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 this document in its entirety before you decide to [**REDACTED**] *in the* [**REDACTED**]. *There are risks associated with any* [**REDACTED**]. *Some of the risks involved in* [**REDACTED**] *in the* [**REDACTED**] *are set out in the "Risk Factors" section of this document. You should read that section carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**]. *In particular, we are a biotechnology company seeking to* [**REDACTED**] *on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules as we do not meet the requirements under Rule 8.05(1), (2) or (3) of the Listing Rules. There are unique challenges, risks and uncertainties associated with* [**REDACTED**] *in companies like ours. Notably, ES102 is our "Core Product" designated 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. Our Core Product is in the early stage of clinical development. We may continue to incur substantial costs and expenses in relation to the R&D activities for the Core Product and our Core Product may not be successfully developed or marketed. Your* [**REDACTED**] *decision should be made in light of these considerations.*

OVERVIEW

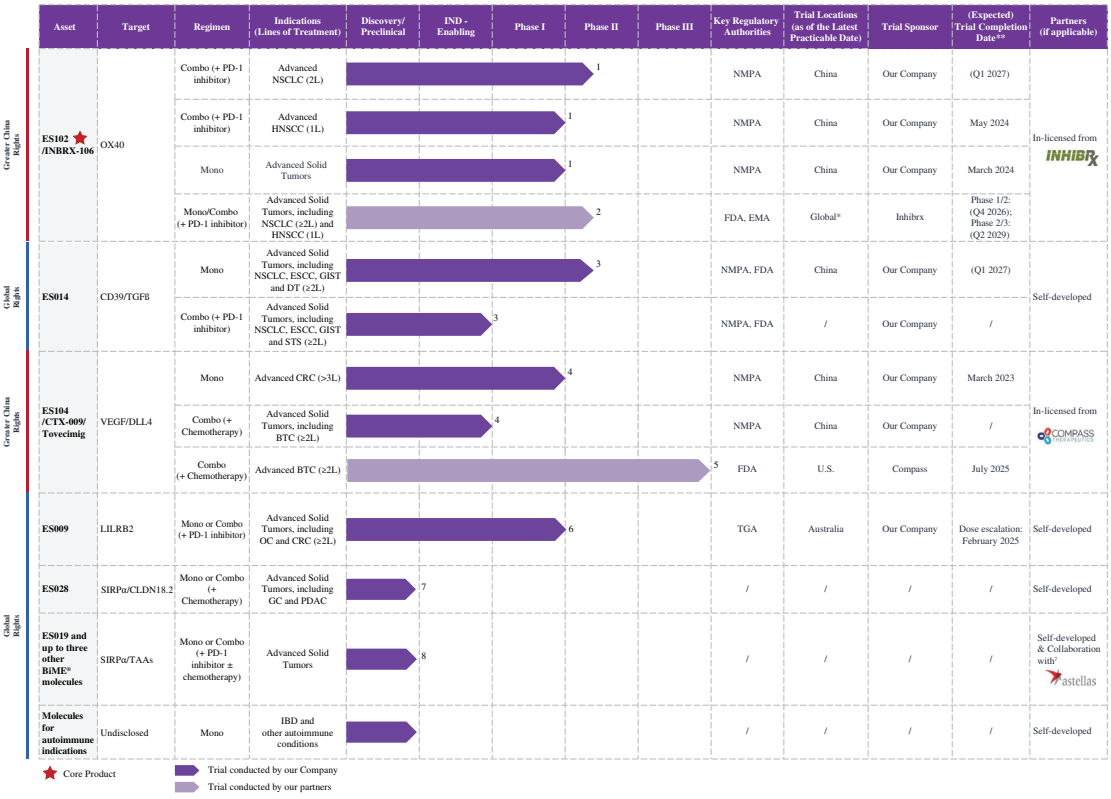
Founded in 2017, we are a clinical-stage biopharmaceutical company focused on developing cancer therapies. We have one Core Product, ES102, a clinically advanced hexavalent OX40 agonist antibody. ES102 has shown a manageable safety profile and promising anti-tumor activity in its clinical trials, including in combination with programmed cell death protein 1 ("**PD-1**") antibodies for non-small cell lung cancer ("**NSCLC**") and esophageal squamous cell carcinoma ("**ESCC**") patients resistant to PD-1 checkpoint inhibitors. As of the Latest Practicable Date, we had multiple pipeline assets in addition to our Core Product, three of which were at the clinical stage.

Driven by our deep understanding and research in the tumor microenvironment ("**TME**"), we aim to drive innovation in immuno-oncology by taking a systematic approach to cover differentiated and promising targets and pathways in cancer biology. Growing evidence point to the condition of the TME as a major factor in the limited efficacy of immune checkpoint inhibitors ("**ICIs**"). "Cold" tumors, characterized by a suppressive TME and a lack of T cell infiltration, not only are less responsive to ICIs but also develop resistance to ICIs after initial treatment. We are advancing cancer treatment by turning "cold" tumors "hot," namely removing suppressive factors in the TME, inducing higher immune response across tumor types, and thereby enabling more robust anti-tumor activity.

ES102, our Core Product, is positioned to target cancer patients responding poorly to ICIs. We have completed two phase 1 clinical trials for ES102 as a single agent and in combination with a PD-1 checkpoint inhibitor in patients with advanced solid tumors in China since in-licensing the asset from Inhibrx in 2018. We have also initiated ES102's phase 2 clinical trial in combination with toripalimab in patients with advanced NSCLC in China, with the first patient dosed in April 2025, to further explore ES102's potential in combination therapies. For details on ES102's clinical development plan, see "Business — Our Pipeline — ES102 — Clinical Development Plan and Next Milestone."

