% compared to the baseline year of 2024 by 2029.” To achieve this, we strictly enforce energy-saving measures in office areas, such as turning off lights and computers when leaving. For office equipment like water dispensers and printers, we require that their power be completely cut off during non-working hours such as nights and weekends to reduce standby energy consumption.

We have set the target to “reduce per capita water consumption by 3% compared to the baseline year of 2024 by 2029.” To this end, we have established a rapid response mechanism requiring immediate reporting of water leaks to property management, with repairs completed as soon as possible, aiming to address all potential leaks on the same day to prevent waste at the source. Additionally, we have posted prominent reminders such as “Conserve Water” in all water-use areas, including restrooms, pantries, and sinks, to continuously reinforce water-saving awareness among employees. Furthermore, we display paper-saving tips in visible locations, actively promote double-sided and black-and-white printing, and strive to enhance the efficient use of office resources by reducing unnecessary printing and increasing waste paper utilization.

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Based on prudent assessment, the CRO we contracted did not generate hazardous materials or waste in the course of their operations. Meanwhile, we have conducted compliance qualification verification for other relevant contractors and reviewed the waste disposal and management documentation they provided, ensuring that their handling of hazardous materials and waste complies with legal and regulatory requirements.

In relation to the outsourced CMC projects, we entered into a quality agreement with the cooperating CDMO, clearly stipulating that the CDMO is responsible for the compliant disposal of project-generated waste, including hazardous waste, as well as the handling of related environmental procedures, thereby ensuring compliance with national and local environmental regulations. As the project progresses and our business develops, we will also establish and improve an independent EHS management department and system framework, implementing control measures in phases. Specific measures include (1) setting up a dedicated EHS organizational structure, assigning professional personnels with clearly defined roles and responsibilities, (2) enhancing internal EHS control systems to cover the entire process of waste management and on-site audits, (3) strengthening the evaluation of the CDMO’s waste disposal qualifications and establish a dynamic review mechanism and (4) conducting routine on-site inspections and records checks to solidify the compliance responsibilities of the cooperating party and prevent environmental risks.

We also pay close attention to Scope 3 emissions and plan to launch an assessment of upstream and downstream carbon sources. Reduction strategies include, but are not limited to: (i) placing water and energy conservation signage in visible areas to raise environmental awareness; (ii) promoting double-sided printing and electronic documentation to support a paperless office; (iii) encouraging teleconferencing to reduce non-essential travel; and (iv) advocating public transportation use for commuting and business travel. We will regularly evaluate our progress and adjust our strategies based on actual business developments.

The Board of Directors is responsible for identifying, assessing, and managing ESG-related risks, and for overseeing sustainability opportunities and strategic objectives. In light of our expanding business scale, we anticipate a phased increase in total resource inputs and environmental impacts, despite efforts to optimize resource utilization. We are committed to enhancing environmental performance throughout the value chain — covering office operations, supplier selection, raw material procurement, laboratory processes, and waste management.

Carbon Dioxide Emissions

	For the year ended December 31,	
	2024	2025
Total greenhouse gas emissions (tons of CO ₂ equivalent)	201.4	235.9
Scope 1	2.5	3.2
Scope 2	172.0	192.1
Scope 3	26.9	40.6

Note: The increase in Scope 2 greenhouse gas emissions from 2024 to 2025 was mainly due to an increase in our electricity consumption. The increase in in Scope 3 greenhouse gas emission during the same period was mainly due to a rise in business demand, resulting in an increase in business travel, particularly in air traveling by employees.

We are committed to continuously reducing compliance costs related to environmental and safety regulations through proactive compliance initiatives, while expanding our positive contribution to sustainability. We set the target to reduce per capita Scope 1 and Scope 2 greenhouse gas emissions by 4% from the 2025 baseline level by 2029. Through measures such as energy

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conservation, consumption reduction, and standardized vehicle use, we ensure a steady decline in both the total greenhouse gas emissions from Scope 1 and Scope 2, as well as the per capita greenhouse gas emission intensity. The Board of Directors will implement an annual target review mechanism to dynamically adjust ESG measures, ensuring their continued relevance and confirming that existing systems do not cause material disruption to business operations.

Climate Change and Risk Management

We are committed to long-term climate resilience and actively follow the Task Force on Climate-related Financial Disclosures guidance, conduct ongoing climate risk assessments, and implement mitigation and adaptation measures across our business. We have established a robust risk management and internal control system. Regarding ESG-related risks, the ESG Working Group identifies and manages such risks and opportunities and reports to the Board accordingly.

Employee Rights

We recognize employees as our most valuable asset and are committed to ensuring that all individuals are treated with dignity and respect. We strictly comply with applicable labor and employment laws in all jurisdictions where we operate. We actively promote work-life balance and strive to foster a supportive and inclusive work environment for all employees.

Labour Standards

We respect internationally recognized human rights and labor standards, including the rights to freedom of expression, publication, assembly, association, and peaceful demonstration. Workers are employed without discrimination based on ethnicity, race, gender, or religious belief. All employees are entitled to equal employment rights, regardless of gender. We strictly prohibit all forms of sexual harassment in the workplace. Victims have the right to file complaints through internal reporting channels or with relevant authorities.

We adhere to the principles of open recruitment, fair competition, merit-based selection, and internal promotion prioritization. Both the hiring department and the Human Resources Department conduct comprehensive candidate evaluations based on qualifications, competencies, character, experience, health status, and role suitability. Additional emphasis is placed on the candidate's values, behavior, and alignment with our strategic direction, business needs, and corporate culture.

We comply with all applicable labor laws and prohibit any form of forced labor, including coercion, threats, or unlawful restrictions on personal freedom. We do not withhold employees' identification documents, nor do we require employees to provide guarantees or collect property under any pretense.

Talent Development

Guided by the core philosophy of “Global Value, Global Talent”, we have established a talent development system based on Tiered Empowerment and Shared Responsibility. We introduced the VAPP Value-Oriented Matrix as the core framework for employee incentives, achieving deep alignment between personal growth and our R&D strategy, patient well-being, and shareholder value. VAPP Matrix forms a full-cycle incentive loop:

Value (Value Orientation). Employees are incentivized to focus on “dual value creation” — on the one hand, concentrating on the essence of innovative drug R&D to generate social value through technological breakthroughs, clinical progress, and improved patient access; on the other hand, creating sustainable commercial value for us and shareholders via compliant operations, efficiency optimization, and commercialization. This aligns individual contributions closely with the social mission of the innovative drug industry and our strategy;

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Action (Action Empowerment). Fully considering the high uncertainty and necessity of trial-and-error in innovative drug R&D, we encourage the employees to conduct breakthrough explorations under compliance — including cutting-edge technology R&D, clinical protocol optimization, and interdisciplinary collaborative innovation. A supporting mechanism featuring “error tolerance, review, and iteration” is established to break down innovation barriers and stimulate vitality in our R&D and business operations;

Position (Frontline Endeavors). Emphasizing the practical value of being “close to the frontline,” we encourage the employees to proactively engage in core frontline roles. Resources and incentives are tilted toward “frontline leaders” who directly address technological challenges, patient needs, and market demands, enhancing problem-solving capabilities and efficiency;

Performance (Result Orientation). Quantifiable and verifiable results serve as the core basis for incentives. These include key milestones as well as long-term value outcomes — achieving a balanced incentive for both short-term breakthroughs and long-term development.

The VAPP Matrix is not an isolated incentive tool. It is deeply integrated with the our three-tier talent development system:

Foundation Tier. Through workplace skills and general competency training, we help our employees build a solid foundation in “value identification” and “compliant action”;

Professional Tier. Through training on cutting-edge industry knowledge, we help our employees enhance their capability in frontline roles (Position) and the professionalism of their actions (Action);

Strategic Tier. We cultivate leaders with “strategic vision + social responsibility” to drive their teams toward higher-dimensional value (Value) creation and performance (Performance) breakthroughs.

We embed the VAPP incentive indicators into the entire process of talent development, promotion, and compensation & benefits. This ensures the implementation of incentive principles — safeguarding the compliance and professionalism of innovative drug R&D while attracting and retaining top global talents through targeted incentives, thereby providing core impetus for us to continuously overcome R&D bottlenecks for TCE and achieve sustainable development.

Employee Welfare

We comply with applicable compensation and benefits regulations in all jurisdictions where we operate and have established a comprehensive and competitive remuneration system offering flexible benefit combinations, including commercial health insurance, annual medical checkups, and various additional benefits.

Welfare of Trial Subjects

In the design and implementation of clinical trials, we adhere to the latest GCP requirements, assess and control risks that may affect the safety of trial subjects, and rationally develop trial protocols, dosing and discontinuation criteria. We have established a comprehensive system for collecting, evaluating, and reporting adverse events. In the event of significant safety risks, the investigator’s brochure, trial protocol, and informed consent documents will be updated promptly. Through continuous monitoring, quality management, and corrective and preventive actions, we ensure that the protection measures for subject safety are effectively implemented throughout the entire trial cycle.

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As for the preclinical animal studies, they are performed by CROs retained by us. The use and welfare of subject animals in these studies have received accreditation from the Association for Assessment and Accreditation of Laboratory Animal Care International. Also, the CROs we retained have obtained the requisite experimental animal use licenses issued by the regulatory authorities, and the animal studies are operated in accordance with Good Laboratory Practice guidelines.

LEGAL PROCEEDINGS AND NON-COMPLIANCE

Legal Proceedings

During the Track Record Period and up to the Latest Practicable Date, we were not a party to any actual or threatened legal or administrative proceedings that could, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operation.

Legal Compliance

According to our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material 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 business, financial condition or results of operation in China. Our Directors confirmed that we had complied with all material applicable laws and regulations for our operations in China and the United States.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

We are exposed to various risks in our business operations, and we believe that risk management is important to our success. For more details, see “Risk Factors—Risks Relating to Our Business and Industry” in this Document. Our Directors oversee and manage the overall risks associated with our operations. We have prepared written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules.

To monitor the ongoing implementation of our 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 compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure; and attend training sessions by our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies [REDACTED] in Hong Kong.

Internal Control

We have employed an independent internal control consultant to assess our internal control system in connection with the [REDACTED]. The internal control consultant has conducted a review procedure on our internal control system in certain aspects, including financial reporting and disclosure controls, corporate level controls, information system control management and other procedures for our operations. We have improved and refined our internal control system by adopting and implementing corresponding enhanced internal control measures. For the remaining deficiencies under rectification, we plan to complete the corrective actions before the [REDACTED]. Going forward, we will continue to regularly review and improve these internal control policies, measures and procedures.

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We have also appointed external legal counsel to advise us on compliance matters, such as compliance with the regulatory requirements on clinical R&D, which is also monitored by our legal compliance team. Under our whistle blowing policy, we make our internal reporting channel open and available for our employees to report, on an anonymous basis, any non-compliance incidents and acts, including bribery and corruption. Reported incidents and persons will be investigated and appropriate measures will be taken in response to the findings. We have also established anti-bribery guidelines and compliance requirements. After considering the remedial actions we have taken, our Directors are of the view that our internal control system is adequate and effective for our current operations.

We plan to provide our Directors, senior management, and relevant employees with continuous training programs and updates regarding the relevant laws and regulations regularly to proactively identify any concerns and issues relating to any potential non-compliance.

Anti-bribery

We maintain a strict code of conduct and anti-corruption policies among our employees. We believe we will be less affected by the increasingly stringent measures taken by the PRC government to correct corruptive practices in the pharmaceutical industry. We strictly prohibit bribery or other improper payments in our business operations. This prohibition applies to all business activities, anywhere globally, whether involving government officials or healthcare professionals. Improper payments prohibited by this policy include bribes, kickbacks, excessive gifts or entertainment, or any other payment made or offered to obtain an undue business advantage. We will also ensure that future commercialization team personnel comply with applicable promotion and advertising requirements, including restrictions on promoting drugs for unapproved uses or patient populations and limitations on industry-sponsored scientific and educational activities.

We have adopted comprehensive internal control measures for anti-corruption and anti-bribery by (i) monitoring books, records and accounts with respect to supplier management, tendering and bidding process management and financial payment management to identify any false, misleading or undisclosed entries; (ii) establishing whistle-blowing mechanisms and encouraging all employees, suppliers, customers and other third parties to report suspicious activities and violations of the policies.

Conflict of Interest and Non-Competition

Our code of conduct clearly defines the scope of conflicts of interest, including supplier and customer relationships, hospitality and gifts, financial interests and personnel matters. Our employees, including but not limited to our Directors and R&D team members, may not have or be suspected of having a personal interest in business dealings with our suppliers, customers, competitors or distributors; accept monetary, financial or other benefits from our suppliers, customers, competitors or distributors. At the same time, employees shall keep confidential information strictly confidential and agree on the definition of confidential information, the content covered, the use of intellectual properties, including but not limited to any transfer of know-how, acquisition of technologies, and potential breach liabilities.

Our employee agreements have included non-competition clauses, which prohibit employees from engaging in or directly or indirectly assisting any third party to engage in the same, similar and competitive business activities as ours for a period of two years from the date of termination of employment. Any of our employees shall not, without our prior written approval, own, manage, operate or control any other entity that competes with us.

Data Privacy Protection

We have established procedures to protect the confidentiality of patients' data. We implement strict internal policies to govern the collection, handling, storage, retrieval of, and access to our patients' personal data and medical records and protect the security and confidentiality of personal information to ensure compliance with all applicable national or international rules and regulations on data protection and privacy. We usually require our personnel to collect and safeguard personal information in their possession. Typically, data are entered by investigators into the electronic data

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capture system and may be accessed and reviewed by authorized project team members after appropriate access rights are granted. Our information technology network is configured with multiple layers of protection to secure our databases and servers. Upon completion of relevant clinical trial, the database will be locked after confirmation and sign-offs by the principal investigators of each study site, after which the data management personnel will export all trial data and transfer them to the sponsor in accordance with applicable procedures. We have also implemented a variety of protocols and procedures to safeguard our data assets and prevent unauthorized access to our network. According to the GCP and relevant regulations, access to clinical trial data has been strictly limited to authorized personnel. In order to strengthen the management of our database, ensure the normal and effective operation of the database, and ensure the security of the database, we have designated database administrator to carry out the responsibilities of daily maintenance, authority control, security protection and other management of the database. Additionally, we require external parties and internal employees involved in clinical trials to comply with confidentiality requirements. Data are to be used only for the intended use, as agreed by the patients and consistent with the informed consent form.

In the clinical trial, the personal information of trial subjects will be removed from the collected clinical data before they are entered into the electronic data capture system of the clinical center. After the trial is completed, such data (without the personal information) will be stored by us and used in statistical analysis to support regulatory submissions. We will retain the data for five years after the test drug in the clinical trial is launched.

All subjects participating in our trials are required to sign an informed consent form approved by the Institutional Ethics Committee before their participation. When a new circumstance arises that may affect a subject's participation in the trial, the informed consent form will be updated, and approval of the form will be sought from the Institutional Ethics Committee. The trial subjects will be required to sign the updated informed consent form to continue their participation in the trial.

Furthermore, we enter into confidentiality agreements with our employees who have access to any aforementioned privacy information. The confidentiality agreements provide that, among other things, these employees are legally obligated not to misuse the confidential information while in office, to surrender all confidential information in possession while resigning, and to retain their confidential obligations after they leave office. We also implement a series of measures to ensure our employees' compliance with our data security measures. For instance, we provide training to our employees on relevant data security policies.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any breach of confidential client information or any other client information-related incidents which could cause a material adverse effect on our business, financial condition or results of operations. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material penalty in relation to data privacy and had not conducted any cross-border data transfer activities in connection with our clinical trials.

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board consists of nine Directors, three of whom are executive Directors, three of whom are non-executive Directors and three of whom are independent non-executive Directors.

The following table sets forth certain information about our Directors:

Name	Age	Position/Title	Time of joining the Group	Date of appointment as a Director	Roles and responsibility
<i>Executive Directors</i>					
Dr. Xiao Zuoxiang (孝作祥)	[61]	Executive Director and Chairperson	September 4, 2017	September 4, 2017	Responsible for overall strategic planning, decision-making, business direction and operational management
Mr. Shao Qing	[69]	Executive Director	April 29, 2025	April 29, 2025	Responsible for giving overall strategic advice on the business operations of the Company, the investment and financing matters of the Company and personnel management of the management team of the Company
Dr. Zhou Dongwen (周東文)	[48]	Executive Director	November 1, 2018	July 5, 2021	Responsible for overall pre-clinical research and development of the Group
<i>Non-Executive Directors</i>					
Mr. Ding Shizhe (丁師哲)	[34]	Non-executive Director	June 15, 2018	June 15, 2018	Responsible for overseeing Board affairs and giving strategic advice and guidance on the business operations of the Group
Mr. Wang Yanbing (王延兵)	[47]	Non-executive Director	December 10, 2020	December 10, 2020	Responsible for overseeing Board affairs and giving strategic advice and guidance on the business operations of the Group
Mr. Zhu Qi (朱琪)	[58]	Non-executive Director	February 11, 2022	February 11, 2022	Responsible for overseeing Board affairs and giving strategic advice and guidance on the business operations of the Group
<i>Independent Non-Executive Directors</i>					
Ms. Ke Yang (柯楊)	[70]	Independent non-executive Director	[REDACTED]	[REDACTED]	Provide independent opinion and judgment to the Board
Mr. Li Jia (李嘉)	[45]	Independent non-executive Director	[REDACTED]	[REDACTED]	Provide independent opinion and judgment to the Board
Ms. Zuo Ning (左寧)	[61]	Independent non-executive Director	[REDACTED]	[REDACTED]	Provide independent opinion and judgment to the Board

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Dr. Xiao Zuoxiang (孝作祥), aged [61], our Founder and has served as a Director, Chairperson and the chief executive officer of our Company since September 2017. Dr. Xiao was re-designated as an executive Director in November 2025 with effect from [REDACTED]. Dr. Xiao is our founder and has been primarily responsible for overall strategic planning, decision-making, business direction and operational management.

Dr. Xiao has over 30 years of significant experience in oncology, immunopathology, and innovative antibody drug development. From 1999 to 2000, Dr. Xiao worked at Second Affiliated Hospital of Shandong First Medical University (山東第一醫科大學第二附屬醫院). From May 2003 to April 2006, Dr. Xiao completed his postdoctoral training at The Johns Hopkins Bloomberg School of Public Health. From December 2006 to May 2010, Dr. Xiao served as a researcher at The Johns Hopkins University School of Medicine. From May 2010 to March 2016, Dr. Xiao served as a senior researcher at the United States National Cancer Institute.

Dr. Xiao obtained his bachelor’s degree in Medicine from Shandong First Medical University (山東第一醫科大學) in the PRC in July 1987 and his master’s degree in Medicine from Shanghai University of Traditional Chinese Medicine (上海中醫藥大學) in the PRC in July 1996 and his doctoral degree in oncology from Zhejiang University (浙江大學) in the PRC in March 2003. Dr. Xiao obtained a certification of senior engineer in biopharmaceuticals issued by the Department of Human Resources and Social Security of Zhejiang Province (浙江省人力資源和社會保障廳) in July 2023.

Mr. Shao Qing, aged [69], our Co-founder and has served as a Director of our Company since April 2025 and senior vice president since August 2025. Mr. Shao was redesignated as a executive Director in November 2025 with effect from [REDACTED]. He is primarily responsible for giving overall strategic advice on the business operations of the Company, the investment and financing matters of the Company and personnel management of the management team of the Company.

Prior to joining our Group, Mr. Shao served as the vice president and the chairperson assistant consecutively at Porton Pharma Solutions Ltd. (重慶博騰製藥科技股份有限公司) from January 2009 to May 2017. From March 2015 to present, Mr. Shao served as a director at Gmax Biopharm International Limited (鴻運華寧(杭州)生物醫藥有限公司). From April 2018 to present, Mr. Shao served as a Vice Dean at Digital Asset Research Institute (數字資產研究院), an institution belonging to Beijing Chuangyan Digital Technology Co., Ltd. (北京創沿數字科技有限公司). From July 2018 to present, Mr. Shao served as a Vice Dean at Mogan Research Institute (莫干山研究院), an institution belonging to Deqing Moganshan Zhongqing Academy Co., Ltd. (德清莫干山中青書院有限公司).

Mr. Shao received his master’s degree in education from Virginia Tech in the U.S. in December 1994.

Dr. Zhou Dongwen (周東文), aged [48], served as a senior scientist of CentryMed US from November 2018 to December 2020 and has served as a Director and the vice president of research and development of our Company since July 2021 and September 2022, respectively. Mr. Zhou was redesignated as an executive Director in November 2025 with effect from [REDACTED]. Dr. Zhou first joined our Company as the director of research and development in January 2021 and served in this role until September 2022. He is primarily responsible for overall pre-clinical research and development of the Group.

Dr. Zhou specializes in the structural and functional analysis of disease-associated proteins, with over 20 years of research experience in biologics for cancer and autoimmune diseases. From March 2014 to October 2018, Dr. Zhou served as a research scientist at the Blood Research Institute in the U.S., where his research included the first elucidation of the extended subunit conformation

DIRECTORS AND SENIOR MANAGEMENT

of integrin $\alpha\text{IIb}\beta 3$, a key protein in platelet activation, and the first high-resolution structure of PECAM-1, revealing critical insights into its conformational changes during vascular signaling. From November 2008 to March 2014, Dr. Zhou completed his postdoctoral training at the United States National Cancer Institute.

Dr. Zhou obtained his bachelor’s degree in biochemistry from Anhui University (安徽大學) in the PRC in July 1999 and his doctoral degree in biochemistry and molecular biology from the University of Science and Technology of China (中國科學技術大學) in the PRC in June 2008. Dr. Zhou holds the certification of senior engineer issued by the Department of Human Resources and Social Security of Zhejiang Province (浙江省人力資源和社會保障廳) in June 2023, the qualification of outstanding engineer of Zhejiang Province issued by the Department of Economy and Information Technology of Zhejiang Province (浙江省經濟和信息化廳) in February 2024, the qualification of professional title assessment expert issued by the Bureau of Human Resources and Social Security of Hangzhou City (杭州市人力資源和社會保障局) in August 2025, and has been a member of Pharmaceutical Engineering Committee of the Zhejiang Pharmaceutical Association (浙江省藥學會生物製藥專委會委員) since September 2025. Dr. Zhou has received several notable honors, including the American Crystallographic Association Young Scientist Award.

Non-Executive Directors

Mr. Ding Shizhe (丁師哲), aged [34], has served as a Director of our Company since July 2018. Mr. Ding was redesignated as a non-executive Director in November 2025 with effect from [REDACTED]. He is primarily responsible for overseeing Board affairs and giving strategic advice and guidance on the business operations of the Group.

Mr. Ding has been serving as the chairperson assistant at Betta Pharmaceuticals Co., Ltd. (貝達藥業股份有限公司), a major pharmaceutical company listed on the Shenzhen Stock Exchange (stock code: 300558.SZ), since January 2022 and was appointed as the executive director in October 2024. He is primarily responsible for project introduction and business cooperation of the company and technology transfer work. Mr. Ding has been serving as a director at Qiyuan Biotech (Hangzhou) Co., Ltd. (啟元生物(杭州)有限公司) since July 2021, as director at Kananji Pharmaceutical Technology (Shanghai) Co., Ltd. (卡南吉醫藥科技(上海)有限公司) since November 2024 and a director at Amgen-Beta Pharmaceuticals Co., Ltd. (貝達安進製藥有限公司) since October 2021. Mr. Ding can devote sufficient time to the Group’s affairs as he is serving as director at limited number of companies and as a non-Executive director, he will not be engaged in the day-to-day management of our Group. None of the aforementioned companies have potential conflict of interests with our Company.

Mr. Ding received his bachelor’s degree in biochemistry, economics and philosophy from Saint Louis University in the U.S. in May 2015.

Mr. Wang Yanbing (王延兵), aged [47], has served as a Director of our Company since December 2020. Mr. Wang was redesignated as a non-executive Director in November 2025 with effect from [REDACTED]. He is primarily responsible for overseeing Board affairs and giving strategic advice and guidance on the business operations of the Group.

Mr. Wang served as the vice president and executive director of business marketing department at MabPlex International Co., Ltd. (煙台邁百瑞國際生物醫藥股份有限公司) since 2022 and 2021. Prior to this, he served as the senior director and business development director since 2020 and 2018, respectively. From August 2013 to August 2016, Mr. Wang served as the key account manager of Shanghai Austar Pharmaceutical Technology Equipment Ltd. (上海奧星製藥裝備有限公司), a company based in China that mainly engages in the provision of integrated engineering solutions and pharmaceutical equipment manufacturing. From June 2003 to April 2013, Mr. Wang worked as a researcher, project manager, production manager and deputy general manager of the production department of Shandong Grandier Biological Pharmaceutical Co., Ltd. (山東格蘭百克生物製藥有限公司). Mr. Wang can devote sufficient time to the Group’s affairs as he is serving

DIRECTORS AND SENIOR MANAGEMENT

as director at limited number of company and as a non-executive Director of our Company, he will not be engaged in the day-to-day management of our Group. Mr. Wang is not serving as a director of any company that has potential conflict of interests with our Company.

Mr. Wang obtained his master’s degree in microbiology from the school of Life Sciences of Shandong University (山東大學生命科學學院) in the PRC in June 2003.

Mr. Zhu Qi (朱琪), aged [58], has served as a Director of our Company since February 2022. Mr. Zhu was redesignated as a non-executive Director in November 2025 with effect from [REDACTED]. He is primarily responsible for overseeing Board affairs and giving strategic advice and guidance on the business operations of the Group.

Mr. Zhu has served as the executive director of Hangzhou Tailong Venture Capital Partnership Enterprise (Limited Partnership) (杭州泰龍創業投資合夥企業(有限合夥)), a professional equity investment management firm based in China that invests in biomedicine, medical devices and the broader healthcare sector, since May 2021. From May 2021 to present, he has been serving as Part-Time Science Advisor for this company. Mr. Zhu can devote sufficient time to the Group’s affairs as he is serving as director at limited number of company and as a non-Executive director of our Company, he will not be engaged in the day-to-day management of our Group. Mr. Zhu is not serving as a director of any company that has potential conflict of interests with our Company.

