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Application Proof of

InventisBio Co., Limited
益方生物科技（上海）股份有限公司

(the "**Company**")

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

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益方生物

InventisBio Co., Limited

益方生物科技（上海）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]	**:**	**[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 [REDACTED], plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on [REDACTED] in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB1.00 per H Share**

[REDACTED]

Sole Sponsor, Overall Coordinators,
[REDACTED]

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[REDACTED]

IMPORTANT

[**REDACTED**]

IMPORTANT

[**REDACTED**]

EXPECTED TIMETABLE

[**REDACTED**]

EXPECTED TIMETABLE

[**REDACTED**]

EXPECTED TIMETABLE

[**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. Our Core Products D-2570 and D-0502 are the products for the purpose of satisfying the eligibility requirements under Chapter 18A and Chapter 2.3 of the Guide. There are unique challenges, risks and uncertainties associated with*** [**REDACTED**] ***in companies such as ours. 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.We may continue to incur substantial costs and expenses in relation to R&D activities for the Core Products and our Core Products may not be successfully developed or marketed. Your*** [**REDACTED**] ***decision should be made in light of these considerations.***

OVERVIEW

Founded in 2013, we are a biopharmaceutical company focused on oncology, autoimmune diseases and metabolic disorders. We have eight product candidates, including two self-developed Core Products D-2570 and taragarestrant (D-0502). D-2570 is intended for the treatment of autoimmune diseases (including psoriasis, ulcerative colitis ("UC"), systemic lupus erythematosus ("SLE"), psoriatic arthritis ("PsA"), and vitiligo), and taragarestrant (D-0502) is intended for the treatment of ER+/HER2- breast cancer. Both Core Products are currently under Phase III clinical trials.

The A Shares of our Company have been listed on the Shanghai Stock Exchange STAR Market (stock code: 688382) since July 2022.

We have built a product pipeline spanning multiple disease areas, including breast cancer, colorectal cancer ("CRC"), non-small cell lung cancer ("NSCLC"), psoriasis, UC, SLE, PsA, vitiligo and gout. Within our clinical-stage pipeline, our Core Products tyrosine kinase 2 ("TYK2") inhibitor D-2570 and oral estrogen receptor degrader ("SERD") taragarestrant (D-0502) are both advancing through Phase III registration trials, while our urate transporter 1 ("URAT1") inhibitor darbinurad (D-0120) has completed a Phase IIb clinical trial. In addition, we maintain a robust pipeline of preclinical candidates, including the Werner syndrome protein ("WRN") inhibitor YF087, the kinesin family member 18A ("KIF18A") inhibitor YF550, and the oral signal transducer and activator of transcription 6 ("STAT6") degrader YF057, demonstrating our sustained capacity for innovation.

Our pipeline is clearly structured and supported by growth momentum. Two of our key assets — befotertinib (BPI-D0316), a third-generation EGFR inhibitor, and garsorasib (D-1553), a KRAS G12C inhibitor — have already been approved for marketing in China and included in China's National Reimbursement Drug List ("NRDL"), marking our transition into a stage of commercial value realization.

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

The chart below summarizes the development status of our pipeline products, all of which are self-developed, as of the Latest Practicable Date.

SUMMARY

	Candidate	Target/ MoA	Indication, (Lines of Treatment)	Mono/ Combo	IND	Phase I	Phase II	Phase III	Competent Authority	Current Status/ Upcoming Milestones	Rights
Oncology	Taragarestrant (D-0502)★	ER	Advanced or metastatic ER+/HER2- breast cancer (2L+)	Mono	China				NMPA	Submit NDA in H1 2028	Global
				Mono/Combo + TROP2/HER3 ADC	U.S.				FDA	Phase I trial completed	
					China				NMPA	Complete Phase II trial in H2 2028	
Autoimmune and Metabolic Diseases	D-2570 ★	TYK2	Moderate-to-severe Plaque Psoriasis	Mono	China, registration trial				NMPA	Submit NDA in H2 2027	Global
				Mono	China, head-to-head trial				NMPA	Complete Phase III trial in H2 2027	
				Mono	U.S.				FDA	Complete Phase II trial in Q1 2028	
			Moderate-to-severe active Ulcerative Colitis	Mono	China				NMPA	Complete Phase II trial in Q1 2027	
			Active SLE	Mono	China				NMPA	Complete Phase II trial in H2 2028	
			Active PsA	Mono	China				NMPA	Complete Phase II trial in H2 2028	
			Nonsegmental Vitiligo	Mono	China				NMPA	Complete Phase II trial in H2 2028	
	Darbinurad (D-0120)	URAT1	Gout	Mono	China				NMPA	Phase II trial completed	Global
				+ Allopurinol	U.S.				FDA	Phase II trial completed	
Preclinical	YF087	WRN	Advanced or metastatic solid tumors (2L+)	Mono	IND approved				NMPA	Initiate Phase I trial in Q4 2026	Global
	YF550	KIF18A	Advanced solid tumors with chromosomal instability (later-line)	Mono	IND				NMPA	Obtain IND approval in Q4 2026	Global
	YF057	STAT6	Atopic dermatitis and asthma	Mono	Lead optimization				FDA	Submit IND in Q2 2027	Global

★ Core Product

Notes:

1. Abbreviations: MoA = Mechanism of Action, IND = Investigational New Drug, NDA = New Drug Application, NMPA = the National Medical Products Administration of China, FDA = the Food and Drug Administration of the United States, SERD = Selective Estrogen Receptor Degrader, TYK2 = Tyrosine Kinase 2, URAT1 = Urate Transporter 1, WRN = Werner Syndrome RecQ Like Helicase, KIF18A = Kinesin Family Member 18A, STAT6 = Signal Transducer and Activator of Transcription 6, ER+ = Estrogen Receptor Positive, HER2 = Human Epidermal Growth Factor Receptor 2, SLE = Systemic Lupus Erythematosus, PsA = Psoriatic Arthritis, MSI-high = Microsatellite Instability-high, CIN+ = Chromosomal Instability-positive.

2. For taragarestrant (D-0502), the NMPA exempted the Phase II clinical trial based on the finding that the Phase I clinical trial results as of July 19, 2021, which was considered to have generated sufficient clinical data for the safety and efficacy evaluation of D-0502 monotherapy dosed at 400mg OD. With that, the NMPA approved our application to directly proceed with a Phase III clinical trial designed to evaluate the safety and efficacy of D-0502 monotherapy at 400 mg QD without the need to conduct a Phase II clinical trial. After completing the Phase I clinical trial of D-0502, which took place in China and the U.S., we have not conducted further clinical trials of D-0502 in the U.S. and have no concrete clinical development plan for D-0502 in the U.S.

3. For darbinurad (D-0120), we have completed the Phase II clinical trial for combination therapy in the U.S. in March 2026. We are actively seeking strategic partners to support the continued overseas development of darbinurad (D-0120). In China, after completing the Phase II clinical trial, we are now in discussions with CDE regarding the next steps. We may either launch a Phase III clinical trial for monotherapy, or submit an IND to initiate a Phase II clinical trial for combination therapy in China.

Core Products

Our Core Product D-2570 is a self-developed, orally administered, selective TYK2 allosteric inhibitor for the treatment of psoriasis and other autoimmune diseases. We initiated the Phase I clinical trial in August 2022 and completed it in June 2023. We initiated the Phase II clinical trial for plaque psoriasis in January 2024 and completed it in April 2025. Our Phase II clinical trial in moderate-to-severe psoriasis delivered favorable results, with efficacy significantly higher than both placebo and approved products of the same class (based on published clinical data), while maintaining safety and tolerability. We have agreed with the NMPA on the Phase III clinical trial protocol and have initiated the registrational Phase III clinical trial in September 2025 and a head-to-head Phase III clinical trial in January 2026. In parallel, we have commenced Phase II clinical trials targeting moderate-to-severe active UC, active SLE, active PsA and nonsegmental vitiligo in China, and a Phase II clinical trial targeting moderate-to-severe plaque psoriasis in the U.S.

Our Core Product Taragarestrant (D-0502) is a self-developed, oral SERD for the treatment of ER positive ("ER+")/HER2 negative ("HER2-") breast cancer. We initiated the Phase I clinical in May 2018 and completed it in January 2024 (trial endpoints of Phase Ia, Ib and Ic parts were reached in July 2021, July 2021 and October 2023, respectively). Taragarestrant (D-0502) is currently undergoing a registrational Phase III head-to-head clinical trial initiated in September 2022 in China against the standard of care, and a Phase II clinical trial initiated in March 2026 in China in combination with JSKN016, an ADC drug candidate. Taragarestrant (D-0502) has demonstrated antitumor activity, a favorable safety profile, and good bioavailability.

Other Clinical-Stage Products

Darbinurad (D-0120) is a self-developed URAT1 inhibitor for gout. The Phase IIb clinical trial conducted in China was completed in November 2024, with early results showing robust uric acid lowering effects and favorable safety and tolerability. In parallel, the Phase II clinical trial for darbinurad (D-0120) and allopurinol combination therapy in the U.S. was completed in March 2026.

Commercialized Products

Befotertinib (賽美納®, 貝福替尼, BPI-D0316)

Befotertinib (BPI-D0316) is a third-generation EGFR tyrosine kinase inhibitor ("TKI") for the treatment of EGFR-mutated NSCLC. Following receiving the approval from the CDE to initiate a Phase II clinical trial, we entered into a collaboration with Betta Pharmaceuticals Co., Ltd. ("Betta") covering development and commercialization within the designated territories (Chinese Mainland,

Hong Kong, and Taiwan). Under this partnership, Betta is responsible for development and commercial sales within the designated territories. Both first-line and second-line treatment indications were approved in Chinese Mainland in 2023, and befotertinib (BPI-D0316) was firstly included in the NRDL in the same year. We are currently working with Betta to advance additional late-stage clinical studies in China, including postoperative adjuvant therapy.

Garsorasib (安方寧®, 格索雷塞, D-1553)

Garsorasib (D-1553) is a KRAS G12C inhibitor and the first domestically developed drug targeting this mutation to enter clinical development in China. In August 2023, we entered into a License and Collaboration Agreement with Chia Tai Tianqing Pharmaceutical Group Co., Ltd. ("CTTQ") (the "CTTQ Agreement"), granting it exclusive rights during the agreement term to develop, register, manufacture, and commercialize garsorasib (D-1553) in Chinese Mainland. The product received marketing approval in Chinese Mainland in November 2024 for the treatment of previously treated KRAS G12C-mutated advanced NSCLC and received a Grade I recommendation in the 2025 CSCO Guidelines for the Diagnosis and Treatment of NSCLC. Garsorasib (D-1553) has been included in the NRDL in December 2025. Recent clinical results show that garsorasib (D-1553), whether used as monotherapy or in combination therapy, achieves robust efficacy and maintains a favorable safety profile in both NSCLC and CRC. Notably, the results from garsorasib (D-1553) and ifebemtinib combination therapy suggest promising potential for use in earlier-line treatment settings.

Addressable Markets and Competitive Landscape of Our Core Products

D-2570

D-2570 is a TYK2 allosteric inhibitor under development primarily for the treatment of plaque psoriasis, UC, SLE, PsA, and vitiligo.

Global psoriasis drug market size reached US$26.1 billion in 2025, with a CAGR of 5.9% from 2021 to 2025. The market size will climb to US$40.6 billion in 2030 and US$55.9 billion in 2035, with a CAGR of 9.2% from 2025 to 2030 and 6.6% from 2030 to 2035. China's psoriasis drug market size reached US$2.9 billion in 2025, with a CAGR of 27.9% from 2021 to 2025. The market size will climb to US$7.3 billion in 2030 and US$11.6 billion in 2035, with a CAGR of 19.9% from 2025 to 2030 and 9.7% from 2030 to 2035.

The global UC drug market increased from US$6.4 billion in 2021 to US$9.7 billion in 2025, with the CAGR of 11.0% from 2021 to 2025. It is estimated to grow to US$13.2 billion in 2030 and reach US$16.0 billion by 2035, with the CAGR of 6.4% from 2025 to 2030 and a CAGR of 3.9% from 2030 to 2035. The China UC drug market increased from US$0.2 billion in 2021 to US$0.3 billion in 2025, with the CAGR of 6.5% from 2021 to 2025. It is estimated to grow to US$0.40 billion by 2035, with a CAGR of 3.6% from 2030 to 2035.

The global SLE drug market size grew from US$2.2 billion in 2021 to US$4.2 billion in 2025, with a CAGR of 17.8%. It is expected to continue increasing to US$25.2 billion in 2035. China's SLE drug market size grew from US$0.4 billion in 2021 to US$0.8 billion in 2025, with a CAGR of 19.7%. It is expected to continue increasing to US$5.5 billion by 2035.

The global market of TYK2 inhibitor reached to US$685.4 million and will increase to US$2,259.7 million in 2028 with a CAGR of 174.5%. The number is projected to reach US$9,634.7 million in 2035 with a CAGR of 23.0% from 2028 to 2035. The China market of TYK2 inhibitor reached to US$37.1 million in 2025. The number is projected to reach US$135.9 million in 2028 and US$1,263.6 million in 2035 with a CAGR 37.5% from 2028 to 2035.

Taragarestrant (D-0502)

Taragarestrant (D-0502) is a SERD under development primarily for the treatment of ER+/HER2- breast cancer.

The global market of SERD drugs was US$1.3 billion in 2025. The number is projected to reach US$5.9 billion in 2035 with a CAGR of 9.7% from 2030 to 2035. The China market of SERD drug was US$0.1 billion in 2025. The number is projected to reach US$0.3 billion in 2030 and US$0.8 billion in 2035 with a CAGR of 22.0% from 2025 to 2030 and a CAGR 20.3% from 2030 to 2035. The efficacy of SERD drugs as monotherapy is limited, and they are usually used in combination therapies. For details, please refer to "Industry Overview — Overview of Oncology Drug Market — Targeted Oncology Drug Market — Selective Estrogen Receptor Degraders ("SERDs")."

Preclinical Pipeline

We have built a rich and differentiated preclinical pipeline adopting potentially breakthrough therapeutic targets and modalities. In oncology, our preclinical candidates YF087 and YF550 are representative programs in the field of synthetic lethality, with target selection and antitumor activity validated in multiple preclinical studies. Other than the commercialized poly (ADP-ribose) polymerase ("PARP") inhibitors, no synthetic-lethality therapies have been successfully launched worldwide, and we are among the few companies globally advancing multiple pipelines in this emerging area. In autoimmune disease, our STAT6 degrader YF057 is designed as a potential oral alternative to IL-4Rα antibody therapies, with a focus on developing transformative treatments for atopic dermatitis ("AD") and asthma.

Leveraging our deep understanding in small molecule drug design and discovery, we are also prioritizing the optimization of ADC linker and payload architectures to build a next-generation ADC platform with an expanded therapeutic window for better efficacy and safety than current approved therapies. We plan to develop drug candidates based on this next-generation ADC platform in the future.

We currently prioritize the advancement of clinical programs on two fronts. One is the relatively late stage clinical trials of Core Products targeting key indications, which are expected to generate commercialized products with significant market value in the near-term future. This includes: (1) the ongoing registrational and head-to-head Phase III clinical trials of D-2570 targeting moderate-to-severe psoriasis; (2) the Phase II clinical trial of D-2570 targeting moderate-to-severe active UC, active SLE, active PsA and nonsegmental vitiligo; (3) the registrational Phase III clinical trial of taragarestrant (D-0502) targeting ER+/HER2- breast cancer; and (4) the Phase II clinical trial of taragarestrant (D-0502) in combination with JSKN016 targeting ER+/HER2- breast cancer. The other front is expansion of our pipeline products, particularly YF087, YF550 and YF057, for which we expect to initiate Phase I clinical trials in the fourth quarter of 2026, obtain IND approval in fourth quarter of 2026 and submit IND application in second quarter of 2027, respectively.

RESEARCH AND DEVELOPMENT

Our in-house R&D team consisted of 165 employees as of the Latest Practicable Date, most of whom had obtained at least bachelor's degrees, and over 49% members of our R&D team had obtained advanced degrees, including over 13% members with doctorate degrees and over 36% members with master's degrees. Our core R&D personnel consists of 24 members covering the fields of chemistry, biology, pharmacology and medicine, who have been working in the pharmaceutical industry for an average over 22 years. As of the Latest Practicable Date, the core R&D personnel involved in the development of the Core Products all remain employed by us. Our R&D costs decreased from RMB384.3 million in 2024 to RMB325.8 million in 2025, primarily attributable to substantial R&D costs incurred in 2024 for the Phase I/II clinical trial of garsorasib (D-1553) in patients with KRAS G12C mutated locally advanced or metastatic solid tumors in multiple regions, which was completed in November 2024. Our R&D costs increased from RMB116.5 million for the six months ended June 30, 2025 to RMB184.7 million for the six months ended June 30, 2026, primarily attributable to the increase of clinical trial expenses related to D-2570.

CHEMISTRY, MANUFACTURING & CONTROLS

Our CMC team has extensive experience in process development, production and quality management, with members from well-known biopharmaceutical and pharmaceutical companies. Our CMC team is involved in preclinical and clinical support throughout the drug development process. Over the years, our CMC team has facilitated the clinical translation of multiple drug candidates, including our Core Products and two commercialized products.

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we held 215 patents and patent applications, 55 of which relate to our Core Products. We have full ownership of the intellectual property rights relating to the Core Products. 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. According to the freedom-to-operate searches and analyses covering China and the U.S. in relation to our Core Products and darbinurad (D-0120), and covering China in relation to befotertinib (BPI-D0316) and garsorasib (D-1553), our Directors were not aware of a substantial risk of infringement in relation to the above products.

MAJOR COLLABORATION ARRANGEMENTS

We have successfully entered into multiple cooperation and licensing agreements with domestic and international partners to accelerate the development and maximize the commercial value of our product portfolio. For details, see "Business — Major Collaboration Arrangements."

Collaboration Agreement with Betta

In December 2018, when we had received a NMPA IND approval to conduct a Phase II clinical trial of befotertinib (BPI-D0316) targeting NSCLC, we entered into agreement with Betta to grant Betta the exclusive rights to develop and commercialize the product in Chinese Mainland, Hong Kong and Taiwan (the "Betta Agreement"). Pursuant to the Betta Agreement, we are entitled to receive from Betta upfront payment and development milestone payment of RMB230 million. The development milestones include the granting of a Chinese patent for befotertinib (BPI-D0316), NMPA regulatory approval of befotertinib (BPI-D0316) for a second-line treatment of NSCLC, and NMPA regulatory approval of befotertinib (BPI-D0316) for a first-line treatment of NSCLC. We are also entitled to receive commercial milestone payments and royalty payments based on the annual net sales of befotertinib (BPI-D0316).

Collaboration Agreement with CTTQ

In August 2023, we entered into a License and Collaboration Agreement with CTTQ, under which we granted CTTQ an exclusive license to develop, register, manufacture and commercialize garsorasib (D-1553) in Chinese Mainland (the "CTTQ Agreement"). Pursuant to the CTTQ Agreement, we will be entitled to receive upfront and development milestone payments of up to RMB260 million, as well as commercial milestone payments of up to RMB290 million. Also, we will be entitled to receive royalty payments based on the annual net sales of garsorasib (D-1553).

Collaboration Agreement with InxMed

In September 2021, we entered into a collaboration agreement with InxMed for the joint development of ifebemtinib in combination with garsorasib (D-1553) as a cancer treatment. Under the agreement, InxMed shall provide ifebemtinib free of charge and we shall provide garsorasib free of charge for the joint clinical development of the combination therapy.

In October 2023, we entered into a supplemental agreement with InxMed in connection with the 2021 InxMed Agreement, after we signed the aforementioned CTTQ Agreement in August 2023. Under the supplemental agreement, InxMed shall lead the remaining work for the Phase Ib clinical trial for garsorasib (D-1553), and we shall continue to provide garsorasib (D-1553) for the clinical development of the combination therapy.

OUR SUPPLIERS AND CUSTOMERS

In 2024 and 2025 and for the six months ended June 30, 2026, purchases from our five largest suppliers in each year/period during the Track Record Period amounted to RMB122.2 million, RMB117.2 million and RMB44.3 million, representing 59.9%, 58.3% and 29.7% of our total purchases for the respective year/period. In 2024 and 2025 and for the six months ended June 30, 2026, our purchases from our largest supplier in each year/period during the Track Record Period amounted to RMB53.0 million, RMB37.7 million and RMB14.0 million, representing 26.0%, 18.8% and 9.4% of our total purchases for the respective year/period.

In 2024 and 2025 and for the six months ended June 30, 2026, the aggregate revenue from our only two customers was RMB168.8 million, RMB37.3 million and RMB53.3 million, respectively. In 2024 and 2025 and for the six months ended June 30, 2026, revenue from our largest customer in each year/period accounted for 90.3%, 75.1% and 68.9% of our total sales revenues amount for the respective year/period.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, (a) Dr. Wang through his controlled entities, namely InventisBio HK, Aargletschers and InventisBio Cayman, holding approximately 19.04% of the total issued Shares, (b) Dr. Jiang through his wholly-owned subsidiary, YUEHENG JIANG LLC, holding approximately 4.63% of the total issued Shares, and (c) Dr. Dai through his wholly-owned subsidiary, XING DAI LLC holding approximately 3.53% of the total issued Shares, together controlled approximately 27.19% of our total issued Shares, and constituted our Single Largest Group of Shareholders.

Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no new Shares are issued under the Restricted Share Incentive Schemes), the Single Largest Group of Shareholders will continue to control in aggregate approximately [**REDACTED**]% of the total issued share capital of our Company and continue to be our Single Largest Group of Shareholders. For further details, see "Relationship with Our Single Largest Group of Shareholders" in this Document.

Concert Party Agreements

On October 30, 2020, Dr. Wang, Dr. Jiang, Dr. Dai, Dr. Ling Zhang, InventisBio HK, YUEHENG JIANG LLC, XING DAI LLC and LING ZHANG LLC entered into a concert party agreement. In June 2021, YAOLIN WANG LLC, one of our Employee Shareholding Platforms, entered into a supplemental agreement with the aforesaid parties (together, the "**Concert Party Agreements**"). Pursuant to the Concert Party Agreements, the parties acknowledged and confirmed that (1) Dr. Wang, Dr. Jiang and Dr. Dai confirmed their relationship of acting in concert in exercising the rights of the Shareholders of the Company. In the event the parties are unable to reach consensus on matters of our Company, each of the parties shall act in accordance with the instructions of Dr. Wang. In addition, Dr. Wang, Dr. Jiang and Dr. Dai are the de facto controllers of the Company; and (2) Dr. Ling Zhang and his wholly-owned subsidiary, LING ZHANG LLC, shall act in concert with the aforementioned de facto controllers, and act pursuant to the decisions of the de facto controllers in exercising relevant voting rights. The Concert Party Agreements shall be effective for a term of 36 months after the A Share listing date, being July 25, 2022, and will automatically renew for a period of five (5) years, unless otherwise terminated by a party upon expiration. Upon expiry of the Concert Party Agreements in July 2025, (a) Dr. Zhang and LING ZHANG LLC agreed not to renew and ceased to be a party to the Concert Party Agreements for personal reasons and (b) YAOLIN WANG LLC agreed not to renew and ceased to be a party to the Concert Party Agreements given Dr. Wang ceased to be its managing member for administrative conveniences. On July 24, 2025, Dr. Wang, Dr. Jiang, Dr. Dai, InventisBio HK, YUEHENG JIANG LLC and XING DAI LLC entered into supplemental agreement to the Concert Party Agreements to reflect the aforesaid changes. For details, see "History, Development and Corporate Structure – Our Single Largest Group of Shareholders and Concert Party Agreements".

PRE-[REDACTED] INVESTMENTS AND SOPHISTICATED INVESTOR

Since the establishment of our Company, we have received four rounds of pre-[**REDACTED**] investments amounting to approximately RMB1,435 million from a number of financial investors including the Sophisticated Investor, namely LAV USD Group, which held approximately 2.56% of the total issued share capital of our Company as of the Latest Practicable Date. For further details, see "History, Development and Corporate Structure — Sophisticated Investor" in this Document.

OUR LISTING ON THE SHANGHAI STOCK EXCHANGE STAR MARKET

Our A Shares have been listed on the Shanghai Stock Exchange STAR Market since July 2022. Our Directors confirmed that we had no instances of material non-compliance with the laws and regulations in the PRC applicable to our A-share listing since our listing on the Shanghai Stock Exchange STAR Market and, to the best knowledge of our Directors after having made all reasonable enquiries, there was no material matter that should be brought to [**REDACTED**] attention in relation to our compliance record on the Shanghai Stock Exchange STAR Market.

Our Directors confirmed that, and our PRC Legal Adviser is of the view that the Group had complied with all applicable securities laws and regulations in the PRC in relation to its A Share listing on the Shanghai Stock Exchange STAR Market in all material respects throughout the Track Record Period and up to the Latest Practicable Date. Based on the independent due diligence conducted by the Sole Sponsor and our PRC Legal Adviser's view as set out above, nothing has come to the Sole Sponsor's attention that would cause them to have reasonable doubt about our Directors' confirmation with regard to the compliance record of the Company on the Shanghai Stock Exchange STAR Market in all material respects.

STRENGTHS

We believe the following strengths differentiate us from our competitors: a pharmaceutical translation engine powered by an experienced R&D team and an established R&D platform; established target discovery and molecular design capabilities driving higher R&D productivity; combined translational medicine platform and robust CMC capabilities driving efficient bench-to-clinic progression; a competitive and differentiated pipeline with multi-layered value drivers; extensive global collaboration network and commercial execution capabilities; a R&D team with global experience, strengthening financial fundamentals, and long-term support from leading global investors.

STRATEGIES

We plan to pursue the following significant opportunities and execute our key strategies accordingly: accelerate clinical development of our Core Products; accelerate the expansion of our pipeline across oncology, autoimmune diseases, and metabolic disorders through precision target discovery; strategic global advancement of garsorasib (D-1553), D-2570, and darbinurad (D-0120) through partnerships with trusted collaborators; advancing an AI-enabled drug design platform through integrated internal development and strategic external collaboration; continue to recruit, develop, and retain talent across all business functions to support our long-term growth.

SUMMARY OF KEY FINANCIAL INFORMATION

This summary of key financial information set forth below has been derived from, and should be read in conjunction with, our historical financial information, including the accompanying notes, set forth in the Accountants' Report set out in Appendix I to this Document, as well as the information set forth in "Financial Information" of this Document. Our historical financial information was prepared in accordance with IFRSs.

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

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue	168,790	37,290	19,164	53,319
Cost of sales	(4,016)	(5,132)	(2,546)	(3,023)
Gross profit	164,774	32,158	16,618	50,296
Other income	38,587	33,811	17,781	13,529
Other gains and losses, net	2,934	1,997	529	692
Provision for impairment losses	(8,868)	(12,566)	(16,500)	(96)
General and administrative expenses	(52,619)	(45,398)	(22,961)	(16,627)
Research and development costs	(384,347)	(325,792)	(116,518)	(184,716)
Finance costs	(665)	(835)	(438)	(360)
Loss before tax	(240,204)	(316,625)	(121,489)	(137,282)
Income tax (expense)/credit	–	(240)	(46)	201
Loss for the year/period	(240,204)	(316,865)	(121,535)	(137,081)
Loss for the year/period attributable to:				
Owners of the Company	(240,204)	(316,865)	(121,535)	(137,081)

Our loss for the year increased from RMB240.2 million in 2024 to RMB316.9 million in 2025, primarily attributable to a decrease of revenue from RMB168.8 million in 2024 to RMB37.3 million in 2025, which is in line with a lack of recognition of development milestone payments deriving from our collaboration agreements in 2025, partially offset by a decrease of research and development costs from RMB384.3 million in 2024 to RMB325.8 million in 2025. Our loss for the period increased from RMB121.5 million for the six months ended June 30, 2025 to RMB137.1 million for the six months ended June 30, 2026, primarily attributable to the increase in research and development costs from RMB116.5 million to RMB184.7 million. Such increase was partially offset by the increase in revenue from RMB19.2 million to RMB53.3 million, the substantial decrease in provision for impairment losses from RMB16.5 million to RMB0.1 million, and the decrease in general and administrative expenses from RMB23.0 million to RMB16.6 million.

Summary of Our Consolidated Statements of Financial Position

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

	At December 31,		At June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets			
Property, plant and equipment	19,669	18,610	17,254
Intangible assets	592	1,429	839
Right-of-use assets	25,147	21,465	18,311
Prepayments	679	587	5,024
Deferred tax assets	3,439	3,188	2,641
Total non-current assets	49,526	45,279	44,069

	At December 31,		At June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Current assets			
Trade receivables	165,342	84,666	86,037
Prepayments, deposits and other receivables	23,181	43,392	66,668
Financial assets at fair value through profit or loss ("**FVTPL**")	101,300	153,677	152,960
Time deposits	667,521	653,711	531,210
Cash and bank balances	913,947	723,120	641,249
Total current assets	1,871,291	1,658,566	1,478,124
Total assets	1,920,817	1,703,845	1,522,193
Current liabilities			
Trade payables	59,964	115,480	75,878
Other payables and accruals	22,229	26,272	13,226
Lease liabilities	7,788	7,150	6,453
Total current liabilities	89,981	148,902	95,557
Net current assets	1,781,310	1,509,664	1,382,567
Total assets less current liabilities	1,830,836	1,554,943	1,426,636
Non-current liabilities			
Deferred income	480	480	480
Lease liabilities	16,134	14,919	12,350
Deferred tax liabilities	3,439	3,428	2,680
Total non-current liabilities	20,053	18,827	15,510
NET ASSETS	1,810,783	1,536,116	1,411,126

We had net current assets position as of December 31, 2024 and 2025 and June 30, 2026. Our net current assets decreased by RMB271.6 million from RMB1,781.3 million as of December 31, 2024 to RMB1,509.7 million as of December 31, 2025, primarily because of the decrease in current assets. Our net current assets decreased by RMB127.1 million from RMB1,509.7 million as of December 31, 2025 to RMB1,382.6 million as of June 30, 2026, primarily because of the decrease in current assets, partially offset by the decrease in current liabilities. Our current assets decreased from RMB1,871.3 million as of December 31, 2024 to RMB1,658.6 million as of December 31, 2025, primarily due to the decrease in cash and bank balances of RMB190.8 million and the decrease in trade receivables of RMB80.7 million, partially offset by the increase of financial assets at FVTPL of RMB52.4 million and the increase of prepayments, deposits and other receivables of RMB20.1 million. Our current assets decreased from RMB1,658.6 million as of December 31, 2025 to RMB1,478.1 million as of June 30, 2026, primarily due to the decrease in time deposits of RMB122.5 million and the decrease in cash and bank balances of RMB81.9 million, partially offset by the increase of prepayments, deposits and other receivables of RMB23.3 million. Our net assets decreased from RMB1,810.8 million as of December 31, 2024 to RMB1,536.1 million of as December 31, 2025, primarily due to loss of the year of RMB316.9 million in 2025, partially offset by issuance of restricted shares of RMB7.0 million and recognition of equity-settled share-based payment expenses of RMB35.7 million in 2025. Our net assets decreased from RMB1,536.1 million as of December 31, 2025 to RMB1,411.1 million as of June 30, 2026, primarily due to loss of the period of RMB137.1 million, partially offset by issuance of restricted shares of RMB5.4 million and recognition of equity-settled share-based payment expenses of RMB6.2 million for the six months ended June 30, 2026.

Summary of Our Consolidated Statements of Cash Flows

The following table sets forth key items of our consolidated statements of cash flows for the years/periods indicated:

	For the Year Ended December 31,		For the Six Months Ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Net cash used in operating activities	(241,972)	(155,444)	(105,751)	(188,176)
Net cash (used)/generated from in investing activities	(53,929)	(26,330)	(292,923)	123,905
Net cash (used)/generated from in financing activities	(6,482)	(6,220)	1,686	(17,378)
Net decrease in cash and cash equivalents	**(302,383)**	**(187,994)**	**(396,988)**	**(81,649)**
Cash and cash equivalents at the beginning of the year/period	1,215,826	913,947	913,947	723,120
Effect of exchange rate changes	504	(2,833)	(2,210)	(222)
Cash and cash equivalents at the end of the year/period, represented by bank balances and cash	**913,947**	**723,120**	**514,749**	**641,249**

During the Track Record Period, we incurred negative cash flows from our operations. For the six months ended June 30, 2026, our net cash used in operating activities was RMB188.2 million, which was primarily attributable to our loss before tax of RMB137.3 million, adjusted by certain non-cash and working capital items, including (i) bank interest income of RMB7.7 million, (ii) share-based payment expense of RMB6.2 million, (iii) depreciation of right-of-use assets of RMB4.3 million, and (iv) decrease in trade payables of RMB39.6 million. In 2025, our net cash used in operating activities was RMB155.4 million, which was primarily attributable to our loss before tax of RMB316.6 million, adjusted by certain non-cash and working capital items, including (i) share-based payment expense of RMB35.7 million, (ii) bank interest income of RMB25.0 million, (iii) impairment losses on trade receivables of RMB12.6 million, and (iv) decrease in trade receivables of RMB68.1 million. In 2024, our net cash used in operating activities was RMB242.0 million, which was primarily attributable to our loss before tax of RMB240.2 million, adjusted by certain non-cash and working capital items, including (i) decrease in contract liabilities of RMB47.2 million, (ii) share-based payment expense of RMB47.0 million, (iii) bank interest income of RMB30.0 million, (iv) decrease in prepayment, deposits and other receivables of RMB18.7 million, (v) depreciation of right-of-use assets of RMB13.1 million, (vi) decrease in trade payables of RMB12.6 million, and (vii) impairment losses on trade receivables of RMB8.9 million.

KEY FINANCIAL RATIOS

Our current ratio was 20.8, 11.1 and 15.5 as of December 31, 2024 and 2025 and June 30, 2026, respectively. Current ratio equals total current assets divided by total current liabilities as of the end of the year.

WORKING CAPITAL CONFIRMATION

Our Directors are of the opinion that, taking into account the financial resources available, including cash and cash equivalents, the expected revenue from commercialization of befotertinib (BPI-D0316) and garsorasib (D-1553) in China by our partners, 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 costs and general and administrative expenses for at least the next 12 months from the date of this Document.

Our cash burn rate refers to the average monthly amount of net cash used in operating activities, capital expenditures and lease payments. Assuming an average cash burn rate going forward of [**REDACTED**] times the level in 2024 and 2025 and for the six months ended June 30, 2026, we estimate that our cash at bank and on hand as of June 30, 2026 will be able to maintain our financial viability for [**REDACTED**] months from June 30, 2026 taking into account the estimated net [**REDACTED**] from the [**REDACTED**]; or we estimate that we will be able to maintain our financial viability for [**REDACTED**] months from June 30, 2026 without taking into account the estimated net [**REDACTED**] from the [**REDACTED**] (based on the low-end of the [**REDACTED**] and assuming the [**REDACTED**] is not exercised). 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**]

DIVIDEND

We have never declared or paid any dividends on our ordinary shares or any other securities. As of the Latest Practicable Date, we have a formal dividend policy, and we do not have a pre-determined dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not 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. As advised by our PRC Legal Adviser, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our accumulated losses, or even if we become profitable as we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered by our after-tax profits, and (ii) sufficient statutory and other reserves are drawn in accordance with the relevant laws, regulations and our constitutional documents.

As confirmed by our PRC Legal Adviser, 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.

USE OF [REDACTED]

Assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the midpoint of the range of the indicative [**REDACTED**] stated in this Document), we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] from the [**REDACTED**] after deducting the [**REDACTED**] and other estimated expenses in connection with the [**REDACTED**] (assuming the [**REDACTED**] is not exercised). We intend to use the net [**REDACTED**] we expect to receive from the [**REDACTED**] (assuming the [**REDACTED**] is not exercised) for the purposes and in the amounts set out below: approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the clinical development of our Core Products; approximately [**REDACTED**]%, or HK$[**REDACTED**], will be for the R&D of our preclinical product candidates; approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the continued development of our ADC technology platform; and approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for our working capital and other general corporate purposes. For further details, see "Future Plans and Use of [**REDACTED**]" in this Document.

RISK FACTORS

We believe that there are certain risks involved in our operations, many of which are beyond our control. These risks are set out in the section headed "Risk Factors" in this Document. Some of the major risks we face include: we face competition from existing drugs and drug candidates under development; our business and financial prospects depend substantially on the success of our pipeline products. If we are not able to successfully complete clinical development, obtain regulatory approval and commercialize our pipeline products, including our Core Products, or experience delays in doing so, our business prospects could be adversely affected; clinical development involves a lengthy and expensive process with uncertain outcomes, and results of earlier studies and trials may not be predictive of future trial results; the regulatory approval processes for pharmaceutical products are time consuming and depend on numerous factors, and if we are ultimately unable to obtain regulatory approval for our pipeline products, our business could be substantially harmed; we rely on our current and future collaborators' willingness and ability to devote resources to the development and commercialization of some of our pipeline products and to otherwise support our business as contemplated in our collaboration agreements; we may become subject to IP infringement claims, which could expose us to substantial liability, harm our reputation, limit our research and development or other business activities and/or impair our ability to commercialize our product candidates. As a result, you may lose substantially all of your [**REDACTED**] in us.

[REDACTED]-RELATED EXPENSE INCURRED AND TO BE INCURRED

Our [**REDACTED**] expenses represent professional fees, [**REDACTED**] and other fees incurred in connection with the [**REDACTED**]. Based on an [**REDACTED**] of HK$[**REDACTED**] per H Share (being the midpoint of the range of the indicative [**REDACTED**] stated in this Document), we estimated that the total [**REDACTED**] expenses for the [**REDACTED**] are approximately HK$[**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$[**REDACTED**]; and (ii) [**REDACTED**]-related expenses of HK$[**REDACTED**], including (a) fee paid and payable to legal advisers and reporting accountants of HK$[**REDACTED**] million, and (b) other fees and expenses of HK$[**REDACTED**]. [**REDACTED**], approximately HK$[**REDACTED**] thousand and HK$[**REDACTED**] thousand of the [**REDACTED**] expenses have been recognized in profit or loss for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, respectively. The [**REDACTED**] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

RECENT DEVELOPMENTS

Clinical Development

In July 2026, we initiated a Phase II clinical trial of D-2570 for moderate-to-severe plaque psoriasis in the U.S., initiated a Phase II clinical trial of D-2570 for nonsegmental vitiligo in China, and submitted an IND application for YF550 to the NMPA.

In August 2026, we entered into a collaboration agreement with MSD R&D (China) Co. Ltd. to jointly advance the clinical development of small-molecule drugs in the field of oncology.

Expected Net Loss

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.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of the Document, there had been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since June 30, 2026, being the end date of the periods reported on in the Accountants' Report set out in Appendix I to this Document, and there had been no event since June 30, 2026, that would materially affect the information shown in the Accountants' Report set out in Appendix I to this Document.

In this Document, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain other terms are explained in the section headed "Glossary of Technical Terms" in this Document.

"2022 Restricted Share Incentive Scheme"	the pre-[**REDACTED**] restricted share incentive scheme adopted on January 9, 2023, the principal terms of which are set out in "Statutory and General Information — Restricted Share Incentive Schemes" in Appendix IV to this Document
"2026 Restricted Share Incentive Scheme"	the pre-[**REDACTED**] restricted share incentive scheme adopted on June 18, 2026, the principal terms of which are set out in "Statutory and General Information — Restricted Share Incentive Schemes" in Appendix IV to this Document
"A Share(s)"	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid in Renminbi and is/are listed for trading on the Shanghai Stock Exchange
"A Shareholder(s)"	holder(s) of the A Share(s)
"Aargletschers"	Aargletschers Holdings Limited, a limited company incorporated under the laws of British Virgin Islands on November 25, 2016, which is wholly owned by Dr. Wang, our executive Director, and is a member of our Single Largest Group of Shareholders
"Accountants' Report"	the accountants' report prepared by BDO Limited, details of which are set out in Appendix I
"affiliate(s)"	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
"AIC"	Administration of Industry & Commerce (工商行政管理機關) of the PRC (now known as the Administration for Market Regulation (市場監督管理局)) or, where the context so requires, the State Administration for Industry & Commerce of the PRC (中華人民共和國工商行政管理總局) or its delegated authority at the provincial, municipal or other local level
"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 to it under the Listing Rules
"Audit Committee"	the audit committee of the Board

"Betta"	Betta Pharmaceuticals Co., Ltd. (貝達藥業股份有限公司), a company incorporated in the PRC with limited liability in January 2003, whose shares are listed on the Shenzhen Stock Exchange since November 2016 (stock code: 300558.SZ)
"Board" or "our Board"	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**]

"CDE"	Center for Drug Evaluation (藥品審評中心) under the NMPA
"China", "Chinese Mainland" or "PRC"	the People's Republic of China which, for the purpose of this Document and for geographical reference only, excluding Hong Kong Special Administrative Region of the People's Republic of China, Macau Special Administrative Region of the People's Republic of China, and Taiwan Region
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	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
"Company", "our Company", or "the Company"	InventisBio Co., Limited (益方生物科技(上海)股份有限公司), a joint stock company established in the PRC with limited liability on December 9, 2020, or, where the context requires (as the case may be), its predecessor, InventisBio Co., Ltd. (益方生物科技(上海)有限公司) (formerly known as Shanghai Shaletech Co., Ltd. (上海頁岩科技有限公司)), a company established in the PRC with limited liability on January 11, 2013
"Compliance Adviser"	Guoyuan Capital (Hong Kong) Limited (國元融資(香港)有限公司)
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules

"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Core Product(s)"	has the meaning ascribed thereto under Chapter 18A of the Listing Rules; for the purpose of this Document, our Core Products refer to D-2570 and D-0502
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSRC"	the China Securities Regulatory Commission (中國證券 監督管理委員會)
"CTTQ"	Chia Tai-Tianqing Pharmaceutical Group Co., Ltd. (正大天晴藥業集團股份有限公司), a limited liability company incorporated in the PRC in April 1997, and a non-wholly-owned subsidiary of Sino Biopharmaceutical Limited, a company listed on the Stock Exchange (stock code: 1177)
"Director(s)" or "our Director(s)"	the director(s) of our Company
"Dr. Dai"	Dr. Xing Dai (代星), an executive Director and deputy general manager of our Company, and a member of our Single Largest Group of Shareholders
"Dr. Jiang"	Dr. Yueheng Jiang (江岳恒), an executive Director, secretary of the Board and deputy general manager of our Company, and a member of our Single Largest Group of Shareholders
"Dr. Wang"	Dr. Yaolin Wang (王耀林), the chairman of the Board, an executive Director and general manager of our Company, and a member of our Single Largest Group of Shareholders
"EIT"	the PRC enterprise income tax
"EIT Law"	the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法》), as amended, supplemented or otherwise modified from time to time
"EMA"	the European Medicines Agency
"Employee Shareholding Platforms"	Shanghai Yixi, Shanghai Yimu and YAOLIN WANG LLC, each being a pre-[**REDACTED**] shareholding platform of our employees established prior to the listing of our A Shares

[**REDACTED**]

"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
"FDA"	the Food and Drug Administration of the United States

[**REDACTED**]

"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent professional market research and consulting company

[**REDACTED**]

"Group", "our Group, "our", "we" or "us"	our Company and our subsidiaries, or any one of them as the context may require, and where the context requires, the businesses operated by our Company and/or its subsidiaries and their predecessors (if any)
"Guide for New Listing Applicants"	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange effective from January 1, 2024
"H Share(s)"	[**REDACTED**] ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are to be subscribed for and [**REDACTED**] in HK dollars and to be [**REDACTED**] on the Hong Kong Stock Exchange

[**REDACTED**]

"HK$" or "Hong Kong Dollars" or "HK dollars" and "HK cents"	Hong Kong dollars, the lawful currency of Hong Kong

[**REDACTED**]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC

[**REDACTED**]

"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchange and Clearing Limited
"Hong Kong Takeovers Code" or "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

[**REDACTED**]

"Independent Third Party(ies)"	any entity(ies) or person(s) who is not a connected person of our Company within the meaning of the Hong Kong Listing Rules

[**REDACTED**]

[**REDACTED**]

"InventisBio Beijing"	InventisBio Beijing Limited (益發生物科技(北京)有限公司), a limited company incorporated under the laws of the PRC on August 28, 2020, which is directly wholly owned by the Company
"InventisBio Cayman"	InventisBio Inc., a limited company incorporated under the laws of Cayman Islands on December 17, 2016, which is indirectly wholly owned by Dr. Wang, and a member of our Single Largest Group of Shareholders
"InventisBio HK"	InventisBio Hong Kong Limited, a limited company incorporated under the laws of Hong Kong on January 3, 2017, which is indirectly wholly owned by Dr. Wang, and a member of our Single Largest Group of Shareholders
"Latest Practicable Date"	August 14, 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 Hong Kong Stock Exchange

[**REDACTED**]

"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 Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
"MOFCOM" or "Ministry of Commerce"	the Ministry of Commerce of the PRC (中華人民共和國商務部) (formerly known as the Ministry of Foreign Trade and Economic Cooperation of the PRC (中華人民共和國對外經濟貿易部))
"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
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)

"Nomination Committee"	the nomination committee of the Board

[**REDACTED**]

"Overseas Listing Trial Measures"	The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and five supporting guidelines (《境內企業境外發行證券和上市管理試行辦法》及五項配套指引) promulgated by the CSRC on February 17, 2023 and became effective on March 31, 2023
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Company Law"	Company Law of the PRC (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 provincial, municipal and other regional or local government entities) and instrumentalities
"PRC Legal Adviser"	JunHe LLP, our legal adviser on PRC laws in connection with the [**REDACTED**]

[**REDACTED**]

[**REDACTED**]

"Document"	this document being issued in connection with the [**REDACTED**]
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Renminbi" or "RMB"	the lawful currency of the PRC
"Restricted Share Incentive Schemes"	the 2022 Restricted Share Incentive Scheme and the 2026 Restricted Share Incentive Scheme
"RSUs"	all restricted shares units to acquire Shares under the Restricted Share Incentive Schemes
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAIC"	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), the function of which has now been merged into the SAMR
"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)
"SAT"	the State Taxation Administration of the PRC (中華人民共和國國家税務總局)
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Shanghai Stock Exchange"	the Shanghai Stock Exchange (上海證券交易所)
"Shanghai Stock Exchange STAR Market"	the Sci-tech Innovation Board of the Shanghai Stock Exchange

"Shanghai Stock Exchange STAR Market Listing Rules"	the Rules Governing the Listing of Stock on the Science and Technology Innovation Board of Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》), as amended from time to time
"Shanghai Yimu"	Shanghai Yimu Enterprise Management Center (Limited Partnership)* (上海益穆企業管理中心(有限合夥)), a limited partnership established in the PRC on July 16, 2020, an Employee Shareholding Platform of our Group
"Shanghai Yixi"	Shanghai Yixi Enterprise Management Center (Limited Partnership)* (上海益喜企業管理中心(有限合夥)), a limited partnership established in the PRC on July 16, 2020, an Employee Shareholding Platform of our Group
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of our Share(s)
"Single Largest Group of Shareholders"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to (i) Dr. Wang, InventisBio HK, InventisBio Cayman, Aargletschers, (ii) Dr. Jiang and YUEHENG JIANG LLC and (iii) Dr. Dai and XING DAI LLC
"Sole Sponsor"	the sole sponsor of the [**REDACTED**] as named in "Directors and Parties Involved in the [**REDACTED**]"
"Overall Coordinators"	the Overall Coordinators as named in the section headed "Directors and Parties involved in the [**REDACTED**]"
"Sophisticated Investor(s)"	has the meaning ascribed to it under Chapter 2.3 of the Guide for New Listing Applicants
	[**REDACTED**]
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Strategy and Development Committee"	the strategy and development committee of the Board
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Track Record Period"	the period comprising the two financial years ended December 31, 2024 and 2025 and the six months ended June 30, 2026
"U.S. Government"	the federal government of the United States, including its executive, legislative and judicial branches

"U.S. persons"	U.S. persons as defined in Regulation S
"U.S. Securities Act"	United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time

[**REDACTED**]

"United States", "USA" or "U.S."	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
"US$" or "U.S. dollars"	United States dollars, the lawful currency of the U.S.
"VAT"	value-added tax

[**REDACTED**]

"YAOLIN WANG LLC"	a limited liability company established in the United States on May 26, 2020, an Employee Shareholding Platform of our Group
"%"	per cent

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.

* *For identification purpose only*

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this document in connection with our Group and our business. These terms and their meanings may not correspond to standard industry meanings or usage of these terms.

"AACR"	American Association for Cancer Research, a cancer research organization based in the U.S.
"AD"	atopic dermatitis, a condition that causes dry, itchy and inflamed skin
"ADC"	antibody-drug conjugate, a targeted therapeutic drug made up of a monoclonal antibody linked with cytotoxic drug through a linker
"ADME"	absorption, distribution, metabolism, and excretion
"AE"	adverse event, any untoward medical occurrences in a patient or clinical investigation subject who has been administered with a drug or other pharmaceutical product during clinical trials and which do not necessarily have a causal relationship with the treatment
"AI"	Artificial intelligence
"AIDD"	AI-enabled drug design
"antibody"	also known as an immunoglobulin, a protein used by the immune system to recognize and bind an antigen
"API"	active pharmaceutical ingredient, the main ingredient in a medicine that causes the desired effect of the medicine
"ATR"	ataxia telangiectasia and Rad3-related, a crucial protein kinase involved in the cellular DNA-damage response pathway
"AUC"	area under the curve, the definite integral of the concentration of a drug in blood plasma as a function of time
"BID"	twice a day
"BTD"	Breakthrough Therapy Designation
"CADD"	computer-aided drug design
"CAGR"	compound annual growth rate
"CBR"	clinical benefit rate, the percentage of advanced cancer patients who achieve complete response, partial response, or at least six months of stable disease as a result of therapy
"CDK"	cyclin-dependent kinases, a group of serine/threonine protein kinases involved in the regulation of the cell cycle

GLOSSARY OF TECHNICAL TERMS

"CDMO"	contract development and manufacturing organization, an organization that provides development and manufacturing services of drugs for other pharmaceutical companies on a contractual basis
"CIN+"	chromosomally unstable, referring to an increased rate of change in the structure or number of chromosomal segments or whole chromosomes
"clinical trial/study"	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 processes in the development, licensure, manufacturing and ongoing marketing of pharmaceutical products
"combination therapy"	treatment in which a patient is given two or more drugs (or other therapeutic agents) for a single disease
"CRC"	colorectal cancer, a cancer of the colon (the longest part of the large intestine) or rectum (the last several inches of the large intestine before the anus)
"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
"CSCO"	Chinese Society of Clinical Oncology
"DCR"	disease control rate, the proportion of patients who have achieved either a complete response, partial response, or stable disease after treatment
"DDI"	drug-drug interaction, a situation in which one drug affects the activity of another
"DKD"	diabetic kidney disease, kidney damage caused by diabetes
"DLT"	dose-limiting toxicity, a specified quantity of a therapeutic agent, such as a drug or medicine, prescribed to be taken at one time or at stated intervals
"dMMR"	mismatch repair deficient, a status of cancer cells where the DNA repair system is faulty, causing many mutations
"DMPK"	drug metabolism and pharmacokinetics
"DOR"	duration of response, the length of time that a tumor continues to respond to treatment without the cancer growing or spreading
"ECG"	electrocardiogram, a recording of the heart's electrical activity through repeated cardiac cycles

GLOSSARY OF TECHNICAL TERMS

"EGFR"	epidermal growth factor receptor, a cell surface protein that plays a key role in cellular signaling and growth
"ER"	estrogen receptor, a nuclear protein that mediates cellular responses to estrogens
"ER+"	ER positive, the status of cancer cells expressing ER
"ERE"	estrogen response elements, specific DNA sequences in the promoters of target genes that are regulated by estrogen receptors
"ESR1"	estrogen receptor 1, a gene encoding the estrogen receptor α, which plays a pivotal role in the progression and treatment of hormone receptor-positive breast cancer
"FAK"	focal adhesion kinase, a non-receptor tyrosine kinase that participates in both mechanically and chemically mediated mechanotransduction signaling
"FEUa"	fractional excretion of uric acid, the percentage of filtered uric acid that the kidneys excrete
"first-line treatment" or "first-line therapy"	the first treatment given for a disease, which often part of a standard set of treatments
"GCP"	Good Clinical Practice, an international ethical and scientific quality standard for the performance of a clinical trial on medicinal products involving humans
"GHG"	greenhouse gas
"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"	term used to refer to the severity of adverse events according to Common Terminology Criteria for Adverse Events, using Grade 1, Grade 2, Grade 3, etc.
"hazard ratio"	a statistical measure used to compare the risk of a specific event occurring between two groups, such as disease progression or death in clinical trials
"HER2"	human epidermal growth factor receptor 2, a key component of a complex signaling network that plays a critical role in the regulation of tissue development, growth, and differentiation
"HER2-"	HER2 negative, the status of cancer cells not expressing HER2

GLOSSARY OF TECHNICAL TERMS

"HER3"	human epidermal growth factor receptor 3, a transmembrane receptor that belongs to the human epidermal receptor family and is overexpressed in various cancer types
"IBD"	inflammatory bowel disease, a chronic inflammatory disease of the gastrointestinal tract
"*in vitro*"	a category of study conditions which are performed with microorganisms, cells, or biological molecules outside their normal biological context
"*in vivo*"	a category of study conditions in which the effects of various biological entities are tested on whole, living organisms or cells, usually animals, including humans, and plants, as opposed to a tissue extract or dead organism
"IND"	investigational new drug
"indication"	a specific condition, disease, or medical purpose for which a drug, treatment, or medical device is intended or approved for use
"IRC"	Independent Review Committee
"KIF18A"	kinesin family member 18A, a kinesin motor protein that interacts with microtubules, required for ensuring the correct alignment of chromosomes during cell division
"KOL"	key opinion leader
"KRAS"	Kirsten RAS, a member of the RAS family proteins
"JAK"	Janus kinase, a family of intracellular, non-receptor cytoplasmic tyrosine kinases that mediate cytokine receptor signaling
"MAD"	multiple ascending dose, a type of Phase I clinical study designed to evaluate the safety, and tolerability of repeat doses of the investigational drug over a specified period
"MMAE"	monomethyl auristatin E, a synthetic antimitotic agent that impedes microtubule polymerization, leading to cell-cycle arrest and apoptosis
"MMR"	mismatch repair, a highly conserved biological pathway that plays a key role in maintaining genomic stability
"MOA"	mechanism of action
"monotherapy"	therapy that uses a single drug to treat a disease or condition
"MS"	multiple sclerosis, an immune-mediated inflammatory disease that attacks myelinated axons in the central nervous system

GLOSSARY OF TECHNICAL TERMS

"MSI"	microsatellite instability, the condition of genetic predisposition to mutation that results from impaired DNA mismatch repair
"MSI-H"	microsatellite instability-high, a status of cancer cells having a lot of MSI
"MTD"	maximum tolerated dose, the highest dose of a drug or treatment that does not cause unacceptable side effects
"NDA"	new drug application
"NRDL"	China's National Reimbursement Drug List
"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
"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
"PARP"	poly (ADP-ribose) polymerase, a family of proteins involved in DNA repair processes
"PASI"	Psoriasis area severity index, an index used to express the severity of psoriasis, which combines the severity and percentage of affected area
"PASI 75"	a 75% or greater reduction in PASI scores from baseline
"PASI 90"	a 90% or greater reduction in PASI scores from baseline
"PASI 100"	a 100% reduction in PASI scores from baseline, a complete resolution of the patient's basal lesions
"PC"	pancreatic cancer
"PD"	pharmacodynamics, the study of the biochemical, physiologic, and molecular effects of drugs on the body
"PDAC"	pancreatic ductal adenocarcinoma, a highly aggressive lethal form of pancreatic cancer
"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

GLOSSARY OF TECHNICAL TERMS

"Phase I clinical trial"	a study in which a drug is introduced into healthy human participants 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 II clinical trial"	a study in which a drug is administered to a limited patient population to identity possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the drug for specific targeted disease, and to determine dosage tolerance and optimal dosage
"Phase III clinical trial"	a study in which a drug is administered to an expanded patient population at geographically dispersed clinical trial sites to generate statistically sufficient data to evaluate the efficacy and safety of the drug for regulatory approval and to provide adequate information for the labeling of the product
"PI"	principal investigator
"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
"placebo"	a medical treatment or preparation with no specific pharmacological activity
"PLK1"	polo like kinase 1, a key regulator of mitosis whose overexpression is often associated with poor survival rates in cancer
"PPAR"	peroxisome proliferator-activated receptor, a ligand-activated transcription factor within the nuclear receptor superfamily that are activated by fatty acid metabolites and regulate various signaling pathways, through ligand-dependent transrepression
"PR"	progesterone receptor, a steroid receptor that mediates the physiological effects of progesterone
"preclinical study"	a study 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
"primary endpoint"	the main or most important outcome at the end of a study to assess the effect of the drug being investigated
"PsA"	psoriatic arthritis, a chronic, autoimmune form of arthritis that causes joint inflammation and occurs with the skin condition psoriasis
"QD"	once a day
"QT interval"	the time measured from the beginning of the Q wave to the end of the T wave on an electrocardiogram

"QTc interval"	corrected QT interval, the estimated QT interval at a standard heart rate of 60 bpm
"RAS"	renin-angiotensin system, the system of hormones, proteins, enzymes and reactions that regulate the body's blood pressure and blood volume on a long-term basis
"RBA"	relative bioavailability, a measure of the bioavailability of a formulation of a certain drug when compared with another formulation of the same drug
"RP2D"	recommended Phase II dose, the dosage of a drug that is suggested for use in Phase II clinical trials
"SAD"	single ascending dose, a type of Phase I clinical study that aims to determine the safety and tolerability of a single dose of the investigational product
"SAE"	serious adverse event, an adverse event that results in death, or is life-threatening, or requires in-patient hospitalization or causes prolongation of existing hospitalization, or results in persistent or significant disability or incapacity, or is a congenital anomaly or birth defect
"second-line treatment" or "second-line therapy"	the subsequent treatment given for a disease or condition after the first-line treatment has failed, stopped working, or is not tolerated due to side effects
"SERD"	selective estrogen receptor degrader, a substance that binds to and breaks down proteins called estrogen receptors
"SERM"	selective estrogen receptor modulator, a drug that acts like estrogen on some tissues but blocks the effect of estrogen on other tissues
"SLE"	systemic lupus erythematosus, a chronic inflammatory autoimmune disorder which may affect many organ systems including the skin, joints and internal organs
"sPGA"	Static Physician Global Assessment, an evaluation of the severity of psoriasis at a given point in time, with psoriasis lesions evaluated for thickness, redness and presence of white/silvery scales on the skin
"STAT6"	signal transducer and activator of transcription 6, a transcription factor that plays an important role in the biology of allergic inflammation by mediating the effects of interleukin 4 and interleukin 13
"sUA"	serum uric acid
"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

GLOSSARY OF TECHNICAL TERMS

"TGA"	Therapeutic Goods Administration, Australia's government authority responsible for evaluating, assessing and monitoring products that are defined as therapeutic goods
"third-line treatment" or "third-line therapy"	treatment that is given when both the first-line treatment and second-line treatment do not work or stop working
"TKI"	tyrosine kinase inhibitor, a substance that blocks the action of enzymes called tyrosine kinases
"TNBC"	triple-negative breast cancer, an aggressive breast cancer type lacking ER, PR and HER2
"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
"TROP2"	trophoblast cell surface antigen 2, a transmembrane glycoprotein overexpressed in various cancer types
"TYK2"	tyrosine kinase 2, an intracellular enzyme that mediates immune signaling and inflammatory signaling pathways
"UA"	uric acid
"UC"	ulcerative colitis, a form of inflammatory bowel disease that causes inflammation in the colon
"URAT1"	urate transporter 1, a primary renal transporter responsible for urate reabsorption
"WRN"	Werner syndrome ATP-dependent helicase, a crucial helicase associated with the Werner syndrome

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 facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following: our operations and business prospects; our ability to maintain relationship with, and the actions and developments affecting, our major partners 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 to the regulatory environment in the industries and markets in which we operate; our ability to maintain the market leading positions; the actions and developments of our competitors; our ability to effectively contain 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 recruit qualified staff; our business strategies and plans to achieve these strategies, including our geographic expansion plans; our ability to defend our intellectual rights and protect confidentiality; the effectiveness of our quality control systems; change or volatility in interest rates, foreign exchange rates, equity prices, trading volumes, commodity prices and overall market trends; including those pertaining to the PRC and the industry and markets in which we operate; and capital market developments.

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, 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.

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

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 advisers regarding your prospective* [REDACTED] *in the context of your particular circumstances.

RISKS RELATING TO THE DEVELOPMENT, CLINICAL TRIALS AND REGULATORY APPROVAL OF OUR PIPELINE PRODUCTS

We face competition from existing drugs and drug candidates under development.

We face competition from existing drugs and drug candidates under development in the global innovative drug market. Competition in therapeutic areas such as oncology autoimmune diseases, and metabolic disorders, to which our Core Products and many other pipeline assets belong, is intense given the abundance of existing competing oncology therapy options, approved drugs and drug candidates that continue to increase.

Our commercial opportunities may be adversely impacted if our competitors develop and commercialize drugs that are safer, more effective, more convenient, or less expensive than any of the drugs that we may develop or commercialize. Our competitors also may obtain approval from the regulatory authorities for their drugs more quickly than we do, which could result in our competitors establishing a strong market position before we are able to enter the market. This may render our pipeline products obsolete or less competitive before we can recover the expenses of developing and commercializing our pipeline products. Additionally, 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.

Many of the companies against which we are competing or against which we may compete in the future have significantly greater financial, technical and human resources and expertise in R&D, manufacturing, pre-clinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved drugs than we do. Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. Additional mergers and acquisitions in the pharmaceutical industries may result in even more resources being concentrated among a smaller number of competitors. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

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

As of the Latest Practicable Date, several of our drug candidates had not been approved for commercialization. We believe our future revenue and profitability will substantially depend on our ability to complete the development of our drug candidates, obtain requisite regulatory approvals and successfully manufacture and commercialize our drug candidates. We have invested a significant portion of our efforts and capital resources in the development of our existing drug candidates, and we expect to incur substantial and increasing expenditures for the development and commercialization of our drug candidates in the future. However, development of new drugs, including developing our Core Products taragarestrant (D-0502) and D-2570 in China and overseas markets, can be time-consuming and costly, and the outcome may be uncertain. The success of our drug candidates will depend on several factors, including: successful enrollment in, and completion of, clinical trials, as well as completion of preclinical studies; favorable safety and efficacy data from our clinical trials and other studies; receipt of regulatory approvals for planned clinical trials, future clinical trials or drug registrations, manufacturing and commercialization; establishing sufficient manufacturing capabilities to ensure supply for clinical use and future commercialization, either by making arrangements with third-party manufacturers or building facilities ourselves; our ability to effectively and simultaneously design, manage and supervise a number and range of clinical trials in multiple jurisdictions; our ability to reach agreements on acceptable terms with prospective third-party service providers, such as CROs, and trial sites, the terms of which can be subject to negotiation and may vary among different third-party service providers and trial sites; the performance by contract research organizations, or CROs, or other third parties we may retain of their duties to us in a manner that complies with our protocols and applicable laws and that protects the integrity of the resulting data; obtaining and maintaining patent, trade secret and other intellectual property ("**IP**") protection and regulatory exclusivity; ensuring we do not infringe, misappropriate or otherwise violate the patent, trade secret or other IP rights of third parties; successfully launching our drug candidates, if and when approved; obtaining favorable reimbursement from third-party payors for drugs, if and when approved; competition with other products and drug candidates; continued acceptable safety profile following regulatory approval; and obtaining sufficient supplies of any drug products that may be necessary for use in clinical trials for evaluation of our drug candidates in combination with such drug products.

Furthermore, due to the novelty of our therapeutics, a substantial amount of education and training may need to be provided to patients and medical personnel in the future, which may potentially increase our sales and marketing expenses.

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

Clinical development is capital-intensive and may demand years of effort to complete, while its outcomes are inherently uncertain and may not be favorable. We may encounter unexpected difficulties while executing our clinical development plans for our drug candidates. Failure can occur at any time during the clinical development process. Furthermore, the results of preclinical studies and early clinical trials may not be predictive of the success of later-phase clinical trials, and favorable initial or interim results of a clinical trial do not necessarily indicate the success of final results. Drug candidates in later stages of clinical trials may fail to show the desired safety and efficacy profiles. Many companies in the biopharmaceutical industry have experienced significant setbacks in advanced clinical trials due to unsatisfactory efficacy or adverse safety profiles, notwithstanding promising results in earlier trials. It is also common that various aspects of the development programs, such as manufacturing and formulation, are altered along the entire R&D stage in an effort to optimize processes and results, and there can be no assurance that such alterations would help achieve the intended objectives.

There may be significant variability in safety or efficacy results among different trials of the same drug candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in size and demographics of the enrolled patients (such as genetic differences and patient adherence to the dosage regimen) and the dropout rate among enrolled patients in clinical trials. Differences in the number of clinical trial sites and countries involved may also lead to variability among clinical trials. Therefore, the results of planned clinical trials or other future clinical trials could be significantly different and deviate from our expectation, which could result in delays in the completion of clinical trials, regulatory approvals and commencement of commercialization of our drug candidates.

The regulatory approval processes for pharmaceutical products are time consuming and depend on numerous factors, and if we are ultimately unable to obtain regulatory approval for our pipeline products, our business could be substantially harmed.

The regulatory approval processes of pharmaceutical products depend on numerous factors, some of which may be outside our control. Generally, such approvals take years to be obtained 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 during the course of a drug candidate's clinical development and may vary among jurisdictions. We may not obtain marketing approval for befotertinib (BPI-D0316) and garsorasib (D-1553) outside China, and we cannot guarantee that we will be able to obtain regulatory approvals for our other existing drug candidates or any drug candidates we may discover in the future.

Our pipeline products could fail to receive the 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 and effective and potent for its proposed indication; failure of our clinical trial results to meet the level of statistical significance required for approval; failure of our clinical trial process to pass relevant Good Clinical Practice ("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 submissions or to obtain regulatory approval; failure of the manufacturer of our drug candidates to pass Good Manufacturing Practice ("GMP") inspections during the regulatory review process or across the production cycle of our drug candidates; failure of our clinical sites to pass audits carried out by the regulatory authorities, resulting in a potential invalidation of our research data; changes in approval policies or regulations that render our preclinical and clinical data insufficient for obtaining approvals; failure of our clinical trial process to keep up with any scientific or technological advancements required by approval policies or regulations; or clinical sites, investigators or other participants in our clinical trials deviating from the trial protocol, failing to conduct the trial in accordance with regulatory requirements, or dropping out of a trial.

If clinical trials of our drug candidates fail to demonstrate safety and efficacy profiles to the satisfaction of regulatory authorities, or if adverse events, serious adverse events or other safety concerns arise, we may incur additional costs, experience delays or ultimately be unable to complete the development and commercialization of our drug candidates.

We may experience unexpected events during, or as a result of, clinical trials that could delay or prevent our ability to obtain regulatory approval or commercialize our drug candidates. Such events may include, among others, failure by regulators, institutional review boards or ethics committees to authorize or permit clinical trials; manufacturing, supply or quality issues; failure by our third-party contractors to comply with applicable regulatory requirements or contractual obligations; negative, inconclusive or insufficiently positive clinical trial results; and the suspension or termination of clinical trials due to safety concerns, lack of clinical benefit or other unexpected findings.