SUMMARY

The pipeline chart below summarizes the development status of our clinical-stage drug candidates and selected preclinical assets.



Abbreviations: NSCLC: non-small-cell lung cancer; HNSCC: head and neck squamous cell carcinoma; BTC: biliary tract cancer; CRC: colorectal cancer; ESCC: esophageal squamous cell carcinoma; GC: gastric cancer; GIST: gastrointestinal stromal tumor; DT: desmoid tumor; STS: soft tissue sarcoma; OC: ovarian cancer; PDAC: pancreatic ductal adenocarcinoma; PD-1: programmed cell death protein 1; PD-L1: programmed death-ligand 1; PD-(L)1: PD-1 or PD-L1; IBD: inflammatory bowel disease; RA: rheumatoid arthritis

* Not including Greater China, unless with our prior consent

** Primary completion date as disclosed on clinicaltrials.gov, unless otherwise specified.

Notes:

1. Phase 1 clinical trial for ES102 in combination with toripalimab in patients with advanced solid tumors in China was completed in May 2024. We are currently enrolling patients for ES102's phase 2 clinical trial in combination with toripalimab in patients with advanced NSCLC in China. Subject to clinical progress and our communication with the NMPA, we plan to initiate either a phase 3 clinical trial in China for ES102 in patients with advanced NSCLC or a phase 2/3 clinical trial in China for ES102 in patients with advanced HNSCC in the second half of 2026.

2. Inhibrx has advanced ES102 (INBRX-106)'s phase 1/2 clinical trials in the U.S. in patients with advanced solid tumors (including NSCLC). In addition, Inhibrx initiated a phase 2/3 trial in the U.S. for ES102 (INBRX-106) in combination with Keytruda as a first-line treatment for patients with locally advanced recurrent or metastatic HNSCC in June 2024 and released positive interim results from the phase 2 portion of the trial in May 2026.

3. We have completed patient enrollment for ES014's ongoing dose expansion study of its phase 1 clinical trial as a single agent in patients with advanced solid tumors in China. We obtained IND approval from the NMPA in March 2025 to initiate ES014's combination trial with a PD-1 checkpoint inhibitor, for which we are exploring opportunities to collaborate with business partners. We also initiated ES014's phase 2 clinical trial as a single agent for patients with desmoid tumor in May 2026.

4. Phase 1 of a phase 1/2 trial in China for ES104 as a single agent in patients with advanced CRC was completed in March 2023. An IND approval from the NMPA for ES104's combination trial in patients with advanced solid tumors was obtained in October 2023.

5. Compass released top-line data for ES104 (CTX-009/tovecimig)'s phase 2/3 registrational-intent trial in the U.S. in combination with paclitaxel in patients with previously treated, unresectable advanced or metastatic BTC in April 2025 showing that the primary endpoint of this trial had been met. In addition, Compass reported additional key secondary endpoint data from this trial in April 2026.

6. Phase 1 trial for ES009 commenced in Australia and enrolled the first patient in September 2023, with the dose escalation study completed in February 2025. We are also exploring opportunities to collaborate with business partners to jointly advance ES009's clinical development in or outside China.

7. As of the Latest Practicable Date, ES028 was at preclinical stage. ES028 is expected to be developed as a monotherapy and also has the potential to be combined with chemotherapy in earlier lines of therapy.

8. As of the Latest Practicable Date, ES019 was at preclinical stage. ES019 is expected to be developed as a monotherapy and also has the potential to be combined with chemotherapy. Other BiME molecules covered or may be covered by our collaboration with Astellas were at discovery stage.

9. We and Astellas agree to conduct early-stage research activities on ES019 and up to three other programs derived from our BiME® platform. In connection with this collaboration, we have granted to Astellas (i) an exclusive license to develop and use, during the respective research collaboration term, the antibodies and products with respect to each BiME research program worldwide; and (ii) an option to obtain an exclusive license to further develop, manufacture, commercialize and otherwise exploit the antibodies and products with respect to each BiME research program worldwide. As of the Latest Practicable Date, Astellas had not exercised this option or obtained such post-option license with respect to any of the BiME research programs.

In addition to our focus on immuno-oncology, we are pursuing treatment options for autoimmune diseases by restoring immune balance and preventing excessive immune activation through a systemic and targeted approach. Leveraging our deep understanding of the intricate immune network, we aim to uncover key pathways involved in immune dysregulation and develop therapies that rebalance the immune response. Our strategy targets both innate and adaptive immunity focusing on key immunoregulatory pathways to achieve long-term disease control. For more details on our autoimmune pipeline, all of which were in the preclinical stage as of the Latest Practicable Date, see "Business — Our Pipeline — Our Autoimmune Approach."

OUR PIPELINE

We combine our internal discovery and development capabilities with external partnerships. The two complementary approaches provide us with the flexibility needed to continuously bring differentiated molecules into the clinic.

Key highlights of our four clinical-stage programs are set forth below:

- ***ES102***, our Core Product and a clinically advanced hexavalent OX40 agonist that co-stimulates and activates T cells and reverses immune suppression induced by Treg cells. As of the Latest Practicable Date, there was no OX40 agonist approved worldwide, and ES102 was one of the only two OX40 agonist candidates in phase 2 or beyond under clinical development globally, according to China Insights Industry Consultancy ("**CIC**"). For details, see "Industry Overview — China's OX40 Agonist Market — Competitive Landscape." Positioned to target cancer patients responding poorly to ICIs, ES102 has shown a manageable safety profile and promising anti-tumor activity in its clinical trials, including in combination with PD-1 antibodies for NSCLC and ESCC patients resistant to PD-1 checkpoint inhibitors.