Mr. Zhu obtained his bachelor’s degree in clinical medicine and master’s degree in oral and maxillofacial surgery from Shanghai Jiao Tong University School of Medicine (上海交通大學醫學院) in the PRC in June 1992 and June 1995, respectively.

Independent non-executive Directors

Ms. Ke Yang (柯楊), aged [70], is appointed as an independent non-executive Director and her appointment will be conditional and effective upon [REDACTED]. She is primarily responsible for providing independent opinion and judgment to the Board.

From August 2019 to present, she served as an independent non-executive Director of Shenzhen Tencent Computer System Co., Ltd. (深圳市騰訊計算機系統有限公司), a Chinese multinational technology conglomerate and holding company headquartered in Shenzhen. From July 2021 to present, she served as an independent non-executive Director of Keymed Biosciences Inc. (康諾亞生物醫藥科技有限公司), a comprehensive biopharmaceutical company focused on the independent research and development and production of innovative drugs.

Ms. Ke obtained her master’s degree in cell biology from Peking University Health Science Center (北京大學醫學院) in the PRC in October 1982.

Mr. Li Jia (李嘉), aged [45], is appointed as an independent non-executive Director and his appointment will be conditional and effective upon [REDACTED]. He is primarily responsible for providing independent opinion and judgment to the Board.

Mr. Li possesses approximately 20 years of experience in investment banking and corporate finance. Prior to joining our Group, he served as the chief financial officer of RemeGen Co., Ltd. (榮昌生物製藥(煙台)股份有限公司), a company listed on the Hong Kong Stock Exchange (HKEX: 9995), from February 2020 to September 2023. Previously, he was an executive director of Goldman Sachs, focusing on transactions in the healthcare field, the board secretary and assistant to the chairman of Hilong Holding Limited (海隆控股有限公司), a company listed on the Hong Kong Stock Exchange (HKEX: 1623), and various investment banking positions at Morgan Stanley, China Renaissance, and Barclays Capital in Asia and the United States.

Mr. Li obtained his bachelor’s degree in business administration and master’s degree in accountancy from University of Wisconsin-Madison in the U.S. in August 2003 and August 2004.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Zuo Ning (左寧), aged [61], is appointed as an independent non-executive Director and her appointment will be conditional and effective upon [REDACTED]. She is primarily responsible for providing independent opinion and judgment to the Board.

From July 1986 to September 1992, she served as a staff of Nanjing Bureau of Finance (南京市財政局). From September 1992 to December 2002, she served as a Director of Securities Department of Nanjing Trust and Investment Company (南京市信託投資公司), also known as Zijin Trust Co. Ltd. (紫金信託有限責任公司) now. At the same time, Ms. Zuo also served as a Branch General Manager of Nanjing Securities Co., Ltd. (南京證券股份有限公司). Ms. Zuo joined the Nanjing Hi-Tech Venture Capital Co., Ltd. (南京市高新技術風險投資股份有限公司) in January 2004, where she served as the chairperson from July 2017 to August 2018 and has been serving as a researcher since April 2018. From June 2013 to July 2016, she served as a Director of Hongbaoli Group Co., Ltd. (紅寶麗集團股份有限公司).

Ms. Zuo studied at Nanjing University of Finance and Trade (南京財貿學院), also known as Nanjing Audit University (南京審計大學) in the PRC from October 1983 to July 1986. Ms. Zuo obtained her master’s degree in agricultural extension in Nanjing Agricultural University (南京農業大學) in the PRC in December 2008. Ms. Zuo obtained Certificate of Accounting Professional issued by Nanjing Bureau of Finance (南京市財政局) in December 2002.

SENIOR MANAGEMENT

The following table sets forth certain information about our senior management:

Name	Age	Position for the current tenure	Time of joining the Group	Date of appointment as senior management	Roles and responsibility
Dr. Xiao Zuoxiang (孝作祥)	[61]	Chief executive officer	September 4, 2017	September 4, 2017	Responsible for overall strategic planning, decision-making, business direction and operational management
Mr. Shao Qing	[69]	Senior Vice president	April 29, 2025	August 1, 2025	Responsible for giving overall strategic advice on the business operations of the Company, the investment and financing matters of the Company and personnel management of the management team of the Company
Dr. Zhou Dongwen (周東文)	[48]	Vice president	November 1, 2018	July 5, 2021	Responsible for overall pre-clinical research and development of the Group
Mr. Li Shu Pai (李書湃)	[49]	Chief financial officer, Company secretary and Board secretary	March 23, 2026	March 27, 2026	Responsible for overseeing financial and investment activities of our Group
Ms. Wang Yanping	[44]	Chief operating officer of CentryMed US	August 6, 2018	September 1, 2023	Responsible for overseeing the operational strategy and execution for CentryMed US’s activities

DIRECTORS AND SENIOR MANAGEMENT

For biographical details of Dr. Xiao Zuoxiang (孝作祥), Mr. Shao Qing and Dr. Zhou Dongwen (周東文), see “—Directors—Executive Directors” in this section above.

Mr. Li Shu Pai (李書湃), former name Lee Shu Paai (李書湃), aged [49], has served as our Board secretary, Company secretary and chief financial officer of our Company since March 27, 2026. Mr. Li is primarily responsible for overseeing financial and investment activities of our Group.

From September 2001 to August 2007, Mr. Li served consecutively at PricewaterhouseCoopers with his last position as audit manager. From August 2007 to July 2009, he served as an associate at BOCI Asia Limited (中銀國際亞洲有限公司). From July 2010 to August 2011, he served as an associate at BNP Paribas Capital (Asia Pacific) Limited. From September 2011 to December 2013, he served as the deputy chief financial officer of Beijing Tong Ren Tang Chinese Medicine Co., Ltd. (北京同仁堂國藥有限公司), a company listed on the Hong Kong Stock Exchange (HKEX: 3613). From August 2014 to June 2015, he served as the chief financial officer of R2 Game Co., Limited. From July 2015 to December 2016, he served as the chief financial officer and joint company secretary of Chutian Dragon Co., Ltd. (楚天龍股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 003040.SZ). From December 2016 to September 2018, he served as the chief financial officer and company secretary of Perfectech International Holdings Limited (威發國際集團有限公司), a company listed on the Hong Kong Stock Exchange (HKEX: 0765). From July 2019 to December 2025, he served as the chief financial officer and company secretary of Meilleure Health International Industry Group Limited (美瑞健康國際產業集團有限公司), a company listed on the Hong Kong Stock Exchange (HKEX: 2327). From February 2021 to March 2021, he served as an independent non-executive director of Comtec Solar Systems Group Limited (卡姆丹克太陽能系統集團有限公司), a company listed on the Hong Kong Stock Exchange (HKEX: 0712). He has served as an independent non-executive Director of TransThera Sciences (Nanjing), Inc. (藥捷安康(南京)科技股份有限公司), a company listed on the Hong Kong Stock Exchange (HKEX: 2617) since June 2021. He has served as an independent non-executive Director of Beijing Haizhi Technology Group Co., Ltd. (北京海致科技集團股份有限公司), a company listed on the Hong Kong Stock Exchange (HKEX: 2706) since February 2026.

Mr. Li obtained his bachelor’s degree in business administration from City University of Hong Kong (香港城市大學) in November 2001 in Hong Kong. He received his master’s degree in business administration from The Hong Kong University of Science and Technology (香港科技大學) in June 2014 in Hong Kong. Mr. Li was admitted as a Certified Public Accountant and a fellow member of the Hong Kong Institute of Certified Public Accountants in October 2004 and February 2012, respectively. He was also admitted as a fellow member of Association of Chartered Certified Accountants in July 2017.

Ms. Wang Yanping, aged [44], has been the chief operating officer of CentryMed US, a wholly-owned subsidiary of our Company, since September 2021. Ms. Wang first joined our Group as a manager in August 2018 and served in this role until August 2021. Ms. Wang is primarily responsible for overseeing the operational strategy and execution for CentryMed US’s activities.

Ms. Wang has over 10 years of hands-on experience in antibody drug development and brings deep expertise in monoclonal cell line generation, antibody expression, purification and endotoxin removal. She served as a researcher at National Cancer Institute in the U.S. since 2014.

Ms. Wang obtained a Bachelor of Science degree in biotechnology from Nankai University (南開大學) in the PRC in June 2004.

GENERAL

Saved as disclosed above, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, as of the Latest Practicable Date, none of our Directors and senior management had been a director of any public company the securities of which

DIRECTORS AND SENIOR MANAGEMENT

were listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Document. There are no other matters with respect to the appointment of our Directors that need to be brought to the attention of the Shareholders, nor is there any information relating to our Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

As of the Latest Practicable Date, none of our Directors or senior management were related to other Directors and senior management of our Company.

Saved as disclosed in the sections headed “Relationship with Our Controlling Shareholders,” “Substantial Shareholders” and “Appendix IV — Statutory and General Information — 4. Disclosure of Interests — Disclosure of Interests of Directors,” as of the Latest Practicable Date, none of our Directors held any interest in the securities within the meaning of Part XV of the SFO.

COMPANY SECRETARY

Mr. Li Shu Pai (李書潋), aged [49], was appointed as the company secretary of our Company on March 27, 2026. Mr. Li is also a member of senior management of our Company. For further details, see the paragraphs headed “Senior Management” in this section.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code, Appendix C1 to the Listing Rules, our Company has formed three Board committees, namely the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee.

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.4 and paragraph D.3 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Audit Committee consists of three Directors, namely, Mr. Li Jia, Ms. Ke Yang and Ms. Zuo Ning. Mr. Li Jia, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules, serves as the chairperson of the Audit Committee. The primary duties of the Audit Committee include, but not limited to, the following: (i) proposing the appointment or change of external auditors to our Board, monitoring the independence of external auditors and evaluating their performance; (ii) guiding internal audit work; (iii) examining the financial information of our Company, reviewing financial reports and statements of our Company and giving comments on relevant matters; (iv) assessing the effectiveness of internal control; (v) coordinating the communication among management, internal audit department, related departments and external audit agency; and (vi) dealing with other matters that are authorized by the Board or involved in relevant laws and regulations.

Remuneration and Appraisal Committee

We have established a Remuneration and Appraisal Committee with written terms of reference in compliance with paragraph E.1 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Remuneration and Appraisal Committee consists of three Directors, namely Ms. Ke Yang, Mr. Shao Qing and Mr. Li Jia. Ms. Ke Yang serves as the chairperson of the Remuneration and Appraisal Committee. The primary duties of the Remuneration and Appraisal Committee include, but not limited to, the following: (i) formulating individual remuneration plans for Directors and members of the senior management in accordance with the terms of reference of the job responsibilities, the importance of their positions as well as the remuneration benchmarks for the relevant positions in other comparable companies; (ii) examining the criteria of performance evaluation of Directors and the senior management of our Company, and conducting annual

DIRECTORS AND SENIOR MANAGEMENT

performance evaluation; (iii) supervising the implementation of the remuneration plan of the Company; (iv) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules; and (v) dealing with other matters that are authorized by the Board.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with paragraph B.3 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Nomination Committee consists of three Directors, namely Dr. Xiao Zuoxiang, Ms. Ke Yang and Ms. Zuo Ning. Dr. Xiao Zuoxiang serves as the chairperson of the Nomination Committee. The primary duties of the Nomination Committee include, but not limited to, the following: (i) making recommendations to our Board with regards to the size and composition of our Board based on our Company’s business operation, asset scale and equity structure; (ii) researching and developing standards and procedures for the election of our Board members, general managers and members of the senior management, and making recommendations to our Board; (iii) conducting extensive search and providing to our Board suitable candidates for Directors, general managers and other members of the senior management; (iv) examining our Board candidates, general manager and other members of the senior management and making recommendations to our Board; (v) assessing and reviewing the independence of independent non-executive Directors; and (vi) dealing with other matters that are authorized by our Board.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

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, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

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 on November 5, 2025, and (ii) understands his or her obligations as a director of a [REDACTED] under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The Directors and senior management receive their remuneration in the form of Directors’ salary allowances, contributions to our retirement benefit scheme, discretionary bonuses and other benefits in kind (if applicable).

DIRECTORS AND SENIOR MANAGEMENT

For the two years ended December 31, 2024 and 2025, the total remuneration paid to our then Directors amounted to RMB5.1 million and RMB12.1 million, respectively.

Under the arrangement currently in force, we estimate the total compensation before taxation to be accrued to our Directors in kind for their service for the year ending December 31, 2026 to be approximately RMB8.6 million. The actual remuneration of Directors in 2026 may be different from the expected remuneration.

For the two years ended December 31, 2024 and 2025, the total emoluments paid to the five highest paid individuals (including Directors) by our Group amounted to RMB7.9 million and RMB23.5 million, respectively.

For the two years ended December 31, 2024 and 2025, no fees were paid by our Group to any of the Directors, or the five highest paid individuals as an inducement to join us or as compensation for loss of office.

Save as disclosed above, none of the Directors waived their remuneration during the relevant period. The remuneration of Directors and senior management is determined with reference to factors including operating results of our Company, market comparable and the achievement of major operating indicators of our Company.

CORPORATE GOVERNANCE

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 Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the [REDACTED].

Pursuant to code provision C.2.1 of the Corporate Governance Code, companies [REDACTED] on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate Chairman and Chief Executive Officer and Dr. Xiao currently performs these two roles. Our Board believes that, in view of his experience, personal profile and his roles in our Company as mentioned above, Dr. Xiao is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as our Chief Executive Officer. The Board also believes that vesting the roles of both Chairman and Chief Executive Officer in the same person has the benefit of (i) ensuring consistent leadership within the Group, (ii) enabling more effective and efficient overall strategic planning and execution of strategic initiatives of the Board, and (iii) facilitating the flow of information between the management and the Board for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired, and this arrangement will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of Chairman and the Chief Executive Officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

Save as disclosed above, our Directors consider that upon [REDACTED], we will comply with all applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

BOARD DIVERSITY POLICY

We are committed to promoting the culture of diversity in the Company. We have strived to promote diversity to the extent practicable by taking into consideration a number of factors in our corporate governance structure.

DIRECTORS AND SENIOR MANAGEMENT

We have adopted the board diversity policy (the “**Board Diversity Policy**”) which sets out the objective and approach to achieve and maintain diversity of our Board in order to enhance the effectiveness of our Board. Pursuant to the board diversity policy, we seek to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, race, cultural background, educational background, industry experience and professional experience. Our Directors have a balanced mix of knowledge and skills, including knowledge and experience in the areas of international healthcare industry, capital markets, oncology, immunopathology, and innovative antibody drug development. They obtained degrees in various areas including chemistry, medicine, biology, business administrative and philosophy. Our Board Diversity Policy is well implemented as evidenced by the fact that there are Directors ranging from 34 years old to 70 years old and comprises two female Directors and seven male Directors. We will use our best efforts to maintain at least 10% female representation in the Board and continue to take steps to promote diversity at all levels of the Company to enhance the effectiveness of corporate governance of the Company as a whole.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After the [REDACTED], our Nomination Committee will review the board diversity policy from time to time, develop and review measurable objectives for implementing the policy, and monitor the progress on achieving these measurable objectives to ensure its continued effectiveness. We will disclose in our corporate governance report about the implementation of the board diversity policy on an annual basis.

COMPLIANCE ADVISER

We have appointed Ignite Capital (Asia Pacific) Limited as our compliance adviser (the “**Compliance Adviser**”) pursuant to Rule 3A.19 of the Listing Rules. The Compliance Adviser will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Adviser will advise our Company in certain circumstances including:

- (a) before the publication of any regulatory announcement, circular or financial report;
- (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (c) where we propose to use the [REDACTED] of 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
- (d) where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the [REDACTED] or [REDACTED] of its [REDACTED] securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Adviser will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The Compliance Adviser will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the appointment 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].

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), Dr. Xiao, indirectly through (i) Hangzhou Haomai, a company wholly owned by Dr. Xiao, (ii) Hangzhou Dimai, a limited partnership managed and controlled by Hangzhou Haomai, which in turn is wholly owned by Dr. Xiao, and (iii) Hangzhou Shimai, a limited partnership managed and controlled by Dr. Xiao, will control an aggregate of [REDACTED]% of our total issued share capital. Accordingly, Dr. Xiao, Hangzhou Haomai, Hangzhou Dimai and Hangzhou Shimai will be our Controlling Shareholders upon [REDACTED].

For details of Dr. Xiao, see the section headed “Directors and Senior Management.”

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that we are capable of carrying on our business independently from our Controlling Shareholders and their close associates after the [REDACTED], taking into consideration the factors below.

Management Independence

We are able to carry on our business independently from our Controlling Shareholders from a management perspective. Our Board consists of nine Directors, including three executive Directors, three non-executive Directors and three independent non-executive Directors.

- (a) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;
- (b) our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group. For details of the industry experience of our senior management team, see “Directors and Senior Management;”
- (c) we have three independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review;
- (d) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting; and
- (e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. For details, see “—Corporate Governance.”

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Group independently from our Controlling Shareholders and their close associates after the [REDACTED].

Operational Independence

We do not rely on our Controlling Shareholders and their close associates for our business development, staffing, logistics, administration, finance, internal audit, information technology, sales and marketing, or company secretarial functions. We have our own departments specializing

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

in these respective areas which have been in operation and are expected to continue to operate separately and independently from our Controlling Shareholders and their close associates. In addition, we have our own headcount of employees for our operations and management for human resources.

We have independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We are also in possession of all relevant licenses, certificates, facilities and intellectual property rights necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders and their close associates.

Financial Independence

We have an independent financial system and make financial decisions according to our Group’s own business needs. We have internal control and accounting systems and an independent finance department for discharging the treasury function. We have sufficient capital to operate our business independently, and have adequate internal resources and working capital to support our daily operations. We do not expect to rely on our Controlling Shareholders and their close associates for financing after the [REDACTED] as we expect that our working capital will be funded by cash flows generated from operating activities, equity financing, bank loans as well as the [REDACTED] from the [REDACTED].

In addition, we are capable of obtaining financing from independent third parties without relying on any guarantee or security provided by our Controlling Shareholders or their respective associates. As of the Latest Practicable Date, there was no outstanding loans or guarantees provided by or granted to our Controlling Shareholders or their respective associates. During the Track Record Period and as of the Latest Practicable Date, we had also received a series of Pre-[REDACTED] Investments from third party investors independently. For details of the Pre-[REDACTED] Investments, see “History, Development and Corporate Structure.”

Based on the above, our Directors believe that we do not place undue reliance on our Controlling Shareholders upon the [REDACTED].

INTERESTS OF OUR CONTROLLING SHAREHOLDERS IN OTHER BUSINESSES

Save for the interests of our Controlling Shareholders in our Company and its subsidiary, our Controlling Shareholders and the Directors confirm that as of the Latest Practicable Date, they did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”), which sets out principles of good corporate governance.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Our Directors recognize the importance of good corporate governance in protection of our Shareholders’ interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

- (a) where a Shareholders’ meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their respective associates has a material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;
- (b) our Company has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if our Company enters into connected transactions with a substantial shareholder or any of his/its associates, our Company will comply with the applicable Listing Rules;
- (c) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between the Group and our Controlling Shareholders (the “**Annual Review**”) and provide impartial and professional advice to protect the interests of our minority Shareholders;
- (d) our Controlling Shareholders will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the Annual Review;
- (e) our Company will disclose decisions (with basis) on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements;
- (f) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company’s expenses; and
- (g) we have appointed Ignite Capital (Asia Pacific) Limited as our Compliance Advisor to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Controlling Shareholders, and to protect minority Shareholders’ interests after the [REDACTED].

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] and assuming the [REDACTED] is not exercised, the following persons will have interests and/or short positions in the Shares or underlying Shares of our Company which would fall to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of interest	Shares held as of the Latest Practicable Date		Immediately following the [REDACTED] and the Share Subdivision (assuming that the [REDACTED] is not exercised) ⁽¹⁾		
		Number of Shares (as adjusted by the Share Subdivision)	Approximate percentage of shareholding in our total share capital	Number of Shares	Approximate percentage of shareholding in the relevant class of Shares	Approximate percentage of shareholding in our total share capital ⁽¹⁾
			(%)		(%)	(%)
Dr. Xiao ⁽²⁾	Interest in controlled corporations	98,149,300	50.34	[REDACTED] H Shares	[REDACTED]	[REDACTED]
Hangzhou Dimai ⁽²⁾	Beneficial owner	58,972,920	30.25	[REDACTED] H Shares	[REDACTED]	[REDACTED]
Hangzhou Haomai ⁽²⁾	Beneficial owner	27,766,730	14.24	[REDACTED] H Shares	[REDACTED]	[REDACTED]
Hangzhou Shimai ⁽²⁾	Beneficial owner	11,409,650	5.85	[REDACTED] H Shares	[REDACTED]	[REDACTED]
Hangzhou Tigermed Consulting Co., Ltd. (杭州泰格醫藥科技股份有限公司) (“Hangzhou Tigermed”) ⁽³⁾	Interest in controlled corporations	15,399,920	7.90	[REDACTED] H Shares [REDACTED] Unlisted Shares	[REDACTED]	[REDACTED]
Mr. Ding Shizhe ⁽⁴⁾	Interest in controlled corporations	11,962,190	6.13	[REDACTED] H Shares [REDACTED] Unlisted Shares	[REDACTED]	[REDACTED]
Bian Zhuang	Interest in controlled corporations	3,689,900	1.89	[REDACTED] Unlisted Shares	[REDACTED]	[REDACTED]
Xiamen Gaotejia Ruilu Venture Capital Partnership (Limited Partnership) (廈門高特佳瑞鷺創業投資合夥企業(有限合夥)) (“Xiamen Gaotejia”) ⁽⁵⁾	Beneficial owner	3,689,900	1.89	[REDACTED] Unlisted Shares	[REDACTED]	[REDACTED]
Ms. Zhang Ping ⁽⁶⁾	Beneficial owner	1,229,970	0.63	[REDACTED] Unlisted Shares	[REDACTED]	[REDACTED]

Notes:

(L) All interests stated are long positions.

(1) The calculation is based on the assumption that (i) the conversion of the [REDACTED] Unlisted Shares (as adjusted by the Share Subdivision) in issue into H Shares; and (ii) the [REDACTED] is not exercised, the total number of issued Shares of the Company immediately upon completion of the [REDACTED] will be [REDACTED] H Shares.

SUBSTANTIAL SHAREHOLDERS

- (2) As (i) Hangzhou Haomai is a company wholly owned by Dr. Xiao, (ii) Hangzhou Dimai is a limited partnership managed and controlled by Hangzhou Haomai, which in turn is wholly owned by Dr. Xiao, and (iii) Hangzhou Shimai is a limited partnership managed and controlled by Dr. Xiao, Dr. Xiao is deemed to be interested in the Shares held by Hangzhou Haomai, Hangzhou Dimai and Hangzhou Shimai upon the completion of the [REDACTED] under the SFO.
- (3) The general partner of Hangzhou Taikun Equity Investment Fund Partnership Enterprise (Limited Partnership) (杭州泰鯤股權投資基金合夥企業(有限合夥)) (“**Hangzhou Taikun**”) is Hangzhou Tailong Venture Capital Partnership Enterprise (Limited Partnership) (杭州泰龍創業投資合夥企業(有限合夥)) (“**Hangzhou Tailong**”), which in turn is held as to approximately 99% partnership interests by Hangzhou Taige Equity Investment Partnership (Limited Partnership) (杭州泰格股權投資合夥企業(有限合夥)) (“**Hangzhou Taige**”). Hangzhou Taige also holds 49% partnership interests in Hangzhou Taikun. Hangzhou Tigermed Consulting Co., Ltd. (杭州泰格醫藥科技股份有限公司) (“**Hangzhou Tigermed**”) holds approximately 99.99% partnership interests in Hangzhou Taige.

Hangzhou Taiyu Phase II Equity Investment Fund Partnership (Limited Partnership) (杭州泰譽二期股權投資基金合夥企業(有限合夥)) (“**Taiyu Investment**”) is managed by its general partner, Hangzhou TigerYeah Investment Consulting Co., Ltd. (杭州泰煜投資諮詢有限公司) (“**Hangzhou TigerYeah**”). Hangzhou TigerYeah is in turn controlled by Hangzhou Tigermed as to approximately 51.00% of the equity interest therein.

Therefore, Hangzhou Tigermed is deemed to be interested in the Shares held by Hangzhou Taikun and Taiyu Investment upon the completion of the [REDACTED] under the SFO.

- (4) Hangzhou Beicheng Venture Capital Partnership (Limited Partnership) (杭州貝橙創業投資合夥企業(有限合夥)) (“**Beicheng Venture**”) is a limited partnership managed by Hangzhou Beijia Investment Management Co., Ltd. (杭州貝加投資管理有限責任公司) (“**Hangzhou Beijia**”) as its general partner. Hangzhou Beiyi Equity Investment Fund Partnership (Limited Partnership) (杭州貝奕股權投資基金合夥企業(有限合夥)) (“**Hangzhou Beiyi**”) is a limited partnership managed by Hangzhou Beijia as its general partner. Hangzhou Beijia is in turn held as to 90% by Mr. Ding Shizhe (丁師哲), our non-executive Director. Therefore, Mr. Ding Shizhe is deemed to be interested in the Shares held by Beicheng Venture and Hangzhou Beiyi upon the completion of the [REDACTED] under the SFO.
- (5) Xiamen Gaotejia is managed by its general partners, Xiamen Gaotejia Honglu Investment Partnership (Limited Partnership) (廈門高特佳弘鷺投資合夥企業(有限合夥)) and Shenzhen Gaotejia Hongrui Venture Capital Co., Ltd. (深圳市高特佳弘瑞創業投資有限公司), the ultimate beneficial owner of which is Bian Zhuang (卞庄). None of the limited partners of Xiamen Gaotejia hold 30% or more of its partnership interest. Therefore, Bian Zhuang, Xiamen Gaotejia Honglu Investment Partnership (Limited Partnership) and Shenzhen Gaotejia Hongrui Venture Capital Co., Ltd. are deemed to be interested in the Shares held by Xiamen Gaotejia upon the completion of the [REDACTED] under the SFO.
- (6) Ms. Zhang Ping (張萍) is a PRC resident and an individual Pre-[REDACTED] Investor of the Company.