Adverse events, serious adverse events, including patient deaths, occurring during clinical trials or after completion of clinical trials or a patient's discontinuation or withdrawal from a study, whether or not related to our drug candidates, could cause us, clinical investigators or regulatory authorities to interrupt, delay, suspend or terminate clinical trials. Such events may also result in additional

clinical investigations, modifications to clinical protocols, narrower indications, more restrictive labeling, delays or denial of regulatory approvals, or changes to our development plans. In addition, such events could adversely affect patient recruitment and retention, result in potential product liability claims, damage our reputation and the perception of our drug candidates, and adversely impact our ability to obtain regulatory approvals or successfully commercialize our drug candidates.

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 therapies 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, taragarestrant (D-0502), in combination with palbociclib for the treatment of advanced or metastatic ER-positive and HER2-negative breast cancer in China and the U.S. However, development of such combination therapies could expose us to additional risks. For instance, 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 any of our product candidates were approved for use in combination with other existing approved therapies, we would continue to be subject to multiple risks, such as the possibility that safety, efficacy, manufacturing or supply issues could arise with these existing therapies. In addition, it is possible that existing therapies with which our product candidates are approved for use could themselves fall out of favor or be relegated to later lines of treatment, which could adversely affect the market perception and acceptance of the combination therapy. In such scenarios, we may need to identify other potential combination therapies for our product candidates and conduct additional preclinical and clinical studies before these alternative therapies receive regulatory approvals for marketing. Additionally, components of the combination therapies, other than our product candidates, may not be under our control, and it is possible that we may encounter difficulties in obtaining sufficient quantities for clinical trials or, when commercialized, patients may not have adequate access to such components for their treatment regimes. In any of aforementioned scenarios, the development efforts and commercialization prospects regarding our product candidates would be impaired.

If we encounter difficulties enrolling participants in our clinical trials, our clinical development activities 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 enough participants who remain in the trial until its conclusion. We may experience difficulties in participant enrollment in our clinical trials for a variety of reasons, including the size and nature of the patient population and the patient eligibility criteria defined in the clinical trial protocol, the resources we have to facilitate timely subject enrollment in our clinical trials, the efforts made by trial execution personnel including our CROs to screen and recruit eligible subjects, the ability to obtain and maintain informed consents, epidemics, and the proximity and availability of clinical trial sites for prospective subjects, among others.

In addition, our clinical trials may compete with other clinical trials for drug candidates in the same therapeutic area as ours. Such competition will likely reduce the number and types of patients available to us, because some patients who might have opted to enroll in our trials may instead enroll in a trial conducted by our competitors. Delays in subject enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could delay or prevent the completion of these trials and adversely affect our ability to advance the development of our drug candidates.

Interim and/or preliminary data derived from our clinical trials that we announce or publish from time to time may change as more valid data becomes available and are subject to verification procedures that could result in material changes in the final results.

From time to time, we may publish interim and/or preliminary data from our clinical trials. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Preliminary data also remain subject to verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, interim and preliminary data should be viewed with caution until the final data are available. Differences between preliminary or interim data and final data could significantly affect our business prospects and may cause the [**REDACTED**] of H Shares to fluctuate significantly after the [**REDACTED**].

Our preclinical programs may experience delays or may never advance to clinical trials, which would adversely affect our ability to obtain regulatory approvals or commercialize these drug candidates on a timely basis or at all, which would have an adverse effect on our business.

Many of our product candidates are still in the preclinical development stage, and the risk of failure of preclinical programs is high. Before we can commence clinical trials for a product candidate, we must complete extensive preclinical testing and studies to obtain regulatory clearance to initiate human clinical trials. We cannot be certain of the timely completion or outcome of our preclinical testing and studies and cannot predict if the regulatory authorities will accept our proposed clinical programs or if the outcome of our preclinical testing and studies will ultimately support the further development of our programs. As a result, we cannot be sure that we will be able to submit IND applications or similar applications for the contemplated clinical development of our preclinical drug candidates on the timelines we expect, if at all, and we cannot be sure that submission of IND applications or similar applications will result in the regulatory authorities allowing clinical trials to begin.

We may allocate our limited resources to pursue particular drug candidates or indications 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. As a result, we may forgo or delay pursuit of opportunities with other drug candidates or for other indications that may later prove to have greater commercial potential or a greater likelihood of success. Furthermore, if we do not accurately evaluate the commercial potential or target market for a particular drug candidate, we may relinquish valuable rights to that drug candidate through licensing, collaboration or royalty arrangements in cases where it would have been more advantageous for us to retain sole development and commercialization rights or we may allocate internal resources to a drug candidate in a therapeutic area in which it would have been more advantageous to enter into a partnering arrangement.

We may fail to sufficiently and promptly respond to rapid scientific and technological changes, clinical demand and market changes in the pharmaceutical industry, and we may be unable to maintain or enhance our market share in this industry for a variety of reasons.

The global pharmaceutical industry is characterized by rapid advances in science and technology and the continuous emergence of new treatment options. Our future success partially depends on our ability to launch new products that meet evolving market demands, in particular, new drugs that are effective in treating oncology, metabolic and autoimmune diseases. We cannot assure you that we will be able to respond to emerging or evolving trends by improving our product portfolio in a timely manner, or at all.

In addition, clinical demand for pharmaceutical products may change rapidly and significantly. Our success depends on our ability to anticipate product offering lead-time and demand, identify preferences of patients and physicians and adapt our products to these preferences.

We may need to adjust our R&D plan, production scale and schedule, product portfolio, and inventory levels based on market demand, sales trends and other market conditions. There can be no assurance that we will be able to sufficiently and promptly respond to changes in clinical demand and purchasing patterns in the future.

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 marketing activities. We have established extensive 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 new market-responsive drugs. However, we cannot assure you that we will be able to maintain or strengthen our clinical collaborations and relationships with our PIs and KOLs, physicians and experts, or that our efforts to maintain or strengthen such relationships will yield the successful development and marketing of new products. These industry participants may leave their roles, change their business or practice focus, choose to no longer cooperate with us or cooperate with our competitors instead. Also, their market insights and perceptions, which we take into account in our R&D process, may be inaccurate and lead us to develop products that do not have significant market potential. Moreover, we cannot assure you that our academic promotion and marketing strategy will continue to serve as an effective marketing strategy. Industry participants may no longer want to collaborate with us and our marketing strategy may no longer be able to yield results that are commensurate to our efforts spent.

All material aspects of the research, development, manufacturing and commercialization of pharmaceutical products are heavily regulated.

All jurisdictions in which we intend to conduct our biopharmaceutical industry activities regulate the pharmaceutical industry. In doing so they employ extensive regulations governing the development, approval, manufacturing, marketing, sales and distribution of pharmaceutical products. Differences in regulatory regimes across jurisdictions may lead to a higher compliance burden.

The process of obtaining regulatory approvals and maintaining compliance with appropriate laws and regulations requires spending of substantial time and financial resources. Any recently enacted and future legislation may increase the difficulty and cost of us to obtain regulatory approval of, and commercialize, our drug candidates, and affect the prices we may obtain. Changes in government regulations or in practices relating to the pharmaceutical industry, such as a relaxation in regulatory requirements; the introduction of simplified approval procedures, which would lower the entry barrier for potential competitors; or an increase in regulatory requirements, which may increase the difficulty for us to satisfy such requirements.

RISKS RELATING TO DEPENDENCE ON THIRD PARTIES

We rely on our current and future collaborators' willingness and ability to devote resources to the development and commercialization of some of our pipeline products and to otherwise support our business as contemplated in our collaboration agreements.

We rely on our current and future collaborators to support our business, including clinical development, regulatory filings, manufacturing and/or commercialization of certain of our pipeline products. For example, we have granted Betta exclusive rights to develop, manufacture and commercialize befotertinib (BPI-D0316) in Chinese Mainland, Hong Kong, and Taiwan. Befotertinib (BPI-D0316) obtained the regulatory approval from the NMPA in 2023. Also, we granted CTTQ an exclusive license to develop, register, manufacture and commercialize garsorasib (D-1553) in Chinese Mainland. Garsorasib (D-1553) obtained the regulatory approval from the NMPA in 2024. Therefore, our future financial position will partly depend on the commercialization efforts of Betta and CTTQ.

However, as we may have little or no control over the marketing and sales efforts beyond the contractual terms, the actual revenue generated from the commercialization of befotertinib (BPI-D0316) and garsorasib (D-1553) may be lower than anticipated, and we may not realize the contemplated benefits from these collaborations. There is also no assurance that our collaborators will not seek to change the terms of the collaboration agreements with the effect of diminishing benefits to us. We also cannot assure you that our existing or future collaborations will not be terminated prior to the expiry of contemplated terms. Such terminations could significantly impact the development and commercialization of our pipeline products and impact our financial results and future prospects.

We may continue to receive from certain of our current and future collaborators with information about the status, progress and results of clinical trials and regulatory processes that they are conducting, sponsoring or pursuing with respect to our partnered product candidates. We may not have direct access to the underlying data or direct communications with the relevant regulators. In addition, our collaboration with our current and future collaborators could subject us to a number of additional risks, including: our collaborators have significant discretion regarding whether and when to pursue planned activities; we cannot control the quantity and nature of the resources our collaborators may devote to the development, commercialization, marketing and distribution of products or product candidates; disputes between us and our collaborators may delay or terminate the research, development or commercialization of the applicable pipeline products or result in costly litigation or arbitration that diverts management's attention and resources; we may not receive stipulated milestone payments from our collaborators, at the expected time or at all, if our collaborators do not achieve future milestones or if we and our collaborators disagree about whether a milestone has been reached; with respect to collaborations, partnerships or other arrangements under which we have an active role, we and our collaborators may have differing opinions or priorities, or we may encounter challenges in joint decision making, which may delay or terminate the research, development or commercialization of the applicable products and product candidates; our collaborators may not properly maintain or defend relevant IP rights, or may infringe the IP rights of third parties, or may use our or third parties' proprietary information in such a way as to invite litigation that could jeopardize or invalidate our proprietary information or expose us to potential litigation; and business combinations, financial difficulties or significant changes in a collaborator's business strategy may adversely affect that collaborator's willingness or ability to continue to pursue our products or product candidates.

We may not receive some or all of the potential milestone and/or royalty payments from our collaboration and licensing agreements.

From time to time, we may enter into collaboration and licensing agreements that include clauses regarding potential development and commercial milestone payments and/or royalties. The milestone payments will only be payable to us upon the achievement of certain milestones based on clinical development progress and achievement of specified amounts of annual net sales of the licensed products. We may also receive tiered royalties tied to the net sales amount of the licensed products. There is a risk that any or all of the milestone events under these various agreements might not be achieved, that our licensees may not achieve sales that would entitle us to royalty payments, and that any or all of the consideration tied to the achievement of the milestone events and royalties might not be received. For example, pursuant to our agreements with Betta and CTTQ, Betta and CTTQ shall be solely responsible for commercializing befotertinib (BPI-D0316) and garsorasib (D-1553) in China, respectively, and we are entitled to certain royalties and commercial milestone payments that are keyed to the annual net sales of befotertinib (BPI-D0316) and garsorasib (D-1553), respectively, in addition to other enumerated upfront and milestone payments. For example, we are entitled to receive RMB180.0 million from Betta under our collaboration agreement, and we have received RMB80.0 million milestone payment from Betta on December 26, 2025. We have not formally asserted a breach or initiated any enforcement or termination actions under the collaboration agreement, and we continue to evaluate our rights and options taking into account commercial

considerations and the overall relationship with our partner. We are in active discussion with Betta on the settlement of the balance milestone payments and aim to resolve this matter through amicable negotiation under the framework of the our collaboration agreement.

We work with various third-party service providers to develop our pipeline products. 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 pipeline products, and our business, financial condition and results of operations could be materially and adversely affected.

We have worked with and may continue to work with third-party service providers on our ongoing preclinical and clinical programs. For example, we seek assistance from CROs, clinical trial sites, consultants and other third parties to monitor, support and/or conduct preclinical studies and clinical trials of our drug candidates. During the Track Record Period, we engaged seven CROs to support our clinical trials for our Core Products. 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. We, our CROs for our clinical programs and our clinical investigators are required to comply with GCPs, which are regulations and guidelines enforced by the regulatory authorities for all of our drug candidates in clinical development. If any of our CROs or clinical investigators fail to comply with the applicable GCP, the clinical data generated in our clinical trials may be deemed unreliable and the regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. In addition, our pivotal clinical trials must be conducted with products produced under GMP regulations. Furthermore, due to the involvement of third parties, the data we gather in our R&D may be affected by factors unrelated to our drug candidates or out of our control, which could adversely affect the reliability of results derived from our R&D activities.

If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs or to do so on commercially reasonable terms. In addition, our CROs are not our employees, and except for remedies available to us 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 timelines, if they need to be replaced or if the quality or accuracy of the clinical data they or our clinical investigators obtain is compromised 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 influence our ability to meet our desired clinical development timelines.

We depend on third parties to provide a stable and adequate supply of investigational drugs for our research and development efforts and supply of APIs for commercial sales. Any disruptions of, quality issues or significant price increases in such supply could adversely affect our business.

We have limited experience in manufacturing biopharmaceutical products, which is a complex process requiring significant expertise and capital investment, in part due to strict regulatory requirements. During the Track Record Period, we did not have in-house manufacturing facility and we outsourced manufacturing activities to reputable third-party manufacturing service providers. For manufacturing of our product candidates, we currently outsource such production to a number of CDMOs. Going forward, we may continue to engage third-party CDMOs to manufacture a portion of our pipeline products for R&D activities and commercial sales. For instance, we engage third-party manufacturing service providers to provide the APIs. Our engagement with third-party CDMOs exposes us to certain risks, including: we may be unable to identify manufacturers on acceptable terms or at all because the number of potential manufacturers is limited and the regulatory authorities must

evaluate and/or approve any manufacturers as part of their regulatory oversight of our drug candidates, which could require new testing and GMP-compliance inspections by the regulatory authorities; our third-party manufacturers might be unable to timely manufacture our drug candidates or produce the quantity and quality required to meet our clinical and commercial needs; manufacturers may not be able to execute our manufacturing procedures and other logistical support requirements appropriately, or may otherwise fail to perform as agreed; manufacturers are subject to ongoing periodic unannounced inspection by the regulatory authorities to ensure strict compliance with GMP and other government regulations. We do not have control over third-party manufacturers' compliance with these regulations and requirements; manufacturers may not properly obtain, protect, maintain, defend or enforce our IP rights or may use our IP or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our IP or proprietary information or expose us to potential liability; manufacturers may infringe, misappropriate or otherwise violate the IP rights of third parties; manufacturers may experience manufacturing difficulties due to resource constraints or as a result of labor disputes, unstable political environments, natural or man-made disasters, or other events beyond control, which may lead to interruption of the manufacturing process; we may be unable to detect or cure quality defects in drug products manufactured by the third-party service providers with our established quality control and quality assurance procedures; contaminants may be discovered in the manufacturing facilities of the third-party service providers, which could lead to close of such manufacturing facilities for an extended period of time to investigate and remedy the contamination.

In the event that our suppliers are unable to provide adequate supplies of products or services to us, our operations, including in-house CMC functions and the R&D of our pipeline products, may be adversely affected. We may also be exposed to the possibility of increased costs, which we may not be able to pass on to purchasers of our pipeline products and as a result, lower our profitability. Any delay or interruption in the provision of clinical trial supplies could delay the completion of clinical trials, increase the costs associated with maintaining clinical trial programs, and, depending upon the period of delay, require us to begin new clinical trials at additional expense or terminate clinical trials completely. The risks discussed above could also jeopardize our ability to provide any future approved drug candidates for commercial sale.

In addition, any significant failure or deterioration of our quality control and quality assurance protocol or standard operating procedures could render our products unsuitable for use, result in gaps in the audit of our processes, jeopardize any GMP certifications we may have in the future and/or harm our market reputation and relationship with business collaborators.

The stability of operations and business strategies of our service providers and collaborators are beyond our control, and we cannot assure you that we will be able to secure a stable relationship and high-quality outsourced services or materials. If any of our large manufacturing service providers or collaborators terminates its business relationship with us, we may encounter difficulty in finding a replacement that can provide services or materials of equal quality at a similar price.

We may face difficulties in forming additional collaboration and strategic alliances in the future.

We have formed and may in the future form or seek strategic alliances, create collaborations, or enter into additional licensing arrangements with third parties that we believe will complement or augment our development and commercialization efforts with respect to our other drug candidates and any future drug candidates that we may develop. Any of these relationships may require us to incur non-recurring and other charges, increase our near and long-term expenditures, issue securities that dilute our existing shareholders, or disrupt our management and business.

We face significant competition in seeking appropriate strategic partners and the negotiation process is time-consuming and complex. Whether we reach a definitive agreement for a collaboration, partnership, licenses or other arrangement will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration, partnership, licenses or other arrangement and the proposed collaborator's evaluation

of a number of factors. These factors may include the design or results of clinical trials, the likelihood of approval by the regulatory authorities, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to patients, the potential of competing products and the existence of uncertainty with respect to its ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge and industry and market conditions generally. Moreover, we may not be successful in our efforts to establishing or maintaining our collaborations, partnerships, licenses or other arrangements for our drug candidates because they may be deemed to be at too early of a stage of development for collaborative effort and third parties may not view our drug candidates as having the requisite potential to demonstrate safety and efficacy or commercial potential. If and when we collaborate with a third party for the development and commercialization of a drug candidate, we can expect to relinquish some or all of the control over the future success of that drug candidate to the third party.

RISKS RELATING TO COMMERCIALIZATION AND MANUFACTURING OF OUR PIPELINE PRODUCTS

We have limited experience in launching and marketing drug products and may not be able to successfully do so in the future.

Our collaborators Betta and CTTQ will be solely responsible for the commercialization of our approved products befotertinib (BPI-D0316) and garsorasib (D-1553), respectively. Since none of our other pipeline products has reached the commercialization stage, we have not yet demonstrated an ability to launch and commercialize drug products. Given our lack of experience, we may require a longer time frame or be less cost-efficient in the commercialization process than a company with more experience launching and marketing drug products. This inexperience may subject our business operations to greater risk.

Furthermore, if we do not develop internal sales, marketing and commercial distribution capabilities for any or all of our drug candidates, we will likely pursue collaborative arrangements regarding the sales and marketing of our pipeline products. However, there can be no assurance that we will be able to establish or maintain such collaborative arrangements, or if we are able to do so, that they will have effective sales forces. If we choose to pursue this path, we may have little or no control over the marketing and sales efforts of such third parties beyond contractual terms, and our revenue from product sales may be lower than if we had commercialized our drug candidates ourselves. We also face competition in our search for third parties to assist us with the sales and marketing efforts for our drug candidates. We will have to compete with other pharmaceutical companies to recruit, hire, train and retain marketing and sales personnel and any revenue we receive will depend upon the efforts of such third parties. Therefore, we cannot assure you that we will be able to establish or maintain relationships with third-party partners to successfully commercialize any product. As a result, we may not be able to generate the anticipated product sales revenue.

The size of the actual markets for our pipeline products may be smaller than our estimates and our pipeline products may not be able to achieve the degree of market acceptance by physicians, patients, third-party payers and others in the medical community that would be necessary for their commercial success.

Our projections of the number of patients who may benefit from treatment with our pipeline products are based on our beliefs and estimates. These estimates have been derived from a variety of sources, including scientific literature and market research, and may prove to be incorrect. Further, new studies may change the estimated incidence or prevalence of these diseases. The number of patients may turn out to be fewer than expected. As a result, the potentially addressable patient population and market size for our pipeline products may be smaller than our estimates.

Furthermore, there is no guarantee that any of our pipeline products would be approved for the line of therapy we ultimately aim for. For example, oncology therapies may be characterized as first line, second line or later line therapy depending on options for treatment and prior treatments

received. For indications with well-established standard of care therapies, the regulatory authorities may approve new therapies initially only for second or later lines of therapy. There is no guarantee that our pipeline products will be approved as an early-line therapy for certain indications. As a result, we may not achieve the anticipated market size and revenue unless such market approval is for the intended lines of therapy or for additional indications.

Additionally, our pipeline products may not be able to gain sufficient market acceptance in the medical community and physicians, patients or third-party payers may prefer other products to ours. If our pipeline products do not achieve an adequate level of acceptance, we may not realize sufficient income from sales that turns us profitable. The degree of market acceptance of our pipeline products, once approved for commercial sale, will depend on: the clinical indications for which our pipeline products are approved; physicians, hospitals, medical treatment centers and patients considering our pipeline products; efficacy and safety profile of our pipeline products; the potential and perceived advantages of our pipeline products over alternative treatments; the prevalence and severity of any side effects; limitations or warnings contained in the labeling approved by regulatory authorities; the timing of market introduction of our pipeline products as well as competitive drugs; the cost of treatment in relation to alternative treatments; the availability of adequate coverage, reimbursement and pricing by third-party payers and government authorities; price control or downward adjustment by the government authorities or other pricing pressure; relative convenience and ease of administration, including as compared to alternative treatments; the willingness of patients to pay out-of-pocket in the absence of coverage and reimbursement by third-party payers and government authorities; and the effectiveness of sales and marketing efforts regarding our pipeline products and competing drug products. The market acceptance for our products, if any, may not be maintained over time if new drug products or technologies are introduced that are more favorably perceived than our pipeline products, have better safety and efficacy profiles or render our drug candidates obsolete.

Inability to conduct effective sales and marketing activities either by ourselves or through third parties would negatively affect the sales volume of our pipeline products after they are approved for commercialization, and our operations, revenue, profitability and business prospects could be adversely affected.

Sales and marketing efforts regarding our pipeline products will consist of raising awareness and knowledge of our products and product candidates among medical professionals, hospitals, other medical institutions and pharmacies. Therefore, the sales and marketing force must possess a relatively high level of technical knowledge, up-to-date understanding of industry trends, necessary expertise in the relevant therapeutic areas and products, as well as sufficient promotion and communication skills. If we or our commercialization collaborators are unable to effectively train the sales representatives, sales and marketing of our pipeline products may be less successful than desired. Moreover, the ability to attract, motivate and retain a sufficient number of qualified sales professionals, either by us or by our collaborators, is important. Competition for experienced marketing, promotion and sales personnel is intense. If we or our collaborators are unable to attract, motivate and retain a sufficient number of marketing, promotion and sales professionals, sales volume of our products may be adversely affected, and we may be unable to expand our hospital coverage or increase our market penetration as contemplated.

The commercialization of our pipeline products, if approved, may be subject to uncertainties from national, provincial or other third-party drug reimbursement practices and unfavorable drug pricing policies or regulations, which could harm our business.

The regulations that govern regulatory approvals, pricing and reimbursement for new therapeutic products vary widely from jurisdiction to jurisdiction. In China and some other markets, the pricing of drug products remains subject to continuing governmental control even after initial approval, and the pricing negotiations can take considerable time. As a result, the commercial launch of our drug candidates, once approved, can be delayed due to price regulation, which will negatively impact our revenues. The ability to commercialize any approved drug candidates

successfully also will depend in part on the extent to which reimbursement for these drugs and related treatments will be available from government health administration authorities, private health insurers and other organizations.

A primary trend in the global healthcare industry is cost containment. Government authorities and third-party payers have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Increasingly, third-party payers are requiring that companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. We cannot be sure that reimbursement will be available for any commercialized pipeline products and, if reimbursement is available, what the level of reimbursement will be. Reimbursement may impact the demand for, or the price of, any approved products. Obtaining or maintaining reimbursement for our future approved products may be difficult. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any drug candidates.

There may be significant delays in obtaining reimbursement for approved drug candidates, and coverage may be more limited than the approved indications. For instance, in the U.S., no uniform policy of coverage and reimbursement for drugs exists among third-party payers. As a result, obtaining coverage and reimbursement approval of a drug from a government or other third-party payer is a time-consuming and costly process that could require us to provide to each payer supporting scientific, clinical and cost-effectiveness data for the use of our approved pipeline products on a payer-by-payer basis, with no assurance that coverage and adequate reimbursement will be obtained. Even if we obtain coverage for a given drug, the resulting reimbursement rates might not be adequate for us to achieve or sustain profitability or may require co-payments that patients find unacceptably high.

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

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

Our patent rights may be challenged and invalidated.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patent rights may be challenged in the courts or patent offices in China, the U.S., the EU and other jurisdictions. We may be involved in opposition, derivation, revocation, reexamination, post-grant and inter partes review, or interference proceedings challenging our patent rights or the patent rights of others. If we are unsuccessful in any interference proceedings or other priority or validity disputes to which our IPs are subject, we may lose valuable IP rights through the loss of one or more patents or our patent claims may be narrowed, invalidated, or held unenforceable. In addition, we may be required to obtain and maintain licenses from third parties, including parties involved in any such interference proceedings or other priority or inventorship disputes. Such licenses may not be available on commercially reasonable terms or at all, or may be non-exclusive. If we are unable to obtain and maintain such licenses, we may need to cease the development, manufacture and commercialization of one or more of our drug candidates. The loss of exclusivity or the narrowing of our patent claims could limit our ability to stop others from using or commercializing similar or identical drug products.

Also, we may be subject to claims that former employees, collaborators or other third parties have an interest in our patents, trade secrets, or other IP as an inventor or co-inventor. For example, we may have inventorship disputes arise from conflicting obligations of employees, consultants or others who are involved in developing our product candidates. In addition, former employees may become employed by competitors who develop similar technology, and could assist the competitor in designing around our patents. We may be unsuccessful in executing an IP assignment agreement with each party who in fact develops intellectual property that we regard as our own. Our and their assignment agreements may not be self-executing or may be breached, and litigation may be necessary to defend against these and other claims challenging inventorship or our ownership of our patents, trade secrets or other intellectual property. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable IP rights, such as exclusive ownership of, or right to use, IP important to our product candidates. Further, litigation could result in substantial costs and be a distraction to management and other employees.

Patent protection depends on compliance with various procedural, regulatory and other requirements, and our patent protection could be reduced or eliminated due to noncompliance.

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and patent applications are due to be paid to the China National Intellectual Property Administration (the "CNIPA"), the United States Patent and Trademark Office (the "USPTO") and other applicable patent agencies in several stages over the lifetime of a patent. These patent agencies require compliance with a number of procedural, documentary, fee payment, and other similar provisions during the patent application process. Certain non-compliance events can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Such events include failure to respond to official actions within prescribed time limits, non-payment of fees, and failure to properly legalize and submit formal documents. In any such event, our competitors might be able to enter the market, which would have a material adverse effect on our business.

If our patent terms expire before or soon after our drug candidates are approved, our business may be materially harmed.

Patents have a limited duration. Depending on the jurisdiction, various extensions may be available, but the life of a patent, and the protection it affords, is limited. For example, the expiration of a patent is generally 20 years for inventions in China and generally 20 years from the earliest date of filing of the first non-provisional patent application to which the patent claims priority in the U.S. Once the patent life has expired, we may be open to competition from competitive medications. Upon expiration of our issued patents or patents that may issue from our patent applications, we will not be able to assert such patent rights against potential competitors and our business and results of operations may be adversely affected. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If we are unable to obtain a patent term extension or the term of any such extension is less than we request, our competitors may obtain approval of competing products following our patent expiration, and our business could be harmed.

In addition, some of our patents and patent applications may, in the future, be co-owned with third parties. If we are unable to obtain an exclusive license to any such third-party co-owners' interest in such patents or patent applications, such co-owners may be able to license their rights to other third parties, including our competitors, and our competitors could market competing products and technology. Besides this, we may need the cooperation of any such co-owners of our patents in order to enforce such patents against third parties, and such cooperation may not be provided to us.

Lack of protection under the applicable patent linkage and patent term extension laws and regulations could increase the risk of early generic competition.

In the U.S., the Federal Food, Drug, and Cosmetic Act, as amended by the law generally referred to as the "Hatch-Waxman Amendments," provides the opportunity for patent-term restoration of up to five years to reflect patent term lost during certain portions of product development and the FDA regulatory review process. The Hatch-Waxman Amendments also have a process for patent linkage, pursuant to which FDA will stay approval of certain follow-on applications during the pendency of litigation between the follow-on applicant and the patent holder or licensee, generally for a period of 30 months. Finally, the Hatch-Waxman Amendments provide for statutory exclusivities that can prevent submission or approval of certain follow-on marketing applications. For example, federal law provides a five-year period of exclusivity within the U.S. to the first applicant to obtain approval of a new chemical entity (as defined) and three years of exclusivity protecting certain innovations to previously approved active ingredients where the applicant was required to conduct new clinical investigations to obtain approval for the modification. Similarly, the Orphan Drug Act provides seven years of market exclusivity for certain drugs to treat rare diseases, where FDA designates the product candidate as an orphan drug and the drug is approved for the designated orphan indication. These provisions, designed to promote innovation, can prevent competing products from entering the market for a certain period of time after FDA grants marketing approval for the innovative product.

In China, the amendment to the PRC Patent Law which was promulgated in October 2020 introduces patent extensions to patents of new drugs that launched in the PRC, which may enable the patent owner to submit applications for a patent term extension of up to a maximum length of five years, and after the new drug is approved for marketing, the total effective term of the patent shall not exceed 14 years. However, we may not be granted an extension because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents, or otherwise failing to satisfy applicable requirements.

There can be no assurance that the relevant governmental authorities will agree with our assessment of eligible patent extensions, and such authorities may refuse to grant extensions to our patents, or may grant more limited extensions than we requested. In such instances, a lower-cost generic drug can emerge onto the market much more quickly, leading to early generic competition that may have a material and adverse effect on our financial position and business prospect.

We may not be able to protect our IP rights or prevent unfair competition by third parties.

Filing, prosecuting, maintaining and defending patents on drug candidates in all countries throughout the world could be prohibitively expensive for us, and our IP rights in some countries can have a different scope and strength than do those in some other countries. In addition, the laws of certain countries do not protect IP rights to the same extent as the laws of certain other countries. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries, or from selling or importing drugs made using our inventions in and into certain jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own drugs and further, may be able to circumvent our patents by developing similar or alternative products and technologies in a non-infringing manner, or may export otherwise infringing drugs to certain jurisdictions where we have patent protection, but where enforcement rights are not as strong as those in certain other countries. These drugs may compete with our drug candidates and our IP rights may not be effective or adequate to prevent them from competing.

We may become subject to IP infringement claims, which could expose us to substantial liability, harm our reputation, limit our research and development or other business activities and/or impair our ability to commercialize our product candidates.

Our commercial success depends significantly on our ability to develop, manufacture, market and sell pharmaceutical products and use our proprietary technologies without infringing the IP rights of third parties. The pharmaceutical industry is characterized by extensive litigation regarding patents and other IP rights. Defending against claims of patent infringement, misappropriation of trade secrets or other violations of IP rights could be costly and time-consuming.

The publication of discoveries in scientific or patent literature frequently occurs substantially later than the date on which the underlying discoveries were made and invention patent applications are filed. We may not know with certainty whether any third party may have filed a patent application without our knowledge while we are still developing or producing that product or other relevant technology.

Third parties may assert infringement claims against us based on patents or other IP rights they hold. There is no assurance that a court would find in our favor on questions of infringement, validity, enforceability or priority. We are not currently involved in any material patent litigations. In the past, we have been involved in certain IP-related litigations in the PRC and the U.S. These proceedings concerned alleged infringement of technical or commercial secrets or patent-related matters, none of which involved our product candidates, and all of which were ultimately resolved in our favor through successful defense, dismissal by the courts, or withdrawal of claims by the plaintiffs, without resulting in any material adverse impact on our business, financial condition or results of operations.

Whether a product infringes a patent involves an analysis of complex legal and factual issues, the determination of which is often uncertain, and the burden of proof required to successfully challenge a third-party patent may be high. Such legal proceedings could lead to considerable legal costs and be a distraction to our management. If we are found to infringe on a third party's IPs, and we are unsuccessful in demonstrating that such patents are invalid or unenforceable, one or more of the following may occur: we may have to reformulate the affected product(s) so that it does not infringe the IP rights of others, which may not be possible or could be very costly and time-consuming; we may be forced to discontinue production and sales of the affected product(s) or cease developing and commercializing the affected product candidate(s); we may be prevented from commercializing our product candidates until the asserted patent expires or is held finally invalid or not infringed in a court; and we may be required to obtain royalty-bearing licenses from such third party to such patents, which may not be available on commercially reasonable terms, or at all, and such licenses could be non-exclusive, thereby giving our competitors and other third parties' access to the same technologies licensed to us and could require us to make substantial licensing and royalty payments.

Furthermore, potential disputes with our business partners may arise if we are unable to agree on whether the product candidates under collaboration involve freedom-to-operate concerns. In addition, some of our competitors are larger than we are and have substantially greater resources than we do. They are, therefore, likely to be able to sustain the costs of complex IP litigation longer than we could. The uncertainties associated with litigation could have a material adverse effect on our ability to raise the funds necessary to conduct our clinical trials, continue our internal research projects, in-license needed technologies, or enter into strategic partnerships that would help us bring our product candidates to market.

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

We own registered trademarks in Chinese Mainland. Our registered or unregistered trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition among potential partners or customers in our markets of interest. Competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. If we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively, and our business may be adversely affected. Our efforts to enforce or protect our proprietary rights related to trademarks, trade secrets, domain names, copyrights or other IP may be ineffective and could result in substantial costs and diversion of resources.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

In addition to patents, we rely on trade secret protection to maintain our competitive position. We seek to protect our trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties that have access to trade secrets, such as our employees, corporate collaborators, outside scientific collaborators, CROs, CDMOs, clinical research coordinators, consultants and advisers. However, we may not be able to prevent the unauthorized disclosure or use of our trade secrets by the parties to these agreements. Monitoring unauthorized uses and disclosures is difficult and we do not know whether our protection measures will be effective. Any of the parties with whom we enter into confidentiality agreements may breach the agreement terms and improperly disclose our proprietary information, and we may not be able to obtain adequate remedies for any such breach. As a result, third parties could use our trade secrets to compete with our drug candidates and technology. Additionally, we cannot guarantee that we have entered into such agreements with each party that may have or has had access to our trade secrets. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time-consuming, and the outcome is unpredictable. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that technology or information to compete with us.

Changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our pipeline products.

The laws and regulations governing patents could be revised from time to time that would affect our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. Such changes may impact the value of our patent rights or other IP rights. For instance, the U.S. has enacted wide-ranging patent reform legislation. The U.S. Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents once obtained.

IP rights do not necessarily protect us from all potential threats.

IP rights have limitations and may not adequately protect our business or permit us to maintain our competitive advantage. For example: others may be able to make products that are similar to any candidates we may develop while our candidates are not protected by our IP rights; we or our current or future collaborators might not have been the first to develop drug candidates covered by the issued patent that we license or may own in the future; we or our current or future collaborators might not have been the first to file patent applications covering certain of our, or their, candidates; others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing, misappropriating or otherwise violating our owned or licensed IP

rights; our pending patent applications or those that we may file in the future may not lead to issued patents; issued patents that we hold rights to may not provide us with a competitive advantage; we may obtain patents for certain technologies many years before we commercialize candidates leveraging such technologies, and because patents have a limited life, which may begin to run prior to the commercial sale of the related candidates, the commercial value of our patents may be limited; our competitors or other third parties might conduct R&D activities in jurisdictions where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets; we may not develop additional proprietary technologies that are patentable; and we may choose not to file a patent for certain trade secrets, and a third party may subsequently file a patent covering such IP.

RISKS RELATING TO OUR FINANCIAL POSITION

We have incurred significant operating losses since inception, and we anticipate that we will continue to incur operating losses and may fail to achieve or maintain profitability in the future. As a result, you may lose substantially all of your [REDACTED] in us.

[**REDACTED**] in the development of innovative biopharmaceutical products can be highly speculative as it entails substantial upfront expenditures and significant risks that a drug candidate may fail to demonstrate efficacy and safety to gain regulatory or marketing approvals or become commercially viable. During the Track Record Period, we continue to incur significant R&D costs and other expenses related to our ongoing operations. As a result, we are not profitable and have incurred operating losses since our inception. In 2024 and 2025 and for the six months ended June 30, 2025 and 2026, our total loss for the year/period were RMB240.2 million, RMB316.9 million, RMB121.5 million and RMB137.1 million, respectively. As of June 30, 2026, our accumulated losses were RMB2,998.9 million. Substantially all of our operating losses during the Track Record Period resulted from costs and expenses incurred by our R&D activities, including those in relation to our preclinical studies and clinical trials, which exceeded the revenue we recognized in the same periods. Our ability to generate revenue and achieve profitability depends significantly on our success in obtaining regulatory approvals for each drug candidate, which we may not be able to do in a timely manner or at all.

We expect to continue to incur losses in the near future and that these net losses may increase as we continue to carry out certain activities relating to our development, including: continue to advance the clinical trials and preclinical studies of our pipeline products; seek regulatory approvals for our pipeline products and commence commercialization; identify additional drug candidates with significant market potential; respond to scientific advancements, new technologies and market developments; maintain, protect and expand our IP portfolio; and enter into additional strategic collaborations to maximize the value of our pipeline products.

Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods thereafter. Our operating losses have had, and will continue to have, an adverse effect on our working capital and shareholders' equity. Our inability to become and remain profitable may affect [**REDACTED**] perception of our potential value and could impair our ability to raise additional capital, expand our business or continue our operations. Failure to become and remain profitable may also adversely affect the[**REDACTED**] of our H Shares. A decline in the [**REDACTED**] of our H Shares could cause potential [**REDACTED**] to lose all or part of their [**REDACTED**] in our business.

We had net operating cash outflows during the Track Record Period.

Since our inception, our operations have consumed substantial amounts of cash. We had net cash used in operating activities of RMB242.0 million in 2024, RMB155.4 million in 2025, RMB105.8 million for the six months ended June 30, 2025 and RMB188.2 million for the six months ended June 30, 2026. Additionally, we are exposed to credit risk on the cash and cash equivalents deposited in financial institutions. In the event that any of them 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 will be able to recover our cash on deposit at such financial institution.

We expect that we may experience net cash outflows from our operating activities for the foreseeable future. We may need to obtain substantial additional funding in connection with our continuing operations through public 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 could have to delay, limit, reduce or terminate our R&D programs or any future commercialization efforts. Our inability to obtain additional funding when we need it could seriously harm our business.

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 our preclinical studies and clinical trials, primarily through [**REDACTED**] from our financing activities. We expect to fund our future operations primarily with existing cash and cash equivalents, net [**REDACTED**] from the [**REDACTED**], payments received from our license and collaboration agreements, including royalties from the sales of befotertinib (BPI-D0316) and garsorasib (D-1553) in China, [**REDACTED**] from commercial loans, and future sales of our commercialized drug products. Changes in our ability to fund our operations may affect our cash flow and results of operations. Apart from this [**REDACTED**], we may nevertheless require substantial additional capital to meet our continued operating cash requirements, especially to fund our R&D activities, commercialization of our drug candidates and development of manufacturing capabilities. As our business continues to expand, we may seek additional funding through equity offerings, debt financings, license and collaboration arrangements and other sources, which may not be available on terms favorable or commercially reasonable to us or at all.

We face exposure to fair value change of financial assets at FVTPL and valuation uncertainty.

In 2024 and 2025 and for the six months ended June 30, 2025 and 2026, we recorded gain on fair value changes of financial assets at FVTPL of RMB1.3 million, RMB2.5 million, RMB0.9 million and RMB0.7 million, respectively. As of June 30, 2026, we had financial assets at FVTPL of RMB153.0 million, which consisted of wealth management products purchased from reputable banks and other financial institutions in the PRC. After [**REDACTED**], we may continue to purchase low-risk wealth management products with a short maturity period based on our operational needs. We therefore face exposure to fair value change of financial assets measured at FVTPL. We cannot assure you that we can recognize comparable fair value gains in the future, and we may on the contrary recognize fair value losses, which would affect our result of operations for future periods. As such, the valuation of financial assets at FVTPL has been, and will continue to be, subject to uncertainties in estimations, which may not reflect the actual fair value of these financial assets and result in fluctuations in profit or loss from year to year.

Share-based payments may have a material and adverse effect on our financial performance and cause shareholding dilution to our Shareholders.

We have granted share-based payments to, among others, attract and retain outstanding individuals to serve the Company. We believe the granting of share-based payment is of significant importance to our ability to attract and retain key personnel and employees, and we may continue to grant share-based payment to employees in the future. In 2024 and 2025 and for the six months ended June 30, 2025 and 2026, we incurred equity-settled share-based payment expenses of RMB47.0 million, RMB35.7 million, RMB21.3 million and RMB6.2 million, respectively. See Note 33 of the Accountants' Report set out in Appendix I to this Document. As a result, our expenses associated with share-based payment may increase, which may have an adverse effect on our results of operations. We may re-evaluate the vesting schedules, lock-up period, exercise price or other key terms applicable to the grants under our currently effective Restricted Share Incentive Schemes and

any subsequently adopted share incentive schemes from time to time. If we choose to do so, we may experience substantial change in our share-based payment charges. In addition, such share-awards may dilute the shareholding percentage of our existing Shareholders and could result in a decline in the value of our H Shares.

We are subject to credit risk arising from trade receivables.

As of December 31, 2024 and 2025 and June 30, 2026, we had trade receivables (net of loss allowance) of RMB165.3 million, RMB84.7 million and RMB86.0 million, respectively, mainly consisted of an aggregate of RMB180.0 million, RMB100.0 million and RMB100.0 million from Betta as of December 31, 2024 and 2025 and June 30, 2026, respectively, which we are entitled to receive under our collaboration agreement. We have received RMB80.0 million milestone payment from Betta on December 26, 2025. We are in active discussion with Betta on the settlement of the balance milestone payments. Nevertheless, we may be exposed to credit risk with our counterparties and may not be able to collect all of such receivables due to a variety of factors that are outside of our control. If the relationship between us and any of our counterparties is terminated or deteriorated, or if our counterparties experience financial or operational difficulties, the recoverability of our trade receivables may be negatively affected, which may have a material and adverse effect on our business, financial condition and results of operations.

Certain of our subsidiaries currently enjoy, and other subsidiaries may in the future enjoy, preferential tax treatment, including reduced tax rates, and certain other preferential treatment or government grants. The expiration of, or changes to, any of these preferential treatments or subsidies could adversely affect our business, financial condition, and results of operations.

We have received preferential tax treatments and currently benefit from certain preferential tax treatments that reduce our overall tax obligations. These benefits include reduced tax rates, tax refunds, or other favorable tax policies provided by governmental authorities in certain jurisdictions where we operate. However, these preferential tax treatments are typically subject to review and renewal by the relevant tax authorities and are dependent on our compliance with applicable rules and regulations. There is no assurance that we will continue to qualify for such preferential tax treatment or that these benefits will be renewed upon expiration. In addition, changes to existing laws, regulations, or interpretations of tax policies could result in the reduction or elimination of these benefits. Furthermore, we have received government grants in the past, but we cannot guarantee that we will continue to receive such government grants or preferential tax treatment in the future. Any such change, non-renewal, or failure to qualify could significantly increase our tax obligations or reduce our income and adversely affect our business, financial condition, and results of operations.

Fluctuations in exchange rates of the Renminbi could result in foreign currency exchange losses.

Fluctuations in exchange rates between the Renminbi and the U.S. dollar and other currencies may be affected by, among other things, trade tensions between the U.S. and China, as well as international economic and political developments. Due to the economic situation and financial market developments in the PRC and abroad, the PRC government has decided to proceed further with reform of the Renminbi exchange rate regime and to enhance the Renminbi exchange rate flexibility. Changes in exchange rates have in the past, and could in the future continue to, materially and adversely affect our financial conditions and results of operations.

RISKS RELATING TO OUR OPERATIONS

We may encounter difficulties in managing our anticipated growth or expand our operations successfully.

As we seek to advance our pipeline products through clinical trials and eventually achieve commercialization, we will need to expand our development, regulatory, manufacturing, sales and marketing capabilities or contract with third parties to provide these capabilities for us. In addition, we may need to manage additional relationships with various strategic partners, suppliers and other

third parties. Future growth will impose significant additional responsibilities on our management. Our future financial performance and our ability to commercialize our pipeline products and to compete effectively will depend, in part, on our ability to manage any future growth effectively. We cannot assure you that we will be able to successfully develop and commercialize our drug candidates and build suitable, or procure for external providers, manufacturing, sales, marketing and managerial functions to meet our growth targets.

Managing our growth and executing our growth strategies will require, among other things, our ability to continue to innovate and develop advanced technology in the highly competitive global pharmaceutical market, effective coordination and integration of our teams across different sites, successful hiring and training of personnel, effective cost control, sufficient liquidity, effective and efficient financial and management control, increased sales and marketing activities, effective quality control, and management of our suppliers and collaborators. If we are not able to effectively manage our growth or execute our growth strategies, our business, financial condition, results of operations and prospects could be adversely affected.

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

We, our management or directors may from time to time become party to litigations, legal disputes, claims or administrative proceedings arising in the ordinary course of our business. These may concern issues relating to product liability, environmental matters, breach of contract, employment or labor disputes. For example, we may be sued if our pipeline products are perceived to cause injury or are found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers, negligence, strict liability or a breach of warranties.

Involvement in legal disputes may distract our management's or directors' attention and consume our time and other resources. Furthermore, any legal disputes which are initially not of material importance may escalate due to the facts and circumstances of the cases, the likelihood of winning or losing, the monetary amount at stake and the parties concerned, and such factors may result in these cases becoming of material importance to us. If we cannot successfully defend ourselves against the claims, we may incur substantial liabilities or be required to limit commercialization of our pipeline products. Negative publicity arising from litigations, legal disputes, claims or administrative proceedings may damage our reputation and the image of our brands and products. In addition, if any verdict or award is rendered against us, we could be required to pay significant monetary damages, assume other liabilities, and suspend or terminate the related business ventures or projects.

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

We depend on the continued contributions of our senior management, especially the executive officers listed in the section headed "Directors and Senior Management" in this Document, and other key employees, many of whom may be difficult to replace. Replacing executive officers, scientific employees, and other qualified personnel may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize products like those we develop. The loss of the services of any of our executive officers or other key employees could impede the achievement of our research, development and commercialization objectives.

Our future success is dependent on our ability to attract qualified employees and retain existing key employees, especially our drug development and technology professionals. There is, and will continue to be, intense competition for highly skilled management, technical, sales and other personnel with experience in our industry in the cities where our offices are located. Our need to increase the number of our qualified employees and retain key employees may cause us to

materially increase compensation-related costs, including stock-based compensation. We must provide competitive compensation packages and a high-quality work environment to hire, retain and motivate employees. To the extent we hire personnel from competitors, we also may be subject to allegations that they have been improperly solicited or divulged proprietary or other confidential information. If we are unable to retain and motivate our existing employees and attract qualified personnel for important positions, we may be unable to manage our business effectively, including the development, marketing and sale.

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

We are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations may involve the use of hazardous and flammable materials, including chemicals materials, and may produce hazardous wastes. For additional information on our internal control measures with regard to compliance with environmental, health and safety laws, see "Business — Social, Health, Work Safety and Environmental Matters" and "Business — Risk Management and Internal Control." We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from use of hazardous materials caused by our third-party research collaborators or other contractors or consultants, we could be held liable for any resulting damages, and any liability could exceed our resources. In addition, we may incur substantial costs to ensure compliance with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may affect our research, development or production efforts.

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 policies required under the applicable laws and regulations as well as based on our assessment of our operational needs and industry practice. For more details, please see "Business — Insurance." For example, we maintain insurance coverage for adverse events in our clinical trials, but this coverage may prove to be inadequate or could cease to be available to us on acceptable terms, if at all. A claim brought against us that is uninsured or under-insured could harm our business, financial condition and results of operations. Our insurance coverage may also be insufficient to cover any claim for product liability, damage to our fixed assets or employee injuries. Any liability or damage to, or caused by, our facilities or our personnel beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources.

Our information technology systems, or those used by our partners or other contractors or consultants, may fail or suffer security breaches.

We make use of information technology systems to obtain, process, analyze and manage data. We use these systems to monitor the daily operations of our business, record R&D activities, maintain operating and financial data, as well as manage our quality control systems. Our information technology systems and those of our CROs, CDMOs, consultants and other service providers are vulnerable to damage from computer viruses, unauthorized access, cyber-attacks, natural disasters, terrorism, war and telecommunication and electrical failures. Any system damage or failure that interrupts data input, retrieval or transmission or increases service time could disrupt our normal operations. To the extent that any disruption or security breach were to result in a loss of or damage to data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the further development of our drug candidates could be delayed. There can be no assurance that we will be able to effectively handle a failure of our information systems, or that we will be able to restore our operational capacity in a timely manner to avoid disrupting our business. In addition, if the capacity of our information systems fails to meet the increasing needs of our expanding operations, our ability to expand may be constrained.

Negative publicity on us or failure to maintain and enhance our recognition and reputation may materially and adversely affect our business.

Market awareness and recognition of our brand image, and the maintenance of a positive brand image, are crucial to the success of our business. We may not be successful in promoting our brands to remain competitive. In addition, we may engage various third parties, such as contract sales organizations, to expand our commercialization network and increase market access for our drugs, which can make it increasingly difficult to effectively manage our brand reputation, as we have relatively limited control over these third parties. Any negative publicity, including disputes concerning us, our business partners or our affiliates could adversely affect our reputation and prospects. If we are unable to maintain a good reputation, our ability to attract and retain key employees and business partners could be harmed.

Our reputation is vulnerable to potential threats that can be difficult or impossible to control, and costly or impossible to remediate. Negative publicity about us, such as alleged misconduct or improper activities, can harm our business, financial condition, results of operations and prospects. Any regulatory inquiries or investigations against our operations or management, any perceived unethical, fraudulent, or inappropriate business conduct by us, our business partners or our affiliates, could harm our reputation and materially and adversely affect our business. Moreover, any negative media publicity about the pharmaceutical industry in general, including issues and allegations involving other companies, may negatively impact our reputation. If such negative publicity relates to our products and business, the adverse impact on our financial condition or results of operations might be more significant. Any such negative publicity may undermine the public confidence in our products, reputation, brand image, business prospects, and impair the development and commercialization of our pipeline products. Investigations and increasingly stringent regulations arising from such negative publicity, if any, may draw time and attention from our management team, which would have otherwise been devoted into our business operations, or may incur additional compliance expenses.

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

Natural disasters, acts of war, terrorism or other force majeure events beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the regions where we conduct our business. Our operations, and those of our third-party collaborators, suppliers and other contractors and consultants, may be under the threat of natural disasters such as floods, earthquakes, sandstorms, snowstorms, fire or drought, the outbreak of a widespread health epidemic, such as swine flu, avian influenza, severe acute respiratory syndrome, or SARS, Ebola, Zika, COVID-19, force majeure events such as power, water or fuel shortages, failures, malfunction and breakdown of information management systems, unexpected maintenance or technical problems, or potential wars or terrorist attacks. The occurrence of a disaster or a prolonged outbreak of an epidemic illness or other adverse public health developments could materially disrupt our business and operations. For example, since the end of December 2019, the outbreaks of a novel strain of coronavirus COVID-19 have materially and adversely affected the global economy. Many countries and regions had been affected by the COVID-19 outbreaks. There is no assurance that such kind of health epidemic or even a more severe pandemic will not occur again in the future.

We may be exposed to the risks of conducting business in multiple jurisdictions.

We are exploring and plan to continue to explore market opportunities overseas, and we intend to continue to identify and collaborate with reputable local partners that have proven track record to maximize the global value of our pipeline products. We will also continue seeking licensing and co-development opportunities to expand our global clinical programs. However, such activities may subject us to additional risks that may materially adversely affect our ability to attain or sustain profitable operations, including: efforts to enter into license and collaboration arrangements with third parties may increase our expenses or divert our management's attention from the development of drug candidates; political and economic instability as well as geopolitical tensions, including the threat of war or terrorist attacks (notably the Russia-Ukraine conflicts and the reaction of the international community, the consequences of which on the financial markets and the global

business climate remain uncertain); differing regulatory requirements for drug approvals and marketing internationally; potentially longer payment cycles, greater difficulty in accounts receivable collection and potentially adverse tax treatment; difficulty of effective enforcement of contractual provisions in local jurisdictions; unexpected changes in regulatory requirements, and delays resulting from difficulty in obtaining export licenses; significant adverse changes in currency exchange rates; compliance with tax, employment, immigration and labor laws for employees traveling abroad; the effects of applicable foreign tax structures and potentially adverse tax consequences; and business interruptions resulting from natural disasters.

In addition, changes in international trade policies may also adversely affect various aspects of our business operations. For example, the U.S. government has made statements and taken certain actions that may lead to potential changes to U.S. and international trade policies towards China. It remains unclear what additional actions, if any, will be taken by the U.S. or other governments with respect to international trade agreements, the imposition of tariffs on goods imported into the U.S., tax policy related to international commerce, or other trade matters. It is unknown whether new tariffs will be imposed, or whether new laws and regulations will be enacted, or the effect that any such actions would have on us or our industry. Any unfavorable government policies on international trade, such as capital controls or tariffs, may affect the import or export of raw materials and disrupt our drug development and the manufacturing of our drug candidates. Such unfavorable policies may also negatively impact the hiring of scientists and other R&D personnel, the demand for and competitiveness of our drugs, or prevent us from selling our drugs in certain countries.

On December 18, 2025, the U.S. Senate passed the BIOSECURE Act as a part of the National Defense Authorization Act for Fiscal Year 2026, which was signed into law by the U.S. President. We are of the view that the BIOSECURE Act will not have a material and adverse impact on our business, primarily because we 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 our best knowledge, none of our licensing partners are using any services provided by us under the respective licensing arrangements in connection with any federal contracts, loans, grants or funding.

RISKS RELATING TO DOING BUSINESS IN JURISDICTIONS WHERE WE OPERATE

We will be concurrently subject to PRC and Hong Kong [REDACTED] and regulatory requirements.

As we are listed on the Shanghai Stock Exchange and will be [**REDACTED**] on the Main Board of the Hong Kong Stock Exchange, we will be required to comply with the listing rules (where applicable) and other regulatory regime of both jurisdictions, unless otherwise agreed by the relevant regulators. Accordingly, we may incur additional costs and consume additional resources in complying with the requirements of both jurisdictions.

Our A Shares are listed on the Shanghai Stock Exchange, and the characteristics of the A Share and H Share markets may differ.

Our A Shares are listed on the Shanghai Stock Exchange. Following the [**REDACTED**], our A Shares will continue to be traded on the Shanghai Stock Exchange and our H Shares will be [**REDACTED**] on the Hong Kong Stock Exchange. Under current PRC laws and regulations, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no [**REDACTED**] or settlement between the H Share and A Share markets. With different [**REDACTED**] characteristics, the H Share and A Share markets have divergent [**REDACTED**] volumes, [**REDACTED**] and [**REDACTED**] bases, as well as different levels of retail and institutional [**REDACTED**] participation. As a result, the [**REDACTED**] performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the [**REDACTED**] of our H Shares, and vice versa. Furthermore, due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the [**REDACTED**] history of our A Shares when evaluating the [**REDACTED**] decision in our H Shares.

We are subject to privacy laws and information security policies related to data privacy and security, and we may be exposed to risks relating to personal or other sensitive information.

We and the CROs we engage may routinely receive, collect, generate, process, store, transmit and maintain medical data treatment records and other personal details or sensitive information of subjects enrolled in our clinical trials. As a result, we are subject to a wide range of data protection and privacy laws, regulations, directives, and standards at the local, national, and international levels, as well as contractual obligations governing the collection, use, retention, protection, disclosure, and transfer of personal data across the jurisdictions in which we operate. The legislative and regulatory landscape for privacy, data protection and information security continues to evolve in jurisdictions worldwide, and there has been an increasing focus on these issues with the potential to affect our business. Our ongoing efforts to comply with evolving laws and regulations may be costly and require ongoing modifications to our policies, procedures and systems.

Regulatory authorities in China have implemented and are considering a number of legislative and regulatory proposals concerning data protection. For example, PRC Cyber Security Law (《中華人民共和國網絡安全法》), which became effective in June 2017, created China's first national-level data protection for "network operators", which may include all organizations in China that provide services over the internet or another information network. On June 10, 2021, the Standing Committee of the National People's Congress (NPCSC) promulgated the PRC Data Security Law (《中華人民共和國數據安全法》), effective on September 1, 2021, which imposes data security and privacy protection obligations on entities and individuals which carry out data activities, and introduces a data classification and hierarchical protection system. On August 20, 2021, the NPCSC promulgated the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》), effective on November 1, 2021, which further detailed the general rules and principles on personal information processing and further increased the potential liability of personal information processor. See "Regulatory Overview — Laws and Regulations on Information Security and Data Privacy." Compliance with newly enacted laws and regulations may significantly increase our operational costs or necessitate changes to our business practices that could materially and adversely affect our operations.

Such data protection and privacy laws and regulations generally require clinical trial sponsors and operators and their personnel to protect the privacy of their enrolled subjects and prohibit unauthorized disclosure of personal information. If such institutions or personnel divulge the subjects' private or medical records without their consent, they will be held liable for damage caused thereby. We and our third-party collaboration parties such as clinical research centers have taken measures to maintain the confidentiality of the medical records and personal data of subjects enrolled in our clinical trials we collected, including encrypting such information in our information technology system so that it cannot be viewed without proper authorization, and setting internal rules requiring employees to maintain the confidentiality of our subjects' medical records. However, these measures may not always be effective. For example, our and our collaboration partner's information technology systems could be breached through hacking activities, and personal information could be leaked due to theft or misuse of personal information arising from misconduct or negligence. In addition, our clinical trials involve multi-party collaboration, we cannot guarantee that our collaboration partners or their personnel will consistently adhere to our or their data privacy management standards.

Furthermore, any change in such laws and regulations could affect our ability to use medical data and subject us to liability for the use of such data for previously permitted purposes. For laws and regulations related to the privacy and security of personal information in China, see "Regulatory Overview — Laws and Regulations on Information Security and Data Privacy."

Laws in all 50 U.S. states require businesses to provide notice under certain circumstances generally to governmental authorities and affected individuals in connection with certain breaches of personal information, and, in the future, we may be required to notify applicable governmental authorities and affected individuals in the event of a data breach or other data security incident. In addition to data breach notification laws, some states have enacted statutes and rules requiring

businesses to reasonably protect certain types of personal information they hold or to otherwise comply with certain specified data security requirements for personal information. Other states also have enacted laws and regulations relating to privacy and information security and comprehensive privacy laws. The laws are not consistent, as certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to sensitive and personal information than federal, international, or other state laws, and such laws may differ from each other, which may complicate compliance efforts. These laws may apply directly to our business or indirectly by contract when we enter into collaboration arrangements to other companies. If we become subject to these new or additional privacy laws, the risk of enforcement actions against us could increase.

In addition, the European Union's General Data Protection Regulation (EU) 2016/679, or GDPR, went into effect on May 25, 2018 in respect of processing operations carried out in the context of the activities of an establishment in the European Economic Area, or EEA, and any processing relating to the offering of goods or services to individuals in the EEA and/or the monitoring of their behavior in the EEA. The GDPR provides that EEA member states may make their own further laws and regulations to introduce specific requirements in certain areas, including related to the processing of "special categories of personal data," including personal data related to health and genetic data. This may lead to greater divergence among the laws and regulations that apply to the processing of personal data across the EEA and United Kingdom, compliance with which, as and where applicable, may increase our costs and could increase our overall compliance risk. Such laws and regulations could also limit our ability to collect, use, share and otherwise process personal data in the context of our EEA and/or UK establishments (regardless of where any such processing occurs), and/or could cause our compliance costs to increase, ultimately having an adverse impact on our business, and harming our business and financial condition.

We may be restricted from transferring our scientific data abroad.

On March 17, 2018, the General Office of the State Council promulgated the Measures for the Management of Scientific Data (《科學數據管理辦法》) (the "**Scientific Data Measures**"), which provide a broad definition of scientific data and relevant rules for the management of scientific data. According to the Scientific Data Measures, enterprises in China must seek governmental approval before any scientific data involving a state secret may be transferred abroad or to foreign parties. Further, any researcher conducting research funded at least in part by the Chinese government is required to submit relevant scientific data for management by the entity to which such researcher is affiliated before such data may be published in any foreign academic journal. Given the term state secret is not clearly defined, if and to the extent our R&D of drug candidates will be subject to the Scientific Data Measures and any subsequent laws as required by the relevant government authorities, we cannot assure you that we can always obtain relevant approvals for sending scientific data (such as the results of our preclinical studies or clinical trials conducted within China) abroad or to our foreign partners in China. If we are unable to obtain necessary approvals in a timely manner, or at all, our R&D of drug candidates may be hindered, which may materially and adversely affect our business, financial condition, results of operations and prospects. In addition, according to the Administration of Human Genetic Resources (《人類遺傳資源管理條例》) promulgated in March 2024 and the PRC Biosecurity Law (《生物安全法》) promulgated in April 2024, if any scientific data falls within the scope of Chinese human genetic resources, any transfer of such data outside of China will be subject to the prior approval of the PRC Ministry of Science and Technology. There can be no assurance that we will be able to obtain such approval in a timely manner, or at all.

The data collected by us mainly includes personal information of patients participating in clinical trials and clinical trial data, and the relevant data are processed in accordance with the informed consent forms agreed by the patients. To the best of our knowledge, we believe that all the personal information of patients generated in our clinical trials has been de-identified to the extent necessary. According to the cooperation agreements entered into with our overseas collaboration partners, we provide online access of certain clinical data to them.

According to Article 22 of the Administration of the Management of Human Genetic Resources, an approval is not required where clinical institutions, in order to obtain the marketing licenses of relevant drugs and medical devices in China, carry out international cooperation in clinical trials by utilization of China's human genetic resources by the clinical institutions but not involving the export of physical materials of human genetic resources. However, the two cooperating parties shall, before conducting such clinical trials, submit the types, quantities and uses of the human genetic resources to be used to the health department of the State Council for filing. We transfer clinical trial data to our collaboration partners online, which does not involve the export of physical materials of human genetic resources, and have filed with the Human Genetic Resource Administration of China certain reports regarding the use of human genetic materials in clinical studies.

In addition, our transfer of the clinical trial data to our overseas collaboration partners does not involve data export security assessment under the Measures for the Security Assessment of Cross-Border Data Transmission, because we are not critical information infrastructure operator, we do not process personal information of more than 1 million people, and we do not provide personal information of more than 100,000 people or sensitive personal information of more than 10,000 people to our overseas collaboration partners.

We may be directly or indirectly subject to applicable anti-kickback, false claims laws, doctor payment transparency laws, fraud and abuse laws or similar healthcare and security laws and regulations, which could expose us to increased compliance costs and diminished future earnings.

Healthcare providers and third-party payors play a primary role in the recommendation and prescription of any drug candidates for which we obtain marketing approval. Our current and future arrangements with healthcare professionals, clinical investigators, CROs, third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which our drug products, for which marketing approvals are obtained, are marketed, sold and distributed. For instance, the marketing and sales activities of befotertinib (BPI-D0316), garsorasib (D-1553) and our other pipeline products, once they are approved by the NMPA, will be subject to various PRC fraud and abuse laws, including the PRC Anti-Unfair Competition Law (《中華人民共和國反不正當競爭法》) and the PRC Criminal Law (《中華人民共和國刑法》). After receiving marketing approvals from the FDA, our operations will be subject to federal and state fraud and abuse laws of the U.S., including the federal Anti-Kickback Statute and the False Claims Act, as well as physician payment transparency laws and regulations, including the Physician Payments Sunshine Act.

Furthermore, we are subject to anti-bribery laws in China and overseas that generally prohibit companies and their intermediaries from making payments to government officials for the purpose of obtaining or retaining business or securing other improper advantages. In addition, we are subject to the Foreign Corrupt Practices Act of the U.S., which generally prohibits us from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. Efforts to ensure that our business arrangements with third parties are in compliance with applicable healthcare laws and regulations will involve substantial costs. Because of the breadth of these laws and regulations, and the narrowness of the statutory exceptions and safe harbors available, it is possible that some of our business activities could be subject to challenge under one or more of such laws or regulations. If any regulatory actions are instituted against us, they could result in substantial costs and be a distraction to management and our specific personnel.

We are also exposed to the risk that our independent contractors, consultants, commercial collaborators, principal investigators, CROs, CDMOs, suppliers and vendors may engage in misconduct or other improper activities. In particular, sales, marketing and business arrangements in the health care industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Misconduct by these parties could also involve the improper use of information obtained in the course of clinical trials,

which could result in regulatory sanctions and serious harm to our reputation. It is not always possible to identify and deter misconduct by these parties. Those actions could have a significant impact on our business, including the imposition of significant penalties, including civil, criminal and administrative penalties, damages, fines, disgorgement, imprisonment, exclusion from participation in government funded healthcare programs, contractual damages, reputational harm, diminished profits and future earnings and the curtailment or restructuring of our operations.

There might be uncertainties in effecting service of legal process and enforcing foreign judgments against us and our management in the PRC.

We are a company incorporated under the laws of the PRC, and a significant portion of our assets and the majority of our Directors and senior management are located in the PRC. As a result, it may be difficult for the [**REDACTED**] to directly effect service of process outside the PRC upon us or most of our Directors and senior management in the PRC.

On July 14, 2006, the Supreme People's Court of the PRC and the government of the Hong Kong Special Administrative Region entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by Courts of the Mainland and the Hong Kong Special Administration Region Pursuant to Choice of Court Agreements between Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "**Arrangement**"). Under the Arrangement, where any designated PRC court or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil or commercial case pursuant to a choice of court agreement in writing, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the judgment. A judgment rendered by a Hong Kong court may not be enforced in Chinese Mainland if the parties in dispute have not agreed to enter into a choice of court agreement in writing.

On January 18, 2019, the Supreme People's Court and the government of the Hong Kong Special Administrative Region entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《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》) (the "**New Arrangement**"), which seeks to establish a mechanism with further clarification on and certainty for reciprocal recognition and enforcement of judgments in a wider range of civil and commercial matters between Chinese Mainland and Hong Kong. The New Arrangement does not include the requirements for a choice of court agreement in writing by the parties. The New Arrangement has come into effect on January 29, 2024 and superseded the Arrangement. After the New Arrangement became effective, a judgment rendered by a Hong Kong court can generally be recognized and enforced in the PRC even if the parties in the dispute do not enter into a choice of court agreement in writing.

Required procedures on the remittance of Renminbi into and out of the PRC may affect our ability to pay dividends and other obligations and affect the value of your [REDACTED].

Procedures on the remittance of Renminbi into and out of the PRC are required under the relevant PRC laws and regulations. A substantial majority of our future revenue is expected to be denominated in Renminbi and we will need to convert Renminbi into foreign currencies for the payment of dividends, if any, to holders of our H Shares. Shortages in the availability of foreign currency may affect our ability to remit sufficient foreign currency to pay dividends or other payments, or otherwise satisfy our foreign currency denominated obligations. Under the relevant PRC laws and regulations, foreign exchange transactions under the current account conducted by us do not require advance approval from China's State Administration of Foreign Exchange ("**SAFE**"), but we are required to present relevant documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business. Approval from appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies.

Holders of H Shares may be subject to PRC income taxes.

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares.

Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the income derived in China under the PRC Individual Income Tax Law (the "**IIT Law**") and its implementation guidelines. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (《財政部、國家税務總局關於個人所得税若干政策問題的通知》) (Cai Shui Zi [1994] No. 020) issued by the MOF and SAT on May 13, 1994, the income gained by individual foreigners from dividends and bonuses of enterprises with foreign investment are exempted from individual income tax for the time being. In addition, under the IIT Law and its implementation regulations, non-PRC resident individual holders of H shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition of H shares. However, pursuant to the Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) (Cai Shui Zi [1998] No. 61) issued by the MOF and the SAT on March 30, 1998, from January 1, 1997, the income of individuals from the transfer of the shares of [**REDACTED**] enterprises continues to be exempted from individual income tax.

As of the Latest Practicable Date, no aforesaid provisions had expressly provided that individual income tax shall be levied on non-PRC resident individual holders on the transfer of shares in PRC resident enterprises [**REDACTED**] on overseas stock exchanges, and to our knowledge, no such individual income tax was levied by PRC tax authorities in practice. However, there is no assurance that the PRC tax authorities will not change these practices which could result in levying income tax on non-PRC resident individual holders on gains from the sale of H shares.

For non-PRC resident enterprises that do not have establishments or premises in China, and for those that have establishments or premises in China but whose income is not related to such establishments or premises, under the PRC Enterprise Income Tax Law and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are subject to PRC enterprise income tax at a 10% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》) (Guo Shui Han [2008] No. 897) issued by SAT on November 6, 2008, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including [**REDACTED**]). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval.

Despite the arrangements mentioned above, the interpretation and application of applicable PRC tax laws and regulations by the competent tax authorities shall be in accordance with the then effective laws and regulations, and new taxes may be imposed which may materially and adversely affect the value of your [**REDACTED**] in our H Shares.

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 the housing provident fund under the relevant PRC laws and regulations for our employees. As of the Latest Practicable Date, we did not make full social security insurance contributions for two employees who are not PRC citizens, in accordance to their own preference, which we estimate to be approximately RMB0.7 million during the Track Record Period. We also engaged a third-party human resources agency to pay social insurance premium and housing provident funds for 12 employees. Pursuant to the agreement entered into between such third-party human resources agency and us, the third-party human resources agency would pay social insurance premium and housing provident funds for such employee on behalf of us. If the relevant governmental authorities determine the use of the third-party agency to pay social insurance premium and housing provident funds to be non-compliant in the future or such human resources agency fails to pay the social insurance premium or housing provident funds for our employee as required by applicable PRC laws and regulations, or if the relevant government authorities require us to pay social insurance premium for employees who are not PRC citizens despite their own preference not having us make such payments, we may be subject to additional contribution, late payment fee and/or penalties imposed by the relevant PRC authorities for failing to discharge our obligations in relation to payment of social insurance premium and housing provident funds as an employer or be ordered to rectify. This in turn may adversely affect our financial condition and results of operations.

We are subject to risks associated with our leased properties.

We have leased certain properties in China as our offices and laboratories. Pursuant to Interpretation of Supreme People's Court on Several Issues Concerning the Specific Application of Law in the Trial of Cases Involving Disputes over Contracts for Lease of Urban Houses (《最高人民法院關於審理城鎮房屋租賃合同糾紛案件具體應用法律若干問題的解釋》) promulgated by the Supreme People's Court of the PRC, lessee's request to continue performance of the lease contract may not be enforceable in the event the property is foreclosed by the mortgagee where the property is mortgaged before leased to the lessee. As of the Latest Practicable Date, we have leased 2 properties in Shanghai after such properties were mortgaged. We may not be able to exercise rights of the lessee if the mortgagee forecloses on the property. In addition, pursuant to the Measures for Administration of Lease of Commodity Properties (《商品房屋租賃管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) on December 1, 2010 and became effective on February 1, 2011, both lessors and lessees are required to file the lease agreements for registration and obtain property leasing filing certificates for their leases. As of the Latest Practicable Date, we had not registered 5 lease agreements as tenant, which were primarily used as offices and laboratories. We may be subject to fines if we fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant PRC government authorities. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority. As of the Latest Practicable Date, we were not subject to any penalties arising from the non-registration of lease agreements. However, we cannot assure you that we would not be subject to any penalties and/or requests from local authorities to fulfill the registration requirements, which may increase our costs in the future. In addition, as our leases expire, we may face difficulties renewing them, either on commercially acceptable terms or at all. Our inability to enter into new leases or renew existing leases on terms acceptable to us could materially and adversely affect our business, results of operations or financial condition.

RISKS RELATING TO THE [REDACTED]

There has been no [REDACTED] for our H Shares. An active [REDACTED] for our H Shares may not develop or be sustained, and their [REDACTED] and [REDACTED] maybe volatile, which could lead to substantial losses to [REDACTED].

Prior to the [**REDACTED**], there was no [**REDACTED**] for our H Shares. We cannot assure you that a [**REDACTED**] for our H Shares with adequate [**REDACTED**] will develop and be sustained following the completion of [**REDACTED**]. The [**REDACTED**] for our H Shares to the [**REDACTED**] is the result of negotiations between us and the Overall Coordinators (for themselves and on behalf of the [**REDACTED**]), and the [**REDACTED**] may differ significantly from the [**REDACTED**] of the H Shares following the [**REDACTED**].

We have applied to the Hong Kong Stock Exchange for the [**REDACTED**] of, and permission to [**REDACTED**] in, the H Shares (including any H Shares which may be issued pursuant to the exercise of the [**REDACTED**]). A [**REDACTED**] on the Hong Kong Stock Exchange, however, does not guarantee that an active and liquid [**REDACTED**] for the H Shares will develop, or if it does develop, that it will be sustained following the [**REDACTED**], or that the [**REDACTED**] of the H Shares will not decline following the [**REDACTED**]. If an active [**REDACTED**] for our H Shares does not develop following the completion of the [**REDACTED**], the [**REDACTED**] and [**REDACTED**] of our H Shares could be materially and adversely affected.

Furthermore, the [**REDACTED**] and [**REDACTED**] of our H Shares may be volatile. The following factors, among others, may affect the [**REDACTED**] and [**REDACTED**] at which our H Shares will [**REDACTED**]: variations in our revenue, earnings and cash flow; announcement of new investments, business collaborations, strategic alliances or acquisitions; any unexpected business interruptions resulting from epidemics, natural disasters or power shortages; any major changes in our Directors, senior management or other key personnel; our inability to obtain or maintain regulatory approval for our operations; our inability to compete with our competitors effectively; political, economic, financial and social developments; or fluctuations in market prices for our products or raw materials. Moreover, shares of other companies listed on the Hong Kong Stock Exchange with operations and assets in China have experienced significant price volatility in the past. It is possible that our H Shares may be subject to changes in [**REDACTED**] not directly related to our performance and as a result, [**REDACTED**] in our H Shares may suffer substantial losses.

Our Single Largest Group of Shareholders have substantial influence over our Company and their interests may not be aligned with the interests of our other Shareholders.

Immediately upon the completion of the [**REDACTED**], without taking into account any H Shares which may be issued pursuant to the exercise of the [**REDACTED**] and further Shares may be issued under the Restricted Share Incentive Schemes, our Single Largest Group of Shareholders will collectively control approximately [**REDACTED**]% of the voting power at our Shareholders' meetings. Our Single Largest Group of Shareholders will thus have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management. This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive other Shareholders of an opportunity to receive a premium for their H Shares as part of a sale of our Company and might reduce the [**REDACTED**] of our H Shares. These events may occur even if they are opposed by our other Shareholders. In addition, the interests of our Single Largest Group of Shareholders may differ from the interests of our other Shareholders. We cannot assure you that our Single Largest Group of Shareholders will not exercise their substantial influence over us and cause us to enter into transactions or take, or fail to take, actions or make decisions that conflict with the best interests of our other Shareholders.

Future sales or perceived sales or conversion of significant amounts of our H Shares in the [REDACTED] following the [REDACTED] could materially and adversely affect the [REDACTED] of our H Shares.

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 [**REDACTED**], or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New Shares or Shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

In addition, while [**REDACTED**] shares in the [**REDACTED**] are not subject to any restrictions on the disposal of the H Shares they subscribed (except otherwise disclosed in this Document), they may have existing arrangements or agreement to dispose part or all of the H Shares they hold immediately or within certain period upon completion of the [**REDACTED**] for legal and regulatory, business and market, or other reasons. Such disposal may occur within a short period or any time or period after the [**REDACTED**]. Any [**REDACTED**] of the H Shares [**REDACTED**] by such [**REDACTED**] pursuant to such arrangement or agreement could adversely affect the [**REDACTED**] of our H Shares and any sizeable sale could have a material adverse effect on the [**REDACTED**] of our H Shares and could cause substantial volatility in the [**REDACTED**] of our H Shares.

Purchasers of our H Shares in the [REDACTED] may experience immediate dilution upon such purchases. Further, you may experience further dilution if we issue additional Shares or equity securities in the future.

The [**REDACTED**] of the H Shares is higher than the net tangible asset value per H Share immediately prior to the [**REDACTED**]. Therefore, [**REDACTED**] of the H Shares in the [**REDACTED**] will experience an immediate dilution, while our existing Shareholders will receive an increase in the [**REDACTED**] adjusted consolidated net tangible asset value per Share of their Shares. In order to support the growth and expansion of our business, we may consider [**REDACTED**] and issuing additional Shares in the future. To the extent that such additional Shares are issued at a [**REDACTED**] lower than the net tangible asset value per Share at that time, purchasers of the H Shares may experience dilution in the net tangible asset value per Share of their Shares. In addition, we may issue Shares pursuant to employee incentive or share-based incentive schemes in accordance with applicable laws and regulations, which may have a dilutive effect on Shareholders' interests in our Company.

Payment of dividends is subject to restrictions under the PRC law and there is no assurance whether and when we will pay dividends.

Under PRC law and the constitutional documents of our Company and our PRC operating subsidiaries, dividends may be paid only out of distributable profits, which refer to after-tax profits as determined under PRC GAAP less any recovery of accumulated losses and required allocations to statutory capital reserve funds. Any distributable profits that are not distributed in a given year are retained and become available for distribution in subsequent years. As a result, our Company and our PRC operating subsidiaries may not be able to pay a dividend in a given year if our Company or our PRC operating subsidiaries do not have distributable profits as determined under PRC GAAP even if they have profits as determined under IFRS. During the Track Record Period, no dividend had been paid or declared by us. See "Financial Information — Dividends" for further details of our dividend policy.

There can be no assurance that future dividends will be declared or paid. The declaration, payment and amount of any future dividends are subject to the discretion of our Directors, after taking into account our results of operations, financial condition, cash requirements and availability and other factors as they may deem relevant, and subject to the approval at Shareholders' meeting. We may not have sufficient or any profits to enable us to make dividend distributions to our

Shareholders in the future, even if our financial statements indicate that our operations have been profitable. For restrictions on the remittance of Renminbi out of the PRC, see "Risk Factors, Risk Factors Relating to Doing Business in Jurisdictions Where We Operate — Required procedures on the remittance of Renminbi into and out of the PRC may affect our ability to pay dividends and other obligations and affect the value of your [**REDACTED**]."

You should not place any reliance on any information released by us in connection with the listing of our A Shares on the Shanghai Stock Exchange.

As our A Shares are listed on the Shanghai Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in the PRC. As a result, from time to time, we publicly release information relating to us on the Shanghai Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with our A Shares listing is based on regulatory requirements of the securities authorities, industry standards and market practices in the PRC, which are different from those applicable to the [**REDACTED**]. The presentation of financial and operational information for the Track Record Period disclosed on the Shanghai Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this document. Therefore, prospective [**REDACTED**] in our H Shares should be reminded that, in making their [**REDACTED**] decisions as to whether to [**REDACTED**] in our H Shares, should rely only on the financial, operating and other information included in this document. By applying to [**REDACTED**] our H Shares in the [**REDACTED**], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and any formal announcements made by us in Hong Kong with respect to the [**REDACTED**].

Certain facts, forecasts and statistics in this Document relating to the biopharmaceutical industry 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 from official government sources in this Document may be inaccurate or may not be comparable to statistics, information and data produced with respect to other economies. 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. [**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 we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the [REDACTED].

Prior to the publication of this Document, there has been coverage in the media regarding us and the [**REDACTED**], which contained among other things, certain financial information, projections, valuations and other forward-looking information about us and the [**REDACTED**]. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for the accuracy or completeness of such media coverage or forward-looking statements. We make no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the media. We disclaim any information in the media to the extent that such information is inconsistent or conflicts with the information contained in this Document. Accordingly, prospective [**REDACTED**] are cautioned to make their [**REDACTED**] decisions on the basis of the information contained in this Document only and should not rely on any other information.

In preparation for the [**REDACTED**], our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemption from strict compliance with the Companies (Winding up and Miscellaneous Provisions) Ordinance.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

According to Rule 8.12 of the Listing Rules, a new applicant for a primary [**REDACTED**] on the Stock Exchange 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 a sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 and Rule 19A.15 of the Listing Rules. Our management headquarters, senior management, business operations and assets are primarily based outside Hong Kong. The Directors consider that either by means of relocation of our existing executive Directors or appointment of additional 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 or the Shareholders as a whole. As such, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us a waiver from strict compliance with 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, among others, the following conditions:

(a) pursuant to Rules 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 appointed are Dr. Yueheng Jiang (江岳恒) and Ms. Shengyun Liu (柳聖云) ("**Ms. Liu**") (the "**Authorized Representatives**"). Ms. Liu is based in Hong Kong, and will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange. Both of the Authorized Representatives will be readily contactable by telephone and email to deal promptly with enquiries from the Stock Exchange. Our Company has provided contact details of the two Authorized Representatives to the Stock Exchange and will inform the Stock Exchange promptly in respect of any change in the authorized representatives;

(b) both Authorized Representatives have means to contact all Directors (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. Our Company has implemented a policy whereby (1) each Director has provided their respective valid phone numbers or other means of communication to the Authorized Representatives; (2) in the event that a Director expects to travel or is otherwise out of office, he/she will endeavor to provide his/her phone number on which he/she will be contactable to the Authorized Representatives or maintain an open line of communication via his/her mobile phone; and (3) each Director has provided his/her mobile phone number, office phone number, e-mail address and, where available, fax number to the Stock Exchange and will inform the Stock Exchange promptly if there are any changes to the contact details of the Directors;

(c) pursuant to Rule 3.20 of the Listing Rules, each Director has provided his/her contact information to the Stock Exchange and to the Authorized Representatives. This will ensure that the Stock Exchange and the Authorized Representatives should have means for contacting all Directors promptly at all times as and when required;

(d) all our Directors who are not ordinarily resident in Hong Kong have confirmed that they possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with relevant members of the Stock Exchange in Hong Kong upon reasonable notice, when required;

(e) pursuant to Rule 3A.19 of the Listing Rules, we have retained the services of Guoyuan Capital (Hong Kong) Limited as compliance adviser (the "**Compliance Adviser**") upon [**REDACTED**] for a period commencing on the [**REDACTED**] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [**REDACTED**], which will act as an additional channel of communication with the Stock Exchange and will be available to respond to enquiries from the Stock Exchange. The contact details of the Compliance Adviser have been provided to the Stock Exchange;

(f) our Authorized Representatives, Directors and other officers of our Company will provide promptly such information and assistance as the Compliance Adviser may reasonably require in connection with the performance of the Compliance Adviser's duties as set forth in Chapter 3A of the Listing Rules. There will be adequate and efficient means of communication between our Company, Authorized Representatives, Directors and other officers of our Company and the Compliance Adviser, and, to the extent reasonably practicable and legally permissible, we will keep the Compliance Adviser informed of all communications and dealings between the Stock Exchange and us; meetings between the Stock Exchange and our Directors could be arranged through our Authorized Representatives or the Compliance Adviser, or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange as soon as practicable in respect of any change of Authorized Representatives and/or the Compliance Adviser;

(g) we will appoint other professional advisers (including legal advisers 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

(h) our Company has designated one of 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 advisers in Hong Kong, including our legal advisers 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.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules and Chapter 3.10 of the Guide for New Listing Applicants, a new applicant for [**REDACTED**] on the Stock Exchange must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary.

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

(a) a member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

(c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following factors in assessing the "relevant experience" of the individual:

(a) length of employment with the issuer and other issuers and the roles he/she played;

(b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

Our Company has appointed Dr. Yueheng Jiang (江岳恒) and Ms. Shengyun Liu (柳聖云) as our joint company secretaries. See "Directors and Senior Management — Joint Company Secretaries" for their biographical details.

Dr. Jiang joined our Group in November 2018 and is our executive Director, secretary to the Board and deputy general manager. In addition to extensive experience in biotechnology and chemistry industries, Dr. Jiang has rich experience in supervising financing and corporate governance matters of our Company. The Company believes that it would be in the best interests of the Company and the corporate governance of the Group to have as its joint company secretary a person such as Dr. Jiang, who is our executive Director, secretary of the Board and deputy general manager and has day-to-day knowledge of the Company's affairs. Dr. Jiang has the necessary nexus to the Board and close working relationship with management of the Company in order to perform the function of a joint company secretary and to take the necessary actions in the most effective and efficient manner. However, Dr. Jiang presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. Liu, who is an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom and fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules, to act as the other joint company secretary and to provide assistance to Dr. Jiang for an initial period of three years from the [**REDACTED**] to enable Dr. Jiang to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Dr. Jiang may be appointed as a joint company secretary of our Company.

The waiver is valid for an initial period of three years from the [**REDACTED**], and is granted on the condition that Ms. Liu, as a joint company secretary of our Company, will work closely with Dr. Jiang to jointly discharge the duties and responsibilities as company secretaries and assist Dr. Jiang in acquiring the relevant experience as required under Rules 3.28 and 8.17 of the Listing Rules. Ms. Liu will also assist Dr. Jiang in organizing Board meetings and Shareholders' meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. Liu is expected to work closely with Dr. Jiang and will maintain regular contact with Dr. Jiang, the Directors and the senior management of our Company. In addition, Dr. Jiang will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance her knowledge of the Listing Rules during the three-year period from the [**REDACTED**]. Dr. Jiang will also be assisted by (a) the Compliance Adviser, particularly in relation to compliance with the Listing Rules; and (b) the Hong Kong legal advisers of our Company, on matters concerning our Company's ongoing compliance with the Listing Rules and the applicable laws and regulations.

Pursuant to Chapter 3.10 of the Guide for New Listing Applicants, the waiver will be revoked immediately if Ms. Liu ceases to provide assistance to Dr. Jiang as a joint company secretary for the three-year period after the [**REDACTED**] or where there are material breaches of the Listing Rules by our Company.

Prior to the expiration of the initial three-year period, the qualifications and experience of Dr. Jiang will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will demonstrate and seek the Stock Exchange's confirmation that Dr. Jiang, having benefited from the assistance of Ms. Liu for the preceding three years, has acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

WAIVER IN RELATION TO THE RESTRICTED SHARE INCENTIVE SCHEMES

Rule 17.02(1)(b) of the Listing Rules requires a [**REDACTED**] to, inter alia, disclose in the document full details of all outstanding options and awards and their potential dilution effect on the shareholdings upon [**REDACTED**] as well as the impact on the earnings per share arising from the issue of shares in respect of such outstanding options or awards.

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

Pursuant to paragraphs 6 to 7 of Chapter 3.6 of the Guide for New Listing Applicants, the Hong Kong Stock Exchange would normally grant waivers from disclosing the names and addresses of certain grantees if the applicant could demonstrate that such disclosures would be irrelevant or unduly burdensome, subject to certain conditions specified therein (the "**Waiver Conditions**").

As of the Latest Practicable Date, 183 grantees (the "**Grantee(s)**") were granted RSUs which have not been vested ("**Outstanding RSUs**") for an aggregate of 6,591,628 A Shares under the Restricted Share Incentive Schemes. After the completion of the [**REDACTED**] and assuming the [**REDACTED**] is not exercised, such Outstanding RSUs represent (a) approximately [**REDACTED**]% of the total number of Shares in issue (without taking into account Shares which may be issued pursuant to the Outstanding RSUs granted under the Restricted Share Incentive Schemes); and (b) approximately [**REDACTED**]% of the total issued Shares of the Company upon the issuance of all Shares which may be issued pursuant to the Outstanding RSUs granted under the Restricted Share Incentive Schemes.

The 183 Grantees with Outstanding RSUs granted under the Restricted Share Incentive Schemes as of the Latest Practicable Date comprised (i) 182 employee Grantees (who are not Directors, members of senior management or connected persons of the Company, the "**Employee Grantee(s)**") for 20,647 A Shares under the 2022 Restricted Share Incentive Scheme and 6,069,029 A Shares under the 2026 Restricted Share Incentive Scheme; and (ii) Mr. Shi Luwei (史陸偉), our executive Director and finance director, for 501,952 A Shares under the 2026 Restricted Share Incentive Scheme.

Save as disclosed above, no RSUs were granted to other Directors, members of senior management, or connected persons of the Company under the Restricted Share Incentive Schemes. No RSUs will be granted under the Restricted Share Incentive Schemes after the [**REDACTED**].

We have applied to the Hong Kong Stock Exchange for a waiver from strict compliance with the requirements under Rule 17.02(1)(b) of the Listing Rules in connection with the disclosure of certain details relating to the Restricted Share Incentive Schemes and the Grantees in this Document on the ground that the waiver will not prejudice the interest of the [**REDACTED**] and full compliance with such disclosure requirements would be unduly burdensome for our Company for the following reasons:

(a) given that 183 Grantees are involved for the grant of Outstanding RSUs under the Restricted Share Incentive Schemes, our Directors consider that it would be unduly burdensome to disclose in this Document full details of all the RSUs granted by us to each of the Grantees, which would significantly increase the cost and time required for information compilation and document preparation for strict compliance with such disclosure requirements as the Company would need to collect and verify the addresses of a large number of the Grantees to meet the disclosure requirement;

(b) the disclosure of the personal details of each Grantee, including their names, addresses for the Grantees and the number of RSUs granted, may require obtaining consent from all the Grantees in order to comply with personal data privacy laws and principles and it would be unduly burdensome for our Company to obtain such consents given the number of the Grantees;

(c) the grant and vesting in full of the RSUs under the Restricted Share Incentive Schemes will not cause any material adverse impact to the financial position of our Group;

(d) there will not be any new H Shares issued under the Restricted Share Incentive Schemes as the foregoing plans are A-Share incentive schemes;

(e) our Directors consider that non-compliance with the above disclosure requirements would not prevent our Company from providing potential [**REDACTED**] with sufficient information for an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Group;

(f) full disclosure of details of the Grantees (which include their names and addresses), as well as the RSUs granted to each of them, would provide the Group's competitors with the Group's employees' compensation details and facilitate their soliciting activities which may impact the Group's ability to recruit and retain valuable personnel;

(g) material information on the RSUs under the Restricted Share Incentive Schemes have been disclosed in "Appendix IV — Statutory and General Information — Restricted Share Incentive Schemes" to provide prospective [**REDACTED**] with sufficient information to make an informed assessment of the potential dilutive effect and impact on earnings per Share of the RSUs in making their [**REDACTED**] decision, and such information includes:

  (i) a summary of the terms of the Restricted Share Incentive Schemes;

  (ii) the aggregate number of A Shares subject to the Outstanding RSUs, and the percentage in our total issued Shares of which such number represents; and

  (iii) the details of the Outstanding RSUs granted under the Restricted Share Incentive Schemes, including date of grant, vesting period, purchase price and the percentage of our Company's total issued share capital represented upon completion of the [**REDACTED**].

In light of the above, our Directors believe that the grant of the waiver sought under this application and the non-disclosure of the required information will not hinder potential [**REDACTED**] from making an informed assessment of the activities, assets and liabilities, financial position, management and prospects of our Group and will not prejudice the interest of the public [**REDACTED**].

The Stock Exchange [has granted] to us a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules with respect to the RSUs granted under the Restricted Share Incentive Schemes, subject to the conditions that:

(a) where applicable, on an individual basis, full details of the Outstanding RSUs granted by the Company under the Restricted Share Incentive Schemes to each of the Directors, members of the senior management and other connected persons of our Company, including all the particulars required under Rule 17.02(1)(b) of the Listing Rules, be disclosed in this Document;

(b) in respect of the RSUs granted by our Company under the Restricted Share Incentive Schemes to the remaining Employee Grantees other than those referred to in subparagraph (a) above, the following details will be disclosed in this Document, on an aggregate basis, (i) the number of the Employee Grantees and the number of A Shares underlying the RSUs, (ii) date of grant, the vesting period and purchase price of the RSUs granted, and (iii) the percentage of our Company's total issued share capital upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**]);

(c) the aggregate number of A Shares underlying the Outstanding RSUs and the percentage of our Company's total issued share capital represented by such number of A Shares as of the Latest Practicable Date will be disclosed in this Document;

(d) a summary of the principal terms of the Restricted Share Incentive Schemes will be disclosed in the section headed "Appendix IV — Statutory and General Information — Restricted Share Incentive Schemes" in this Document;

(e) the particulars of this waiver are set out in this Document;

(f) a full list of all the Grantees with Outstanding RSUs for A Shares under the Restricted Share Incentive Schemes, containing all details as required under Rule 17.02(1)(b) of the Listing Rules be made available for public inspection in accordance with "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display — Document Available for Inspection" in Appendix V to this Document; and

(g) the Document has disclosed the dilution effect and impact on earnings per Share upon full exercise of the RSUs.

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 documents 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 document 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 document, including an explanation of the method used for the computation of such income or turnover and a reasonable breakdown between the more important trading activities.

Paragraph 31 of Part II of the Third Schedule further requires a company to include in its document a report by the auditors of the company with respect to (i) the profits and losses of the company for each of the three financial years immediately preceding the issue of the document and (ii) the assets and liabilities of the company of each of the three financial years immediately preceding the issue of the document.

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.

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 [**REDACTED**] document or such shorter period as may be acceptable to the Stock Exchange be included in the accountants' report to the document.

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 [**REDACTED**] 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 [**REDACTED**] document.

In compliance with the abovementioned requirements under the Listing Rules, the Accountants' Report set out in Appendix I to this Document is currently prepared to cover the two financial years ended December 31, 2024 and 2025 and the six months ended June 30, 2026. 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) given that our Company is only required to disclose its financial results for the two financial years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 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 unduly burdensome for our Company;

(c) notwithstanding that the financial results set out in the Document are only for the two financial years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 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

(d) the Accountants' Report covering the two financial years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 (as set out in Appendix I), together with other disclosures in the Document, have already provided adequate and reasonable up-to-date information in the circumstances for the potential [**REDACTED**] to make an informed assessment of the business, assets and liabilities, financial position, management and prospects and to form a view on the track record of our Company. Therefore, the exemption would not prejudice the interest of the [**REDACTED**].

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**].

[**REDACTED**]

[**REDACTED**]

[REDACTED]

[**REDACTED**]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Dr. Yaolin Wang (王耀林)	No. 21, Lane 1486 Wanhangdu Road Changning District Shanghai PRC	American
Dr. Yueheng Jiang (江岳恒)	No. 24, Lane 318 Sanmen Road Shanghai PRC	American
Dr. Xing Dai (代星)	No. 40, Lane 828 Chenhui Road Pudong New Area Shanghai PRC	American
Mr. Luwei Shi (史陸偉)	No. 1, Lane 528 Miyun Road Yangpu District Shanghai PRC	Chinese
Non-executive Directors		
Dr. Zhihui Wang (王質蕙)	No. 6, Lane 41 Rongcheng Road Pudong New Area Shanghai PRC	Chinese
Mr. Yifu Liu (劉一夫)	No. 7-5, Ningbo Road Gongshu District Hangzhou, Zhejiang PRC	Chinese
Independent non-executive Directors		
Dr. Jia Yan (嚴嘉)	Block 2, Residence Oasis 15 Pui Shing Road Hang Hau Sai Kung New Territories Hong Kong	Chinese

Name	Address	Nationality
Mr. Wen Chen (陳文)	No. 19, Tianlin Ba Cun Xuhui District Shanghai PRC	American
Ms. Xinmiao Dai (戴欣苗)	No. 31, Lane 600 Guoding Road Yangpu District Shanghai PRC	Chinese

See "Directors and Senior Management" for further details of our Directors.

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

CITIC Securities (Hong Kong) Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

Overall Coordinators, [REDACTED]

CLSA Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

Huatai Financial Holdings (Hong Kong) Limited
62/F, The Center
99 Queen's Road Central
Hong Kong

Sinolink Securities (Hong Kong) Company Limited
Unit 3501-08, 35/F, Cosco Tower
183 Queen's Road Central
Sheung Wan
Hong Kong

TFI Securities and Futures Limited
16/F, Two Pacific Place
88 Queensway
Admiralty
Hong Kong

Legal advisers to our Company	*As to Hong Kong and United States laws:* **Davis Polk & Wardwell** 10/F, The Hong Kong Club Building 3A Chater Road Central Hong Kong *As to PRC laws:* **JunHe LLP** 26/F, HKRI Centre One HKRI Taikoo Hui 288 Shimen Road (No. 1) Shanghai PRC
Legal advisers to the Sole Sponsor and the [REDACTED]	*As to Hong Kong and United States laws:* **Herbert Smith Freehills Kramer** 23/F, Gloucester Tower 15 Queen's Road Central Hong Kong *As to PRC laws:* **Jingtian & Gongcheng** 45/F, K. Wah Centre 1010 Huai Hai Road (M) Xu Hui District Shanghai PRC
Reporting Accountants and Independent Auditor	**BDO Limited** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 25/F, Wing On Centre 111 Connaught Road Central Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504 Wheelock Square No. 1717 West Nanjing Road Jing'an District Shanghai PRC
Compliance Adviser	**Guoyuan Capital (Hong Kong) Limited** 17/F, Three Exchange Square 8 Connaught Place Central HK

[**REDACTED**]

CORPORATE INFORMATION

Registered Office, Headquarter and Principal Place of Business in the PRC	Room 210, No. 4 Lane 67 Libing Road (Shanghai) Pilot Free Trade Zone Shanghai, PRC
Principal Place of Business in Hong Kong	46/F, Hopewell Centre 183 Queen's Road East Wan Chai, Hong Kong
Company's Website	**www.inventisbio.com** *(the information contained on this website does not form part of this Document)*
Joint Company Secretaries	Dr. Yueheng Jiang (江岳恒) Room 210, No. 4 Lane 67 Libing Road (Shanghai) Pilot Free Trade Zone Shanghai, PRC Ms. Shengyun Liu (柳聖云) *(An associate of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* 46/F, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Authorized Representatives	Dr. Yueheng Jiang (江岳恒) Room 210, No. 4 Lane 67 Libing Road (Shanghai) Pilot Free Trade Zone Shanghai, PRC Ms. Shengyun Liu (柳聖云) 46/F, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Audit Committee	Ms. Xinmiao Dai (戴欣苗) *(Chairperson)* Dr. Jia Yan (嚴嘉) Dr. Zhihui Wang (王質蕙)
Remuneration and Appraisal Committee	Dr. Jia Yan (嚴嘉) *(Chairperson)* Mr. Wen Chen (陳文) Ms. Xinmiao Dai (戴欣苗) Dr. Zhihui Wang (王質蕙) Dr. Yaolin Wang (王耀林)

Nomination Committee	Mr. Wen Chen (陳文) *(Chairperson)* Dr. Jia Yan (嚴嘉) Dr. Yaolin Wang (王耀林) Ms. Xinmiao Dai (戴欣苗) Dr. Yueheng Jiang (江岳恒)
Strategy Committee	Dr. Yaolin Wang (王耀林) *(Chairperson)* Dr. Yueheng Jiang (江岳恒) Dr. Xing Dai (代星)

[**REDACTED**]

Principal Banks	**China Merchants Bank Shanghai Branch** No. 1088 Lujiazui Ring Road Pudong New Area Shanghai PRC **Shanghai Bank Puxi Branch** No. 259 Sichuan Middle Road Shanghai PRC

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. The information from official government sources has not been independently verified by us, the Sole Sponsor, the Overall Coordinators, the [**REDACTED**]*, the* [**REDACTED**]*, the* [**REDACTED**]*, the* [**REDACTED**]*, any of their respective directors, employees, agents or advisers or any other person or party involved in the* [**REDACTED**]*, and no representation is given as to its accuracy, fairness and completeness.*

OVERVIEW OF ONCOLOGY DRUG MARKET

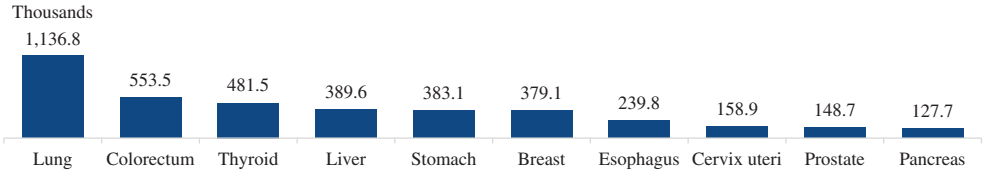
Overview

Cancer is a broad group of diseases that involve uncontrolled growth and development of cells in the body. Despite advancements in cancer treatments in recent years, there continue to be substantial medical needs for differentiated therapeutics to improve duration of response and overall survival in oncology patients.

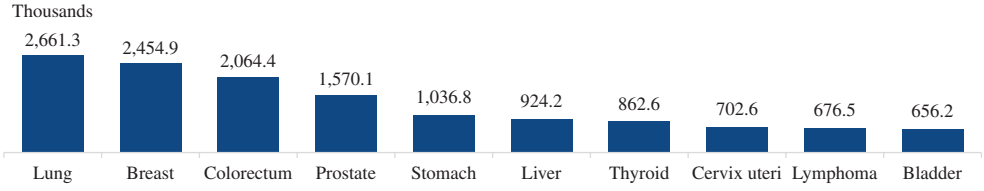
Incidence of Cancer Globally and in China

Cancer is a leading cause of death worldwide. According to Frost & Sullivan, new cases of total cancer globally grew from 19.7 million in 2021 to 21.9 million in 2025, with a CAGR of 2.6%. The number of new cases is expected to reach 27.1 million in 2035, with a CAGR of 2.1% from 2030 to 2035. The new cases of total cancer in China increased from 4.7 million in 2021 to 5.1 million in 2025, with a CAGR of 2.1%. The number of new cases is expected to reach 6.0 million in 2035, with a CAGR of 1.5% from 2030 to 2035. The diagram below illustrates the top 10 cancer types by incidence globally and in China in 2025.

China Top 10 Cancers by Incidence, 2025



Global Top 10 Cancers by Incidence, 2025



Note: Head and neck cancer is a collective term for cancers that occur in various parts of the head and neck, so it is not included in the ranking of single cancer incidence.

Source: Globocan, IARC, NCCR, Frost & Sullivan analysis

Market Size of Oncology Drugs

The global oncology drug market grew from US$181.7 billion in 2021 to US$278.2 billion in 2025 with a CAGR of 11.2%, and is expected to reach US$683.0 billion in 2035 with a CAGR of 9.4% from 2025 to 2030 and 9.4% from 2030 to 2035. China's oncology drug market grew from US$35.8 billion in 2021 to US$38.8 billion in 2025 with a CAGR of 2.0%, and is expected to reach US$136.3 billion in 2035 with a CAGR of 12.5% from 2025 to 2030 and 14.2% from 2030 to 2035.

Growth Drivers and Future Trends of Oncology Drug Market

Increasing Number and Longer Survival Time of Cancer Patients. Influenced by an aging population, environmental pollution, smoking, lack of exercise, high-calorie diets, and other unhealthy lifestyle factors, the number of new cancer cases in China continues to increase. Also, there is an increasing awareness and improved diagnosis for cancer. In China, the number of outpatient visits to medical institutions has been steadily increasing, growing from 7.74 billion in 2020 to 10.15 billion in 2024. With the expanding available treatment options for cancer patients, especially those who suffer from drug resistance, the overall survival of those patients is gradually improving. The longer survival time of cancer patients indicates a greater need for oncology drugs that can treat patients in later stages.

Increasing Clinical Needs for Novel Cancer Therapies. The increasing clinical needs for novel therapies to combat cancer is driving up R&D resources devoted to oncology drugs. The commitment of pharmaceutical companies to innovate and develop these new treatments is expected to significantly contribute to the expansion of the oncology drug market.

Policy Support and R&D Investment. Governments worldwide have improved drug accessibility and driven market development. In China, the CDE in December 2025 released the "Technical Guidance Principles for Single-Arm Clinical Trials to Support Routine Marketing Authorization Applications for Antitumor Drugs" (單臂臨床試驗用於支持抗腫瘤藥物常規上市申請技術指導原則), which aimed to standardize the use of single-arm clinical trial results as confirmatory evidence to support NDA for anti-tumor drugs under specific circumstances (such as when randomized controlled trials are difficult to conduct). In the U.S., the FDA in July 2025 released a draft guidance, "Development of Cancer Drugs for Use in Novel Combination — Determining the Contribution of the Individual Drugs' Effects Guidance for Industry," which proposed that, under specific conditions, external data (such as real-world data and patient registry data) could replace some requirements of traditional trial design to reduce R&D costs and time. Furthermore, pharmaceutical companies have prioritized anti-tumor drugs in their R&D efforts, investing significant funds and resources to accelerate the market launch of innovative drugs.

Expansion of National Reimbursement Drug List ("NRDL"). With the release of the updated NRDL, innovative anti-cancer drugs are increasingly being included in medical insurance through price negotiations and dynamic adjustments, which will become the norm in the future. The National Healthcare Security Administration typically considers the following key aspects when evaluating the inclusion of innovative drugs in the NRDL: (1) the degree of R&D innovation, including significant breakthroughs or innovations in the underlying technology, mechanism of action, and molecular structure; (2) clinical value and patient benefit, requiring drugs that can significantly improve treatment efficacy, enhance patients' quality of life, prolong survival, or address unmet clinical needs in clinical applications; and (3) product uniqueness and competitive landscape, focusing drugs with an exclusive position in the market without direct competitive substitutes. Our Company's pipeline products meet the above requirements for innovation.

Targeted Oncology Drug Market

Over the past century, the oncology treatment paradigm has shifted from conventional broad-spectrum treatments to precision treatments. Targeted therapies (including small molecule and antibody-based targeted therapies) and immunotherapies offer oncology patients more accurate prognosis and better chances of survival. The global targeted oncology drug market grew from US$110.8 billion in 2021 to US$166.9 billion in 2025 with a CAGR of 10.8% and is projected to reach US$334.8 billion in 2035 with a CAGR of 6.0% from 2030 to 2035. The China targeted oncology drug market grew from US$11.7 billion in 2021 to US$19.5 billion in 2025 with a CAGR of 13.7% and is projected to reach US$67.3 billion in 2035 with a CAGR of 11.2% from 2030 to 2035.

Selective Estrogen Receptor Degraders ("SERDs")

SERDs are small molecules that selectively bind to estrogen receptor ("ER"). With an affinity similar to estrogen (the natural ligand for ER), SERDs can competitively bind to ER and accelerate ER degradation, thereby downregulating ER-mediated tumor cell growth and proliferation.

Competitive Landscape of SERD Drugs

Globally, there were four oral SERD drugs (including one in China) and one non-oral SERD drug (i.e., fulvestrant, approved in China) approved as of the Latest Practicable Date, as set forth in the below table.

Drugs	Company	Indications	Treatment Line	Route of Administration	Type of Technology Used	First Approved Date	Expiration of key IP rights	Regions	Safety	Effectivity	Annual Treatment Costs	NRDL	Market Share in 2025
Fulvestrant	AstraZeneca	HR-positive, HER2-negative Breast Cancer	1L+	Injection (500mg/month)	Small molecule	2002-04	2021	China, US, EU, etc.	Grade 3-4 severe adverse rate 13.0%	Mutant type ORR <10.0% PFS 3.7 months	36,000 USD	YES	39%
Elacestrant	Radius Health	HR-positive, HER2-negative Breast Cancer	2L+	Oral (345mg/day)	Small molecule	2023-01	2038	US, EU, etc.	Grade 3-4 severe adverse rate 7.2%	Mutant type ORR 11.8% PFS 3.8 months	156,000 USD	NO	60%
Imlunestrant	Lilly	ER+/HER2-patients with advanced or metastatic breast cancer carrying ESR1 mutations	2L+	Oral (400mg/day)	Small molecule	2025-09	2039	China, US, EU, etc.	Grade 3-4 severe adverse rate 10%	Mutant type ORR 14.3% PFS 5.5 months	293,000 USD	NO	1%
Vepdegestrant	Pfizer	ER+/HER2-patients with advanced or metastatic breast cancer carrying ESR1 mutations	2L+	Oral (200mg/day)	Small molecule	2026-05	NA	US	Grade 3-4 severe adverse rate 8%	Mutant type ORR 18.6% PFS 5.0 months	NA	NO	NA
Etcamah	AstraZeneca	ER+/HER2-patients with advanced or metastatic breast cancer carrying ESR1 mutations	1L (Combination CDK4/6 inhibitors)	Oral (75mg/day)	Small molecule	2026-06	2035	Japan, EU	Grade 3-4 severe adverse rate 8.0%	Mutant type ORR 27.0% PFS 16.0 months	NA	NO	NA

Source: Frost & Sullivan

As of the Latest Practicable Date, there were one SERD drug candidate in the NDA stage and four in the Phase III stage globally, and there were three SERD drug candidates in Phase III clinical trials in China, as set forth in the table below. All of these drug candidates are orally administered.

Drugs	Company	Indications	Type of Technology Used	Treatment Line	Route of Administration	Expiration of key IP rights	Phase	Effectivity	Safety	First Posted Date	Regions
GDC-9545	Roche	ER-positive, HER2 - negative breast cancer	Small molecule	2L+	Oral	NA	NDA	NA	Grade 3 -4 severe adverse rate 12.0%	2026-02-20	US
D-0502	InventisBio	ER-positive, HER2 - negative breast cancer	Small molecule	2L+	Oral	2041	III	Wild type ORR 13.0% Mutant type ORR 22.2%	Grade 3 -4 severe adverse rate 6.7%	2022-03-11	China
OP-1250	Olema Pharmaceuticals	ER-positive, HER2 - negative breast cancer	Small molecule	1L/2L+	Oral	2041	III	Wild type ORR 7.6% Mutant type ORR 58.6%	Grade 3-4 severe adverse rate 9%-12%	2023-08-30	Global
SIM0270	Simcere Pharmaceutical Group	ER-positive, HER2 - negative breast cancer	Small molecule	2L+	Oral	NA	III	NA	Grade 3 -4 severe adverse rate 14%	2024-11-04	China
HRS-8080	Jiangsu Hengrui Pharmaceuticals	ER-positive, HER2 - negative breast cancer	Small molecule	2L+	Oral	NA	III	Mutant type ORR 34.4%	Grade 3 -4 severe adverse rate 20%	2025-06-17	China

Source: Frost & Sullivan

None of the SERDs used as monotherapy has demonstrated PFS of more than six months, and SERDs are mostly used in combination therapies, for the following reasons. The first is to overcome potential cancer drug resistance. When a signaling pathway in tumor cells is inhibited, they often undergo compensatory proliferation by activating other alternative pathways. SERD drugs, when combined with other pathway inhibitors, can block these compensatory pathways and prevent tumor escape. The second is to enhance efficacy. SERD drugs, combined with other pathway inhibitors, can target different signaling pathways involved in cancer cell proliferation, thus amplifying the inhibitory effect on cancer cells. The third is to cover more cancer cell subpopulations. There can be substantial cellular heterogeneity within a tumor, where different cancer cells have varying sensitivities to a treatment. Combination therapy can simultaneously target different key signaling pathways, such as ER and cell cycle regulators, thereby covering more cancer cell subpopulations and improving overall treatment efficacy. The fourth is to reduce side effects. A combination therapy can reduce the toxicity of the monotherapy, while ensuring efficacy and improving tolerability by rationally formulating drug dosages.

Size of SERD Drug Market

The China market of SERD drug was US$0.1 billion in 2021 and 2025, with a CAGR of -3.3% from 2021 to 2025. The number is projected to reach US$0.3 billion in 2030 and US$0.8 billion in 2035, with a CAGR of 22.0% from 2025 to 2030 and 20.3% from 2030 to 2035. The U.S. market of SERD drug was US$0.1 billion in 2021 and US$0.6 billion in 2025, with a CAGR of 41.9% from 2021 to 2025. The number is projected to reach US$1.7 billion in 2030 and US$3.5 billion in 2035, with a CAGR of 22.8% from 2025 to 2030 and 15.9% from 2030 to 2035.

The decline of the China SERD market from 2021 to 2025 was due to the approval of generic version for fulvestrant in China since 2020. The price of generic drugs is significantly lower than that of the original products, thus impacting the overall market size. In the U.S. market, the impact of generic drugs was offset by the approval of the innovative oral SERD product elacestrant in 2023 and its subsequent rapid sales growth, thereby resulting in growth of the overall market.

Growth Drivers and Future Trends of SERD Drug Market

Unmet Clinical Need. The large patient population for breast cancer represents a substantial market opportunity. The annual number of new breast cancer patients in China increased from 330 thousand in 2019 to 380 thousand in 2025. With changes of lifestyles and the advancement of screening and diagnostic technologies, the annual number of new cases is expected to continue to grow in the future. ER+/HER2- breast cancer patients account for a large proportion of breast cancer patients. Existing endocrine therapies have significant drawbacks. For example, tamoxifen (a selective estrogen receptor modulator) is associated with an increasing risk of endometrial cancer and drug resistance, and aromatase inhibitors (*e.g.*, anastrozole) might lead to the development of mutations in the estrogen receptor 1 ("ESR1") gene and reduce bone mineral density. SERDs, which adopt a dual mechanism of ER antagonism and degradation, are emerging as promising antitumor agents to address the resistance issue, filling a critical unmet clinical need.

Regulatory Validation and Market Potential. The FDA approval of elacestrant, an oral SERD, for breast cancer treatment is a pivotal market driver. The approval has validated a viable regulatory pathway for SERDs, which encourages further investment in the field. Since the approval of elacestrant in 2023, more SERDs have received regulatory approval, with an annual growth rate of over 50%. Currently, there are three SERD drug candidates in Phase III clinical trials in China, and their future approval will drive rapid growth in the overall market. The proven mechanism of SERDs also opens the possibilities for treating other ER-positive conditions and for use in combination therapies (*e.g.*, with ADCs).

Shift to Oral Bioavailability. A major market driver is the development of orally available SERDs to replace SERD injections. Orally available SERDs promise significantly improved patient compliance and convenience of use. The sales of elacestrant have been steadily increasing since its launch in 2023, impacting the competitive position of traditional injectable drugs. Due to the higher acceptance of oral products by doctors and patients, the penetration rate of oral SERD drugs is expected to continue to rise in the future. Currently, there are one oral SERD drug candidate in the NDA stage and four in the Phase III stage globally. With the continued approval and launch of subsequent products, the market size is expected to continue to grow.

Major Indications of SERDs

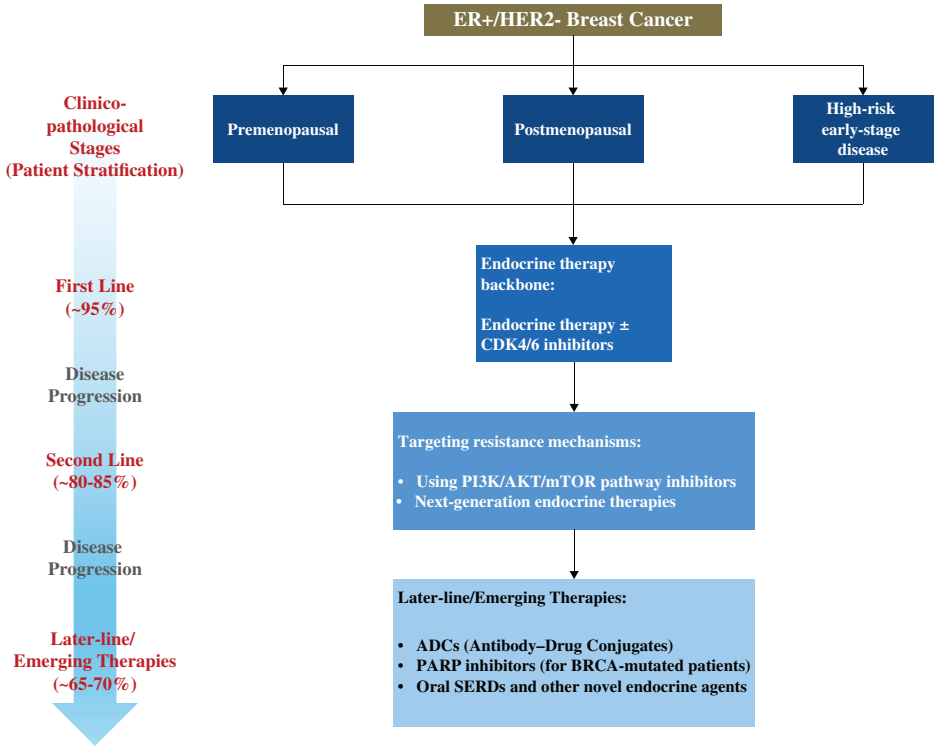
Breast Cancer

Breast cancer occurs in the epithelial tissue of the breast and is the most common malignant tumor among women, though it can rarely occur in men. Of the new cases of breast cancer each year, about 5% to 10% of patients have distant metastasis at the time of diagnosis. Advanced-stage breast cancer has a poor prognosis, with a median survival time of only 2 to 3 years and a 5-year survival rate of approximately 20%.

There are multiple subtypes of breast cancer, which can be categorized according to the expression status of different receptors, such as ER, progesterone receptor ("PR"), and human epidermal growth factor receptor 2 ("HER2"). ER-positive ("ER+") breast cancer refers to the breast cancer that tests positive for ER. HER2-negative ("HER2-") breast cancer refers to the breast cancer that tests negative for HER2. Hormone receptor-positive breast cancer refers to the breast cancer that have either ER or PR or both. Triple-negative breast cancer ("TNBC") is an aggressive type of breast cancer that lacks ER, PR and HER2.

The global incidence of ER+/HER2- breast cancer was 1.6 million in 2025, with a CAGR of 1.6% from 2021 to 2025. It is expected to grow at a CAGR of 1.7% to reach 1.9 million from 2030 to 2035. The incidence of ER+/HER2- breast cancer in China was 238.8 thousand in 2025, with a CAGR of 2.3% from 2021 to 2025. It is expected to grow at a CAGR of 0.5% to reach 256.9 thousand from 2030 to 2035. The incidence of ER+/HER2- breast cancer in the U.S. was 184.7 thousand in 2021 and 207.8 thousand in 2025, with a CAGR of 3.0% from 2021 to 2025, and is expected to grow at a CAGR of 2.3% reach 260.8 thousand from 2030 to 2035. The advanced or metastatic (2L+) ER+/HER2- breast cancer patients account for about 30-50% of all breast cancer patients.

The following charts set forth the treatment paradigm of ER+/HER2- breast cancer according to the 2025 CSCO guidelines.



Source: Adapted from CSCO 2025, Takahashi et al., 2025, Takahashi et al., 2025, Frost & Sullivan Analysis

There are significant growth opportunities for the market of breast cancer drugs. The growth factors for the Chinese market include: (1) huge disease burden and medical needs: breast cancer is the most common malignant tumor among the Chinese females, and the onset of the disease occurs at an increasingly younger age, with the proportion of patients under 40 years old gradually increasing; (2) development of precision medicine and targeted therapy: molecular subtyping (such as HER2+, HR+ and triple negative) has become the core component for breast cancer treatment, and targeted drugs have significantly prolonged the survival period of patients and improved their quality of life by precisely intervening in specific molecular pathways involved in disease development, which has become a core engine of market growth; (3) continuous adjustment of the national medical insurance catalog: multiple breast cancer drugs have been included in the reimbursement scope or the

reimbursement restrictions have been lifted, which has improved drug accessibility; (4) technological innovation and R&D breakthroughs: new technology platforms such as ADC, bispecific antibodies, and proteolysis targeting chimera have emerged, and new ADC drugs such as detrastuzumab and luconsartuzumab have shown excellent efficacy in advanced-stage patients with drug resistance.

The growth factors of the U.S. market include: (1) high incidence and patient base: breast cancer is one of the most common cancers among females in the U.S., with the annual number of new patients exceeding 300 thousand in 2025, continuing to generate demand for drugs; (2) technological and modality innovation, such as breakthroughs in targeted therapy, the rise of ADC drugs, and the exploration of emerging targets such as PI3K/AKT/mTOR pathway inhibitors; (3) demand for precision medicine: the wide use of technologies such as gene testing and biomarker analysis enables doctors to formulate personalized treatment plans based on the molecular subtyping of patients, improve the accuracy and effectiveness of drug treatment, and promote the use of high-end targeted drugs and combination therapies; (4) medical insurance coverage and payment support: commercial and medical insurance plans in the U.S. include breast cancer drugs in the medical insurance catalog, which improves drug accessibility and accelerates the market penetration of drug products.

Epidermal Growth Factor Receptor ("EGFR") Targeting Drugs

EGFR belongs to a 4-member family of receptor tyrosine kinases. Mutation or dysregulation of EGFR is closely linked to different types of cancer. As such, EGFR becomes the target of multiple cancer therapies. The EGFR tyrosine kinase inhibitor ("TKI") is a substance that can block the activity of the EGFR protein, thereby impeding cancer cell growth. The table below shows the approved EGFR-TKI drugs globally as of the Latest Practicable Date.

	Brand name	Generic name	Originator	Treatment line	NMPA approval	NRDL status
1st generation	Iressa	Gefitinib	AstraZeneca	1L/2L/3L	Dec, 2004	List B
	Tarceva	Erlotinib	Roche	1L/2L/3L	Apr, 2006	List B
	Conmana (凱美納)	Icotinib	Betta Pharmaceuticals	1L/2L/Adj	Jun, 2011	List B
	Tykerb (泰立沙)	Lapatinib	GSK	2L	Jan, 2013	Not Included
2nd generation	Giotrif	Afatinib	Boehringer Ingelheim	1L/2L	Feb, 2017	List B
	Vizimpro	Dacomitinib	Pfizer	1L	May, 2019	List B
	Mairuidong (邁瑞東)	Mefatinib	Huadong Medicine	1L	Oct, 2025	Not Included
3rd generation	Tagrisso	Osimertinib	AstraZeneca	1L/2L/Adj	Mar, 2017	List B
	Ameile	Aumolertinib	Jiangsu Hansoh Pharmaceutical	1L/2L/Adj	Mar, 2020	List B
	Aifusha	Alflutinib	Allist	1L/2L	Mar, 2021	List B
	Saimena (賽美納)	Befotertinib	Betta Pharmaceuticals/ InventisBio	1L/2L	May, 2023	List B
	Zegfrovy	Sunvozertinib	Dizal Pharmaceutical Co., Ltd	2L	Aug, 2023	List B
	Sanrisso	Rilertinib	Nanjing Shenghe Pharm	1L/2L	Jun, 2024	List B
	Ruibida	Rezivertinib	Beta Pharm	1L/2L/3L	May, 2024	List B
	Zorifer	Zorifertinib	AstraZeneca/Chentai Pharm	1L	Dec, 2024	Not Included
	Aoyixin	Limertinib	Innovent/ASK Pharm	1L/2L	Jan, 2025	Not Included
	Lazcluze	Lazertinib	Johnson & Johnson	1L	Jul, 2025	Not included
	HYRNUO	Sevabertinib	Bayer	2L	/	Not Included

Source: NMPA, Frost & Sullivan Analysis

Major Indication of EGFR-TKI

NSCLC

NSCLC refers to any type of epithelial lung cancer other than small cell lung cancer. In China, the incidence of NSCLC with EGFR mutations increased from 322.1 thousand in 2019 to 367.3 thousand in 2024, with a CAGR of 2.7%. It is expected to reach 450.5 thousand in 2035, with a CAGR of 1.8% from 2030 to 2035. The choice of NSCLC treatment options mainly depends on the disease stage and specific gene mutation.

KRAS Targeting Drugs

KRAS is involved in transducing extracellular signals to the nucleus, leading to cell survival, proliferation or differentiation. Mutations in KRAS may result in continuous activation of the protein, thereby promoting continuous cell proliferation and tumor formation. KRAS inhibitors can suppress cell proliferation by blocking KRAS activation. A common mutation in the KRAS gene is G12C, representing about 30-40% of all KRAS mutations, and it is also the most prevalent variant of KRAS mutations in NSCLC. The KRAS G12C variant favors the active form of the KRAS protein, resulting in a predominantly GTP-bound KRAS oncoprotein. This leads to enhanced proliferation and survival in tumor cells. The KRAS G12C mutation occurs in approximately 13% of NSCLC and in 3% to 4% of CRC.

Competitive Landscape of KRAS G12C Inhibitors

Globally, there were six KRAS G12C inhibitor drugs that had been approved as of the Latest Practicable Date. Garsorasib is the second KRAS G12C inhibitor drug that received approval in China. The following table sets forth the approved KRAS G12C inhibitor drugs.

Brand Name	Generic Name	Company	Indication	Type of Technology Used	Treatment Line	Nature of Drug Program	Expiration Date of Core Patent	First Approval Time	Route of Administration	Efficacy	Safety	Treatment schedules	NRDL	Annual Treatment Costs	Market Share in 2025
達伯特	Fulzerasib	Innovent/ GenFleet	KRAS G12C mutated advanced NSCLC adult patients	small molecule drugs	2L+	Mono	NA	2024/08/21 (NMPA)	oral	ORR 49.1% DCR 90.5% mPFS 9.7 months OS 13.3 months	SAE 14.0%, TRAEs led to dose reduction 18.3%, drug interruption 32.6%, permanent discontinuation 2.7%	600mg, BID	YES	RMB62,536	5.1%
安方寧	Garsorasib	Chia Tai Tianqing/ Inventisbio	KRAS G12C mutated advanced NSCLC adult patients	small molecule drugs	2L+	Mono	NA	2024/11/08 (NMPA)	oral	ORR 52.0% DCR 88.6% mPFS 9.1 months OS 14.1 months	TRAEs 95.9% TRAEs led to dose reduction 30.1%, drug interruption 41.5%, permanent discontinuation 0%	600mg, BID	YES	RMB36,893	3.5%
艾瑞凱	Glecirasib	Jacobio/Allist	KRAS G12C mutated advanced NSCLC adult patients	small molecule drugs	2L+	Mono	2040	2025/5/20 (NMPA)	oral	ORR 47.9% DCR 86.3% mPFS 8.2 months mOS 13.6 months	TRAEs 97.5% TRAEs led to dose reduction 37.8%, drug interruption 18.5%, permanent discontinuation 5.0%	800mg, QD	YES	RMB43,200	0.9%
Krazati	Adagrasib	BMS	KRAS G12C mutated locally advanced or metastatic NSCLC adult patients	small molecule drugs	2L+	Mono	NA	2022/12/12 (FDA) 2024/01/05 (EMA)	oral	ORR 42.9% mPFS6.5 months OS 12.6 months	TRAEs led to dose reduction 28%, drug interruption 77%, permanent discontinuation 13%	600mg, BID	NO	USD237,000	32.6%
			KRAS G12C mutated metastatic CRC		2L	Combo with cetuximab		2024/06/21 (FDA)		ORR 34% DCR 85.1% mPFS6.9 months mOS15.9 months	TRAEs led to dose reduction 35%, drug interruption 62%, permanent discontinuation 2 patients (about 0.02%)				
Lumakras	Sotorasib	Amgen	KRAS G12C mutated locally advanced or metastatic NSCLC adult patients	small molecule drugs	2L+	Mono	2038	2021/05/28 (FDA) 2022/01/06 (EMA) 2022/01/20 (PMDA)	oral	ORR 37.1% DCR 80.6% mPFS6.3 months mOS12.5 months	SAE 14.0%, TRAEs led to dose reduction 5%, drug interruption 34%, permanent discontinuation 9%	960mg, QD	NO	USD216,000	57.8%
			KRAS G12C mutated metastatic CRC		2L	combo with panitumumab		2025/1/17 (FDA)		ORR 26% mPFS5.6 months mOS Not Reached	TRAE 45.3%				
濟樂美	Sosimerasib	Jemincare	Patients with advanced non-small cell lung cancer with a KRAS G12C mutation	small molecule drugs	2L+	Mono	NA	2026/02/28 (NMPA)	oral	ORR 52.4% DCR 87.6% mPFS 7.2 months	TRAE grades 3-4 was 40.0%	500 mg, QD	NO	NA	NA

Notes:

1. The annual cost is calculated based on the patient using the product for one year and price in 2025;

2. The reimbursement coverage only applies to drugs approved by NMPA, and drugs listed in the United States are covered by different commercial insurances, which cannot be exhaustive.

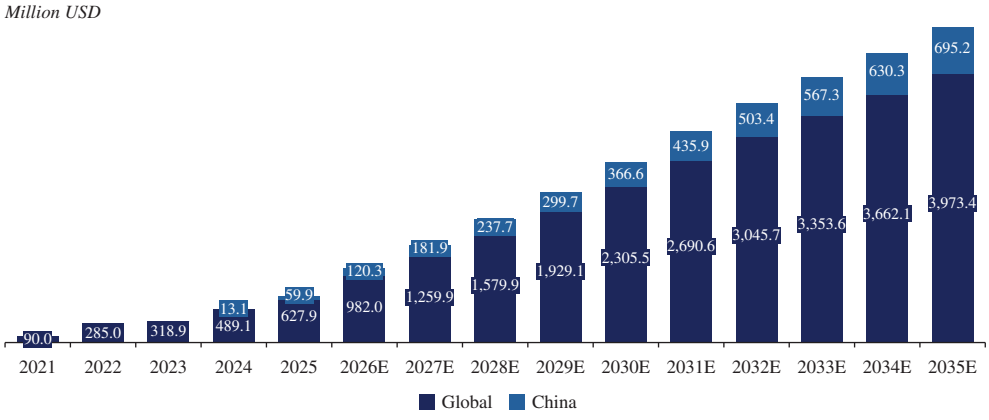
Source: Annual Report, NMPA, FDA, EMA, PMDA, Frost & Sullivan Analysis

The market shares of the commercialized KRAS G12C inhibitors in 2025 were as follows: Fulzerasib 5.1%; Garsorasib 3.5%; Adagrasib 32.6%; and Sotorasib 57.8%. Globally, there are multiple KRAS G12C inhibitors in the clinical stage, with over 10 drug candidates in the Phase II stage or beyond.

Size of KRAS G12C Inhibitor Drug Market

Global and China KRAS G12C Drug Market, 2021-2035E

Period	CAGR	
	Global	China
2021-2025	62.6%	NA
2025-2030E	29.7%	43.7%
2030E-2035E	11.5%	13.7%



Source: Frost & Sullivan Analysis

Major Indications of KRAS G12C Inhibitors

NSCLC

Globally, the incidence of NSCLC with the KRAS G12C mutation increased from 266.3 thousand in 2021 to 292.3 thousand in 2025, with a CAGR of 2.4%. It is expected to reach 380.2 thousand in 2035, with a CAGR of 2.5% from 2030 to 2035. In China, the incidence of NSCLC with the KRAS G12C mutation increased from 37.7 thousand in 2021 to 41.5 thousand in 2025, with a CAGR of 2.5%. It is expected to reach 53.9 thousand in 2035, with a CAGR of 2.4% from 2030 to 2035.

Colorectal Cancer ("CRC")

CRC refers to any cancer that affects the colon and the rectum. Globally, the incidence of CRC with the KRAS G12C mutation increased from 67.5 thousand in 2021 to 70.7 thousand in 2025, with a CAGR of 1.2%. It is expected to reach 91.6 thousand in 2035, with a CAGR of 2.5% from 2030 to 2035. In China, the incidence of CRC with the KRAS G12C mutation increased from 17.6 thousand in 2021 to 19.4 thousand in 2025, with a CAGR of 2.4%. It is expected to reach 25.0 thousand cases by 2035, with a CAGR of 2.4% from 2030 to 2035.

Pancreatic Cancer ("PC")

PC is caused by the abnormal and uncontrolled growth of cells in the pancreas. Globally, the incidence of PC with the KRAS G12C mutation increased from 7.6 thousand in 2021 to 8.3 thousand in 2025, with a CAGR of 2.1%. It is expected to reach 10.9 thousand in 2035, with a

CAGR of 2.8% from 2030 to 2035. In China, the incidence of PC with the KRAS G12C mutation increased from 2.1 thousand in 2021 to 2.3 thousand in 2025, with a CAGR of 2.8%. It is expected to reach 3.1 thousand in 2035, with a CAGR of 2.7% from 2030 to 2035.

Werner Syndrome Protein ("WRN") Targeting Drugs

Synthetic lethality refers to a concept where simultaneous defects in two or more genes lead to cell death, whereas defects in any single gene do not lead to cell death. Taking advantage of the genetic vulnerability that exists within cancer cells, a synthetic lethality agent theoretically has no negative impact on healthy cells and has fewer side effects than non-specific chemotherapy. The inhibitors of WRN represent a type of synthetic lethality agent. WRN is a helicase essential for maintaining genome stability. As a result, WRN is an emerging therapeutic target for cancer, showing great potential, particularly in the treatment of microsatellite instability ("MSI") tumors (such as in CRC and gastric cancer). Removing or inhibiting WRN can induce synthetic lethality in MSI tumor cells, causing tumor cell death while having minimal impact on normal cells.

Growth Drivers and Future Trends of WRN Inhibitor Drug Market

Unmet Clinical Needs. MSI-H cancer patients have low response rates to existing chemotherapy and immunotherapy, indicating unmet treatment needs. WRN inhibitors, as potential precision medicines, offer new hope for these patients, especially for MSI-H common cancers such as CRC, endometrial cancer, and gastric cancer.

R&D Progress. Some WRN inhibitors that have entered the clinical stage demonstrated specific inhibitory activity against MSI-H tumors, validating the effectiveness of WRN inhibitors and enhancing market confidence.

Technological Advancement and Innovations. The advancements of chemical proteomics and structural biology have facilitated the design and optimization of WRN inhibitors. The activity, selectivity and pharmacokinetic properties of WRN inhibitors can be improved by introducing selected chemical structures, thus advancing drug development.

Major Indications of WRN Inhibitors

MSI-H CRC

Normally, cells use a system called mismatch repair ("MMR") to check and fix mistakes during cell division. If this system stops working, the errors keep building up and could lead to MSI-H. The global incidence of MSI-H CRC was 336.7 thousand cases in 2025, with a CAGR of 1.2% from 2021 to 2025 and is projected to grow at a CAGR of 2.5% to reach 436.2 thousand from 2030 to 2035. The incidence of MSI-H CRC in China was 75.5 thousand cases in 2021, with a CAGR of 2.4% from 2021 to 2025 and is projected to grow at a CAGR of 2.4% to reach107.2 thousand from 2030 to 2035.

MSI-H Gastric Cancer

MSI-H gastric cancer is a specific subtype of gastric cancer. MSI-H gastric cancer has unique characteristics, including a distinct immune environment, different patient profiles and, most importantly, a different response to treatments compared to other gastric cancers. The causes of MSI-H gastric cancer are linked directly to the failure of the MMR system, either sporadic or hereditary.

The global incidence of MSI-H gastric cancer was 150.3 thousand cases in 2025, with a CAGR of 2.4% from 2021 to 2025 and is projected to grow at a CAGR of 2.6% to reach 195.9 thousand from 2030 to 2035. The incidence of MSI-H gastric cancer in China was 50.5 thousand cases in 2021, with a CAGR of 2.4% from 2021 to 2025 and is projected to grow at a CAGR of 2.6% to reach 72.9 thousand from 2030 to 2035.