- ***ES014***, the first clinical-stage CD39/TGFß bsAb worldwide. ES014 is a bifunctional anti-CD39/TGFβ trap recombinant protein which not only blocks the CD39-adenosine pathway but also selectively concentrates the blockade of TGFβ in the vicinity of CD39-expressing immune cells (rather than directly on tumor cells, which rarely express CD39). In our preclinical studies, ES014 has shown promising safety and efficacy with a potential to be used both as a monotherapy and in combination with other agents such as chemotherapy and PD-1 checkpoint inhibitors. In contrast to other antibodies targeting the TGFβ pathway (such as PD-L1/TGFβ bsAbs), ES014 effectively blocks the suppression of immune cells by TGFβ in *in vivo* studies.

- ***ES104***, a differentiated bsAb that simultaneously targets VEGF and DLL4, two critical signaling molecules in the formation of new blood vessels, or angiogenesis, in the tumor. As of the Latest Practicable Date, ES104 was the only VEGF/DLL4 bsAb under active clinical development worldwide. ES104 has shown anti-tumor activity across multiple tumor types, such as biliary tract cancer (BTC), colorectal cancer (CRC) and gastric cancer (GC), based on data from its completed and ongoing clinical trials.

- ***ES009***, a differentiated mAb targeting LILRB2. Antagonism of LILRB2 has shown to reprogram macrophages from an M2 (anti-inflammatory) to M1 (pro-inflammatory) phenotype, making it a promising target in creating an immune favorable TME. In our phase 1 clinical trial, ES009 demonstrated promising efficacy with eight of the 11 patients achieving stable disease, or a DCR of 72.7%, as of the data cut-off date (March 18, 2025). In our preclinical studies, ES009 demonstrated high affinity and functional activities over other anti-LILRB2 antibodies by binding to a unique epitope, and synergistic effects in combination with PD-1 checkpoint inhibitors to reinvigorate T cell function.

In addition to our clinical-stage assets, we are currently developing several promising preclinical drug candidates, including ES028 and other assets covering novel targets addressing major cancer types such as gastric cancer (GC), pancreatic ductal adenocarcinoma (PDAC), NSCLC, HNSCC, hepatocellular carcinoma (HCC) and CRC, utilizing our systematic approach to early research on mechanisms of action and comprehensive technology platforms. Our autoimmune pipeline is represented by two multi-targeting molecules that are indicated for autoimmune indications including inflammatory bowel disease ("**IBD**") and other autoimmune conditions. For details, see "Business — Our Pipeline."

WE MAY NOT BE ABLE TO SUCCESSFULLY DEVELOP AND/OR MARKET OUR PIPELINE PRODUCTS, INCLUDING CORE PRODUCT ES102.

OUR INTEGRATED INNOVATION CAPABILITIES

We have built an integrated drug development engine equipped with proprietary technologies covering the full R&D cycle, from drug discovery to translational medicine and clinical development. We have established proprietary antibody discovery platforms, namely (i) BiME®, our fit-for-purpose macrophage engager platform, (ii) Acebody™, our proprietary engineering platform for IgG-like bsAbs, and (iii) ElpiSource™, our library for efficient selection of fully human antibodies. These discovery platforms are bolstered by our translational medicine and global clinical development capabilities. For details, see "Business — Our Competitive Strengths — Integrated innovation capabilities covering full R&D cycle."

OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths have differentiated us from our competitors: (i) key player in cancer immunotherapies with a systematic and differentiated strategy focusing on innovative targets and pathways in cancer biology; (ii) ES102, a clinically advanced hexavalent OX40 agonist antibody to treat ICI-resistant cancer patients; (iii) differentiated pipeline to seize vast and rapidly growing opportunities in the oncology market; (iv) integrated innovation capabilities covering full R&D cycle; (v) proven business development capabilities driving future growth; and (vi) experienced leadership and R&D team with a global vision backed by esteemed scientific advisers and renowned investors. For details, see "Business — Our Competitive Strengths."

OUR DEVELOPMENT STRATEGIES

We intend to capitalize on our competitive strengths by pursuing the following development strategies: (i) rapidly advance our clinical assets towards commercialization; (ii) enrich our cancer immunotherapy pipeline by optimizing our technology platforms, exemplified by BiME®, and deepening our research in cancer biology; (iii) establish a strong global presence through value-maximizing global partnerships and unlock the clinical and commercial potential of our drug candidates; (iv) optimize our innovation capabilities to foster long-term growth. For details, see "Business — Our Development Strategies."

LICENSE AND COLLABORATION ARRANGEMENTS

We actively seek collaboration and licensing partnerships with MNCs and leading biotech companies. These partnerships enable us to expand our global footprint and maximize the clinical and commercial value of our pipeline and technology platforms. Moreover, they are strong endorsements of our ability to develop cancer immunotherapies and advanced technologies.

License Agreement with Inhibrx on ES102 (INBRX-106)

On April 30, 2018, we entered into a license agreement with Inhibrx, Inc., a U.S.-based, clinical-stage biopharmaceutical company, under which we were granted an exclusive license to further develop, manufacture and commercialize ES102, or INBRX-106 in Greater China (as amended, the "**ES102 License Agreement**"). Under the ES102 License Agreement, Inhibrx granted to us an exclusive, royalty-bearing, and sublicensable right to develop and commercialize any product containing ES102 ("**ES102 Licensed Products**") in Greater China under Inhibrx's certain intellectual property (which include all patents, patent applications and know-how owned or controlled by Inhibrx or its affiliates that is necessary to make, have made, use, sell, offer for sale, or import ES102 or ES102 Licensed Products for use in Greater China).