Save as disclosed above and the section headed “Appendix IV—Statutory and General Information—4. Disclosure of Interests,” our Directors are not aware of any person who will, immediately following 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 be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company or any other member of our Group.

SHARE CAPITAL

This section presents certain information regarding our share capital before and upon completion of the [REDACTED].

BEFORE THE [REDACTED]

As of the Latest Practicable Date, the registered capital of our Company was RMB19,495,578, comprising 19,495,578 Unlisted Shares in issue of nominal value RMB1.0 each.

UPON COMPLETION OF THE [REDACTED]

Immediately following completion of the [REDACTED] and the Share Subdivision, the share capital of our Company immediately following completion of the [REDACTED] will be as follows:

Description of Shares	Number of Shares (assuming the [REDACTED] is not exercised)	Approximate percentage to total share capital (assuming the [REDACTED] is not exercised)	Number of Shares (assuming the [REDACTED] is fully exercised)	Approximate percentage to total share capital (assuming the [REDACTED] is fully exercised)
		(%)		(%)
Unlisted Shares in issue	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
H Shares to be converted from Unlisted Shares	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00	[REDACTED]	100.00

RANKING

Upon completion of the [REDACTED], we would have only one class of Shares. H Shares and Unlisted Shares are all ordinary Shares in the share capital of our Company. However, apart from certain [REDACTED] in the PRC, the qualified PRC [REDACTED] under the Shanghai — Hong Kong Stock Connect or the Shenzhen — Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or [REDACTED] between legal or natural persons of the PRC.

Unlisted Shares and H Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Document. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars or in the form of H Shares.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

The Company [has filed] for application for a “full circulation” of all the [REDACTED] Unlisted Shares (as adjusted by the Share Subdivision), and [submitted] the application reports, authorization documents of the shareholders of Unlisted Shares for which an H-share “full circulation” are applied, explanation about the compliance of share acquisition and other documents in accordance with the requirements of the CSRC.

The relevant filings, registration and approval process of the conversion of [REDACTED] Unlisted Shares (as adjusted by the Share Subdivision) held by each of the existing Shareholders into H Shares on a one-for-one basis [have been] completed and an application [has been] made to the [REDACTED] Committee for such H Shares to be [REDACTED] on the Stock Exchange.

SHARE CAPITAL

Upon completion of the [REDACTED], if any of our Shares are not [REDACTED] or [REDACTED] on any stock exchange, the holders of our Unlisted Shares may convert their Shares into H Shares provided such conversion shall have gone through any requisite internal approval process and complied with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the overseas stock exchange(s) and have completed the required filing with the securities regulatory authorities of the State Council, including the CSRC. The [REDACTED] of such converted Shares on the Hong Kong Stock Exchange will also require the approval of the Stock Exchange.

Based on the procedures for the conversion of our Unlisted Shares into H Shares as disclosed in this section, we can apply for the [REDACTED] of all or any portion of our Unlisted Shares on the Hong Kong Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Hong Kong Stock Exchange and delivery of Shares for entry on the [REDACTED]. As any [REDACTED] of additional Shares after our [REDACTED] on the Hong Kong Stock Exchange is ordinarily considered by the Hong Kong Stock Exchange to be a purely administrative matter, it will not require such prior application for [REDACTED] at the time of our [REDACTED] in Hong Kong.

No class Shareholder voting is required for the [REDACTED] and [REDACTED] of the converted Shares on the Hong Kong Stock Exchange. Any application for [REDACTED] of the converted Shares on the Hong Kong Stock Exchange after our [REDACTED] is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed conversion.

After all the requisite approvals have been obtained, the following procedures will need to be completed: the relevant Unlisted Shares will be withdrawn from the Share register and we will re-register such Shares on our [REDACTED] maintained in Hong Kong and instruct the [REDACTED] to issue [REDACTED]. Registration on our [REDACTED] will be on the condition that (a) our [REDACTED] lodges with the Hong Kong Stock Exchange a letter confirming the proper entry of the relevant H Shares on the [REDACTED] of members and the due dispatch of [REDACTED] and (b) the admission of the H Shares to [REDACTED] on the Hong Kong Stock Exchange will comply with the Listing Rules and the [REDACTED] and the [REDACTED] in force from time to time. Until the converted Shares are re-registered on our [REDACTED], such Shares would not be [REDACTED] as H Shares.

For further details, see “Risk Factors—Risk Relating to the [REDACTED]—Future sales or perceived sales of substantial amounts of our H Shares in the [REDACTED] could have a material and adverse effect on the [REDACTED] of our H Shares and our ability to raise additional capital in the future.”

TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

Pursuant to the PRC Company Law, our Shares issued prior to the [REDACTED] shall not be transferred within one year from the [REDACTED].

REGISTRATION OF SHARES NOT [REDACTED] ON AN OVERSEAS STOCK EXCHANGE

According to the Overseas Listing Trial Measures, our Company is required to register and deposit our Shares that are not [REDACTED] on the overseas stock exchange with the China Securities Depository and Clearing Corporation Limited upon the [REDACTED] and provide a written report to the CSRC regarding the centralized registration and deposit of our Shares that are not [REDACTED] on the overseas stock exchange as well as the [REDACTED] and [REDACTED] of our H Shares.

SHAREHOLDERS’ GENERAL MEETING

For details of circumstances under which our Shareholders’ general meeting are required, see “Summary of Articles of Association of the Company” in Appendix III to this Document.

GENERAL MANDATES TO ISSUE SHARES

Subject to the [REDACTED] becoming unconditional, our Directors have been granted general unconditional mandates to issue our Shares. See “Appendix IV—Statutory and General Information—1. Further Information about our Company—Shareholders’ Resolutions” for further details.

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our consolidated financial information including the notes thereto, included in the Accountant’s Report set out in Appendix I to this Document. Our consolidated financial information has been prepared in accordance with IFRS, which may differ in material aspects from generally accepted accounting principles in other jurisdictions.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, many of which we cannot control or foresee. In evaluating our business, you should carefully consider all of the information provided in this Document, including the sections headed “Risk Factors” and “Business.”

For the purpose of this section, unless the context otherwise requires, references to 2024 and 2025 refer to our financial years ended December 31 of such years. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

Founded in 2017, we are a clinical-stage biotech company focused on the development of T-cell engager (“TCE”) therapy. TCEs are bispecific or multispecific antibodies engineered to redirect and activate T cells by simultaneously binding tumor-associated antigens (“TAAs”) on tumor cells and receptors on T cells to induce targeted cytotoxicity. We identified early on the differentiated potential of TCE, a new generation of immunotherapy designed to harness and direct the body’s immune system against cancer. Possessing deep insights and innovative capabilities in a high-growth industry, we translate these insights into clinical-stage products, driving our progress from concept to development. We have developed masked TCEs, which can be selectively activated in tumors, for the treatment of solid tumors. As a rapidly evolving therapeutic modality in oncology, the global TCE market reached approximately US\$3.0 billion in 2024 and is expected to reach US\$121.1 billion by 2035 at a CAGR of 40.0%. China’s TCE market reached approximately RMB0.7 billion in 2024 and is expected to reach RMB159.6 billion by 2035 at a CAGR of 63.8%.

As of the Latest Practicable Date, we had four in-house, clinical-stage drug candidates, including (i) DNV3, an advanced TCM targeting LAG-3, (ii) SMET12, an innovative intravenous EGFR×CD3 TCE, (iii) CMD011, an advanced GPC3×CD3 TCE, and (iv) CMDE005, an innovative EGFR×CD3 masked TCE. In addition, we have two preclinical-stage drug candidates for multifunctional/logic-gated TCE, CMDE101 and CMDE102, which are trispecific masked TCEs targeting FOLR1×PD-L1×CD3 and PSMA×PD-L1×CD3, respectively.

BASIS OF PRESENTATION AND PREPARATION

The consolidated financial information has been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise all International Accounting Standards (“IASs”) and interpretations issued by the International Accounting Standards Board (the “IASB”),

FINANCIAL INFORMATION

and accounting principles generally accepted in Hong Kong. All IFRSs effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been adopted by us in the preparation of the consolidated financial information for the Track Record Period.

The consolidated financial information has been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value at the end of each of the relevant periods, as explained in the respective accounting policies set out in the Accountants’ Report in Appendix I to this Document. The consolidated financial information is presented in Renminbi (“RMB”), and all values are rounded to the nearest thousand unless otherwise indicated. The preparation of the consolidated financial information in conformity with IFRSs requires the use of certain critical accounting estimates and also requires our management to exercise its judgment in the process of applying our accounting policies.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations and financial condition have been, and are expected to continue to be, principally affected by a number of factors, many of which may be beyond our control. A discussion of the key factors is set out below.

Development and Commercialization of Our Drug Candidates

Our business and results of operations depend on our ability to successfully develop, obtain regulatory approvals for, and commercialize our drug candidates. Our research and development efforts primarily focus on applying TCE to solid tumors. As of the Latest Practicable Date, we had established a diversified pipeline comprising four in-house, clinical-stage drug candidates.

A number of our drug candidates have advanced into Phase I or Phase II clinical trials in China, targeting solid tumors such as melanoma, HCC and NSCLC. Several of our programs have also obtained IND approvals from both the NMPA and the FDA, demonstrating our clinical and regulatory execution capability across key jurisdictions. We expect our results of operations to continue to be affected by the progress of our ongoing clinical programs, including patient enrollment, data readouts, and regulatory interactions, as well as by the outcomes of preclinical studies that support new IND applications and indication expansion.

We intend to continue advancing our pipeline through a combination of in-house research and strategic collaborations. Our commercialization strategy focuses on accelerating clinical development, securing regulatory approvals and establishing collaboration or out-licensing arrangements with reputable global or regional biopharmaceutical partners to enhance commercialization and market access. Our ability to successfully develop, obtain approvals for and commercialize our drug candidates will continue to be a key factor affecting our business, financial condition, results of operations and prospects.

Our Cost Structure

Our results of operations are significantly affected by our cost structure, of which our research and development costs are a major component.

We believe our ability to successfully develop drug candidates is the primary factor affecting our long-term growth and competitiveness. Developing quality drug candidates requires substantial financial investments over a prolonged period of time, and a core part of our strategy is to continue making sustained investments in this area. As a result of this commitment, we have invested a significant amount of financial resources in research and development to advance and expand our pipeline of clinical- and preclinical-stage drug candidates. The research and development costs we

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incurred for the years ended December 31, 2024 and 2025 amounted to RMB53.4 million and RMB46.6 million, respectively. See “—Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income—Research and Development Costs” for detailed information.

We expect our research and development costs to continue to represent a major component in our cost structure. We expect our cost structure to evolve as we continue to develop and expand our business. Beyond research and development costs, we anticipate increasing legal, compliance, accounting, insurance and [REDACTED] and public relations expenses associated with being a [REDACTED] in Hong Kong.

Funding for Our Operations

During the Track Record Period, we funded our operations primarily through bank loans and equity financing. We have also benefited from research subsidies and project funding provided by local government authorities to support the development of our drug candidates and related technology platforms. Going forward, prior to the commercialization of our drug candidates, we expect to continue funding our operations mainly through bank loans and equity financing, including [REDACTED] from the [REDACTED], as well as potential strategic partnerships or collaboration and licensing arrangements. In the longer term, following the successful commercialization of one or more of our drug candidates, we expect to primarily fund our operations with revenue generated from product sales. Any fluctuation in the funding for our operations will impact our cash flow and results of operations.

MATERIAL ACCOUNTING POLICY INFORMATION

Our discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with accounting principles that conform with International Financial Reporting Standards (the “IFRSs”). The preparation of these financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses. We evaluate our estimates and judgments on an ongoing basis, and our actual results may differ from these estimates. We base our estimates on historical experience, known trends and events, contractual milestones and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

For details of the critical accounting policies, estimates, assumptions and judgments involved in the preparation of financial statements of our Group, see Notes 2.3 and 3 to the Accountants’ Report as set forth in Appendix I to this document.

DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth our consolidated statements of profit or loss and other comprehensive income for the periods indicated.

	For the Year ended December 31,	
	2024	2025
	(RMB in thousands)	
Other income and gains	6,618	9,372
Research and development costs	(53,382)	(46,589)

FINANCIAL INFORMATION

	For the Year ended December 31,	
	2024	2025
	<i>(RMB in thousands)</i>	
Administrative expenses	(12,188)	(43,107)
Other expenses	(62)	(173)
Finance costs	(885)	(463)
LOSS BEFORE TAX	(59,899)	(80,960)
Income tax expense	—	—
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(59,899)	(80,960)
Attributable to:		
Owners of the parent	(59,899)	(80,960)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		
Basic and diluted (RMB)	(3.39)	(4.51)

Other Income and Gains

Our other income consists of (i) government grants, primarily representing subsidies received from local government authorities to support our operation and research and development activities, which are one-off subsidies obtained upon the approval by local government authorities following their assessment process, (ii) interest income, primarily representing interest income from our cash and cash equivalents and time deposits in the bank, and (iii) others; and our gains consist of (i) gain on fair value changes of financial assets at FVTPL and (ii) net foreign gains. The government grants are subject to certain conditions and are received based on the progress of the relevant R&D. Such conditions include clinical approvals, patent approvals and others. We have the ability to satisfy such conditions. Other income and gains for the years ended December 31, 2024 and 2025 were RMB6.6 million and RMB9.4 million, respectively.

The following table sets forth a breakdown of our other income and gains for the periods indicated.

	For the Year ended December 31,	
	2024	2025
	<i>(RMB in thousands)</i>	
Other income		
Government grants	471	5,370
Interest income	764	1,458
Others	56	36
Subtotal	1,291	6,864
Gains		
Gain on fair value changes of financial assets at FVTPL	5,327	2,508
Subtotal	5,327	2,508
Total	6,618	9,372

FINANCIAL INFORMATION

Research and Development Costs

Our research and development costs consists of (i) clinical research and technical service fees, (ii) staff costs, (iii) raw materials and consumables, (iv) depreciation and amortization, and (v) others. The following table sets forth a breakdown of our research and development costs for the periods indicated.

	For the Year ended December 31,	
	2024	2025
	<i>(RMB in thousands)</i>	
Clinical research and technical service fees	24,969	20,462
Staff costs	17,361	17,414
Raw materials and consumables	3,998	2,275
Depreciation and amortization	5,992	5,315
Others	1,062	1,123
Total	53,382	46,589

For the years ended December 31, 2024 and 2025, our research and development costs attributable to our Core Products were RMB23.2 million and RMB26.7 million, respectively, representing 43.5% and 57.4% of our total research and development costs in the corresponding periods, respectively.

The research and development costs attributable to our Core Product DNV3, consisting of (i) clinical research and technical service fees, (ii) staff costs, (iii) raw materials and consumables, (iv) depreciation and amortization, and (v) others, were RMB11.3 million and RMB19.4 million for the years ended December 31, 2024 and 2025, respectively.

The following table sets forth a breakdown of research and development costs attributable to our Core Product DNV3 during the Track Record Period.

	For the Year ended December 31,	
	2024	2025
	<i>(RMB in thousands)</i>	
Clinical research and technical service fees	4,311	9,793
Staff costs	4,050	5,817
Depreciation and amortization	1,142	2,212
Raw materials and consumables	1,281	977
Others	496	593
Total	11,280	19,392

The research and development costs attributable to our Core Product SMET12, consisting of (i) clinical research and technical service fees, (ii) staff costs, (iii) raw materials and consumables, (iv) depreciation and amortization, and (v) others, were RMB11.9 million and RMB7.4 million for the years ended December 31, 2024 and 2025, respectively. The decrease in research and development costs attributable to our Core Product SMET12 was primarily due to certain exploratory combination studies conducted for SMET12 in 2024, and no expenses were incurred for such studies in 2025.

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The following table sets forth a breakdown of research and development costs attributable to our Core Product SMET12 during the Track Record Period.

	For the Year ended December 31,	
	2024	2025
	(RMB in thousands)	
Staff costs	4,397	2,468
Clinical research and technical service fees	4,349	3,461
Depreciation and amortization	1,208	839
Raw materials and consumables	1,443	370
Others	538	216
Total	11,935	7,354

Administrative Expenses

Our administrative expenses consist of (i) staff costs, (ii) share-based compensation expenses, (iii) professional service expenses, (iv) depreciation and amortization, which includes depreciation of right-of-use assets and property, plant and equipment and amortization of intangible assets, (v) others, and (vi) [REDACTED] expense. The following table sets forth a breakdown of our administrative expenses for the periods indicated.

	For the Year ended December 31,	
	2024	2025
	(RMB in thousands)	
Staff costs	8,189	7,639
Share-based compensation expenses	—	18,024
Professional service expenses	1,692	1,083
Depreciation and amortization	1,772	1,296
Others	535	1,166
[REDACTED] expense	—	[REDACTED]
Total	12,188	43,107

Other Expenses

During the Track Record Period, we incurred a small amount of other expenses, which was primarily attributable to foreign exchange gains or losses. Other expenses for the years ended December 31, 2024 and 2025 were RMB62 thousand and RMB173 thousand, respectively.

Finance Costs

Our finance costs consist of (i) interest on bank borrowings and (ii) interest on lease liabilities. Our finance costs for the years ended December 31, 2024 and 2025 were RMB885 thousand and RMB463 thousand, respectively. The following table sets forth a breakdown of our finance costs for the periods indicated.

	For the Year ended December 31,	
	2024	2025
	(RMB in thousands)	
Interest on bank borrowings	774	277
Interest on lease liabilities	111	186
Total	885	463

FINANCIAL INFORMATION

Income Tax

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of our Group are domiciled and operate.

PRC

Pursuant to the Corporate Income Tax Law of the People’s Republic of China and the respective regulations (the “**CIT Law**”), we are subject to corporate income tax at a rate of 25% on the taxable income during the Track Record Period.

Pursuant to the relevant CIT Law, we enjoyed a super deduction of 200% on qualified research and development costs so incurred as tax deductible expenses when determining their assessable profits for the Track Record Period.

The United States

Our subsidiary incorporated and operated in the state of Maryland of the USA is subject to the federal statutory income tax rate at 21% and the state income tax rate at 8.25% during the Track Record Period.

YEAR-TO-YEAR COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Other Income and Gains

Our other income and gains increased from RMB6.6 million for the year ended December 31, 2024 to RMB9.4 million for the year ended December 31, 2025. The increase was primarily attributable to an increase in government grants of RMB4.9 million, which was due to the completion and acceptance of a government grant project.

Research and Development Costs

Our research and development costs decreased by 12.7% from RMB53.4 million for the year ended December 31, 2024 to RMB46.6 million for the year ended December 31, 2025. The decrease was primarily attributable to a decrease in clinical research and technical service fees of RMB4.5 million, due to our more selective approach in evaluating early-stage preclinical programs. By prioritizing projects with higher clinical and commercial potential, and terminating those with low technical barriers or intense competition, we have focused its R&D resources on high-potential clinical-stage products.

Administrative Expenses

Our administrative expenses increased significantly by 253.7% from RMB12.2 million for the year ended December 31, 2024 to RMB43.1 million for the year ended December 31, 2025. The increase was mainly driven by share-based compensation expenses and [REDACTED] expense incurred in 2025.

Finance Costs

Our finance costs decreased from RMB885 thousand for the year ended December 31, 2024 to RMB463 thousand for the year ended December 31, 2025. The decrease was primarily attributable to a decrease of interest on bank borrowings of RMB497 thousand.

Loss for the Year

For the reasons described above, our loss for the year increased from RMB59.9 million for the year ended December 31, 2024 to RMB81.0 million for the year ended December 31, 2025.

FINANCIAL INFORMATION

DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of December 31,	
	2024	2025
	<i>(RMB in thousands)</i>	
NON-CURRENT ASSETS		
Property, plant and equipment	9,141	6,198
Other intangible assets	247	218
Right-of-use assets	2,174	3,881
Prepayments, other receivables and other assets . . .	1,865	3,545
Time deposits	40,338	20,621
Total non-current assets	53,765	34,463
CURRENT ASSETS		
Prepayments, other receivables and other assets . . .	2,794	4,036
Cash and cash equivalents	23,907	33,913
Time deposits	2,875	25,286
Financial assets at fair value through profit or loss (“FVTPL”)	163,787	86,739
Total current assets	193,363	149,974
CURRENT LIABILITIES		
Trade and other payables	12,564	23,444
Amounts due to a related party	907	1,782
Interest-bearing bank borrowings	31,030	20,000
Deferred income	4,100	—
Lease liabilities	762	2,094
Total current liabilities	49,363	47,320
Net current assets	144,000	102,654
Total assets less current liabilities	197,765	137,177
NON-CURRENT LIABILITIES		
Lease liabilities	1,415	620
Deferred income	20,617	21,268
Total non-current liabilities	22,032	21,888
Net assets	175,733	115,229
EQUITY		
Equity attributable to owners of the parent		
Paid-in capital	17,664	—
Share capital	—	18,450
Reserves	158,069	96,779
Total equity	175,733	115,229

FINANCIAL INFORMATION

The following table sets forth our current assets and current liabilities as of the dates indicated.

	As of December 31,		As of March 31,
	2024	2025	2026
	<i>(RMB in thousands)</i>		<i>(Unaudited)</i>
Current assets			
Prepayments, other receivables and other assets	2,794	4,036	5,855
Cash and cash equivalents	23,907	33,913	90,954
Time deposits	2,875	25,286	25,414
Financial assets at fair value through profit or loss (“FVTPL”)	163,787	86,739	161,370
Total current assets	193,363	149,974	283,593
Current liabilities			
Trade and other payables	12,564	23,444	21,708
Interest-bearing bank borrowings	31,030	20,000	–
Amounts due to a related party	907	1,782	1,335
Deferred income	4,100	–	–
Lease liabilities	762	2,094	2,122
Total current liabilities	49,363	47,320	25,165
NET CURRENT ASSETS	144,000	102,654	258,428

During the Track Record Period, we had net assets position, which gradually decreased over the periods primarily due to the total comprehensive losses incurred in each period of the Track Record Period, as a result of our continuous investment in research and development activities. The decrease in net assets from RMB175.7 million as of December 31, 2024 to RMB115.2 million as of December 31, 2025 was mainly attributable to the loss for the year of RMB81.0 million.

The increase in net current assets from RMB102.7 million as of December 31, 2025 to RMB258.4 million as of March 31, 2026 was primarily due to (i) an increase in financial assets at FVTPL of RMB74.6 million, (ii) an increase in cash and cash equivalents of RMB57.0 million and (iii) a decrease in interest-bearing bank borrowings of RMB20.0 million.

The decrease in net current assets from RMB144.0 million as of December 31, 2024 to RMB102.7 million as of December 31, 2025 was primarily due to (i) a decrease in financial assets at fair value through profit or loss of RMB77.0 million, (ii) an increase in trade and other payables of RMB10.9 million, partially offset by an increase in time deposits of RMB22.4 million and a decrease in interest-bearing bank borrowings of RMB11.0 million.

FINANCIAL INFORMATION

Property, Plant and Equipment

Our property, plant and equipment consists of (i) office and electronic equipment, (ii) motor vehicles, (iii) laboratory equipment and (iv) leasehold improvements. The following table sets forth a breakdown of the net carrying amount of our property, plant and equipment as of the dates indicated.

	As of December 31,	
	2024	2025
	<i>(RMB in thousands)</i>	
Office and electronic equipment	322	199
Motor vehicles	94	238
Laboratory equipment	8,725	5,675
Leasehold improvements	—	86
Total	9,141	6,198

Our property, plant and equipment decreased from RMB9.1 million as of December 31, 2024 to RMB6.2 million as of December 31, 2025, primarily attributable to the depreciation of laboratory equipment of RMB3.1 million for the year ended December 31, 2025.

Right-of-use Assets

Our right-of-use assets are primarily related to our laboratories and office premises used in our operations. Leases of laboratories and office premises generally have lease terms between 1.75 and 3 years. Our right-of-use assets increased from RMB2.2 million as of December 31, 2024 to RMB3.9 million as of December 31, 2025, primarily due to the additions in laboratories and office premises of RMB5.0 million.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets consist of (i) value-added tax recoverable; (ii) rental deposits; (iii) prepayments, with includes clinical trial expenses, raw material costs and prepaid rent; and (iv) other receivables. The following table sets forth a breakdown of our prepayments, other receivables and other assets as of the dates indicated.

	As of December 31,	
	2024	2025
	<i>(RMB in thousands)</i>	
Non-current		
Value-added tax recoverable	1,809	3,489
Rental deposits	56	56
Subtotal	1,865	3,545
Current		
Prepayments	2,229	645
Other receivables	565	417
Deferred [REDACTED] expense	—	[REDACTED]
Subtotal	2,794	4,036
Total	4,659	7,581

FINANCIAL INFORMATION

Our prepayments, other receivables and other assets increased from RMB4.7 million as of December 31, 2024 to RMB7.6 million as of December 31, 2025, primarily due to an increase of deferred [REDACTED] expenses of RMB[REDACTED].

As of March 31, 2026, RMB434 thousand, or 67.3% of our prepayments as of December 31, 2025 had been subsequently settled.

Cash and Cash Equivalents

Our cash and cash equivalents primarily consisted of cash on hand and cash at banks. The following table sets forth a breakdown of our cash and cash equivalents by currency type as of the dates indicated.