MSI-H Endometrial Cancer

The global incidence of MSI-H endometrial cancer was 395.0 thousand in 2025, with a CAGR of 0.8% from 2021 to 2025 and is projected to grow at a CAGR of 1.6% to reach 469.9 thousand from 2030 to 2035. The incidence of MSI-H endometrial cancer in China was 73.9 thousand in 2025, with a CAGR of 1.7% from 2021 to 2025 and is projected to grow at a CAGR of 0.6% to reach 78.6 thousand from 2030 to 2035.

KIF18A Targeting Drugs

The inhibitors of KIF18A represent another type of synthetic lethality agent. KIF18A is a kinesin motor protein that interacts with microtubules, and it is required for ensuring the correct alignment of chromosomes during cell division. KIF18A inhibitors may prevent KIF18A from driving microtubule movement and chromosome alignment, thereby disrupting the cell division process.

Growth Drivers and Future Trends of KIF18A Inhibitor Drug Market

The Growing Demand for Cancer Treatments. KIF18A is overexpressed in various cancers (such as ovarian cancer, breast cancer, and CRC) and is associated with chromosomal instability, providing a target for the development of novel anticancer drugs. Inhibitors targeting KIF18A hold the promise of precisely targeting cancer cells, reducing the damage to normal cells, and meeting the clinical need for more effective and safer anticancer drugs.

Clinical Trial Progress and Potential. Several KIF18A inhibitors have entered clinical trials. Early clinical data have shown their potential efficacy against specific cancer types (such as high-grade serous ovarian cancer and TNBC), boosting confidence in market development.

Potential for Combination Therapies. Combining KIF18A inhibitors with PARP inhibitors, immunotherapy, and other therapies may enhance anti-tumor effects and expand their applicability. Exploring combination therapy strategies provides new directions for market expansion, attracting more companies to participate in R&D.

Major Indications of KIF18A Inhibitors

Ovarian Cancer

Ovarian cancer develops when cells in the ovaries begin to grow out of control. The global incidence of ovarian cancer rose from 319.8 thousand to 347.0 thousand between 2021 and 2025, showing a CAGR of 2.1%. Projections suggest that this figure will further increase to 415.6 thousand by 2035, reflecting a CAGR of 1.7% from 2030 to 2035. The incidence of ovarian cancer in China rose from 60.3 thousand to 65.1 thousand between 2021 and 2025, showing a CAGR of 1.9%. Projections suggest that this figure will further increase to 72.3 thousand by 2035, reflecting a CAGR of 1.0% from 2030 to 2035.

TNBC

TNBC is a type of breast cancer defined by immunohistochemistry as being negative for ER, PR, and HER2. It accounts for approximately 15% of all breast cancer cases globally. The global incidence of TNBC rose from 345.2 thousand to 368.2 thousand between 2021 and 2025, showing a CAGR of 1.6%. Projections suggest that this figure will further increase to 440.4 thousand by 2035, reflecting a CAGR of 1.7% from 2030 to 2035. The China incidence of TNBC rose from 52.2 thousand to 56.9 thousand between 2021 and 2025, showing a CAGR of 2.2%. Projections suggest that this figure will further increase to 61.2 thousand by 2035, reflecting a CAGR of 0.5% from 2030 to 2035.

OVERVIEW OF AUTOIMMUNE DISEASE DRUG MARKET

Overview of Autoimmune Disease

An autoimmune disease is a condition in which the body's immune system mistakenly attacks the body's normal cells, which can be associated with either abnormally low activity or over-activity of the immune system. There are more than one hundred different types of autoimmune diseases, which can affect almost any part of the body. Autoimmune diseases can be divided into organ-specific and systemic autoimmune diseases based on the self-antigens targeted by immune cells.

Autoimmune Disease Drug Market

The global market of autoimmune disease drug increased from US$127.7 billion to US$154.9 billion with a CAGR of 5.0% from 2021 to 2025. The number is projected to reach US$218.8 billion in 2030 and US$272.8 billion in 2035 with a CAGR of 7.2% from 2025 to 2030 and a CAGR of 4.5% from 2030 to 2035. In China, the market of autoimmune disease drug increased from US$3.0 billion to US$5.3 billion with a CAGR of 15.3% from 2021 to 2025. The number is projected to reach US$17.2 billion in 2030 and US$43.6 billion in 2035 with a CAGR of 26.6% from 2025 to 2030 and 20.4% from 2030 to 2035.

Growth Drivers and Future Trends of Autoimmune Diseases Drug Market

Increasing Healthcare Coverage. The Chinese government is increasingly prioritizing the healthcare of autoimmune diseases, as evidenced by the "Guidelines for the Construction and Management of Rheumatology and Immunology Departments in General Hospitals (Trial)" (綜合醫院風濕免疫科建設與管理指南(試行)) issued in October 2019 by the National Health Commission. This guideline mandates that all tertiary hospitals establish independent rheumatology and immunology departments and recommends that comprehensive hospitals at the secondary level or higher also create such departments. As more diagnostic and treatment institutions implement these guidelines and establish dedicated departments, access to medical resources for autoimmune diseases will significantly improve, leading to enhanced diagnosis and treatment opportunities for patients.

Large Patient Number and Long-term Treatment. According to statistics from the National Health Commission, approximately 80 million people in China suffer from autoimmune diseases. Autoimmune diseases are difficult to cure. Once they develop, most patients require long-term or even lifelong medication. For some patients, the severity of their condition severely impacts their quality of life. Autoimmune diseases have now become the third most common chronic disease, following cardiovascular disease and cancer.

Growing Public Awareness of Autoimmune Diseases. To date, more than 100 types of autoimmune diseases have been identified. As public awareness of disease diagnosis and management grows, more patients recognize the importance of early detection and proactive care. This increased health consciousness contributes to higher diagnosis and treatment rates for autoimmune diseases. Consequently, more people are seeking medical guidance earlier, which has raised the demand for effective management of autoimmune conditions.

Growing Demand for Personalized Treatment. Most autoimmune disease drugs currently on the market have broad indications, suboptimal therapeutic effects, and varying degrees of side effects. In contrast, personalized treatment plans tailored to specific autoimmune diseases can effectively enhance clinical outcomes and reduce drug toxicity reactions. As public awareness of healthcare continues to deepen, the demand for personalized treatment among autoimmune disease patients, along with advancements in genetics and medicine, is driving the discovery and development of effective personalized drugs for autoimmune diseases.

Advanced Understanding of Pathology and Biological Pathways. More advanced understanding of their pathology and related biological pathways are driving the development of innovative therapies.

Tyrosine Kinase 2 ("TYK2") Inhibitors

TYK2 is a member of the Janus kinase ("JAK") family of intracellular signaling molecules. It is mainly involved in the signal transduction downstream of multiple cytokines. TYK2 has been found to mediate the inflammatory responses involved in several autoimmune diseases, including psoriasis, inflammatory bowel disease ("IBD"), systemic lupus erythematosus ("SLE") and multiple sclerosis ("MS"). TYK2 inhibitors can bind to specific domains of TYK2, thus blocking the downstream transmission of cytokine signals that lead to inflammatory responses. As such, TYK2 inhibitors can be developed into autoimmune disease treatments.

Competitive Landscape of TYK2 Inhibitors

As of the Latest Practicable Date, there was one approved TYK2 inhibitor drug globally, as set forth in the table below.

Global Marketed TYK2 Inhibitors

Drugs	Company	Indications	Route of Administration	Type of Technology Used	First Approved Date	Expiration of key IP rights	Regions	Safety	Effectivity	Annual Treatment Costs	NRDL
Sotyktu	Bristol Myers Squibb	Psoriasis	Oral (6mg/day)	Small molecule	2022-09-09	2033	China, US, Japan, etc	SAE 2.0%	ORR 69%	11,400 USD	NO
		Active psoriatic arthritis			2026-03-06		China, US, Japan, etc	SAE 1.9%	ORR 54.2%		

Source: Frost & Sullivan

As of the Latest Practicable Date, there were six TYK2 inhibitor drug candidates in the Phase III clinical stage, as set forth in the table below.

Global and China TYK2 Inhibitors in Development

Drugs	Company	Indications	Route of Administration	Type of Technology Used	Expiration of key IP rights	Phase	First Posted Date	Safety	Effectivity	Regions
NDI-034858	Takeda Pharmaceutical	Plaque psoriasis	Oral	Small molecule	NA	III	2023-10-18	SAE 1.5%	PASI-75 67%	Global
ESK-001	Haisco Pharmaceutical	Plaque psoriasis	Oral	Small molecule	NA	III	2024-09-19	SAE 3.7%	PASI-75 64%	Global
HS-10374	Hansoh Pharmaceutical	Plaque psoriasis	Oral	Small molecule	NA	III	2024-10-14	SAE 0%	PASI-75 72.1%	China
ICP-488	InnoCare Pharma	Plaque psoriasis	Oral	Small molecule	NA	III	2025-02-20	NA	PASI-75 78.6%	China
D-2570	InventisBio	Plaque psoriasis	Oral	Small molecule	NA	III	2025-07-02	SAE 0%	PASI-75 90%	China
TQH-3906	Chia Tai Tianqing	Plaque psoriasis	Oral	Small molecule	NA	III	2026-07-21	SAE 0%	PASI-75 90%	China

Source: Frost & Sullivan

TYK2 inhibitors, as oral small molecule drugs, are welcomed by some patients and physicians due to their convenience of administration and better safety, especially for patients who are unwilling or unable to undergo injection. In terms of efficacy, the PASI 75 response rate of Sotyktu is approximately 60%-70%, and its PASI 90 response rate is approximately 40%-50%. Biologics that target plaque psoriasis, ulcerative colitis or other autoimmune/inflammation conditions, such as

anti-IL-17 (e.g., bimekizumab) and anti-IL-23 (e.g., risankizumab), typically have higher PASI 75 response rates (over 80%-90%). However, TYK2 inhibitors show better safety, with common side effects including mild upper respiratory tract infections and nasopharyngitis. No serious safety warnings (such as death, cancer, or major cardiovascular events) have been reported, and there are no black box warnings. The SAE rate is approximately 2.0%. Biologics, on the other hand, may increase the risk of infection (such as tuberculosis and fungal infections), and some drugs have immunogenicity issues, potentially triggering allergic reactions or autoimmune phenomena. Some biologics (such as certain anti-TNF-α drugs) are associated with cardiovascular risk, cancer risk, etc., and require closer monitoring. For example, the rate of SAE for bimekizumab is about 6%.

Growth Drivers and Future Trends of TYK2 Inhibitor Market

Large Patient Population Demands. The number of patients with autoimmune diseases such as psoriasis, IBD and SLE is large. The incidences of these diseases are described below in "— Major Indications of TYK2 inhibitors." These diseases are prone to relapse, severely impacting their quality of life. Current treatments have multiple limitations, such as the inconvenience of injecting biological agents and the limited efficacy of traditional oral medications. Patients urgently need new, effective, and convenient treatments.

Precision Treatment. Next-generation TYK2 inhibitors are expected to selectively target TYK2, precisely blocking its inflammatory signaling pathways, reducing off-target effects and lowering the risk of common side effects such as anemia and thrombosis associated with traditional JAK inhibitors. In 2022, Sotyktu, the world's first TYK2 inhibitor, was approved for marketing in the U.S. for the treatment of moderate-to-severe plaque psoriasis. Compared with pan-JAK inhibitors and biologics, TYK2 inhibitors have higher targeting selectivity and safety, as well as advantages such as high efficacy, long-lasting effect and convenient oral administration. Sotyktu has achieved significant sales growth since its launch and has gained wide market recognition. Currently, there are six TYK2 inhibitor products in Phase III clinical trials globally, and the overall market size will continue to grow as more products are approved and launched. The penetration rate of TYK2 inhibitors among patients with plaque psoriasis is expected to continue to increase in the future.

Potential for Expanding Indications. In addition to psoriasis, TYK2 inhibitors have made positive progress in clinical studies of PsA, IBD, SLE and other autoimmune diseases. In 2026, Sotyktu received the FDA approval for a new indication of active psoriatic arthritis. The target patient population is expected to be greatly expanded, further expanding the market opportunities.

Technological Innovation and Differentiated Competition. The development of novel types of TYK2 inhibitors, including allosteric inhibitors (*e.g.*, deuterocelexitinib) and dual-target inhibitors (*e.g.*, the TYK2/JAK1 inhibitor), is expected to achieve improved efficacy and safety through innovative mechanisms of action, creating a differentiated competitive advantage.

TYK2 Inhibitor Market Size

The market of TYK2 inhibitors started in 2022, when Sotyktu became the first approved TYK2 inhibitor globally. The China market of TYK2 inhibitors for plaque psoriasis started from 2024, and it reached RMB266.9 million in 2025 and is expected to increase to RMB1,683.9 million in 2030, with a CAGR of 43.8% from 2025 to 2030. The number is expected to reach RMB5,450.6 million in 2035 with a CAGR of 26.5% from 2030 to 2035. The U.S. market of TYK2 inhibitors for plaque psoriasis started in 2022, and it reached US$541.8 million in 2025 and is expected to increase to US$1,466.1 million, with a CAGR of 22.0% from 2025 to 2030. The number is expected to reach US$3,518.1 million in 2035 with a CAGR of 19.1% from 2030 to 2035.

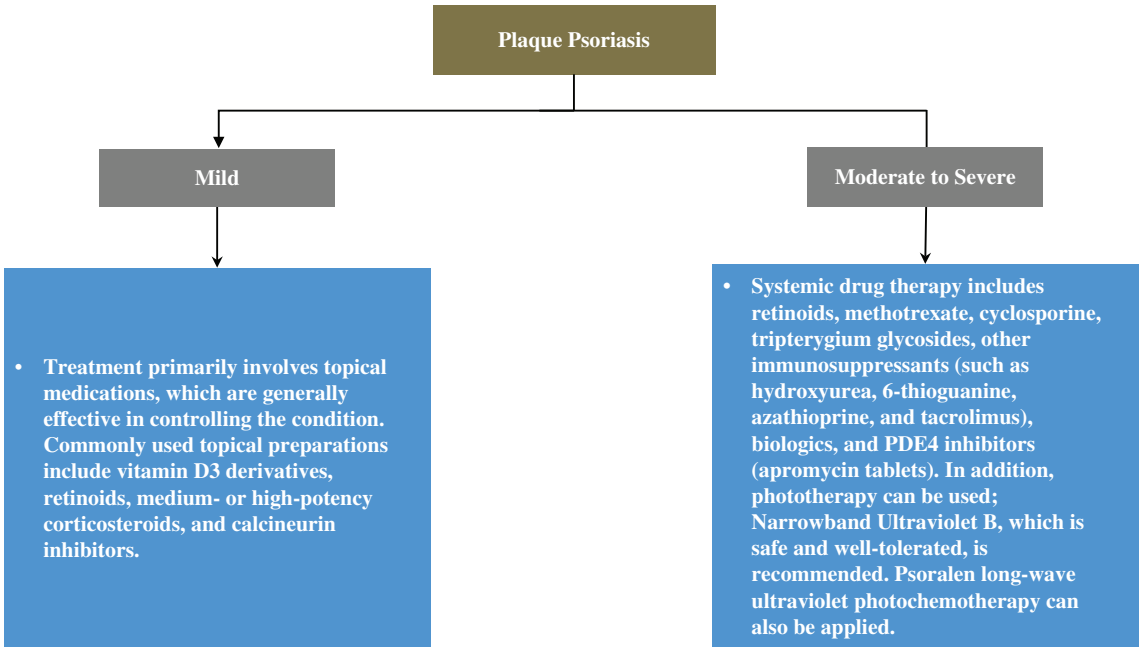
Major Indications of TYK2 inhibitors

Psoriasis

Psoriasis is an autoimmune disease triggered by certain environmental exposures that result in chronic inflammatory skin condition, which typically results in the growth of extra blood vessels and over-rapid replication of skin cells. Psoriasis is characterized by recurrent episodes, resistance to complete cure, and frequent association with other systemic comorbidities. Plaque psoriasis is the most common type of psoriasis. It causes dry, itchy, raised skin patches (plaques) covered with scales, which usually appear on the elbows, knees, lower back and scalp.

The number of patients with plaque psoriasis globally was 167.6 million in 2021 and 174.5 million in 2025, with a CAGR of 1.0% from 2021 to 2025, and is expected to reach 181.6 million in 2030 and 188.2 million in 2035, with a CAGR of 0.8% from 2025 to 2030 and a CAGR of 0.7% from 2030 to 2035. The number of patients with plaque psoriasis in China was 5,895 in 2021 and 5,924 thousand in 2025, with a CAGR of 0.3% from 2021 to 2025, and is expected to reach 6,007 thousand in 2030 and 6,087 thousand in 2035, with a CAGR of 0.3% from 2025 to 2030 and a CAGR of 0.3% from 2030 to 2035. The number of patients with plaque psoriasis in the U.S. was 7,970 thousand in 2021 and 8,203 thousand in 2025, with a CAGR of 0.7% from 2021 to 2025, and is expected to reach 8,387 thousand in 2030 and 8,553 thousand in 2035, with a CAGR of 0.4% from 2025 to 2030 and a CAGR of 0.4% from 2030 to 2035. The moderate-to-severe plaque psoriasis patients account for about 50-70% of all plaque psoriasis patients.

The global psoriasis drug market size reached US$26.1 billion in 2025, with a CAGR of 5.9% from 2021 to 2025. The market size is expected to climb to US$40.6 billion in 2030 and US$55.9 billion in 2035, with a CAGR of 9.2% from 2025 to 2030 and 6.6% from 2030 to 2035. China's psoriasis drug market size reached US$2.9 billion in 2025, with a CAGR of 27.9% from 2021 to 2025. The market size expected to climb to US$7.3 billion in 2030 and US$11.6 billion in 2035, with a CAGR of 19.9% from 2025 to 2030 and 9.7% from 2030 to 2035. The U.S. plaque psoriasis drug market size reached US$15.4 billion in 2025, with a CAGR of 7.1% from 2021 to 2025. The market size is expected to climb to US$24.9 billion in 2030 and US$32.5 billion in 2035, with a CAGR of 10.1% from 2025 to 2030 and 5.5% from 2030 to 2035. The following chart sets forth the treatment paradigm of psoriasis in the Chinese Guidelines for the Diagnosis and Treatment of Psoriasis.

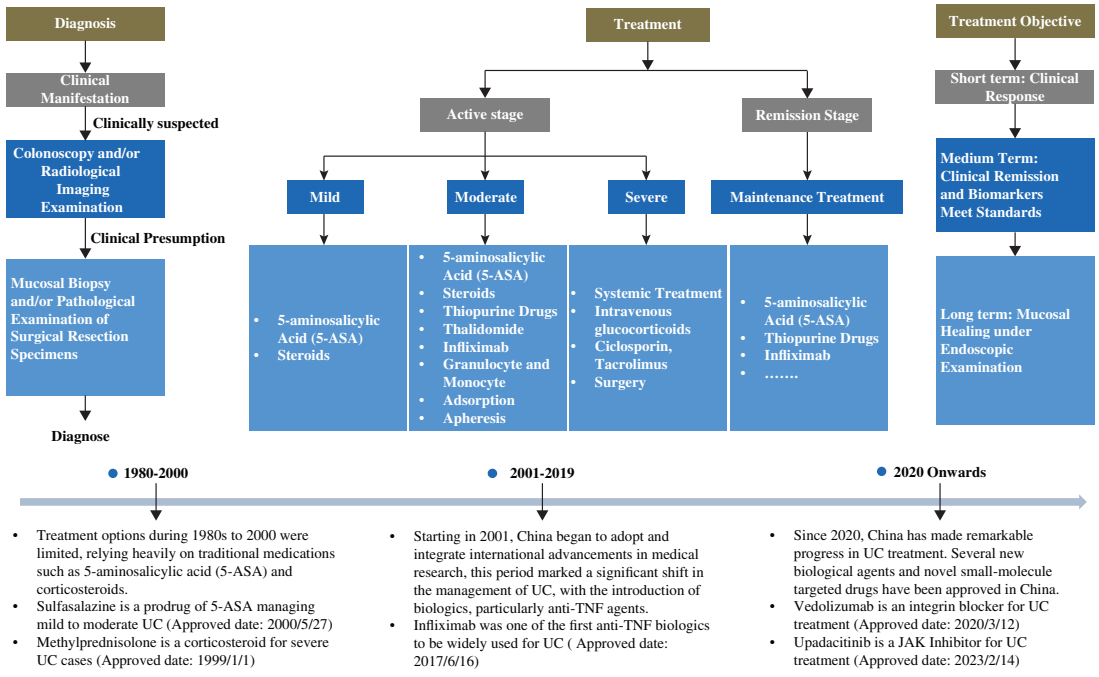


Source: Chinese Guidelines for the Diagnosis and Treatment of Psoriasis (2023 Edition), Frost & Sullivan Analysis

Ulcerative Colitis

UC, a form of IBD, is an immune-mediated disorder characterized by chronic mucosal inflammation of the colon and alternating periods of active disease and remission. While UC is more common in Western countries, the incidence and prevalence of UC have been steadily rising in China. Though the pathology of UC has not been fully elucidated, the onset of UC is considered to be associated with immune system malfunction. The global number of patients with UC increased from 4.3 million in 2021 to 5.3 million in 2025, with a CAGR of 5.0%. The number is expected to grow to 6.2 million in 2030 and 6.9 million in 2035, with a CAGR of 3.3% between 2025 and 2030 and 2.2% between 2030 and 2035. The number of patients with UC in China increased from 465.8 thousand in 2021 to 628.1 thousand in 2025, with a CAGR of 7.8%. The number is expected to grow to 892.7 thousand in 2030 and 1,153.5 thousand in 2035, with a CAGR of 7.3% between 2025 and 2030 and 5.3% between 2030 and 2035. The moderate-to-severe active UC patients account for about 30-40% of all UC patients.

The global UC drug market increased from US$6.4 billion in 2021 to US$9.7 billion in 2025, with the CAGR of 11.0% from 2021 to 2025. It is estimated to grow to US$13.2 billion in 2030 and reach US$16.0 billion by 2035, with the CAGR of 6.4% from 2025 to 2030 and a CAGR of 3.9% from 2030 to 2035. The China ulcerative colitis drug market increased from US$0.2 billion in 2021 to US$0.3 billion in 2025, with the CAGR of 6.5% from 2021 to 2025. It is estimated to grow to US$0.4 billion by 2035, with a CAGR of 3.6% from 2030 to 2035. The following chart sets forth the treatment paradigm of UC in China.



Source: Guideline for the diagnosis and treatment of UC in China, Frost & Sullivan Analysis

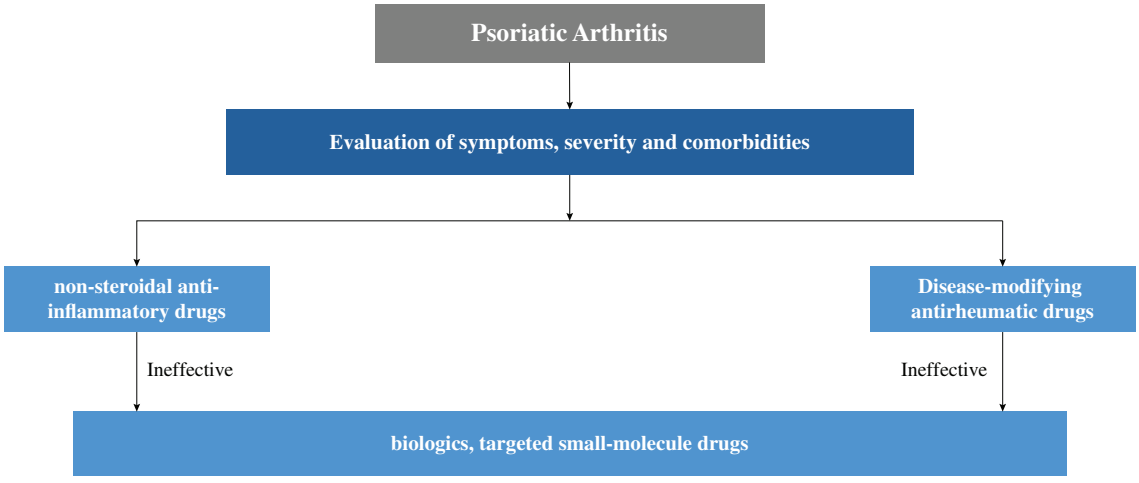
SLE

SLE is an autoimmune disease associated with substantial morbidity and mortality. SLE can cause widespread inflammation and tissue damage in the affected organs. Patients with SLE have unusual antibodies in their blood that are targeted against their body tissues. In 2025, the global prevalent SLE population is approximately 8.2 million. The number is expected to increase to 9.2 million in 2035, representing a CAGR of around 1.0% from 2030 to 2035. In 2025, the prevalent SLE population in China is approximately 1.1 million. The number is expected to increase to 1.2 million by 2035, representing a CAGR of around 1.0% from 2030 to 2035. The active SLE patients account for about 50-60% of all SLE patients.

The global SLE drug market size grew from US$2.2 billion in 2021 to US$4.2 billion in 2025, with a CAGR of 17.8%. It is expected to continue increasing to US$25.2 billion in 2035. China's SLE drug market size grew from US$0.4 billion in 2021 to US$0.8 billion in 2025, with a CAGR of 19.7%. It is expected to continue increasing to US$5.5 billion by 2035.

PsA

PsA occurs in some patients with psoriasis. If affected, joints of these patients would become swollen, stiff and painful. It is a long-term condition that could eventually lead to permanently damaged or deformed joints where surgeries might be needed. Therefore, early diagnosis and treatment of PsA are needed to effectively prevent or minimize permanent damage to the joints. The number of patients with PsA was 23.8 million in 2025, with a CAGR of 2.4% during 2021 and 2025. This number is expected reach 26.4 million in 2030 and 29.1 million in 2035 at a CAGR of 2.0% from 2025 to 2030 and 2.0% from 2030 to 2035. The number of patients with psoriatic arthritis in China was 700.8 thousand in 2025, with a CAGR of 1.2% during 2021 and 2025. This number is expected reach 746.9 thousand in 2030 and 795.2 thousand in 2035 at a CAGR of 1.3% from 2025 to 2030 and 1.3% from 2030 to 2035. The active PsA patients account for about 60-70% of all PsA patients. The following chart sets forth the treatment paradigm of PsA in the Guidelines for the Diagnosis and Treatment of Psoriasis in China.

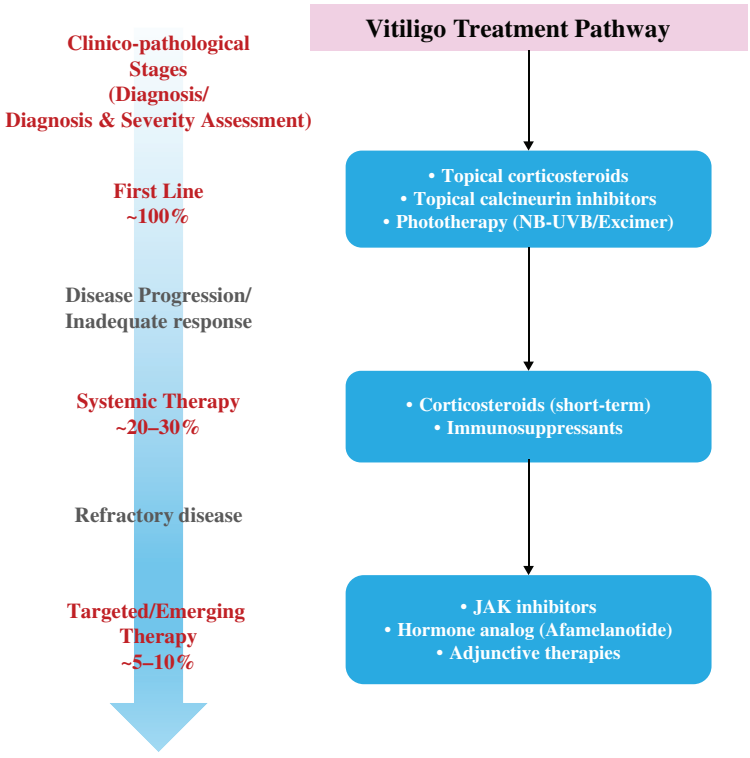


Source: Guideline for the diagnosis and treatment of psoriasis in China, Frost & Sullivan analysis

Vitiligo

Vitiligo is characterized by the loss of epidermal melanocytes. In vitiligo patients, the immune system appears to attack the melanocytes in the skin, and the resultant pigmentary abnormalities may involve hair, eyelashes or eyebrows, and eyes. Globally, the number of patients with vitiligo reached 63.1 million in 2025, with a CAGR of 1.4% during 2021 and 2025. This number is expected to be 66.6 million in 2030 and 69.4 million in 2035 at a CAGR of 1.1% from 2025 to 2030 and 0.8% from 2030 to 2035. In China, the number of patients with vitiligo was 7.06 million in 2025, with a CAGR of 0.1% during 2021 and 2025. This number is expected to be 7.14 million in 2030 and 7.21 million in 2035 at a CAGR of 0.2% from 2025 to 2030 and 0.2% from 2030 to 2035. The nonsegmental vitiligo patients account for about 80-90% of all vitiligo patients.

Currently, there are several treatment options for vitiligo, including systemic drug treatment, topical treatments, targeted therapy, biological therapy, phototherapy, and surgical treatment. To enhance treatment effectiveness, sequential or combination therapies are often used. The following chart sets forth the major treatment strategies for vitiligo.



Note: Vitiligo management generally follows a step-wise treatment approach rather than strict first-, second-, or third-line therapies. Patient proportions are estimated based on published literature and clinical practice patterns.

Source: American Academy of Dermatology, European Academy of Dermatology and Venereology, Yuval Ramot et al., 2024, Bae et al., 2017, Frost & Sullivan Analysis

Signal Transducer and Activator of Transcription 6 ("STAT6") Targeting Drugs

STAT6 is a key signal transduction protein in the immune system, and a key component of the JAK/STAT signaling pathway. STAT6 primarily participates in cytokine signaling and regulation of immune processes. The abnormal activation of STAT6 is closely related to allergic diseases (such as asthma and atopic dermatitis), autoimmune diseases (such as systemic lupus erythematosus), and lymphoma.

Growth Drivers and Future Trends of STAT6 Targeting Drug Market

Technological Breakthroughs and Improved Druggability. Recent breakthroughs in protein degradation technologies (such as proteolysis targeting chimera) may overcome the technical bottleneck of STAT6 as a "difficult-to-drug" target. Some STAT6 targeting drug candidates have achieved efficient STAT6 degradation through the proteolysis targeting chimera technology and promising inhibitory effect on type 2 inflammatory markers.

Major Market Player Involvement and Capital Investment. Several multinational pharmaceutical companies are accelerating their R&D efforts relating to STAT6 targeting drugs through high-value business development deals. These collaborations not only provide financial support but also increase market attention and confidence in STAT6 targeting drugs.

Differentiated Competitive Advantages. Compared to existing therapies, STAT6 targeting drugs may offer higher targeting specificity, lower risk of side effects, and oral formulations that improve patient adherence. If validated in clinical trials, STAT6 targeting drugs will be differentiated from biologics and JAK inhibitors.

Oral Formulations Becoming the Primary Choice for Patients. The prices of injectable drugs are generally higher than oral medications, and it is more difficult to obtain doctor prescription for injectable drugs. Additionally, injectable drugs pose a higher risk of immunogenicity compared to oral medications. Furthermore, injectable drugs typically require refrigeration storage, which places higher demands on storage equipment and condition, increasing the risk of drug degradation or failure. As such, oral formulations represent a more convenient option for drug administration and tend to result in improved patient compliance. The successful launch of oral STAT6 targeting drugs would meet patients' needs for convenience.

Major Indications of STAT6 Targeting Drugs

AD

AD is a chronic condition that causes skin discoloration and itchy rashes. It usually starts in childhood, and flare-ups can continue through adulthood. AD results in significant patient-level and societal burden. Globally, the number of patients with AD was 711.4 million in 2025, with a CAGR of 1.5% during 2021 and 2025. This number is expected reach 763.1 million in 2030 and 814.4 million in 2035 at a CAGR of 1.4% from 2025 to 2030 and 1.3% from 2030 to 2035. In China, the number of patients with AD was 74.1 million in 2025, with a CAGR of 1.8% during 2021 and 2025. This number is expected reach 79.1 million in 2030 and 81.2 million in 2035 at a CAGR of 1.3% from 2025 to 2030 and 0.5% from 2030 to 2035.

Asthma

Asthma is a chronic lung disease that affects the airways in the lungs. It is caused by inflammation and muscle tightening around the airways, which makes it harder to breathe. Symptoms can include coughing, wheezing, shortness of breath and chest tightness. The global number of patients affected by asthma reached 808.8 million in 2025, with a CAGR of 1.7% from 2021 to 2025, and this number is forecasting to reach 919.2 million in 2035. In China, the number of patients affected by asthma reached 70.6 million in 2025, with a CAGR of 1.7% from 2021 to 2025, and this number is forecasting to reach 81.0 million in 2035.

OVERVIEW OF METABOLIC DISEASE DRUG MARKET

Overview of Metabolic Disease

Metabolism refers to all the physical and chemical processes in the body that convert or use energy. When there is a dysfunction in these processes, metabolic diseases may occur, such as diabetes, obesity and nonalcoholic steatohepatitis. These diseases have the potential to impact all tissues and organs throughout the body, and can extend their effects to cognitive functions, growth and development, and mental states.

Metabolic Disease Drug Market Size

The global market size of metabolic disease drug was US$113.1 billion in 2021 and US$179.7 billion in 2025, with a CAGR of 12.3% during this period. It is projected that by 2030, the market size will grow to US$278.5 billion, and by 2035, it will reach US$368.6 billion. The CAGR will be 9.2% from 2025 to 2030, and 5.8% from 2030 to 2035. The China market size of metabolic disease drug was US$15.0 billion in 2021 and US$17.2 billion in 2025, with a CAGR of 3.4% during this period. It is projected that by 2030, the market size will grow to US$33.4 billion, and by 2035, it will reach US$57.8 billion. The CAGR will be 14.3% from 2025 to 2030, and 11.6% from 2030 to 2035.

Growth Drivers and Future Trends of Metabolic Disease Drug Market

Rising Health Awareness and Expenditure. There is a growing awareness on managing chronic metabolic diseases, such as diabetes and obesity. In China, the healthcare expenditure for diabetes has been steadily increasing in recent years.

Aging Population and Clinical Demand. Lifestyle changes, including unhealthy eating habits, lack of exercise, smoking and drinking, have increased the risk of metabolic diseases. In addition, as people age, their metabolic rate naturally decreases and their sensitivity to insulin decreases. These physiological changes make the elderly more susceptible to metabolic disorders such as diabetes, hyperlipidemia and obesity. The aging population, combined with the lifestyle changes, has led to a steady increase in the prevalence of metabolic diseases and hence the need for drugs that offer long-term safety and efficacy. The escalating disease burden is propelling the quest for cutting-edge therapeutics capable of adeptly managing these chronic conditions over extended periods.

Insurance-Driven Innovation. The dynamic adjustment of the NRDL has played a significant role in supporting the inclusion of innovative drugs designed for long-term management of metabolic diseases. These drugs are increasingly recognized for their ability to meet the evolving needs of patients with chronic metabolic conditions. Insurance policies advocating for the inclusion of these drugs are the catalyst for innovation, spurring the advancement of therapies with enhanced safety, superior efficacy, and a spectrum of holistic benefits tailored for patients.

Patient Compliance-Oriented Development. The chronic nature of metabolic diseases demands therapeutic approaches that prioritize high patient compliance. Non-adherence to treatment protocols may result in pronounced oscillations in disease management, adversely affecting health outcomes. The innovation of long-acting formulations that minimize dosing frequency and bolster patient adherence is vital for the efficacious stewardship of these conditions. Such advancements are pivotal in curbing the trajectory of metabolic diseases and have become a central focus within the contemporary pharmaceutical development landscape, ensuring that patients receive treatments that are not only effective but also convenient and sustainable in the long term.

Urate Transporter 1 ("URAT1") Inhibitors

URAT1 is a major transporter protein mediating uric acid reabsorption in the kidney. Uric acid is the end product of purine metabolism in the body and is further converted to allantoin via an enzyme called uricase. Gout occurs as a result of the high levels of uric acid in the blood and its subsequent deposition in the form of monosodium urate in one or more joints causing inflammation.

Competitive Landscape of URAT1 Inhibitor Drugs

As of the Latest Practicable Date, there were three approved URAT1 inhibitors globally, as set forth in the table below.

Drugs	Company	Indications	Route of Administration	Type of Technology Used	First Approved Date	Expiration of key IP rights	Regions	Safety	Effectivity	Annual Treatment Costs
Benzbromarone	Labaz	Gout with hyperuricemia	Oral (50-100mg/day)	Small molecule (benzofuran derivatives)	1971	Expired (First marked in 1971)	China, Germany, France, etc	Prevalence of severe liver damage: 0.09%. Prevalence of liver function impairment: 0.17%	Serum uric acid levels decreased by 25%-50%, with approximately 91% of patients achieving sUA < 6 mg/dL.	226 RMB
Dotinurad	Mochida/Fuji Yakuhin	Gout with hyperuricemia	Oral (0.5-4mg/day)	Small molecule (highly selective)	2020-01-23	2033~2035	China, Japan, Thailand, etc	No cases of severe liver damage attributed to the medication have been observed	Serum uric acid levels decreased by approximately 46% at 2 mg dose; the target attainment rate (sUA < 6 mg/dL) approached 100% at 4mg dose.	2700 RMB
Ruzinurad	Jiangsu Hengrui Pharmaceuticals	Gout with hyperuricemia	Oral (1mg/day)	Small molecule (highly selective)	2026-05-27	2035~2040	China	No cases of severe liver damage attributed to the medication have been observed	At the end of the 16-week treatment period, the sUA level in the Luznorena group had decreased by an average of — 209.23 μmol/L from the baseline value (a reduction percentage of -36.27%)	NA

Source: Frost & Sullivan

As of the Latest Practicable Date, there were three URAT1 inhibitor drug candidates under clinical development in both China and the U.S., as set forth in the table below.

Drugs	Company	Indications	Phase	First Posted Date	Regions
ABP-671	Atom Therapeutics	Gout	III	2023-04-18	Global
AR882	ApicHope	Gout	III	2024-04-02	Global
D-0120	InventisBio	Gout	II	2022-06-28	Global

Source: Frost & Sullivan

Growth Drivers and Future Trends of URAT1 Inhibitor Market

More Regulatory Approval of Innovative Drugs. The URAT1 inhibitor market has seen rapid growth since dotinurad received market approval in Japan in 2020, generating more than US$300 million in sales by 2024. The regulatory approval of URAT1 inhibitors in China is expected to drive rapid market expansion. Currently, there are three innovative URAT1 products in China at or beyond the Phase II stage.

Large Patient Population. The number of gout patients continues to rise. In China, the prevalence of gout represents a large patient base. With changes in lifestyle and dietary patterns, the incidence rate of gout is trending younger, providing a vast market demand.

Limitations of Existing Drugs. Current gout treatments (such as allopurinol, febuxostat, and benzbromarone) have side effects, such as liver injury, anaphylaxis and kidney injury. Patients urgently need safer and more effective drugs, driving the development of URAT1 inhibitors.

Significant Efficacy of URAT1 Inhibitors. As a new generation of uricosuric drugs, URAT1 inhibitors lower serum uric acid levels by inhibiting uric acid reabsorption and promoting excretion, exhibiting outstanding efficacy and good safety.

URAT1 Inhibitor Drug Market Size

The global URAT1 inhibitor market was US$131.0 million in 2021 and US$448.7 million in 2025, with a CAGR of 36.0% during this period. It is projected that by 2030, the market size will grow to US$3,048.6 million, and by 2035, it will reach US$9,025.8 million. The CAGR will be 46.7% from 2025 to 2030, and 24.2% from 2030 to 2035. The China URAT1 inhibitor market was US$82.4 million in 2021 and US$61.6 million in 2025, with a CAGR of -7.0% during this period. It is projected that by 2030, the market size will grow to US$980.2 million, and by 2035, it will reach US$2308.6 million. The CAGR will be 73.9% from 2025 to 2030, and 18.7% from 2030 to 2035.

Major Indications of URAT1 Inhibitors

Gout

Gout occurs as a result of the high levels of uric acid in the blood. Uncontrolled uric acid levels in the blood can lead to the formation of lumps called tophi stones, which can become painful and cause joint damage. Gout often attacks the foot, especially the bunion joint. Between 2021 and 2025, the global number of gout patients increased from 58.3 million to 69.0 million, with a CAGR of 4.3%. It is projected that by 2030, the number of gout patients will reach 82.9 million, at a CAGR of 3.7%. By 2035, the number is expected to rise to 97.9 million, maintaining a CAGR of 3.4%.

Between 2021 and 2025, the number of gout patients in China increased from 16.8 million to 25.5 million, with a CAGR of 5.6%. It is projected that by 2030, the number of gout patients in China will reach 36.1 million, at a CAGR of 5.6%. By 2035, the number is expected to rise to 47.4 million, maintaining a CAGR of 5.6%.

The large patient population and demand for gout therapies are driving the continuous growth of the gout drug market. The global market size of gout drugs was US$3.2 billion in 2025. It is projected that by 2030, the market size will grow to US$7.7 billion, and by 2035, it will reach US$17.0 billion. The CAGR will be 18.8% from 2025 to 2030, and 17.2% from 2030 to 2035. The market size of gout drugs in China was US$0.4 billion in 2025. It is projected that by 2030, the market size will grow to US$1.4 billion, and by 2035, it will reach US$3.9 billion. The CAGR will be 29.5% from 2025 to 2030, and 22.0% from 2030 to 2035.

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 U.S. We have agreed to pay Frost & Sullivan a total fee of approximately RMB750 thousand 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. Key underlying quantitative assumptions and bases for deriving the estimated addressable market size include: global and China's population size; prevalence of various diseases; sales revenue or annual treatment costs of approved drugs; the number of similar drugs under development and their expected approval time; product penetration rates. Key underlying qualitative assumptions and bases for deriving the estimated addressable market size include: the role of policies such as medical insurance or centralized procurement in promoting product sales, and the impact and substitution effect of new-generation drugs on older-generation products. 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.

OVERVIEW OF LAWS AND REGULATIONS IN THE PRC

We are subject to a variety of PRC laws, rules and regulations affecting many aspects of our business. This section summarizes the major PRC regulatory authorities and PRC laws and regulations that we believe are relevant to our business and operations in the PRC.

PRINCIPAL REGULATORY AUTHORITIES

The operations of the Company in the PRC are mainly supervised and regulated by the following authorities, in addition to the authorities generally administering the companies in the PRC:

NMPA and CDE

National Medical Products Administration (中華人民共和國國家藥品監督管理局) (the "NMPA")), is an authority under 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 "SAMR") and is the primary regulator for medical products. It is primarily responsible for supervising and managing drugs, medical devices and cosmetics, including drafting relevant regulations and policies; undertaking standard management, registration regulation, quality management and post-market risk management for drugs, medical devices and cosmetics; organizing and guiding the supervision and inspection of drugs, medical devices and cosmetics; and undertaking management of qualifications for licensed pharmacists. Center for Drug Evaluation (國家藥品監督管理局藥品審評中心) (the "CDE") is the technical evaluation unit for drug registration with NMPA. It is mainly responsible for conducting technical evaluation on the drugs applying for registration and verifying the relevant drug registrations.

NHC

The National Health Commission (國家衛生健康委員會) (the "NHC"), is the primary national regulator for public health. It is primarily responsible for drafting national health policies, supervising and regulating public health, healthcare services, and health emergency systems.

Ministry of Commerce

The Ministry of Commerce of the PRC (中華人民共和國商務部) (the "MOFCOM") is responsible for the overall guidance and management of foreign investment. It formulates, revises and implements the laws, regulations, rules and policies of foreign investment. It also participates in the formulation and promulgation of the Special Management Measures for the Market Entry of Foreign Investment (Negative List) (《外商投資准入特別管理措施(負面清單》), the "Negative List") and Catalog of Industries for Encouraging Foreign Investment (《鼓勵外商投資產業目錄》). The MOFCOM is also responsible for the administration and supervision of the foreign investment information reporting system, as well as approving foreign investment in sectors restricted by the Negative List.

PRINCIPAL REGULATORY PROVISIONS

Laws and Regulations on New Drugs

Research and Development of New Drugs

The Drug Administration Law of the PRC (《中華人民共和國藥品管理法》) (the "Drug Administration Law"), last amended on August 26, 2019 and became effective on December 1, 2019, and 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") promulgated by the State Council on August 4, 2002 and last amended on March 2, 2019, have laid down the legal framework for the establishment and maintenance of pharmaceutical manufacturing and trading enterprises, as well as for the administration of pharmaceutical products including the development and manufacturing of new drugs. According to the Drug Administration Law and the Implementation

Regulations, the developer and clinical trial applicant of any new drug shall truthfully submit the new drug's manufacturing method, quality specifications, results of pharmacological and toxicological tests and the related data, documents and samples to the NMPA for approval before any clinical trial is conducted.

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 Administrative Measures for Good Laboratories Practice (《藥物非臨床研究質量管理規範》) promulgated by the CFDA and amended on July 27, 2017. On April 16, 2007, the CFDA issued the Circular on Measures for Certification of Good Laboratory Practice (《藥物非臨床研究質量管理規範認證管理辦法》), last amended on January 19, 2023, which set forth the requirements for an institution to apply for a Certification of Good Laboratory Practice ("GLP") to undertake non-clinical research on drugs. The NMPA is responsible for the administration of the certification of GLP in China, and the drug regulatory authorities at the provincial level are responsible for the daily supervision and management on institutions of non-clinical safety evaluation studies within their administrative regions. The NMPA will approve and issue GLP certificates to the applicants that meet the GLP requirements, and the GLP certificates are valid for 5 years. Any entity without such certification must engage a qualified third party to conduct non-clinical studies regulated under relevant laws and regulations.

Application For Clinical Trial

After non-clinical research, an applicant shall carry out drug clinical trial with the approval of the NMPA, before a new drug clinical trial. According to the Drug Registration Regulation (《藥品註冊管理辦法》), 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. Among them, any bioequivalence study shall be registered in CDE Clinical trial information platform. In order to conduct drug clinical trial, an applicant should submit relevant new drug R&D documents required by CDE/NMPA, including development methods, quality indicators, pharmacological and toxicological study results and other related data, information, application documents should be submitted to the CDE for approval. CDE shall decide whether to approve the application or not within sixty (60) working days after receiving the clinical trial application, and notify the applicant of its decision; if no any notification after 60 working days, the application will be deemed as approval.

After obtaining the approval of clinical trial from the NMPA, the applicant must complete the clinical trial registration at the Drug Clinical Trial Information Platform for public disclosure in accordance with the Circular on Drug Clinical Trial Information Platform (《關於藥物臨床試驗信息平台的公告》). The applicant shall complete the initial registration of the trial within one month after obtaining the approval of clinical trial to obtain an exclusive trial registration number, and then complete the subsequent information registration before the first patient is enrolled in the trial and submit the registration for public disclosure for the first time.

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 healthcare authorities.

Clinical trials must be conducted in accordance with the Good Clinical Practice for Drug Trials (《藥物臨床試驗質量管理規範》) ("GCP") promulgated by NMPA and NHC to improve the quality of clinical trials on April 23, 2020 and effective on July 1, 2020, which stipulates the criteria for the entire procedure of the clinical trial including preclinical trial preparation and the necessary conditions, protection of testees' rights and interests, trial protocols, duties of researchers, duties of sponsors, duties of monitors, trial record and report, data management and statistical analysis, administration of drug products for trial, guarantee for quality, polycentric trials, with reference to the internationally recognized principles.

According to the Announcement on Adjusting Evaluation and Approval Procedures for Clinical Trials for Drugs, where the application for clinical trial of new investigational drug has been approved, upon the completion of Phases I and II clinical trials and prior to Phase III clinical trial, the applicant shall submit the application for communication meetings to CDE to discuss with CDE the key technical questions including the design of Phase III clinical trial protocol.

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》), promulgated 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.

International Multi-Centre Clinical Trials

According to the International Multi-Center Clinical Trial Guidelines (Trial) (《國際多中心藥物臨床試驗指南(試行)》), which was issued by the CFDA on January 30, 2015 and became effective on March 1, 2015, the sponsor may conduct clinical trials simultaneously at multiple centres in multiple regions in accordance with the same clinical trial protocol, and may also conduct regional clinical trials simultaneously at multiple centres in different countries within a region in accordance with the same clinical trial protocol. If the applicants plan to use the data derived from international multi-centre clinical trials for approval of drug registration in China, such international multi-center clinical trials shall comply with the provisions concerning clinical trials in the Drug Registration Regulation. When planning and implementing international multi-centre clinical trials in China, the sponsor shall comply with the Drug Administration Law and its Implementation Regulations, the Drug Registration Regulation and other related laws and regulations, implement the Good Clinical Practice in China, make reference to Good Clinical Practice (臨床試驗質量管理規範) provided by the International Conference on Harmonization of Technical Requirements for the Registration of Pharmaceuticals for Human Use (人用藥品註冊技術國際協調會議), and meet the legal and regulatory requirements of the corresponding countries.

According to the Opinions on Deepening the Reform of the Evaluation and Approval System and Encouraging Innovation of Drugs and Medical Devices, clinical trial data obtained in an international multi-center that conforms to China's requirements for registration of drugs and medical devices can be used for the application for registration in China.

The NMPA issued the Technical Guiding Principles for the Acceptance of Overseas Clinical Trial Data of Drugs (《接受藥品境外臨床試驗數據的技術指導原則》) on July 6, 2018, according to which, for drugs applied for registration within the PRC, overseas clinical trial data submitted by the applicant may be accepted as the information for clinical evaluation. The basic principles for accepting overseas clinical trial data include: (i) applicants shall ensure the authenticity, integrity, accuracy and trace-ability of overseas clinical trial data; (ii) the process of generating overseas

clinical trial data shall comply with the relevant requirements of the ICH-GCP; (iii) applicants shall ensure the scientific design of overseas clinical trials, the compliance of clinical trial quality management system with the requirements, and the accuracy and integrity of statistical analysis of data; and (iv) to ensure that the clinical trial design and statistical analysis of the data are scientific and reasonable, for the drugs with simultaneous R&D at home and abroad and forthcoming clinical trials in China, the applicants may, prior to implementing registrational clinical trials, contact the CDE to ensure the compliance of registrational clinical trial's design with the essential technical requirements for drug registration in China.

New Drug Registration

Drug Registration Regulation (《藥品註冊管理辦法》) (the "DRR") issued by the NMPA on January 22, 2020, effective from July 1, 2020, is applicable to drug development, registration and supervision carried out in China for the purpose of drug marketing. Pursuant to the DRR, 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 sold in the China market.

The Opinion on Strengthening the Reform of the Drug and Medical Device Review and Approval Process to Encourage Drug and Medical Device Innovation (《關於深化審評審批制度改革鼓勵藥品醫療器械創新的意見》) (the "Innovation Opinion") established a framework for reforming the evaluation and approval system for drugs, medical devices and equipment. The Innovation Opinion indicated enhancing the standard of approval for drug marketing registration and accelerating the evaluation and approval process for innovative drugs as well as improving the approval of drug clinical trials.

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

According to the Announcement on Matters Concerning the Optimization of Drug Registration Review and Approval (《關於優化藥品註冊審評審批有關事宜的公告》) jointly issued by the NMPA and the NHC on May 17, 2018, the CDE will prioritize the allocation of resources for review, inspection, examination and approval of registration applications that have been included in the scope of expedited process of clinical trial approval.

The Drug Registration Regulation has incorporated the previous reform in respect of the accelerated approval for clinical trial and NDA application and introduces four procedures for expedited NDA application:

Procedures for ground-breaking therapeutic drugs: during the drug clinical trials, for an innovative drug or improved new drug used for prevention and treatment of life-threatening illnesses or illnesses which have a serious impact on quality of life and for which there is no other effective prevention and treatment method or there is adequate evidence to prove that the said innovative drug or improved new drug has obvious clinical advantages over existing treatment approach, the applicant may request for application of procedures for ground-breaking therapeutic drugs.

Procedures for conditional approval: during the drug clinical trials, for drugs which fall under the following circumstances, an application for conditional approval of marketing registration may be submitted (i) for drugs for treatment of life-threatening illnesses for which there is no effective treatment approach, the clinical trial of drugs already has data to prove efficacy and is able to forecast the clinical value; (ii) for drugs urgently needed for public health, the clinical trial of drugs already has data to prove efficacy and is able to forecast the clinical value; and (iii) for other vaccines urgently needed for major public health emergencies or deemed by the NHC to be urgently needed, its benefits outweigh the risks according to the evaluation.

Procedures for prioritized reviews and approval: at the time of the drug marketing registration, drugs have obvious clinical value may apply for application of procedures for prioritized review and approval, including (i) clinically and urgently needed but insufficient drug, innovative drugs and improved new drugs for prevention and treatment of major contagious diseases and rare diseases; (ii) new pharmaceutical product types, dosage form and specifications of pediatric drugs which comply with pediatric physiological characteristics; (iii) vaccines and innovative vaccines urgently needed for prevention and control of diseases; (iv) drug included in the procedures for groundbreaking therapeutic drug; (v) drug which comply with conditional approval criteria; and (vi) other circumstances of prioritized review stipulated by the NMPA.

Procedures for special reviews and approval: at the time of a threat or occurrence of public health emergency, the NMPA may, in accordance with law, decide to implement special examination and approval for urgently needed drug required for the prevention and treatment during the public health emergency.

Marketing Authorization Holder Mechanism

Pursuant to the Drug Administration Law and DRR, China implements the marketing authorization holder mechanism for management of the drug industry. After obtaining a drug registration certificate, an applicant shall be the drug marketing authorization holder. The drug marketing authorization holder refers to an enterprise or a drug research and development institution that has obtained the drug registration certificate. During the validity period, the drug marketing authorization holder shall be full life-cycle responsibility for the safety, efficacy and quality controllability of the drug from research and development, production to post-marketing, including in the process of 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 marketing authorization holders 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, marketing authorization holders 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.

Pursuant to the Drug Administration Law, subject to the approval by the drug administrative department of the State Council, a drug marketing authorization holder may transfer its drug marketing authorization. The transferee shall possess the capability of quality management, risk prevention and control and liability compensation to ensure the safety, efficacy and quality controllability of the drug, and perform the obligations of the drug marketing authorization holder. According to the DRR, transfer of drug marketing authorization by the holder shall be declared by way of supplementary application, and be implemented upon approval.The holder after the change shall have a production quality management system that meets the requirements specified in the GMP, undertake the obligations for the management of the drug in the whole life cycle, complete the continuous research work of the drug, ensure that the existing technical requirements are met after the drug is manufactured and marketed, and highlight the situation of the transferred drug in its initial annual report. The transferred drug may be sold on the market after passing the inspection for compliance with the GMP and fulfilling the product release requirements.

Management of Human Genetic Resources and Biosecurity

Pursuant to the Regulations on the Management of Human Genetic Resources of the PRC (《中華人民共和國人類遺傳資源管理條例》), last amended by the State Council on March 10, 2024 and coming into effect on May 1, 2024, the State supports the rational use of human genetic resources for scientific research, development of the biomedical industry, improvement of diagnosis and treatment technology, improvement of China's ability to guarantee biosafety and improvement of the level of people's health. Foreign organizations, individuals and institutions established or actually controlled by them shall not gather or preserve Chinese genetic resources in China, or provide Chinese genetic resources to foreign countries. In addition, the gathering, preservation, utilization and external provision of Chinese genetic resources shall conform to ethical principles and conduct ethical review in accordance with relevant regulations. The Implementing Rules of the Regulation on the Administration of Human Genetic Resources (《人類遺傳資源管理條例實施細則》), which was promulgated by the MOST on May 26, 2023 and became effective on July 1, 2023, further provides specific requirements on the collection, preservation, utilization and external provision of China's human genetic resources.

The Biosecurity Law of the PRC (《中華人民共和國生物安全法》) (the "Biosecurity Law"), which was promulgated by SCNPC on October 17, 2020 and last amended on April 26, 2024, establishes a comprehensive legislative framework for the pre-existing regulations in such areas as epidemic control of infectious diseases for humans, animals and plants, research, development, and application of biology technology, biosecurity management of pathogenic microbial laboratories, security management of human genetic resources and biological resources, countermeasures for microbial resistance, and prevention of bioterrorism and defending threats of biological weapons. According to the Biosecurity Law, the research and development activities of high-risk and medium-risk biotechnology shall be carried out by a legal person organization established within the territory of the PRC in accordance with the law, upon obtaining the approval or record-filing. The following activities are subject to approval of the competent health department: (i) collecting human genetic resources of important genetic families or specific areas in the PRC, or collecting human genetic resources of which the types and quantities are subject to provisions of the competent health department under the State Council, (ii) preserving China's human genetic resources, (iii) using China's human genetic resources to carry out international scientific research cooperation, or (iv) transporting, mailing, and carrying China's human genetic resource materials out of the country.

Administrative Protection and Monitoring Period for New Drugs

According to the Implementation Regulations, the NMPA may, for the purpose of protecting public health, provide for an administrative monitoring period of up to five years for new drugs approved to be manufactured, to continually monitor the safety of those new drugs. During the monitoring period of a new drug, the NMPA will not approve any other enterprise's application to manufacture or import a similar new drug.

Laws and Regulations on the Manufacturing of Drugs

Drug Manufacturing Certificate

Pursuant to the Drug Administration Law and the Implementation Regulations, a drug manufacturer must obtain a Drug Manufacturing Certificate (藥品生產許可證) from the drug regulatory authority at provincial, autonomous regional or municipal level before it may start manufacturing drugs in the PRC. The Drug Manufacturing Certificate shall indicate the validity period and the scope of production. Each Drug Manufacturing Certificate is valid for a period of five years and the manufacturer is required to apply for renewal of the permit within six months prior to its expiration date.

Good Manufacturing Practice (GMP)

The drug manufacturer must conduct the manufacturing process in accordance with the Good Manufacturing Practice for Drugs (《藥品生產質量管理規範》) issued by the Ministry of Health of the PRC (the "MOH", which was canceled in the institutional reform of the State Council in 2013, its functions were first inherited by the NHC established in 2018) on January 17, 2011 and becoming effective on March 1, 2011, which sets forth 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 adverse event reports.

The Administrative Measures for the Inspection of Pharmaceuticals (Trial) (《藥品檢查管理辦法(試行)》) was promulgated by the NMPA on May 24, 2021 and amended on July 19, 2023. It stipulated that if a drug manufacturer applies for a drug manufacturing license for the first time, it will be subject to on-site inspection under relevant contents of the GMP. If a drug manufacturer applies for re-issuance of drug manufacturing license, relevant authorities shall conduct examination pursuant to risk management principle, taking into account the enterprise's compliance with pharmaceutical administration laws and regulations, operation status of GMP and quality system, and may conduct GMP compliance inspection where necessary.

Entrusted Manufacturing of Drugs

Pursuant to the Administrative Regulations for the Entrusted Manufacturing of Drugs (《藥品委託生產監督管理規定》) issued by the CFDA on August 14, 2014 and becoming effective on October 1, 2014, only when a drug manufacturer temporarily lacks manufacturing conditions due to technology upgrade or is unable to ensure market supply due to insufficient manufacturing capabilities can such drug manufacturer entrust the manufacturing of the drug to another domestic drug manufacturer. Such entrusted manufacturing arrangements shall be approved by the provincial branch of the NMPA.

The Administrative Measures on Supervision of Drug Manufacturing (《藥品生產監督管理辦法》) promulgated by the SAMR on January 22, 2020 and effective on July 1, 2020 further implements the drug marketing authorization holder system as stipulated in the Drug Administration Law. Drug marketing authorization holders entrusting others to manufacture drugs shall enter into entrustment agreements and quality agreements with qualified drug manufacturing enterprises and submit the relevant agreements together with the actual manufacturing site application materials to the competent drug administrative authority in order to apply for the Drug Manufacturing Certificate. The drug marketing authorization holder shall follow the Guidelines for the Quality Agreements of Entrusted Manufacturing of Drugs (《藥品委託生產質量協議指南》) formulated by the NMPA to supervise the entrusted party to fulfill the obligations agreed upon in the agreement. The drug marketing authorization holder and drug manufacturers shall establish and implement a drug traceability system, assign traceability labels to sales packaging of their drugs in accordance with regulations, implement drug traceability through information-based means, record and keep drug traceability data in a timely manner, and provide traceability information to the drug traceability collaborative service platform.

Laws and Regulations on the Medical Insurance Program

Coverage of the National Medical Insurance Program

The national medical insurance program was first adopted according to the Decision of the State Council on the Establishment of the Urban Employee Basic Medical Insurance Program (《國務院關於建立城鎮職工基本醫療保險制度的決定》) issued by the State Council on December 14, 1998, under which all employers in urban cities are required to enroll their employees in the basic medical insurance program and the insurance premium is jointly contributed by the employers and employees. On January 3, 2016, the Opinions of the State Council on Integrating the Basic Medical Insurance Systems for Urban and Rural Residents (《國務院關於整合城鄉居民基本醫療保險制度

的意見》) issued by the State Council required the integration of the urban resident basic medical insurance and the new rural cooperative medical care system and the establishment of a unified basic medical insurance system, which will cover all urban and rural residents other than rural migrant workers and persons in flexible employment arrangements who participate in the basic medical insurance for urban employees.

Medical Insurance Catalogue

According to the Interim Measures for the Administration of Use of Drugs Covered by the Basic Medical Insurance (《基本醫療保險用藥管理暫行辦法》) which was promulgated by the NHSA on July 30, 2020 and took effect on September 1, 2020, the scope of drugs covered by the basic medical insurance shall be administered through the Catalogue of Drugs for Basic National Medical Insurance. The National Drug Catalog for Basic Medical Insurance, Work-related Injury Insurance and Maternity Insurance (《國家基本醫療保險、工傷保險和生育保險藥品目錄》), or the National Reimbursement Drug List (the "NRDL"), sets forth the payment standard for pharmaceutical products under the basic medical insurance, work-related injury insurance and maternity insurance funds. Medicines listed in the NRDL are divided into two parts, List A and List B. List A drugs are widely used clinical treatments with good efficacy and lower prices compared to similar drugs, while List B drugs are clinical treatments with good efficacy and slightly higher prices compared to List A drugs. According to the Interim Measures for the Administration of Use of Drugs Covered by the Basic Medical Insurance, a Provincial Reimbursement Drug List (the "PRDL") must be made by the provincial healthcare security authorities. The provincial healthcare security authorities have the right to add ethnic drugs and preparations of medical institutions as List B drugs in the PRDL in accordance with relevant rules. Patients purchasing List B drugs shall pay a certain percentage of the purchase price first and then obtain reimbursement under the basic medical insurance program.

National Essential Drug List

On August 18, 2009, the MOH and eight other ministries and commissions in the PRC issued the Provisional Measures on the Administration of the National Essential Drug List (《國家基本藥物目錄管理辦法(暫行)》), which was revised as the Measures for the Administration of the National Essential Medicine List (《國家基本藥物目錄管理辦法》) on February 13, 2015, and the Guidelines on the Implementation of the National Essential Drug List System (《關於建立國家基本藥物制度的實施意見》), which aims to promote essential medicines sold to consumers at fair prices in the PRC and ensure that the general public in the PRC has equal access to the drugs contained in the National Essential Drug List. On September 13, 2018, the General Office of the State Council issued the Opinions of the General Office of the State Council on Improving the National Essential Drug System (《國務院辦公廳關於完善國家基本藥物制度的意見》). The NHC and the National Administration of Traditional Chinese Medicine promulgated the National Essential Drug List (2018) (《國家基本藥物目錄(2018年版)》) (the "National Essential Drug List") on September 30, 2018, effective from November 1, 2018, replacing the National Essential Drug List (2012) (《國家基本藥物目錄(2012年版)》) which was promulgated on March 13, 2013. According to these regulations, basic healthcare institutions funded by government, which primarily include county-level hospitals, county-level Chinese medicine hospitals, rural clinics and community clinics, shall store up and use drugs listed in the National Essential Drug List. The drugs listed in the National Essential Drug List shall be purchased by centralized tender process and shall be subject to the price control by the National Development and Reform Commission of the PRC (the "NDRC"). For therapeutic drugs in the National Essential Drug List, when adjusting the NRDL, the medical insurance department shall prioritize the inclusion of those eligible in the scope of the list or adjust the classification of List A and B.

Laws and Regulations on Intellectual Properties

Patent

Patents in the PRC are mainly protected by the Patent Law of the PRC (《中華人民共和國專利法》) (the "Patent Law"), which was promulgated by the SCNPC on March 12, 1984, last amended on October 17, 2020 and became effective on June 1, 2021, and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), which was promulgated by the State Council on June 15, 2001 and last amended on December 11, 2023 and became effective on January 20, 2024. The Patent Law of the PRC and its Implementation Rules provide for three types of patents, "invention", "utility model" and "design." The duration of a patent right for "invention" is 20 years, the duration of a patent right for "utility model" is 10 years, and the duration of a patent right for "design" is 15 years, from the date of application. According to the Patent Law, for the purpose of public health, the patent administrative department of the State Council may grant mandatory licensing to manufacture and export patented drugs to countries or regions in compliance with provisions of the relevant international treaty participated by the PRC.

According to the provisions of the Patent Law and its Implementation Rules, for the purpose of compensating for the time taken to examine and approve a new drug to be marketed, the patent administrative department under the State Council shall grant compensation to the validity period of patent rights for the invention patents of new drugs approved to be marketed in the PRC upon request of the patentee. The compensation period shall not exceed five (5) years, and the total validity period of patent rights after a new drug is approved to be marketed shall not exceed fourteen (14) years. During the validity compensation period of patent rights, the scope of protection of the invention patent of a new drug is limited to the new drug and its approved indications-related technical solutions; within the scope of protection, the patentee enjoys the same rights and undertakes the same obligations as those before the validity compensation period.

Trademark

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982, last amended on April 23, 2019 and became effective on November 1, 2019, the period of validity for a registered trademark is 10 years, commencing from the date of registration. Upon expiry of the period of validity, the registrant shall go through the formalities for renewal as required if the registrant needs to continue to use the trademark. The period of validity for each renewal of registration is 10 years, commencing from the day immediately after the expiry of the preceding period of validity for the trademark. In the absence of a renewal upon expiry, the registered trademark shall be canceled. Industrial and commercial administrative authorities have the authority to investigate any behavior in infringement of the exclusive right under a registered trademark in accordance with the law.

Trade Secret

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) (the "Anti-Unfair Competition Law"), promulgated by the SCNPC on September 2, 1993 and last amended on June 27, 2025 and effective 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, business persons are prohibited from infringing others' trade secrets by: (i) acquiring a trade secret from the right holder by theft, bribery, fraud, coercion, electronic intrusion, or any other means; (ii) disclosing, using, or allowing another person to use a trade secret acquired from the right holder by any means as specified in the item (i) above; (iii) disclosing, using, or allowing another person use a trade secret in its possession, in violation of its confidentiality obligation or the requirements of the right holder for keeping the trade secret confidential; (iv) abetting a person, or tempting another person into or in acquiring, disclosing, using, or allowing another person to use the trade secret of the right holder in violation of his or her non-disclosure obligation of the requirements of the right holder for keeping the trade secret

confidential. 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 impose fine on the infringing parties.