We maintain independent control over ES102's IP rights, development and commercialization in Greater China that is established through multiple layers of protection under the ES102 License Agreement, as advised by JunHe LLP, our IP counsel: (i) **Exclusive and Comprehensive Territorial Rights:** We hold exclusive rights to use Inhibrx's patents, patent applications and know-how for the development and commercialization of any product containing ES102 in Greater China. This encompasses all patents, patent applications and know-how owned or controlled by Inhibrx or its affiliates that is necessary to exploit ES102 in Greater China, including the one granted patent and seven patent applications related to ES102 detailed under "Business — Intellectual Property" which cover its core features including active ingredient, structural design and composition; (ii) **Protection from Corporate Changes:** Sanofi's acquisition of Inhibrx, Inc.'s INBRX-101 program (the "Acquisition") in May 2024 does not have any impact on our independent control over the IP rights, development and commercialization of ES102 in Greater China because Inhibrx Biosciences, Inc., the entity spun off from Inhibrx, Inc. prior to the Acquisition, has received ES102 (INBRX-106) and assumed all rights and obligations of Inhibrx, Inc. under the ES102 License Agreement; (iii) **Ownership of IP Improvements:** All intellectual property, including patents and know-how, independently conceived by us or on our behalf through exercising this license is and will be solely owned by us; and (iv) **Demonstrated Operational Independence:** Since in-licensing ES102 in April 2018, we have independently conducted, and continue to conduct, R&D and clinical activities for this drug candidate in China without relying on Inhibrx's capabilities, as detailed under "Business — Our Pipeline — ES102 — Clinical Development Plan and Next Milestones."

Based on the legal opinions issued by the IP counsel and the due diligence results, the Sole Sponsor concurs with the view on the Company's independent control over ES102's IP rights, development and commercialization in Greater China. For details on the key terms of our license agreement with Inhibrx on ES102, see "Business — License and Collaboration Arrangements."

Collaboration with Astellas on Bispecific Macrophage Engager Programs Derived from BiME®

On December 28, 2023, we entered into a collaboration, option and license agreement with Astellas Pharma Inc. ("**Astellas**"), a global biopharmaceutical company, under which we and Astellas agree to conduct early-stage research activities on up to four bispecific macrophage engager programs derived from our BiME® platform (together, "**BiME Research Programs**," each distinguished by the biological targets selected). In connection with this collaboration, we have granted to Astellas, for each BiME Research Program, an exclusive, royalty-free, sublicensable license to develop and use the antibodies and products with respect to such BiME Research Program

worldwide during the respective research collaboration term. We have also granted to Astellas an exclusive option to obtain an exclusive license to further develop, manufacture, commercialize and otherwise exploit the antibodies and products with respect to each BiME Research Program worldwide. As of the Latest Practicable Date, Astellas had not exercised its option with respect to any of the BiME Research Programs. For details on the key terms of our collaboration agreement with Astellas, see "Business — License and Collaboration Arrangements."

License Agreement with Compass on ES104 (CTX-009/Tovecimig)

On January 16, 2021, we entered into a license agreement with TRIGR Therapeutics, Inc., a U.S.-based clinical-stage, oncology-focused biopharmaceutical company subsequently acquired by Compass Therapeutics, Inc. ("**Compass**"). Under this agreement, we were granted an exclusive, royalty-bearing, transferrable and sublicensable license to further develop, manufacture and commercialize pharmaceutical products comprised of or containing ES104, or CTX-009/tovecimig, under certain patents and know-how and regulatory documentation, across all oncological indications in Greater China. For details on the key terms of our license agreement with Compass on ES104, see "Business — License and Collaboration Arrangements."

Collaboration Agreement with Junshi Biosciences on the Development of ES102 in Combination with Toripalimab (JS001)

On May 11, 2020, we entered into a collaboration agreement with Shanghai Junshi Biosciences Co., Ltd. ("**Junshi Biosciences**"), a leading biopharmaceutical company in China, to evaluate the safety, tolerability and/or efficacy of ES102 in combination with Junshi Biosciences' toripalimab (JS001) through phase 1 and phase 2 clinical trials. Toripalimab is the first domestic PD-1 antibody approved in China for the treatment of malignant tumors.

We believe our collaboration with Junshi Biosciences and the use of toripalimab as the drug choice in the ES102 combination therapy would enhance the competitiveness of ES102, for the reasons below: (i) **PD-1 Combination Potential:** PD-1 checkpoint inhibitors are a major class of immunotherapy widely combined with other cancer treatments to enhance overall efficacy. Toripalimab (JS001), as the first domestic PD-1 antibody approved in China for malignant tumors, is our selected agent for exploring ES102's immunotherapy combinations; (ii) **Established Regulatory Track Record:** Toripalimab has been approved for ten indications across nine cancer types in China since 2018, including first-line treatment for advanced NSCLC and ESCC in combination with chemotherapy and other agents, according to CIC. This track record potentially facilitates ES102's regulatory approval as a combination therapy, particularly in toripalimab's approved indications; (iii) **Strategic Control with Cost Efficiency:** We maintain independent control over the development of ES102's combination therapy with toripalimab in accordance with the terms of the collaboration, while Junshi Biosciences provides the necessary assistance, including supplying toripalimab free-of-charge to facilitate the combination studies; and (iv) **Industry-Aligned Partnership Model:** This collaborative model, which benefits both parties through shared development goals, aligns with industry standards as confirmed by CIC.