	As of December 31,	
	2024	2025
	(RMB in thousands)	
Denominated in:		
– Renminbi	20,828	30,500
– U.S. dollar	3,079	3,413
Total	23,907	33,913

Our cash and cash equivalents increased from RMB23.9 million as of December 31, 2024 to RMB33.9 million as of December 31, 2025. For an analysis on cash flows during the Track Record Period, see “—Liquidity and Capital Resources.”

Time Deposits

All time deposits with original maturity over three months but less than one year with corresponding interest receivables are classified as our current assets. Time deposits with original maturity over one year with corresponding interest receivables are classified as our non-current assets. Most of our time deposits were denominated in Renminbi.

	As of December 31,	
	2024	2025
	(RMB in thousands)	
Time deposits with original maturity over three months but less than one year	2,875	4,569
Time deposits with original maturity over one year	40,338	41,338
Total	43,213	45,907

Our time deposits increased from RMB43.2 million as of December 31, 2024 to RMB45.9 million as of December 31, 2025, primarily due to an increase of time deposits with original maturity over one year.

Financial Assets at FVTPL

Our financial assets at FVTPL primarily consist of (i) wealth management products, and (ii) structured deposits, purchased from reputable banks. The following table sets forth a breakdown of our financial assets at FVTPL as of the dates indicated.

FINANCIAL INFORMATION

	As of December 31,	
	2024	2025
	<i>(RMB in thousands)</i>	
Wealth management products	62,319	6,513
Structured deposits	101,468	80,226
Total	163,787	86,739

Our financial assets at FVTPL decreased from RMB163.8 million as of December 31, 2024 to RMB86.7 million as of December 31, 2025, primarily due to a decrease in wealth management products of RMB55.8 million.

We purchase investment products strictly in accordance with our internal investment management policies and procedures. Our investment approach focuses primarily on principal-preservation and liquidity. We generally invest our idle funds in conservative products such as structured deposits and other wealth management products offered by commercial banks. Prior to any investment, our finance department conducts review and assessment, taking into account factors including our working capital needs, expected returns, risk level and liquidity. All investment decisions are subject to our internal approval procedures in accordance with our investment management policies, and must be approved by designated members of our senior management team. After making an investment, we closely monitor the performance and status of such products to ensure timely redemption and to safeguard the security of funds.

Upon the [REDACTED], our investment in financial assets will continue to be conducted in compliance with our Articles of Association, internal control procedures and, if applicable, the requirements under Chapter 14 of the Listing Rules.

Trade and Other Payables

Our trade and other payables primarily related to our purchases of materials and third-party contracting services in relation to our research and development activities. The following table sets forth a breakdown of our trade and other payables.

	As of December 31,	
	2024	2025
	<i>(RMB in thousands)</i>	
Trade payables	2,531	649
Accrued research and development costs	4,138	10,635
Payroll payables	5,755	5,990
Other taxes payables	31	9
Accrued [REDACTED] expenses	—	[REDACTED]
Other payables	109	305
Total	12,564	23,444

Our trade and other payables increased from RMB12.6 million as of December 31, 2024 to RMB23.4 million as of December 31, 2025, primarily attributable to an increase in accrued research and development costs of RMB6.5 million and an increase in accrued [REDACTED] expenses of RMB[REDACTED].

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The following table sets forth an aging analysis of our trade payables based on the invoice date as of the dates indicated.

	As of December 31,	
	2024	2025
	<i>(RMB in thousands)</i>	
Within 3 months	2,505	642
3 months to 1 year	26	7
Total	2,531	649

Our trade payables are non-interest-bearing and are normally settled on terms of 30 to 120 days of the invoice date.

As of March 31, 2026, RMB568 thousand, or 87.5%, of our trade payables as of December 31, 2025 had been subsequently settled.

Amounts Due to A Related Party

The amounts due to a related party represent our payables to a related party in connection with our purchases of R&D and clinical-related services from such related party. We recorded RMB907 thousand and RMB1.8 million in amounts due to a related party as of December 31, 2024 and 2025, respectively.

Deferred Income

Our deferred income decreased from RMB24.7 million as of December 31, 2024 to RMB21.3 million as of December 31, 2025, primarily due to completion and acceptance of a government grant project.

LIQUIDITY AND CAPITAL RESOURCES

Overview

We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. In addition, we monitor the utilization of borrowings and, from time to time, evaluate the options to renew the borrowings upon expiry based on our actual business requirement. We relied on bank loans and equity financing as the major sources of liquidity during the Track Record Period.

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 RMB53.4 million and RMB50.5 million for the years ended December 31, 2024 and 2025, respectively. We expect to generate more cash flow from our operating activities, through income from the commercialization of our drug candidates, collaboration arrangements with third parties, and enhancing our cost management and operating efficiency. In order to bring to fruition our research and development objectives, we will ultimately need additional funding sources and there can be no assurances that they will be made available.

FINANCIAL INFORMATION

Cash Flows

The following table sets forth key items of our consolidated statements of cash flows for the periods indicated.

	For the Year ended December 31,	
	2024	2025
	<i>(RMB in thousands)</i>	
Operating activities		
Interest received	336	248
Cash used in operating activities	(53,689)	(50,728)
Net cash flows used in operating activities	(53,353)	(50,480)
Investing activities		
Interest received from term deposits with original maturity over three months	90	210
Purchases of items of property, plant and equipment	(70)	(350)
Purchases for other intangible assets	(48)	—
Purchases of time deposits	(42,875)	(24,600)
Withdrawal of time deposits	10,000	22,875
Purchases of financial assets at FVTPL	(965,000)	(801,500)
Withdrawal of financial assets at FVTPL	1,022,528	881,056
Net cash flows from investing activities	24,625	77,691
Financing activities		
Lease payments	(2,403)	(4,645)
New interest-bearing bank borrowings	59,000	50,550
Repayment of interest-bearing bank borrowings	(28,000)	(61,550)
Interest on bank borrowings	(744)	(307)
Capital contribution by a shareholder	—	786
Payment of [REDACTED] expense	—	[REDACTED]
Net cash flows from/(used in) financing activities	27,853	(17,062)
Net (decrease)/increase in cash and cash equivalents	(875)	10,149
Cash and bank balances at beginning of year	24,831	23,907
Effects of foreign exchange rate changes, net	(49)	(143)
Cash and cash equivalents at end of year	23,907	33,913

Net Cash Flows Used in Operating Activities

In 2025, our net cash used in operating activities was RMB50.5 million, which was primarily attributable to our loss before tax of RMB81.0 million, primarily adjusted for (i) gain on fair value changes of financial assets at FVTPL of RMB2.5 million, (ii) depreciation of property, plant and equipment of RMB3.3 million and (iii) depreciation of right-of-use assets of RMB3.3 million.

In 2024, our net cash used in operating activities was RMB53.4 million, which was primarily attributable to our loss before tax of RMB59.9 million, primarily adjusted for (i) increase in deferred income of RMB9.7 million, (ii) decrease in trade and other payables of RMB6.7 million, (iii) gain on fair value changes of financial assets at FVTPL of RMB5.3 million, (iv) depreciation of property, plant and equipment of RMB4.5 million and (v) depreciation of right-of-use assets of RMB3.2 million.

As a clinical-stage biotechnology company, we expect to continue to incur net operating cash outflows as we advance our clinical development programs. To manage our cash utilization, we are implementing a number of measures to enhance operational efficiency and optimize resource allocation. In particular, we have prioritized the allocation of resources toward our key clinical programs while streamlining certain CMC-related expenditures and controlling operating costs. In addition, we continuously evaluate various financing alternatives, including equity financing, strategic collaborations and other funding sources, to support our liquidity and ongoing operations. We believe these measures will enable us to manage our funding requirements and support the continued advancement of our pipeline.

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Net Cash Flows from Investing Activities

In 2025, our net cash generated from investing activities was RMB77.7 million, which was primarily attributable to withdrawal of financial assets at FVTPL of RMB881.1 million and partially offset by purchases of financial assets at FVTPL of RMB801.5 million.

In 2024, our net cash generated from investing activities was RMB24.6 million, primarily attributable to withdrawal of financial assets at FVTPL of RMB1,022.5 million and partially offset by purchases of financial assets at FVTPL of RMB965.0 million.

Net Cash Flows From/(used in) Financing Activities

In 2025, we had RMB17.1 million of net cash used in financing activities, which was attributable to our repayment of interest-bearing bank borrowings of RMB61.6 million and partially offset by new interest-bearing bank borrowings of RMB50.6 million.

In 2024, we had RMB27.9 million of net cash from financing activities, primarily attributable to new interest-bearing bank borrowings of RMB59.0 million and partially offset by repayment of interest-bearing bank borrowings of RMB28.0 million.

CASH OPERATING COSTS

The following table sets forth information on our cash operating costs for the periods indicated.

	For the Year ended December 31,	
	2024	2025
	<i>(RMB in thousands)</i>	
Research and development costs for Core Product DNV3		
– Clinical research and technical service fees . . .	5,643	4,289
– Staff costs	4,115	5,267
– Raw material and consumables	1,468	773
Research and development costs for Core Product SMET12		
– Clinical research and technical service fees . . .	2,294	1,956
– Staff costs	4,013	3,111
– Raw material and consumables	1,324	392
Subtotal	18,857	15,788
Research and development costs for other product candidates		
– Clinical research and technical service fees . . .	19,633	6,918
– Staff costs	9,212	9,369
– Raw material and consumables	1,574	739
Subtotal	30,419	17,026
Total research and development costs	49,276	32,814
Other costs		
Administrative staff costs	8,026	8,527
Other professional service costs	5,107	7,954
Other	1,593	2,297
Total other costs	14,726	18,778
Total cash operating costs	64,002	51,592

FINANCIAL INFORMATION

WORKING CAPITAL CONFIRMATION

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

Our cash burn rate refers to the average monthly (i) net cash used in operating activities, (ii) capital expenditures, and (iii) lease payments. Assuming an average cash burn rate going forward of 2.5 times the level of the average expenditure during 2024 and 2025, even without taking into account the estimated net [REDACTED] from the [REDACTED], we estimate that our cash and cash equivalents and financial assets at FVTPL as of December 31, 2025, will be able to maintain our financial viability for 10 months or, if we take into account the estimated net [REDACTED] from the [REDACTED] (based on the low-end of the [REDACTED] stated in this document), for [REDACTED] months. We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing, if needed, with a minimum buffer of 12 months.

In the event that the [REDACTED] does not take place or experiences a significant delay compared to the expected timetable, we will promptly implement a prudent and conservative capital management strategy to ensure our long-term financial viability and business continuity. Under such circumstances, we will strictly control our daily operational expenses and research and development expenditures and align with the historical average levels observed in 2024 and 2025. Specifically, we would strategically prioritize our internal resources to safeguard the essential clinical advancement of our Core Products, DNV3 and SMET12. Meanwhile, we may defer, scale back, or adjust the initiation timelines for certain capital-intensive, large-scale Phase III clinical trials and early-stage exploratory research programs that were originally anticipated to be funded by the net [REDACTED] of the [REDACTED]. Consequently, the potential impact of such a delay would primarily be a moderated pace of clinical expansion and commercialization preparation, while the core value and fundamental progress of our lead assets would remain intact and steadily advancing.

INDEBTEDNESS

The following table sets forth the breakdown of our indebtedness as of the dates indicated.

	As of December 31,		As of March 31,
	2024	2025	2026
	(RMB in thousands)		(Unaudited)
Current			
Interest-bearing bank borrowings	31,030	20,000	–
Lease liabilities	762	2,094	2,122
Non-current			
Lease liabilities	1,415	620	415
Total	33,207	22,714	2,537

As of March 31, 2026, our committed unutilized bank facilities amounted to RMB150.0 million.

FINANCIAL INFORMATION

Interest-bearing Bank Borrowings

Our interest-bearing bank borrowings consist of (i) secured bank loans and (ii) current portion of secured long-term bank loans. The secured portion of our bank loans are secured by certain of our patents. During the Track Record Period, the effective interest rates of our bank borrowings ranged from 2.20% to 2.95%. The following table sets forth a breakdown of our interest-bearing bank borrowings.

	As of December 31,		As of March 31,
	2024	2025	2026
	(RMB in thousands)		(Unaudited)
Bank loans – secured	11,030	20,000	–
Current portion of long term bank loans – secured	20,000	–	–
Total	31,030	20,000	–

Lease Liabilities

The following table sets forth our lease liabilities as of the dates indicated.

	As of December 31,		As of March 31,
	2024	2025	2026
	(RMB in thousands)		(Unaudited)
Current	762	2,094	2,122
Non-current	1,415	620	415
Total	2,177	2,714	2,537

Our lease liabilities increased from RMB2.2 million as of December 31, 2024 to RMB2.7 million as of December 31, 2025, and decreased to RMB2.5 million as of March 31, 2026.

Except for our indebtedness as disclosed above as of December 31, 2024 and 2025, 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 March 31, 2026, being our indebtedness statement date.

As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to obtain future financing, nor was there any material default on our indebtedness or breach of covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date. Since December 31, 2025, and up to the date of this document, there had been no material change to our indebtedness.

FINANCIAL INFORMATION

CAPITAL EXPENDITURES

The following table sets forth our capital expenditures for the periods indicated.

	For the Year ended December 31,	
	2024	2025
<i>(RMB in thousands)</i>		
Purchases of items of property, plant and equipment.	70	350

Our historical capital expenditures during the Track Record Period primarily included purchases of property, plant and equipment. We funded our capital expenditure requirements during the Track Record Period mainly from bank loans and equity financing. We plan to fund our planned capital expenditures using our cash at bank and the net [REDACTED] received from the [REDACTED]. See the section headed “Use of [REDACTED]” in this Document for more details. We may reallocate the fund to be utilized on capital expenditure based on our ongoing business needs.

CONTRACTUAL COMMITMENTS

As of the Latest Practicable Date, we do not have any material contractual commitment.

CONTINGENT LIABILITIES

As of December 31, 2024 and 2025, we did not have any contingent liabilities. We confirm that 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

During the Track Record Period, we had certain transactions with our related parties, the details of which are set out in Note 26 to the Accountants’ Report included in Appendix I to this Document. Our Directors confirm that the material related party transaction during the Track Record Period was conducted on an arm’s length basis, and would not distort our results of operations over the Track Record Period or make our historical results over the Track Record Period not reflective of our expectations for our future performance.

FINANCIAL INFORMATION

KEY FINANCIAL RATIOS

The following table sets forth the current ratio of our Group as of the dates indicated.

	As of December 31,	
	2024	2025
	<i>(RMB in thousands)</i>	
Current ratio ⁽¹⁾	3.9	3.2
Quick ratio ⁽²⁾	3.9	3.2
Gearing ratio ⁽³⁾	0.2	0.2

Notes:

- (1) Current ratio is calculated based on total current assets divided by total current liabilities as of the dates indicated;
- (2) Quick ratio is calculated based on current assets minus inventories divided by current liabilities as of the dates indicated;
- (3) Gearing ratio is calculated based on total borrowings divided by total equity as of the dates indicated.

FINANCIAL RISK DISCLOSURE

We are exposed to a variety of financial risks, including foreign currency risk, credit risk and liquidity risk, as set out below. We manage and monitor these risks to ensure that appropriate measures can be implemented in a timely and effective manner. For further details, see Note 29 to the Accountants’ report in Appendix I to this Document.

DIVIDEND

We have never declared or paid any dividends on our ordinary shares or any other securities. As of the Latest Practicable Date, we did not have a formal dividend policy. 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 intend to declare or pay any 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 subject to our Articles of Association and the PRC Company Law, 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. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Regulations in China currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits as determined in accordance with its articles of association and the accounting standards and regulations in China.

As confirmed by our PRC Legal Advisor, according to the PRC law, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

FINANCIAL INFORMATION

DISTRIBUTABLE RESERVES

As of December 31, 2025, our Company did not have any distributable reserves.

[REDACTED]-RELATED EXPENSE INCURRED AND TO BE INCURRED

Our [REDACTED] expenses represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. Assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the mid-point of the indicative [REDACTED], we estimated that the total [REDACTED] expenses for the [REDACTED] are approximately HK\$[REDACTED], accounting for approximately [REDACTED]% of the gross [REDACTED] from the [REDACTED] (assuming no H Shares are issued pursuant to the [REDACTED]), of which approximately HK\$[REDACTED] is expected to be charged to our consolidated statements of profit or loss and other comprehensive income upon the completion of [REDACTED], and approximately HK\$[REDACTED] is expected to be accounted for as a deduction from equity upon the completion of [REDACTED]. The above expenses comprise of (i) [REDACTED]-related expenses, including [REDACTED] and other expenses, of HK\$[REDACTED]; and (ii) non-[REDACTED]-related expenses of HK\$[REDACTED], including (a) fee paid and payable to legal advisors and reporting accountants of HK\$[REDACTED], and (b) other fees and expenses of HK\$[REDACTED]. We recorded [REDACTED] expenses of RMB[REDACTED] as of December 31, 2025, among which RMB[REDACTED] were recognized in our consolidated statement of profit or loss, and RMB[REDACTED] were recognized in the consolidated statement of financial position to be accounted for as a deduction from equity upon [REDACTED]. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

See Appendix II to this document for details.

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 or [REDACTED] position since December 31, 2025 (being the date on which the latest consolidated financial information of our Group was prepared) and there has been no event since December 31, 2025 which would materially affect the information shown in our consolidated financial statements included in the Accountants’ Report in Appendix I to this Document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, 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.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

For details of our future plans, see “Business—Our Strategies.”

USE OF [REDACTED]

We estimate that we will receive net [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED], after deducting [REDACTED], fees and other estimated expenses paid and payable by us in connection with the [REDACTED], and assuming that the [REDACTED] are not exercised and an [REDACTED] of HK\$[REDACTED] per H Share, being the mid-point of the indicative [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per H Share.

We intend to use the net [REDACTED] from the [REDACTED] for the following purposes:

- (a) approximately [REDACTED]%, or HK\$[REDACTED], will be used for further R&D and registration filing of our Core Product, DNV3, of which:
 - (i) approximately [REDACTED]%, or HK\$[REDACTED], will be used to fund clinical trials and registration filing of DNV3 in China, including:
 - approximately [REDACTED]%, or HK\$[REDACTED], will be used to advance our further clinical trials of DNV3 in combination with an anti-PD-1 antibody and chemotherapy. Specifically, we expect to complete the Phase II clinical trial of DNV3 in combination with toripalimab (an anti-PD-1 antibody) and chemotherapy in the fourth quarter of 2026, and expect to incur R&D expenses of approximately HK\$[REDACTED], and subsequently conduct an end-of-Phase II meeting with the NMPA to discuss the Phase III development strategy. Subject to regulatory feedback, we plan to initiate a Phase III clinical trial for locally advanced unresectable or metastatic melanoma in the third quarter of 2027, and expect to incur R&D expenses of approximately HK\$[REDACTED].
 - approximately [REDACTED]%, or HK\$[REDACTED], will be used to complete the IND submission and the preparation of NDA for DNV3 in China with the NMPA in 2030, as well as to conduct CMC and stability validation studies for DNV3. For CMC activities, we plan to continuously focus on stability validation in 2026. Process characterization to refine manufacturing methods and ensure product quality is expected to be carried out in 2027, and continuous verification for such process in 2028. Majority of our [REDACTED] allocated to CMC activities will be spent on toxicology studies, with the rest for process optimization and other supporting activities. We believe such allocation is sufficient to support each activities as planned respectively.
 - (ii) approximately [REDACTED]%, or HK\$[REDACTED], will be used to fund clinical trials and registration filing of DNV3 globally, including:
 - approximately [REDACTED]%, or HK\$[REDACTED], will be used for collaboration with international CROs and medical centers to evaluate the efficacy of DNV3 in PD-1/PD-L1 resistant patient populations. We expect to collaborate with international CROs and medical centers with demonstrated expertise in designing and executing large-scale studies, to evaluate drug efficacy across diverse patient populations, ensuring rigorous adherence to

FUTURE PLANS AND USE OF [REDACTED]

regulatory standards, and effectively managing global patient recruitment and data analysis. We have not yet identified specific international CROs or medical centers for such collaborations.

- approximately [REDACTED]%, or HK\$[REDACTED], will be used for the preparation of international registration and regulatory communications with overseas authorities. From a long-term perspective, we are considering filing and registration for DNV3 in the U.S., Europe and Australia in the future.
- (b) approximately [REDACTED]%, or HK\$[REDACTED], will be used for further R&D and registration filing of our Core Product, SMET12, of which:
 - (i) approximately [REDACTED]%, or HK\$[REDACTED], will be used to fund the Phase II clinical trial and expansion of indications for SMET12, including supporting the multi-center Phase II clinical trial of SMET12 in patients with EGFR-positive solid tumors including esophageal cancer and TNBC. We expect to initiate a Phase IIa clinical trial targeting TNBC in the fourth quarter of 2026 and complete the Phase IIa clinical trial targeting esophageal cancer in the second quarter of 2027. We also plan to initiate a Phase III clinical trial of SMET12 in the fourth quarter of 2027. We expect to incur R&D expenses of HK\$[REDACTED] and HK\$[REDACTED] for Phase IIa trial and Phase III trial, respectively.
 - (ii) approximately [REDACTED]%, or HK\$[REDACTED], will be used to complete the clinical submissions of SMET12 in China and the United States and to upgrade our product-related quality management systems, including:
 - approximately [REDACTED]%, or HK\$[REDACTED], will be used for CMC process validation, upgrading the quality management systems, preparation of NDA for SMET12 in China in 2030, and regulatory communications with the FDA in the United States. From a long-term perspective, we are considering filing and registration for SMET12 in the U.S., Europe and other Asia countries in the future. For details, see “Business — Core Product DNV3: an Advanced TCM Targeting LAG-3.” For CMC activities, we will continue stability studies in 2026 and scale up production with an additional clinical batch in 2027. We plan to focus on process characterization and initiate the necessary activities for product commercialization by 2028. Almost all [REDACTED] allocated on CMC activities for SMET12 are expected to be spent on process characterization and process validation, with the rest for process optimization, production and other supporting activities. We believe such allocation is sufficient to support each activities as planned respectively.
 - approximately [REDACTED]%, or HK\$[REDACTED], will be used for expanding pilot-scale production, active substance preparation, and long-term stability studies to support the supply of clinical samples for future trials.

FUTURE PLANS AND USE OF [REDACTED]

- (c) approximately [REDACTED]%, or HK\$[REDACTED], will be used for further R&D and registration filings of CMD011, of which:
 - (i) approximately [REDACTED]%, or HK\$[REDACTED], will be used for conducting comparative safety and efficacy evaluations of CMD011 against standard-of-care therapies. We expect to complete the Phase I/IIa clinical trial of CMD011 in the fourth quarter of 2027 and initiate a Phase III clinical trial in 2028, and expect to incur R&D expenses of approximately HK\$[REDACTED] on Phase I part, HK\$[REDACTED] on Phase IIa part, and HK\$[REDACTED] on Phase III clinical trial, respectively. We plan to submit an NDA to the NMPA in China in 2031. The filing or registration activities for CMD011 may in the future occur in the U.S. and from a long-term perspective, the target overseas markets for CMD011 include the U.S. and Asian countries.
 - (ii) approximately [REDACTED]%, or HK\$[REDACTED], will be used for exploratory studies of CMD011 in potential new GPC3-targeting indications.
- (d) approximately [REDACTED]%, or HK\$[REDACTED], will be used for further R&D of CMDE005, of which:
 - (i) approximately [REDACTED]%, or HK\$[REDACTED], will be used to fund the Phase I/IIa clinical trial in 2027 and initiate a Phase III clinical trial of CMDE005 in 2028. We expect to incur R&D expenses of approximately HK\$[REDACTED] on Phase I part, HK\$[REDACTED] on Phase IIa part, and HK\$[REDACTED] on Phase III clinical trial, respectively.
 - (ii) approximately [REDACTED]%, or HK\$[REDACTED], will be used to conduct CMC and stability validation studies. We will focus on stability studies and expect to complete the production of a clinical batch to support clinical trials in 2026. In both 2027 and 2028, we plan to focus on stability research and clinical trial supply. Almost all [REDACTED] allocated on CMC activities for CMDE005 are expected to be spent on process characterization and process validation, with the rest for process optimization, production and other supporting activities. We believe such allocation is sufficient to support each activities as planned respectively.
- (e) approximately [REDACTED]%, or HK\$[REDACTED], will be used for potential investments or acquisitions of new technologies or product candidates, particularly in the areas of TCE, antibody engineering and immunotherapy. We will focus on targets and technologies that demonstrate strong synergy with our existing platforms to further enhance our technological barriers and enrich our product pipeline. We will prioritize evaluating companies with capabilities in areas such as complex receptor antibody discovery, myeloid cell engagers, *in vivo* targeted delivery, and *in vivo* T-cell engineering, which may support the expansion and upgrading of our TCE platform, and we expect such target companies to have valuations in the range of HK\$[REDACTED] to HK\$[REDACTED]. According to Frost & Sullivan, there are over 100 of such companies globally in the relevant market. We do not expect such potential investments or acquisitions to have any material adverse impact on our cost structure, cash flow or risk profile, and anticipate that they will enhance our relevant business scale and support the advancement of our clinical development programs. As of the Latest Practicable Date, we have not identified any potential investment or acquisition target.
- (f) approximately [REDACTED]%, or HK\$[REDACTED], will be used for working capital and other general corporate purposes.

FUTURE PLANS AND USE OF [REDACTED]

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 indicative [REDACTED] stated in this Document.

If the [REDACTED] are exercised in full, the net [REDACTED] that we will receive will be approximately HK\$[REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per H Share (being the mid-point of the indicative [REDACTED]). In the event that and the [REDACTED] are exercised in full, we intend to apply the additional net [REDACTED] to the above purposes in the proportions stated above.

To the extent that our net [REDACTED] are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations, collaboration deals, bank loans and other borrowings.