Laws and Regulations on Management of Lease Housing in the PRC

According to the Civil Code, a lease contract is a contract whereby the lessor delivers to the lessee the item for the latter's use or benefit therefrom, and the lessee pays the lease expense. The contents of a lease contract generally include terms such as the name, quantity and purpose of the leased property, lease term, lease expense as well as time limit and method for its payment, and maintenance of the leased property.

Pursuant to the Administrative Measures on Leasing of Commodity Housing 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》), effective February 1, 2011, lessors and lessees shall complete property leasing registration and filing formalities within 30 days from execution of the property lease agreement with the development (real estate) department of the PRC Government of the centrally-administered municipality, municipality or county where the leased property is located. Organizations who violate the relevant provisions of this regulation shall be ordered by the development (real estate) department of the PRC Governments of centrally-administered municipalities, municipalities or counties to make corrections within a stipulated period; where an organization fails to make corrections within the stipulated period, a fine ranging from RMB1,000 to RMB10,000 shall be imposed to each unregistered lease agreement.

Laws and Regulations on Environment, Health and Work Safety

Environmental Impact Assessment

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), promulgated by the SCNPC on December 26, 1989 and latest amended on April 24, 2014 and came into effect on January 1, 2015, the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), promulgated by the SCNPC on October 28, 2002 and latest amended on December 29, 2018, and the Administrative Regulations on the Environmental Protection of Construction Project (《建設項目環境保護管理條例》), promulgated by the State Council on November 29, 1998 and latest amended on July 16, 2017 and came into effect on October 1, 2017, enterprises which plan to construct projects shall engage qualified professionals to provide the assessment reports, assessment form, or registration form on the environmental impact of such projects. The assessment reports, assessment form, or registration form shall be filed with or approved by the relevant environmental protection bureau prior to the commencement of any construction work.

Pollutant Discharge

According to the Regulations on the Administration of Pollutant Discharge Permits (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and came into effect on March 1, 2021, and the Administrative Measures on Pollutant Discharge Permit (《排污許可管理辦法》) issued by the Ministry of Ecology and Environment on April 1, 2024 and came into effect on July 1, 2024, enterprises, public institutions and other producers and operators that are subject to the administration of pollutant discharge permits shall apply for pollutant discharge permit and discharge pollutants in accordance with the requirements of the pollutant discharge permit; and those who have not obtained the pollutant discharge permits shall not discharge pollutants. According to the Classification Management List for Fixed Source Pollution Permits (2019 Edition) (《固定污染源排污許可分類管理名錄(2019年版)》), the manufacturing of biological drugs and products falls into the classification management scope for fixed source pollution permits.

Disposal of Hazardous Wastes

According to the Law of the PRC on the Prevention and Control of Environmental Pollution Caused by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), which was first promulgated on 30 October, 1995 and recently amended on April 29, 2020 and came into effect on September 1, 2020, entities generating hazardous wastes (including medical waste) shall store, utilize and dispose of hazardous wastes pursuant to the relevant provisions of the State and the requirements of environmental protection standards, and shall not arbitrarily dump or pile up such wastes. Entities that undertake the collection, storage, utilization and treatment of hazardous wastes shall apply for and obtain a permit. The hazardous wastes shall be defined by the National Catalogue of Hazardous Wastes (《國家危險廢物名錄》), of which the latest version was issued by the Minister of Ecology and Environment and other authorities on November 11, 2024 and entered into force as of January 1, 2025. The medical wastes shall be defined by the Classification Catalogue of Medical Waste (《醫療廢物分類目錄》), of which the latest version was jointly issued by the National Health Commission of the PRC and the Minister of Ecology and Environment on November 25, 2021 and entered into force as of the same date.

Hazardous Chemicals

The Regulation on Safety Administration of Hazardous Chemicals (《危險化學品安全管理條例》) (the "Hazardous Chemicals Regulation") was promulgated by the State Council on January 26, 2002 and newly revised on December 7, 2013. The Hazardous Chemicals Regulation provides regulatory requirements on the safe production, storage, use, operation and transportation of hazardous chemicals. An enterprise that has obtained a work safety permit of hazardous chemicals, safety use permit of hazardous chemicals or operation permit of hazardous chemicals according to law shall purchase hyper-toxic chemicals or hazardous chemicals that can be used to make explosives upon the strength of relevant permits or certificates. A producer of civil explosives shall purchase hazardous chemicals that can be used to make explosives upon the strength of the permit for production of civil explosives. Any entity other than those as prescribed in the preceding paragraph, when purchasing hyper-toxic chemicals, shall apply to the public security organ of the local people's government at the county level for a permit for purchasing hyper-toxic chemicals; when hazardous chemicals that can be used to make explosives are purchased, the explanations on the legal use of such chemicals issued by such entity shall be presented.

The Regulation on the Administration of Precursor Chemicals (《易製毒化學品管理條例》) promulgated by the State Council on August 26, 2005 and latest revised on September 18, 2018, stipulates and regulates the production, operation, purchase, transportation, import and export of precursor chemicals. The precursor chemicals are classified into three categories. Category I refers to the major materials that may be used to produce drugs. Categories II and III refer to the chemical auxiliary substances that may be used to produce drugs. An enterprise that applies for purchasing the precursor chemicals in Category I shall submit the related certificates and shall obtain the purchase license upon the examination and approval of the supervisory and administrative department of drugs of the people's government of the province, autonomous region or centrally administered municipality where the applicant is located. An entity that purchases any precursor chemicals in Category II or III shall, before the purchase, report the variety and quantity in demand to the public security organ of the local people's government at the county level for archival filing.

According to the Measures for the Public Security Management of Explosives Precursors (《易製爆危險化學品治安管理辦法》) issued by the Ministry of Public Security on July 6, 2019 and effective on August 10, 2019, enterprises which have obtained permits for safe production of hazardous chemicals, permits for the safe use of hazardous chemicals and permits for business operation of hazardous chemicals in accordance with the law shall purchase explosive precursor hazardous chemicals with the corresponding licenses. A buyer of explosives precursors shall, within five days after purchasing, report the information about the types, quantity and flowing direction of explosives precursors purchased to the local county-level public security organ for filing through the Explosive Precursors Information System.

Production Safety

According to the Work Safety Law of the PRC (《中華人民共和國安全生產法》) (the "Work Safety Law") which was promulgated by the SCNPC on June 29, 2002 and newly amended on June 10, 2021, production and business operation entities shall abide by the Work Safety Law and other laws and regulations concerning work safety, and guarantee work safety by strengthening the management on safe production, setting up and improving the responsibility system for work safety and work safety rules and regulations, improving the conditions, pushing forward the development of work safety standards, and raising the work safety level. The major person-in-charge of the production and business operation entities shall undertake the overall duties concerning the work safety of the concerned entity. If the production and business operation entities fail to abide by the relevant rules of the Work Safety Law, they will be confronted with administrative penalties, even criminal liabilities.

Laws and Regulations on Labor, Social Insurance and Housing Provident Funds

According to the Labor Law of the PRC (《中華人民共和國勞動法》), which was promulgated by the SCNPC on July 5, 1994 and 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》), which was promulgated by the SCNPC on June 29, 2007 and amended on December 28, 2012 and came into effect on July 1, 2013, and the Implementing Regulations of the Labor Contracts Law of the PRC (《中華人民共和國勞動合同法實施條例》), which was promulgated by the State Council and came into effect on September 18, 2008, labor contracts in written form shall be executed to establish labor relationships between employers and employees.

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 last amended and came into effect on December 29, 2018, the Interim Regulations on the Collection and Payment of Social Security Funds (《社會保險費徵繳暫行條例》), which was promulgated by the State Council on January 22, 1999 and last amended on March 24, 2019, and 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 last amended on March 24, 2019, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance and maternity insurance and to housing provident funds. Any employer who fails to make the required contributions may be fined and ordered to compensate the deficit within a stipulated time limit.

Pursuant to the Interpretation II of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》 "Interpretation II of Labor Dispute Cases"), which took effect on September 1, 2025, any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be deemed invalid by the people's court. If an employer fails to pay social insurance premiums in accordance with the law, and the employee requests to terminate the labor contract and claims economic compensation pursuant to the Labor Contract Law (《中華人民共和國勞動合同法》), the people's court shall support such claims in accordance with the law. In the circumstances described in the preceding paragraph, if the employer subsequently pays the social insurance premiums and requests the employee to return the compensation already paid for the social insurance premiums, the people's court shall support such requests in accordance with the law.

Laws and Regulations on Foreign Investment

On March 15, 2019, the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "Foreign Investment Law") was promulgated by the National People's Congress (the "NPC"). The Foreign Investment Law took effect on January 1, 2020, and the Sino-Foreign Equity Joint Ventures Law of the PRC (《中華人民共和國中外合資經營企業法》), the Wholly Foreign-Owned Enterprises Law of the PRC (《中華人民共和國外資企業法》) and the Sino-Foreign

Cooperative Joint Ventures Law of the PRC (《中華人民共和國合作經營企業法》) were abolished at the same time. Since then, the Foreign Investment Law has become the basic law regulating foreign-invested enterprises wholly or partially invested by foreign investors, while the organization form, institutional framework and standard of conduct of foreign-invested enterprises shall be subject to the provisions of the Company Law of the PRC (《中華人民共和國公司法》) and other laws.

The PRC implements a pre-access national treatment plus negative list management system for foreign investment, which means that foreign investors and their investments are given treatment no less favourable than that accorded to domestic investors and their investments at the stage of investment access; the so-called negative list refers to the special access management measures that the State has stipulated to be applied to foreign investment in specific areas, and the State grants national treatment to foreign investment that is not on the negative list.

The Special Administrative Measures for Foreign Investment Entry (Negative List) (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) issued by the NDRC and the MOFCOM on September 26, 2024 (the "Negative List"), which became effective on November 1, 2024 constitute the catalogue of industries restricted or prohibited for foreign investment, of which the Negative List has uniformly listed the special administrative measures, such as shareholding requirements and senior management requirements. Fields outside the Negative List are managed in accordance with the principle of consistency between domestic and foreign investments. Domestic enterprises engaging in businesses in the areas of investment prohibited by the Negative List that issue shares abroad and list them for trading shall be subject to the examination and consent of the relevant competent state authorities. Foreign investors shall not participate in the operation and management of the enterprise, and the proportion of their shareholding shall be implemented with reference to the relevant provisions on the management of domestic securities investment by foreign investors.

Laws and Regulations on Outbound Investment

Pursuant to the Administrative Measures on Outbound Investments (《境外投資管理辦法》) issued by the MOFCOM on March 16, 2009 and amended on September 6, 2014, and the Administrative Measures for the Outbound Investments of Enterprises (《企業境外投資管理辦法》) issued by the NDRC on December 26, 2017 and effective from March 1, 2018, if an enterprise in the territory of the PRC (the "Investor") intends to make outbound investments (the "Project"), it shall be subject to approval or filing for the Project, report relevant information, and cooperate with the supervisory inspections. The sensitive Projects invested directly by the Investor or through the foreign enterprises controlled by the Investor shall be subject to approval. The non-sensitive Projects invested directly by the Investor which involve the direct contribution of assets, rights and interests, or provision of financing or guarantee by the Investor shall be subject to filing.

Laws and Regulations on Information Security and Data Privacy

Data Security and Data Export

The SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) on June 10, 2021, which became effective from September 1, 2021, for the establishment of a data classification and grading protection system to conduct classified and hierarchical protection of data. Entities engaged in data processing activities shall, in accordance with laws and regulations, establish a sound full-process data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to ensure data security.

On December 28, 2021, the Cyberspace Administration of China (the "CAC") and other twelve PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "Cyber Review Measures"), which came into effect on February 15, 2022. The Cyber Review Measures stipulate that, among others, (i) when the purchase of network products and services by a critical information infrastructures operator (the "CIIO") (關

鍵信息基礎設施運營者) or the data processing activities conducted by a network platform operator (網絡平台運營者) affect or may affect national security, a cybersecurity review shall be conducted pursuant to the Cyber Review Measures; (ii) an application for cybersecurity review shall be made by an issuer who is a network platform operator holding personal information of more than one million users before such issuer applies to list its securities abroad; and (iii) the relevant PRC governmental authorities may initiate cybersecurity review if such governmental authorities determine that the issuer's network products or services, or data processing activities affect or may affect national security.

According to the Measures on Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》) issued by the CAC on July 7, 2022 and effective on September 1, 2022, a data processor that provides data overseas under any of the following circumstances shall apply to the national cyberspace administration for the security assessment of the outbound data transfer through local provincial cyberspace administration: (i) a data processor provides important data abroad; (ii) the CIIO or the data processor that has processed the personal information of more than 1 million people provides personal information abroad; (iii) the data processor that has provided the personal information of over 100,000 people or the sensitive personal information of over 10,000 people cumulatively since January 1 of the previous year provides personal information abroad; and (iv) any other circumstance where an application for the security assessment of outbound data transfer is required by the national cyberspace administration.

According to the Provisions on Promoting and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》), which was promulgated by the CAC on March 22, 2024 and came into effect on the same day, if the data have not been informed or publicly announced as important data by relevant departments or regions, data handlers are not required to declare security assessment for cross-border provision of the data as important data.

Personal Information Protection

According to the Civil Code of the PRC (《中華人民共和國民法典》), personal information of natural persons is protected by law. The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) promulgated by the SCNPC on August 20, 2021 and implemented on November 1, 2021 further emphasizes the obligations and responsibilities of processors for the protection of personal information, and requests higher level of protective measures on the processing of sensitive personal information.

According to the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) promulgated by the SCNPC on November 7, 2016 and effective on June 1, 2017, network operators must follow the principles of legality, legitimacy and necessity when collecting and using personal information, and obtain the consent of the person whose data is being collected. Network operators shall not collect personal information unrelated to the services they provide and are not allowed to leak, tamper with, or damage the personal information they collect. However, this does not apply to cases where a specific individual cannot be identified and the identity cannot be recovered after processing.

Laws and Regulations on Overseas Securities [REDACTED] and [REDACTED] by Domestic Companies

***CSRC Filing Requirements for Overseas* [REDACTED] *and* [REDACTED]**

On February 17, 2023, the China Securities Regulatory Commission (the "CSRC") promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "Overseas Listing Trial Measures") and relevant supporting guidelines, which came into effect on March 31, 2023. The Overseas Listing Trial Measures comprehensively improves and reforms the existing regulatory regime for overseas [**REDACTED**] and [**REDACTED**] of PRC domestic companies' securities and regulates both direct and indirect overseas [**REDACTED**] and [**REDACTED**] of PRC domestic companies' securities. Any domestic company that is deemed to conduct overseas [**REDACTED**]

and [**REDACTED**] activities shall file with the CSRC within three PRC business days after its [**REDACTED**] for [**REDACTED**] is submitted to competent overseas securities regulators in accordance with the Overseas Listing Trial Measures.

Overseas* [REDACTED] *Confidentiality and Archives Administration

According to the Provisions on Strengthening the Confidentiality and Archives Administration Concerning the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) jointly issued by the CSRC and other departments on February 24, 2023 and effective on March 31, 2023, in the overseas [**REDACTED**] and [**REDACTED**] activities of domestic enterprises, domestic enterprises, securities companies and securities service institutions that provide corresponding services shall strictly comply with the applicable laws and regulations of the PRC and satisfy the requirements of the Provisions, enhance the legal awareness of safeguarding state secrets and strengthening archives administration, establish and improve the confidentiality and archives work system, and take necessary measures to fulfill the confidentiality and archives administration obligations, and shall not divulge state secrets or work secrets of state organs, or harm the interests of the state or the public.

OVERVIEW OF LAWS AND REGULATIONS IN THE UNITED STATES

U.S. Government Regulation of Drug and Biological Products

In the U.S., the FDA regulates drugs. The Federal Food, Drug, and Cosmetic Act and other federal and state statutes and regulations, govern, the research, development, testing, manufacture, storage, recordkeeping, approval, labeling, promotion and marketing, distribution, post-approval monitoring and reporting, sampling, and import and export of drugs.

Approval Process

The FDA must approve any new drug or a drug with certain changes to a previously approved drug before a manufacturer can market it in the U.S. If a company does not comply with applicable U.S. requirements, it may be subject to a variety of administrative or judicial sanctions, such as FDA refusal to approve pending applications, warning or untitled letters, clinical holds, drug recalls, drug seizures, total or partial suspension of production or distribution, injunctions, fines, civil penalties, and criminal prosecution. The steps a company must complete before it can market a drug include: completion of pre-clinical laboratory tests, animal studies, and formulation studies, all performed in accordance with the FDA's good laboratory practice ("GLP") regulations; submission to the FDA of an investigational new drug ("IND") application for human clinical testing, which must become effective before human clinical studies start. The sponsor must update the IND application annually; approval of the study by an independent institutional review board ("IRB") or ethics committee representing each clinical site before each clinical study begins; performance of adequate and well-controlled human clinical studies to establish the safety and efficacy of the drug for each indication to the FDA's satisfaction; submission to the FDA of an NDA; potential review of the drug application by an FDA advisory committee, where appropriate and if applicable; satisfactory completion of an FDA inspection of the manufacturing facility or facilities to assess compliance with current good manufacturing practices ("cGMPs") or regulations; and FDA review and approval of the NDA.

It generally takes companies many years to satisfy the FDA approval requirements, but this varies substantially based upon the type, complexity, and novelty of the drug or disease. Pre-clinical tests include laboratory evaluation of a drug's chemistry, formulation, and toxicity, as well as animal trials to assess the characteristics and potential safety and efficacy of the drug. The conduct of the pre-clinical tests must comply with federal regulations and requirements, including GLP. The company submits the results of the pre-clinical testing to the FDA as part of an IND along with other information, including information about the drug's chemistry, manufacturing and controls, and a proposed clinical study protocol. Long term pre-clinical tests, such as animal tests of reproductive toxicity and carcinogenicity, may continue after submitting the initial IND.

The FDA requires a 30-day waiting period after the submission of each IND before the company can begin clinical testing in humans. The FDA may, within the 30-day time period, raise concerns or questions relating to one or more proposed clinical studies and place the study on a clinical hold. In such a case, the company and the FDA must resolve any outstanding concerns before the company begins the clinical study. Accordingly, the submission of an IND may or may not be sufficient for the FDA to permit the sponsor to start a clinical study. The company must also make a separate submission to an existing IND for each successive clinical study conducted during drug development.

Clinical Studies

Clinical studies involve administering the investigational new drug to healthy volunteers or patients under the supervision of a qualified investigator. The company must conduct clinical studies: in compliance with federal regulations; in compliance with good clinical practice ("GCP"), an international standard meant to protect the rights and health of patients and to define the roles of clinical study sponsors, administrators, and monitors; as well as under protocols detailing the objectives of the trial, the safety monitoring parameters, and the effectiveness criteria.

The company must submit each protocol involving testing on U.S. patients and subsequent protocol amendments to the FDA as part of the IND application. The FDA may order the temporary or permanent discontinuation of a clinical study at any time, or impose other sanctions, if it believes that the sponsor is not conducting the clinical study in accordance with FDA requirements or presents an unacceptable risk to the clinical study patients. The sponsor must also submit the study protocol and informed consent information for patients in clinical studies to an IRB for approval. An IRB may halt the clinical study, either temporarily or permanently, for failure to comply with the IRB's requirements, or may impose other conditions.

Companies generally divide the clinical investigation of a drug into three or four phases. While companies usually conduct these phases sequentially, they are sometimes overlapped or combined.

Phase 1. The company evaluates the drug in healthy human subjects or patients with the target disease or condition. These studies typically evaluate the safety, dosage tolerance, metabolism and pharmacologic actions of the investigational new drug in humans, the side effects associated with increasing doses, and, if possible, gain early evidence on effectiveness.

Phase 2. The company administers the drug to a limited patient population to evaluate dosage tolerance and optimal dosage, identify possible adverse side effects and safety risks, and preliminarily evaluate efficacy.

Phase 3. The company administers the drug to an expanded patient population, generally at geographically dispersed clinical study sites, to generate enough data to statistically evaluate dosage, clinical effectiveness and safety, to establish the overall benefit-risk relationship of the investigational drug, and to provide an adequate basis for product approval.

Phase 4. In some cases, the FDA may condition approval of an NDA for a drug on the company's agreement to conduct additional clinical studies after approval. In other cases, a sponsor may voluntarily conduct additional clinical studies after approval to gain more information about the drug. Such post-approval studies are typically referred to as Phase 4 clinical studies.

A pivotal study is a clinical study that adequately meets regulatory agency requirements to evaluate a drug's efficacy and safety to justify the approval of the drug. Generally, pivotal studies are Phase 3 studies, but the FDA may accept results from Phase 2 studies if the study design provides a well-controlled and reliable assessment of clinical benefit, particularly in situations in which there is an unmet medical need and the results are sufficiently robust.

The FDA, the IRB, or the clinical study sponsor may suspend or terminate a clinical study at any time on various grounds, including a finding that the research subjects are being exposed to an unacceptable health risk. Additionally, an independent group of qualified experts organized by the clinical study sponsor, known as a data and safety monitoring board, may oversee some clinical studies. This group provides authorization for whether or not a study may move forward at designated check points based on access to certain data from the study.

Submission of an NDA

After a company completes the required clinical testing, it can prepare and submit an NDA to the FDA, who must approve the NDA before a company can start marketing the drug in the U.S. An NDA must include all relevant data available from pertinent pre-clinical and clinical studies, including negative or ambiguous results as well as positive findings, together with detailed information relating to the drug's chemistry, manufacturing, controls, and proposed labeling, among other things. Data can come from company-sponsored clinical studies on a drug, or from a number of alternative sources, including studies initiated by investigators. To support marketing authorization, the data submitted must be sufficient in quality and quantity to establish the safety and effectiveness of the investigational drug to the FDA's satisfaction.

The cost of preparing and submitting an NDA is substantial. The submission of most NDAs is additionally subject to a substantial application user fee, and the manufacturer and/or sponsor under an approved NDA are also subject to annual program user fees. The FDA typically increases these fees annually. Orphan drug designation entitles a party to financial incentives such as opportunities for grant funding towards clinical study costs, tax advantages, and user-fee waivers.

The FDA has 60 days from its receipt of an NDA to determine whether it will accept the application for filing based on the agency's threshold determination that the application is sufficiently complete to permit substantive review. Once the FDA accepts the filing, the FDA begins an in-depth review. The FDA has agreed to certain performance goals in the review of NDAs. Under the Prescription Drug User Fee Act ("PDUFA"), the FDA has a goal of responding to standard review NDAs within ten months after the 60-day filing review period, but this timeframe is often extended. The FDA reviews most applications for standard review drugs within twelve months and most applications for priority review drugs within six to eight months. Priority review can be applied to drugs that the FDA determines offer major advances in treatment, or provide a treatment where no adequate therapy exists.

The FDA may also refer applications for novel drugs that present difficult questions of safety or efficacy to an advisory committee. This is typically a panel that includes clinicians and other experts that will review, evaluate, and recommend whether the FDA should approve the application. The FDA is not bound by the recommendation of an advisory committee, but it generally follows such recommendations. Before approving an NDA, the FDA will typically inspect one or more clinical sites to assure compliance with GCP, and will inspect the facility or the facilities at which the drug is manufactured. The FDA will not approve the drug unless compliance with cGMPs is satisfactory and the NDA contains data that provide evidence that the drug is safe and effective in the indication studied.

The FDA's Decision on an NDA

After the FDA evaluates the NDA and the manufacturing facilities, it issues either an approval letter or a complete response letter. A complete response letter indicates that the FDA has completed its review of the application, and the agency has determined that it will not approve the application in its present form. A complete response letter generally outlines the deficiencies in the submission and may require substantial additional clinical data and/or other significant, expensive, and time-consuming requirements related to clinical studies, pre-clinical studies and/or manufacturing. The FDA has committed to reviewing resubmissions of the NDA addressing such deficiencies in two or six months, depending on the type of information included. Even if such data is submitted,

the FDA may ultimately decide that the NDA does not satisfy the criteria for approval. Also, the government may establish additional requirements, including those resulting from new legislation, or the FDA's policies may change, which could delay or prevent regulatory approval of a company's drugs under development.

An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications. As a condition of NDA approval, the FDA may require a risk evaluation and mitigation strategy ("REMS") to help ensure that the benefits of the drug outweigh the potential risks. REMS can include medication guides, communication plans for healthcare professionals, special training or certification for prescribing or dispensing, dispensing only under certain circumstances, special monitoring, and the use of patient registries. The requirement for REMS can materially affect the potential market and profitability of the drug. Moreover, the FDA may condition approval on substantial post-approval testing and surveillance to monitor the drug's safety or efficacy. Once granted, the FDA may withdraw drug approvals if the company fails to comply with regulatory standards or identifies problems following initial marketing.

Changes to some of the conditions established in an approved application, including changes in indications, labeling, or manufacturing processes or facilities, require submission and FDA approval of a new NDA or NDA supplement before a company can implement the change. An NDA supplement for a new indication typically requires clinical data similar to that in the original application, and the FDA uses the same procedures and actions in reviewing NDA supplements as it does in reviewing new NDAs. As with new NDAs, the FDA often significantly extends the review process with requests for additional information or clarification.

Post-approval Requirements

The FDA regulates drugs that are manufactured or distributed pursuant to FDA approvals and has specific requirements pertaining to recordkeeping, periodic reporting, drug sampling and distribution, advertising and promotion and reporting of adverse experiences with the drug. After approval, the FDA must provide review and approval for most changes to the approved drug, such as adding new indications or other labeling claims. There also are continuing, annual user fee requirements for any marketed drugs and the establishments who manufacture our drugs, as well as new application fees for supplemental applications with clinical data.

In some cases, the FDA may condition approval of an NDA for a drug on the sponsor's agreement to conduct additional clinical studies after approval. In other cases, a sponsor may voluntarily conduct additional clinical studies after approval to gain more information about the drug. Such post-approval studies are typically referred to as Phase 4 clinical studies.

Drug manufacturers are subject to periodic unannounced inspections by the FDA and state agencies for compliance with cGMP requirements. There are strict regulations regarding changes to the manufacturing process, and, depending on the significance of the change, it may require prior FDA approval before we can implement it. FDA regulations also require investigation and correction of any deviations from cGMPs and impose reporting and documentation requirements upon a company and any third-party manufacturers that it may decide to use. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain compliance with cGMPs and other aspects of regulatory compliance.

The FDA may withdraw approval if a company does not comply with regulatory requirements and maintain standards or if problems occur after the drug reaches the market. If a company or the FDA discovers previously unknown problems with a drug, including adverse events of unanticipated severity or frequency, issues with manufacturing processes, or the company's failure to comply with regulatory requirements, the FDA may revise the approved labeling to add new safety information; impose post-marketing studies or other clinical studies to assess new safety risks; or impose distribution or other restrictions under a REMS program. Other potential consequences may include: restrictions on the marketing or manufacturing of the drug, complete withdrawal of the drug from the market or drug recalls; fines, warning letters or holds on

post-approval clinical studies; the FDA refusing to approve pending NDAs or supplements to approved NDAs, or suspending or revoking of drug license approvals; drug seizure or detention, or refusal to permit the import or export of drugs; or injunctions or the imposition of civil or criminal penalties.

The FDA strictly regulates marketing, labeling, advertising, and promotion of drugs that are placed on the market. Drugs may be promoted only for the approved indications and in accordance with the provisions of the approved label. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses. Violation of any of these laws and regulations could result in significant administrative, civil and criminal liability.

Expedited Development and Review Programs

The FDA has a number of programs intended to expedite the development or review of products that meet certain criteria. For example, new drugs are eligible for Fast Track Designation if they are intended to treat a serious or life-threatening disease or condition and demonstrate the potential to address unmet medical needs for the disease or condition. Fast Track Designation applies to the combination of the product and the specific indication for which it is being studied. The sponsor of a Fast Track product has opportunities for more frequent interactions with the review team during product development, and the FDA may consider for review sections of the NDA on a rolling basis before the complete application is submitted, if the sponsor provides a schedule for the submission of the sections of the NDA, the FDA agrees to accept sections of the NDA and determines that the schedule is acceptable, and the sponsor pays any required user fees upon submission of the first section of the NDA.

Any product submitted to the FDA for approval, including a product with a Fast Track Designation, may also be eligible for other types of FDA programs intended to expedite development and review, such as priority review and accelerated approval. A product is eligible for priority review if it has the potential to provide safe and effective therapy where no satisfactory alternative therapy exists or a significant improvement in the treatment, diagnosis or prevention of a disease compared to marketed products. The FDA will attempt to direct additional resources to the evaluation of an application for a new drug designated for priority review in an effort to facilitate the review. The FDA endeavors to review applications with priority review designations within six months of the filing date as compared to ten months for review of new molecular entity NDAs under its current PDUFA review goals.

In addition, a product may be eligible for accelerated approval. Drug products intended to treat serious or life-threatening diseases or conditions may be eligible for accelerated approval upon a determination that the product has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. As a condition of approval, the FDA may require that a sponsor of a drug receiving accelerated approval perform adequate and well-controlled post-marketing clinical trials. In addition, the FDA currently requires pre-approval of promotional materials as a condition for accelerated approval, which could adversely impact the timing of the commercial launch of the product.

The Food and Drug Administration Safety and Innovation Act established a category of drugs referred to as "breakthrough therapies" that may be eligible to receive Breakthrough Therapy Designation. A sponsor may seek FDA designation of a product candidate as a "breakthrough therapy" if the product is intended, alone or in combination with one or more other products, to treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the product may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. The designation includes all of the Fast Track program features, as well as more intensive FDA interaction and guidance. The Breakthrough Therapy Designation is a distinct status from both

accelerated approval and priority review, which can also be granted to the same drug if relevant criteria are met. If a product is designated as breakthrough therapy, the FDA will work to expedite the development and review of such drug.

Fast Track Designation, Breakthrough Therapy Designation, priority review, and accelerated approval do not change the standards for approval, but may expedite the development or approval process. Even if a product qualifies for one or more of these programs, the FDA may later decide that the product no longer meets the conditions for qualification or decide that the time period for FDA review or approval will not be shortened.

Healthcare Reform

In the U.S., the legislative landscape continues to evolve. In particular, there have been and continue to be a number of initiatives at the federal and state levels that seek to reform the way in which healthcare is funded and reduce healthcare costs. In March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2009 (collectively, the "Affordable Care Act"), was enacted, which includes measures that have significantly changed health care financing by both governmental and private insurers.

There have been judicial, Congressional and executive branch challenges and amendments to certain aspects of the Affordable Care Act. For example, on August 16, 2022, the Inflation Reduction Act of 2022 ("IRA") was signed into law, which among other things, extends enhanced subsidies for individuals purchasing health insurance coverage in Affordable Care Act marketplaces through plan year 2025. The IRA also eliminates the "donut hole" under the Medicare Part D program beginning in 2025 by significantly lowering the beneficiary maximum out-of-pocket cost and creating a new manufacturer discount program. It is possible that the Affordable Care Act will be subject to judicial or Congressional challenges in the future. It is unclear how such challenges and the healthcare reform measures of the second Trump administration will impact the Affordable Care Act.

In addition, other health reform measures have been proposed and adopted in the U.S. since the Affordable Care Act was enacted. For example, as a result of the Budget Control Act of 2011, as amended, providers are subject to Medicare payment reductions of 2% per fiscal year until 2032, unless additional Congressional action is taken. Further, the American Taxpayer Relief Act of 2012 reduced Medicare payments to several providers and increased the statute of limitations period for the government to recover overpayments from providers from three to five years. Additionally, on March 11, 2021, the American Rescue Plan Act of 2021 was signed into law, which eliminates the statutory Medicaid drug rebate cap, previously set at 100% of a drug's average manufacturer price, for single source and innovator multiple source drugs, effective January 1, 2024.

Further, there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several recent Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the cost of drugs under Medicare, and reform government program reimbursement methodologies for drugs. For example, the IRA, among other things, (1) directs the U.S. Department of Health and Human Services ("HHS") to negotiate the price of certain single-source drugs that have been on the market for at least 7 years covered under Medicare ("Medicare Drug Price Negotiation Program"), and (2) imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation. These provisions will take effect progressively starting in fiscal year 2023. On August 15, 2024, HHS announced the agreed-upon prices of the first ten drugs that were subject to price negotiations, although the Medicare Drug Price Negotiation Program is currently subject to legal challenges. On January 17, 2025, HHS selected fifteen additional products covered under Part D for price negotiation in 2025. Each year thereafter more Part B and Part D products will become subject to the Medicare Drug Price Negotiation Program. Further, on December 8, 2023, the National Institute of Standards and Technology published for comment a Draft Interagency Guidance Framework for Considering the

Exercise of March-In Rights, which for the first time includes the price of a product as one factor an agency can use when deciding to exercise march-in rights. While march-in rights have not previously been exercised, it is uncertain if that will continue under the new framework.

The current Trump administration is pursuing policies to reduce regulations and expenditures across government, including at HHS, the FDA, CMS and related agencies. These actions, presently directed by executive orders or memoranda from the Office of Management and Budget, may propose policy changes that create additional uncertainty. These actions may include, for example, directives to reduce agency workforce, program cuts, rescinding a Biden administration executive order tasking the Center for Medicare and Medicaid Innovation to consider new payment and healthcare models to limit drug spending and eliminating the Biden administration's executive order that directed HHS to establishing an AI task force and developing a strategic plan, and directing certain federal agencies to enforce existing law regarding hospital and price plan transparency and by standardizing prices across hospitals and health plans. Additionally, in its June 2024 decision in *Loper Bright Enterprises v. Raimondo*, the U.S. Supreme Court overturned the longstanding Chevron doctrine, under which courts were required to give deference to regulatory agencies' reasonable interpretations of ambiguous federal statutes. The *Loper Bright* decision could result in additional legal challenges to current regulations and guidance issued by federal agencies applicable to our operations, including those issued by the FDA. Congress may introduce and ultimately pass health care related legislation that could impact the drug approval process and make changes to the Medicare Drug Price Negotiation Program created under the IRA.

At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. For example, on January 5, 2024, the FDA approved Florida's Section 804 Importation Program ("SIP") proposal to import certain drugs from Canada for specific state healthcare programs. It is unclear how this program will be implemented, including which drugs will be chosen, and whether it will be subject to legal challenges in the U.S. or Canada. Other states have also submitted SIP proposals that are pending review by the FDA. It is possible that other healthcare reform measures may be adopted in the future, particularly in light of the recent U.S. Presidential and Congressional elections.

Patent Term Restoration and Marketing Exclusivity

After approval, owners of relevant drug or biological product patents may apply for up to a five-year patent extension to restore a portion of patent term lost during product development and FDA review of a BLA if approval of the application is the first permitted commercial marketing or use of a biologic containing the active ingredient under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Act. The allowable patent term extension is calculated as one-half of the product's testing phase, which is the time between IND and BLA submission, and all of the review phase, which is the time between BLA submission and approval, up to a maximum of five years. The time can be shortened if the FDA determines that the applicant did not pursue approval with due diligence. The total patent term after the extension may not exceed more than 14 years from the date of FDA approval of the product. Only one patent claiming each approved product is eligible for restoration, only those claims covering the approved product, a method for using it, or a method for manufacturing it may be extended, and the patent holder must apply for restoration within 60 days of approval. The United States Patent and Trademark Office (the "USPTO"), in consultation with the FDA, reviews and approves the application for patent term restoration. For patents that might expire during the application phase, the patent owner may request an interim patent extension. An interim patent extension increases the patent term by one year and the patent owner may apply for no more than four subsequent interim extensions. For each interim patent extension granted, the post-approval patent extension is reduced by one year. The director of the USPTO must determine that approval of the drug candidate covered by the patent for which a patent extension is being sought is likely. Interim patent extensions are not available for a drug candidate for which a BLA has not been submitted.

BIOSECURE Act

On December 18, 2025, the U.S. Senate passed the BIOSECURE Act as a part of the National Defense Authorization Act for Fiscal Year 2026, which was signed into law by the U.S. President. The BIOSECURE Act will prohibit the U.S. government from procuring biotechnology equipment or services from designated "biotechnology companies of concern," and will prohibit government contracts, loans and grants to any entity that uses biotechnology equipment or services from a designated "biotechnology company of concern." The BIOSECURE Act provides that any entity on the Department of Defense's section 1260H list of Chinese military companies operating in the U.S., as well as any of the entity's subsidiary, parent, or successor, will qualify as "biotechnology companies of concern." The U.S. government has the authority to identify additional entities for inclusion as "biotechnology companies of concern," specifically any entity that is subject to the administrative governance structure, direction, control, or operates on behalf of the government of a foreign adversary (defined by law to be China, Iran, North Korea, and Russia), is involved in the manufacturing, distribution, provision, or procurement of a biotechnology equipment or service, and poses a risk to the national security of the U.S. The prohibitions in the BIOSECURE Act will go into effect for new contracts, grants and loans issued 60 days after the Federal Acquisition Regulation is updated for entities drawn from the 1260H list, and within 180 days after the Federal Acquisition Regulation is updated for entities not included on the 1260H list.

OVERVIEW

The history of our Group dates back to January 11, 2013, when InventisBio Co., Ltd. (益方生物科技(上海)有限公司) ("**InventisBio Limited**"), our predecessor, was established in the PRC as a limited liability company. On December 9, 2020, InventisBio Limited was converted to a joint stock company with limited liability, and was renamed as InventisBio Co., Limited (益方生物科技(上海)股份有限公司). Our core management team has over 20 years of experience overseeing new drug R&D and managing scientific teams at major global pharmaceutical companies. For more information, see "Directors and Senior Management."

On July 25, 2022, our A Shares were listed on the Shanghai Stock Exchange STAR Market (stock code: 688382). See "— Corporate Development and Major Shareholding Changes" for more details.

DEVELOPMENT MILESTONES

The following table summarizes the key milestones in our business development.

Year	Event
2013	We were established in the PRC.
2015	Befotertinib (BPI-D0316) was selected for the EGFR T790M project as the pre-clinical candidate.
2016	We conducted series A financing.
	Befotertinib (BPI-D0316) was advanced with the IND application in the PRC.
2017	We conducted series B financing.
	The initial IND application for Befotertinib (BPI-D0316) was accepted in China.
	The initial IND application for Darbinurad (D-0120) was accepted in the US.
	We initiated the first Phase I clinical trial to evaluate the safety, tolerability, PK, PD and food effect on PD of Darbinurad (D-0120) under SAD in the US in September 2017.
2018	We submitted the initial IND application for Taragarestrant (D-0502) in the US, and the FDA subsequently granted us IND approval to conduct a Phase I clinical trial of Taragarestrant (D-0502) in February 2018.
	We completed the first Phase I clinical trial to evaluate the safety, tolerability, PK, and PD and food effect of Darbinurad (D-0120) under SAD in the US in February 2018.
	We initiated a Phase I clinical trial of Taragarestrant (D-0502) single agent and Taragarestrant (D-0502) in combination with palbociclib in women with advanced or metastatic ER+/HER2- breast cancer in China and the US in May 2018.
	We received IND approval from NMPA to conduct Phase I clinical trials of Taragarestrant (D-0502) in July 2018.
	We entered into a collaboration agreement for befotertinib (BPI-D0316) with Betta.

Year	Event
2019	We initiated the second Phase I clinical trial to evaluate the safety, tolerability PK, and PD of Darbinurad (D-0120) under MAD in the US in September 2019.
	We conducted series C financing.
2020	We received IND approvals from the U.S. FDA, the NMPA, the Ministry of Food and Drug Safety of South Korea, the Taiwan FDA to conduct the Phase I/II clinical trial of Garsorasib (D-1553) in September 2020, November 2020, November 2020 and December 2020, respectively.
	We received acknowledgment from Australia's TGA for the Phase I/II clinical trial of Garsorasib (D-1553) in September 2020.
	We completed the second Phase I clinical trial to evaluate the safety, tolerability PK, and PD of Darbinurad (D-0120) under MAD in the US in November 2020.
	We initiated the Phase I clinical study to evaluate the safety, tolerability, PK and efficacy of Garsorasib (D-1553) in patients with KRAS G12C mutated locally advanced or metastatic solid tumors in multiple regions in December 2020.
	We conducted series D financing.
	InventisBio Limited was converted to a joint stock company with limited liability, and was renamed as InventisBio Co., Limited (益方生物科技(上海)股份有限公司).
2021	We received approval from NMPA to conduct a registrational head-to-head Phase III clinical trial of Taragarestrant (D-0502), with fulvestrant injection as the control in October 2021.
	We received approval from the CDE to conduct a registrational Phase III clinical trial comparing the efficacy and safety of Taragarestrant (D-0502) with fulvestrant in patients with previously treated ER+/HER2- locally advanced or metastatic breast cancer in October 2021.
2022	We initiated the Phase II clinical study to evaluate the safety, tolerability, PK and efficacy of Garsorasib (D-1553) in patients with KRAS G12C mutated locally advanced or metastatic solid tumors in multiple regions in January 2022.
	We received the umbrella IND approval from CDE to conduct the clinical trial of D-2570 targeting plaque psoriasis in June 2022.
	Our A Shares were listed on the Shanghai Stock Exchange STAR Market (stock code: 688382), with total proceeds of approximately RMB2.08 billion raised.
	We initiated a Phase I clinical trial of D-2570 to evaluate the safety, tolerability, PK and food effects of D-2570 tablets in healthy subjects in China in August 2022.
	We initiated a registrational Phase III head-to-head clinical trial for Taragarestrant (D-0502) in China in September 2022.
2023	We initiated the Phase II clinical trial to evaluate efficacy and safety of darbinurad (D-0120) in combination with allopurinol in subjects with gout in the US in April 2023.
	Both first-line and second-line treatment indications of befotertinib (BPI-D0316), a third-generation EGFR tyrosine kinase inhibitor for the treatment of EGFR-mutated NSCLC, received NMPA marketing approvals in May 2023 and October 2023, respectively, which was successively included in the NRDL in December 2023 for second-line treatment indications and November 2024 for first-line treatment indications.

Year	Event
	We completed the Phase I clinical trial of D-2570 to evaluate the safety, tolerability, PK and food effects of D-2570 tablets in healthy subjects in China in June 2023.
	In August 2023, we entered into a License and Collaboration Agreement with CTTQ, under which we granted CTTQ an exclusive license to develop, register, manufacture and commercialize garsorasib (D-1553) in Chinese Mainland.
2024	We completed the Phase I clinical trial of Taragarestrant (D-0502) single agent and Taragarestrant (D-0502) in combination with palbociclib in women with advanced or metastatic ER+/HER2-breast cancer in China and the US in January 2024.
	We initiated a Phase II clinical trial of D-2570 to evaluate the efficacy and safety of D-2570 in patients with moderate-to-severe plaque psoriasis in China in January 2024.
	We completed the Phase I and Phase II clinical study to evaluate the safety, tolerability, PK and efficacy of Garsorasib (D-1553) in patients with KRAS G12C mutated locally advanced or metastatic solid tumors in multiple regions in November 2024.
	Garsorasib (D-1553) received marketing approval in Chinese Mainland in November 2024 for the treatment of previously treated KRAS G12C-mutated advanced NSCLC in November 2024.
2025	We completed Phase II clinical trial of D-2570 to evaluate the efficacy and safety of D-2570 in patients with moderate-to-severe plaque psoriasis in China in April 2025.
	We received CDE IND approval to conduct a head-to-head Phase III clinical trial of D-2570 (comparing it with deucravacitinib) for moderate-to-severe plaque psoriasis in August 2025.
	We initiated a Phase III clinical trial of D-2570 targeting moderate-to-severe plaque psoriasis in September 2025.
	Garsorasib (D-1553) was included in the NRDL in December 2025.
2026	We completed the Phase II clinical trial to evaluate efficacy and safety of darbinurad (D-0120) in combination with allopurinol in subjects with gout in the US in March 2026.

OUR SUBSIDIARIES

As of the Latest Practicable Date, we had five subsidiaries, which are wholly owned by the Company. The place of incorporation, date of incorporation and commencement of business, and principal business activities of each of our subsidiaries as of the Latest Practicable Date are shown below:

Name of subsidiary	Place of incorporation	Date of incorporation and commencement of business	Principal business activities
InventisBio Beijing	PRC	August 28, 2020	Research and development of pharmaceutical products

Name of subsidiary	Place of incorporation	Date of incorporation and commencement of business	Principal business activities
InventisBio US LLC ("**New InventisBio US**")	United States	May 26, 2020	Investment holding
InventisBio LLC ("**InventisBio US**")	United States	October 15, 2018	Research and development of pharmaceutical products
InventisBio Nexa Limited ("**InventisBio Nexa**")	Hong Kong	April 24, 2026	Biotechnology research, development and investment services
InventisBio Yiqi Beijing Limited (益祺生物科技(北京)有限公司) ("**Yiqi Beijing**")	PRC	June 3, 2026	Research and development of pharmaceutical products

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

Establishment and early history of our Company

In 2013, the predecessor of the Company, InventisBio Limited was established in the PRC as a limited liability company, with an initial registered capital of RMB500,000. At the time of its establishment, InventisBio Limited was indirectly controlled by Ms. Xinya Wang (汪新芽) ("**Ms. Wang**") as to 92% through Xinyu Keyin Investment Co., Ltd.* (新余科盈投資管理有限公司) ("**Xinyu Keyin**", formerly known as Suzhou Daying Investment Consulting Co., Ltd. (蘇州大盈投資咨詢有限公司)), a wholly-owned investment holding company established by Ms. Wang in 2009. In 2006, Ms. Wang's spouse founded ABA Chemicals Corporation (雅本化學股份有限公司) ("**ABA Chemicals**"), a company listed on the Shenzhen Stock Exchange (stock code: 300261.SZ), which is primarily engaged in research, production and sale of agrochemical and pharmaceutical intermediates. According to public information, Xinyu Keyin is one of the promoters of ABA Chemicals, and Ms. Wang and her spouse, each of whom is an Independent Third Party to the Company, are the de facto controllers of ABA Chemicals*(Note)*. Prior to the establishment of a stable corporate and governance structure, InventisBio Limited experienced a number of equity transfers and capital increases, and introduced several external investors.

Prior to Dr. Wang and Dr. Dai joining InventisBio Limited in 2015, InventisBio Limited was still at an exploratory stage in its innovative drug R&D. In 2015, Dr. Wang and Dr. Dai returned to China from the United States to pursue of innovative drugs R&D as their entrepreneurial focus, having worked for many years in key R&D positions at leading global pharmaceutical companies and accumulated extensive experience in innovative drug R&D. Certain early investors of InventisBio Limited, including Ms. Wang, were interested in investing in their business direction. Given the parties' shared vision and InventisBio Limited's existing status as a biopharmaceutical company with preliminary R&D work underway, the parties agreed that Dr. Wang and Dr. Dai would join InventisBio Limited and lead its business and R&D, while the relevant early investors, including Xinyu Keying, would transition to the role of financial investors. Accordingly, in November 2015, the respective early investors transferred their equity interests in InventisBio Limited to Dr. Wang and Dr. Dai, to introduce and incentivise them to serve as core management of the Company.

Note: Certain early shareholders of InventisBio Limited were also shareholders or employees of ABA Chemicals prior to Dr. Wang and Dr. Dai becoming shareholders of the Company. Between 2014 and 2016, the Company had procured R&D services for chemical products from ABA Chemicals, during which period Dr. Jiang served as a project manager at ABA Chemicals for coordinating such R&D services. Such transactions were conducted on an arm's length basis in the ordinary business course of business of the Company. The Company has operated independently from ABA Chemicals in terms of its business focus, R&D direction and operational management.

Following their joining Dr. Wang and Dr. Dai, as core members of its R&D team, took the lead in its innovative drug R&D activities, identifying the key drug targets to be prioritized, formulating the R&D direction of its product pipeline, and leading the preclinical and clinical development of its principal drug candidates, including D-0120, D-0502, D-1553 and BPI-D0316. In view of the significant contributions of Dr. Wang and Dr. Dai, in April 2016, the respective early investors, including Xinyu Keyin, transferred further equity interests in InventisBio Limited to Dr. Wang and Dr. Dai to further increase the equity interests held by its core management and align their interests with the Company's long-term development. As a result, (i) Dr. Wang and Dr. Dai started to exercise joint control over InventisBio Limited through their cooperation in management and R&D leadership, consistent voting arrangements and mutual agreement on major operational and strategic decisions; and (ii) Ms. Wang remained as a financial investor of InventisBio Limited.

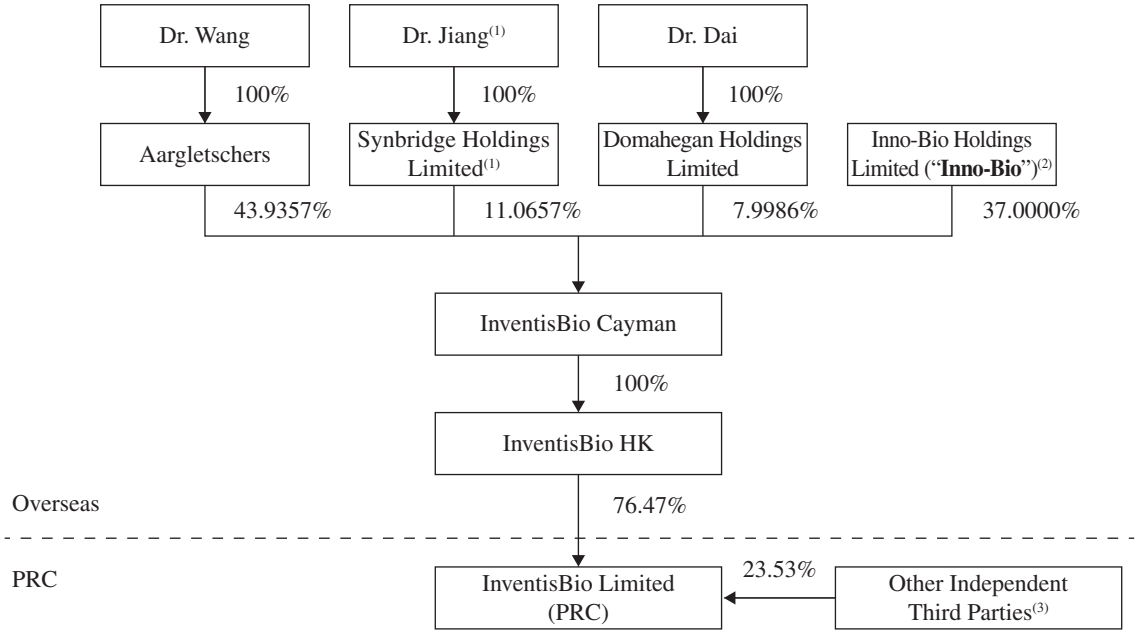
Upon completion of such shareholding changes, as of April 2016, InventisBio Limited was held by the following shareholders:

Name of the Shareholders of InventisBio Limited	Registered capital subscribed for	Corresponding equity interests in InventisBio Limited
Dr. Wang	16,500,000	55.00%
Dr. Dai	2,400,000	8.00%
Ms. Wang and her spouse	4,854,000	16.18%
Other Shareholders[1]	6,246,000	20.82%
Total	**30,000,000**	**100.00%**

Note (1): As of April 2016, there were other eight individual shareholders of InventisBio Limited, each holding less than 10% of the equity interests in InventisBio Limited. As of the Latest Practicable Date, each of these then other shareholders is an Independent Third Party.

Establishment of Red-chip Structure

In December 2016, to facilitate its private financing, the Company commenced the establishment of an offshore red-chip structure (the "**Red-chip Structure**"). InventisBio Cayman was incorporated as the offshore holding company, with InventisBio HK as its wholly-owned subsidiary and InventisBio Limited as a wholly-owned subsidiary of InventisBio HK. Upon the establishment of the offshore structure, the shareholders of InventisBio Limited at the time mirrored their respective equity interests in the offshore structure, such that the ultimate economic interests of such shareholders in InventisBio Limited remained substantially unchanged. Upon establishment of Red-chip Structure, as of March 2017, the shareholding structure of InventisBio Limited is set forth below:



Notes:

(1) Dr. Jiang served as a deputy general manager at ABA Chemicals from May 2012 to December 2016 and a deputy general manager at ABA Chemicals (Shanghai) Limited (上海雅本化學有限公司) ("**ABA Chemicals Shanghai**") from December 2016 to November 2018. During his tenure at ABA Chemicals and ABA Chemicals Shanghai, Dr. Jiang was involved in the provision of R&D services to the Company. In light of Dr. Jiang's professional capabilities and experience in particular in the R&D of innovative drug, Dr. Wang and Dr. Dai invited him to join the Group. During the process of establishment of the Red-chip Structure, based on the personal aspiration and intention to invest in and participate in the Company's innovative drug R&D business, Dr. Jiang acquired equity interests in the Company through share transfers from Dr. Wang and Dr. Dai. The aggregate shareholding interests of Dr. Wang, Dr. Dai and Dr. Jiang in InventisBio Limited remained unchanged before and after the establishment of the Red-chip Structure.

Following Dr. Jiang's resignation from ABA Chemicals Shanghai in November 2018, Dr. Jiang joined the Company on a full-time basis and has since then played an important role in the Company's innovative drug R&D activities. In light of his substantial contributions to the Company's innovative drug R&D activities and his integral role in the development of the Company's R&D platform and capital markets activities, Dr. Jiang became a party to the Concert Party Agreements and has subsequently become one of our de facto controllers since October 30, 2020 to reflect his role as a key contributor to the Company's long-term development, while facilitating stable and aligned decision-making at both the Shareholder and Board levels. For details, see ″Our Single Largest Group of Shareholders and Concert Party Agreements″ in this section below.

(2) Since its establishment and up to the Latest Practicable Date, Inno-Bio was wholly owned by Ms. Wang. During the process of establishment of Red-chip Structure, the equity interests held by certain minority shareholders of InventisBio Limited were ultimately transferred to Inno-Bio through a series of restructuring steps.

(3) Other Independent Third Parties included five pre-[**REDACTED**] investors of the Company, who remained their equity interests in InventisBio Limited to preserve flexibility in the shareholding structure and having regard to their respective investment arrangements at the relevant time.

Unwinding of Red-chip Structure

In July 2020, in preparation for its A Share listing, the Company dismantled its Red-chip Structure. Pursuant to a series of restructuring steps, InventisBio Cayman repurchased the shares held by its then shareholders (other than Aargletschers and Dr. Wang), and the corresponding registered capital of the Company was transferred to the relevant shareholders of InventisBio Cayman or their respective onshore successor entities on a one-to-one basis. As a result, the Company's shareholding structure was mirrored from offshore to onshore.

Conversion into a joint stock company in 2020

On December 9, 2020, upon registration with Shanghai Municipal Administration for Market Regulation (上海市市場監督管理局), InventisBio Limited was converted into a joint stock company with a registered share capital of RMB199.87 million and renamed as InventisBio Co., Limited (益方生物科技(上海)股份有限公司). According to the Shareholders' agreement into among the then Shareholders of our Company on October 30, 2020, (i) the redemption rights, anti-dilution rights and liquidation rights previously granted to such then Shareholders in our pre-[**REDACTED**] financing were terminated on October 31, 2020 ; and (ii) all other special rights were terminated on the day immediately prior to the submission date of the Company's A Share listing application.

The audited net assets of InventisBio Limited as of October 30, 2020, being RMB950,096,298, were converted into 460 million Shares with a nominal value of RMB1.00 per Share. Immediately after the completion of the conversion into a joint stock company, the shareholding structure of our Company was as follows:

Name of the Shareholder	Number of Shares held	Percentage of shareholding
	(0'000)	*%*
InventisBio HK[(1)]	11,032.9937	23.9848%
YUEHENG JIANG LLC[(2)]	2,682.5520	5.8316%
XING DAI LLC[(3)]	2,045.0445	4.4457%
LING ZHANG LLC[(4)]	310.8373	0.6757%
YAOLIN WANG LLC[(5)]	354.8953	0.7716%
Shanghai Yixi[(6)]	757.9081	1.6476%
Shanghai Yimu[(7)]	518.6650	1.1275%

Name of the Shareholder	Number of Shares held	Percentage of shareholding
	(0'000)	*%*
ABA-Bio (Hong Kong) Limited ("**ABA-Bio**")[8]	3,294.0037	7.1609%
LAV Apex Hong Kong Limited ("**LAV Apex HK**")	3,174.5895	6.9013%
LAV Alpha Hong Kong Limited ("**LAV Alpha HK**")	1,587.2909	3.4506%
Sunflower Light Hong Kong Limited	1,223.2007	2.6591%
OAP III (HK) Limited	3,717.9271	8.0825%
Box Hill Investment Limited	2,282.5165	4.9620%
Quick Win Ventures Limited	2,153.7403	4.6820%
Pudong Science and Technology (Cayman) Co., Ltd.	531.1616	1.1547%
Shanghai Fengduan Medical Technology Partnership (Limited Partnership) (上海豐端醫療科技合夥企業(有限合夥))	577.1530	1.2547%
HH SPR-XIV HK Holdings Limited	3,311.3839	7.1987%
LAV Inventis Hong Kong limited ("**LAV Inventis HK**")	522.4627	1.1358%
QM151 Limited	643.8802	1.3997%
Janchor Partners Pan-Asian Master Fund	643.8802	1.3997%
AIHC Master Fund	643.8802	1.3997%
Xiamen Dyee Evergreen Venture Capital Partnership (Limited Partnership) (廈門德屹長青創業投資合夥企業(有限合夥))	459.9144	0.9998%
Beijing Jingwei Chuangrong Investment Center (Limited Partnership) (北京經緯創榮投資中心(有限合夥))	459.9144	0.9998%
Shanghai Shengxin Enterprise Management Consulting Partnership (Limited Partnership) (上海嵊欣企業管理諮詢合夥企業(有限合夥))	321.9400	0.6999%
Yifang Huida Venture Capital (Guangdong) Partnership (Limited Partnership) (易方慧達創業投資(廣東)合夥企業(有限合夥))	459.9144	0.9998%
Yifang Zhida Venture Capital (Guangdong) Partnership (Limited Partnership) (易方致達創業投資(廣東)合夥企業(有限合夥))	607.0871	1.3198%
Shanghai Jiatianhan Investment Partnership (Limited Partnership) (上海佳添瀚投資合夥企業(有限合夥))	183.9658	0.3999%
Qingdao Xinhong Venture Capital Partnership (Limited Partnership) (青島信鴻創業投資合夥企業(有限合夥))	91.9828	0.2000%
Cosmic Warrior (HK) Limited	459.9144	0.9998%
Suzhou Likang Equity Investment Center (Limited Partnership) (蘇州禮康股權投資中心(有限合夥))	312.7417	0.6799%
Zhaoyin Growth No. 2 Investment (Shenzhen) Partnership (Limited Partnership) (招銀成長貳號投資(深圳)合夥企業(有限合夥))	115.8984	0.2520%
Zhuhai Growth Gongyin Venture Capital Fund (Limited Partnership) (珠海市成長共贏創業投資基金(有限合夥))	12.8775	0.0280%
Shanghai Zhangjia Huoju Venture Capital Investment Co., Ltd. (上海張江火炬創業投資有限公司)	275.9486	0.5999%
Shuibiao Wang (王水錶)	183.9658	0.3999%
Jingwei Zhang (張敬偉)	43.5999	0.0948%
Luwei Shi (史陸偉)[9]	0.0921	0.0002%

Name of the Shareholder	Number of Shares held	Percentage of shareholding
	(0'000)	*%*
Yuanyuan Wu (吳園園)[9]	0.0921	0.0002%
Anqi Qiu (裘安琪)[9]	0.0921	0.0002%
Xiaofeng Wang (王曉鳳)[9]	0.0921	0.0002%
Total	**46,000.0000**	**100.00%**

Notes:

(1) InventisBio HK is a company incorporated in Hong Kong. As at the Latest Practicable Date, InventisBio HK was wholly owned by InventisBio Cayman, which was ultimately wholly owned by Dr. Wang.

(2) YUEHENG JIANG LLC is a company incorporated in the United States, which was wholly owned by Dr. Jiang as of the Latest Practicable Date.

(3) XING DAI LLC is a company incorporated in the United States which was wholly owned by Dr. Dai as of the Latest Practicable Date.

(4) LING ZHANG LLC is a company incorporated in the United States. As at the Latest Practicable Date, LING ZHANG LLC was wholly owned by Dr. Ling Zhang, our chief medical officer and deputy general manager.

(5) YAOLIN WANG LLC is our Employee Shareholding Platform. As of the Latest Practicable Date, Dr. Hong Mei, our vice president of drug metabolism, was the managing member of YAOLIN WANG LLC, holding 10.70% interests thereof, and (b) YAOLIN WANG LLC had seven other members, including (i) Dr. Jiang (our executive Director, secretary of the Board and deputy general manager), holding approximately 33.86% of the interests thereof; (ii) Dr. Dai (our executive Director and deputy general manager), holding approximately 6.38% of the interests thereof; (iii) Dr. Zhang (our deputy general manager and chief medical officer), holding approximately 6.38% of the interests thereof; and (iv) Dr. Xiaojun Wang, an employee of our Group, holding approximately 31.26% of the interests thereof; (iv) three employees or former employees, who are not the Directors, senior management or connected person of our Company, holding approximately 11.44% of the interests in aggregate, each holding less than 30% of the interests therein.

(6) Shanghai Yixi is our Employee Shareholding Platform. As of the Latest Practicable Date, (a) Mr. Luwei Shi (史陸偉), our executive Director, has been the sole general partner of Shanghai Yixi since its establishment, holding 38.08% partnership interest; and (b) Shanghai Yixi had 25 limited partners, who are employees, and are not the Directors, senior management or connected person of our Company (holding approximately 61.92% of the partnership interests in Shanghai Yixi in aggregate, with their respective partnership interests less than 30%).

(7) Shanghai Yimu is our Employee Shareholding Platform. As of the Latest Practicable Date, (a) Mr. Fei Wang (王飛), our operations director, has been the sole general partner of Shanghai Yimu since its establishment, holding 25.62% partnership interest; and (b) Shanghai Yimu had 25 limited partners, including (i) Mr. Luwei Shi (our executive Director and finance director, holding approximately 9.61% of the partnership interests), and (ii) Dr. Zhe Shi (our deputy general manager of portfolio management, holding 31.06% partnership interests), and (iii) 23 employees, who are not the Directors, senior management or connected person of our Company, holding approximately 33.72% of the partnership interests in Shanghai Yimu in aggregate, with only one employee holding more than 30% of the partnership interests in Shanghai Yimu.

(8) As of the Latest Practicable Date, ABA-Bio is wholly owned by Inno-Bio, which is in turn wholly owned by Ms. Wang.

(9) As of the Latest Practicable Date, Mr. Luwei Shi is our executive Director and finance director. Each of Yuanyuan Wu, Anqi Qiu and Xiaofeng Wang is an employee of the Company.

A Shares offering and listing on the Shanghai Stock Exchange STAR Market in 2022

As approved by the CSRC, our A Shares were listed on the Shanghai Stock Exchange STAR Market with the stock code of 688382 on July 25, 2022. Upon completion of the A Shares offering, our registered share capital increased from RMB460 million to RMB575 million.

Adoption of the Restricted Share Incentive Schemes

In recognition of the contributions of our employees and to incentivize them to further promote our development, we adopted the 2022 Restricted Share Incentive Scheme in December 2022, and the 2026 Restricted Share Incentive Scheme in June 2026. As of the date of this Document, all RSUs under the Restricted Share Incentive Schemes were granted to the specified

participants. No further RSUs will be granted under the Restricted Share Incentive Schemes following the [**REDACTED**]. For further details of the Restricted Share Incentive Schemes, see "Statutory and General Information — Restricted Share Incentive Schemes" in Appendix IV to this Document.

Shareholding Structure as of the Latest Practicable Date

Save as disclosed above, as of the Latest Practicable Date, there have been no changes in the registered share capital of our Company and we have 579,592,004 A Shares in issue, all of which are listed and traded on the Shanghai Stock Exchange STAR Market.

As of Latest Practicable Date, the Company was held by the following Shareholders:

Name of the Shareholders	Number of A Shares held	Corresponding equity interests in our Company
InventisBio HK[(1)]	110,329,937	19.04%
YUEHENG JIANG LLC[(2)(7)]	26,825,520	4.63%
XING DAI LLC[(3)(7)]	20,450,445	3.53%
LING ZHANG LLC[(4)(7)]	3,108,373	0.54%
Employee Shareholding Platforms, namely YAOLIN WANG LLC[(7)], Shanghai Yimu and Shanghai Yixi	15,038,111	2.59%
ABA-Bio[(5)]	10,746,866	1.85%
LAV USD Group[(6)]	14,817,574	2.56%
Other A Shareholders	378,275,178	65.27%
Total	**579,592,004**	**100.00%**

Notes:

(1) InventisBio HK is a company incorporated in Hong Kong. As at the Latest Practicable Date, InventisBio HK was wholly owned by InventisBio Cayman, which was ultimately wholly owned by Dr. Wang.

(2) YUEHENG JIANG LLC is a company incorporated in the United States, which was wholly owned by Dr. Jiang as of the Latest Practicable Date.

(3) XING DAI LLC is a company incorporated in the United States, which was wholly owned by Dr. Dai as of the Latest Practicable Date.

(4) LING ZHANG LLC is a company incorporated in the United States. As at the Latest Practicable Date, LING ZHANG LLC was wholly owned by Dr. Ling Zhang, our chief medical officer and deputy general manager.

(5) As of the Latest Practicable Date, ABA-Bio is wholly owned by Inno-Bio, which is in turn wholly owned by Ms. Wang.

(6) Includes Shares held by LAV Apex HK, LAV Alpha HK and LAV Inventis. For details, see "Sophisticated Investor" in this section below.

(7) As confirmed by our U.S. legal advisers, Jun He Law Offices LLC, as of the Latest Practicable Date, the Biosecure Act, enacted on December 18, 2025 as part of the National Defense Authorization Act for Fiscal Year 2026 by the U.S. government, primarily restricts U.S. federal government procurement involving "biotechnology companies of concern" ("**BCC**") and does not impose general restrictions on private investments by U.S. persons. The Company is not a BCC and has not used or contracted for biotechnology equipment or services provided by a BCC. Accordingly, the Biosecure Act does not apply to, and has no material impact on, the investments of the Pre-[**REDACTED**] Investors incorporated in the U.S.

Our Single Largest Group of Shareholders and Concert Party Agreements

By reason of their concert party arrangements as detailed in the below, as of the Latest Practicable Date (a) Dr. Wang and his controlled entities, namely InventisBio HK, Aargletschers and InventisBio Cayman, (b) Dr. Jiang and YUEHENG JIANG LLC, and (c) Dr. Dai and XING DAI LLC, collectively controlled 27.19% voting rights at the Shareholders meeting of the Company and constitute our Single Largest Group of Shareholders.