For details on the key terms of our collaboration agreement with Junshi Bioscience on Development of ES102 in combination with Toripalimab (JS001), see "Business — License and Collaboration Arrangements."

Collaboration with Partex AI to Jointly Develop the ELPITEX Platform

In August 2025, we entered into a strategic collaboration with Partex N.V., an AI-driven drug discovery and development company based in the Netherlands ("**Partex AI**"), to jointly develop the ELPITEX Platform for the design of new therapeutic antibodies and biologics, combining Partex AI's expertise in artificial intelligence with our R&D capabilities and know-how.

For details on the key terms of our collaboration agreement with Partex AI, see "Business — License and Collaboration Arrangements."

COMMERCIALIZATION

Subject to regulatory communications and marketing approval, we anticipate the commercialization of our clinical-stage assets as early as 2029. We plan to adopt a two-pronged approach to rapidly deliver our innovative drugs to the patients in need by leveraging the expertise and capabilities of external partners, while gradually establishing our in-house sales and marketing teams composed of experienced professionals covering key therapeutic areas in China. For details, see "Business — Commercialization."

COMPETITION

Our industry is highly competitive and subject to rapid and significant change. While we believe that our innovative drug candidates in clinical and preclinical trials, R&D capabilities, our innovative technology platforms, and our experienced leadership team provide us with competitive advantages, we face potential competition from many others working to develop therapies targeting the same indications, especially companies involved in the research and development of cancer immunotherapies. Our Core Product, ES102, is a clinically advanced hexavalent OX40 agonist antibody. As of the Latest Practicable Date, there was no OX40 agonist approved worldwide, and ES102 was one of the only two OX40 agonist candidates in phase 2 or beyond under clinical development in China, according to CIC. In China, there were eight OX40 agonist candidates in clinical development as of the Latest Practicable Date. As of the same date, there were eleven OX40 agonist candidates in clinical development outside China, with potential for future entry into the Chinese market upon regulatory approval. For more information on the market opportunities and competitive landscape of our drug candidates, see "— Our Pipeline" and "Industry Overview."

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we owned nine approved patents across major markets, including in the U.S., China, Australia, Canada, Japan, Hong Kong, Macao, and Taiwan, and had filed 90 patent applications, including 23 Patent Cooperation Treaty ("**PCT**") patent applications (including 15 which have entered the national phase, two pending PCT patent applications which may enter contracting states in the future, and six PCT patent applications which are filed as priority applications), 13 pending patent applications in China, 11 pending patent applications in the U.S. and 43 patent applications in other jurisdictions. As of the same date, we had in-licensed the Greater China rights relating to (i) three patents related to ES104 issued in the PRC with expiration dates between 2033 and 2034; and (ii) one granted patent and seven patent applications related to ES102, our Core Product, with expected expiration dates between 2036 to 2039, comprising one granted patent in Taiwan, one application allowed in PRC, two applications pending in the PRC, and four applications pending in other jurisdictions. For details, please see "Business — Intellectual Property."

SUMMARY OF KEY FINANCIAL INFORMATION

The summary of the key financial information set forth below have been derived from and should be read in conjunction with our consolidated financial statements, including the accompanying notes, set forth in the Accountants' Report in Appendix I to this document, as well as the information set forth in the section headed "Financial Information."

Summary of Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the years indicated:

	For the year ended December 31,	
	2024	2025
	(RMB'000)	
Revenue	106,566	–
Gross profit	106,566	–
Other income and gains	35,343	19,289
Research and development costs	(117,092)	(105,574)
Administrative expenses	(59,275)	(43,032)
Fair value losses on convertible redeemable preferred shares	(39,571)	(14,663)
Other expenses	(9)	(8,893)
Finance costs	(3,302)	(1,909)
Loss before tax	**(77,340)**	**(154,782)**
Income tax expense	(10,657)	–
Loss and total comprehensive loss for the year	**(87,997)**	**(154,782)**
Attributable to:		
Owners of the parent	(87,997)	(154,782)

For the years ended December 31, 2024 and 2025, we recorded net losses of RMB88.0 million and RMB154.8 million, respectively, which were primarily due to (i) R&D costs incurred in connection with our research and development programs, (ii) administrative expenses incurred to support our business operations, and (iii) fair value losses on convertible redeemable preferred shares as a result of fair value changes of our convertible redeemable preferred shares for the respective years, partially offset by the revenue derived from our collaboration, option and license agreement with Astellas in 2024. For details, see "Business — License and Collaboration Arrangements — Collaboration with Astellas on Bispecific Macrophage Engager Programs Derived from BiME®."

Our research and development costs on ES102 amounted to RMB15.6 million and RMB25.0 million for the years ended December 31, 2024 and 2025, respectively, accounting for 13.4% and 23.7% of our total research and development costs in the respective years. Research and development costs on ES102 accounted for 8.9% and 16.8% of our total operating expenses for the years ended December 31, 2024 and 2025, respectively, which include research and development costs and administrative expenses in the respective years.

We have been primarily engaged in R&D for the purpose of developing ES102, our Core Product, in accordance with Chapter 18A of the Listing Rules, and our primary reason for [**REDACTED**] is to raise funds for R&D to bring the Core Product to commercialization, despite the fluctuations in research and development costs for ES102 during the Track Record Period, considering that: (i) ES102 accounts for our largest cumulative R&D investment among all pipeline candidates; (ii) historically, ES102's research and development costs were primarily associated with its preclinical studies and phase 1 clinical trials in China, which naturally incurred lower costs than later stage trials due to their smaller scale; (iii) ES102's ongoing phase 2 trial and planned later-stage studies are expected to drive substantially higher spending over the next three to five years, resulting in a greater proportion of research and development costs allocated to the Core Product; and (iv) our commitment to ES102's R&D and substantial investment in time, expertise and resources are demonstrated by the extensive R&D activities we have independently conducted since in-licensing ES102 in 2018. For further details, see "Business—Our Pipeline— ES102 — Primary Engagement in the R&D of Developing the Core Product."