To the extent that the net [REDACTED] from the [REDACTED] are not immediately applied to the above purposes and to the extent permitted by relevant law and regulations, we will only deposit such funds in short-term deposits in licensed banks or authorized financial institutions (as defined under the SFO 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]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

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[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

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[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report received from the Company’s reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Document.

[To insert the firm’s letterhead]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ZHEJIANG SHIMAI PHARMACEUTICAL CO., LTD. AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Zhejiang Shimai Pharmaceutical Co., Ltd. (the “Company”) and its subsidiary (together, the “Group”) set out on pages I-3 to I-39, which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2024 and 2025, and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2024 and 2025 and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-3 to I-39 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [REDACTED] (the “Document”) in connection with the [REDACTED] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ 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* 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.

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 accountants’ judgement, 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 accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 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.

APPENDIX I

ACCOUNTANTS’ REPORT

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 accountants’ report, a true and fair view of the financial position of the Group and the Company as at 31 December 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange 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-3 have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

[●]

Certified Public Accountants

Hong Kong

[REDACTED]

APPENDIX I

ACCOUNTANTS’ 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 accountants’ report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the “Underlying Financial Statements”).

The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended 31 December	
		2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>
Other income and gains	5	6,618	9,372
Administrative expenses		(12,188)	(43,107)
Research and development costs		(53,382)	(46,589)
Other expenses		(62)	(173)
Finance costs	7	(885)	(463)
LOSS BEFORE TAX	6	(59,899)	(80,960)
Income tax expense	10	—	—
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(59,899)</u>	<u>(80,960)</u>
Attributable to:			
Owners of the parent		<u>(59,899)</u>	<u>(80,960)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	12	<u>(3.39)</u>	<u>(4.51)</u>

* For the details of pre-[REDACTED] investments, please refer to Note 23 to the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December	
	Notes	2024	2025
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	9,141	6,198
Other intangible assets	14	247	218
Right-of-use assets	15	2,174	3,881
Prepayments, other receivables and other assets	16	1,865	3,545
Time deposits	17	40,338	20,621
Total non-current assets		53,765	34,463
CURRENT ASSETS			
Prepayments, other receivables and other assets	16	2,794	4,036
Cash and cash equivalents	17	23,907	33,913
Time deposits	17	2,875	25,286
Financial assets at fair value through profit or loss (“FVTPL”)	18	163,787	86,739
Total current assets		193,363	149,974
CURRENT LIABILITIES			
Trade and other payables	19	12,564	23,444
Interest-bearing bank borrowings	20	31,030	20,000
Deferred income	21	4,100	–
Amounts due to a related party	28	907	1,782
Lease liabilities	15	762	2,094
Total current liabilities		49,363	47,320
NET CURRENT ASSETS		144,000	102,654
TOTAL ASSETS LESS CURRENT LIABILITIES			
		197,765	137,117
NON-CURRENT LIABILITIES			
Lease liabilities	15	1,415	620
Deferred income	21	20,617	21,268
Total non-current liabilities		22,032	21,888
Net assets		175,733	115,229
EQUITY			
Equity attributable to owners of the parent			
Paid-in capital	23	17,664	–
Share capital	23	–	18,450
Reserves	24	158,069	96,779
Total		175,733	115,229
Total equity		175,733	115,229

* For the details of pre-[REDACTED] investments, please refer to Note 23 to the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2024

	Attributable to owners of the parent			
	Paid-in capital	Capital reserve*	Accumulated losses*	Total
	<i>RMB'000</i> <i>(note 23)</i>	<i>RMB'000</i> <i>(note 24)</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024	17,664	609,847	(391,879)	235,632
Loss and total comprehensive loss for the year	—	—	(59,899)	(59,899)
At 31 December 2024	<u>17,664</u>	<u>609,847</u>	<u>(451,778)</u>	<u>175,733</u>

Year ended 31 December 2025

		Attributable to owners of the parent						
	Notes	Paid-in capital	Share capital	Capital reserve*	Share premium*	Share-based payment reserve*	Accumulated losses*	Total
		RMB'000 (note 23)	RMB'000 (note 23)	RMB'000 (note 24)	RMB'000 (note 24)	RMB'000 (note 24)	RMB'000	RMB'000
At 1 January 2025		17,664	—	609,847	—	—	(451,778)	175,733
Loss and total comprehensive loss for the year		—	—	—	—	—	(80,960)	(80,960)
Capital contribution by a shareholder	23	786	—	—	—	—	—	786
Conversion into a joint stock company	23	(18,450)	18,450	(609,847)	174,777	—	435,070	—
Equity-settled share-based payments	25	—	—	—	—	19,670	—	19,670
At 31 December 2025		—	18,450	—	174,777	19,670	(97,668)	115,229

* The reserve accounts comprised RMB158,069,000 and RMB96,779,000 in the consolidated statements of financial position as at 31 December 2024 and 2025, respectively.

APPENDIX I

ACCOUNTANTS' REPORT

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December	
	Notes	2024	2025
		RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(59,899)	(80,960)
Adjustments for:			
Finance costs	7	885	463
Interest income		(764)	(1,458)
Foreign exchange gains, net		49	173
Loss on disposal of items of property, plant and equipment		4	–
Gain on fair value changes of financial assets at FVTPL	5	(5,327)	(2,508)
Depreciation of property, plant and equipment	6	4,523	3,293
Depreciation of right-of-use assets	6	3,215	3,289
Amortisation of other intangible assets	6	26	29
Share-based payment expenses		–	19,670
Increase in prepayments, other receivables and other assets		1,030	52
Increase/(decrease) in deferred income		9,666	(3,449)
(Decrease)/increase in trade and other payables		(6,735)	9,803
(Decrease)/increase in amounts due to a related party		(362)	875
Cash used in operations		(53,689)	(50,728)
Interest received		336	248
Net cash flows used in operating activities		(53,353)	(50,480)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received from time deposits with original maturity over three months		90	210
Purchases of items of property, plant and equipment		(70)	(350)
Purchases of items of other intangible assets		(48)	–
Purchases of time deposits with original maturity over three months		(42,875)	(24,600)
Withdrawal of time deposits with original maturity over three months		10,000	22,875
Purchases of financial assets at FVTPL		(965,000)	(801,500)
Withdrawal of financial assets at FVTPL		1,022,528	881,056
Net cash flows from investing activities		24,625	77,691
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease payments		(2,403)	(4,645)
New interest-bearing bank borrowings		59,000	50,550
Repayment of interest-bearing bank borrowings		(28,000)	(61,550)
Interest on bank borrowings		(744)	(307)
Capital contribution by a shareholder		–	786
Payment of [REDACTED] expense		–	[REDACTED]
Net cash flows from/(used in) financing activities		27,853	(17,062)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
		(875)	10,149
Cash and bank balances at beginning of year		24,831	23,907
Effect of foreign exchange rate changes, net		(49)	(143)
CASH AND CASH EQUIVALENTS AT END OF YEAR			
	17	23,907	33,913

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STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December	
	Notes	2024	2025
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	8,923	5,984
Other intangible assets	14	247	218
Right-of-use assets	15	—	2,498
Prepayments, other receivables and other assets	16	1,865	3,545
Investment in a subsidiary	1	53,582	62,473
Time deposits	17	40,338	20,621
Total non-current assets		104,955	95,339
CURRENT ASSETS			
Prepayments, other receivables and other assets	16	2,794	4,036
Cash and cash equivalents	17	20,828	30,500
Time deposits	17	—	20,717
Financial assets at FVTPL	18	163,787	86,739
Total current assets		187,409	141,992
CURRENT LIABILITIES			
Trade and other payables	19	12,564	23,444
Interest-bearing bank borrowings	20	31,030	20,000
Deferred income	21	4,100	—
Amounts due to a related party	28	907	1,782
Lease liabilities	15	—	1,298
Total current liabilities		48,601	46,524
NET CURRENT ASSETS		138,808	95,468
TOTAL ASSETS LESS CURRENT			
LIABILITIES		243,763	190,807
NON-CURRENT LIABILITIES			
Deferred income	21	20,617	21,268
Total non-current liabilities		20,617	21,268
Net assets		223,146	169,539
EQUITY			
Paid-in capital	23	17,664	—
Share capital	23	—	18,450
Reserves	24	205,482	151,089
Total equity		223,146	169,539

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Zhejiang Shimai Pharmaceutical Co., Ltd. (the “Company”) was a limited liability company established in People’s Republic of China (“PRC”) on 4 September 2017. The registered address of the Company is Room 2008, 20/F, Huachuang Building, No. 511, Jianye Road, Changhe Street, Binjiang District, Hangzhou City, Zhejiang Province, PRC. On 29 September 2025, the Company was converted to a joint stock company with limited liability.

The Company is a biotechnology company focused on research and development of T-cell engager therapies. The Company and its subsidiary (the “Group”) are principally engaged in the research and development in PRC and the United States of America (the “USA”).

As at the date of this report, the Company had direct interest in its subsidiary, which is a private limited liability company, the particulars of which are as follows:

Name	Place and date of registration and place of operation	Issued Ordinary share	Issued Ordinary share	Principal activities
			Direct	
CentryMed Pharmaceutical Inc. (note a)	USA 6 August 2018	United States Dollars (“USD”) 100,000	100%	Research and development

- a. No statutory accounts were prepared for the subsidiary as the subsidiary was not required by the local government to prepare statutory accounts.

The Company

The carrying amounts of the Company’s investment in a subsidiary as at the end of each of the Relevant Periods are as follows:

	As at 31 December	
	2024	2025
	RMB’000	RMB’000
Investment in CentryMed Pharmaceutical Inc., at cost	53,582	62,473

The Group assessed the impairment for the investment in the subsidiary as at the end of each of the Relevant Periods and no impairment was provided for the investment in the subsidiary since there was no impairment indicator.

2.1 BASIS OF PREPARATION

For ordinary shares issued to pre-[REDACTED] investors, pursuant to the supplemental agreements entered into between the Company and the pre-[REDACTED] investors in relation to the termination of certain of special rights granted by the Company, including redemption rights and liquidation preferences, which shall have never had any legal effect as described in note 23 to the Historical Financial Information, having taking into account the legal and regulatory framework of the Company’s jurisdiction and the governing law of the supplementary agreements, the directors considered that it is appropriate to present the pre-[REDACTED] investments as equity throughout the Relevant Periods. For the details of financial impacts, see note 23 to the Historical Financial Information.

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been consistently applied by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for wealth management products and structured deposits which have been measured at fair value at the end of each of the Relevant Periods. The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

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Basis of consolidation

The Historical Financial Information includes the financial statements of the Group for the reporting periods. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiary are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements²</i>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures²</i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments¹</i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity¹</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
Amendments to IFRS 21	<i>Translation to a Hyperinflationary Presentation Currency²</i>
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7¹</i>

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and amended IFRS Accounting Standards upon initial application. IFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information. The new requirements are expected to impact the Group’s presentation in the statement of

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profit or loss and other comprehensive income and disclosures of the Group's financial performance. The new standard is not expected to have any impact on the Group's results of operations and financial position but has impact on the presentation and disclosure of the Group's financial statements. Other than IFRS 18, so far, the Group considers that the new and amended IFRS Accounting Standards are unlikely to have a significant impact on the Group's results of operations and financial position.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Fair value measurement

The Group measures wealth management products and structured deposits at fair value at the end of the reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of the reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of the reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

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Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person’s family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;
- or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Laboratory equipment	19.00%
Office and electronic equipment	19.00% to 31.67%
Motor vehicles	23.75%
Leasehold improvements	Shorter of remaining lease terms and estimated useful lives

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of the reporting period.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each Relevant Periods.

Software

Acquired software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These software licenses are stated at cost less any impairment losses and amortized over their estimated useful lives of 10 years.

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Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception 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.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Laboratories and office premises 1.75 to 3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are presented in a separate line on the consolidated statement of financial position.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of premises that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

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The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. The Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group’s consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial

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instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Classification as equity and financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

A financial liability is any liability that is (a) a contractual obligation (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or (b) a contract that will or may be settled in the entity's own equity instruments and is: (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as interest-bearing bank borrowings and payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of interest-bearing bank borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities mainly include interest-bearing bank borrowings and trade and other payables.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, interest-bearing bank borrowings)

After initial recognition, trade and other payables and interest-bearing bank borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

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Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with an investment in a subsidiary, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with an investment in a subsidiary, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of the reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Other income

Interest income is recognised on an accrual basis using the effective interest rate method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Other employee benefits

Pension schemes

The employees of the Group which operates in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. The Company is required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

The subsidiary in the United States maintains multiple qualified contributory savings plans as allowed under Section 401(k) of the Internal Revenue Code in the USA. These plans are defined contribution plans covering substantially all the 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 amounts or percentages of their compensation. The only obligation of the subsidiary in the USA with respect to the retirement benefit plans is to make the specified contributions under the plans.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company’s functional currency. Each entity in the Group uses RMB as its functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

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In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group’s Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group’s accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Research and development costs

All research costs are charged to profit or loss as incurred. Costs incurred on each pipeline to develop new products are capitalised and deferred in accordance with the accounting policy for research and development costs in note 2.3 to the Historical Financial Information. Determining the amounts to be capitalised requires management to make judgements on the technical feasibility of existing pipelines to be successfully commercialised and bring economic benefits to the Group.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Accrual of research and development costs

The Group partially relies on contract research organisations, clinical site management operators and clinical trial centres (collectively referred to as “Outsourced Service Providers”) to conduct, supervise, and monitor the Group’s ongoing clinical trials. Determining the amounts of research and development expenses incurred up to the end of the reporting period requires the management of the Group to estimate and measure the progress of receiving research and development services.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than financial assets), the asset’s recoverable amount is estimated. An asset’s recoverable amount is the higher of the asset’s or cash-generating unit’s value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there

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has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

As of 31 December 2024 and 2025, no indicators of impairment of non-financial assets of the Group were identified, given that (i) such assets of the Group were neither obsolete nor physically damaged, and (ii) the Group’s operations and pipelines were making progress as planned and the losses incurred for the years ended December 31, 2024 and 2025 did not exceed the budgets for the same periods. The carrying amounts of non-financial assets are disclosed in notes 13, 14 and 15 to the Historical Financial Information.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

4. OPERATING SEGMENT INFORMATION

The Group is engaged in research and development of T-cell engager therapies, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group’s directors for purposes of resource allocation and performance assessment. Therefore, no further operating segment analysis thereof is presented.

Geographical information

Since most of the Group’s non-current assets were located in Chinese mainland, no geographical information in accordance with IFRS 8 *Operating Segments* is presented.

Information about major customers

No revenue was derived during the Relevant Periods. Therefore, no information about major customers is presented.

5. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	Year ended 31 December	
	2024	2025
	RMB’000	RMB’000
Other income		
Government grants*	471	5,370
Interest income	764	1,458
Others	56	36
Total other income	1,291	6,864
Gains		
Gain on fair value changes of financial assets at FVTPL	5,327	2,508
Total gains	5,327	2,508
Total	6,618	9,372

* The government grants mainly represent subsidies received from local government authorities for the purpose of supporting the Company’s operating activities, or for the purpose of compensation for expenditure arising from research and development activities.

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6. LOSS BEFORE TAX

The Group’s loss before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December	
		2024	2025
		RMB’000	RMB’000
Depreciation of property, plant and equipment*	13	4,523	3,293
Amortisation of intangible assets*	14	26	29
Depreciation of right-of-use assets*	15	3,215	3,289
Research and development costs*		53,382	46,589
Government grants	5	(471)	(5,370)
Lease payments not included in the measurement of lease liabilities*	15(c)	153	106
Employee benefit expense and social welfare (excluding directors’, chief executive’s and supervisor’s remuneration (note 8))*:			
Wages and salaries		15,509	13,462
Pension scheme contributions and social welfare		2,926	2,586
Share-based payment expenses		–	13,218
Total		18,435	29,266
Interest income	5	(764)	(1,458)
[REDACTED] expenses		–	[REDACTED]
Loss on disposal of items of property, plant and equipment		4	–
Gain on fair value changes of financial assets at FVTPL	5	(5,327)	(2,508)

* Research and development costs include expenses relating to depreciation of property, plant and equipment, amortisation of intangible assets, depreciation of right-of-use assets, lease payments not included in the measurement of lease liabilities and employee benefit expense and social welfare, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December	
	2024	2025
	RMB’000	RMB’000
Interest on bank borrowings	774	277
Interest on lease liabilities	111	186
Total	885	463

8. DIRECTORS’, CHIEF EXECUTIVE’S AND SUPERVISORS’ REMUNERATION

Directors’, chief executive’s and supervisor’s remuneration for the Relevant Periods, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December	
	2024	2025
	RMB’000	RMB’000
Fees	–	–
Other emoluments:		
Salaries, allowances and benefits in kind	5,500	5,424
Pension scheme contributions and social welfare	357	504
Share-based payment expenses	–	6,452
Subtotal	5,857	12,380
Total	5,857	12,380

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(a) Directors and supervisors

	Salaries, allowances and benefits in kind	Pension scheme contributions and social welfare	Total
	RMB'000	RMB'000	RMB'000
Year ended 31 December 2024			
Chief executive and director:			
Dr. Xiao Zuoxiang (<i>note (i)</i>)	3,295	183	3,478
Directors:			
Dr. Zhou Dongwen (<i>note (ii)</i>)	1,476	140	1,616
Ms. JIUN WANG (<i>note (iii)</i>)	—	—	—
Mr. Ding Shizhe (<i>note (v)</i>)	—	—	—
Mr. Wang Yanbing (<i>note (vi)</i>)	—	—	—
Mr. Zhu Qi (<i>note (vii)</i>)	—	—	—
Supervisors:			
Mr. Zhou Wei (<i>note (viii)</i>)	393	5	398
Ms. Fan Zhaoyang (<i>note (ix)</i>)	336	29	365
Total	5,500	357	5,857

	Salaries, allowances and benefits in kind	Pension scheme contributions and social welfare	Share-based payment expenses	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2025				
Chief executive and director:				
Dr. Xiao Zuoxiang (<i>note (i)</i>)	3,553	278	—	3,831
Directors:				
Dr. Zhou Dongwen (<i>note (ii)</i>)	1,641	184	6,452	8,277
Ms. JIUN WANG (<i>note (iii)</i>)	—	—	—	—
Mr. SHAO QING (<i>note (iv)</i>)	—	—	—	—
Mr. Ding Shizhe (<i>note (v)</i>)	—	—	—	—
Mr. Wang Yanbing (<i>note (vi)</i>)	—	—	—	—
Mr. Zhu Qi (<i>note (vii)</i>)	—	—	—	—
Supervisors:				
Ms. Fan Zhaoyang (<i>note (ix)</i>)	145	31	—	176
Mr. Miao Hangbin (<i>note (x)</i>)	85	11	—	96
Total	5,424	504	6,452	12,380

Notes:

- (i) Dr. Xiao Zuoxiang was appointed as a director of the Company on 4 September 2017. Dr. Xiao Zuoxiang was also the chief executive and the chairman of the Company and his remuneration disclosed above included the remuneration for the services rendered by him as the chief executive and chairman.
- (ii) Dr. Zhou Dongwen was appointed as a director of the Company on 5 July 2021.
- (iii) Ms. JIUN WANG was appointed as a director of the Company on 3 December 2019 and resigned on 29 October 2025.
- (iv) Mr. Shao Qing was appointed as a director of the Company on 29 April 2025.
- (v) Mr. Ding Shizhe was appointed as a director of the Company on 15 June 2018.
- (vi) Mr. Wang Yanbing was appointed as a director of the Company on 10 December 2020.
- (vii) Mr. Zhu Qi was appointed as a director of the Company on 11 February 2022.
- (viii) Mr. Zhou Wei was appointed as a supervisor of the Company on 24 March 2023 and resigned on 27 March 2024.
- (ix) Ms. Fan Zhaoyang was appointed as a supervisor of the Company on 27 March 2024 and resigned on 12 September 2025.
- (x) Mr. Miao Hangbin was appointed as a supervisor of the Company on 28 September 2025.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods.

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9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods included two and two directors, details of whose remuneration are set out in note 8 above. Details of the remuneration for the Relevant Periods of the remaining three and three highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Year ended 31 December	
	2024	2025
	RMB'000	RMB'000
Salaries, bonuses and allowances	2,611	1,579
Pension scheme contributions and social welfare	183	111
Share-based payment expenses	–	9,706
Total	<u>2,794</u>	<u>11,396</u>

The numbers of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands are as follows:

	Year ended 31 December	
	2024	2025
Nil to HKD1,000,000	2	–
HKD1,000,001 to HKD2,000,000	1	–
HKD2,000,001 to HKD3,000,000	–	2
HKD7,000,001 to HKD8,000,000	–	1
Total	<u>3</u>	<u>3</u>

During the Relevant Periods, no highest paid employees waived or agreed to waive any remuneration and no remuneration was paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

10. INCOME TAX

Chinese mainland

Pursuant to the Corporate Income Tax Law of the People’s Republic of China and the respective regulations (the “CIT Law”), the Company was subject to CIT at a rate of 25% on the taxable income during the Relevant Periods.

Pursuant to the relevant CIT Law, the Company enjoyed a super deduction of 200% on qualified research and development costs so incurred as tax deductible expenses when determining its assessable profits for the Relevant Periods.

USA

The Company’s subsidiary incorporated and operated in the state of Maryland of the USA was subject to the federal statutory income tax rate at 21% and the state income tax rate at 8.25% during the Relevant Periods.

The income tax expense of the Group for the Relevant Periods is analysed as follows:

	Year ended 31 December	
	2024	2025
	RMB'000	RMB'000
Current income tax	–	–
Deferred income tax	–	–
Total	<u>–</u>	<u>–</u>

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A reconciliation of the tax expense applicable to loss before tax at the statutory rates for the jurisdictions in which the Company and its subsidiary are domiciled and/or operate to the tax expense at the effective tax rates is as follows:

	Year ended 31 December	
	2024	2025
	RMB'000	RMB'000
Loss before tax	(59,899)	(80,960)
Tax at the statutory tax rates	(15,274)	(20,533)
Expenses not deductible for tax purposes	46	4,995
Tax losses and temporary differences not recognised	25,460	24,325
Additional deductible allowance for qualified research and development costs	(10,232)	(8,787)
Tax charge at the Group’s effective rates	—	—

11. DIVIDENDS

No dividend was paid or declared by the Company during the Relevant Periods.

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

On 29 September 2025, the Company was converted to a joint stock limited liability company. A total of 18,449,491 (including increase of registered capital as disclosed in note 23) shares of a par value of RMB1.00 each were issued and allotted to the respective shareholders of the Company according to the paid-in capital registered under these shareholders on that day. The conversion of paid-in capital to share capital with a par value of RMB1.00 each was applied retrospectively for the Relevant Periods for the purpose of computation of basic loss per share amounts.

The calculation of the basic loss per share amounts is based on the loss attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares outstanding during the Relevant Periods.

The Group had no potentially dilutive ordinary shares in issue during the Relevant Periods.