On October 30, 2020, Dr. Wang, Dr. Jiang, Dr. Dai, Dr. Ling Zhang ("**Dr. Zhang**"), InventisBio HK, YUEHENG JIANG LLC, XING DAI LLC and LING ZHANG LLC entered into a concert party agreement. In June 2021, YAOLIN WANG LLC, one of our Employee Shareholding Platforms, entered into a supplemental agreement with the aforesaid parties (together, the "**Concert Party Agreements**"). Pursuant to the Concert Party Agreements, the parties acknowledged and confirmed that (1) Dr. Wang, Dr. Jiang and Dr. Dai confirmed their relationship of acting in concert in exercising the rights of the Shareholders of the Company. In the event the parties are unable to reach consensus on matters of our Company, each of the parties shall act in accordance with the instructions of Dr. Wang. In addition, Dr. Wang, Dr. Jiang and Dr. Dai are the de facto controllers of the Company; and (2) Dr. Ling Zhang and his wholly-owned subsidiary, LING ZHANG LLC, shall act in concert with the aforementioned de facto controllers, and act pursuant to the decisions of the de facto controllers in exercising relevant voting rights. The Concert Party Agreements shall be effective for a term of 36 months after the A Share listing date, being July 25, 2022, and will automatically renew for a period of five (5) years, unless otherwise terminated by a party upon expiration.

Upon expiry of the Concert Party Agreements in July 2025, (a) Dr. Zhang and LING ZHANG LLC agreed not to renew and ceased to be a party to the Concert Party Agreements for personal reasons and (b) YAOLIN WANG LLC agreed not to renew and ceased to be a party to the Concert Party Agreements given Dr. Wang ceased to be its managing member for administrative conveniences. On July 24, 2025, Dr. Wang, Dr. Jiang, Dr. Dai, InventisBio HK, YUEHENG JIANG LLC and XING DAI LLC entered into supplemental agreement to the Concert Party Agreements to reflect the aforesaid changes. As confirmed by the PRC Legal Adviser, the above changes did not change the scope of controlling shareholders and de facto controllers of the Company under A share listing rules and the relevant PRC laws and regulations. As such, regardless of the above changes, (i) the de facto controllers of the Company remained to be Dr. Wang, Dr. Jiang and Dr. Dai; and (ii) the controlling shareholders of the Company for the purpose of the applicable A shares listing rules remained to be InventisBio HK, YUEHENG JIANG LLC and XING DAI LLC.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

We had not carried out any major acquisitions, disposals or mergers during the Track Record Period and up to the Latest Practicable Date.

OUR LISTING ON THE SHANGHAI STOCK EXCHANGE STAR MARKET AND REASONS FOR THE [REDACTED]

Our A Shares has been listed on the Shanghai Stock Exchange STAR Market since July 2022. Our Directors confirmed that we had no instances of material non-compliance with the laws and regulations in the PRC applicable to our A Share listing since our listing on the Shanghai Stock Exchange STAR Market and, to the best knowledge of our Directors after having made all reasonable enquiries, there was no material matter that should be brought to [**REDACTED**] attention in relation to our compliance record on the Shanghai Stock Exchange STAR Market.

Our Directors confirmed that, and our PRC Legal Adviser is of the view that the Group had complied with all applicable securities laws and regulations in the PRC in relation to its A Share listing on the Shanghai Stock Exchange STAR Market in all material respects throughout the Track Record Period and up to the Latest Practicable Date. Based on the independent due diligence conducted by the Sole Sponsor and our PRC Legal Adviser's view as set out above, nothing has come to the Sole Sponsor's attention that would cause them to have reasonable doubt about our Directors' confirmation with regard to the compliance record of the Company on the Shanghai Stock Exchange STAR Market in all material respects.

Our Company is seeking a [**REDACTED**] of its H Shares on the Hong Kong 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 strengthen our business profile and global presence, as described in more details in the section headed "Future Plans and Use of [**REDACTED**]" in this Document.

SOPHISTICATED INVESTOR

Since the establishment of our Company, we have received investments from a number of financial investors including the Sophisticated Investor, namely LAV USD Group, which first invested in us in October 2016 and held approximately 2.56% of the total issued share capital of our Company as of the Latest Practicable Date.

LAV Apex HK is a limited liability company incorporated in Hong Kong in June 2020, and is wholly owned by LAV Biosciences Fund III, L.P. ("**LAV III**") as of the Latest Practicable Date. LAV Alpha HK is a limited liability company incorporated in Hong Kong in June 2020, and is wholly owned by Lilly Asia Ventures Fund III, L.P. ("**Lilly Asia Ventures III**") as of the Latest Practicable Date. LAV Inventis HK is a limited liability company incorporated in Hong Kong in August 2020, and is wholly owned by LAV Biosciences Fund V, L.P. ("**LAV V**") as of the Latest Practicable Date. Each of LAV III, Lilly Asia Ventures III, and LAV V is controlled by LAV USD Group ("**LAV USD**") and ultimately by Dr. Yi Shi. Each of LAV III, Lilly Asia Ventures III and LAV V is independent from our Single Largest Group of Shareholders.

LAV USD is within a group of offshore investment vehicles, the investments of which are denominated in U.S. dollar, controlled by Dr. Yi Shi ("**LAV USD Group**"). As of the Latest Practicable Date, LAV USD Group had assets under management of over US$4 billion and invested in over one hundred portfolios covering all major sectors of the biomedical and healthcare industry including biopharmaceuticals, medical devices, diagnostics and healthcare services, examples including ArriVent BioPharma, Inc., a company listed on the NASDAQ (symbol: AVBP), Abbisko Cayman Limited, a company listed on the Stock Exchange (stock code: 2256) and Jacobio Pharmaceuticals Group Co., Ltd., a company listed on the Stock Exchange (stock code: 1167).

PUBLIC FLOAT AND FREE FLOAT

Satisfaction of the Public Float Requirement

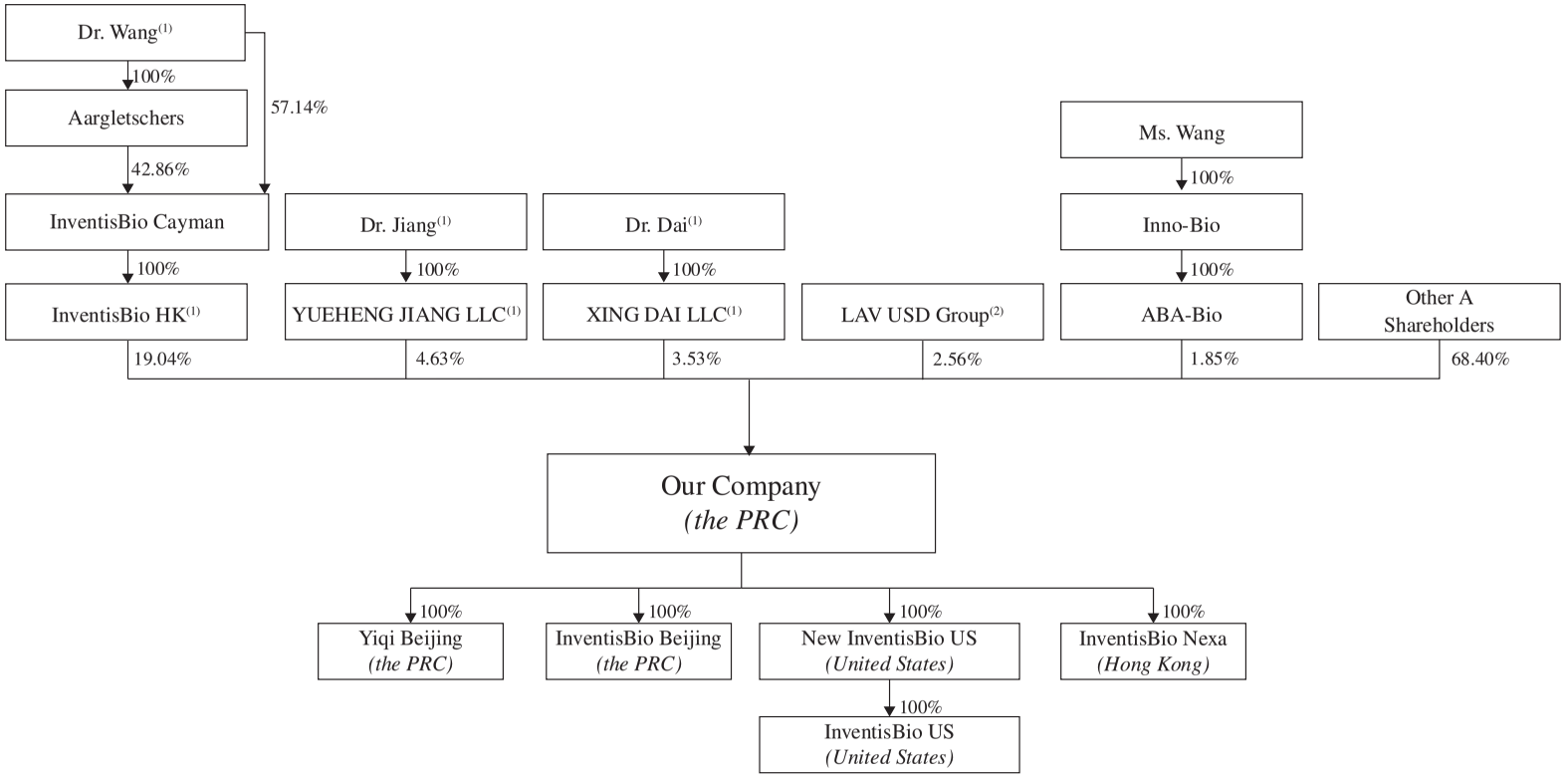
Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules provides that, where a new [**REDACTED**] is a PRC issuer with other [**REDACTED**] shares at the time of [**REDACTED**], this will normally mean that the portion of H shares for which [**REDACTED**] is sought that are held by the public, at the time of [**REDACTED**], must (a) represent at least 10% of the issuer's total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK$3,000,000,000.

So far as our Directors are aware, all [**REDACTED**] H Shares to be issued pursuant to the [**REDACTED**], representing approximately [**REDACTED**]% of our total issued share capital immediately upon [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**]), will be held by the public and counted towards the public float for the purpose of Rule 19A.13A of the Listing Rules at the time of the [**REDACTED**]. Accordingly, at the time of [**REDACTED**], we will maintain a sufficient public float as required under Rule 19A.13A(2) of the Listing Rules where at least 10% of our Company's total number of issued shares will be held by the public.

[**REDACTED**]

SHAREHOLDING STRUCTURE IMMEDIATELY PRIOR TO THE [REDACTED]

The following chart sets forth our shareholding structure and subsidiaries immediately prior to the [**REDACTED**], assuming that no new Shares are issued under the Restricted Share Incentive Schemes, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**]:



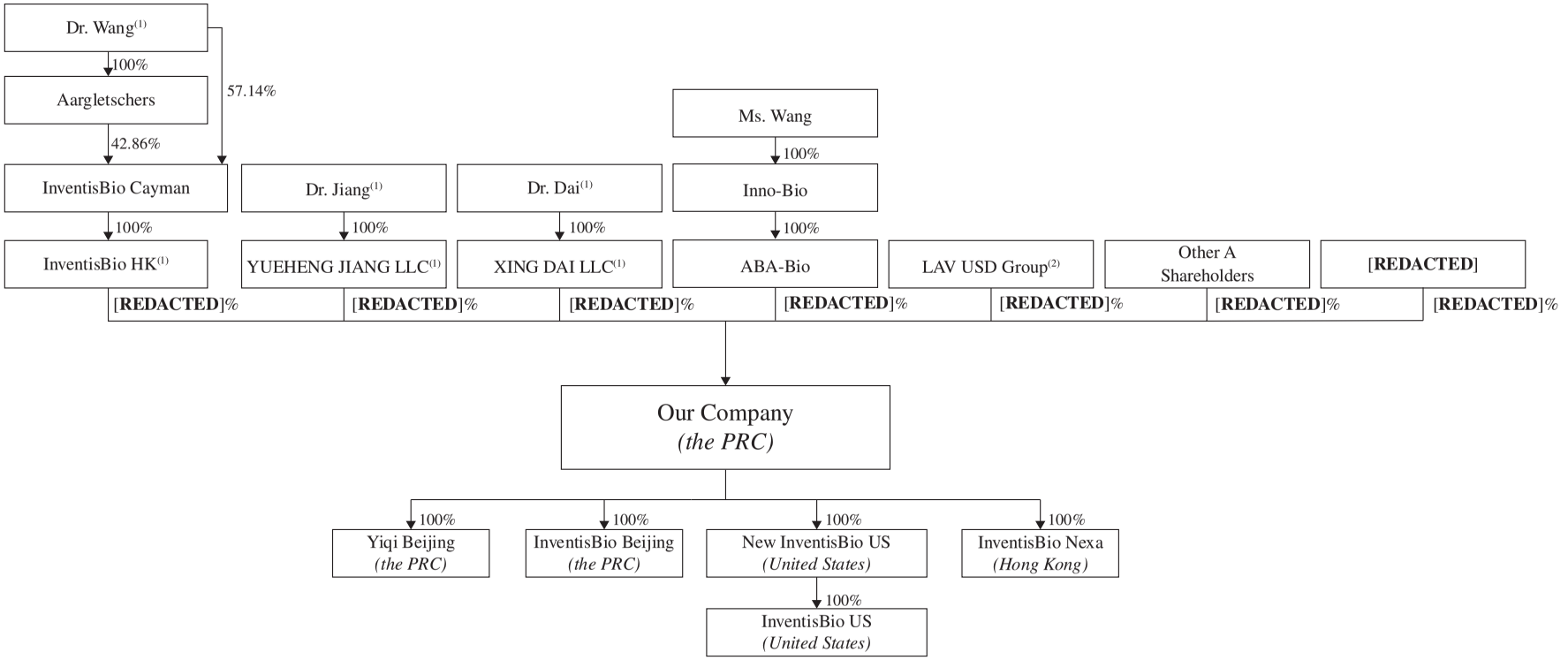
Notes

(1) Pursuant to the Concert Party Agreements and its supplemental agreement, Dr. Wang, Dr. Jiang, Dr. Dai, InventisBio HK, YUEHENG JIANG LLC and XING DAI LLC shall act in concert in exercising their rights as Shareholders of the Company. For further details of the Concert Party Agreements, see the paragraph headed "History, Development and Corporate Structure — Our Single Largest Group of Shareholders and Concert Party Agreements".

(2) Includes Shares held by LAV Apex HK, LAV Alpha HK and LAV Inventis. For details, see "Sophisticated Investor" in this section above.

SHAREHOLDING STRUCTURE IMMEDIATELY FOLLOWING THE COMPLETION OF THE [REDACTED]

The following chart sets forth our shareholding structure and subsidiaries immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised, no new Shares are issued under the Restricted Share Incentive Schemes, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**]):



Notes: See notes (1) to (2) of the sub-section headed "— Shareholding Structure Immediately prior to the [**REDACTED**]" in this section above for details.

OVERVIEW

Who we are

Founded in 2013, we are a biopharmaceutical company focused on oncology, autoimmune diseases and metabolic disorders. We have eight product candidates, including two self-developed Core Products D-2570 and taragarestrant (D-0502). D-2570 is intended for the treatment of autoimmune diseases (including psoriasis, ulcerative colitis ("UC"), systemic lupus erythematosus ("SLE"), psoriatic arthritis "PsA"), and vitiligo), and taragarestrant (D-0502) is intended for the treatment of ER+/HER2- breast cancer. Both Core Products are currently under Phase III clinical trials.

The A Shares of our Company have been listed on the Shanghai Stock Exchange STAR Market (stock code: 688382) since July 2022.

We have built a product pipeline spanning multiple disease areas, including breast cancer, colorectal cancer ("CRC"), non-small cell lung cancer ("NSCLC"), psoriasis, UC, SLE, PsA, vitiligo and gout. Within our clinical-stage pipeline, our Core Products tyrosine kinase 2 ("TYK2") inhibitor D-2570 and oral estrogen receptor degrader ("SERD") taragarestrant (D-0502) are both advancing through Phase III registration trials, while our urate transporter 1 ("URAT1") inhibitor darbinurad (D-0120) has completed a Phase IIb clinical trial. In addition, we maintain a robust pipeline of preclinical candidates, including the Werner syndrome protein ("WRN") inhibitor YF087, the kinesin family member 18A ("KIF18A") inhibitor YF550, and the oral signal transducer and activator of transcription 6 ("STAT6") degrader YF057, demonstrating our sustained capacity for innovation.

Our pipeline is clearly structured and supported by growth momentum. Two of our key assets — befotertinib (BPI-D0316), a third-generation EGFR inhibitor, and garsorasib (D-1553), a KRAS G12C inhibitor — have already been approved for marketing in China and included in China's National Reimbursement Drug List ("NRDL"), marking our transition into a stage of commercial value realization.

Our product pipeline

All of our products are protected by global intellectual property rights, and we have established collaborations with leading biotech and pharmaceutical companies, including Betta Pharmaceuticals Co., Ltd. ("Betta"), Chia Tai Tianqing Pharmaceutical Group Co., Ltd. ("CTTQ") and InxMed Co. Ltd. ("InxMed"). As of the Latest Practicable Date, our product pipeline comprises two commercialized products, three clinical-stage drug candidates, and a portfolio of preclinical programs, covering the full spectrum from early-stage research to commercial execution. The chart below summarizes the development status of our clinical-stage pipeline products, all of which are self-developed, as of the Latest Practicable Date.

	Candidate	Target/ MoA	Indication, (Lines of Treatment)	Mono/ Combo	IND	Phase I	Phase II	Phase III	Competent Authority	Current Status/ Upcoming Milestones	Rights
Oncology	Taragarestrant (D-0502)★	ER	Advanced or metastatic ER+/HER2- breast cancer (2L+)	Mono	China				NMPA	Submit NDA in H1 2028	Global
				Mono/Combo + TROP2/HER3 ADC	U.S.				FDA	Phase I trial completed	
					China				NMPA	Complete Phase II trial in H2 2028	
Autoimmune and Metabolic Diseases	D-2570 ★	TYK2	Moderate-to-severe Plaque Psoriasis	Mono	China, registration trial				NMPA	Submit NDA in H2 2027	Global
				Mono	China, head-to-head trial				NMPA	Complete Phase III trial in H2 2027	
				Mono	U.S.				FDA	Complete Phase II trial in Q1 2028	
			Moderate-to-severe active Ulcerative Colitis	Mono	China				NMPA	Complete Phase II trial in Q1 2027	
			Active SLE	Mono	China				NMPA	Complete Phase II trial in H2 2028	
			Active PsA	Mono	China				NMPA	Complete Phase II trial in H2 2028	
			Nonsegmental Vitiligo	Mono	China				NMPA	Complete Phase II trial in H2 2028	
	Darbinurad (D-0120)	URAT1	Gout	Mono	China				NMPA	Phase II trial completed	Global
				+ Allopurinol	U.S.				FDA	Phase II trial completed	
Preclinical	YF087	WRN	Advanced or metastatic solid tumors (2L+)	Mono	IND approved				NMPA	Initiate Phase I trial in Q4 2026	Global
	YF550	KIF18A	Advanced solid tumors with chromosomal instability (later-line)	Mono	IND				NMPA	Obtain IND approval in Q4 2026	Global
	YF057	STAT6	Atopic dermatitis and asthma	Mono	Lead optimization				FDA	Submit IND in Q2 2027	Global

★ Core Product

Notes:

1. Abbreviations: MoA = Mechanism of Action, IND = Investigational New Drug, NDA = New Drug Application, NMPA = the National Medical Products Administration of China, FDA = the Food and Drug Administration of the United States, SERD = Selective Estrogen Receptor Degrader, TYK2 = Tyrosine Kinase 2, URAT1 = Urate Transporter 1, WRN = Werner Syndrome RecQ Like Helicase, KIF18A = Kinesin Family Member 18A, STAT6 = Signal Transducer and Activator of Transcription 6, ER+ = Estrogen Receptor Positive, HER2 = Human Epidermal Growth Factor Receptor 2, SLE = Systemic Lupus Erythematosus, PsA = Psoriatic Arthritis, MSI-high = Microsatellite Instability-high, CIN+ = Chromosomal Instability-positive.

2. For taragarestrant (D-0502), the NMPA exempted the Phase II clinical trial based on the finding that the Phase I clinical trial results as of July 19, 2021, which was considered to have generated sufficient clinical data for the safety and efficacy evaluation of D-0502 monotherapy dosed at 400mg OD. With that, the NMPA approved our application to directly proceed with a Phase III clinical trial designed to evaluate the safety and efficacy of D-0502 monotherapy at 400 mg QD without the need to conduct a Phase II clinical trial. After completing the Phase I clinical trial of D-0502, which took place in China and the U.S., we have not conducted further clinical trials of D-0502 in the U.S. and have no concrete clinical development plan for D-0502 in the U.S.

3. For darbinurad (D-0120), we have completed the Phase II clinical trial for combination therapy in the U.S. in March 2026. We are actively seeking strategic partners to support the continued overseas development of darbinurad (D-0120). In China, after completing the Phase II clinical trial, we are now in discussions with CDE regarding the next steps. We may either launch a Phase III clinical trial for monotherapy, or submit an IND to initiate a Phase II clinical trial for combination therapy in China.

Core Products

Our Core Product D-2570 is a self-developed, orally administered, selective TYK2 allosteric inhibitor for the treatment of psoriasis and other autoimmune diseases. Our Phase II clinical trial in moderate-to-severe psoriasis delivered favorable results, with efficacy significantly higher than both placebo and approved products of the same class (based on published clinical data), while maintaining safety and tolerability. We have agreed with the NMPA on the Phase III clinical trial protocol and have initiated the registrational Phase III clinical trial in September 2025 and a head-to-head Phase III clinical trial in January 2026. In parallel, we have also commenced Phase II clinical trials targeting moderate-to-severe active UC, active SLE, active PsA and nonsegmental vitiligo in China, and a Phase II clinical trial targeting moderate-to-severe plaque psoriasis in the U.S.

Our Core Product Taragarestrant (D-0502) is a self-developed, oral SERD for the treatment of ER positive ("ER+")/HER2 negative ("HER2-") breast cancer. It is currently undergoing a registrational Phase III head-to-head clinical trial in China against the standard of care, and a Phase II clinical trial initiated in March 2026 in combination with JSKN016, an ADC drug candidate. Taragarestrant has demonstrated antitumor activity, a favorable safety profile, and good bioavailability.

Other Clinical-Stage Products

Darbinurad (D-0120) is a self-developed URAT1 inhibitor for the treatment of gout. The Phase IIb clinical trial conducted in China was completed in November 2024, with early results showing robust uric acid lowering effects and favorable safety and tolerability. In parallel, the Phase II clinical trial for darbinurad (D-0120) and allopurinol combination therapy in the U.S. was completed in March 2026.

Commercialized Products

Befotertinib (賽美納®, 貝福替尼, BPI-D0316)

Befotertinib (BPI-D0316) is a third-generation EGFR tyrosine kinase inhibitor ("TKI") for the treatment of EGFR-mutated NSCLC. Following receiving the IND approval from the CDE to initiate a Phase II clinical trial, we entered into a collaboration with Betta covering development and commercialization within the designated territories (Chinese Mainland, Hong Kong, and Taiwan). Under this partnership, Betta is responsible for development and commercial sales within the designated territories. Both first-line and second-line treatment indications were approved in

Chinese Mainland in 2023, and befotertinib (BPI-D0316) was firstly included in the NRDL in the same year. We are currently working with Betta to advance additional late-stage clinical studies in China, including postoperative adjuvant therapy.

Garsorasib (安方寧®, 格索雷塞, D-1553)

Garsorasib (D-1553) is a KRAS G12C inhibitor and the first domestically developed drug targeting this mutation to enter clinical development in China. In August 2023, we entered into a License and Collaboration Agreement with CTTQ (the "CTTQ Agreement"), granting it exclusive rights during the agreement term to develop, register, manufacture, and commercialize garsorasib (D-1553) in Chinese Mainland. The product received marketing approval in Chinese Mainland in November 2024 for the treatment of previously treated KRAS G12C-mutated advanced NSCLC and received a Grade I recommendation in the 2025 CSCO Guidelines for the Diagnosis and Treatment of NSCLC. Garsorasib (D-1553) has been included in the NRDL in December 2025. Recent clinical results show that garsorasib (D-1553), whether used as monotherapy or in combination therapy, achieves robust efficacy and maintains a favorable safety profile in both NSCLC and CRC. Notably, the results from garsorasib (D-1553) and ifebemtinib combination therapy suggest promising potential for use in earlier-line treatment settings.

Preclinical Pipeline

We have built a rich and differentiated preclinical pipeline adopting potentially breakthrough therapeutic targets and modalities. In oncology, our preclinical candidates YF087 and YF550 are representative programs in the field of synthetic lethality, with target selection and antitumor activity validated in multiple preclinical studies. Other than the commercialized poly (ADP-ribose) polymerase ("PARP") inhibitors, no synthetic-lethality therapies have been successfully launched worldwide, and we are among the few companies globally advancing multiple pipelines in this emerging area. In autoimmune disease, our STAT6 degrader YF057 is designed as a potential oral alternative to IL-4Rα antibody therapies, with a focus on developing transformative treatments for atopic dermatitis ("AD") and asthma.

Leveraging our deep understanding in small-molecule drug design and discovery, we are also prioritizing the optimization of ADC linker and payload designs to build a next-generation ADC platform with an expanded therapeutic window for better efficacy and safety than current approved therapies. We plan to develop drug candidates based on this next-generation ADC platform in the future.

Our Collaborations

We have established extensive and close clinical collaborations with major medical centers and leading clinical experts worldwide, laying a solid foundation for high-quality, globally oriented clinical development. In addition, we have partnered with a number of prominent biotech and pharmaceutical companies, including Betta, CTTQ and InxMed, to advance multiple clinical assets. These collaborations provide strategic synergy and meaningful support for both the development and future commercialization of our pipeline.

Our Management

Our core management team has over 20 years of experience overseeing new drug R&D and managing scientific teams at major global pharmaceutical companies. The management team possesses a well-balanced expertise mix that spans the entire drug development lifecycle, including target identification and validation, medicinal chemistry optimization, CMC, as well as clinical development and regulatory affairs. This combination of deep industry experience and global perspective forms the core engine of our R&D organization, enabling us to rapidly initiate new programs, efficiently advance critical development activities, and continuously generate globally competitive innovations.

Our Path Forward

Our comprehensive and high-performing R&D capabilities serve as the driving force for our long-term sustainable innovation. Led by Dr. Yaolin Wang and a seasoned management team with technical expertise and global experience, we have built a research and clinical development team with scientific insight and execution capability. Leveraging our fully integrated, end-to-end R&D platform, we aim to continue delivering globally competitive candidates.

OUR COMPETITIVE STRENGTHS

A Pharmaceutical Translation Engine Powered by an Experienced R&D Team and an Established R&D Platform

Scientific Insight and Execution Enabled by Validated In-House R&D Capabilities

Strong scientific capabilities and execution underpin our innovation and core competitive advantage. Every asset in our pipeline has been internally discovered and independently developed, with global intellectual property protection. All core activities, from target selection, molecule design, pharmacology evaluation and CMC development to clinical development and regulatory submissions, are completed by our in-house teams. Since Dr. Yaolin Wang returned to China to lead our development in 2015, we have, in less than a decade, successfully commercialized two small-molecule new drugs, advanced two candidates into Phase III registration trials, one into Phase II clinical development, and built a robust preclinical pipeline.

A Potential Best-in-Class Oral TYK2 Inhibitor in Phase III Stage: D-2570, our selective oral TYK2 inhibitor, is being developed for psoriasis and other autoimmune diseases. Phase II results in moderate-to-severe psoriasis demonstrated efficacy substantially higher than approved oral TYK2 inhibitors (based on published article comparisons), while maintaining favorable safety and tolerability.

An Oral SERD in Phase III Stage: Taragarestrant ("D-0502") is an oral SERD for ER+/HER2- breast cancer. Its registrational Phase III head-to-head study against fulvestrant is progressing, positioning it to become the first domestically developed oral SERD.

A Competitive URAT1 Inhibitor for the Treatment of Gout: Darbinurad (D-0120) inhibits URAT1, which blocks renal uric acid reabsorption and lowers serum uric acid. Its Phase IIb clinical trial conducted in China was completed in November 2024. In parallel, the Phase II combination therapy study in the U.S. was completed in March 2026.

A Rich and Differentiated Preclinical Pipeline: In March 2025, preclinical data from our candidates YF087, a selective and potent inhibitor of the synthetic-lethality target WRN, and YF550, a small-molecule candidate targeting KIF18A, were selected for the Breakthrough Research poster sessions at the 2025 American Association for Cancer Research ("AACR") Annual Meeting. Both candidates demonstrated robust antitumor activity across multiple tumor models, providing support for their subsequent clinical development.

Two Commercialized New Drugs: Befotertinib (賽美納®, 貝福替尼, BPI-D0316) is a third-generation EGFR-TKI for EGFR-mutated NSCLC. Both first-line and second-line indications were approved in China in 2023, and the drug was firstly included in the NRDL in the same year. Garsorasib (安方寧®, 格索雷塞, D-1553) is a KRAS G12C inhibitor and the first domestic program targeting this mutation to reach clinical development. It received marketing approval in China in November 2024 for previously treated KRAS G12C-mutated advanced NSCLC and received a Grade I recommendation in the 2025 Chinese Society of Clinical Oncology ("CSCO") NSCLC Guidelines. Garsorasib (D-1553) was also included in the NRDL in December 2025.

Systematic Global Clinical Development Capabilities as a Core Competitive Advantage and Strategic Pillar

Experienced R&D Leaders and a Scientifically Rigorous Clinical Development Framework

Our global clinical R&D team is headed by Chief Medical Officer Dr. Ling Zhang, a veteran with over two decades of experience in multinational pharmaceutical companies and a track record that includes major contributions to the development of Keytruda®, Temodal®, and Turalio®. Our

team includes members with extensive multinational pharmaceutical company backgrounds and proven capabilities in executing global programs. As of the Latest Practicable Date, our clinical development team consisted of 68 members, over 41% of whom have obtained post-graduate degrees. By combining deep understanding of MOA, disease epidemiology, standards of care, and unmet medical needs, our R&D team develops rigorous and scientifically grounded clinical development strategies.

Clinical Execution and Development Efficiency

We have developed a three-pillar clinical acceleration model: (i) deep mechanistic understanding of target biology to define the most appropriate regulatory pathway; (ii) prioritization of indications that enable rapid proof-of-concept based on molecule-specific attributes (such as blood — brain barrier penetration); and (iii) the clinical team's extensive experience in guiding optimal trial design and pathway selection. Collectively, these pillars form a distinct efficiency advantage that drives rapid progression toward pivotal development.

A Global Clinical Collaboration Ecosystem

To support the global advancement of our clinical programs, we have built collaborations with top Class III Grade A Hospitals in China, renowned international medical centers, and leading experts in the field. Our clinical operation model integrates the strengths of both markets: an in-house CRA team in China for faster enrollment and late-stage quality control, and established CRO partnerships and local in-house project managers in the U.S. for efficient clinical strategy execution. Our clinical operational management follows bilingual standards, which better prepare us for global trial executions.

Proven Track Record of Achievements

We have a track record of advancing programs through clinical registration pathways. Garsorasib (D-1553) received CDE Breakthrough Therapy Designation ("BTD") and approval to conduct a single-arm Phase II trial as a registrational study, enabling the program to progress from IND clearance to pivotal development in less than two years. Based on encouraging Phase I results, taragarestrant (D-0502) was permitted to proceed directly to a registrational Phase III trial. Befotertinib likewise obtained CDE approval to initiate a single-arm Phase II registrational study.

We have achieved a number of significant regulatory and academic milestones. Multiple indications of garsorasib (D-1553) have been included by the CDE in the breakthrough therapy product list. In addition, the research of befotertinib (BPI-D0316) has been published in leading international journals such as *The Oncologist*, *Journal of Thoracic Oncology*, *The Lancet Respiratory Medicine*, and *The Lung Cancer*. Preclinical and clinical research on garsorasib (D-1553) — spanning lung, colorectal, and pancreatic cancers — has likewise been published in leading academic journals including *Cancer Science*, *Journal of Thoracic Oncology*, *The Lancet Respiratory Medicine*, *Signal Transduction and Targeted Therapy*, and *the British Journal of Cancer*. In September 2025, the results of a randomized, double-blind, placebo-controlled Phase II clinical trial evaluating D-2570 for the treatment of moderate-to-severe plaque psoriasis were published in the *Journal of the American Academy of Dermatology*, the official scientific publication of the American Academy of Dermatology. Furthermore, results for darbinurad (D-0120) and taragarestrant (D-0502) have been presented as oral presentations at major industry conferences.

In addition, we possess extensive global clinical development experience. We have independently completed the global multi-center Phase I/II trial of garsorasib (D-1553), the U.S. Phase Ib clinical trial of taragarestrant (D-0502), the U.S. Phase I and II trials of darbinurad (D-0120), and the U.S. Phase I clinical trial of D-2570. This breadth of experience further validates our capability to execute high-quality clinical programs globally.

Established Target Discovery and Molecular Design Capabilities Driving Higher R&D Productivity

While small-molecule innovation remains our core focus, we are also expanding into ADCs utilizing our expertise in medicinal chemistry to identify next generation linker and payloads, and other emerging therapeutic modalities. Our strategy begins with diseases with unmet medical needs and also with large patient population. Currently, we mainly focus on therapeutic indications in oncology, autoimmune diseases and metabolic disorders.

Our R&D capability is built around two core principles that enable scalable and replicable innovation. The first is to improve upon the limitations of existing therapies through rational structure guided design in medicinal chemistry and performance enhancement, thereby strengthening the clinical value and differentiation of our drug candidates. The second is to expand our therapeutic scope while applying proven design, screening, and evaluation methodologies to lower uncertainty and increase the efficiency and consistency of our R&D output.

Differentiated Advantages of Our Drug Discovery and Development Capability

We have built a robust hardware infrastructure and accumulated extensive experience in developing software and algorithms for computational chemistry and protein structure prediction, driven by rich datasets curated over many years. Leveraging this foundation, we have integrated key technologies, including computer-aided drug design ("CADD"), AI-enabled drug design ("AIDD"), virtual screening, and early PK/toxicology assessment, into a unified, intelligent molecular design platform. Leveraging our integrated computational design capabilities, we designed and developed a number of product candidates including garsorasib (D-1553), taragarestrant (D-0502) and D-2570. For more details, please refer to "Business — Our Technology Platform."

Combined Translational Medicine and Robust CMC Capabilities Driving Efficient Bench-to-Clinic Progression

Enabled by our deeply integrated translational medicine capability and well-established CMC development framework, we have created a seamless bridge from basic research to clinical application, supporting efficient and high-quality transformation from preclinical candidates into clinical-ready drug products. Through preclinical pharmacology, pharmacodynamics, and biomarker research, we generate key scientific insights to guide clinical design. In turn, clinical observations and trial results are fed back to refine preclinical models and research strategies.

A Streamlined and Efficiency-Driven CMC Development Capability Ensuring Timely Progress and Consistent Quality

Our chemical process and formulation development capabilities are critical to advancing our pipeline efficiently. To that end, we have built a seasoned CMC team with extensive experience in multinational pharmaceutical companies. With a deep understanding of global quality and regulatory standards, the team designs optimal synthetic routes that reduce cost, shorten development timelines, and ensure scalability. On the formulation side, the team focuses on developing dosage forms that deliver adequate drug exposure to ensure efficacy in clinical trials.

Demonstrated Successes of Our Translational Medicine and CMC Platforms

Our translational medicine and CMC platforms operate as two tightly coordinated engines powering our innovation. Insights generated from translational research guide our CMC teams to design dosage forms that directly address clinical needs, while robust CMC execution delivers high-quality drug products that in turn enable more rigorous and informative translational studies. This synergy creates a distinct competitive advantage across our R&D pipeline.

Our translational medicine platform centers on well-developed biomarker strategies and precision-driven clinical approaches, enabling us to mitigate development risk and cost, identify the most responsive patient populations, refine dosing strategies, and meaningfully improve the efficiency and success rate of clinical development.

Our CMC platform has demonstrated capability in translating complex molecules into high-quality, clinically viable drug products. Leveraging both in-house expertise and partnerships with experienced CDMOs, we advance process development and cGMP manufacturing to ensure process stability, reproducibility, and scalability. A comprehensive quality management system further ensures that every batch — from first-in-human supplies to future commercial production — meets stringent and consistent quality standards.

Our translational medicine and CMC platforms have successfully delivered several product transitions, including D-2570, taragarestrant (D-0502) and darbinurad (D-0120). For more details, please refer to "Business — Chemistry, Manufacturing & Controls ("CMC")."

A Competitive and Differentiated Pipeline with Multi-Layered Value Drivers

We focus on major disease areas with substantial unmet medical needs, including oncology, autoimmune diseases and metabolic disorders. Our pipeline is competitive and has evolved into a balanced, three-tier structure comprising (i) cash-generating assets, (ii) near-term value catalysts, and (iii) long-term growth drivers.

Stable Cash Engines Empowered by Our Approved Assets

Befotertinib (賽美納®, 貝福替尼, third-generation EGFR-TKI, BPI-D0316)

As one of the leading third-generation EGFR-TKIs in China, befotertinib (BPI-D0316) has received regulatory approval for both first-line and second-line NSCLC indications and has been included in the NRDL. Its clinical performance — 16.6 months median progression-free survival ("PFS") and 31.5 months median overall survival ("OS") in the second-line setting, and 22.1 months median PFS in the first-line setting — has established a clear competitive advantage. Through our strategic collaboration with Betta, whose commercialization capabilities in lung cancer are well recognized, sales are ramping up and generating a stable source of cash flow.

Garsorasib (安方寧®, 格索雷塞, KRAS G12C inhibitor, D-1553)

As the second KRAS G12C inhibitor approved in China, garsorasib (D-1553) has demonstrated efficacy in its registrational study, with 52.0% overall response rate ("ORR"), and 9.1 months median PFS. Our strategic collaboration with CTTQ enables rapid market penetration through its extensive commercial network. In parallel, we collaborated with InxMed to pursue combination therapy development of garsorasib (D-1553) with a focal adhesion kinase ("FAK") inhibitor as a first-line treatment for NSCLC. The combination therapy has delivered a clinically meaningful survival benefit, positioning it as a competitive breakthrough therapy globally.

Near-Term Value Catalysts Approaching Commercialization

D-2570 (selective TYK2 allosteric inhibitor)

As a next-generation TYK2 allosteric inhibitor, D-2570 incorporates targeted structural innovation at the TYK2 binding pocket, resulting in breakthrough improvements in selectivity. Building on deep insights into the clinical limitations of first-generation TYK2 inhibitors, we systematically redesigned the molecule to overcome dose-escalation constraints. The optimized candidate achieved favorable exposure levels, showed a favorable safety profile in animal toxicology studies, and successfully escalated to high doses in the Phase I clinical trial without safety concern.

In the Phase II clinical trial for moderate-to-severe plaque psoriasis, D-2570 delivered exceptional efficacy, achieving a PASI 75 response rate of 90% and a PASI 100 response rate of 50% — markedly higher than existing standard therapies. Clinical benefit emerged as early as Week 4.

We have initiated the registrational and head-to-head Phase III clinical trials of D-2570 for moderate-to-severe plaque psoriasis in China and are actively expanding into additional indications. In addition, we have initiated a Phase II trial of D-2570 in the U.S.

Taragarestrant (D-0502, oral SERD)

For ER+/HER2- breast cancer, taragarestrant (D-0502) is one of the most advanced oral SERDs under clinical development in China. Our registrational Phase III head-to-head trial against fulvestrant is progressing as planned.

We are positioning taragarestrant (D-0502) strategically within the rapidly evolving first-line and combination therapy landscape in breast cancer: In China, we are accelerating development with the goal of making taragarestrant (D-0502) the first approved therapy for ESR1-mutated patients. We are also refining our partnership strategy to develop combination therapies by collaborating with developers of next-generation ADCs.

Long-Term Growth Drivers Addressing Large Unmet Needs

Darbinurad (D-0120, URAT1 inhibitor)

Darbinurad (D-0120) is a selective inhibitor of the renal urate transporter URAT1 and has demonstrated rapid onset of action in both Phase I and Phase II clinical trials, with meaningful reductions in serum uric acid observed within 24 hours in both healthy volunteers and patients, suggesting the potential of darbinurad (D-0120) to become a promising therapy in this large and underserved market.

To mitigate the risks associated with overly aggressive uric acid excretion — such as urate crystal mobilization triggering inflammatory flares, or high urinary uric acid concentrations leading to stone formation or mild renal impairment — we intentionally adopted a "moderate urate-lowering" dosing strategy for darbinurad (D-0120).

A Robust and Growing Preclinical Pipeline

Beyond our clinical-stage assets, we maintain a broad portfolio of preclinical programs targeting next-generation therapeutic modalities.

YF087 (WRN inhibitor — synthetic lethality)

YF087 is one of our lead programs in the field of synthetic lethality. The antitumor activity of YF087 has been validated across multiple preclinical studies, with data presented at the AACR Annual Meeting in 2025. Compared to the competing WRN inhibitors, YF087 achieves meaningfully higher systemic exposure at lower doses and demonstrates greater potency in relevant tumor models.

YF550 (KIF18A inhibitor — synthetic lethality)

By inhibiting KIF18A, YF550 effectively suppresses the growth of chromosomally unstable ("CIN+") tumor cells while sparing normal cells, suggesting a more targeted and potentially safer approach compared with existing anti-mitotic therapies. Data presented at AACR Annual Meeting 2025 show that YF550 outperforms KIF18A inhibitor AMG 650 in ovarian cancer animal models and induces tumor regression in both ovarian cancer and HER2-positive breast cancer models.

YF057 (oral STAT6 degrader)

We have established our oral STAT6 degrader YF057 as a strategically prioritized initiative, aiming to offer a differentiated oral alternative to IL-4Rα and IL-13 antibody injections and to develop transformative treatments for AD and asthma. We see significant market potential in STAT6-related indications, supported by target validation and clear druggability, and we expect this field to become increasingly competitive globally.

Next-generation ADC platform

Leveraging our core strengths in medicinal chemistry design and chemical synthesis we are developing the next-generation ADC platform. Our research prioritizes ADC linker and payload designs, with a focus on creating more effective and stable linkers and new payloads to expand the therapeutic window. Through iterative structural optimization and mechanistic studies, we have established a proprietary linker technology system and an optimized ADC molecular architecture. We have also developed new payloads designed to address resistance observed with agents such as DS-8201. These advances have already led to significant improvements in both *in vivo* efficacy and safety profiles exhibited in animal studies.

Extensive Global Collaboration Network and Commercial Execution Capabilities

We have established broad and deep collaborations with leading medical centers and expert physicians worldwide. In parallel, we have formed research and development partnerships with major biotech and pharmaceutical companies, bringing strategic synergy to both our pipeline development and future commercialization. We continuously evaluate the commercial potential of each pipeline asset throughout its development lifecycle. We have adopted a hybrid commercialization model that combines strategic licensing partnerships with independent commercialization.

In China, we have entered into licensing agreements with Betta and CTTQ for the development and commercialization of befotertinib (BPI-D0316) and garsorasib (D-1553), respectively. This partnership-driven model helps us optimize R&D and commercialization costs, provides upfront and milestone-based cash inflow prior to product launch, and lowers operational risk — ultimately ensuring efficient and successful market entry for our products.

A R&D Team with Global Experience, Strengthening Financial Fundamentals, and Long-Term Support from Leading Global Investors

Our core management team, led by Drs. Yaolin Wang, Yueheng Jiang, Xing Dai, and Ling Zhang, brings extensive experience from leading multinational pharmaceutical companies, with an average of more than 20 years in global drug discovery, development, and team leader roles. Their expertise spans the full continuum of drug R&D, including target identification and validation, medicinal chemistry optimization, CMC, clinical development and regulatory affairs.

Dr. Yaolin Wang, our chairman of the Board, executive Director and general manager, oversees the Company's overall strategy and operations and leads major R&D decisions, including target selection and new-drug discovery. Dr. Wang holds a Ph.D. in Pharmacology from SUNY Stony Brook and previously spent nearly 20 years at Schering-Plough and Merck & Co., Inc. During his tenure, he participated in the preclinical pharmacology R&D of multiple oncology small molecules and antibody therapeutics and was responsible for external research and collaborations in *in vivo* oncology pharmacology at Merck & Co., Inc.

Dr. Yueheng Jiang, our executive Director and deputy general manager and secretary of the Board, draws on nearly 15 years of small-molecule drug discovery experience at Schering-Plough and Merck & Co., Inc. He leads our business development and CMC functions, manages key partnerships — including license-in/out deals and co-development projects — and oversees process development, manufacturing, and supply chain activities for drug substances and finished products.

Dr. Xing Dai is our executive Director and deputy general manager. He brings more than 17 years of experience managing drug discovery programs and R&D teams at multinational pharmaceutical companies, including roles as Senior Scientist at Schering-Plough and project lead at Merck & Co., Inc.

Dr. Ling Zhang, our deputy general manager and chief medical officer, oversees the full spectrum of clinical development, leading clinical design and execution, coordinating cross-functional activities including biostatistics, data management, pharmacokinetics, compliance, and risk management, and steering with the regulatory team to drive submissions. Dr. Zhang brings over 20 years of clinical research experience and has worked at major global pharmaceutical companies including GSK, Sanofi, Merck & Co., Inc., Celgene Corporation, and Daiichi Sankyo.

We emphasize on practical, cost-disciplined team management. Even after our A-share listing, senior management continues to take on multiple operational roles. For example, Dr. Jiang remains both deputy general manager and secretary of the Board, demonstrating our commitment to an efficient, hands-on operating approach.

With two major products approved and scaling commercially, we have entered a phase of rapid revenue growth, with financial performance continuing to improve and net losses narrowing steadily. We have sufficient cash reserve to provide ample funding to support operations and advance our core pipeline over the next several years. Our financial position remains resilient. Our long-standing support from leading global life sciences investors, including Lilly Asia Ventures and OrbiMed, demonstrates deep confidence in our strategic direction, R&D pipeline, operational execution, and long-term value creation.

OUR GROWTH STRATEGIES

Accelerate Clinical Development of Our Core Products

For D-2570, we plan to advance the registrational and head-to-head (against deucravacitinib) Phase III trials and subsequent NDA submission targeting psoriasis in China. In the U.S., we initiated a Phase II clinical trial of for psoriasis in July 2026. Meanwhile, we will continue with the China Phase II clinical trials targeting moderate-to-severe active UC, active SLE, active PsA and nonsegmental vitiligo.

For taragarestrant (D-0502), our goal is to position it as the first domestically developed oral SERD. We also plan to pursue combination strategies with high-potential ADC candidates to reinforce its competitiveness in multi-line treatment settings. We initiated a Phase II clinical trial of taragarestrant in combination with JSKN016, a bispecific ADC targeting trophoblast cell surface antigen 2 ("TROP2") and human epidermal growth factor receptor 3 ("HER3"), in March 2026. We expect to initiate a Phase III clinical trial for this combination therapy in 2028.

Accelerate the Expansion of Our Pipeline Across Oncology, Autoimmune Diseases, and Metabolic Disorders Through Precision Target Discovery

We have a robust portfolio of preclinical assets and plan to advance more than three programs into clinical development and achieve first-in-human milestones over the next three years. Leveraging our precision target identification capabilities, we will continue to discover and assess cutting-edge biological targets and further expand our pipeline across major therapeutic areas, including oncology, metabolic diseases and autoimmune disorders.

In our small-molecule portfolio, we are progressing multiple programs centered on next-generation mechanisms, including synthetic lethality assets such as YF087 and YF550. We are also dedicating significant resources to the discovery and optimization of STAT6 degraders — a frontier in immunology. With an early-mover advantage in this field, our STAT6 degrader candidate YF057 has already demonstrated competitive preclinical profile and continues to advance to IND-enabling studies. In August 2026, we entered into a collaboration agreement with MSD R&D (China) Co. Ltd. to jointly advance the clinical development of small-molecule drugs in the field of oncology.

In the ADC field, we focus on next-generation design, prioritizing core technologies that drive therapeutic performance, including enhanced linker stability, payload optimization, and targeted therapeutic efficacy, to achieve a broader safety window. Through continuous structural optimization and mechanistic innovation, we have established a proprietary linker technology and an integrated ADC molecular-optimization framework. We have also developed new payloads designed to overcome resistance mechanisms observed with agents such as trastuzumab deruxtecan. These innovations lay a solid technological foundation for improving the therapeutic window and balancing efficacy and safety in future ADC programs.

Strategic Global Advancement of Garsorasib (D-1553), D-2570, and Darbinurad (D-0120) Through Partnerships with Trusted Collaborators

We intend to advance the global development of our late-stage assets, garsorasib (D-1553), D-2570, and darbinurad (D-0120), through strategic collaborations with reputable international partners. Our global strategy is built on a partnership-driven model, under which we collaborate with organizations that possess strong late-stage clinical development capabilities and established commercialization infrastructures. We are actively identifying and engaging potential partners in major developed markets, including the U.S., the European Union and Japan, to support the international clinical advancement and future commercial deployment of our near-to-late-stage programs. We have a dedicated business development team that oversees these initiatives and leads all ongoing partnering discussions. Leveraging favorable clinical trial results, we intend to prioritize global expansion and international collaboration for three lead programs:

Garsorasib (D-1553, KRAS G12C inhibitor): Phase I and II clinical trials have been completed in China and overseas (including the U.S., Australia and Korea), and garsorasib (D-1553) has shown encouraging efficacy in first-line NSCLC treatment.

D-2570 (TYK2 inhibitor): The U.S. Phase II clinical trial targeting moderate-to-severe plaque psoriasis has been initiated, with completion expected in the first quarter of 2028.

Darbinurad (D-0120, URAT1 inhibitor): The U.S. Phase II clinical trial of darbinurad (D-0120) in combination with allopurinol was completed in March 2026.

Advancing an AI-Enabled Drug Design Platform Through Integrated Internal Development and Strategic External Collaboration

We intend to enhance our strategic focus on artificial intelligence ("AI")-driven capability to bolster our drug discovery engine and improve R&D productivity. Leveraging over a decade of proprietary data, extensive computational chemistry infrastructure, and a suite of multimodal deep learning algorithms, we have developed approximately 100 AI-driven property prediction models. These models encompass multi-task ADMET (absorption, distribution, metabolism, excretion, and toxicity) prediction, cytochrome P450 metabolic site prediction, and volume of distribution prediction models. Collectively, they enable a multidimensional assessment of molecular structure, physicochemical characteristics, and pharmacokinetic properties. Concurrently, we have established an in-house molecular generation platform that integrates multiple proprietary generative models covering stochastic molecular generation, pocket-shape-guided generation, ligand conformation-based 3D generation, PK property-driven generation, and scaffold hopping. Such capabilities allow rapid exploration of millions of chemical structures and the swift identification of promising drug candidates.

To augment design diversity and precision, we have curated high-quality internal compounds and fragment libraries. These libraries feature synthesizability and drug-likeness, serving as optimized starting points for molecular generation and virtual screening. They can be customized for specific discovery scenarios and integrated with our predictive models to guide exploration of targeted chemical spaces. Our internal AI platform unifies these capabilities through a flexible technical architecture that incorporates Expert-in-the-Loop validation. The platform supports multiple molecular representations (e.g., SMILES, graph structures) and diverse modeling approaches, ranging from conventional machine learning to deep learning algorithms. By utilizing

various learning paradigms, including pretraining, transfer learning, reinforcement learning, and active learning, we can tailor the optimal AI model configuration for each project. This adaptability facilitates more accurate predictions and faster design cycles, ultimately enhancing overall R&D efficiency.We are also implementing a protein structure prediction and *de novo* antibody design platform to support our basic research and biologic development.

Looking forward, we intend to sustain investment and advance our AI-driven discovery capabilities through both internal development and selective external collaborations. By further scaling algorithmic power, improving predictive accuracy, and deepening integration with our experimental workflows, we aim to accelerate hit-to-lead and lead-to-candidate progression. These advancements will help mitigate development risk and support the systematic expansion of our pipeline across oncology, autoimmune, and metabolic diseases. Collectively, these efforts will reinforce AI as a central pillar of our long-term innovation strategy and a sustainable driver of R&D efficiency and pipeline growth.

Continue to Recruit, Develop, and Retain Talent Across All Business Functions to Support Our Long-term Growth

As a R&D-driven biopharmaceutical company, our people are central to our ability to discover, develop, and commercialize new products. We will continue to recruit, train, promote and retain talent with relevant experience in the pharmaceutical and biotechnology industries, and we are committed to building a workforce with the scientific, clinical, operational, and managerial capabilities required to advance our strategic objectives. To support our continued expansion, we will further invest in talent development and incentive programs designed to attract and retain top global professionals across all aspects of our business.

We currently prioritize the advancement of clinical programs on two fronts. One is the relatively late stage clinical trials of Core Products targeting key indications, which are expected to generate commercialized products with significant market value in the near-term future. This includes: (1) the ongoing registrational and head-to-head Phase III clinical trials of D-2570 targeting moderate-to-severe psoriasis; (2) the Phase II clinical trial of D-2570 targeting moderate-to-severe active UC, active SLE, active PsA and nonsegmental vitiligo; (3) the registrational Phase III clinical trial of taragarestrant (D-0502) targeting ER+/HER2- breast cancer; and (4) the Phase II clinical trial of taragarestrant (D-0502) in combination with JSKN016 targeting ER+/HER2- breast cancer. The other front is expansion of our pipeline products, particularly YF087, YF550 and YF057, for which we expect to initiate Phase I clinical trials in the fourth quarter of 2026, obtain IND approval in fourth quarter of 2026 and submit IND application in second quarter of 2027, respectively.

OUR PRODUCT PIPELINE

We are a biopharmaceutical company focused on oncology, autoimmune diseases, and metabolic disorders. As of the Latest Practicable Date, our product pipeline comprised two commercialized products, three clinical-stage drug candidates, and a portfolio of preclinical programs, covering the full spectrum from early-stage research to commercial execution.

Core Product D-2570: Selective Oral TYK2 Inhibitor Designed for Autoimmune Disease Treatment

Overview

D-2570 is an oral selective allosteric inhibitor of TYK2 under clinical development for the treatment of autoimmune diseases, including psoriasis, UC, SLE, PsA, and vitiligo. By selectively targeting TYK2, D-2570 modulates key cytokine signaling pathways involved in autoimmune inflammation. D-2570 offers broad therapeutic value in autoimmune diseases and a potential alternative to biologic therapies.

In a completed Phase II clinical trial targeting moderate-to-severe plaque psoriasis, D-2570 demonstrated robust efficacy and a favorable safety and tolerability profile. In particular, PASI 75 reached 90.0% at week 12 in patients that received D-2570 18 mg once a day ("QD").

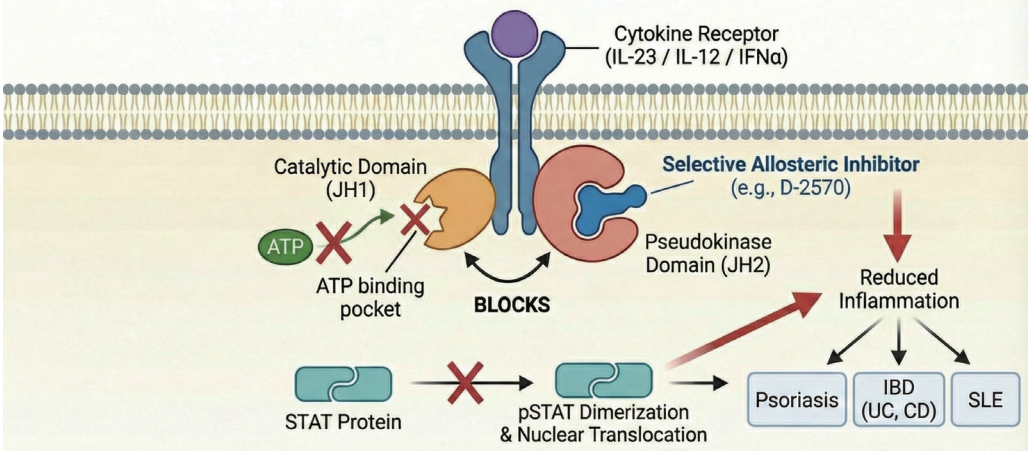
Currently, a registrational Phase III clinical trial and a head-to-head Phase III clinical trial of D-2570 targeting moderate-to-severe plaque psoriasis are ongoing. We expect to complete the trials in the second half of 2027 and thereafter submit to the NMPA an NDA for D-2570.

Meanwhile, we are exploring the potential of D-2570 as an induction therapy for moderate-to-severe active UC. A Phase II clinical trial is ongoing for that purpose in China, and we expect to complete the trial in the first quarter of 2027. We are also conducting Phase II clinical trials targeting active SLE, active PsA and nonsegmental vitiligo in China, and a Phase II clinical trial targeting moderate-to-severe plaque psoriasis in the U.S.

We developed D-2570 internally and hold the global rights for its use, manufacture, and commercialization.

Mechanism of Action

TYK2 is a member of the JAK family of intracellular enzymes, which play a crucial role in immune signaling and inflammatory responses. D-2570 achieves allosteric inhibition of TYK2 by targeting its JH2 pseudokinase domain. With that, D-2570 can precisely block the signaling pathways of pro-inflammatory cytokines such as IL-23 and IL-12, while avoiding interference with other JAK family members (such as JAK1-3), thereby reducing the common side effects of traditional JAK inhibitors, such as bone marrow suppression, tumorigenesis and infection risks. Below is a diagram illustrating the MOA of D-2570.



Market Opportunity and Competitive Landscape

As of the Latest Practicable Date, globally and in China there was one approved TYK2 inhibitor drug and six TYK2 inhibitor drug candidates in the Phase III clinical stage. For more details, including a comparison of approved TYK2 inhibitor drug with available biologics, please refer to "Industry Overview — Overview of Autoimmune Disease Drug Market — Tyrosine Kinase 2 ("TYK2") Inhibitors."

Competitive Advantages

High Subtype Selectivity

By optimizing the structure of TYK2 inhibitors, we successfully identified D-2570, which exhibited enhanced binding selectivity for TYK2 by 800–1,000-fold over other JAK family members, as validated by *in vitro* assays.

Robust Clinical Efficacy

Phase II results in moderate-to-severe psoriasis demonstrated efficacy substantially higher than placebo and approved oral TYK2 inhibitors (based on comparison of published clinical data), while maintaining favorable safety and tolerability profiles. Significant efficacy of D-2570 was shown from week 4, with PASI 75 response rate is 45.0% in patients that received 18 mg D-2570 QD, compared to 5.0% in the placebo group. At week 12, D-2570 achieved skin clearance with PASI 75 response rate is 90.0% in patients that received D-2570 at 18 mg QD, compared to 12.5% in the placebo group, and PASI 100 reaching 50.0% in patients that received D-2570 at 36 mg QD, compared to 2.5% in the placebo group.

Favorable Safety Profile

D-2570 has demonstrated favorable safety and tolerability profiles. In a completed Phase I clinical trial, no SAE or Grade 3 or above AE was observed in subjects that received a single administration of D-2570 at 3 to 48 mg, or QD administration of D-2570 at 6 to 36 mg for 10 consecutive days. In a completed Phase II trial, no SAE was reported, and the incidences of Grade 3 or above TEAE and Grade 3 or above treatment related TEAE were 3.3% and 1.7%, respectively.

Potential Broad Applicability

Activation of TYK2 is implicated in the cellular processes that contribute to the development of multiple autoimmune diseases. D-2570, as a selective inhibitor of TYK2, can be developed as a therapy for multiple autoimmune diseases. We are currently investigating TYK2 in clinical trials targeting moderate-to-severe plaque psoriasis, moderate-to-severe active UC, active SLE, active PsA and nonsegmental vitiligo.

Summary of Clinical Trials

The following sets forth an overview of the key clinical trials of D-2570.

Phase	Study design	Sites	Subjects	Status	Subject enrollment
I . . .	Evaluate the safety, tolerability, PK and food effects on PK of D-2570 tablets under single ascending dose and multiple ascending dose schedules	China	Healthy subjects	Completed	122 (Actual)

Phase	Study design	Sites	Subjects	Status	Subject enrollment
II . . .	Evaluate the efficacy and safety of D-2570	China	Patients with moderate-to-severe plaque psoriasis	Completed	161 (Actual)
III . .	Evaluate the efficacy and safety of D-2570	China	Patients with moderate-to-severe plaque psoriasis	Ongoing	390 (Expected)
III . .	Evaluate the efficacy and safety of D-2570	China	Patients with moderate-to- severe plaque psoriasis	Ongoing	477 (Expected)
II . . .	Evaluate the safety and efficacy of D-2570 as induction therapy	China	Patients with moderate-to-severe active UC	Ongoing	120 (Expected)
II . . .	Evaluate the efficacy and safety of D-2570	China	Patients with active SLE	Ongoing	120 (Expected)
II . . .	Evaluate the efficacy and safety of D-2570	China	Patients with active PsA	Ongoing	222 (Expected)
II . . .	Evaluate the efficacy and safety of D-2570	China	Patient with nonsegmental vitiligo	Ongoing	160 (Expected)
I . . .	Evaluate the safety, tolerability and PK of D-2570	U.S.	Healthy subjects	Completed	51 (Actual)
II . . .	Evaluate the efficacy and safety of D-2570	U.S.	Patients with moderate-to- severe plaque psoriasis	Ongoing	75 (Expected)

Clinical development of D-2570 in China:

A Phase I clinical trial to evaluate the safety, tolerability, PK and food effects of D-2570 tablets in healthy subjects in China sponsored by us

Overview. This was a randomized, double-blind, placebo-controlled Phase I clinical trial. The objective was to evaluate the safety, tolerability, PK and food effects on PK of D-2570 tablets under single ascending dose ("SAD") and multiple ascending dose ("MAD") schedules in healthy subjects.

Trial design. The trial enrolled 122 subjects and consisted of three studies, as described below.

SAD study

The SAD study involved 48 subjects randomized into 6 arms. The subjects included 43 males and 5 females aged 19 to 40 years, with a mean weight of 66.0 kg and a mean height of 170.2 cm. Within each arm of 8 subjects, 6 received D-2570 and 2 received placebo. Subjects in Arm 1, Arm 2, Arm 3, Arm 4, Arm 5 and Arm 6 received an oral administration of D-2570 or placebo at 6 mg, 12 mg, 24 mg, 3 mg, 36 mg and 48 mg, respectively, on day 1 on an empty stomach. Subjects were under an observation period until day 7.

Food effect study

The food effect study involved 14 subjects in Arm 7, who were randomly assigned in 1:1 ratio to two treatment sequences. The subjects included 10 males and 4 females aged 19 to 41 years, with a mean weight of 61.7 kg and a mean height of 165.7 cm. In Sequence A, subjects received an oral administration of D-2570 9 mg on day 1 on an empty stomach in the first 7-day treatment and observation cycle and an oral administration of D-2570 9 mg on day 1 after meal in the second 7-day treatment and observation cycle. In Sequence B, subjects received an oral administration of

D-2570 9 mg on day 1 after meal in the first 7-day treatment and observation cycle and an oral administration of D-2570 9 mg on day 1 on an empty stomach in the second 7-day treatment and observation cycle. For each subject, there was an washout period of at least 10 days between the two treatment cycles.

MAD study

The MAD study involved 60 subjects randomized into 5 arms. The subjects included 50 males and 10 females aged 20 to 42 years, with a mean weight of 64.1 kg and a mean height of 167.5 cm. Within each arm of 12 subjects, 9 received D-2570 and 3 received placebo. Subjects in Arm 8, Arm 9, Arm 10, Arm 11 and Arm 12 received an oral administration of D-2570 or placebo at 6 mg, 12 mg, 18 mg, 27 mg and 36 mg, respectively, QD after meal from day 1 for 10 consecutive days and were under observation until day 16. The trial endpoints included PK profile and safety endpoints, including AE, vital signs, physical examination, blood test and ECG.

Key inclusion criteria included: (i) male and female subjects aged 18 to 45 years (inclusive); (ii) male weight $\geq$ 50 kg, and female weight $\geq$ 45 kg; (iii) body mass index ("BMI") ranging from 19 to 26 kg/m^2 (inclusive). Key exclusion criteria included: (i) more than 5 cigarettes per day on average within 3 months before screening; (ii) subjects with a clinically significant history of drug allergy or specific allergic diseases (asthma, urticaria) or known allergy to the investigational medicinal product or its excipients; (iii) history of alcohol abuse; (iv) blood donation or massive blood loss (>450 mL) within 3 months before screening.

Trial status. We initiated the trial in August 2022 and completed the trial in June 2023. All trial endpoints were reached in June 2023, as marked by the last observation of subjects.

Safety data. D-2570 demonstrated good safety and tolerability. No SAE or Grade 3 or above AE was observed in subjects that received a single administration of D-2570 at 3 to 48 mg or QD administration of D-2570 at 6 to 36 mg for 10 consecutive days. One subject experienced AE that led to withdrawal from the trial.

The recorded incidences of AEs are summarized below.

	TEAE	TRAE
SAD study	25.0% (12/48)	22.9% (11/48)
MAD study placebo	53.3% (8/15)	46.7% (7/15)
MAD study D-2570 6 mg	66.7% (6/9)	66.7% (6/9)
MAD study D-2570 12 mg	66.7% (6/9)	66.7% (6/9)
MAD study D-2570 18 mg	55.6% (5/9)	55.6% (5/9)
MAD study D-2570 27 mg	100.0% (9/9)	88.9% (8/9)
MAD study D-2570 36 mg	66.7% (6/9)	66.7% (6/9)
MAD study D-2570 total	71.1% (32/45)	68.9% (31/45)
MAD study total	66.7% (40/60)	63.3% (38/60)

Food effect data. Administration after meal was found to increase D-2570 exposure in plasma to some extent (approximately 15% and 30% for C_{max} and AUC, respectively), but had no significant effect on the time to peak concentration.

A Phase II clinical trial to evaluate the efficacy and safety of D-2570 in patients with moderate-to-severe plaque psoriasis in China sponsored by us

Overview. This was a randomized, double-blind, placebo-controlled, multicenter Phase II clinical trial in patients with moderate-to-severe plaque psoriasis. The primary objective was to conduct a preliminary evaluation of the efficacy of different doses of D-2570 in the treatment of

moderate-to-severe plaque psoriasis. The secondary objective was to conduct a preliminary evaluation of the safety of different doses of D-2570 in the treatment of moderate-to-severe plaque psoriasis and an evaluation of the PK and PD of D-2570 in the patients with moderate-to-severe plaque psoriasis.

Trial design. The trial enrolled 161 patients and consisted of two parts. In Part A, 40 patients were randomized 1:1:1:1 to receive 18/27/36 mg D-2570 or placebo in 3 mg tablets according to the following schedule.

	Day 1	Days 2-4	12 weeks from Day 5
Experimental group 1 (N=10)	6 D-2570 tablets + 6 placebo tablets	Washout period	6 D-2570 tablets QD + 6 placebo tablets QD
Experimental group 2 (N=10)	9 D-2570 tablets + 3 placebo tablets	Washout period	9 D-2570 tablets QD + 3 placebo tablets QD
Experimental group 3 (N=10)	12 D-2570 tablets	Washout period	12 D-2570 tablets QD
Control group (N=10)	12 placebo tablets	Washout period	12 placebo tablets QD

In Part B, 121 patients were randomized 1:1:1:1 to receive 18/27/36 mg D-2570 or placebo in 3 mg tablets according to the following schedule.

	12 weeks
Experimental group 1 (N=30)	6 D-2570 tablets QD + 6 placebo tablets QD
Experimental group 2 (N=31)	9 D-2570 tablets QD + 3 placebo tablets QD
Experimental group 3 (N=30)	12 D-2570 tablets QD
Control group (N=30)	12 placebo tablets QD

The mean age of the enrolled subjects was 43.2 years, and 83.2% were men. The median (SD) psoriasis duration was 8.9 (9.6) years. After the above 12-week treatment period, subjects in both Part A and Part B went through a 2-week follow-up period. The primary difference between Part A and Part B was that Part A included a single-dose PK study period.