ES102's phase 2 trial with toripalimab for advanced NSCLC in China experienced slower-than-projected initial enrollment in 2024, primarily reflecting a higher-than-expected volume of competing clinical trials during this period, which limited patient availability, and our original inclusion criterion restricting enrollment to second-line treatment (2L), which narrowed the eligible patient pool. This enrollment pace partially contributed to fluctuations in research and development costs. To address these challenges, following ethics committee approvals, we broadened the treatment criteria from second-line to second-line or later (2L+) and expanded to additional trial sites. Following these modifications, this phase 2 trial has been progressing smoothly, with 22 patients enrolled as of the Latest Practicable Date. See also "Risk Factors — Risks Relating to the Development of Our Drug Candidates — If we encounter delays or difficulties enrolling subjects in our clinical trials, our clinical development progress could be delayed or otherwise adversely affected."

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated:

	As of December 31,	
	2024	**2025**
	(RMB'000)	
Total non-current assets	23,491	13,197
Total current assets	554,340	429,115
Total current liabilities	55,690	50,783
Net current assets	498,650	378,332
Total assets less current liabilities	522,141	391,529
Total non-current liabilities	3,259,723	3,275,015
Net liabilities	2,737,582	2,883,486

We recorded net liabilities of RMB2,737.6 million and RMB2,883.5 million as of December 31, 2024 and 2025, respectively. The increase in our net liabilities was primarily attributable to the loss and total comprehensive loss for 2025 of RMB154.8 million, partially offset by equity-settled share-based payment expenses of RMB8.9 million for 2025. Upon [**REDACTED**], all the convertible redeemable preferred shares will automatically convert to ordinary shares and will be reclassified from liabilities to equity. As a result, we expect our net liability position to turn into net asset position upon [**REDACTED**].

Our net current assets decreased from RMB498.7 million as of December 31, 2024 to RMB378.3 million as of December 31, 2025. The decrease was primarily attributable to a decrease in time deposits over three months of RMB326.8 million, partially offset by an increase in cash and cash equivalents of RMB192.3 million.

Summary of Consolidated Statements of Cash Flows

The following table sets forth the components of our consolidated statements of cash flows for the years indicated:

	For the year ended December 31,	
	2024	2025
	(RMB'000)	
Operating cash flows before movement in working capital	(19,023)	(130,707)
Changes in working capital	32,389	(5,424)
Tax paid	(10,657)	–
Net cash from/(used in) operating activities	2,709	(136,131)
Net cash (used in)/from investing activities	(180,660)	336,639
Net cash used in financing activities	(61,379)	(5,457)
Net (decrease)/increase in cash and cash equivalents	(239,330)	195,051
Cash and cash equivalents at beginning of year	270,435	32,819
Effect of foreign exchange rate changes	1,714	(2,741)
Cash and cash equivalents at end of year	32,819	225,129

We recorded net cash used in operating activities of RMB136.1 million for the year ended December 31, 2025, primarily due to our substantial R&D costs incurred during the year. For the year ended December 31, 2024, we generated net cash from operating activities of RMB2.7 million, which was primarily derived from our collaboration, option and license agreement with Astellas. For details, please see "Business — License and Collaboration Arrangements — Collaboration with Astellas on Bispecific Macrophage Engager Programs Derived from BiME®." During the Track Record Period, we funded our operation primarily through bank borrowings and proceeds from equity financing. As of March 31, 2026, the latest practicable date for determining our indebtedness, we had cash and cash equivalents of RMB186.1 million. We currently do not have unutilized banking facilities but may negotiate with financial institutions to secure additional credit lines or financing options based on our future operational needs.

We expect to fund our future operations primarily with existing cash and cash equivalents, payments received from our license and collaboration agreements, and [**REDACTED**] from the [**REDACTED**]. Upon the successful commercialization of one or more of our drug candidates, we expect to fund our operations in part with income generated from sales of our commercialized drug products. As our business continues to expand, we may require further funding through equity offerings, debt financing, license and collaboration arrangements, and other sources.

For details on our liquidity and capital resources, including our cash burn rate, see "Financial Information — Liquidity and Capital Resources."

Cash Operating Costs

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

	For the year ended December 31,	
	2024	2025
	(RMB'000)	
Costs relating to research and development of our Core Product		
Outsourced R&D service fees	4,847	13,014
Employee costs	6,836	6,451
Raw material and consumables costs	97	1,156
Others	1,165	2,159
Subtotal	12,945	22,780
Costs relating to research and development of our other drug candidates		
Outsourced R&D service fees	42,829	49,515
Employee costs	22,675	26,892
Raw material and consumables costs	4,846	5,901
Others	4,209	5,250
Subtotal	74,559	87,558
Total	**87,504**	**110,338**
Workforce employment costs[(1)]	16,631	16,224
Direct production costs[(2)]	–	–
Product marketing[(3)]	–	–
Non-income taxes, royalties and other governmental charges	–	–
Contingency allowances	–	–

Notes:

(1) Workforce employment costs represent total non-research and development personnel costs mainly including salaries and benefits.