The calculation of basic loss per share amounts is based on:

	Year ended 31 December	
	2024	2025
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation (RMB'000) . . .	(59,899)	(80,960)
Ordinary shares		
Weighted average number of ordinary shares outstanding during the year used in the basic loss per share calculation .	17,663,526	17,939,152

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13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Office and electronic equipment	Motor vehicles	Laboratory equipment	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2024					
At 1 January 2024:					
Cost	1,320	331	21,506	2,848	26,005
Accumulated depreciation . .	(762)	(157)	(9,623)	(1,865)	(12,407)
Net carrying amount	<u>558</u>	<u>174</u>	<u>11,883</u>	<u>983</u>	<u>13,598</u>
At 1 January 2024, net of accumulated depreciation . .	558	174	11,883	983	13,598
Additions	34	–	36	–	70
Disposals	(4)	–	–	–	(4)
Depreciation provided during the year	<u>(266)</u>	<u>(80)</u>	<u>(3,194)</u>	<u>(983)</u>	<u>(4,523)</u>
At 31 December 2024, net of accumulated depreciation . .	<u>322</u>	<u>94</u>	<u>8,725</u>	<u>–</u>	<u>9,141</u>
At 31 December 2024:					
Cost	1,321	331	21,542	2,848	26,042
Accumulated depreciation . .	(999)	(237)	(12,817)	(2,848)	(16,901)
Net carrying amount	<u>322</u>	<u>94</u>	<u>8,725</u>	<u>–</u>	<u>9,141</u>
As at 31 December 2025					
At 1 January 2025:					
Cost	1,321	331	21,542	2,848	26,042
Accumulated depreciation . .	(999)	(237)	(12,817)	(2,848)	(16,901)
Net carrying amount	<u>322</u>	<u>94</u>	<u>8,725</u>	<u>–</u>	<u>9,141</u>
At 1 January 2025, net of accumulated depreciation . .	322	94	8,725	–	9,141
Additions	10	248	4	88	350
Depreciation provided during the year	<u>(133)</u>	<u>(104)</u>	<u>(3,054)</u>	<u>(2)</u>	<u>(3,293)</u>
At 31 December 2025, net of accumulated depreciation . .	<u>199</u>	<u>238</u>	<u>5,675</u>	<u>86</u>	<u>6,198</u>
At 31 December 2025:					
Cost	1,331	579	21,546	2,936	26,392
Accumulated depreciation . .	(1,132)	(341)	(15,871)	(2,850)	(20,194)
Net carrying amount	<u>199</u>	<u>238</u>	<u>5,675</u>	<u>86</u>	<u>6,198</u>

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The Company

	Office and electronic equipment	Motor vehicles	Laboratory equipment	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2024					
At 1 January 2024:					
Cost	1,320	331	17,820	2,848	22,319
Accumulated depreciation . .	(762)	(157)	(6,152)	(1,865)	(8,936)
Net carrying amount	<u>558</u>	<u>174</u>	<u>11,668</u>	<u>983</u>	<u>13,383</u>
At 1 January 2024, net of accumulated depreciation . .	558	174	11,668	983	13,383
Additions	26	–	5	–	31
Disposal	(4)	–	–	–	(4)
Depreciation provided during the year	<u>(267)</u>	<u>(80)</u>	<u>(3,157)</u>	<u>(983)</u>	<u>(4,487)</u>
At 31 December 2024, net of accumulated depreciation . .	<u>313</u>	<u>94</u>	<u>8,516</u>	<u>–</u>	<u>8,923</u>
At 31 December 2024:					
Cost	1,311	331	17,825	2,848	22,315
Accumulated depreciation . .	(998)	(237)	(9,309)	(2,848)	(13,392)
Net carrying amount	<u>313</u>	<u>94</u>	<u>8,516</u>	<u>–</u>	<u>8,923</u>
As at 31 December 2025					
At 1 January 2025:					
Cost	1,311	331	17,825	2,848	22,315
Accumulated depreciation . .	(998)	(237)	(9,309)	(2,848)	(13,392)
Net carrying amount	<u>313</u>	<u>94</u>	<u>8,516</u>	<u>–</u>	<u>8,923</u>
At 1 January 2025, net of accumulated depreciation . .	313	94	8,516	–	8,923
Additions	10	248	–	88	346
Depreciation provided during the year	<u>(131)</u>	<u>(104)</u>	<u>(3,048)</u>	<u>(2)</u>	<u>(3,285)</u>
At 31 December 2025, net of accumulated depreciation . .	<u>192</u>	<u>238</u>	<u>5,468</u>	<u>86</u>	<u>5,984</u>
At 31 December 2025:					
Cost	1,323	579	17,825	2,936	22,663
Accumulated depreciation . .	(1,131)	(341)	(12,357)	(2,850)	(16,679)
Net carrying amount	<u>192</u>	<u>238</u>	<u>5,468</u>	<u>86</u>	<u>5,984</u>

14. OTHER INTANGIBLE ASSETS

The Group and the Company

	Software
	RMB'000
31 December 2024	
As at 1 January 2024	225
Additions	48
Amortisation provided during the year	<u>(26)</u>
As at 31 December 2024	<u>247</u>
31 December 2025	
As at 1 January 2025	247
Additions	–
Amortisation provided during the year	<u>(29)</u>
As at 31 December 2025	<u>218</u>

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15. LEASES

The Group as a lessee

The Group has lease contracts for various items of laboratories and office premises used in its operations. Leases of laboratories and office premises generally have lease terms between 1.75 years and 3 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) *Right-of-use assets*

The carrying amounts of the Group’s right-of-use assets and the movements during the Relevant Periods are as follows:

	Laboratories and office premises
	<i>RMB’000</i>
31 December 2024	
As at 1 January 2024	3,018
Additions	2,371
Depreciation charge	(3,215)
As at 31 December 2024	<u>2,174</u>
31 December 2025	
As at 1 January 2025	2,174
Additions	4,996
Depreciation charge	(3,289)
As at 31 December 2025	<u>3,881</u>

(b) *Lease liabilities*

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	As at 31 December	
	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>
Carrying amount at the beginning of the year	2,098	2,177
Additions	2,371	4,996
Accretion of interest recognised during the year	111	186
Payments	(2,403)	(4,645)
Carrying amount at the end of the year	<u>2,177</u>	<u>2,714</u>
Analysed into:		
Current portion	762	2,094
Non-current portion	<u>1,415</u>	<u>620</u>

The maturity analysis of lease liabilities is disclosed in note 31 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December	
	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>
Interest on lease liabilities	111	186
Depreciation charge of right-of-use assets	3,215	3,289
Expenses relating to short-term leases	153	106
Total amount recognised in profit or loss	<u>3,479</u>	<u>3,581</u>

(d) The total cash outflows for leases are disclosed in note 26(c) to the Historical Financial Information.

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ACCOUNTANTS’ REPORT

The Company as a lessee

The Company has lease contracts for various items of laboratories and office premises used in its operations. Leases of laboratories and office premises generally have lease terms between 1.75 years and 2.08 years. Generally, the Company is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Company’s right-of-use assets and the movements during the Relevant Periods are as follows:

	Laboratories and office premises
	RMB’000
31 December 2024	
As at 1 January 2024	2,510
Additions	–
Depreciation charge	(2,510)
As at 31 December 2024	–
31 December 2025	
As at 1 January 2025	–
Additions	4,996
Depreciation charge	(2,498)
As at 31 December 2025	2,498

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	As at 31 December	
	2024	2025
	RMB’000	RMB’000
Carrying amount at the beginning of the year	1,566	–
Additions	–	4,996
Accretion of interest recognised during the year	85	107
Payments	(1,651)	(3,805)
Carrying amount at the end of the year	–	1,298
Analysed into:		
Current portion	–	1,298
Non-current portion	–	–

16. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group and the Company

	As at 31 December	
	2024	2025
	RMB’000	RMB’000
Non-current:		
Value-added tax recoverable	1,809	3,489
Rental deposits	56	56
Total	1,865	3,545
Current:		
Prepayments	2,229	645
Other receivables	565	417
Deferred [REDACTED] expense	–	[REDACTED]
Total	2,794	4,036

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The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. In addition, there is no significant change in the economic factors based on the assessment of the forward-looking information, so the directors of the Company are of the opinion that the ECLs in respect of these balances are minimal. The balances are not secured with collateral.

17. CASH AND CASH EQUIVALENTS AND TIME DEPOSITS

The Group

Cash and cash equivalents

	As at 31 December	
	2024	2025
	RMB'000	RMB'000
Cash and bank balances	23,907	33,913
Time deposits	43,213	45,907
Subtotal	67,120	79,820
Less:		
Time deposits with original maturity over three months but less than one year*	2,875	4,569
Time deposits with original maturity over one year*		
– Current	–	20,717
– Non-current	40,338	20,621
Cash and cash equivalents	23,907	33,913
Denominated in:		
RMB	20,828	30,500
USD	3,079	3,413
Total	23,907	33,913

The Company

Cash and cash equivalents

	As at 31 December	
	2024	2025
	RMB'000	RMB'000
Cash and bank balances	20,828	30,500
Time deposits	40,338	41,338
Subtotal	61,166	71,838
Less:		
Time deposits with original maturity over one year*		
– Current	–	20,717
– Non-current	40,338	20,621
Cash and cash equivalents	20,828	30,500
Denominated in:		
RMB	20,828	30,500

* Time deposits are made for depending on the cash requirements of the Group and earn interest at the time deposit rates. The time deposits are deposited with creditworthy banks with no recent history of default.

The RMB is not freely convertible into other currencies, however, under Chinese mainland’s Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

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ACCOUNTANTS’ REPORT

18. FINANCIAL ASSETS AT FVTPL

The Group and the Company

	As at 31 December	
	2024	2025
	RMB'000	RMB'000
Wealth management products	62,319	6,513
Structured deposits	101,468	80,226
Total	<u>163,787</u>	<u>86,739</u>

As at end of each of the Relevant Periods, the financial assets at FVTPL represented wealth management products and structured deposits issued by certain banks in Chinese mainland. They were classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

19. TRADE AND OTHER PAYABLES

The Group and the Company

	As at 31 December	
	2024	2025
	RMB'000	RMB'000
Trade payables	2,531	649
Accrued research and development costs	4,138	10,635
Payroll payables	5,755	5,990
Other tax payables	31	9
Accrued [REDACTED] expenses	[REDACTED]	[REDACTED]
Other payables	<u>109</u>	<u>305</u>
Total	<u>12,564</u>	<u>23,444</u>

Other payables are unsecured and non-interest-bearing. The carrying amounts of financial liabilities included in trade and other payables as at the end of each of the Relevant Periods approximated to their fair values due to their short-term maturities.

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

The Group and the Company

	As at 31 December	
	2024	2025
	RMB'000	RMB'000
Within 3 months	2,505	642
3 months to 1 year	<u>26</u>	<u>7</u>
Total	<u>2,531</u>	<u>649</u>

Trade payables are non-interest-bearing and are normally settled on terms of 30 to 120 days.

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Deferred tax assets

	Tax losses	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2024	228	548	776
Deferred tax (charged)/credited to profit or loss during the year	(228)	88	(140)
At 31 December 2024 and 1 January 2025	–	636	636
Deferred tax credited to profit or loss during the year	288	105	393
At 31 December 2025	288	741	1,029

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December	
	2024	2025
	RMB'000	RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	–	–
Net deferred tax liabilities recognised in the consolidated statement of financial position	–	–

The Group had accumulated tax losses of RMB530,631,000 and RMB631,043,000 as at 31 December 2024 and 2025, respectively, which would expire within 1 to 5 years for offsetting against future taxable profits of the companies in which the losses arose.

The Group had unrecognised deductible temporary differences of RMB12,020,000 and RMB7,528,000 as at 31 December 2024 and 2025, respectively.

Deferred tax assets have not been recognised in respect of these losses and temporary differences as they have arisen in the Company and a subsidiary that have been loss-making for some time and it is not considered probable that taxable profits in foreseeable future will be available against which the tax losses can be utilised.

23. SHARE CAPITAL/PAID-IN CAPITAL

The Group and the Company

Pursuant to the shareholders’ resolutions dated 28 September 2025, the then existing shareholders of the Company approved the conversion of the Company into a joint stock company with limited liability with 18,449,491 shares in a nominal value of RMB1.00 each. The net assets of the Company as of 31 August 2025 were converted to 18,449,491 ordinary shares at RMB1.00 each and issued to the then shareholders of the Company in proportion to their capital contribution to the Company. The remaining amount was converted into share premium. Upon the completion of registration on 29 September 2025, the Company was converted into a joint stock company with limited liability.

A summary of movements in the Company’s paid-in capital is as follows:

	Share capital/ Paid-in capital
	RMB'000
At 1 January 2024, 31 December 2024 and 1 January 2025	17,664
Capital contributions by a shareholder	786
At 31 December 2025	18,450

Pursuant to the shareholders’ agreements entered into on 4 June 2018, 25 September 2020 and 24 January 2022 respectively (collectively, the “Agreements”), the Company respectively issued 1,666,665, 3,266,667 and 2,730,194 registered capital to shareholders (collectively the “Pre-[REDACTED] Investors”) for a total net cash proceeds of RMB50,000,000, RMB140,000,000 and RMB330,000,000 respectively (collectively the “Pre-[REDACTED] Investments”). Pursuant to the Agreements, the Pre-[REDACTED] Investors were granted by the Company with redemption rights and liquidation rights.

There was no exercise of redemption rights granted by the Company throughout the Relevant Periods.

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On 26 August 2025, the Company received cash proceeds of RMB786,000 and number of the registered capital of the Company increased by 785,965. On 30 August 2025, the Company and the Pre-[REDACTED] Investors subsequently entered into supplemental agreements, agreeing that redemption rights of liquidation preferences have been irrecoverably terminated and shall have never had any legal effect. Taking into account the legal and regulatory framework of the Company’s jurisdiction and the governing law of the supplemental agreements, the directors considered that it is appropriate to present the Pre-[REDACTED] Investments as equity throughout the Relevant Periods.

Had the redemption rights granted by the Company to the Pre-[REDACTED] Investors been accounted for as financial liabilities measured at fair value prior to entering into the supplemental agreements, the financial liabilities at fair value through profit and loss, total current liabilities and net (liabilities)/assets would have been:

	As at 31 December	
	2024	2025
	RMB'000	RMB'000
Financial liabilities at fair value through profit and loss	1,666,164	–
Total current liabilities	1,715,527	47,320
Net (liabilities)/assets	(1,490,431)	115,229

The fair value changes associated with the financial liabilities at fair value through profit and loss, total net loss for the year, basic and diluted loss per share amounts would have been:

	As at 31 December	
	2024	2025
	RMB'000	RMB'000
Fair value changes on financial liabilities at fair value through profit and loss	(278,531)	(313,423)
Total net loss	(338,430)	(394,383)
Basic and diluted loss per share	(19.58)	(21.98)

24. RESERVES

The Group

The amounts of the Group’s reserves and the movements therein are presented in the consolidated statements of change in equity on page I-6 of the Historical Financial Information.

Capital reserve/share premium

The capital reserve and share premium mainly represents the difference between the par value of the shares issued and the consideration received.

The Company

	Capital reserve	Share Premium	Share-based payment reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	609,847	–	–	(351,493)	258,354
Loss and total comprehensive loss for the year	–	–	–	(52,872)	(52,872)
At 31 December 2024 and 1 January 2025	609,847	–	–	(404,365)	205,482
Loss and total comprehensive loss for the year	–	–	–	(74,063)	(74,063)
Conversion into a joint stock company	(609,847)	174,777	–	435,070	–
Equity-settled share-based payments	–	–	19,670	–	19,670
At 31 December 2025	–	174,777	19,670	(43,358)	151,089

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25. SHARE INCENTIVE PLAN

The 2025 Equity Incentive Plan

In November 2025, the shareholders’ meeting of the Company passed a resolution to adopt a share award scheme (the “2025 Equity Incentive Plan”) for the purpose of providing incentives and rewards to eligible employees and directors of the Company who contribute to the success of the Group’s operations. The participants of the 2025 Equity Incentive Plan shall be granted 1,124,895 shares in the Company in the form of the limited partnership interests in Hangzhou Shimai Management Consulting Partnership Enterprise (Limited Partnership), which was set up as an Employee Incentive Platform in the PRC.

Subject to the terms and conditions as set out in the 2025 Equity Incentive Plan, the shares are vested in the portions of 40%, 30% and 30% on the first, second and third anniversaries of the grant date, respectively. In addition to meeting the time-based vesting condition, the shares shall be subject to the additional condition of the Company’s completion of a [REDACTED].

The fair value of services received in return for shares granted to employees and directors was measured by reference to the fair value of the shares granted and the subscription price paid by employees and director. Details of the granted shares are as follows:

Date of grant	Number of restricted shares	Subscription price per share	Fair value of the share
		RMB	RMB
7 November 2025	1,124,895	1.20	161.41

The following restricted shares were outstanding under the 2025 Equity Incentive Plan during the Relevant periods:

	Number of restricted shares
As at 1 January 2025	–
Granted during the year	1,124,895
As at 31 December 2025	1,124,895

The fair value of restricted shares at the grant date was determined by reference to the fair value of the underlying ordinary shares of the Company on the respective dates of grant.

The Group recognised share-based payment expenses of RMB19,670,000 during the year ended December 31, 2025.

26. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant periods, the Group had non-cash additions to lease liabilities of RMB2,371,000, RMB4,996,000 in the consolidated statements of financial position as at 31 December 2024 and 2025, respectively.

(b) Changes in liabilities arising from financing activities

	Lease liabilities	Interest-bearing bank borrowings	Total
	RMB’000	RMB’000	RMB’000
At 1 January 2024	2,098	–	2,098
Additions	2,371	–	2,371
Changes from financing cash flows	(2,403)	30,256	27,853
Accretion of interest	111	774	885
At 31 December 2024 and 1 January 2025	2,177	31,030	33,207
Additions	4,996	–	4,996
Changes from financing cash flows	(4,645)	(11,307)	(15,952)
Accretion of interest	186	277	463
At 31 December 2025	2,714	20,000	22,714

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(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December	
	2024	2025
	RMB'000	RMB'000
Within operating activities	153	106
Within financing activities	2,403	4,645
Total	<u>2,556</u>	<u>4,751</u>

27. COMMITMENTS

At the end of the Relevant Periods, the Group did not have any significant contractual commitments.

28. RELATED PARTY TRANSACTIONS

Name and relationship of a related party

Name of related party	Relationship
MabPlex International Co., Ltd. (“MabPlex”)	The party with significant influence over the Group

* MabPlex has significant influence over the Group as MabPlex had a representation on the board of directors of the Company.

(a) The Group had the following transactions with a related party during the Relevant Periods:

	Year ended 31 December	
	2024	2025
	RMB'000	RMB'000
Purchase of services	<u>2,468</u>	<u>2,638</u>

(b) Outstanding balances with a related party:

The Group and the Company

	As at 31 December	
	2024	2025
	RMB'000	RMB'000
Trade		
Amounts due to MabPlex	<u>907</u>	<u>1,782</u>

During the year ended 31 December 2025 and 2024, there were no side agreements or arrangements between the Company and Dr. Xiao Zuoxiang regarding the redemption rights of the pre-[REDACTED] investors, nor had the Company provided any form of guarantee in connection with any potential default or failure by Dr. Xiao Zuoxiang to fulfil his obligations relating to such redemption rights. Although the Company was a signing party to the agreements entered into between the pre-[REDACTED] investors and Dr. Xiao Zuoxiang, the Company had no connection or involvement in the arrangements concerning redemption rights between the pre-[REDACTED] investors and Dr. Xiao Zuoxiang, nor did it bear any obligation to repurchase any Shares under such terms. As the Company has no obligation to repurchase the shares, no liability was recognized for the investments from the pre-[REDACTED] investors during the year ended 31 December 2025 and 2024.

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(c) Compensation of key management personnel of the Group:

	Year ended 31 December	
	2024	2025
	RMB'000	RMB'000
Salaries, allowances and benefits in kind	5,500	6,214
Pension scheme contributions and social welfare	357	535
Share-based payment expenses	—	12,904
Total	<u>5,857</u>	<u>19,653</u>

Further details of directors’, chief executive’s and supervisors’ emoluments are included in note 8 to the Historical Financial Information.

29. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

Financial assets

	As at 31 December	
	2024	2025
	RMB'000	RMB'000
Financial assets at FVTPL:		
Wealth management products	62,319	6,513
Structured deposits	101,468	80,226
Subtotal	<u>163,787</u>	<u>86,739</u>
Financial assets at amortised cost:		
Financial assets included in prepayments, other receivables and other assets	621	473
Time deposits	43,213	45,907
Cash and bank balances	23,907	33,913
Subtotal	<u>67,741</u>	<u>80,293</u>
Total	<u>231,528</u>	<u>167,032</u>

Financial liabilities

	As at 31 December	
	2024	2025
	RMB'000	RMB'000
Financial liabilities at amortised cost:		
Financial liabilities included in trade and other payables	6,778	17,445
Amounts due to a related party	907	1,782
Interest-bearing bank borrowings	31,030	20,000
Total	<u>38,715</u>	<u>39,227</u>

* For the details of pre-[REDACTED] investments, please refer to Note 23 to the Historical Financial Information.

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30. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, time deposits, financial assets included in prepayments, other receivables and other assets, financial liabilities included in trade and other payables, interest-bearing borrowings and amounts due to a related party approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group’s finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each reporting period, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for each reporting period.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of financial assets included in prepayments, other receivables and other assets have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group’s financial instruments:

Assets measured at fair value:

As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	
	RMB’000	RMB’000	RMB’000	RMB’000
Financial assets at FVTPL	–	163,787	–	163,787
	=	=	=	=

As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	
	RMB’000	RMB’000	RMB’000	RMB’000
Financial assets at FVTPL	–	86,739	–	86,739
	=	=	=	=

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s principal financial instruments comprise cash and cash equivalents, time deposits, financial assets at FVTPL and interest-bearing bank borrowings. The main purpose of these financial instruments is to raise finance for the Group’s operations. The Group has various financial assets and liabilities such as financial assets included in prepayments, other receivables and other assets, financial liabilities included in trade and other payables, which arise directly from its operations.

The main risks arising from the Group’s financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

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Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from activities in USD. The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in the USD/RMB exchange rate, with all other variables held constant, of the Group’s loss before tax and equity (due to changes in the fair value of monetary assets and liabilities).

	Increase/(decrease) in rate of foreign currency	Increase/(decrease) in loss before tax	Increase/(decrease) in equity
	%	RMB’000	RMB’000
31 December 2024			
If RMB weakens against USD	5	(298)	(298)
If RMB strengthens against USD	(5)	298	298
31 December 2025			
If RMB weakens against USD	5	(399)	(399)
If RMB strengthens against USD	(5)	399	399

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group’s exposure to bad debts is not significant.

The credit risk of the Group’s financial assets, which comprise cash and cash equivalents, time deposits and financial assets included in prepayments, other receivables and other assets, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group’s credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods.

The amounts presented are gross carrying amounts for financial assets.

The Group

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Financial assets included in prepayments, other receivables and other assets – normal* . . .	621	–	–	–	621
Time deposits – Not yet past due	43,213	–	–	–	43,213
Cash and bank balances – Not yet past due	23,907	–	–	–	23,907
Total	67,741	–	–	–	67,741

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As at 31 December 2025

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets included in prepayments, other receivables and other assets – normal* . . .	473	–	–	–	473
Time deposits – Not yet past due	45,907	–	–	–	45,907
Cash and bank balances – Not yet past due	33,913	–	–	–	33,913
Total	<u>80,293</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>80,293</u>

* The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. There is no significant concentration of credit risk.

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group’s financial liabilities and lease liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

The Group

	As at 31 December 2024		
	Less than 1 year or on demand	1 to 5 years	Total
	RMB'000	RMB'000	RMB'000
Financial liabilities included in trade and other payables	6,778	–	6,778
Interest-bearing bank borrowings	31,469	–	31,469
Amounts due to a related party	907	–	907
Lease liabilities	841	1,472	2,313
Total	<u>39,995</u>	<u>1,472</u>	<u>41,467</u>

	As at 31 December 2025		
	Less than 1 year or on demand	1 to 5 years	Total
	RMB'000	RMB'000	RMB'000
Financial liabilities included in trade and other payables	17,445	–	17,445
Interest-bearing bank borrowings	20,422	–	20,422
Amounts due to a related party	1,782	–	1,782
Lease liabilities	2,174	631	2,805
Total	<u>41,823</u>	<u>631</u>	<u>42,454</u>

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Capital management

The primary objectives of the Group’s capital management are to safeguard the Group’s ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders’ value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

32. EVENTS AFTER THE RELEVANT PERIODS

Pursuant to the shareholders’ resolutions dated 26 January 2026, the shareholders of the Company approved the capital increase by issuing 1,046,087 new shares with a nominal value of RMB1.00 each, raising a total investment amount of RMB170,100,000. Upon the completion of the capital increase, the Company’s registered capital increased from RMB18,449,491 to RMB19,495,578.

33. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2025.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

ISSUE OF SHARES

The Company shall issue shares in accordance with the principles of openness, fairness, and equality, and each share of the same class shall have the same rights. The issue terms and price per share of the same class in the same issue shall be the same; the same price shall be paid for each share subscribed for by any subscriber.

INCREASE, DECREASE AND REPURCHASE OF SHARES

Increase and Decrease of Shares

The Company may increase its capital in the following ways in light of its business and development needs and in accordance with the laws and regulations and by resolutions made at general meetings:

- (i) offering of shares to unspecified targets;
- (ii) offering of shares to specific targets;
- (iii) distributing bonus shares to existing shareholders;
- (iv) converting the reserve fund into share capital;
- (v) other means as stipulated by the laws, administrative regulations, the CSRC, the securities regulatory authorities of the place(s) where the Company's shares are listed, and the stock exchange(s).

The Company may reduce its registered capital. The Company shall decrease its registered capital in accordance with the procedures set forth in the Company Law and other relevant provisions, the securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

Repurchase of Shares

The Company shall not repurchase its shares, except in any of the following circumstances:

- (i) reducing the registered capital of the Company;
- (ii) merging with another company that holds the shares of the Company;
- (iii) using the shares for employee stock ownership plans or as share incentives;
- (iv) requesting the Company to repurchase its shares from shareholders who object to resolutions made at the general meeting concerning the merger or division of the Company;
- (v) using the shares for the conversion of convertible corporate bonds issued by the Company;
- (vi) it is necessary for the Company to maintain its value and shareholders' equity;
- (vii) other circumstances as permitted by the laws, administrative regulations, departmental rules, Hong Kong Listing Rules and the regulatory rules of the place(s) where the Company's shares are listed.

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Where the Company repurchases its shares under the circumstances described in items (iii), (v) and (vi) set out above, it shall be carried out by open and centralized trading, subject to the Hong Kong Listing Rules, and the regulatory rules and guides of the Hong Kong Stock Exchange.

Where the Company repurchases its shares under the circumstances described in items (i) and (ii) set out above, it shall be subject to a resolution of the general meeting; where the Company repurchases its shares under the circumstances described in items (iii), (v) and (vi) set out above, it can be, in accordance with the provisions of the Articles of Association or authorisation by the general meeting, resolved by a Board meeting with the attendance of more than two-thirds of the Directors.

After the Company repurchases its shares under the circumstances described in items (i) to (vi) set out above, the shares repurchased under item (i) shall be cancelled within 10 days from the date of repurchase; shares repurchased under items (ii) and (iv) set out above shall be transferred or cancelled within 6 months thereafter; and all of the shares repurchased in accordance with items (iii), (v) and (vi) set out above shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within 3 years.

If it is otherwise specified in laws, regulations, normative documents, and the relevant regulatory rules in the place(s) where the Company's shares are listed on the matters involving the repurchase of shares of the Company, such provisions shall prevail. After any repurchase of its shares by the Company, the obligation of information disclosure shall be fulfilled in accordance with the laws, administrative regulations, rules, normative documents, Hong Kong Listing Rules and other relevant regulations.

Transfer of Shares

The shares of the Company shall be transferred according to law. Except for purchase and sale of shares during the trading hours on the Hong Kong Stock Exchange, all transfers of H shares shall be effected by an instrument of transfer in writing in a form acceptable to the Board of Directors (including standard transfer format or ownership transfer form prescribed by the Hong Kong Stock Exchange from time to time) and such instrument of transfer may be executed by hand only or under a valid corporate seal (if the transferor or transferee is a corporation). If the transferor or transferee is a recognized clearing house as defined in the relevant ordinances in force from time to time under the laws of Hong Kong or its nominee(s), the instrument of transfer may be executed by hand or by machine imprint. All instruments of transfer shall be deposited at the legal address of the Company or at such address as the Board of Directors shall from time to time designate.