The primary endpoint was the proportion of patients achieving improvement of psoriasis area severity index ("PASI") by at least 75% ("PASI 75") at week 12. Secondary endpoints included PASI 75 at weeks 4 and 8, PASI 90/100 at weeks 4, 8 and 12, percentage improvement of PASI at weeks 4, 8 and 12, the proportion of patients achieving static Physician Global Assessment ("sPGA") score of 0/1 at weeks 4, 8 and 12, safety, and PK/PD characteristics.

Key inclusion criteria included: (i) aged 18 to 70 years (inclusive); (ii) plaque psoriasis assessed by the investigator as suitable for systemic treatment and stable for at least 6 months prior to signing informed consent; (iii) during the screening period and before taking the investigational drug for the first time, psoriatic surface area $\geq$10%, PGA score $\geq$ 3, PASI score $\geq$ 12. Key exclusion criteria included: (i) erythrodermic psoriasis, pustular psoriasis, guttate psoriasis, reverse psoriasis, drug-induced psoriasis; (ii) prior use of TYK2 inhibitor; (iii) having serious malignant diseases, such as tumors, cardiovascular and cerebrovascular diseases, or severe infections.

Trial status. We initiated the Phase II clinical trial in January 2024 and completed the trial in April 2025. All trial secondary endpoints were reached in November 2024, as marked by the last observation of subjects. In March 2025, we reported the Phase II clinical trial results in an oral presentation at the 2025 American Academy of Dermatology annual meeting.

Efficacy data. D-2570 achieved significant efficacy in improving skin clearance. At week 12, significantly higher response rates for PASI 75, PASI 90, PASI 100 and sPGA 0/1 were achieved in patients receiving D-2570 at 18/27/36 mg versus placebo (P < 0.001 for all the endpoints), as shown in the below table.

	18 mg D-2570 (N=40)	27 mg D-2570 (N=41)	36 mg D-2570 (N=40)	Placebo (N=40)
PASI 75	90.0%	85.4%	85.0%	12.5%
PASI 90	75.0%	70.7%	77.5%	5.0%
PASI 100	40.0%	39.0%	50.0%	2.5%
sPGA 0/1	82.5%	80.5%	87.5%	20.0%

Also, D-2570 exhibited significant efficacy from week 4. The below table shows the significantly higher response rates for PASI 75 in patients receiving D-2570 at 18/27/36 mg versus placebo (P < 0.01 for all the time points).

	18 mg D-2570 (N=40)	27 mg D-2570 (N=41)	36 mg D-2570 (N=40)	Placebo (N=40)
Week 4	45.0%	29.3%	32.5%	5.0%
Week 8	80.0%	85.4%	72.5%	15.0%
Week 12	90.0%	85.4%	85.0%	12.5%

Safety data. D-2570 was well-tolerated, with no SAE reported. The majority of AEs were mild to moderate (Grade 1 or 2), and no new safety signals were identified. The recorded incidences of AEs in the experimental groups are summarized below.

TEAE	TRAE	Grade 3 or above TEAE	Grade 3 or above TRAE	TEAE leading to study discontinuation
70.2% (85/121)	53.7% (65/121)	3.3% (4/121)	1.7% (2/121)	0.8% (1/121)

A registrational Phase III clinical trial to evaluate the efficacy and safety of D-2570 in patients with moderate-to-severe plaque psoriasis in China sponsored by us

Overview. This is a randomized, double-blind, placebo-controlled, multicenter Phase III clinical trial in patients with moderate-to-severe plaque psoriasis. The primary objective is to evaluate whether different doses of D-2570 were superior to placebo at week 16 in treating patients with moderate-to-severe plaque psoriasis. The secondary objective is to evaluate the long-term effects, safety and PK/PD of D-2570 in treating patients with moderate-to-severe plaque psoriasis.

Trial design. The trial expects to enroll 390 patients. The patients will be randomized 1:1:1 to receive 9/18 mg D-2570 or placebo in 9 mg tablets according to the following schedule.

	16 weeks	36 weeks
Experimental group 1	1 D-2570 tablet QD + 1 placebo tablets QD	1 D-2570 tablet QD + 1 placebo tablets QD
Experimental group 2	2 D-2570 tablets QD	2 D-2570 tablets QD
Control group	2 placebo tablets QD	1 D-2570 tablet QD + 1 placebo tablet QD or 2 D-2570 tablets QD

The patients will be under a 4-week follow-up period after the above 52-week treatment period. The primary endpoint was PASI 90 at week 16. The key secondary endpoint was the proportion of patients achieving PGA score of 0/1 and reduction from baseline by at least 2 in PGA score at week 16.

Key inclusion criteria included: (i) aged between 18 and 70 years old (inclusive) at the time of signing the informed consent form, regardless of gender; (ii) the investigator assesses that the subject has plaque psoriasis suitable for systemic therapy, and the condition has been stable for ≥ 6 months before signing the informed consent form; (iii) at the screening stage and Day 1 of the treatment period, BSA is ≥10%, PGA score is ≥ 3 points, and PASI score is ≥ 12 points. Key exclusion criteria included: (i) suffering from any type of psoriasis including erythrodermic psoriasis, pustular psoriasis, guttate psoriasis, inverse psoriasis, or drug-induced psoriasis; (ii) having other skin lesions that may interfere with the assessment of treatment outcomes, such as eczema; (iii) a history of severe herpes zoster/simplex infection.

Trial status. We initiated the trial in September 2025 and expect to complete the trial in the second half of 2027.

A head-to-head Phase III clinical trial to evaluate the efficacy and safety of D-2570 in patients with moderate-to-severe plaque psoriasis in China sponsored by us

Overview. This is a multicenter, randomized, double-blind, placebo- and active-controlled Phase III clinical trial in patients with moderate-to-severe plaque psoriasis. The primary objective is to evaluate the efficacy of different doses of D-2570 compared with placebo in patients with moderate-to-severe plaque psoriasis. The secondary objective is to evaluate: (i) the efficacy of different doses of D-2570 compared with deucravacitinib in patients with moderate-to-severe plaque psoriasis; (ii) the safety of different doses of D-2570 in the treatment of moderate-to-severe plaque psoriasis; and (iii) the PK and PD profiles of D-2570 in patients with moderate-to-severe plaque psoriasis.

Trial design. The trial expects to enroll 477 patients. The subjects will be randomized in a 3:3:2:1 ratio to the D-2570 9 mg group (experimental group A), D-2570 18 mg group (experimental group B), deucravacitinib group (active control group), and placebo group (placebo control group), and will receive the corresponding investigational product QD for 16 consecutive weeks. After the 16-week controlled treatment period, the subjects in experimental group A and experimental group B will directly enter the extension treatment period and continue their dosing schedule unchanged through week 28; and the subjects in active control group and placebo group will undergo re-randomization in a 1:1 ratio under blinded conditions to receive either D-2570 9 mg QD or D-2570 18 mg QD, and will continue treatment through week 28. Subjects will be under a 4-week follow-up period after end of treatment.

The primary endpoint is PASI 90 at week 16. The secondary endpoints include: percentage of subjects with a PGA score of 0/1 at week 16 and a decrease of ≥2 points from baseline; PASI 75, PASI 90 and PASI 100 at each study visit; percentage improvement from baseline in PASI at each study visit; percentage of subjects with a PGA score of 0/1 and a decrease of ≥2 points from baseline at each study visit. Safety endpoints include: AE, vital signs, physical examination and ECG.

Key inclusion criteria include: (i) aged 18 to 70 years (inclusive); (ii) plaque psoriasis assessed by the investigator as suitable for systemic treatment and stable for at least 6 months prior to signing informed consent; (iii) during the screening period and before taking the investigational drug for the first time, psoriatic surface area ≥10%, PGA score ≥ 3, PASI score ≥ 12. Key exclusion criteria include: (i) suffering from any type of psoriasis including erythrodermic psoriasis, pustular psoriasis, guttate psoriasis, inverse psoriasis, or drug-induced psoriasis; (ii) having other skin lesions that may interfere with the assessment of treatment outcomes, such as eczema; (iii) a history of severe herpes zoster/simplex infection; (iv) a history of tuberculosis, active tuberculosis, latent tuberculosis, or clinical manifestations suggestive of tuberculosis infection.

Trial status. We initiated this head-to-head Phase III clinical trial in January 2026 and expect to complete it in the second half of 2027.

A Phase II clinical trial to evaluate the safety and efficacy of D-2570 as induction therapy in subjects with moderate-to-severe active UC in China sponsored by us

Overview. This is a multicenter, randomized, double-blind, placebo-controlled Phase II clinical trial. The target population is the patients with moderate-to-severe active UC. The primary objective is to conduct a preliminary evaluation of the efficacy of different doses of D-2570 in the treatment of moderate-to-severe active UC. The secondary objective is to conduct a preliminary evaluation of the safety of different doses of D-2570 in the treatment of moderate-to-severe active UC and an evaluation of the PK and PD of D-2570 in the patients with moderate-to-severe active UC.

Trial design. A total of 120 subjects are planned to be included. The treatment is divided into two phases: the induction treatment phase and the extended treatment phase. The induction treatment phase will be divided into two parts. Part A (induction treatment phase) will include 30 subjects, and Part B (extended treatment phase) will include 90 subjects. The primary difference between Part A and Part B is that Part A includes a single-dose PK study period. In both Part A and Part B, subjects will be randomized in a 1:1:1 ratio to receive D-2570 or placebo in 9 mg tablets. The following schedule will apply to Part A:

	Day 1	Days 2-4	12 weeks from Day 5
Experimental group 1 (N=10)	2 D-2570 tablets + 1 placebo tablet	Washout period	2 D-2570 tablets QD + 1 placebo tablet QD
Experimental group 2 (N=10)	3 D-2570 tablets	Washout period	3 D-2570 tablets QD
Control group (N=10)	3 placebo tablets	Washout period	3 placebo tablets QD

The following schedule will apply to Part B:

	12 weeks
Experimental group 1 (N=30)	2 D-2570 tablets QD + 1 placebo tablet QD
Experimental group 2 (N=30)	3 D-2570 tablets QD
Control group (N=30)	3 placebo tablets QD

After completing the 12-week induction treatment phase, the subjects in Part A and Part B can choose to enter the extended treatment phase, during which the subjects will receive 2 D-2570 tablets (18 mg) QD for up to 12 weeks. After completing the extended treatment phase, the subjects will have a 2-week follow-up period.

The primary endpoint is the percentage of subjects achieving clinical remission at 12 weeks of treatment. The secondary endpoints included the percentage of subjects achieving clinical response at 12 weeks of treatment, the percentage of subjects achieving symptom remission at weeks 4, 8, and 12 of treatment and at every 4-week interval during the extended treatment phase, AE and PK.

Key inclusion criteria included: (i) males and females, 18 to 70 years of age, inclusive at the time of signing of informed consent form; (ii) having an established diagnosis of UC of $\geq$ 3 months in duration prior to signing of informed consent form (supported by endoscopy reports, histopathology reports and clinical manifestations consistent with UC, as determined by investigators); (iii) involved intestinal segment extending $\geq$ 15 cm from the anal verge as confirmed by a screening endoscopy; (iv) active moderate to severe UC, defined by a modified Mayo score of 5 to 9 points at screening, which includes a stool frequency subscore of $\geq$ 2, a rectal bleeding subscore $\geq$ 1 and an endoscopic subscore of $\geq$ 2 (based on a screening endoscopy, confirmed by

central reading). Key exclusion criteria included: (i) diagnosed or suspected CD, indeterminate colitis, fulminant colitis, toxic megacolon, microscopic colitis, ischemic colitis, radiation colitis, or colitis associated with diverticula; (ii) history of colonic resection, subtotal or total colectomy, or surgical intervention for UC, or anticipated need for, as assessed by the investigator, surgical intervention for UC during the study, or with other gastrointestinal diseases or surgical histories that may affect the absorption of study treatment.

Trial status. We initiated the Phase II clinical trial in May 2025 and expect to complete the trial in the first quarter of 2027.

A Phase II clinical trial to evaluate the safety and efficacy of D-2570 in patients with active SLE in China sponsored by us

Overview. This is a multicenter, randomized, double-blind, placebo-controlled Phase II clinical trial in patients with active SLE. The primary objective is to evaluate the efficacy of different doses of D-2570 in the treatment of active SLE. The secondary objective is to (i) evaluate the safety of different doses of D-2570 in the treatment of active SLE and (ii) characterize the PK and PD profiles of D-2570 in patients with active SLE.

Trial design. The trial expects to enroll 120 patients. The subjects will be randomized in a 1:1:1:1 ratio to the D-2570 3 mg QD group, D-2570 6 mg QD group, D-2570 12 mg QD group, or placebo group, and will enter the study treatment period, during which they will receive the corresponding investigational product QD for 48 consecutive weeks. Subjects will be under a 4-week follow-up period after end of treatment.

The primary endpoint is the proportion of subjects that reach SRI-4 at week 32. The secondary endpoints include: proportion of subjects achieving SRI-4 at weeks 4, 12, 24, and 48; proportion of subjects achieving SRI-6 at weeks 4, 12, 24, 32, and 48; improvement from baseline in Systemic Lupus Erythematosus Disease Activity Index 2000 ("SLEDAI-2K") score at weeks 4, 12, 24, 32, and 48; proportion of subjects with a baseline Cutaneous Lupus Erythematosus Disease Area and Severity Index ("CLASI") activity score ≥10 who achieve a ≥50% reduction from baseline at weeks 4, 12, 24, 32, and 48. Safety endpoints include: AE, vital signs, physical examination and ECG.

The SLE Responder Index ("SRI") is a composite responder definition that is a common primary efficacy end point used in SLE Phase II and III randomized controlled trials. An SRI-4 response is defined as a reduction in the SLE Disease Activity Index ("SLEDAI") by ≥4 points, with no worsening of the British Isles Lupus Assessment Group index (new grade 1A or 2B score) or deterioration from baseline ≥0.3 points in the physician global assessment. SRI-6 is the same instrument with reduction defined as 6 points respectively versus 4 points for SRI-4.

Key inclusion criteria include: (i) aged 18 to 70 years (inclusive); (ii) diagnosed with SLE for at least 24 weeks prior to screening, in accordance with the 2019 European League Against Rheumatism/American College of Rheumatology ("EULAR/ACR") classification criteria for SLE; (iii) presence of at least one of the following: antinuclear antibody titer ≥1:80; positive anti-dsDNA antibody; positive anti-Smith antibody; (iv) total SLEDAI-2K score ≥6 at screening; and a clinical SLEDAI-2K score ≥4 at both screening and on the day of randomization, with joint involvement and/or rash and/or cutaneous vasculitis (the clinical SLEDAI-2K includes the following clinical items: vasculitis, arthritis, myositis, rash, pleurisy, and pericarditis). Key exclusion criteria include: (i) diagnosed with an autoimmune or rheumatic disease other than SLE (with the exception of secondary Sjögren's syndrome or autoimmune thyroiditis), or drug-induced lupus; (ii) active neuropsychiatric SLE, including: seizure, new-onset or worsening altered consciousness, psychosis, delirium or confusional state, aseptic meningitis, ascending or transverse myelitis, chorea, cerebellar ataxia, mononeuritis multiplex, or demyelinating syndrome; (iii) lupus nephritis that required induction therapy within 6 months prior to screening, or unstable renal disease.

Trial status. We initiated this Phase II clinical trial in February 2026 and expect to complete it in the second half of 2028.

A Phase II clinical trial to evaluate the safety and efficacy of D-2570 in patients with active PsA in China sponsored by us

Overview. This is a multicenter, randomized, double-blind, placebo-controlled Phase II clinical trial in patients with active PsA. The primary objective is to evaluate the efficacy of different doses of D-2570 compared with placebo in patients with active PsA. The secondary objective is to (i) evaluate the safety and tolerability of different doses of D-2570 in the treatment of active PsA and (ii) characterize the PK and PD profiles of D-2570 in patients with active PsA.

Trial design. The trial expects to enroll 222 patients. The subjects will be randomized in a 1:1:1 ratio into the D-2570 9 mg group (experimental group 1), D-2570 18 mg group (experimental group 2), and placebo group (control group), and will enter the double-blind controlled treatment period, during which they will receive the corresponding investigational product QD for 12 consecutive weeks. After completion of the 12-week controlled treatment period, subjects will enter the extension treatment period through week 24. Subjects in experimental group 1 and experimental group 2 will directly enter the extension treatment period and continue to receive the investigational product QD at the same dose administered during the controlled treatment period through week 24. Subjects in control group, after completing the 12-week controlled treatment period, will be re-randomized under blinded conditions in a 1:1 ratio to receive either D-2570 9 mg QD or D-2570 18 mg QD through week 24. Subjects will be under a 4-week follow-up period after end of treatment.

The primary endpoint is the percentage of subjects that reach ACR20 at week 12. The secondary endpoints include: percentage of subjects achieving minimal disease activity at week 12; percentage of subjects achieving very low disease activity at week 12; change from baseline in disease activity index for psoriatic arthritis score at week 12; percentage of subjects achieving ACR50 at week 12; percentage of subjects achieving ACR70 at week 12; percentage of subjects achieving ACR20, ACR50, and ACR70 at each study visit. Safety endpoints include: AE, vital signs, physical examination and ECG. Safety endpoints include: AE, vital signs, physical examination and ECG.

ACR20 is a composite measure of how much a person with rheumatoid arthritis improves since taking a medication. It is defined as an improvement of 20% in the number of tender and swollen joints and a 20% improvement in three of the following five criteria: patient global assessment, physician global assessment, functional ability measure, visual analog pain scale, and erythrocyte sedimentation rate or C-reactive protein. ACR50 and ACR70 are the same instruments with improvement levels defined as 50% and 70% respectively versus 20% for ACR20.

Key inclusion criteria include: (i) aged 18 to 70 years (inclusive); (ii) having an psoriatic arthritis of $\geq$ 3 months in duration prior to signing informed consent; (iii) having active arthritis, characterized by at least $\geq$3 tender joints (68 joint tenderness counts) and $\geq$3 swollen joints (66 joint swelling counts). Key exclusion criteria include: (i) presence of autoimmune/inflammatory diseases other than psoriatic arthritis, including rheumatoid arthritis, axial spondyloarthritis (excluding spondylitis as part of the primary diagnosis of psoriatic arthritis), SLE, gout, or fibromyalgia; (ii) presence of forms of psoriasis other than plaque psoriasis, such as erythrodermic psoriasis, pustular psoriasis, guttate psoriasis, inverse psoriasis, or drug-induced psoriasis; (iii) presence of other skin lesions that may interfere with the evaluation of treatment response of psoriatic skin lesions, such as eczema; (iv) history of severe herpes zoster/herpes simplex infection; (v) history of tuberculosis, active tuberculosis, latent tuberculosis, or clinical manifestations suggestive of tuberculosis infection.

Trial status. We initiated this Phase II clinical trial in January 2026 and expect to complete it in the second half of 2028.

A Phase II clinical trial to evaluate the safety and efficacy of D-2570 in patients with nonsegmental vitiligo in China sponsored by us

Overview. This is a multicenter, randomized, parallel, double-blind, placebo-controlled Phase II clinical trial in patients with nonsegmental vitiligo. The primary objective is to evaluate the efficacy of different doses of D-2570 in the treatment of nonsegmental vitiligo. The secondary objective is to (i) evaluate the safety of different doses of D-2570 in the treatment of nonsegmental vitiligo and (ii) characterize the PK and PD profiles of D-2570 in patients with nonsegmental vitiligo.

Trial design. The trial expects to enroll 160 patients. The subjects will be randomized in a 1:1:1:1 ratio to the D-2570 9 mg QD group (experimental group A), D-2570 18 mg QD group (experimental group B), D-2570 27 mg QD group (experimental group C), or placebo group (placebo control group), and will enter the double-blind controlled treatment period, during which they will receive the corresponding investigational product QD for 24 consecutive weeks. After completion of the week 24 visit, subjects in experimental group A and experimental group B will continue into the 24-week extension treatment period at their original dose; and subjects in experimental group C and placebo control group will, under blinded conditions, be re-randomized in a 1:1 ratio to receive either D-2570 9 mg QD or D-2570 18 mg QD in the 24-week extension treatment period. Subjects will be under a 4-week follow-up period after end of treatment.

The primary endpoint is the change rate of facial vitiligo area, measured by Facial Vitiligo Area Scoring Index ("F-VASI") score, relative to baseline. The secondary endpoints include: change from baseline in F-VASI at weeks 4, 8, 12, 16, 20, 24, 32, 40, and 48; change rate from baseline in F-VASI at weeks 4, 8, 12, 16, 20, 32, 40, and 48; proportion of subjects achieving a ≥50%, ≥75%, and ≥90% reduction from baseline in F-VASI at weeks 4, 8, 12, 16, 20, 24, 32, 40, and 48; change from baseline and change rate from baseline in Total Vitiligo Area Scoring Index ("T-VASI") at weeks 4, 8, 12, 16, 20, 24, 32, 40, and 48; proportion of subjects achieving a ≥50%, ≥75%, and ≥90% reduction from baseline in T-VASI at weeks 4, 8, 12, 16, 20, 24, 32, 40, and 48. Safety endpoints include: AE, vital signs, physical examination and ECG.

Key inclusion criteria include: (i) aged 18 to 65 years (inclusive); (ii) clinical diagnosis of nonsegmental vitiligo at screening; (iii) F-VASI ≥0.25 and T-VASI ≥5 at screening and baseline, with either active or stable vitiligo. Key exclusion criteria include: (i) segmental, mixed vitiligo or other concurrent pigmentary/active skin disorders interfering with study assessment; (ii) over 33% facial or total vitiligo lesions with leukotrichia; (iii) active, latent or inadequately treated tuberculosis infection; (iv) positive HIV, active HBV/HCV infection, or untreated syphilis.

Trial status. We initiated this Phase II clinical trial in July 2026 and expect to complete it in the second half of 2028.

Clinical development of D-2570 in the U.S.:

A Phase I clinical trial to evaluate the safety, tolerability, PK and food effect of D-2570 in healthy subjects in the U.S. sponsored by us

Overview. This was a randomized, double-blind, placebo-controlled Phase I clinical trial. Its objective is to evaluate the safety, tolerability, PK of SAD and MAD, and food effect of D-2570 tablets in healthy subjects.

Trial design. The trial recruited 51 healthy subjects. The trial included two parts: (i) the double-blind, placebo-controlled SAD and MAD study; (ii) the open-label food effect study. The SAD and MAD study comprised three dose cohorts: 9 mg, 18 mg and 27 mg. Each cohort included 12 subjects: 9 received D-2570 tablets (9 mg each), and 3 received placebo (except for the 9 mg cohort that had 9 subjects receiving D-2570 and 4 subjects receiving placebo). Subjects first underwent a single-dose period. On Day 1, a single dose was administered in the morning after fasting overnight for at least 10 hours. After completing the safety and tolerability evaluation on Day 7, subjects proceeded to the multiple-dose period. In the multiple-dose period, subjects

received study medication QD, under the same fasting conditions as in single-dose period, from Day 8 for 7 consecutive days. The food effect study included 14 subjects, randomized into two sequences, A and B (7 subjects each), to undergo two-period crossover dosing. Each period lasted 7 days. For Sequence A, subjects took 18 mg of D-2570 tablets under fasting conditions in the first period and 18 mg of D-2570 tablets after a high-fat meal in the second period. For Sequence B, subjects took 18 mg of D-2570 tablets after a high-fat meal in the first period and 18 mg of D-2570 tablets under fasting conditions in the second period. There was a 3-day washout period between the two periods. Safety endpoints included AEs, laboratory tests, vital signs, physical examination, and ECG.

Key inclusion criteria included: (i) male or female subjects aged 18-55 years (inclusive); (ii) male subjects weight at least 50 kg, and female subjects weight at least 45 kg; (iii) BMI is within the range of 19-32 kg/m^2 (inclusive). Key exclusion criteria included: (i) subjects who have smoked an average of more than 5 cigarettes per day within 3 months prior to screening; (ii) subjects with a history of clinically significant drug allergy or hypersensitivity diseases (*e.g.*, asthma, urticaria), or known allergies to the study medication or its excipients; (iii) subjects with a history of alcohol abuse (with an average weekly alcohol intake of more than 14 units within 3 months prior to screening; 1 unit = 285 mL beer, 25 mL spirits, or 100 mL wine); (iv) subjects with a history of drug or substance abuse within the last year or a positive urine drug abuse screening test.

Trial status. We initiated the trial in December 2025 and completed it in June 2026.

Safety data. D-2570 was generally safe and well tolerated. In the SAD and MAD study, all TEAEs were mile to moderate (Grade 1 or 2). No Grade 3 or above TEAEs, Grade 3 or above TRAEs, SAEs, or TEAEs leading to study discontinuation were reported. The recorded incidences of AEs are summarized below.

	TEAE	TRAE
Placebo	20.0% (2/10)	10.0% (1/10)
D-2570 9 mg	44.4% (4/9)	22.2% (2/9)
D-2570 18 mg	44.4% (4/9)	22.2% (2/9)
D-2570 27 mg	55.6% (5/9)	44.4% (4/9)
D-2570 total	48.1% (13/27)	29.6% (8/27)

Food effect data. Administration with food did not meaningfully affect the systemic exposure of D-2570. Administration after meals resulted in essentially unchanged C_{max} and a slight increase in AUC, with changes of approximately -2% and 6 ~ 7% for C_{max} and AUC, respectively, and had no significant effect on the time to peak concentration.

A Phase II clinical trial to evaluate the efficacy and safety of D-2570 in patients with moderate-to-severe plaque psoriasis in the U.S. sponsored by us

Overview. This is a randomized, double-blind, placebo-controlled, multicenter Phase II clinical trial in patients with moderate-to-severe plaque psoriasis. The primary objective is to evaluate the efficacy of different doses of D-2570 in participants with moderate-to-severe plaque psoriasis. The secondary objective is to evaluate (i) the safety of different doses of D-2570 in patients with moderate-to-severe plaque psoriasis and (ii) the plasma concentration of D-2570 and its metabolite in patients with moderate-to-severe plaque psoriasis.

Trial design. The trial expects to enroll 75 patients. The subjects will be randomized in a 1:1:1 ratio to receive D-2570 9 mg QD, D-2570 18 mg QD and placebo, for 12 weeks. Subjects who complete 12-week treatment period or discontinue study treatment early are expected to be followed for safety for 4 additional weeks after the last dose of D-2570 or placebo.

The primary endpoint is the proportion of subjects achieving PASI-90 at week 12. The secondary endpoints include: proportion of subjects achieving a PGA of 0/1 at week 12; proportion of subjects achieving PASI-75 at week 12; proportion of participants achieving PASI-100 at week 12; proportion of subjects achieving a PGA 0/1, PASI-75, PASI-90 and PASI-100 at week 4 and week 8; plasma concentrations of D-2570 and its metabolite. Safety endpoints include: AE, laboratory tests, vital signs, physical examination, ECG.

Key inclusion criteria include: (i) aged 18 to 65 years (inclusive); (ii) diagnosed with plaque psoriasis which has no significant flares of disease activity in the opinion of the investigator for at least 6 months before signing the informed consent; (iii) with moderate-to-severe plaque psoriasis as defined by a total body surface area ≥10%, a PASI score ≥ 12 and a PGA score ≥ 3 at screening and day 1. Key exclusion criteria include: (i) evidence of erythrodermic psoriasis, pustular psoriasis, guttate psoriasis, inverse psoriasis, or drug-induced psoriasis; (ii) a history of skin disease or presence of skin condition that, in the opinion of the investigator, would interfere with the study assessments, such as eczema; (iii) presence of herpes zoster lesions at screening or day 1; or with a history of serious herpes zoster or serious herpes simplex infection; (iv) a history of tuberculosis, or has active tuberculosis, latent tuberculosis, or clinical manifestations suspicious of tuberculosis infection.

Trial status. We initiated this Phase II clinical trial in July 2026 and expect to complete it in the first quarter of 2028.

Clinical Development Plan

We expect to complete: The registrational Phase III clinical trial of D-2570 and the head-to-head Phase III clinical trial of D-2570 (comparing it with deucravacitinib) targeting moderate-to-severe plaque psoriasis in China in the second half of 2027; the Phase II clinical trial of D-2570 as induction therapy targeting moderate-to-severe active UC in China in the first quarter of 2027; the Phase II clinical trials of D-2570 targeting active SLE, active PsA and nonsegmental vitiligo in China in the second half of 2028; the Phase II clinical trial for moderate-to-severe plaque psoriasis in the U.S. in the first quarter of 2028. We expect to submit an NDA for D-2570 to the NMPA in the second half of 2027. In addition, we expect to initiate: a Phase III clinical trial for UC in China in 2027; a Phase III clinical trial for PsA in China in 2028; and a Phase III clinical trial for SLE in China in 2029.

Material Communications with Competent Authorities

In June 2022, the CDE granted the umbrella IND approval to conduct the clinical trial of D-2570 targeting plaque psoriasis. After completion of the Phase I clinical trial in healthy subjects and Phase II clinical trial in plaque psoriasis patients, in January 2025, we had an end-of-Phase II meeting with the CDE and received CDE's approval to conduct the registrational Phase III clinical trial of D-2570 for moderate-to-severe plaque psoriasis.

In March 2025, the CDE granted the IND approval to conduct the Phase II clinical trial of D-2570 as induction therapy in subjects with moderate-to-severe active UC. In August 2025, the CDE granted the IND approval to conduct a head-to-head Phase III clinical trial of D-2570 for moderate-to-severe plaque psoriasis. The CDE granted IND approvals for the Phase II clinical trials targeting active SLE, active PsA and nonsegmental vitiligo in October 2025, November 2025 and April 2026, respectively. In November 2025, the FDA issued the IND clearance to conduct a Phase I clinical trial of D-2570 in healthy subjects. In February 2026, the FDA received our protocol for the Phase II clinical trial of D-2570 in patients with moderate-to-severe plaque psoriasis. The FDA did not raise any objections to the application during the 30-day period following the date of receipt.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET D-2570 SUCCESSFULLY.

Core Product Taragarestrant (D-0502): An Oral SERD for Breast Cancer Treatment

Overview

Taragarestrant (D-0502) is a potent, orally active and selective SERD. It is designed to treat ER+/HER2- breast cancer. Taragarestrant (D-0502) is the first oral SERD developed by a Chinese company that has entered clinical development in the U.S.

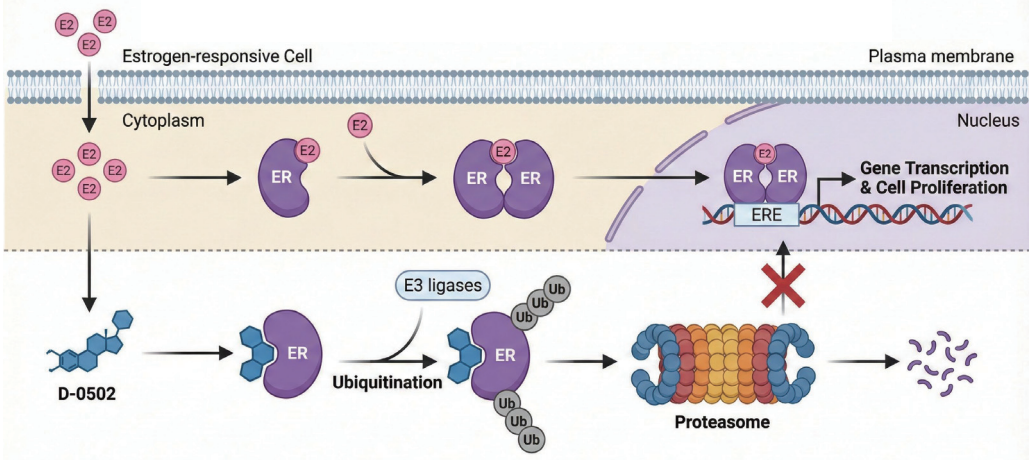
We are investigating taragarestrant (D-0502) a monotherapy for the treatment of ER+/HER2- breast cancer and its use in combination with ADCs. We have completed the Phase I clinical trial of taragarestrant (D-0502) — as a monotherapy or in combination with palbociclib — in both China and the U.S. In the clinical trials, taragarestrant (D-0502) demonstrated a favorable safety profile and promising anti-tumor activities.

In October 2021, we received the NMPA's approval to conduct a registrational head-to-head Phase III clinical trial of taragarestrant (D-0502), with fulvestrant injection as the control. The NMPA exempted the requirement to conduct the Phase II clinical trial for taragarestrant (D-0502) as monotherapy, based on the finding that the Phase I clinical trial results as of the Data Cutoff Date, which was considered to have generated sufficient clinical data for the safety and efficacy evaluation of D-0502 monotherapy dosed at 400mg OD. With that, the NMPA approved our application to directly proceed with a registrational Phase III clinical trial designed to evaluate the safety and efficacy of D-0502 monotherapy at 400 mg QD without the need to conduct a Phase II clinical trial. The approval by the NMPA was not subject to any additional work/conditions that had to be completed prior to progression to the registrational Phase III clinical trial. The Phase III clinical trial of taragarestrant (D-0502) is currently ongoing, and we expect to complete it in the first half of 2028 and thereafter submit to the NMPA an NDA for taragarestrant (D-0502).

We developed taragarestrant (D-0502) internally and hold the global rights for its use, manufacture, and commercialization.

Mechanism of Action

After estrogen binds to the estrogen receptor ("ER"), ER will undergo a structural change and form a dimer (a chemical structure formed from two similar sub-units). The dimer can enter the cell nucleus and bind to the estrogen response element ("ERE") in the promoter (a specific DNA sequence upstream of a gene for initiation of gene transcription) of target genes, thereby initiating gene transcription and promoting cell proliferation. SERDs can compete with estrogen in binding to ER. On the one hand, SERDs can prevent ER dimerization and thereby block the ER binding to the target genes. On the other hand, SERDs can bind to ER to form the SERD-ER complex, which can be recognized by the ubiquitin enzymes in the cell's internal protein degradation system. The ubiquitin enzymes will then accelerate ER degradation and reduce the intracellular ER concentration. Below is a diagram illustrating the MOA of D-0502.



Market Opportunity and Competitive Landscape

The efficacy of SERD drugs as monotherapy is generally low (with PFS lower than six months), and SERD drugs are therefore usually used in combination therapies. Globally, there were four approved oral SERD drugs (including one in China) and one approved non-oral SERD drug (approved in China), as well as five SERD drug candidates under clinical development in the Phase III stage or beyond, as of the Latest Practicable Date. For more details, please refer to "Industry Overview — Overview Oncology Drug Market — Selective Estrogen Receptor Degraders ("SERDs")."

Competitive Advantages

Clinical Leadership

Taragarestrant (D-0502) is the first oral SERD developed by a Chinese company that has entered clinical development in the U.S. In China, there is currently no approved oral SERD drug. We are currently conducting a registrational Phase III clinical trial of taragarestrant (D-0502), which we expect to complete in 2027.

Promising Anti-tumor Efficacy

Taragarestrant (D-0502) was discovered via high throughput screening of active molecules in MCF7 cells (a human breast cancer cell line). We established three different animal models of breast cancer to conduct a comprehensive evaluation of taragarestrant (D-0502) before its clinical development. In these animal models, we validated the preliminary efficacy of taragarestrant (D-0502) and its potential synergy with CDK4/6 inhibitors.

Convenience of use

Taragarestrant (D-0502) is orally administered. As of the Latest Practicable Date, only one SERD drug was approved in China, and it must be administered by injection. The oral administration of taragarestrant (D-0502) is expected to improve the acceptance by physicians and patients, as well as patient compliance.

Summary of Clinical Trials

The following sets forth an overview of the key clinical trials of taragarestrant (D-0502).

Phase	Study design	Sites	Subjects	Status	Subject enrollment
I . . .	Assess the safety and tolerability, identify the maximum tolerated dose and/or RP2D, evaluate the PK properties and evaluate preliminary anti-tumor activities of taragarestrant (D-0502) single agent and taragarestrant (D-0502) in combination with standard dose of palbociclib	China, U.S.	Women with advanced or metastatic ER+/HER2- breast cancer	Completed	197 (Actual)
III . .	Compare the efficacy and safety of taragarestrant (D-0502) with fulvestrant	China	Patients with ER+/HER2- locally advanced or metastatic breast cancer	Ongoing	640 (Expected)
Ib/II .	Evaluate the safety, tolerability, DLTs, and preliminary antitumor activity of JSKN016 in combination with D-0502	China	Patients with hormone receptor-positive ("HR+")/HER2- locally advanced or metastatic breast cancer	Ongoing	60 (Expected)

Clinical development of taragarestrant (D-0502) in China and the U.S.:

A Phase I clinical trial of taragarestrant (D-0502) single agent and taragarestrant (D-0502) in combination with palbociclib in women with advanced or metastatic ER+/HER2- breast cancer in China and the U.S. sponsored by us

Overview. This was an open-label, Phase I MRCT of taragarestrant (D-0502) single agent and taragarestrant (D-0502) in combination with standard dose of palbociclib to assess the safety and tolerability, identify the maximum tolerated dose ("MTD"), and/or recommended Phase II dose ("RP2D"), evaluate the PK properties and evaluate preliminary anti-tumor activities in women with advanced or metastatic ER+/HER2- breast cancer. The primary objective was to characterize the safety and tolerability of taragarestrant (D-0502) and taragarestrant (D-0502) in combination with palbociclib, to identify an MTD and/or RP2D. The secondary objectives were to evaluate the PK properties and the preliminary anti-tumor activities.

Trial design. The trial had 3 parts: Dose Escalation (Phase Ia), Dose Expansion and Combination (Phase Ib), and Evaluation of twice a day ("BID") dosing schedule (Phase Ic).

The Phase Ia part enrolled 16 patients. Patients received taragarestrant (D-0502) orally once daily in 28-day cycles and were evaluated using conventional 3+3 dose-escalation to identify the MTD of taragarestrant (D-0502) as a single agent. Up to 4 sequential cohorts were evaluated: Cohort 1 (50 mg QD), Cohort 2 (100 mg QD), Cohort 3 (200 mg QD), and Cohort 4 (400 mg QD). The treatment period in Phase Ia part lasted around three years.

The Phase Ib part was divided into 2 stages, with 20 patients enrolled in Stage 1 and 118 patients enrolled in Stage 2. In Stage 1, taragarestrant (D-0502) was evaluated with palbociclib at a dose below the MTD first before escalating to the MTD. In China, 4 cohorts were evaluated: 1C (200 mg taragarestrant (D-0502)), 2C (400 mg taragarestrant (D-0502)), 3C (200 mg taragarestrant (D-0502) + 125 mg palbociclib), and 4C (400 mg taragarestrant (D-0502) + 125 mg palbociclib). In the U.S., 2 cohorts were evaluated: Cohort 1U (200 mg taragarestrant (D-0502) + 125 mg palbociclib) and Cohort 2U (400 mg taragarestrant (D-0502) + 125 mg palbociclib). Stage 2 further evaluated the MTD for both single agent and combination of taragarestrant (D-0502) with palbociclib. Two cohorts were evaluated in Stage 2 in China and the U.S.: Cohort 1 (taragarestrant (D-0502) single agent) and Cohort 2 (taragarestrant (D-0502) plus palbociclib). Cohorts 1 and 2 were enrolled by randomization in a 1:1 ratio. The treatment period in Phase Ib part lasted around two years.

The Phase Ic part evaluated the BID dosing schedule of taragarestrant (D-0502). It involved two cohorts: the single agent cohort (with 13 patients enrolled) and the combination cohort (with 30 patients enrolled). In the single agent cohort, each patient received a single dose of taragarestrant (D-0502) on Cycle 1 Day 1, then taragarestrant (D-0502) BID (approximately 12±1 hours apart) from Cycle 1 Day 2 to Day 28. All subsequent cycles had taragarestrant (D-0502) BID dosing every day. Each 28-day period was considered 1 treatment cycle. In the combination cohort, each patient had 2 treatment periods. In the first PK assessment period (Period A, 14 days), patients received an oral dose of palbociclib (125 mg capsule) QD from Day 1 to Day 7. In the second continuous dosing period (Period B), each patient took both taragarestrant (D-0502) and palbociclib with food or within 1 hour after breakfast and taragarestrant (D-0502) in the evening in a 4-week cycle. The treatment period in Phase Ic part lasted around three years.

The primary endpoints of Phase Ia, Ib and Ic parts included AEs, DLT and MTD. The secondary endpoints included PK characteristics, ORR, CBR, disease control rate ("DCR"), PFS, and duration of response ("DOR"). Patients continued to receive treatment until disease progression, intolerable toxicity, withdrawal of informed consent or termination for other reasons. Patients were subject to a follow-up period of about 30 days after end of treatment.

Key inclusion criteria included: (i) female patients age >18 years old with menopausal status and histologically proven, ER+/HER2-, locally advanced, inoperable, and/or metastatic breast cancer; (ii) having received ≤2 lines of prior chemotherapy for metastatic disease (≤1 line of prior

chemotherapy for Phase Ib patients) and had radiological or objective evidence of disease progression on or after the last systemic therapy (if applicable) before starting current study treatment; (iii) having had measurable disease according to RECIST v1.1 and ECOG score of 0 or 1. Key exclusion criteria included: (i) patients with prior anticancer therapy <14 days before the first dose of study treatment or any investigational drug treatment <28 days or 4 half-lives (whichever was shorter) before the first dose of study treatment; (ii) unstable or progressive central nervous system metastases; (iii) unresolved toxicities from previous anticancer therapy.

Trial status. We initiated the Phase I clinical trial (Ia and Ib parts in China and the U.S.) in May 2018 and completed the trial in January 2024. The prolonged period of the Phase I clinical trial was due to its complex trial design and the addition of Ic part while the trial was ongoing. Phase Ia and Ib parts were completed in July 2021, evidenced by the safety review committee's conclusion that all primary endpoints of Phase Ia and Ib had been reached and recommendation of proceeding to the advanced phase of clinical trial RP2D at 400mg QD. We voluntarily (without any request or recommendation from the NMPA) added Phase Ic part in July 2020, enrolled the first patient in August 2020 and completed it in October 2023, evidenced by the reach of all trial endpoints. Thereafter, in January 2024, the clinical study report for entire Phase I clinical trial (including Phase Ia, Ib and Ic) was finalized, which marked the completion of the entire Phase I clinical trial. It is in line with the industry norm for a Phase I trial to have an extended timeframe, especially when the trial design includes different treatment parts with varying dosing schedules that assess both monotherapy and combination therapies in multiple regions, as confirmed by Frost & Sullivan.

Safety data. The MTD was not reached and RP2D was determined to be 400 mg for taragarestrant (D-0502). Taragarestrant (D-0502) was generally well tolerated. The most commonly reported TEAEs were nausea, diarrhoea, and vomiting. In Phase Ia, Phase Ib Stage 2 Cohort 1, and Phase Ic single agent cohorts, TEAEs were mainly Grade 1 or 2. The incidences of Grade 3 or above TEAEs were 55.0%, 58.6% and 46.7% in Phase Ib Stage 1, Phase Ib Stage 2 and Phase Ic combination cohort treatment cohort, respectively. No patients in Phase Ia and Phase Ic single agent cohort experienced SAEs. In the other phases and cohorts, the incidence of SAEs was below 20%, and most SAEs were not treatment related.

The recorded incidences of AEs are summarized below.

	TEAE	TRAE	Grade 3 or above TRAE	TEAE leading to study discontinuation
Phase Ia	87.5%	62.5%	12.5%	0.0%
Phase Ib Stage 1	100.0%	90.0%	40.0%	0.0%
Phase Ib Stage 2 Cohort 1	96.7%	95.0%	31.7%	6.7%
Phase Ib Stage 2 Cohort 2	100.0%	93.1%	36.2%	6.9%
Phase Ic single agent cohorts	100.0%	84.6%	15.4%	0.0%
Phase Ic combination cohorts	100.0%	90.0%	33.3%	12.5%

Clinical development of taragarestrant (D-0502) in China only:

A Phase III clinical trial to compare the efficacy and safety of taragarestrant (D-0502) with fulvestrant in patients with previously treated ER+/HER2- locally advanced or metastatic breast cancer in China sponsored by us

Overview. This is a randomized, parallel-controlled, open-label, multicenter registrational Phase III clinical trial to assess the efficacy and safety of taragarestrant (D-0502) in the treatment of subjects with ER+/HER2- locally advanced or metastatic breast cancer, with fulvestrant injection as a control drug. The primary objective is to compare the efficacy of taragarestrant (D-0502) with

fulvestrant in treating ER+/HER2- locally advanced or metastatic breast cancer. The secondary objective is to evaluate the safety and population PK of taragarestrant (D-0502) in the treatment of ER-positive, HER2-negative locally advanced or metastatic breast cancer.

Trial design. The trial expects to enroll 640 patients, to be randomized in a 1:1 ratio into two groups. The experimental group will be orally administered with taragarestrant (D-0502) tablet at 200 mg QD in the first two weeks and at 400 mg QD thereafter. The control group will receive intramuscular injection of fulvestrant 500 mg QD on Day 1 and Day 15 of the first 28-day treatment cycle and on Day 1 only in the next 28-day treatment cycles. Patients will continue to receive treatment until disease progression, intolerable toxicity, withdrawal of informed consent or termination for other reasons. Patients will be subject to a follow-up period of about 30 days after end of treatment. The primary endpoint was the PFS assessed by Independent Review Committee ("IRC"). The secondary endpoints included the PFS assessed by the investigator, ORR, CBR, DCR, DOR and OS.

Key inclusion criteria included: (i) female subjects aged between 18 and 75 years (inclusive); (ii) pathologically confirmed with ER+/HER2- breast cancer; (iii) subjects with locally advanced (unresectable) or metastatic breast cancer who have disease recurrence during or after adjuvant endocrine therapy, or whose disease has progressed after 1-2 lines of systemic endocrine therapy. Key exclusion criteria included: (i) subjects with unstable or symptomatic or progressive central nervous system metastases; (ii) subjects with locally advanced or metastatic breast cancer who have previously received more than 2 prior systemic chemotherapy; (iii) subjects who are unsuitable for endocrine therapy judged by the investigator, including uncontrolled pleural effusion, ascites or pericardial effusion.

Trial status. After an end-of-Phase I communication meeting in October 2021, the CDE granted the approval to conduct a registrational Phase III clinical trial of taragarestrant (D-0502). The CDE confirmed that we did not need to wait until the completion of Ic part of the Phase I clinical trial before progressing to the Phase III clinical trial for D-0502 as monotherapy, based on the fact that the endpoints under Ia and Ib parts of the Phase I clinical trial were met. We initiated the Phase III clinical trial in September 2022 and expect to complete the trial in the first half of 2028.

A Phase Ib/II clinical trial to evaluate the safety, tolerability, DLTs, and preliminary antitumor activity of JSKN016 in combination with D-0502 in patients with HR+/HER2- locally advanced or metastatic breast cancer in China sponsored by us

Overview. This is a multicenter, open-label, Phase Ib/II randomized study designed to evaluate the safety, tolerability, DLTs, and preliminary antitumor activity of JSKN016 in combination with D-0502 in patients with locally advanced or metastatic HR+/HER2- breast cancer who have previously progressed on CDK4/6 inhibitor-based endocrine therapy. The primary objective is to evaluate the safety, tolerability, DLTs, and preliminary antitumor activity of JSKN016 in combination with D-0502 in patients with locally advanced or metastatic HR+/HER2- breast cancer. The secondary objective is to evaluate the overall safety and tolerability of JSKN016 in combination with D-0502, PK profile of JSKN016 and D-0502, and immunogenicity of JSKN016.

Trial design. Approximately 60 patients will be randomized in a 1:1 ratio to receive JSKN016 administered intravenously at 4 mg/kg every 2 weeks or every 3 weeks, in combination with daily oral D-0502 at 200 mg. Each dosing cohort will include a safety lead-in phase to assess DLTs prior to cohort expansion. Tumor response will be assessed according to RECIST v1.1. Patients will continue to receive treatment until disease progression, intolerable toxicity, withdrawal of informed consent, death or termination for other reasons assessed by the investigator. Patients will be subject to a follow-up period of about 30 days after end of treatment. Primary endpoints include DLTs, ORR, safety and tolerability. Secondary endpoints include DCR, DOR, CBR, PFS, OS, PK profile and anti-drug antibody.

Key inclusion criteria include: (i) female subjects aged 18 or above; (ii) histologically or cytologically confirmed locally advanced or metastatic HR+/HER2- breast cancer (HR+ defined as ER and/or PR ≥1% in nuclear staining by immunohistochemistry); (iii) prior progression on CDK4/6 inhibitor plus endocrine therapy. Key exclusion criteria include: (i) active or untreated metastases in the central nervous system: (ii) prior treatment with ADCs containing topoisomerase I inhibitor payloads; (iii) active interstitial lung disease or pneumonitis.

Trial status. We initiated the Phase II clinical trial in March 2026 and expect to complete it in 2028.

Clinical Development Plan

We expect to complete the registrational Phase III clinical trial of taragarestrant (D-0502) in China in the first half of 2028 and thereafter submit to the NMPA an NDA for taragarestrant (D-0502) in the first half of 2028. We expect to complete the Phase II clinical trial of taragarestrant (D-0502) in combination with JSKN016 in 2028. Also, we expect to initiate a Phase III clinical trial of taragarestrant (D-0502) in combination with JSKN016 in 2028.

Material Communications with Competent Authorities

In February 2018, the FDA granted the IND approval to conduct a Phase I clinical trial of taragarestrant (D-0502). In July 2018, the NMPA granted the IND approval to conduct Phase I clinical trials of taragarestrant (D-0502) in 10 mg and 50 mg tablets.

The Phase I clinical trial of taragarestrant (D-0502) in China and the U.S. was completed in January 2024 (marked by finalization of the clinical study report). The initiation and completion time of different parts of the trial are summarized below.

	Initiation (marked by enrollment of first subject)	Completion (marked by reaching all trial endpoints)
Phase Ia	May 2018	July 2021
Phase Ib	July 2019	July 2021
Phase Ic	August 2020	October 2023

The trial design of Phase Ia and Phase Ib parts were included in the IND application package for the purpose of securing IND approval of D-0502, which was received in July 2018. The Phase Ic part was subsequently included in the overall Phase I clinical trial in July 2020. Accordingly, the clinical results of Phase Ic part is not required for the progression to the Phase III trial, which is designed to evaluate the efficacy and safety of D-0502 as monotherapy dosed at 400 mg QD. We included the Phase 1c part in the EOP1 meeting package submitted to the CDE in August 2021. The CDE raised no objection to the amended Phase I trial protocol containing the Phase 1c part.

As of July 19, 2021 (the "Data Cutoff Date"), the subjects in the Phase I clinical trial that received D-0502 monotherapy QD dosing schedule (the "Mono Subjects"), as required by the Phase I trial protocol, had all completed their treatment and follow-up assessments for the purpose of reaching primary endpoints. As of the Data Cutoff Date, the Phase Ic part was still ongoing and patient enrolment was in progress; as such, no summary of the Phase Ic clinical results was generated at the time. Phase Ic part was subsequently completed in October 2023. Based on the Phase I clinical trial results (without the Phase Ic results) as of the Data Cutoff Date (the "Phase I Clinical Trial Results"), the safety review committee (i) concluded that we had completed the safety and efficacy evaluations of the Mono Subjects, with all the primary endpoints met and (ii) recommended proceeding to the advanced phase of clinical trial to evaluate the safety and efficacy of D-0502 as monotherapy at 400 mg QD. Subsequently, we requested an EOP1 meeting with the CDE, the purpose of which was to (i) seek CDE's approval to directly proceed to a Phase III clinical trial of D-0502 monotherapy based on the Phase I Clinical Trial Results and (ii) agree with the CDE on the clinical trial design of the Phase III clinical trial.

In the EOP1 meeting package submitted in August 2021, we presented to the CDE (a) synopsis of the Phase I Clinical Trial Results and (b) the status of the Phase I clinical trial of D-0502, including the fact that Phase Ic is still ongoing. Based on these data and having considered the on-going status of the Phase Ic, the CDE agreed with us to proceed directly with a registrational Phase III clinical trial of D-0502 monotherapy and approved the proposed design of the Phase III clinical trial (with the dosing schedule of 200 mg QD in the first two weeks and at 400 mg QD thereafter). As confirmed by the Frost & Sullivan, it is not uncommon in the industry for a study drug to proceed from a Phase I trial directly to a Phase III trial.

Accordingly, in October 2021, the CDE in the EOP1 Meeting agreed with our assessment that the relevant patient size and the Phase I Clinical Trial Results were sufficient to adequately support the evaluation of the safety and efficacy of D-0502 monotherapy at a dose of 400 mg QD in a registrational Phase III trial, such that we were considered to have completed a conventional Phase I clinical trial of D-0502 as monotherapy. In addition, the CDE in the same EOP1 Meeting agreed with us to directly proceed with a registrational Phase III clinical trial of D-0502 as monotherapy, and did not impose any additional work/conditions that had to be completed prior to the completion of the Phase Ic clinical trial and progression to the registrational Phase III clinical trial.

In January 2024, the entire Phase I clinical trial, including the Phase Ic part, was completed — all patients had completed treatment and follow-up period, all primary endpoints had been reached, and the clinical study report was finalized. In September 2025, we submitted to the NMPA an IND application to conduct a Phase II clinical trial for D-0502 in combination with JSKN016, an ADC drug candidate (the "Combo IND Application"), which included the synopsis of the results of the entire Phase I clinical trial of D-0502, including the Phase Ic part. Based on such results of D-0502, in December 2025, the NMPA had no objection for us to proceed with Phase II clinical trial by granting the IND application to conduct a Phase II clinical trial of D-0502 in combination with JSKN016 in patients advanced or metastatic ER+/HER2- breast cancer (the "D-0502 Phase II Combo Trial").

We have not received any additional communication with the NMPA/CDE regarding the Phase I clinical trial after the approval of the Combo IND Application.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET TARAGARESTRANT (D-0502) SUCCESSFULLY.

Darbinurad (D-0120): An Oral Selective URAT1 Inhibitor with First-in-class Potential for the Treatment of Gout

Overview

Darbinurad (D-0120) is an oral selective URAT1 inhibitor under clinical development for the treatment of gout. Darbinurad (D-0120) functions by blocking the reabsorption of uric acid in the kidney via URAT1, thereby reducing the serum uric acid concentrations.

Gout occurs as a result of the high levels of uric acid in the blood (hyperuricemia) and its subsequent deposition in the form of monosodium urate in the joints causing inflammation. There is a large patient base for gout and hyperuricemia globally and in China. The prevalence of gout among adults in China is approximately 0.86%-2.20%.

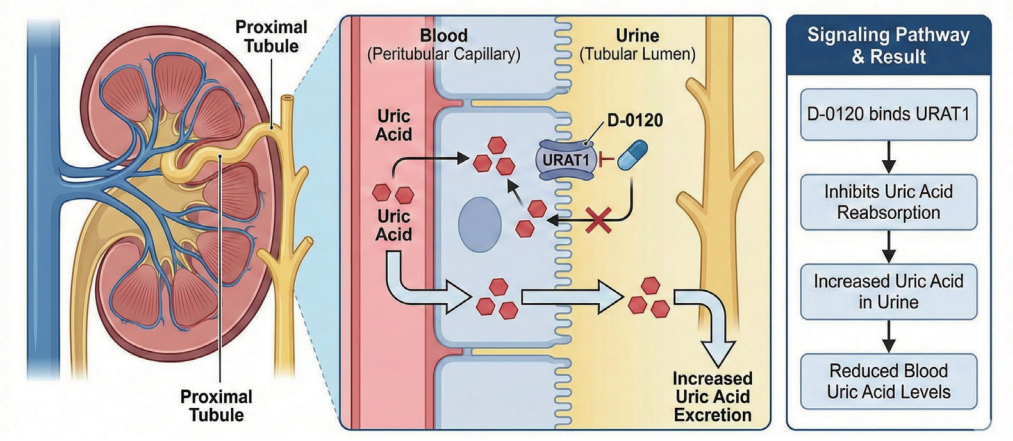
Darbinurad (D-0120) is the first URAT1 inhibitor developed by a Chinese company to enter clinical trials in the U.S. As a URAT1 inhibitor, darbinurad (D-0120) is anticipated to have a potent serum uric acid reducing effect, but with less toxicity and wider therapeutic window. In the human URAT1-expressed CHO cell model, darbinurad (D-0120)'s inhibitory activity toward URAT1 was shown to be 150-fold more potent than lesinurad and slightly more potent than verinurad.

In a completed Phase IIb clinical trial, darbinurad (D-0120) demonstrated a favorable safety profile and significant efficacy in lowering serum uric acid levels in gout patients, regardless of the presence or absence of gout. Meanwhile, we are exploring the potential of darbinurad (D-0120) in combination with allopurinol as a treatment for gout. A Phase II clinical trial for that purpose was completed in March 2026.

We developed darbinurad (D-0120) internally and hold the global rights for its development, manufacture and commercialization.

Mechanism of Action

Uric acid is a product of purine metabolism. Elevated levels of uric acid can lead to hyperuricemia. Renal uric acid reabsorption transporters, including URAT1, are involved in the uric acid metabolism in the human body. URAT1 is located on the luminal membrane of the proximal convoluted tubule in the kidney. It is responsible for reabsorbing uric acid from the tubular fluid (urine) into the proximal tubular cells. URAT1 inhibitors can inhibit urate reabsorption, thereby promoting uric acid excretion from the body and lowering the blood uric acid level. Below is a diagram illustrating the MOA of darbinurad (D-0120).



Market Opportunity and Competitive Landscape

As of the Latest Practicable Date, globally there were three approved URAT1 inhibitor drugs and three URAT1 inhibitor drug candidates under clinical development in both China and the U.S. For more details, please refer to "Industry Overview — Overview of Metabolic Disease Drug Market — Urate Transporter 1 ("URAT1") Inhibitors."

Competitive Advantages

Potent Serum Uric Acid Reducing Effect

In a completed Phase IIb clinical trial, darbinurad (D-0120) demonstrated significant efficacy in lowering serum uric acid levels in gout patients, regardless of the presence or absence of gout. Besides, darbinurad (D-0120) exhibited a rapid onset of action after oral administration. In a completed Phase Ib/IIa clinical trial, darbinurad (D-0120) was shown to significantly reduce blood uric acid levels within 24 hours in both healthy subjects and gout patients. Notably, for the arm that received darbinurad (D-0120) at 1 mg BID for 14 consecutive days followed by 2 mg BID for 28 consecutive days, the proportion of hyperuricemia patients achieving the target serum uric acid level (below 360 μmol/L) reached 80%.

Favorable Safety Profile

Darbinurad (D-0120) demonstrated favorable safety and tolerability in both healthy volunteers and gout patients in the completed Phase Ib/IIa and Phase IIb clinical trials. No SAE or death was recorded. The majority of TEAEs were Grade 1 (mild) in severity.

Summary of Clinical Trials

The following sets forth an overview of the key clinical trials of darbinurad (D-0120).

Phase	Study design	Sites	Subjects	Status	Subject enrollment
I . . .	Evaluate the safety, tolerability, PK, PD and food effect on PD of darbinurad (D-0120) under SAD	U.S.	Healthy subjects	Completed	39 (Actual)
I . . .	Evaluate the safety, tolerability, PK, and PD of darbinurad (D-0120) under MAD	U.S.	Healthy subjects	Completed	40 (Actual)
Ib/IIa.	Evaluate the safety, tolerability, PK and PD characteristics of darbinurad (D-0120) after multiple doses	China	Healthy subjects and gout patients	Completed	52 (Actual)
IIb . .	Evaluate the efficacy and safety of darbinurad (D-0120) tablets	China	Primary gout patients	Completed	121 (Actual)
I . . .	Evaluate the PK interactions between darbinurad (D-0120) and allopurinol	U.S.	Healthy subjects	Completed	20 (Actual)
II . . .	Evaluate efficacy and safety of darbinurad (D-0120) in combination with allopurinol	U.S.	Gout patients	Completed	80 (Actual)

A Phase I Clinical Trial to Evaluate the Safety, Tolerability, PK, and PD of darbinurad (D-0120) in Healthy Volunteers in the U.S. sponsored by us

Overview. This is a Phase I, randomized, double-blind, placebo-controlled, single-dose, and dose-escalation study to evaluate the safety, tolerability, PK, and PD of darbinurad (D-0120); including an open-label cohort to determine the effect of food on the PD of darbinurad (D-0120) tablet in healthy volunteers in the U.S. The primary objective was to evaluate the safety and tolerability of darbinurad (D-0120) in single ascending doses in healthy volunteers. The secondary objectives were to characterize the PK of darbinurad (D-0120) and possibly assess any PD effects and to determine the effect of food on the single dose PK of 10 mg darbinurad (D-0120) tablets in healthy volunteers.

Trial design. Overall, 39 subjects entered and completed the trial, with 8 subjects in each of Cohorts 1, 2, 4, and 5, and 7 subjects in Cohort 3. Single oral doses were administered in each of Cohorts 1 to 4, and 2 single doses separated by 3 days were administered in Cohort 5. In Cohorts 1, 2 and 4, 8 subjects were randomized to receive a single oral dose of darbinurad (D-0120) (6 subjects per cohort) or placebo (2 subjects per cohort). In Cohort 3, 7 subjects were randomized to receive a single oral dose of darbinurad (D-0120) (5 subjects) or placebo (2 subjects). In Cohorts 1 to 4, the subjects receiving darbinurad (D-0120) were studied at respective daily doses of 5 mg, 10 mg, 20 mg, and 40 mg in the fasted state from Day 1 to Day 3. All subjects in Cohorts 1 to 4 returned for follow-up visits on Day 7 and Day 14. In Cohort 5, 8 subjects received 2 doses of 10 mg darbinurad (D-0120) in an open-label manner, once in the fasted state (Day 1) and once in the fed state (Day 4). All subjects in Cohort 5 returned for a follow-up visit on Day 11, and an

additional safety assessment was performed on Day 18 via telephone call. The primary endpoints included AEs, clinical laboratory evaluations, vital signs, 12-lead ECG, and physical examinations. The secondary endpoints included PK and PD characteristics.

Key inclusion criteria included: (i) healthy male or female subjects aged between 18 and 60 years (inclusive); (ii) BMI between 18.0 and 30.0 kg/m^2 (inclusive); (iii) body weight of 50 kg or higher; (iv) serum uric acid level ≥4.5 mg/dL. Key exclusion criteria included: (i) any history or clinical manifestations of significant metabolic, hematological, pulmonary, cardiovascular, gastrointestinal, neurologic, hepatic, renal, urological, or psychiatric disorders; (ii) any history or suspicion of kidney stones; (iii) positive for HIV, Hepatitis B, and/or Hepatitis C.

Trial status. We initiated the trial in September 2017 and completed the trial in February 2018. All trial endpoints were reached in February 2018, as marked by last observation of subjects.

Safety data. Darbinurad (D-0120) was safe and well-tolerated when administered as single oral doses between 5 mg and 40 mg in the fasted state, and as a single oral dose of 10 mg in the fed state. There were no deaths, SAEs, or Grade 3 or above TEAEs/TRAEs reported during the trial. No subjects discontinued from the trial due to a TEAE. Overall, 11 (28.2%) of the 39 subjects reported 25 TEAEs. The incidence of TEAEs was similar between subjects receiving placebo and subjects receiving darbinurad (D-0120) in the fasted state reported a total of 9 TEAEs. The majority of all TEAEs were mild. Overall, 18 (72.0%) TEAEs in 10 subjects were considered to be not related or unlikely related, 6 TEAEs in 2 subjects were considered to have a possible relationship, and 1 TEAE in 1 subject was considered to have a probable relationship.

A Phase I clinical trial to evaluate the safety and tolerability of darbinurad (D-0120) in multiple ascending doses in healthy volunteers in the U.S. sponsored by us

Overview. This is a Phase I, randomized, double-blind, placebo-controlled, multiple-dose, and dose-escalation trial to evaluate the safety, tolerability, PK, and PD of darbinurad (D-0120) in healthy volunteers. The primary objective was to evaluate the safety and tolerability of darbinurad (D-0120) in multiple ascending doses ("MAD") in healthy volunteers. The secondary objectives included characterizing the PK of darbinurad (D-0120) and possibly assessing any PD effects, and determining the effect of drug-drug interaction ("DDI") of febuxostat and darbinurad (D-0120) in healthy volunteers.

Trial design. The trial enrolled 40 healthy volunteers. 32 of them were dosed with darbinurad (D-0120) within 4 different single agent cohorts for a period of 7 days (Day 1 to Day 7) at the daily dosage level of 2.5 mg, 5 mg, 10 mg and 20 mg, respectively. Each cohort had 8 subjects randomized at 3:1 ratio for darbinurad (D-0120):placebo. The safety assessment was performed on Day 8. There subjects were followed-up on telephone call on Day 14. A fifth cohort of 8 healthy volunteers were enrolled and dosed with darbinurad (D-0120) in combination with febuxostat over a period of 9 days. The subjects received darbinurad (D-0120) at 5 mg once daily on Day 1, Day 3 to Day 9, as well as febuxostat at 40 mg once daily on Day 2 to Day 9. The safety assessment was performed on Day 10. Subjects were followed-up on telephone call on Day 16. The primary endpoints included TEAEs, SAEs, vital signs, 12-lead ECG, physical examination, and laboratory parameters. The secondary endpoints included PK and PD characteristics.

Key inclusion criteria included: (i) healthy male or female subjects aged between 18 and 60 years (inclusive); (ii) BMI between 18.0 and 30.0 kg/m^2; (iii) body weight ≥ 50.0 kg for males and ≥ 45.0 kg for females. Key exclusion criteria included: (i) history of significant allergic reactions to any drug; (ii) any history or suspicion of kidney stones; (iii) positive for HIV, Hepatitis B, and/or Hepatitis C.

Trial status. We initiated the trial in September 2019 and completed the trial in November 2020. All trial endpoints were reached in April 2020, as marked by last observation of subjects.

Safety data. Overall, the administration of multiple doses of darbinurad (D-0120) ranging from 2.5 to 20 mg or darbinurad (D-0120) 5 mg + febuxostat 40 mg was generally safe and well tolerated in healthy subjects. There were no deaths nor SAEs during this trial. A total of 17 TEAEs were reported by 7 (21.9%) subjects who received multiple doses of darbinurad (D-0120). The majority of TEAEs reported were Grade 1 in severity and all were transient during the study. The majority of TEAEs were resolved by the end of the study spontaneously.

A Phase Ib/IIa trial to evaluate the safety, tolerability, PK and pharmacodynamic ("PD") characteristics of darbinurad (D-0120) after multiple doses in healthy volunteers and gout patients in China sponsored by us

Overview. This is a randomized, double-blind, placebo-controlled, multiple ascending dose Phase Ib/IIa clinical trial to evaluate the safety, tolerability, PK and PD characteristics of darbinurad (D-0120) after multiple doses in healthy volunteers and gout patients. The primary objective was to evaluate the safety and tolerability of multiple escalating doses of darbinurad (D-0120) tablets in healthy subjects and gout patients. The secondary objective was to evaluate the PK and PD of darbinurad (D-0120) tablets in gout patients. The trial consisted of two parts: the Phase Ib part and the Phase IIa part.