(2) We had not commenced commercial-scale product manufacturing as of the Latest Practicable Date.

(3) We had not commenced product sales as of the Latest Practicable Date.

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.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, LAV USD Entities, controlled by Dr. SHI Yi, was interested in approximately 22.93% of the total number of issued Shares. Immediately after completion of the [**REDACTED**] (subject to the Assumptions), LAV USD Entities, controlled by Dr. SHI Yi, will be interested in approximately [**REDACTED**]% of the total number of issued Shares of our Company. Based on the above, prior to and upon [**REDACTED**], Dr. SHI Yi and LAV USD Entities are and

will continue to be our Single Largest Group of Shareholders. For further details of the identity and background of our Single Largest Group of Shareholders, see "Substantial Shareholders" and "Relationship with Our Single Largest Group of Shareholders."

PRE-[REDACTED] INVESTORS

We underwent four rounds of pre-[**REDACTED**] financings with an aggregate amount of approximately US$251.5 million (equivalent to approximately RMB1,789.5 million) raised since our establishment. Our Pre-[**REDACTED**] Investors include certain Sophisticated Investors, which are Shanghai Liyi, Greater Bay Area Fund, Hyfinity, Tencent and Hillhouse, and each Sophisticated Investor has made meaningful investment in the Company at least six months before the [**REDACTED**], holding approximately [**REDACTED**]%, [**REDACTED**]%, [**REDACTED**]%, [**REDACTED**]% and [**REDACTED**]% of the total issued Shares immediately following the completion of the [**REDACTED**] (subject to the Assumptions), respectively. As of the Latest Practicable Date, each Pre-[**REDACTED**] Investor entered into a six-month lock-up undertaking in favor of the Company and the [**REDACTED**] commencing on the [**REDACTED**], agreeing not to dispose of their Shares. We utilized the proceeds from the Pre-[**REDACTED**] Investments to finance our R&D activities, as well as to support the working capital needs of our Group. For further details of the identity and background of our Pre-[**REDACTED**] Investors, and the principal terms of the Pre-[**REDACTED**] Investments, see "History and Corporate Structure — Pre-[**REDACTED**] Investments."

PREVIOUS LISTING ATTEMPT

In the first half of 2021, our Company contemplated pursuing a listing in the United States (the "**Proposed U.S. Listing**"). We filed listing application documents on a confidential basis with the SEC in August 2021. In view of the market conditions in the U.S., we decided to withdraw the application of the Proposed U.S. Listing in 2022. In 2024, our Company considered the Stock Exchange a more suitable [**REDACTED**] venue and thus initiated the preparation for [**REDACTED**] in Hong Kong. Our Directors confirmed that, as of the Latest Practicable Date, there had been no disagreements or disputes between our Company and the professional parties involved in the Proposed U.S. Listing, or any material outstanding comments or unusual matters arising from the Proposed U.S. Listing. The Sole Sponsor concurs with the Directors' view based on the results of its due diligence. For further details of the Proposed U.S. Listing, see "History and Corporate Structure — Previous Listing Attempt."

SHARE INCENTIVE SCHEMES

We had conditionally granted 14,799,066 options that are outstanding as of the Latest Practicable Date (representing the right to subscribe for 14,799,066 Shares) to 75 grantees under the 2019 Share Incentive Plan, all of which are expected to remain outstanding as of the [**REDACTED**]. The underlying Shares will only be issued after the [**REDACTED**] upon full vesting and exercise of such options. Subject to the Assumptions, the shareholding of our Shareholders upon completion of the [**REDACTED**] will be diluted by approximately [**REDACTED**]% if all such outstanding options are fully vested and exercised. For further details, please see "Statutory and General Information — D. Share Incentive Schemes — 1. 2019 Share Incentive Plan" in Appendix IV to this document.

We adopted the Post-[**REDACTED**] Share Scheme on September 18, 2024, the terms of which comply with the requirements of Chapter 17 of the Listing Rules. The Post-[**REDACTED**] Share Scheme will take effect upon the [**REDACTED**]. For further details, please see "Statutory and General Information — D. Share Incentive Schemes — 2. Post-[**REDACTED**] Share Scheme" in Appendix IV to this document.

DIVIDENDS

No dividend has been paid or declared by our Company during the Track Record Period. Any future declarations and payments of dividends will be at the absolute discretion of our Board and if necessary, subject to the approval of our Shareholders at general meetings. There can be no assurance that we will be able to declare or distribute any dividend in the amount set out in any plan of the Board or at all. Currently, we do not have any dividend policy or intention to declare or pay any dividends in the near future. As advised by our legal adviser as to Cayman Islands law, notwithstanding that the Company may have accumulated losses, the Company may declare dividend (a) out of profits of the Company if the Company has sufficient profits, realized or unrealized, unless such is contrary to the accounting principles adopted by the Company or (b) out of the share premium of the Company if following the date on which the dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business. In determining whether to declare a dividend, our Board will need to be satisfied that the declaration of dividend is in the best interest of the Company and may make provision for losses. [**REDACTED**] should not [**REDACTED**] our Shares with the expectation of receiving cash dividends. For details, see "Financial Information — Dividends."

[**REDACTED**]

[**REDACTED**]

We estimate that we will receive [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], after deducting [**REDACTED**] commissions, fees and estimated expenses payable by us in connection with the [**REDACTED**], and assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] range stated in this document. We currently intend to apply these [**REDACTED**] primarily to advance the development of our Core Product and other drug candidates, and to continuously optimize our technology platforms. For further details, please see "Future Plans and [**REDACTED**]."