The Company shall not accept its own shares as the subject of pledge.

Shares issued prior to the public offering of any shares of the Company shall not be transferred within one year from the date on which the shares of the Company are listed and traded on the stock exchange(s).

The Directors and senior management of the Company shall declare, to the Company, their holdings of the shares of the Company (including preferred shares, if any) and the changes thereto. The shares transferable by them during each year of their term of office shall not exceed 25% of the total shares of the same class they hold in the Company. The shares that they hold in the Company shall not be transferred within one year of the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within six months from the date when they leave office.

Where there are other requirements on the transfer restrictions of H Shares by the securities regulatory authorities at the place(s) where the Company's shares are listed, such requirements shall prevail.

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If the Company's shareholders, Directors and senior management members holding more than 5% of the shares of the Company sell the shares held by them or other securities in the nature of equity within six months after buying the same or buy such shares or securities within six months after selling the same, the earnings arising therefrom shall belong to the Company and the Board of Directors of the Company shall recover such earnings. However, such restriction shall not apply to a securities company, Hong Kong Securities Clearing Company Limited and HKSCC Nominees Limited, which holds over 5% of the Company's shares as a result of its purchasing and underwriting of the untaken shares in an offer and other circumstances stipulated by the CSRC, securities regulatory authorities at the place(s) where the Company's shares are listed, stock exchange(s) and other relevant regulatory authorities.

The shares or other securities in the nature of equity held by any Director, senior management member or natural person shareholder referred to in the preceding paragraph include the stocks or other securities in the nature of equity held by their spouses, parents and children, and held in any other person's account.

If the Board of the Company fails to comply with the preceding paragraph, a shareholder shall have the right to request the Board to do so within 30 days. If the Board fails to comply with the same within the aforesaid period, such shareholder shall have the right to initiate legal proceedings directly with the People's Court in its own name for the benefit of the Company.

SHAREHOLDERS AND GENERAL MEETINGS

Shareholders

The Company establishes a register of shareholders based on the certificates provided by the securities registration and clearing institution at the place(s) where the Company's shares are listed, and the register of shareholders is sufficient evidence proving shareholders' holding of the Company's shares. A shareholder shall enjoy the rights and assume the obligations attached to the class of shares he/she holds. Shareholders holding the same class of shares shall be entitled to the same rights and assume equal obligations.

Shareholders of the Company shall be entitled to the following rights:

- (i) to receive dividends and other forms of benefit distribution in proportion to the number of shares they hold;
- (ii) to lawfully request, convene, preside over, attend or appoint a proxy to attend the general meeting and exercise corresponding voting rights;
- (iii) to supervise the operation of the Company and make suggestions and inquiries;
- (iv) to transfer, gift or pledge their shares in accordance with laws, administrative regulations, and the Articles of Association;
- (v) to inspect and copy the Articles of Association, the register of shareholders, minutes of general meetings, resolutions of Board meetings, financial and accounting reports; and (for shareholders who meet the relevant requirements) to inspect the Company's accounting books and vouchers, but where there are other provisions stipulated by the securities regulatory rules of the place(s) where the shares of the company are listed, such provisions shall prevail;
- (vi) upon termination or liquidation of the Company, to participate in the distribution of the remaining assets of the Company in proportion to the number of Shares they hold;

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- (vii) to require the Company to repurchase their shares by shareholders who disagree with the resolutions for the merger and division of the Company made at the general meetings;
- (viii) other rights provided by laws, administrative regulations, departmental rules or the Articles of Association.

Shareholders of the Company shall assume the following obligations:

- (i) to comply with laws, administrative regulations and the Articles of Association;
- (ii) to pay subscription monies according to the shares subscribed and the method of subscription;
- (iii) not to withdraw their share capital unless required by laws and regulations;
- (iv) not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders; and not to abuse the status of the Company as an independent legal person and the limited liability of shareholders to jeopardize the interests of any creditors of the Company;
- (v) other obligations imposed by laws, administrative regulations, the regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

Where any shareholder of the Company abuses the shareholders' rights, causing losses to the Company or other shareholders, such shareholder shall be liable for compensation according to law. Where any shareholder of the Company abuses the Company's status as an independent legal person and the limited liability of shareholders for the purpose of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholder shall be jointly and severally liable for the debts owed by the Company.

General Provisions of the General Meeting

The general meeting is the organ of authority of the Company, and shall exercise the following functions and powers according to law:

- (i) to elect and replace Directors and to determine matters relating to the remuneration of the Directors;
- (ii) to consider and approve reports of the Board;
- (iii) to consider and approve the Company's profit distribution plans and plans for making up losses;
- (iv) to resolve on increases or reductions in the Company's registered capital;
- (v) to resolve on issuance of corporate bonds of the Company;
- (vi) to resolve on the Company's merger, division, dissolution, liquidation or change of its corporate form;
- (vii) to amend the Articles of Association;
- (viii) to resolve on the engagement or dismissal of the accounting firm that undertakes the audit of the Company, and its remuneration;

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- (ix) to consider and approve the guarantees as stipulated in Article 47 of the Articles of Association;
- (x) to consider matters relating to the acquisition or disposal of material assets by the Company within one year in an amount exceeding 30% of the latest audited total assets of the Company;
- (xi) to consider and approve matters relating to the changes in the use of proceeds;
- (xii) to consider share incentive plans and employee stock ownership plans;
- (xiii) to consider and approve material transactions and related (connected) transactions that shall be considered and approved by the general meeting in accordance with the laws, administrative regulations, regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association;
- (xiv) to consider other matters to be resolved by the general meeting as required by the laws, administrative regulations, departmental rules, securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

The following acts of external guarantees of the Company shall be considered and passed by the general meeting:

- (i) Any subsequent guarantee to be provided after the total amount of external guarantees provided by the Company or its controlled subsidiary has exceeded 50% of the Company's latest audited net assets;
- (ii) Any guarantee to be provided after the total amount of external guarantees provided by the Company has exceeded 30% of the Company's latest audited net assets;
- (iii) Any guarantee to be provided by the Company to others, where the amount of guarantees within one year exceeds 30% of the Company's latest audited net assets;
- (iv) Any guarantee to be provided to any party with a gearing ratio in excess of 70%;
- (v) A single guarantee whose amount exceeds 10% of the latest audited net assets;
- (vi) Any guarantee to be provided to shareholders, de facto controllers and their related parties;
- (vii) Other guarantees to be resolved by the general meeting as required by laws, administrative regulations, departmental rules, the regulatory rules of the place(s) where the Company's shares are listed or the Articles of Association.

When a proposal on providing any guarantee for any shareholder, actual controller and its connected party (as defined in the Hong Kong Listing Rules) is being reviewed at the general meeting, the said shareholder or the shareholder controlled by the said actual controller shall abstain from voting on the proposal, and the proposal shall be subject to approval by more than half of the voting rights of other shareholders attending the general meeting.

The general meetings are classified into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year and be held within six months from the end of the previous accounting year.

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The Company shall convene an extraordinary general meeting within two months upon the actual occurrence of any of the following circumstances:

- (i) the number of Directors is less than the number specified in the Company Law or two-thirds of the number specified in the Articles of Association;
- (ii) the losses of the Company that have not been made up reach one-third of its total share capital;
- (iii) when any shareholder(s) individually or jointly holding over 10% of the Company's shares so request;
- (iv) whenever the Board of Directors considers necessary;
- (v) whenever the Audit Committee proposes to convene;
- (vi) other circumstances stipulated by the laws, administrative regulations, departmental rules, regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

Convening of the General Meeting

With the approval of a majority of all independent Directors, the independent Directors shall have the right to propose to the Board of Directors to convene an extraordinary general meeting. Where an independent Director proposes that an extraordinary general meeting be held, the Board of Directors shall, in accordance with the laws, administrative regulations, securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association, furnish a written reply on whether to convene the extraordinary general meeting within 10 days upon receipt of the proposal. If the Board of Directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days upon the passing of the Board resolution. If the Board of Directors does not agree to convene the extraordinary general meeting, it shall explain the reasons and make an announcement.

The Audit Committee shall have the right to propose to the Board of Directors to convene an extraordinary general meeting, and such proposal shall be made to the Board of Directors in writing. The Board of Directors shall, in accordance with the laws, administrative regulations, securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association, furnish a written reply on whether to convene the extraordinary general meeting within 10 days upon receipt of the proposal. If the Board of Directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days upon the passing of the Board resolution. Any changes to the original proposal made in the notice shall be approved by the Audit Committee. If the Board of Directors does not agree to convene the extraordinary general meeting or fails to furnish a reply within 10 days upon receipt of such proposal, the Board of Directors shall be deemed to be unable or fail to perform the duty of convening the general meeting, and the Audit Committee may convene and preside over the meeting on its own.

Any shareholder(s) individually or jointly holding over 10% of the Company's shares shall have the right to request the Board of Directors to convene an extraordinary general meeting, and such request shall be made in writing to the Board of Directors. The Board of Directors shall, in accordance with the laws, administrative regulations, securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association, furnish a written reply on whether to convene the extraordinary general meeting within 10 days upon receipt of the request. If the Board of Directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days upon the passing of the Board resolution. Any changes to the original request made in the notice shall be approved by the relevant shareholders. If the Board of Directors does not agree to convene the extraordinary general meeting or fails to furnish a reply

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within 10 days upon receipt of such request, the shareholder(s) individually or jointly holding over 10% of the shares of the Company shall have the right to request the Audit Committee to convene an extraordinary general meeting, and such request shall be made in writing. If the Audit Committee agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days upon receipt of the request. Any changes to the original request in the notice shall be approved by the relevant shareholders. If the Audit Committee fails to issue the notice of the general meeting within the prescribed period, it shall be deemed that the Audit Committee does not convene and preside over the general meeting, and the shareholder(s) individually or jointly holding over 10% of the shares of the Company for more than 90 consecutive days may convene and preside over the meeting on its/their own.

Proposals and Notices of the General Meeting

When the Company holds a general meeting, the Board of Directors, the Audit Committee and the shareholder(s) individually or jointly holding more than 1% of the Company's shares shall have the right to make proposals to the Company.

The shareholder(s) individually or jointly holding more than 1% of the Company's shares may put forward interim proposals and submit such proposals in writing to the convener ten days before the general meeting is held. The convener shall issue a supplemental notice of the general meeting within 2 days upon the receipt of such proposals, announce the content of the interim proposals and submit the same to the general meeting for consideration, provided that such proposals shall not violate laws, administrative regulations or the Articles of Association, and shall fall within the scope of authority of the general meeting. If, according to the securities regulatory rules of the place(s) where the Company's shares are listed, the general meeting must be postponed due to the issuance of a supplementary notice of such meeting, the meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the place(s) where the Company's shares are listed.

Except for the circumstances set out above, the convener shall not modify the proposals listed or add any new proposal in the notice of the general meeting after sending it out. Proposals not set out in the notice of the general meeting or not in compliance with the Articles of Association shall not be voted on or resolved on at the general meeting.

The convener shall inform each shareholder of the annual general meeting by an announcement 21 days before convening such meeting and shall inform each shareholder of the extraordinary general meeting by an announcement 15 days before convening such meeting. When calculating the starting date, the convening date of the meeting shall be excluded.

The notice of a general meeting shall include the following:

- (i) the time, venue and duration of the meeting;
- (ii) the matters and proposals to be considered at the meeting;
- (iii) a prominent written statement that all shareholders of ordinary shares have the right to attend the general meeting, and may appoint a proxy in writing, who need not be a shareholder, to attend and vote on his/her behalf;
- (iv) the shareholding registration date for shareholders entitled to attend the general meeting;
- (v) the name and telephone number of permanent contact persons for the affairs of the meeting;
- (vi) the specific methods of attending the meeting, and voting time and procedure via the Internet or through other means;

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- (vii) other requirements stipulated by the laws, administrative regulations, departmental rules, Hong Kong Listing Rules, other regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

After issuance of the notice for the general meeting, the general meeting shall not be postponed or cancelled without proper reasons and the proposals specified in such notice shall not be withdrawn. In case of postponement or cancellation, the convener shall make an announcement and give reasons at least 2 working days prior to the date on which the meeting is originally scheduled. Where the securities regulatory rules of the place(s) where the shares of the Company are listed provide otherwise in respect of the procedures for postponement or cancellation of a general meeting, such provisions shall apply to the extent that they do not contravene Chinese regulatory requirements.

Holding of the General Meeting

When a general meeting is held, all shareholders of ordinary shares registered on the register of shareholders on the shareholding registration date or their proxies shall be entitled to attend the general meeting, speak at the general meeting (whether it is held on-site or online or in other forms) and exercise their voting rights in accordance with the relevant laws, regulations and the Articles of Association, unless individual shareholders are required to abstain from voting on individual matters under the securities regulatory rules of the place(s) where the shares of the Company are listed. Any shareholder may attend the general meeting in person or authorize a proxy to attend and vote at the general meeting on his/her/its behalf.

The general meeting shall be presided over by the chairman of the Board. Where the chairman of the Board of Directors is unable or fails to fulfill the duties thereof, a Director jointly elected by more than half of the Directors shall preside over the meeting. A general meeting convened by the Audit Committee itself shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee cannot or fails to perform his/her duty, the meeting shall be presided over by a member of the Audit Committee jointly elected by more than half of the members of the Audit Committee. A general meeting convened by the shareholders themselves shall be chaired by the convener or a representative elected by the shareholders.

Where a general meeting is held and the chairman of the meeting violates the rules of procedure making the meeting impossible to proceed, a person may be elected at the general meeting to act as the chairman and preside over the meeting so as to carry on with the general meeting, subject to the approval of more than half of the attending shareholders with voting rights.

Voting of the General Meeting

The resolutions of the general meeting shall be classified as ordinary resolutions and special resolutions. Ordinary resolutions at a general meeting shall be passed by more than half of the voting shares held by shareholders (including their proxies) attending the meeting. A special resolution at a general meeting shall be passed by more than two-thirds of the voting rights held by shareholders (including their proxies) attending the general meeting.

The following matters shall be resolved by an ordinary resolution at a general meeting:

- (i) work reports of the Board of Directors;
- (ii) profit distribution plans and loss recovery plans formulated by the Board of Directors;
- (iii) removal and appointment of members of the Board of Directors, and their remuneration and the payment method of their remuneration;

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- (iv) matters other than those required to be approved by special resolutions under laws, administrative regulations, the securities regulatory rules of the place(s) where the Company's shares are listed or the Articles of Association.

The following matters shall be resolved by a special resolution at a general meeting:

- (i) any increase or reduction in the Company's registered capital;
- (ii) division, spin-off, merger, dissolution or liquidation of the Company;
- (iii) any amendment to the Articles of Association;
- (iv) the acquisition or disposal of material assets or provision of guarantees for others by the Company within one year with an amount exceeding 30% of the latest audited total assets of the Company;
- (v) share incentive plans;
- (vi) any other matter specified in the laws, administrative regulations, departmental rules, securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association, and confirmed by an ordinary resolution at a general meeting that it may have a material impact on the Company and accordingly shall be approved by special resolutions.

Shareholders (including their proxies) shall exercise their voting rights according to the number of voting shares they represent, and each share shall have one vote.

Shares of the Company held by the Company shall carry no voting rights, and be excluded from the total voting shares held by shareholders present at a general meeting.

When matters relating to related (connected) transactions are considered at a general meeting, the related (connected) shareholders shall abstain from voting, and the number of voting shares represented by them shall not be counted into the total number of valid votes; the announcement of any resolution made at the general meeting should fully disclose the voting information of the non-related (connected) shareholders.

In the Articles of Association, the meaning of "related transaction(s)" includes "connected transaction(s)" as defined in the Hong Kong Listing Rules, "related party(ies)" includes "connected person(s)" as defined in the Hong Kong Listing Rules, and "related relationship(s)" includes "connected relationship(s)" as defined in the Hong Kong Listing Rules.

Where any shareholder is, under the applicable laws and regulations and the Hong Kong 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 shareholder in contravention of such requirement or restriction shall not be counted towards the total number of shares carrying voting rights.

If a shareholder's purchase of the Company's voting shares violates the provisions of (1) and (2) of Article 63 of the Securities Law, the portion of the shares over the prescribed ratio shall not be allowed to exercise voting rights for a period of thirty-six months after the purchase and shall not be counted towards the total number of voting shares held by shareholders present at the general meeting.

The Board of Directors, independent Directors and shareholders holding more than 1% of the voting shares or investor protection institutions established in accordance with the laws, administrative regulations or the securities regulatory authorities at the place(s) where the

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

Company's shares are listed may solicit voting rights from shareholders. When soliciting voting rights from shareholders, specific voting intentions and other information must be fully disclosed to the persons being solicited. It is prohibited to solicit voting rights from shareholders in a paid or disguised pay way. Except for statutory conditions, the Company may not impose any minimum shareholding ratio restrictions on the solicitation of voting rights.

DIRECTORS AND BOARD OF DIRECTORS

Directors

Directors shall be elected or replaced at the general meeting, and any Director (including any executive Director) may be dismissed by an ordinary resolution at the general meeting prior to the expiry of the term of his or her office. However, such dismissal shall not prejudice the Director's claim for damages under any contract. A Director shall serve a term of 3 years and shall be eligible for re-election upon the expiration of the term.

The term of a Director shall start from the date on which the said Director assumes office until the expiry of the term of the prevailing session of the Board. If the term of office of a Director expires without timely re-election, the original Director shall still perform the duties of a Director in accordance with the laws, administrative regulations, departmental rules and the Articles of Association before the newly elected Director takes office. Subject to the relevant applicable laws, regulations and regulatory rules, any person appointed by the Board of Directors to fill a casual vacancy on the Board of Directors or as an addition to the Board of Directors shall hold office only until the first annual general meeting after his/her appointment and shall then be eligible for reelection.

Any person appointed by the Board of Directors to fill a casual vacancy on the Board of Directors or as an addition to the Board of Directors shall hold office only until the first annual general meeting after his/her appointment and shall then be eligible for reelection.

A Director may serve concurrently as a member of the senior management, but the Directors serving concurrently as such and the Directors being employee representatives shall not be more than half of all Directors of the Company.

A Director may resign before the expiration of his or her term of office. A director who intends to resign shall submit a written resignation report to the Company. The resignation shall take effect on the date the Company receives the resignation report, and the Company shall disclose relevant information within two trading days. Where the number of members of the Board of Directors is lower than the minimum quorum due to the resignation of any Director, or where the resignation of an independent Director results in the failure of the ratio of independent Directors in the Board of Directors or its special committees to comply with the provisions of laws, regulations, or the Articles of Association, or results in a lack of any accounting professional among the independent Directors, the said Director shall continue to perform the Director's duties in accordance with the laws, administrative regulations, departmental rules, securities regulatory rules in the place(s) where the Company's shares are listed, and the Articles of Association.

Board of Directors

The Company shall establish a Board of Directors. The Board of Directors shall comprise 9 Directors, including executive Directors, non-executive Directors and independent non-executive Directors. The number of independent non-executive Directors shall not be less than 3 and represent at least one-third of members of the Board of Directors.

The Board of Directors has one chairman, who shall be elected by the Board of Directors through a majority of all Directors.

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The Board of Directors shall exercise the following functions and powers:

- (i) to convene the general meeting and report to the general meeting;
- (ii) to implement the resolutions passed at the general meeting;
- (iii) to determine the business plans and investment plans of the Company;
- (iv) to prepare the plans for profit distribution and plans for making up losses of the Company;
- (v) to formulate plans in respect of any increase or reduction of the registered capital, the issuance of bonds or other securities, and the listing of the Company;
- (vi) to formulate plans for material acquisition, repurchase of the Company's shares, or merger, division, dissolution, and change of the corporate form of the Company;
- (vii) to determine, within the authority granted by the general meeting or pursuant to the listing rules of the exchange(s) where the Company's shares are listed, matters such as external investments, the acquisition and disposal of assets, asset mortgages, external guarantees, consigned financial management, related (connected) transactions, external donations and gifts;
- (viii) to determine the establishment of the internal management structure of the Company;
- (ix) to determine the appointment or dismissal of the manager, the secretary to the Board of Directors and other senior management members of the Company, and determine their remunerations, rewards and punishments; and according to the nomination by the manager, to determine the appointment or dismissal of other senior management members, such as deputy managers and the person-in-charge of finance of the Company, and determine their remunerations, rewards and punishments;
- (x) to formulate the Company's basic management system;
- (xi) to draw up proposals for any amendment to the Articles of Association;
- (xii) to manage the matters of information disclosure of the Company;
- (xiii) to propose at the general meeting the appointment or change of any accounting firm which provides auditing services for the Company;
- (xiv) to receive work reports of the manager and review his/her work;
- (xv) to consider and handle the transfer of the Company's domestic unlisted share held by shareholders to overseas investors, or the approval for the conversion of the Company's domestic unlisted shares held by shareholders into overseas listed shares which can be listed on an overseas stock exchange;
- (xvi) to exercise other functions and powers conferred by laws, administrative regulations, department rules, securities regulatory rules of the place(s) where the Company's shares are listed, the Articles of Association, or the general meeting.

Matters beyond the authorization of the general meeting shall be submitted to the general meeting for consideration.

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The Board of Directors shall hold at least four meetings every year (approximately one meeting every quarter) and such meetings shall be convened by the chairman of the Board. All Directors shall be informed in writing 14 days before the meeting. Shareholders representing more than 10% of the voting rights, more than one third of the Directors or the Audit Committee may propose to convene an extraordinary Board meeting. A Board meeting shall be convened and presided over by the chairman within 10 days upon receipt of the proposal.

No Board meeting shall be held unless attended by a majority of Directors. Any resolution passed by the Board of Directors shall require affirmative votes by a majority of Directors, unless otherwise provided by laws, regulations and the Articles of Association.

Where a Director has a related relationship with any enterprise or person involved in a matter to be resolved at a Board meeting, such Director shall promptly report in writing to the Board of Directors, and he/she shall not exercise his/her voting rights for such resolution, nor exercise voting rights on behalf of other Director(s). The Board meeting shall not be held unless attended by a majority of Directors without any related relationship, and any resolution made at the Board meeting must be passed by a majority of Directors without any such related relationship. Where the number of Directors without any related relationship attending the meeting is less than three, the matter shall be submitted to the general meeting for consideration. Where there are any additional restrictions on Directors' participation in Board meetings and voting as stipulated by the laws, regulations and the securities regulatory rules of the place(s) where the Company's shares are listed, such provisions shall prevail.

Directors shall attend the Board meeting in person. Where any Director cannot attend the meeting for any reason, he/she may authorize in writing another Director to attend the meeting on his/her behalf, with the power of attorney shall state the name of the proxy, the matters represented, scope of authorization and validity period, and shall be signed or sealed by the principal. The Director attending the meetings on behalf of another Director shall exercise rights within the scope of authorization. Where a Director is not present at a Board meeting and fails to appoint a proxy to act on his/her behalf, the said Director is deemed to have waived his/her rights to vote at the meeting.

Special Committees under the Board

The Company's Board of Directors shall establish an audit committee, which shall exercise the powers and functions of the Supervisory Committee as stipulated in the Company Law.

The Board of Directors shall establish an audit committee, a nomination committee, a remuneration and appraisal committee and other special committees. These committees shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors, and the proposals of the special committees shall be submitted to the Board of Directors for deliberation and decision. The working regulations of the special committees shall be formulated by the Board.

Members of the Senior Management

The senior management members referred to in the Articles of Association include the manager, deputy managers, person-in-charge of finance, secretary to the Board of Directors and other senior management members recognized by the Board.

The Company shall have one manager, who shall be appointed or dismissed by the Board of Directors. The Company shall have deputy managers, who shall be appointed or dismissed by the Board of Directors. The Company shall have one secretary to the Board of Directors, who shall be responsible for the preparation for the general meetings and Board meetings, the maintenance of documents, the management of our shareholders' information, the handling of information disclosure matters, and other matters.

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The manager shall be accountable to the Board of Directors and exercise the following functions and powers:

- (i) to be in charge of the Company's production, operation and management, to organize and implement the resolutions of the Board and to report his/her work to the Board;
- (ii) to organize and implement the Company's annual business plans and investment plans;
- (iii) to formulate the Company's plans for the establishment of its internal management structure;
- (iv) to formulate the Company's basic management system;
- (v) to formulate specific regulations of the Company;
- (vi) to propose to the Board of Directors the appointment or dismissal of the Company's deputy managers and the person-in-charge of finance;
- (vii) to appoint or dismiss the management officers other than those required to be appointed or dismissed by the Board of Directors;
- (viii) to exercise other functions and powers as conferred by the Articles of Association or the Board. The manager shall attend the meetings of the Board of Directors.

Senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If any senior management member of the Company causes damage to the interests of the Company and its public shareholders due to failure in faithfully performing his/her duties or violation of his/her fiduciary duties, the said senior management member shall be liable to compensate the Company.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial and Accounting System

The Company shall establish its financial and accounting system in accordance with laws, administrative regulations and the provisions of relevant PRC authorities. Annual reports and interim reports shall be prepared, published and distributed in accordance with relevant laws, administrative regulations, departmental rules, Hong Kong Listing Rules and the securities regulatory rules of the place(s) where the Company's shares are listed.

The Company shall not set up other account books except for the statutory account books. The Company's funds shall not be deposited in any account opened in the name of any individual.

Profit Distribution

In distributing the current year's profits after tax, 10% of the profits shall be allocated to the Company's statutory reserve fund. When the aggregate amount of the statutory reserve fund is more than 50% of the Company's registered capital, further appropriations are not required.

If the statutory reserve fund of the Company is insufficient to make up the losses of the previous year, the profits of the current year shall be used to make up such losses before allocating to the statutory reserve fund in accordance with the aforesaid provisions.