[**REDACTED**] EXPENSES

[**REDACTED**] expenses to be borne by us are estimated to be approximately HK$[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] range stated in this document), representing approximately [**REDACTED**]% of the estimated [**REDACTED**] from the [**REDACTED**] assuming no Shares are [**REDACTED**] pursuant to the [**REDACTED**]. The [**REDACTED**] expenses consist of (i) [**REDACTED**]-related expenses, including [**REDACTED**] commission, of approximately HK$[**REDACTED**], and (ii) non-[**REDACTED**]-related expenses of approximately HK$[**REDACTED**], comprising (a) fees and expenses of our legal advisers and reporting

accountants of approximately HK$[**REDACTED**], and (b) other fees and expenses of approximately HK$[**REDACTED**]. We had incurred [**REDACTED**] expenses of RMB[**REDACTED**] as of December 31, 2025, of which RMB[**REDACTED**] had been charged to our profit or loss and RMB[**REDACTED**] was recognized as deferred [**REDACTED**] expenses, which are expected to be recognized directly as a deduction from equity upon the [**REDACTED**]. After the Track Record Period, approximately HK$[**REDACTED**] is expected to be charged to our consolidated statements of profit or loss, and approximately HK$[**REDACTED**] is expected to be accounted for as a deduction from equity upon the [**REDACTED**]. The [**REDACTED**] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Business Progress

Since the end of the Track Record Period, we have continuously developed our business and continued to advance our pipeline. We are currently enrolling patients for ES102's phase 2 clinical trial in combination with toripalimab in patients with advanced NSCLC in China to further explore ES102's potential in combination therapies. As of the Latest Practicable Date, 22 patients had been enrolled.

We expect to incur a significant increase in net loss in 2026 compared to 2025, primarily because (i) we anticipate recognizing substantial fair value losses on convertible redeemable preferred shares in connection with our Preferred Shares as a result of the [**REDACTED**], and (ii) we will continue to incur significant costs and expenses related to our R&D activities as we advance our Core Product and other pipeline candidates.

Regulatory Updates

On December 18, 2025, the U.S. legislation titled the BIOSECURE Act (the "BIOSECURE Act") was signed by President Trump. Prohibitions in the BIOSECURE Act will not take effect until the OMB issues implementing guidance and relevant federal regulations are finalized. The timing and substance of such enabling regulations remain subject to uncertainty and may differ materially from current expectations. For further details, see "Regulatory Overview — U.S. Regulation — BIOSECURE Act."

We are of the view that the BIOSECURE Act, in its current form, would not have a material adverse impact on our business, primarily because we, or any of our subsidiaries, are not a recipient of any U.S. federal government contracts, loans, grants or funding and do not anticipate applying for such contracts, loans, grants or funding in the future. Furthermore, to the best of our knowledge, none of our business partners are using any services provided by us under the respective arrangements in connection with any federal contracts, loans, grants or funding. WuXi Biologics (Suzhou) Co., Ltd. (蘇州藥明生物技術有限公司) ("**WuXi Suzhou**", a wholly-owned subsidiary of WuXi Biologics, served as our exclusive supplier of CDMO services with respect to ES102 and ES014 from February 2023 and February 2025. As of the Latest Practicable Date, WuXi Suzhou was no longer our exclusive supplier of CDMO services with respect to any drug candidates. During the Track Record Period, we also procured CRO services from WuXi AppTec through its subsidiary. The BIOSECURE Act did not, however, have any material impact on our business and operations during the Track Record Period, given that (i) it was not enacted into law until December 18, 2025, (ii) none of WuXi AppTec, WuXi Biologic, or any of their affiliates with whom we had business relationship are listed as "biotechnology companies of concern" in the current version of the BIOSECURE Act, and (iii) we did not have business relationship with any entity included in the 1260H List. We will continue to closely monitor and evaluate the potential impact of the BIOSECURE Act on our business and operations, including the release of forthcoming guidance and regulations, while maintaining strong business relationships with all our existing suppliers and a list of qualified alternative suppliers capable of providing equivalent services.

During the Track Record Period and up to the Latest Practicable Date, as advised by our legal advisors, we had not been affected by geopolitical tensions in any material respect. However, there is no assurance as to how the U.S.-China trade disputes and other tensions might develop or whether there will be any changes to the scope and extent of businesses that will be subject to such tariffs, sanctions and export controls, and restrictive measures. See also "Risk Factors — Risks Relating to Our Operations — Changes in international trade policies and political tensions may adversely impact our business and results of operations."

No Material Adverse Change

After performing due diligence work which our Directors consider appropriate and sufficient and after due and careful consideration, our Directors confirm that, except as disclosed above and up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, which is the end date of the periods reported on in the Accountants' Report included in Appendix I to this document, and there is no event since December 31, 2025 that would materially affect the information as set out in the Accountants' Report included in Appendix I to this document.

IMPACT OF COVID-19

During the Track Record Period and up to the Latest Practicable Date, we did not experience material disruptions in our business operations and financial positions as a result of COVID-19. While COVID-19 did not directly and significantly affect our business operations and financial position, it led us to implement a more disciplined portfolio management approach and prudent resource allocation amid post-COVID market uncertainties and funding constraints. For details, please refer to "Financial Information — Description of Selected Components of the Consolidated Statements of Profit or Loss and Other Comprehensive Income — Research and Development Costs." As COVID-19's global impact continued to lessen, our Directors do not expect COVID-19 to have a material adverse impact on our business going forward. See also "Risk Factors — Risks Relating to Our Operations — We may be subject to natural disasters, health epidemics, acts of war or terrorism or other factors beyond our control."