After the allocation of its profits after tax to its statutory reserve fund, the Company may allocate its profits after tax to its discretionary reserve fund upon a resolution of the general meeting.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

The remaining profits after tax after the Company has made up its losses and allocated to its reserve fund may be distributed to its shareholders in proportion to their shareholdings unless it is stipulated in the Articles of Association that no profit distribution shall be made in accordance with shareholdings.

The shares of the Company held by the Company shall not participate in the distribution of profits.

The Company's reserve fund shall be used to make up the losses of the Company or expand the production operations, or be converted to increase the registered capital of the Company. The discretionary reserve fund and statutory reserve fund shall be used first to make up the Company's losses; if the losses cannot be covered, the capital reserve fund can be used in accordance with regulations.

When the statutory reserve fund is converted into registered capital, the remainder of the reserve fund shall not be less than 25% of the Company's registered capital prior to such conversion.

Internal Audit

The Company implements an internal audit system, which specifies the leadership system, responsibilities and authorities, staffing, funding security, use of audit results, and accountability in relation to internal audit work.

The internal audit agency shall be accountable to the Board. During the supervision and inspection of the Company's business activities, risk management, internal control, and financial information, the internal audit agency shall be subject to the supervision and guidance of the Audit Committee. If the internal audit agency discovers any significant issues or clues, it shall report directly to the Audit Committee forthwith.

Engagement of an Accounting Firm

The Company shall engage an accounting firm that complies with Chinese laws and regulations, the Hong Kong Listing Rules and the securities regulatory rules of the place(s) where the Company's shares are listed to perform services such as auditing of accounting statements, verification of net assets, and other related consulting services for a period of one year, which may be renewed.

The engagement or dismissal of an accounting firm shall be resolved by the general meeting. The Board of Directors shall not engage an accounting firm before the decision is made at the general meeting.

The Company guarantees to provide the hired accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not reject, conceal or make false reports of any information.

The audit fee of an accounting firm shall be decided at the general meeting.

When the Company dismisses or no longer renews the appointment of an accounting firm, the accounting firm shall be notified 10 days in advance. When the dismissal of an accounting firm is voted on at the general meeting, the accounting firm is allowed to state its opinions.

If an accounting firm resigns, it shall explain to the general meeting whether there is any impropriety on the part of the Company.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

MERGER, DIVISION, CAPITAL INCREASE AND DECREASE, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Decrease

The merger of the Company may take the form of either a merger by absorption or a merger by incorporation. In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution on merger and shall publish an announcement in the newspapers or the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. The creditors may require the Company to repay debts or provide corresponding guarantees for debt repayment within 30 days after the receipt of the notice, or within 45 days after the announcement for creditors if the creditors have not received the notice.

In the event of a merger, creditors' rights or debts of each of the parties to the merger shall be assumed by the company which survives the merger or the newly established company.

In the event of a division of the Company, its properties shall be divided up accordingly. In the event of a division, a balance sheet and an inventory of assets shall be prepared. The Company shall notify its creditors within 10 days from the date of the Company's resolution on division and shall publish an announcement in the newspapers or the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution.

For the debts of the Company prior to the division, the companies after the division shall bear joint and several liabilities, unless otherwise specified in the written agreement on debt repayment entered into between the Company and its creditors before the division.

The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital. The Company shall notify its creditors within 10 days from the date of the Company's resolution on the reduction of its registered capital and shall publish an announcement in the newspapers or the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. The creditors have the right to require the Company to repay debts or provide corresponding guarantees for debt repayment within 30 days after the receipt of the notice, or within 45 days after the announcement for creditors if the creditors have not received the notice.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

- (i) the expiration of the business period as stipulated in the Articles of Association or the occurrence of other grounds for dissolution as stipulated in the Articles of Association;
- (ii) dissolution resolved by the general meeting;
- (iii) requiring dissolution due to the merger or division of the Company;
- (iv) the business license being revoked, or being ordered to close or revoked in accordance with the law;
- (v) serious difficulties in its business operation management and serious damages to the interests of its shareholders for its continued existence which cannot be resolved through any other means, shareholders who hold over 10% of the voting rights of the Company may apply to the People's Court to dissolve the Company.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

Where the Company falls under any of the circumstances specified in above-mentioned items (i) and (ii) and has not distributed any property to its shareholders, the Company may continue to exist by amending the Articles of Association or by resolutions of the general meeting. Amendments to the Articles of Association or resolutions made at the general meeting pursuant to the aforesaid provisions shall be approved by more than two-thirds of the voting rights held by the shareholders present at the general meeting.

Where the Company is dissolved pursuant to above-mentioned items (i), (ii), (iv) and (v), a liquidation shall be conducted. In the event that Directors are the liquidation obligors of the Company, a liquidation committee for liquidation shall be established within 15 days after the dissolution grounds arise.

The liquidation committee shall notify the creditors within 10 days from the date of its establishment, and make an announcement in the newspapers or the National Enterprise Credit Information Publicity System within 60 days from the date of its establishment. The creditors shall declare their claims to the liquidation committee within 30 days from the date on which they receive such notice or within 45 days from the date of the announcement if no such notice is received.

When declaring the claims, the creditors shall specify the relevant matters about the claims and provide evidence. The liquidation committee shall register such claims. During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

The liquidation committee shall, after checking the Company's property and preparing a balance sheet and an inventory of assets, formulate a liquidation plan and present it to the general meeting or the People's Court for confirmation. After paying the liquidation expenses, employees' salaries, social insurance fees and statutory compensation, outstanding taxes and debts of the Company, the remaining property of the Company will be distributed in proportion to the number of shares held by shareholders.

During the liquidation period, the Company continues to exist, but may not carry out any business operation that is not for purpose of carrying out liquidation. Before the settlement of payments as prescribed in the above-mentioned provisions, the Company's property will not be distributed to shareholders.

If the liquidation committee, having checked the Company's property and having prepared a balance sheet and an inventory of property, discovers that the Company's assets are insufficient to pay off its debts, it shall apply to the People's Court for insolvency liquidation.

Upon completion of the Company's liquidation, the liquidation committee shall prepare a liquidation report, submit the report to the general meeting or the People's Court for confirmation, and submit the report to the company registration authority and apply for deregistration of the Company.

The Company declared insolvency according to law shall have insolvency liquidation carried out according to relevant enterprise insolvency laws.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association under any of the following circumstances:

- (i) Upon revision of the Company Law or the relevant laws, administrative regulations, the Hong Kong Listing Rules or the securities regulatory rules of the place(s) where the Company's shares are listed, the provisions of the Articles of Association conflict with the revised laws, administrative regulations, the Hong Kong Listing Rules or the securities regulatory rules of the place(s) where the Company's shares are listed;

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

- (ii) Changes in the state of the Company are inconsistent with the matters stipulated in the Articles of Association;
- (iii) The general meeting has decided to amend the Articles of Association.

Amendments to the Articles of Association passed by resolutions at the general meeting, which require examination and approval by the competent authorities, shall be submitted to the competent authorities for approval. Where any amendment involves the registered particulars of the Company, the procedures for change registration shall be handled in accordance with the law.

Any amendment to the Articles of Association which involves information to be disclosed as required by the laws or regulations, shall be announced as required.

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STATUTORY AND GENERAL INFORMATION

1. FURTHER INFORMATION ABOUT OUR COMPANY

Incorporation

Our Company is a limited liability company established in the PRC on September 4, 2017 and converted into a joint stock limited liability company established in the PRC on September 29, 2025. Our registered office is located at Room 2008, 20/F, Huachuang Building, No. 511 Jianye Road, Changhe Street, Binjiang District, Hangzhou, Zhejiang Province, PRC.

We have established a place of business in Hong Kong at 40th Floor, Dah Sing Financial Centre, No. 248 Queen’s Road East, Wanchai, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on November 25, 2025. Ms. Suen Ka Yan has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong as set out above.

As our Company was established in the PRC, we are subject to relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and our Articles of Association is set out in “Regulatory Overview” and Appendix III to this Document, respectively.

Changes in the Share Capital of Our Company

Save as disclosed in the section headed “History, Development and Corporate Structure — Corporate Development and Major Shareholding Changes” and “History, Development and Corporate Structure — Pre-[REDACTED] Investments”, there has been no other alteration in the share capital of our Company during the two years immediately preceding the date of this Document.

Changes in the Share Capital of Our Subsidiary

Our subsidiary is set out in the Accountants’ Report, the text of which is set out in Appendix I.

As of the Latest Practicable Date, there has been no alteration in the share capital of the subsidiary of the Company within two years immediately preceding the date of this Document.

Shareholders’ Resolutions

Pursuant to the Shareholders’ meeting held on November 7, 2025, the following resolutions, among others, were (subject to the relevant regulatory approval, filing and registration) duly passed:

- (a) the adoption and implementation of the Share Subdivision immediately prior to the [REDACTED] and the issue of H Shares with a nominal value of RMB0.10 each and the [REDACTED] of such H Shares on the Stock Exchange;
- (b) the number of H Shares to be issued pursuant to the [REDACTED], and the grant to the [REDACTED] (or their representatives) of the [REDACTED] of not more than [REDACTED]% of the number of H Shares issued pursuant to the [REDACTED];
- (c) conditional upon the completion of the [REDACTED], the [REDACTED] Unlisted Shares (as adjusted by the Share Subdivision) held by existing Shareholders will be converted into H Shares a one-for-one basis;

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STATUTORY AND GENERAL INFORMATION

- (d) subject to the completion of the [REDACTED], the Articles of Association have been approved and adopted, which shall become effective on the [REDACTED], and our Board has been authorized to amend the Articles of Association to the extent necessary in accordance with any comments from the relevant regulatory authorities;
- (e) subject to the completion of the [REDACTED], the granting of a general mandate to the Board to allot and issue Shares at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which the Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes and to such persons as the Board in their absolute discretion deem fit, and to make necessary amendments to the Articles of Association, provided that, the number of Shares to be issued shall not exceed 20% of the number of the Shares in issue as at the [REDACTED]; and
- (f) our Board has been authorized to handle all relevant matters relating to, among other things, the implementation of issuance of H Shares and the [REDACTED].

2. FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contract

We have entered into the following contract (not being contract entered into in the ordinary course of business) within two years preceding the date of this Document, which is or may be material and a copy of which [has] been delivered to the Registrar of Companies in Hong Kong for registration:

- (a) the [REDACTED].

Our Intellectual Property Rights

Trademarks

As of the Latest Practicable Date, we have registered the following trademarks which we consider to be material in relation to our business:

No.	Trademark	Owner	Registration Number	Place of Registration	Expiry Date
1. . .	时迈药业	Our Company	46478310	PRC	June 6, 2031
2. . .	CentryMed	Our Company	46478408	PRC	January 6, 2031
3. . .	时迈生物医药	Our Company	46489326	PRC	June 6, 2031
4. . .	CENTRIIMED	Our Company	63193983	PRC	October 6, 2032
5. . .	CENTRIIMED	Our Company	63183802	PRC	September 27, 2033
6. . .	时迈药业	Our Company	63195420	PRC	February 6, 2034
7. . .	CentryMed	Our Company	63201003	PRC	October 6, 2032
8. . .	时迈药业	Our Company	65692333	PRC	September 13, 2033

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No.	Trademark	Owner	Registration Number	Place of Registration	Expiry Date
9. . .		Our Company	63199806	PRC	September 27, 2033
10. .	CentryMed	Our Company	63199813	PRC	October 6, 2032
11. .	时迈药业	Our Company	63210256	PRC	November 6, 2032
12. .		Our Company	307043139	Hong Kong	September 25, 2035
13. .	时迈药业	Our Company	307043120	Hong Kong	September 25, 2035

Copyrights

As of the Latest Practicable Date, we do not have any copyright which we consider to be or may be material to our business.

Domain Names

As of the Latest Practicable Date, we have registered or been authorized to use the following domain names which we consider to be material in relation to our business:

Domain Name	Registrant	Expiry Date
Centrymed.com	Zhejiang Shimai Pharmaceutical Co. Ltd	April 18, 2027
Smettpharma.com	Zhejiang Shimai Pharmaceutical Co. Ltd	April 11, 2027

Patents

For material patents and patent applications of our Group as of the Latest Practicable Date, see paragraph headed “Business — Intellectual Property” for more details.

Save as disclosed above, as of the Latest Practicable Date, there were no other trademarks, domains, copyrights, intellectual property rights, or individual property rights which are or may be material in relation to our business.

3. FURTHER INFORMATION ABOUT OUR DIRECTORS

Particulars of Directors’ Contracts and Appointment Letters

(i) Executive Directors

Our executive Director, [have entered into] a service contract with our Company. Each service contract is for an initial term of three years. The service contracts may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations.

(ii) Non-executive Directors and Independent Non-executive Directors

Each of our non-executive Directors and independent non-executive Directors, [has entered into] a letter of appointment with our Company. Each letter of appointment is for an initial term of three years. The letters of appointment may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations.

APPENDIX IV STATUTORY AND GENERAL INFORMATION

Remuneration of Directors

Save as disclosed in “Directors and Senior Management” and “Appendix I — Accountants’ Report — 8. Directors’, Chief Executive’s and Supervisor’s Remuneration” for the financial years ended December 31, 2024 and 2025, none of our Directors received other remunerations or benefits in kind from us.

Save as disclosed above, there is no arrangement under which any Director has waived or agreed to waive any remuneration or benefits in kind during the Track Record Period.

4. DISCLOSURE OF INTERESTS

Disclosure of Interests of Directors

Immediately following the completion of the [REDACTED] assuming that the [REDACTED] is not exercised, none of our Directors has any interest and/or short position in the Shares, underlying Shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short position which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules to be notified to our Company, once the Shares are [REDACTED] on the Stock Exchange.

Interests in our Company

Name of Shareholder	Nature of interest	Shares held as of the Latest Practicable Date		Immediately following the [REDACTED] and the Share Subdivision (assuming that the [REDACTED] is not exercised) ⁽¹⁾		
		Number of Shares (as adjusted by the Share Subdivision)	Approximate percentage of shareholding in our total share capital	Number of Shares	Approximate percentage of shareholding in the relevant class of Shares	Approximate percentage of shareholding in our total share capital ⁽¹⁾
			(%)		(%)	(%)
Dr. Xiao ⁽²⁾	Interest in controlled corporations	98,149,300	50.34	[REDACTED] H Shares	[REDACTED]	[REDACTED]
Mr. Ding Shizhe ⁽³⁾	Interest in controlled corporations	11,962,190	6.13	[REDACTED] H Shares [REDACTED] Unlisted Shares	[REDACTED]	[REDACTED]
Mr. Shao Qing	Beneficial owner	2,329,210	1.19	[REDACTED] H Shares	[REDACTED]	[REDACTED]

Notes:

(L) All interests stated are long positions.

(1) The calculation is based on the assumption that (i) the conversion of the [REDACTED] existing Unlisted Shares (as adjusted by the Share Subdivision) in issue into H Shares; and (ii) the [REDACTED] is not exercised, the total number of issued Shares of the Company immediately upon completion of the [REDACTED] will be [REDACTED] H Shares.

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- (2) As (i) Hangzhou Haomai is a company wholly owned by Dr. Xiao, (ii) Hangzhou Dimai is a limited partnership managed and controlled by Hangzhou Haomai, which in turn is wholly owned by Dr. Xiao, and (iii) Hangzhou Shimai is a limited partnership managed and controlled by Dr. Xiao, Dr. Xiao is deemed to be interested in the Shares held by Hangzhou Haomai, Hangzhou Dimai and Hangzhou Shimai upon the completion of the [REDACTED] under the SFO.
- (3) Hangzhou Beicheng Venture Capital Partnership (Limited Partnership) (杭州貝橙創業投資合夥企業(有限合夥)) (“**Beicheng Venture**”) is a limited partnership managed by Hangzhou Beijia Investment Management Co., Ltd. (杭州貝加投資管理有限責任公司) (“**Hangzhou Beijia**”) as its general partner. Hangzhou Beiyi Equity Investment Fund Partnership (Limited Partnership) (杭州貝奕股權投資基金合夥企業(有限合夥)) (“**Hangzhou Beiyi**”) is a limited partnership managed by Hangzhou Beijia as its general partner. Hangzhou Beijia is in turn held as to 90% by Mr. Ding Shizhe (丁師哲), our non-executive Director. Therefore, Mr. Ding Shizhe is deemed to be interested in the Shares held by Beicheng Venture and Hangzhou Beiyi upon the completion of the [REDACTED] under the SFO.

Disclosure of Interests of Substantial Shareholders

For information on the persons who will, immediately following the completion of the [REDACTED], have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, see the section headed “Substantial Shareholders”.

So far as set out above, our Directors are not aware of any persons (other than our Directors or chief executive) who will, immediately following the completion of the [REDACTED], directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

Disclaimers

- (a) None of our Directors has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this Document been 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;
- (b) none of our Directors is 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 taken as a whole; and
- (c) save as disclosed in “Substantial Shareholders”, without taking into account any Shares which may be taken up under the [REDACTED], none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the [REDACTED], be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at Shareholders’ meetings of any member of our Group in the Shares or underlying Shares of our Company.

5. 2025 EQUITY INCENTIVE PLAN

The following is a summary of the principal terms of the 2025 Equity Incentive Plan, which was adopted by the Company and took effect in November 2025. The 2025 Equity Incentive Plan does not involve the grant of new Shares or awards by the Company after the [REDACTED], and the 2025 Equity Incentive Plan will not cause any dilution of the shareholding of our Shareholders after the [REDACTED].

Under the 2025 Equity Incentive Plan, Eligible Participants (as defined below) were granted partnership interests in Hangzhou Shimai (the “**Awards**”), our Employee Incentive Platform. Hangzhou Shimai was established in the PRC as a limited partnership on October 29, 2020, and

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owned 11,409,650 Shares (as adjusted by the Share Subdivision) in the Company, accounting for approximately 5.85% of our issued Shares as of the date of this Document. Hangzhou Shimai is controlled by Dr. Xiao as its sole general partner. For further details of structure of Hangzhou Shimai, see “History, Development and Corporate Structure — Equity Incentive Plan” in this Document.

Purpose

The primary purpose of the 2025 Equity Incentive Plan is to improve the incentive mechanism and compensation policies of the Group, motivate the participants thereto (the “**Eligible Participants**”) and bring benefits to the Eligible Participants while facilitating the Company’s development.

Administration

The Shareholders are authorized to implement, amend and terminate the 2025 Equity Incentive Plan. The chairman of the Board will be the administrator of the 2025 Equity Incentive Plan (the “**Administrator**”), which shall execute and oversee matters in accordance with the scheme’s provisions. The Administrator is responsible for handling and implementing various tasks, including but not limited to:

- drafting relevant reports, proposals, documents, internal announcements or notices, notifications, letters, etc. in connection with the 2025 Equity Incentive Plan;
- determining the types of Eligible Participants, the list of grantees, and the allocation of equity incentive, as well as adjusting the number, price, and methods of the equity incentives;
- formulating and modifying equity incentive agreement templates;
- conducting reasonable assessments for Eligible Participants as required by the 2025 Equity Incentive Plan; and
- performing other routine tasks related to the 2025 Equity Incentive Plan.

Eligible Participants

Persons eligible to participate in the 2025 Equity Incentive Plan are the core employees of our Group and participants designated by the Administrator. The core employees of our Group refer to (i) senior management, middle management and key employees who have been in full-time employment with the Group for a period of not less than six months; and (ii) such other persons as may be determined by the Chairperson of our Group to be eligible participants of the 2025 Equity Incentive Plan.

Form of the 2025 Equity Incentive Plan

The Eligible Participants, as partners of the Employee Incentive Platforms which are limited partnerships, shall subscribe for partnership interests of the Employee Incentive Platforms as limited partners according to the number of awards granted under the 2025 Equity Incentive Plan, thereby indirectly holding the Shares of our Company by virtue of their capacity as partners of the relevant Employee Incentive Platform.

Term

The 2025 Equity Incentive Plan shall take effective from November 7, 2025, and will be terminated upon approval by the Shareholders meeting.

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Rights Attached to Awards

The general partner of the Employee Shareholding Platforms shall exercise voting rights on behalf of the Eligible Participants in respect of the Shares underlying the Awards. The Eligible Participants have the rights to any dividends or distributions from any Shares underlying the Award.

Transfer Restrictions

Except for circumstances specified under the terms of the 2025 Equity Incentive Plan, the partnership interests of the Eligible Participants shall be subject to certain transfer restrictions and/or performance targets under the 2025 Equity Incentive Plan.

Details of Interests in the Employee Incentive Platform

As of the date of this Document, each of the relevant grantees has been registered as a limited partner of the Employee Incentive Platform. The capital contribution made by the partners to the Employee Incentive Platform was sourced from their own funds as of the date of this Document. As of the date of this Document, all Shares subject to the 2025 Equity Incentive Plan were issued to the Employee Incentive Platform and all Awards corresponding to the underlying Shares held by the Employee Incentive Platform have been granted to the relevant grantees. No further Awards are expected to be granted under the 2025 Equity Incentive Plan after the [REDACTED] and the 2025 Equity Incentive Plan will not cause any dilution of the shareholding of our Shareholders after the [REDACTED]. The terms of the 2025 Equity Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules as the 2025 Equity Incentive Plan does not involve the grant of new awards by our Company to subscribe for H Shares after the [REDACTED].

6. OTHER INFORMATION

Litigation

As of the Latest Practicable Date, no member of our Group was engaged in any litigation or arbitration of material importance and, so far as our Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of our Group.

Sole Sponsor

The Sole Sponsor has made an application on our behalf to the [REDACTED] Committee of the Stock Exchange for a [REDACTED] of, and permission to [REDACTED], all the H Shares to be issued as mentioned in this Document. The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letter entered into between our Company and the Sole Sponsor, we have agreed to pay the Sole Sponsor a fee of US\$600,000 to act as the sponsor of our Company in connection with the proposed [REDACTED] on the Stock Exchange.

Compliance Adviser

Our Company has appointed Ignite Capital (Asia Pacific) Limited as the compliance adviser in compliance with Rule 3A.19 of the Listing Rules.

Preliminary Expenses

As of the Latest Practicable Date, our Company had not incurred material preliminary expenses.

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Promoter

The promoters of our Company are all of the 28 then shareholders of our Company as of August 31, 2025 immediately before our conversion into a joint stock limited liability company. Within the two years immediately preceding the date of this Document, 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 in connection with the [REDACTED] and the related transactions described in this Document.

Qualification of Experts

The qualifications of the experts, as defined under the Listing Rules, who have given opinions in this Document, are as follows:

Name	Qualification
Huatai Financial Holdings (Hong Kong) Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities as defined under the SFO
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor
Commerce & Finance Law Offices	Legal advisers to our Company as to the PRC laws
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

Consents of Experts

Each of the experts named in the paragraph headed “Qualification of Experts” in this Appendix has given and has not withdrawn its written consent to the issue of this Document with the inclusion of its report and/or letter and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

None of the experts named above has any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of our Shares being sold or transferred.

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Restriction on Share Repurchases

For details of the restrictions on share repurchases by our Company, see “Appendix III — Summary of Articles of Association of the Company”.

Binding Effect

This Document shall have the effect, if an application is made in pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Hong Kong Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or our subsidiary.

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 (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

- (a) save as disclosed in “History, Development and Corporate Structure” and in this section, within the two years immediately preceding the date of this Document:
 - (i) no share or loan capital of our Company or our subsidiary has been issued or agreed to be issued, or is proposed to be fully or partly paid either for cash or a consideration other than cash;
 - (ii) no share or loan capital of our Company or our subsidiary is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share of our Company or our subsidiary; and
 - (iv) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company;
- (b) there are no founder, management or deferred shares or any debentures in our Company or our subsidiary;
- (c) there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business;
- (d) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this Document;
- (e) save as disclosed in “Risk Factors”, there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (f) our Company has no outstanding convertible debt securities or debentures;
- (g) there is no arrangement under which future dividends are waived or agreed to be waived;
- (h) none of our equity and debt securities is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought;
- (i) our Company is a joint stock limited company and is subject to the PRC Company Law; and
- (j) our Company has adopted a code of conduct regarding Directors’ securities transactions on terms as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules.

No Material Adverse Change

Our Directors have confirmed that, up to the date of this Document, there had been no material adverse change in our financial, operational or [REDACTED] position, indebtedness, contingent liabilities or prospects since December 31, 2025, being the end date of our latest audited financial statements, and there has been no event since December 31, 2025 that would materially affect the information shown in the Accountants’ Report set out in Appendix I.

APPENDIX V

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this Document delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) the written consents referred to in “Statutory and General Information — 6. Other Information — Consents of Experts” in Appendix IV to this Document; and
- (b) a copy of the material contract referred to in “Statutory and General Information — 2. Further Information about our Business — Summary of Material Contract” in Appendix IV to this Document.

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.centrymed.com during a period of 14 days from the date of this Document:

1. the Articles of Association;
2. the audited consolidated financial statements of our Group for the financial years ended December 31, 2024 and 2025;
3. the Accountant’s Report from Ernst & Young for the financial years ended December 31, 2024 and 2025, the text of which is set forth in Appendix I to this Document;
4. the report from Ernst & Young on the unaudited [REDACTED] financial information of our Group, the text of which is set forth in Appendix II to this Document;
5. the material contract referred to in “Statutory and General Information — 2. Further Information about our Business — Summary of Material Contract” in Appendix IV to this Document;
6. the written consents referred to in “Statutory and General Information — 6. Other Information — Consents of Experts” in Appendix IV to this Document;
7. the service contracts and appointment letters referred to in “Statutory and General Information — 3. Further Information about our Directors” in Appendix IV to this Document;
8. the legal opinions issued by Commerce & Finance Law Offices, our PRC Legal Advisor, in respect of, among other things, the general matters and property interests of our Group under PRC law;
9. the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., the summary of which is set forth in the section headed “Industry Overview”; and
10. a copy of the following PRC laws, together with unofficial English translations:
 - (i) the PRC Company Law;
 - (ii) the PRC Securities Law; and
 - (iii) the Overseas Listing Trial Measures.