Trial design. The Phase Ib part enrolled 16 health subjects, randomized into two arms. Within each arm of 8 subjects, 6 received darbinurad (D-0120) and 2 received placebo. Subjects in the two arms received an oral administration of darbinurad (D-0120) or placebo at 2.5 mg QD and 5 mg QD, respectively, for 7 consecutive days. The follow-up period was 7 days after the oral administration.

The Phase IIa part enrolled 36 gout patients, randomized into three arms. Within each arm of 12 subjects, 10 received darbinurad (D-0120) and 2 received placebo. Subjects in the three arms received an oral administration of darbinurad (D-0120) or placebo at 2.5 mg QD for 28 consecutive days, 1 mg BID for 28 consecutive days, 1 mg BID for 14 consecutive days followed by 2 mg BID for 28 consecutive days, respectively. The follow-up period was 14 days after the oral administration.

The primary endpoint was AE. The secondary endpoint was PK profile.

Key inclusion criteria included: (i) Aged between 18 and 65 years (inclusive); (ii) BMI between 18.0 and 30.0 kg/m^2 (inclusive). Additional inclusion criteria for Phase Ib part: fasting serum uric acid ("sUA") in the morning of screening period (fasted after 8 pm on the previous day) of healthy subjects meets the following requirement: 270 μmol/l (4.5 mg/dL) ≤ sUA <420 μmol/l (7 mg/dL). Additional inclusion criteria for Phase IIa part: patients with hyperuricemia must meet one of the following criteria: (i) having a history of gout and, during the screening period, have a fasting sUA level of ≥420 μmol/L (7 mg/dL) in the morning (fasting from 8 pm the previous day); and (ii) having a history of hyperuricemia, fasting sUA was ≥540 μmol/L (9 mg/dL) during the screening period (fasting from 8 pm the previous day), and deemed by the investigators to require uric acid-lowering treatment. Key exclusion criteria included: (i) history of significant metabolic, hematological, pulmonary, cardiovascular, gastrointestinal, nervous, hepatic, renal, urinary, gastrointestinal, immune, endocrine, psychiatric diseases, or clinical abnormalities that may pose excessive risks to the subjects or affect outcome or study interpretation at the discretion of the investigators; (ii) allergic constitution, or allergy to any drug used in the study or any ingredient of study drug; (iii) history of malignant tumors.

Trial status. We initiated the Phase Ib/IIa clinical trial in May 2020 and completed the trial in May 2022. All trial endpoints were reached in October 2021, as marked by last observation of subjects.

Safety data. Darbinurad (D-0120) demonstrated good safety and tolerability in healthy volunteers and gout patients under the tested dosages. In the Phase Ib part, 5 (31.3%), 3 (18.8%) and 1 (6.3%) subjects experienced TEAEs, treatment related TEAEs and Grade 3 or above TEAEs, respectively. In the Phase IIa part, 28 (77.8%), 15 (41.7%) and 3 (8.3%) subjects experienced TEAEs, treatment related TEAEs and Grade 3 or above TEAEs, respectively. No TEAE leading to death occurred in the trial.

Efficacy and PK data. In all arms in the Phase Ib part and the Phase IIa part, an increase in the average total amount of urinary uric acid was observed, and the average urinary uric acid concentration increased with increasing total urine sample volume. The maximum urinary uric acid concentration was reached within the 24 hours. Also, darbinurad (D-0120) caused an increase in fractional excretion of uric acid ("FEUa") from baseline in both healthy volunteers and gout patients, with the maximum FEUa reached within 24 hours. Notably, in the Phase IIa part, for the arm that received darbinurad (D-0120) at 1 mg BID for 14 consecutive days followed by 2 mg BID for 28 consecutive days, the proportion of patients achieving the target serum uric acid level (below 360 μmol/L) reached 80%.

A Phase IIb clinical trial to evaluate the efficacy and safety of darbinurad (D-0120) tablets in patients with gout in China sponsored by us

Overview. This was a randomized, open-label, parallel-controlled, multicenter Phase IIb clinical trial in gout patients. The trial consisted of two parts.

The primary objective of Part A was to conduct a preliminary evaluation of the efficacy of different doses of darbinurad (D-0120) in lowering uric acid in patients with gout. The secondary objective of Part A was to conduct a preliminary evaluation of the safety of darbinurad (D-0120) in patients with gout and an evaluation of population PK of darbinurad (D-0120) in patients with gout.

The primary objective of Part B was to conduct a preliminary evaluation of the safety of darbinurad (D-0120) in patients with gout. The secondary objective of Part B was to conduct a preliminary evaluation of the efficacy of different doses of darbinurad (D-0120) in lowering uric acid in patients with gout and an evaluation of population PK of darbinurad (D-0120) in patients with gout.

Trial design. Part A enrolled 91 patients, who were randomized into D-0120 group 1, D-0120 group 2 or benzbromarone control group. D-0120 group 2 received darbinurad (D-0120) at 1 mg BID in weeks 1 and 2, and at 2 mg BID in weeks 3 to 12. D-0120 group 1 received darbinurad (D-0120) at 1 mg BID in weeks 1 to 12. The benzbromarone control group received benzbromarone at 50 mg QD in weeks 1 to 12. Benzbromarone, a uricosuric agent, served as positive control. Part B enrolled 30 patients (D-0120 group 3), who received darbinurad (D-0120) at 1 mg BID in weeks 1 and 2, at 2 mg BID in weeks 3 and 4, and at 3 mg BID in weeks 5 to 12. After completion of the 12-week treatment period, patients in both Part A and Part B had a 2-week follow-up period. Primary endpoint was the percentage of subjects with serum uric acid ≤360 μmol/L at week 12 of treatment. Secondary endpoints included: (i) the percentage of subjects with serum uric acid ≤360 μmol/L at weeks 4 and 8 of treatment; (ii) the changes in serum uric acid from baseline at weeks 4, 8 and 12 of treatment; and (iii) the change percentage in serum uric acid from baseline at weeks 4, 8 and 12 of treatment.

Key inclusion criteria included: (i) aged between 18 and 65 years; (ii) BMI between 18.0 and 32.0 kg/m^2; (iii) meeting one of the two criteria, (1) a history of gout attacks and fasting sUA ≥480 μmol/L at the time of screening, and (2) asymptomatic hyperuricemia but with a previous diagnosis of hyperuricemia, and sUA ≥420 μmol/L for at least 3 months, with fasting sUA ≥540 μmol/L at screening and no other concurrent metabolic diseases; or fasting UA ≥480 μmol/L at screening, with concurrent essential hypertension, essential hyperlipidemia, or type 2 diabetes. Key exclusion criteria included: (i) prior intolerance to benzbromarone or contraindication to medication; (ii) secondary hyperuricemia caused by tumor, chronic kidney disease, blood disease or drugs.

Trial status. We initiated the Phase IIb trial in September 2022 and completed the trial in November 2024. All trial endpoints were reached in May 2024, as marked by last observation of subjects.

Efficacy data. Darbinurad (D-0120) demonstrated significant efficacy in lowering serum uric acid levels in gout patients, regardless of the presence or absence of gout. The percentages of patients with serum uric acid ≤360 μmol/L at week 12 of treatment were 30.0%, 53.6%, 70.4% and 55.2% in D-0120 group 1, D-0120 group 2, D-0120 group 3 and benzbromarone control group, respectively.

Safety data. Darbinurad (D-0120) demonstrated a safety profile comparable to benzbromarone and good tolerability in gout patients. Most reported treatment-related TEAEs were Grade 1 or 2. No deaths or treatment-related SAEs were reported.

Phase I clinical trial to evaluate the interactions between darbinurad (D-0120) and allopurinol in healthy adult subjects in the U.S. sponsored by us

Overview. This was a randomized, open-label, multiple-dose, Phase 1 clinical trial to evaluate the interactions between darbinurad (D-0120) and allopurinol in healthy adult subjects. The primary objective was to evaluate the potential PK interactions between darbinurad (D-0120) and allopurinol. The secondary objective was to assess the safety of darbinurad (D-0120) in single-agent and combination therapy with allopurinol in healthy subjects.

Trial design. A total of 20 subjects were enrolled in the trial and randomly assigned to 1 of 2 treatment sequences (Sequence A or B) in a 1:1 ratio. The following dosing schedule was applied to the subjects.

	Day 1	Days 2-8	Day 9
Sequence A	Darbinurad (D-0120) 2.5 mg single dose	Allopurinol 300 mg QD × 7 days	Darbinurad (D-0120) 2.5 mg + allopurinol 300 mg
Sequence B	Allopurinol 300 mg single dose	Darbinurad (D-0120) 2.5 mg BID × 7 days	Allopurinol 300 mg + darbinurad (D-0120) 2.5 mg BID

After completing treatment under Sequence A or B, subjects had a follow-up period until Day 16. The primary endpoints were main PK parameters including $AUC_{0\text{-}t}$, $AUC_{0\text{-}\infty}$ and C_{max}. The secondary endpoints included other PK parameters, AE, clinical laboratory test results, vital sign measurements, 12-lead ECG and physical examination findings.

Key inclusion criteria included: (i) Aged between 18 and 55 years (inclusive); (ii) BMI between 18.0 and 35.0 kg/m^2 (inclusive). Key exclusion criteria included: significant medical history or current comorbidly determined by the Investigator.

Trial status. We initiated the trial in November 2021 and completed the trial in January 2022. All trial endpoints were reached in January 2022, as marked by last observation of subjects.

Safety data. Darbinurad (D-0120) in combination with allopurinol 300 mg was safe and well tolerated by the healthy subjects. Overall, 9 (45.0%) and 4 (20.0%) subjects reported TEAEs and TEAEs possibly/probably related to study drug. All TEAEs were Grade 1 (mild) in severity. There were no moderate or severe TEAEs, serious TEAEs, deaths, or TEAEs that led to study discontinuation. All TEAEs were documented as recovered/resolved by the end of trial.

Phase II clinical trial to evaluate efficacy and safety of darbinurad (D-0120) in combination with allopurinol in subjects with gout in the U.S. sponsored by us

Overview. This was a randomized, open-label, multiple-dose Phase II clinical trial to evaluate efficacy and safety of darbinurad (D-0120) administered in combination with allopurinol in gout patients with inadequate urate-lowering response to allopurinol single-agent therapy.

Trial design. The subjects were randomized in 1:1 ratio into two cohorts. Each of the cohorts consisted of 40 subjects to receive a 12-week treatment. Subjects in Cohort A received darbinurad (D-0120) 1 mg BID for 7 days followed by 2.5 mg BID until the end of week 12. Subjects in Cohort B received darbinurad (D-0120) 1 mg BID for 7 days, followed by 2.5 mg BID for 7 days, and then 5 mg BID until the end of week 12. Allopurinol was orally taken within 30 minutes after breakfast in combination with darbinurad (D-0120), and the dose of allopurinol should be the same as the dose the patient used before signing informed consent form. After completing the 12-week treatment period, subjects in Cohort A and Cohort B had a 2-week follow-up period. The primary endpoint was percentage of subjects with a sUA level < 6.0 mg/dL at week 12. The secondary endpoints included percentage of subjects with an sUA level < 6.0 mg/dL at week 4 and 8, change in sUA level, AE and PK.

Key inclusion criteria included: (i) aged between 18 and 75 years (inclusive); (ii) BMI between 18.0 and 40.0 kg/m^2 (inclusive); (iii) having reported at least 2 gout flares in the previous 12 months. Key exclusion criteria included: (i) history of significant allergic reactions to allopurinol, colchicine or excipients of D-0120; (ii) any clinically significant metabolic, hematological, pulmonary, cardiovascular, gastrointestinal, neurologic, hepatic, renal, urological, or psychiatric disorders; (iii) positive for HIV, Hepatitis B, and/or Hepatitis C.

Trial Status. We initiated the Phase II clinical trial in April 2023 and completed it in March 2026.

Clinical Development Plan

In China, we are currently in discussions with CDE regarding next steps for darbinurad (D-0120). We may either launch a Phase III clinical trial for darbinurad (D-0120) monotherapy, or submit an IND to initiate a Phase II clinical trial for a combination therapy of darbinurad (D-0120). In U.S., we are actively seeking strategic partners to support the continued overseas development of darbinurad (D-0120).

Material Communications with Competent Authorities

In July 2017, we received an IND approval from the FDA to conduct a Phase I clinical trial of darbinurad (D-0120) in single ascending doses. In March 2018, we received an IND approval from the CDE to conduct Phase I and Phase II clinical trials of darbinurad (D-0120).

In August 2019, we submitted to the FDA the protocol for a Phase I clinical trial of darbinurad (D-0120) in multiple ascending doses. We have not received any objection from the FDA regarding the protocol.

In October 2021, we submitted to the FDA the protocol for a Phase I clinical trial of darbinurad (D-0120) in combination with allopurinol in subjects with gout. We have not received any objection from the FDA regarding the protocol.

In December 2022, we submitted to the FDA the protocol for a Phase II clinical trial of darbinurad (D-0120) in combination with allopurinol in subjects with gout. We have not received any objection from the FDA regarding the protocol.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET DARBINURAD (D-0120) SUCCESSFULLY.

Befotertinib (BPI-D0316): A Third-generation EGFR-TKI Approved for the Treatment of NSCLC

Overview

Befotertinib (BPI-D0316) is an orally administered, selective, third-generation EGFR-TKI. It was initially developed by us as a treatment of NSCLC.

In May 2023, befotertinib (BPI-D0316) received marketing approval from the NMPA for the second-line treatment of patients with locally advanced or metastatic NSCLC who have received EGFR-TKI therapy and have disease progression with positive EGFR T790M mutation. The approval was based on a Phase II clinical trial, where befotertinib (BPI-D0316) achieved a medium PFS of 16.6 and a medium OS of 31.5 months in patients. In October 2023, befotertinib (BPI-D0316) received another marketing approval from the NMPA, for first-line treatment of adult patients with locally advanced or metastatic NSCLC with EGFR exon 19 deletions or exon 21 (L858R) substitution mutations. The approval was based on a Phase III clinical trial, where befotertinib (BPI-D0316) achieved a medium PFS of 22.1 months in patients. Befotertinib (BPI-D0316) was commercialized in China in June 2023.

In both first-line and second-line treatment settings, befotertinib (BPI-D0316) achieved record-breaking PFS compared with existing treatments under the same scenarios and has been incorporated into authoritative guidelines such as the CSCO guidelines. Also, befotertinib (BPI-D0316) was included in the NRDL in China in 2023. Currently, befotertinib (BPI-D0316) is under a Phase III clinical trial as a postoperative adjuvant therapy. The trial aims to evaluate the efficacy and safety of befotertinib (BPI-D0316) versus icotinib in patients with stage IB-IIIB (T3N2M0) NSCLC harboring EGFR-sensitive mutations.

Befotertinib (BPI-D0316) is currently under two ongoing clinical trials sponsored by Betta in China: (1) a Phase III clinical trial of befotertinib (BPI-D0316) as postoperative adjuvant therapy in stage IB-IIIB (T3N2M0) EGFR-mutant NSCLC; and (2) a Phase I clinical trial of befotertinib (BPI-D0316) in combination with MCLA-129 (a bispecific antibody that targets EGFR and c-MET) in advanced NSCLC patients with EGFR-sensitive mutations.

Mechanism of Action

EGFRs are small proteins that are found on the surface of all cells. EGFR binds proteins circulating in the blood called epidermal growth factors. The binding action between EGFR and epidermal growth factors stimulates the signal transduction in multiple pathways to promote growth of a cell in a strictly controlled manner. However, if EGFR is either abundantly over-expressed or the EGFR biological processes are constantly active, the cancer cell may grow excessively and out of control. Befotertinib (BPI-D0316) specifically binds to and inhibits EGFR mutants, including T790M, a secondarily acquired resistance mutation, which prevents EGFR-mediated signaling and leads to cell death in EGFR T790M-expressing tumor cells. Compared to some other EGFR inhibitors, befotertinib (BPI-D0316) may have therapeutic benefits in tumors with T790M-mediated drug resistance.

Licenses, Rights and Obligations

In December 2018, when we had received a NMPA IND approval to conduct a Phase II clinical trial of befotertinib (BPI-D0316) targeting NSCLC, we entered into agreement with Betta to grant Betta the exclusive rights to develop and commercialize the product in Chinese Mainland, Hong Kong and Taiwan (the "Betta Agreement"). Pursuant to the Betta Agreement, we are entitled to receive from Betta upfront payment and development milestone payment of RMB230 million. The development milestones include the granting of a Chinese patent for befotertinib (BPI-D0316), NMPA regulatory approval of befotertinib (BPI-D0316) for a second-line treatment of NSCLC, and NMPA regulatory approval of befotertinib (BPI-D0316) for a first-line treatment of NSCLC. We are also entitled to receive commercial milestone payments and royalty payments based on the annual net sales of befotertinib (BPI-D0316). For details, please refer to "— Major Collaboration Arrangements."

Garsorasib (D-1553): The Second KRAS G12C Inhibitor Drug Approved in China with Significant Anti-tumor Efficacy

Overview

Garsorasib (D-1553) is a selective KRAS G12C inhibitor initially developed by us. It works by irreversibly binding to the KRAS G12C-mutant protein, locking it in an inactive state, which can be used to treat KRAS G12C-mutant non-small cell lung cancer ("NSCLC"), colorectal cancer ("CRC"), and other cancers. Garsorasib (D-1553) is the first KRAS G12C inhibitor independently developed in China and entering the clinical trial stage. It has been investigated in multi-regional clinical trials ("MRCTs") in many countries and regions including Chinese Mainland, the U.S., Australia, South Korea, and Taiwan.

In November 2024, the NMPA granted conditional marketing approval of garsorasib (D-1553) for the treatment of adult patients with advanced NSCLC harboring the KRAS G12C mutation, who have previously received at least one systemic therapy. The marketing approval was based on the results of a Phase II clinical trial in China, where garsorasib (D-1553) achieved an ORR of 52.0%, a DCR of 88.6%, a median PFS of 9.1 months and a median OS of 14.1 months. In November 2024, we transferred the marketing authorization holder of garsorasib (D-1553) as a second-line treatment of NSCLC to CTTQ in China. Garsorasib (D-1553) was commercialized in China in December 2024.

Prior to that, garsorasib (D-1553) was included in the BTD program by the NMPA in June 2022, being the first domestically developed KRAS G12C inhibitor that was granted BTD. In addition, garsorasib (D-1553) received BTD from the NMPA for two other indications in June 2024: (i) for the treatment of locally advanced or metastatic pancreatic ductal adenocarcinoma ("PDAC") with KRAS G12C mutation, in patients who have failed first-line therapy; (ii) in combination with cetuximab injection, for the treatment of KRAS G12C-mutant, locally advanced or metastatic CRC that has progressed after second-line standard treatments (including oxaliplatin, irinotecan, 5-fluorouracil, and anti-VEGF monoclonal antibodies) and is not amenable to surgery.

Garsorasib (D-1553) is currently under four ongoing clinical trials in China: (1) a Phase Ib/II clinical trial of ifebemtinib in combination with garsorasib (D-1553) in patients with locally advanced or metastatic solid tumors with KRAS G12C mutation (including NSCLC) sponsored by InxMed; (2) a Phase Ib/II clinical trial of ifebemtinib in combination with garsorasib (D-1553) in patients with CRC sponsored by InxMed; (3) a Phase III clinical trial to compare PPFS of garsorasib (D-1553) with docetaxel injection in patients with locally advanced or metastatic NSCLC with KRAS G12C mutation sponsored by CTTQ; and (4) a Phase III clinical trial of ifebemtinib in combination with garsorasib (D-1553) versus standard therapy, as first-line treatment for non-squamous NSCLC with KRAS G12C mutation sponsored by InxMed. Garsorasib (D-1553) is commercialized only in China, for one indication: adult patients with advanced NSCLC harboring the KRAS G12C mutation, who have previously received at least one systemic therapy.

Mechanism of Action

The KRAS protein is responsible for transmitting extracellular signals to the cell nucleus and promotes cell survival, proliferation, and differentiation. Mutations in KRAS may render the protein persistently active, thereby stimulating the downstream pathways involved in cell proliferation, including the PI3K-AKT signaling pathway, the RAS-RAF-MEK-ERK signaling pathway, and the Ral-GEF signaling pathway. The stimulation of these pathways will drive continuous cell proliferation and tumor formation. KRAS inhibitors inhibit these signaling pathways by preventing KRAS activation, thereby suppressing cell proliferation.

Summary of Clinical Trials

The following sets forth an overview of the key clinical trials of garsorasib (D-1553).

Phase	Study design	Sponsor	Sites	Subjects	Status	Subject enrollment
I/II . .	Evaluate the safety, tolerability, PK and efficacy of garsorasib (D-1553)	The Group	Multiple regions (Chinese Mainland, U.S., Australia, South Korea, and Taiwan)	Patients with KRAS G12C mutated locally advanced or metastatic solid tumors	Completed	180 (Actual)
I . . .	Evaluate the safety, tolerability, PK and efficacy of garsorasib (D-1553)	The Group	China	Patients with KRAS G12C mutated locally advanced or metastatic solid tumors	Completed	79 (Actual)
II . . .	Evaluate the safety, tolerability, PK and efficacy of garsorasib (D-1553)	The Group	China	Patients with KRAS G12C mutated locally advanced or metastatic solid tumors	Completed	123 (Actual)

A Phase I/II clinical trial to evaluate the safety, tolerability, PK and efficacy of garsorasib (D-1553) in patients with KRAS G12C mutated locally advanced or metastatic solid tumors in multiple regions (Chinese Mainland, U.S., Australia, South Korea, and Taiwan) sponsored by us

Overview. This is an open-label, international multicohort Phase I/II clinical trial to evaluate the safety, tolerability, PK and efficacy of garsorasib (D-1553) in patients with KRAS G12C mutated locally advanced or metastatic solid tumors. The trial was divided into Phase I and Phase II portions.

Phase I portion:

The primary objectives were to evaluate the safety and tolerability of garsorasib (D-1553) as a single agent and in combination with standard immunotherapy/chemotherapy or targeted therapy in subjects with advanced or metastatic solid tumors harboring the KRAS G12C mutation, to determine the MTD and RP2D, and to assess its PK properties and antitumor activity. The secondary objectives were to evaluate the PK and antitumor activity of garsorasib (D-1553) alone and in combination with immunotherapy/chemotherapy or targeted therapy in subjects with advanced or metastatic solid tumors with KRAS G12C mutation.

Phase I trial design. Phase I consisted of 2 parts: Phase Ia (dose escalation) and Phase Ib (dose combination).

The Phase Ia part enrolled 22 patients. Each patient received daily oral doses of garsorasib (D-1553) from Day 1 to Day 21 on an empty stomach in the 21-day treatment cycle. Phase 1a started to evaluate 4 sequential cohorts administered with once daily oral doses of garsorasib (D-1553): Cohort 1 (150 mg once daily), Cohort 2 (300 mg once daily), Cohort 3 (600 mg once daily) and Cohort 4 (1200 mg once daily). An additional 3 sequential cohorts administered with twice daily oral doses of garsorasib (D-1553) were also evaluated: Cohort 5 (400 mg twice daily; total 800 mg

daily), Cohort 6 (600 mg twice daily; total 1200 mg daily) and Cohort 7 (800 mg twice daily; total 1600 mg daily). After the safety of Cohort 3 had been determined, the dose escalation of the twice daily administered cohorts (Cohorts 5 to 7) would be conducted in parallel to the once daily administered cohort 4.

The Phase Ib part enrolled 27 patients. There were four groups in Phase Ib for different tumor types and combinations. In Group 1, 17 NSCLC patients received garsorasib (D-1553) 600 mg QD or 600 mg BID in combination with pembrolizumab and platinum-based chemotherapy. In Group 2, 3 CRC patients received garsorasib (D-1553) 600 mg BID in combination with oxaliplatin based chemotherapy. In Group 3, 4 solid tumor patients received garsorasib (D-1553) 600 mg BID in combination with trametinib. In Group 4, 3 CRC patients received garsorasib (D-1553) 600 mg BID in combination with cetuximab. The patients in the four groups were subject to a 21-day or 28-day treatment cycle depending on the combination therapy.

The primary endpoints included AE and DLT. The secondary endpoints included PK profile, ORR, DCR, PFS and DOR.

Phase I trial status. We initiated the trial in December 2020 and completed the trial in November 2024. SRC confirmed 600 mg BID to be the RP2D of garsorasib (D-1553) monotherapy for KRAS G12C mutation solid tumors.

Phase I trial safety data. garsorasib (D-1553) monotherapy or in combination therapy demonstrated a manageable safety profile in advanced or metastatic solid tumor with KRAS G12C mutation. No patients in Phase 1a, Phase 1b Group 2, and Phase 1b Group 4 experienced DLTs. One of 17 patients (5.9%) had a DLT of Grade 2 diarrhea in Phase 1b Group 1, and 1 patient in Phase 1b Group 3 experienced a DLT of Grade 3 fatigue. Both DLTs were non-serious events. The MTD was not reached in the trial. Most patients experienced TEAEs and garsorasib (D-1553) related TEAEs. Grade 3 or above garsorasib (D-1553)-related TEAEs occurred in 18.2% of the patients in the Phase 1a part; there were no such TEAEs reported in Phase 1b Group 2 and Phase 1b Group 4.

Phase II portion:

The primary objective was to evaluate the anti-tumor effects of garsorasib (D-1553) alone and in combination with immunotherapy, chemotherapy, or targeted therapy in subjects with advanced or metastatic solid tumors harboring the KRAS G12C mutation. The secondary objectives of the Phase II clinical trial were to evaluate the safety, tolerability and PK of garsorasib (D-1553) in subjects with advanced or metastatic solid tumors harboring the KRAS G12C mutation.

Phase II trial design. The Phase II trial enrolled 131 patients in four arms. Arm 1 included 21 NSCLC patients treated with garsorasib (D-1553) single agent at 600 mg BID. Arm 2 included 62 non-NSCLC solid tumor patients treated with garsorasib (D-1553) single agent at 600 mg BID. Arm 3 included 6 CRC patients treated with garsorasib (D-1553) at 600 mg BID in combination with oxaliplatin based chemotherapy. Arm 4 included 42 CRC patients treated with garsorasib (D-1553) at 600 mg BID in combination with cetuximab. Each 21- or 28-day treatment cycle was considered a treatment cycle. The primary endpoint was ORR. Secondary endpoints included DCR, PFS, DOR, OS, AE and PK profile.

Phase II trial status. We initiated the Phase II clinical trial January 2022 and completed the trial in November 2024.

Phase II efficacy data. Promising efficacy of garsorasib (D-1553) monotherapy or in combination therapy were observed in advanced or metastatic solid tumor with KRAS G12C mutation. In advanced NSCLC patients, the ORR was 42.9%, the median DOR was 9.7 months (95% CI: 4.7, NA), the median PFS was 11.0 months (95% CI: 3.5, NA), and the median OS was 17.5 months (95% CI: 6.0, NA). In previously heavily treated metastatic CRC patients, the ORR was 45.2%, the median DOR was 8.2 months (95% CI: 4.2, NA), the median PFS was 7.5 months (95% CI: 5.5, 8.1), and the median OS was not reached (95% CI: 11.3, NA) with survival rate of 67.5% at 12 months.

Phase II safety data. Single agent of garsorasib (D-1553) or in combination therapy were well tolerated and adverse events were generally manageable in the treatment of advanced or metastatic solid tumor with KRAS G12C mutation. Most garsorasib (D-1553) or combination-related TEAEs were of Grade 1/2 severity. There were 28.6% of the patients in Arm 1, 19.4% in Arm 2, 66.7% in Arm 3, and 14.3% in Arm 4 that experienced treatment-related TEAEs of Grade 3 or above severity, respectively.

A Phase II clinical trial to evaluate the safety, tolerability, PK and efficacy of garsorasib (D-1553) in patients with KRAS G12C mutated locally advanced or metastatic solid tumors in China sponsored by us

Overview. This is an open-label, single-arm, multicenter Phase II clinical trial to evaluate the safety and efficacy of garsorasib (D-1553) in patients with KRAS G12C mutated locally advanced or metastatic solid tumors. The primary objective was to evaluate the ORR of garsorasib (D-1553) in patients with KRAS G12C mutated locally advanced or metastatic solid tumors.

Trial status. We initiated the trial in June 2022 and completed the trial in December 2023.

Efficacy data. garsorasib (D-1553) achieved a high proportion of sustained objective remissions among the enrolled patients, with ORR of 52.0%, DCR of 88.6%, median PFS of 9.1 months and a median OS of 14.1 months, thus making it the targeted drug with the longest OS among currently marketed KRAS G12C inhibitors in the world.

Material Communications with Competent Authorities

We received IND approvals from the U.S. FDA, the NMPA, the Ministry of Food and Drug Safety of South Korea and the Taiwan FDA to conduct the Phase I/II clinical trial of garsorasib (D-1553) in September 2020, November 2020, November 2020 and December 2020, respectively. We received acknowledgment from Australia's TGA for the Phase I/II clinical trial of garsorasib (D-1553) in September 2020.

Licenses, Rights and Obligations

In August 2023, we entered into a License and Collaboration Agreement with CTTQ, under which we granted CTTQ an exclusive license to develop, register, manufacture and commercialize garsorasib (D-1553) in Chinese Mainland (the "CTTQ Agreement"). Pursuant to the CTTQ Agreement, we will be entitled to receive upfront and development milestone payments of up to RMB260 million, as well as commercial milestone payments of up to RMB290 million. Also, we will be entitled to receive royalty payments based on the annual net sales of garsorasib (D-1553).

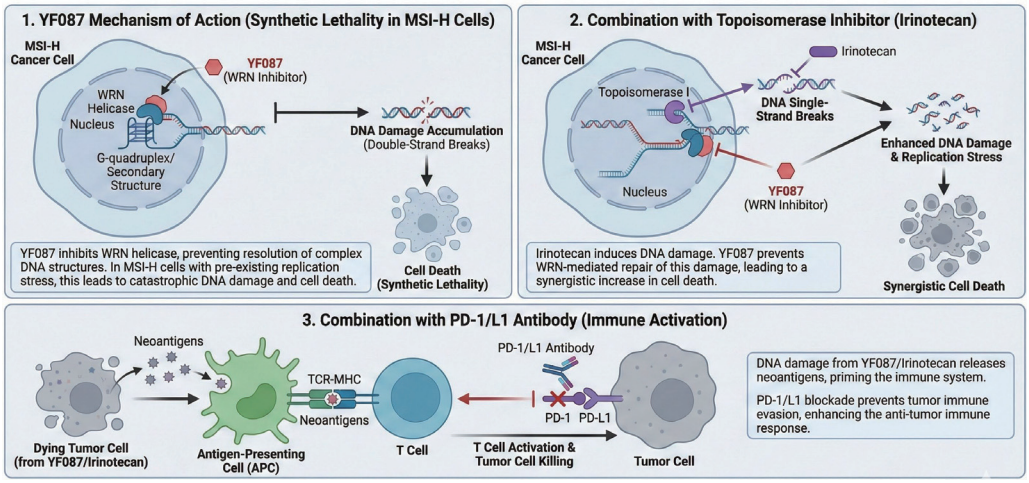
In September 2021, we entered into a collaboration agreement with InxMed for the joint development of ifebemtinib in combination with garsorasib (D-1553) as a cancer treatment. Under the agreement, InxMed shall provide ifebemtinib free of charge and we shall provide garsorasib free of charge for the joint clinical development of the combination therapy. In October 2023, we entered into a supplemental agreement with InxMed in connection with the 2021 InxMed Agreement, after we signed the aforementioned CTTQ Agreement in August 2023. Under the supplemental agreement, InxMed shall lead the remaining work for the Phase Ib clinical trial for garsorasib (D-1553), and we shall continue to provide garsorasib (D-1553) for the clinical development of the combination therapy.

For details, please refer to "— Major Collaboration Arrangements."

YF087: A Synthetic Lethal Drug Candidate Targeting Tumors with Impaired DNA Mismatch Repair

YF087 is a preclinical-stage drug candidate. It is a potent and selective inhibitor of WRN, specifically targeting MSI-H cancer cells. We received IND approval from the NMPA for YF087 in May 2026 and expect to initiate a Phase I clinical trial in MSI-H/dMMR cancer patients in China in the fourth quarter of 2026.

The impairment of DNA mismatch repair ("MMR") function occurs in various cancers. MMR-deficient ("dMMR") cancers are characterized by a high mutational load, a condition known as MSI-H. WRN is a helicase involved in maintaining genomic stability and is essential for the survival of MSI-H cancer cells. Thus, WRN represents a synthetic lethal target for MSI-H/dMMR cancers. YF087 may exert an anti-proliferation effect on such cancers as a selective, reversible, and potent WRN inhibitor. Below is a diagram illustrating the MOA of YF087.

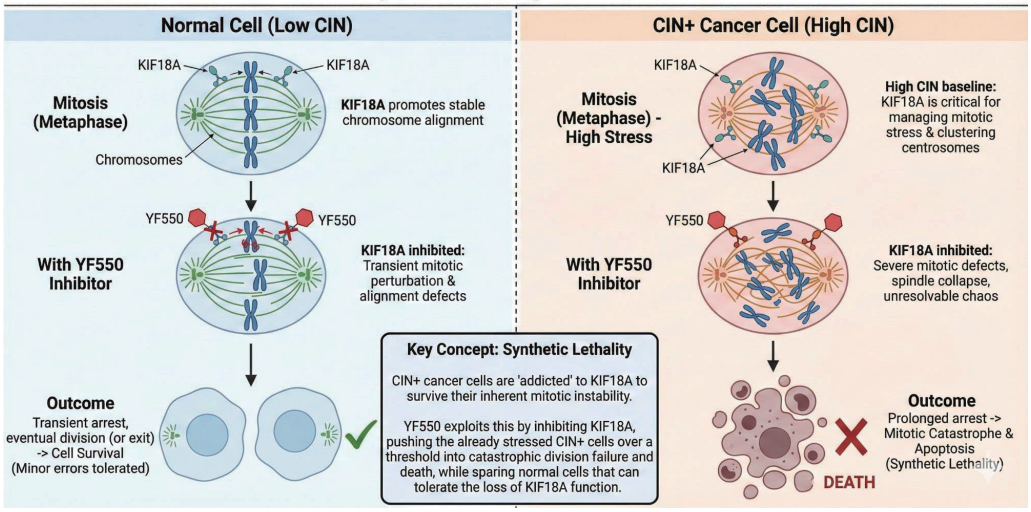


WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET YF087 SUCCESSFULLY.

YF550: A Synthetic Lethal Drug Candidate Targeting Tumors with Chromosomal Instability

YF550 is a preclinical-stage drug candidate. It is a selective and potent inhibitor of KIF18A (a protein critically involved in cell division), specifically targeting CIN+ cancer cells. We submitted an IND application for YF550 with the NMPA in July 2026 and expect to obtain IND approval in the fourth quarter of 2026.

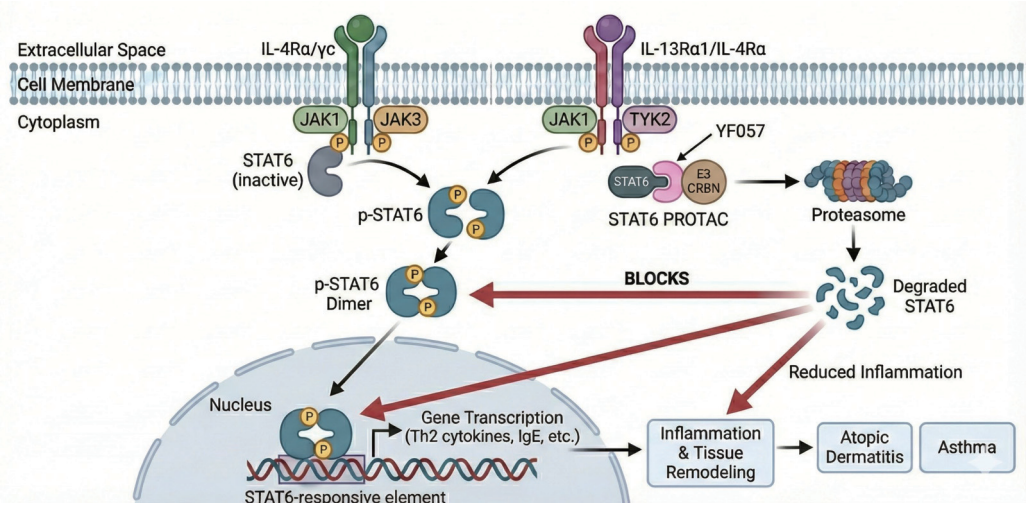
CIN+ is a prevalent vulnerability of cancer cells characterized by a continuous dysfunction in cell division commonly observed in various human cancers, including ovarian, triple-negative breast ("TNBC"), and head-and-neck tumors. KIF18A is critical for the proliferation of CIN+ cells but dispensable in normal cells. As a result, CIN+ cancer cells are particularly vulnerable to KIF18A inhibition, while KIF18A inhibition has little impact on normal cells. YF550 may exert an anti-proliferation effect on CIN+ cancer cells as a selective and potent inhibitor of KIF18A. Below is a diagram illustrating the MOA of YF550.



WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET YF550 SUCCESSFULLY.

YF057: An Oral STAT6 Degrader Targeting AD and Asthma

YF057 is a preclinical-stage drug candidate. It is an oral degrader targeting STAT6, a key signal transduction protein involved in the regulation of immune processes and the pathogenesis of multiple autoimmune diseases. We are developing YF057 as a potential transformative treatment for atopic dermatitis and asthma, by offering a differentiated oral alternative to IL-4Rα and IL-13 antibody injections which are existing treatments for these autoimmune diseases. We expect to submit an IND application for YF057 with the FDA in the second quarter of 2027. Below is a diagram illustrating the MOA of YF057.



WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET YF057 SUCCESSFULLY.

OUR TECHNOLOGY PLATFORM

Integrated and Intelligent Molecular Design Platform

How Our Platform Works

Through years of dedicated R&D, we have accumulated a wealth of research data and software resources in computational chemistry. Leveraging these assets, we have established an integrated and intelligent molecular design platform that incorporates key technologies such as CADD, AIDD, pharmacokinetic analysis, and early toxicology assessment. Compared to traditional drug design methods, our platform significantly improves the success rate of transforming lead compounds to clinical candidates, effectively reducing the R&D costs and accelerating development cycles.

Within our CADD framework, we have integrated quantum mechanics and molecular dynamics modeling to develop a robust suite of computational tools. Our capabilities include multiple computational techniques to simulate and predict interactions among proteins and small molecules that can be used for drug candidate screening and design (such as molecular docking, virtual screening, protein-protein docking, and free energy perturbation), alongside specialized analytical tools to calculate and predict multiple physical and chemical features of different molecules (such as the electron density distribution of the compound, ligand conformation analysis, and pKa calculation). Furthermore, we offer predictive modeling to evaluate the reactivity of molecules by covalent binding and the ability of molecules to penetrate the blood-brain barrier. Together, these techniques provide comprehensive support for drug design.

In AIDD, we leverage advanced multimodal and multi-framework deep learning algorithms to build machine learning models that rival industry benchmarks. We also have developed a suite of internal AI-powered online service tools that streamline the drug design process. These tools offer a broad range of functions, including molecular generation, scaffold hopping (analyzing and replacing core chemical scaffold of a compound to achieve desired biological activities), and protein structure prediction. Additionally, our platform provides robust metabolic site prediction (using machine learning models to predict the most likely sites of biotransformation on an enzyme) and comprehensive modeling of the pharmacokinetic and toxicological properties of compounds (i.e., ADMET properties). With these techniques, AIDD is able to significantly enhance overall R&D efficiency.

In pharmacokinetic analysis, we characterize the dynamic behavior of compounds *in vivo* by quantitatively studying their ADME processes. Additionally, we leverage AI technologies (such as machine learning algorithms) to conduct early predictions of the pharmacokinetic properties of compounds, so as to assist efficient screening of lead compounds.

In early toxicology assessment, we conduct comprehensive evaluations of the systemic toxicity and genotoxicity to provide early safety insights. By integrating effective dose prediction with our toxicity assessment system, we ensure the rapid and efficient screening of clinical candidates, effectively de-risking the development process at an early stage.

What Our Platform Has Achieved

Our integrated, intelligent molecular design platform has contributed to the discovery of several of our product candidates.

Garsorasib (D-1553). Starting with lead compounds, we designed a series of compounds with chiral axis-free structural variants based on our CADD technologies. After further optimization, we obtained garsorasib (D-1553).

Taragarestrant (D-0502). Through comprehensive analysis of protein-small molecule co-crystal structures, we have identified promising research directions that can effectively enhance activity. By leveraging our CADD, we elucidated the possible mechanisms driving the rapid metabolism of SERDs in the human body. These insights enabled us to overcome the low oral bioavailability issue common to SERDs, leading to the discovery of taragarestrant (D-0502).

D-2570. In the development of D-2570, we employed our CADD technologies to evaluate the variation of ligand binding modes between TYK2 and its homologous proteins at the atomic level. By precisely analyzing key amino acid variations, we rationally modified the structure of potential drug candidates to improve binding selectivity toward TYK2. Concurrently, we integrated use our AIDD technologies to comprehensively evaluate the metabolic, pharmacokinetic, and toxicological properties of potential drug candidates. This approach enabled us to rapidly screen for compounds possessing both high TYK2 selectivity and desirable pharmacokinetic properties. After further optimization, we obtained D-2570.

MAJOR COLLABORATION ARRANGEMENTS

When selecting collaboration partners, we primarily evaluate them based on the following criteria: the partner's market position in the pharmaceutical industry, commercialization capabilities, regulatory compliance history, financial stability, and strategic synergy. We conduct comprehensive due diligence and prioritize selecting reputable local pharmaceutical companies to ensure that the partnership aligns with our long-term development strategy and shareholder interests. To ensure our partners adhere to contractual terms and operate in line with relevant laws and regulations, we implement ongoing monitoring and enforcement measures: (i) contractual safeguards: our collaboration agreements include clear clauses on performance metrics, compliance requirements, audit rights, confidentiality, and termination provisions for non-compliance, and partners are required to certify adherence to anticorruption policies and applicable laws; (ii) monitoring: regular performance reviews and onsite inspections are conducted, and any deviations

shall trigger corrective action plans; (iii) training and reporting: internal reporting mechanisms, such as whistleblower channels, are in place to flag potential issues, and compliance is further supported through integration with our broader ESG Compliance Management framework, which addresses ethical and regulatory risks; (iv) risk management: potential risks, including bribery or regulatory violations, are mitigated through enhanced due diligence and periodic reevaluations of partnerships.

In the event of any non-compliance involving partners, we follow a clear escalation process: issues are first detected through monitoring, audits, or whistleblower channels and assessed by operational teams with legal/compliance support. Minor issues are resolved at the departmental level with corrective action plans, while serious matters will be escalated to senior management for investigation and remediation. Material or high-risk cases are further escalated to the Board of Directors for oversight and strategic decisions. With partners, we enforce contractual obligations for prompt notification, joint investigation, and remediation; failure to resolve may lead to enhanced monitoring, suspension of activities, payment withholding, contract termination, or legal action. All incidents trigger root cause analysis, preventive measures, and, where required, regulatory notifications to ensure compliance and risk mitigation.

Collaboration Agreement with Betta

In December 2018, we entered into a collaboration agreement (the "Betta Agreement") with Betta, a publicly listed pharmaceutical company in China, to have exclusive rights for research, development, manufacturing and commercialization of befotertinib (BPI-D0316) in Chinese Mainland, Hong Kong, and Taiwan (the "Licensed Territories"). Betta is an Independent Third Party.

The sharing of sales revenue, R&D expenses and intellectual properties between the parties under the Betta Collaboration Agreement is as follows.

	Inside Licensed Territories	Outside Licensed Territories
Sales revenue	We are eligible to receive tiered royalties on annual net sales of befotertinib (BPI-D0316) within the Licensed Territories during the prescribed royalty term. The royalty term will begin, for a particular product, from its first commercial sale in a region and end upon expiration of the last valid patent in that region that covers the product's chemical composition.	Betta can receive a certain percentage of net income deriving from befotertinib (BPI-D0316) outside the Licensed Territories.
R&D expenses	We shall cover the R&D expenses incurred before completion of the Phase I clinical trial of befotertinib (BPI-D0316). Betta shall cover the R&D expenses incurred for expansion of the Phase I clinical trial and those already incurred for the Phase II clinical trial of befotertinib (BPI-D0316). Beyond the said Phase I and Phase II clinical trials, Betta shall cover the expenses for further clinical development and registration of befotertinib (BPI-D0316).	N/A

	Inside Licensed Territories	Outside Licensed Territories
Intellectual properties . .	We and Betta shall each have exclusive ownership of intellectual properties independently developed by each party. We and Betta shall jointly own all intellectual properties jointly developed by the parties in connection with the agreement. In addition, we and Betta shall be joint owners of several patents regarding befotertinib (BPI-D0316) that were previously solely owned by us. We also transferred to Betta certain proprietary manufacturing technologies and materials regarding befotertinib (BPI-D0316).	N/A

We are eligible to receive an upfront payment, as well as milestone payments upon achievements of certain future pre-specified regulatory and sales milestones. We received milestone payment of RMB80 million from Betta in December 2025. As of the Latest Practicable Date, RMB100 million of regulatory milestone payments had been triggered and become payable by Betta to us. Betta and we are currently engaged in active, good-faith discussions regarding the timing, mechanics, and related commercial aspects of settlement of the outstanding payment. Both parties remain constructively engaged and are working toward an agreed resolution through ongoing negotiations.

A joint development committee ("JDC") was formed under the Betta Agreement, to coordinate the collaboration under the agreement. Each party has three representatives in the JDC. The Betta Agreement did not provide the JDC's decision-making mechanism.

The parties' management teams or representatives shall first attempt to resolve any dispute arising from the Betta Agreement. If the parties cannot resolve the dispute by negotiation, the dispute shall be resolved by litigation in a court with competent jurisdiction. We have not experienced any dispute with Betta under the Betta Agreement.

Unless terminated earlier, the agreement will expire, on a region-by-region basis, upon the termination of Betta's payment obligations with respect to all licensed products in all regions, and, in its entirety, upon the termination of Betta's payment obligations with respect to the last commercialized product in the last region. The agreement may be terminated (i) by either party for uncured material breach by the other party; (ii) by us if Betta abandons the development of befotertinib (BPI-D0316), develop other EGFR-T790M targeted drugs, or continuously fail to undertake substantial activities in relation to clinical trials of befotertinib (BPI-D0316) for three months; or (iii) by Betta if certain befotertinib (BPI-D0316) compound fails to be patented or such patents are later invalidated.

The key milestones achieved under the Betta Agreement are as follows:

Key milestone	Time achieved
Grant of the Chinese patent covering the chemical composition of BPI-D0316	March 2019
Marketing approval of BPI-D0316 as a second-line treatment of NSCLC	May 2023
Marketing approval of BPI-D0316 as a first-line treatment of NSCLC	October 2023

Collaboration Agreement with CTTQ

In August 2023, we entered into a License and Collaboration Agreement with CTTQ, under which we granted CTTQ an exclusive license to develop, register, manufacture and commercialize garsorasib (D-1553) in Chinese Mainland (the "CTTQ Agreement"). CTTQ is a subsidiary of Sino Biopharmaceutical Limited, a public listed pharmaceutical company registered in Cayman. CTTQ is an Independent Third Party.

The sharing of sales revenue, R&D expenses and intellectual properties between the parties under the CTTQ Agreement is as follows.

	Inside Chinese Mainland	Outside Chinese Mainland
Sales revenue	We will be entitled to receive royalty payments based on the annual net sales of garsorasib (D-1553) with in Chinese Mainland.	If the data obtained by CTTQ in the development of garsorasib (D-1553) in Chinese Mainland are reasonably useful to us for the subsequent development, registration, or commercialization of garsorasib (D-1553) outside Chinese Mainland, and we have used such data and obtained revenue outside Chinese Mainland as a result, CTTQ shall be entitled to a certain proportion of such revenue.
R&D expenses	We shall conduct and cover the costs of conducting the registrational clinical trial and other studies needed to obtain conditional marketing approval, for garsorasib (D-1553) as second-line treatment of NSCLC in Chinese Mainland. CTTQ shall conduct and cover the costs of conducting the confirmatory clinical trial and other studies needed to obtain regulatory marketing approval, for garsorasib (D-1553) as second-line treatment of NSCLC in Chinese Mainland, as well as other development efforts for garsorasib (D-1553), such as developing garsorasib (D-1553) as first-line treatment of NSCLC.	N/A
Intellectual properties . .	We retain ownership of the patents relating to garsorasib (D-1553) exclusively licensed to CTTQ. CTTQ is allowed to grant sub-license of such patents to a third party, with our prior written consent, and such sub-license will not change CTTQ's obligations under the CTTQ Agreement. CTTQ shall own any patent arising from any improvement it makes based on our patents relating to garsorasib (D-1553).	N/A

Pursuant to the CTTQ Agreement, we will be entitled to receive upfront and development milestone payments of up to RMB260 million, as well as commercial milestone payments of up to RMB290 million. We shall also transfer the MAH of garsorasib (D-1553) to CTTQ in Chinese Mainland.

A joint steering committee ("JSC") was formed under the CTTQ Agreement, to lead and coordinate the collaboration under the agreement. Each party has four representatives in the JSC. Any decision shall be made by consensus of the members in the JSC. If the JSC cannot make a decision, CTTQ has the final decision-making authority for matters within Chinese Mainland, and we have the final decision-making authority for matters outside Chinese Mainland.

Unless terminated earlier, the agreement will expire upon the termination of CTTQ's obligations to make royalty payments based on the annual net sales of garsorasib (D-1553).

Any dispute in connection with the agreement shall be referred to senior management of each party for attempted resolution. In the event senior management are unable to resolve the dispute, the dispute shall be settled by arbitration administered by the Beijing Arbitration Commission.

The key milestones achieved under the CTTQ Agreement are as follows:

Key milestone	Time achieved
Conditional marking approval of D-1553 as a second-line treatment of NSCLC	November 2024
Completion of transfer of Marketing Authorisation Holder of D-1553 as a second-line treatment of NSCLC	November 2024
Enrolment of the first subject for the registrational clinical trial of D-1553 as a first-line treatment of NSCLC	February 2026

Collaboration Agreement with InxMed

2021 InxMed Agreement

In September 2021, we entered into a collaboration agreement with InxMed for the joint development of ifebemtinib in combination with garsorasib (D-1553) as a cancer treatment (the "2021 InxMed Agreement"). InxMed is a China-based clinical-stage biotech company established in 2018. It is dedicated to developing innovative therapies transform cancer treatment. InxMed is an Independent Third Party.

The scope of collaboration (including sharing of the parties' interests, rights and expenses) under the 2021 InxMed Agreement is global, not limited to a particular jurisdiction. InxMed shall provide ifebemtinib free of charge and we shall provide garsorasib free of charge for the joint clinical development of the combination therapy. For the Phase I clinical trial, we shall lead the design of the trial protocol and conduct the trial, which shall be jointly reviewed and approved by both parties. We and InxMed shall each cover half of the expenses incurred for the Phase I clinical trial.

For the Phase II clinical trial and further development stages of the combination therapy, the parties shall jointly decide the collaboration model (including sales of any approved product) and development plan, for which the parties shall sign a supplemental collaboration agreement. The InxMed Agreement did not contain any specific provision on sub-licensing rights, milestones, or profit-sharing arrangements.

Any intellectual property generated from the parties' joint development regarding the combination therapy shall be jointly owned and applied for by the parties. The parties shall each cover half of the expenses incurred for the application and enforcement of such intellectual

properties. Any decision regarding such application and enforcement shall be jointly made by the parties and cannot be unilaterally made. Any data generated from the Phase I clinical trial of the combination therapy shall be jointly owned and applied for by the parties.

The 2021 InxMed Agreement established a joint development committee ("JDC") to lead and coordinate the joint development. Any decision shall be made by consensus of the members in the JDC. If the JDC cannot make a decision, the relevant issue shall be determined by the parties' chairman of the board or general manager upon discussion.

The term of the 2021 InxMed Agreement shall continue until 15 years after the date the combination therapy receives the first marketing approval. Before the preliminary results of the Phase I clinical trial of the combination therapy regarding dose escalation and indication expansion have been completed and obtained, the 2021 InxMed Agreement cannot be terminated without the parties' mutual consent.

The parties shall amicably negotiate to resolve any dispute arising from the 2021 InxMed Agreement. If the parties cannot resolve the dispute by negotiation, the dispute shall be resolved by litigation in a court with competent jurisdiction.

Supplemental InxMed Agreement

In October 2023, we entered into a supplemental agreement with InxMed in connection with the 2021 InxMed Agreement (the "Supplemental InxMed Agreement"), in light of: (1) the CTTQ Agreement we signed in August 2023 that granted CTTQ the exclusive rights to develop, register, manufacture, and commercialize garsorasib (D-1553) in Chinese Mainland; and (2) obtaining of the preliminary results of the Phase I clinical trial of the combination therapy regarding dose escalation and indication expansion.

Under the Supplemental InxMed Agreement, InxMed shall lead the remaining work for the Phase I clinical trial and cover the expenses of the trial that occurred since October 2023. We shall continue to provide garsorasib (D-1553) for the clinical development of the combination therapy, which has been consented by CTTQ in writing.

Any data generated from the subjects enrolled in the Phase I clinical trial of the combination therapy before October 2023 shall be jointly owned by the parties. InxMed shall own the data generated from the subjects enrolled in the trial since October 2023. InxMed shall share with us the finalized clinical study report for the trial free of charge. We are allowed to disclose to CTTQ the summary clinical data in the report.

In the event that InxMed enters into a new collaboration agreement with CTTQ, the new collaboration agreement shall govern the ownership of data and IP regarding garsorasib (D-1553) between InxMed and CTTQ.

We and InxMed shall jointly own the patents, if any, arising from the Phase I clinical trial of the combination therapy. We are allowed to grant a non-exclusive license of our rights in such patents to CTTQ free of charge.

RESEARCH AND DEVELOPMENT

R&D Team

Our in-house R&D team consisted of 165 employees as of Latest Practicable Date, most of whom had obtained at least bachelor's degrees, and over 49% members of our R&D team had obtained advanced degrees, including over 13% members with doctorate degrees and over 36% members with master's degrees covering the fields of chemistry, biology, pharmacology and medicine. Our R&D team is led by a team of seasoned scientists with years of drug development experience. Our core R&D personnel consist of 24 members covering the fields of chemistry, biology, pharmacology and medicine, who have been working in the pharmaceutical industry for an average over 22 years. All of the core R&D personnel hold bachelor's degrees. Among them, over

90% hold advanced degrees (with 50% having doctorate degrees) and over 30% have overseas work experience in multinational corporations. During the Track Record Period and as of the Latest Practicable Date, the key R&D personnel involved in the development of the Core Products all remain employed by us. As of the Latest Practicable Date, 80, 68 and 17 R&D team members were in the functions of (i) drug discovery and pre-clinical development, (ii) clinical development, and (iii) CMC, respectively.

In 2024 and 2025 and for the six months ended June 30, 2025 and 2026, our R&D costs accounted for 88.0%, 87.8%, 83.5% and 91.7% of our total operating expenses in the corresponding years/periods, respectively. Our R&D costs decreased from RMB384.3 million in 2024 to RMB325.8 million in 2025, primarily attributable to substantial R&D costs incurred in 2024 for the Phase I/II clinical trial of garsorasib (D-1553) in patients with KRAS G12C mutated locally advanced or metastatic solid tumors in multiple regions, which was completed in November 2024. Our R&D costs increased from RMB116.5 million for the six months ended June 30, 2025 to RMB184.7 million for the six months ended June 30, 2026, primarily attributable to the increase of clinical trial expenses related to D-2570.

We engaged a third-party human resources agency to pay social insurance premium and housing provident funds for 12 employees. Pursuant to the agreement entered into between such third-party human resources agency and us, the third-party human resources agency would pay social insurance premium and housing provident funds for such employee on behalf of us. As of the Latest Practicable Date, (i) the employees had confirmed such arrangement and had raised no objections in relation thereto; (ii) there had been no disputes between us, such employees and/or the third-party human resources agency with regard to such arrangement, as the case may be; and (iii) we had not received any notice of rectification from, or been imposed any administrative penalty by, the relevant governmental authorities as a result of such arrangement or nonpayment for employees who are not PRC citizens. For details, please refer to "Risk Factors — Risks Relating to Our Operations — We are subject to risks in relation to our social insurance and housing provident fund contributions."

Drug Discovery and Pre-clinical Development

Our drug discovery and pre-clinical development is led by Dr. Yaolin Wang. Based on our proprietary integrated and intelligent molecular design platform, we have established unique advantages in rational compound structural design, efficacy, and physicochemical property prediction and optimization, thereby systematically enhancing the success rate of our drug discovery efforts. Besides, we have entered into agreements with CROs, hospitals, and principal investigators located in China and the U.S.

Clinical Development

Clinical Development Team

Our clinical development team is led by Dr. Ling Zhang, our Chief Medical Officer. Led by Dr. Zhang, we have built a clinical development team with profound professional knowledge and an international perspective, covering core functions such as clinical medicine, pharmacovigilance, quality management and clinical pharmacology. Our members possess backgrounds in multinational pharmaceutical companies and global project execution capabilities. As of Latest Practicable Date, our clinical development team consisted of 68 members, including professionals with extensive drug development experience, who participate in clinical development strategy development, clinical trial protocol design, clinical trial operations, drug safety monitoring, and clinical trial quality control. Many of our clinical development team members had extensive relevant work experience. Among them, over 41% have obtained post-graduate degrees. Our clinical development team is generally responsible for the clinical development of our Core Products and other product candidates.

The substantial work experience of our core R&D personnel, including Dr. Zhang, is an essential part of our R&D capabilities. However, our Directors are of the view that our R&D capabilities do not rely on any single employee. Our R&D team has over 160 employees covering the fields of chemistry, biology, pharmacology and medicine, including 24 core R&D personnel who have been working in the pharmaceutical industry for an average over 22 years. We have taken measures to effectively contain the impact on its R&D capabilities due to the departure of a core R&D personnel. For example, our employment agreements with these core R&D personnel include IP assignment and non-compete clauses, which will protect our IP and competitive advantages that derive from such core R&D personnel in the event of their departure. Nevertheless, the potential departure of any of our senior executive, including Dr. Zhang, may have a negative impact on our operations.

Clinical Trial Design and Implementation

We have established a differentiated clinical pathway decision-making system centered on accelerating the R&D cycle, relying on a three-dimensional driving model to achieve efficient implementation: (1) accurately locating the registration path based on deep insights into the disease target and pathology; (2) prioritizing indications that can be quickly verified by focusing on the advantages of drug candidates (such as penetrability across the brain barrier); and (3) integrating the systematic experience and professional judgment of the clinical development team. The synergy of the three drivers enables rapid advancement of our pipeline products towards the NDA along an optimal path. To support the global clinical development of pipeline products, we have established extensive and in-depth strategic partnerships with numerous established hospitals in China, renowned medical centers overseas, and leading experts in the field. We achieve efficient resource integration through a differentiated operating model between China and the U.S. In China, we leverage our own clinical development capabilities to strengthen quality control and enrollment efficiency in mid-to-late-stage trials. In the U.S., we utilize our long-term CRO network to advance project execution and employ local clinical project management specialists to ensure efficacious trial management. All our clinical development activities are conducted in both Chinese and English, and the registration matters are directly managed by our regulatory team, forming a closed-loop management system from IND application to clinical execution.

In 2024 and 2025 and for the six months ended June 30, 2026, we cooperated with 208, 231 and 314 PIs, respectively, to conduct the clinical trials of our product candidates. To the best of our knowledge, none of them have any past or present relationships with our Group, our Directors, Shareholders, senior management or any of their respective associates. The PIs are responsible for conducting site-level clinical research activities according to our trial protocols and in accordance with laws, regulations, and the GCP guideline, a quality standard for the overall conduct of the clinical trial. Each trial has a leading PI with primary responsibility to ensure compliance with trial protocol and GCP over the entire trial.

Relationship with CROs

During the Track Record Period, we engaged seven CROs to support our clinical trials for our Core Products. We select CROs based on various factors including qualifications, experience, industry reputation, adequacy of clinical trial equipment and data management capability. 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 requirements. CROs are typically responsible for facilitating 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. Our engagement of CROs for preclinical and clinical studies is in line with the industry practice.

Regulatory Affairs

Our regulatory affairs team is directly responsible for the regulatory process of our product candidates in China and the U.S., including assembling application dossiers for IND and NDA, addressing inquiries from relevant authorities, regular maintenance of opened INDs 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 submitting safety information for our pipeline products. 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 Latest Practicable Date, our CMC team consisted of 17 professionals with extensive experience in process development, production and quality management from well-known biopharmaceutical and pharmaceutical companies. Our CMC team is involved in preclinical and clinical support throughout the drug development process. In lead compound optimization, the CMC team proactively collaborates with the R&D team to address challenges in molecule design and development. In process development and cGMP manufacturing, the CMC team leverages our platform technologies and partnerships with external CDMOs to ensure robustness, reliability, and scalability at every step. Furthermore, the CMC team has established a comprehensive quality management system, to ensure consistent quality of our products from initial clinical use to future commercial production. Over the years, our CMC team has facilitated the clinical translation of multiple drug candidates. The substantial work experience of our CMC team is an essential part of our R&D capabilities. However, our Directors are of the view that our R&D capabilities do not rely on any single employee. Also, our employment agreements with these core R&D personnel include IP assignment and non-compete clauses, which will protect our IP and competitive advantages that derive from such core R&D personnel in the event of their departure.

D-2570. The CMC team optimized the synthetic route of the API of D-2570, avoiding the hazardous reagents used in the original route, thereby rapidly scaling up the synthetic process and ensuring supply of D-2570 for clinical use. We also explored various crystallization methods to address the polymorphic nature of the API molecule and selected the most stable crystal form for further development. This ensured the stability of the API during production and storage, hence the quality of D-2570 for clinical use. Meanwhile, the formulation and manufacturing process were also optimized to enhance its *in vivo* absorption properties. Subsequent data from both animal studies and human clinical trials demonstrated that the optimized formulation achieved high plasma exposure. The formulations thus developed have been validated in the Phase I and Phase II clinical trials of D-2570; currently, the Phase III clinical trial is ongoing as planned. Also, the formulation and manufacturing process developed by the CMC team have demonstrated robustness and scalability under cGMP standards.

Taragarestrant (D-0502). We employed a convergent route for the synthesis of taragarestrant (D-0502)'s API to improve the synthesis efficiency. Further, based on the physicochemical properties of the API, the CMC team performed salt formation screening for suitable salt and crystal forms for subsequent drug development. Also, the CMC team employed solubilization technologies in formulation development to improve taragarestrant (D-0502)'s solubility of in water and *in vivo* bioavailability, ultimately enhancing the drug efficacy. The CMC team completed the API process development within a relatively short time, thereby ensuring supply of taragarestrant (D-0502) for clinical use.

Darbinurad (D-0120). The CMC team significantly shortened the synthesis route of the API of darbinurad (D-0120), which has been boiled down to a "three-step synthesis" method. The shortened synthesis route can reduce the production cost and lay a good foundation for cost control in future commercialization.

In-house Manufacturing and Collaboration with CDMOs

For manufacturing of our product candidates, we currently outsource such production to a number of CDMOs. We engaged CDMOs to manufacture drug candidates for our preclinical and clinical supplies during the Track Record Period and up to the Latest Practicable Date. We did not experience any material product quality issues in respect of the products manufactured by our CDMO partners during the Track Record Period. We intend to continue collaborating with these CDMOs for future commercial manufacturing of our Core Products. Below is a summary of the key terms of an agreement that we typically enter into with CROs/CDMOs:

Services. The CRO/CDMO provides us with services, such as the implementation of a clinical research project or manufacturing of certain compounds, as specified in the master agreement or a work order.

Term. The CRO/CDMO is required to perform its services within the prescribed time limit set out in each work order and in accordance with the KPIs agreed by both parties.

Payments. We are required to make payments to the CRO/CDMO in accordance with the payment schedule agreed by the parties.

Risk allocation. Each party should indemnify the other party for losses caused by its negligence, recklessness, intentional misconduct or material breach of the master agreement or the work order.

Intellectual property. All IP generated from the collaboration under the CRO/CDMO agreement shall be solely and exclusively owned by us. The CRO/CDMO agreement does not allow the CRO/CDMO to disclose our IP to a third party without our prior written consent.

COMMERCIALIZATION, MARKETING AND BUSINESS DEVELOPMENT

We adopt a combined approach of licensing partnerships, contract sales, and relying on our in-house sales team for product commercialization. In selecting the commercialization approach of a product, we comprehensively consider the market potential of its therapeutic area, the competitive landscape, and the commercial environment of different countries or regions. Our current primary target markets are Chinese Mainland and the U.S. In Chinese Mainland, we intend to: (i) engage a contract sales organization ("CSO") or establish our in-house sales teams, for the commercialization of D-2570; (ii) engage a CSO for the commercialization of D-0502; and (iii) establish licensing agreement with a collaboration partner for the commercialization of D-0120. In the U.S., we intend to establish licensing agreement with a collaboration partner for the commercialization of D-2570, D-0502 and D-0120. We had not yet identified any target partner for such licensing arrangements as of the Latest Practicable Date.

Our commercialization strategy is implemented on a product-by-product and territory-specific basis. While we retain global rights for certain assets to enable overseas expansion, for other products we have adopted an out-licensing approach for specific regions. Such a strategy is aligned with our past practices. For example, we granted Betta the exclusive rights to develop, manufacture and commercialize befotertinib (BPI-D0316) in Chinese Mainland, Hong Kong, and Taiwan. Also, we granted CTTQ an exclusive license to develop, register, manufacture and commercialize garsorasib (D-1553) in Chinese Mainland. Leveraging the extensive development, market expansion, and sales experience of Betta and CTTQ, we aim to maximize the commercial value of our products. This collaboration model will help us reduce R&D costs, generate cash flow before product launch, mitigate operational risks, and ensure successful commercialization. Such arrangements reflect our flexible strategy to optimize resource allocation, leverage local partners' development and commercialization capabilities, and maximize the overall value of our product portfolio across different markets.

Subject to market conditions and regulatory approval, we expect to commercialize our Core Products in 2029. We are currently focused on the R&D of our Core Products and have not yet finalized a detailed pricing strategy for such products. However, we currently expect to adopt a competitive and market-oriented pricing approach in both Chinese Mainland and overseas markets, taking into account comparable therapies in the same therapeutic areas, the clinical profile and potential advantages of our Core Products, and the applicable reimbursement environment.

In Chinese Mainland, the pricing of Core Products is expected to be influenced by national healthcare policies, including inclusion in the NRDL, centralized procurement mechanisms, and patients' affordability considerations. While potential inclusion in the NRDL may lead to lower unit pricing, it may also facilitate broader patient access and higher treatment volumes, which could support overall revenue growth. In overseas markets, including the U.S., the pricing of Core Products is expected to reflect differences in healthcare systems, reimbursement frameworks, purchasing power, and market dynamics. Pricing in these markets may be higher than in Chinese Mainland, subject to negotiation with payors and commercial partners.

Overall, we expect that our pricing strategy will seek to balance affordability and market access with commercial sustainability. The revenue and profitability of the Core Products will depend on a combination of factors, including pricing levels, reimbursement coverage, patient uptake, market competition, and commercialization arrangements with our potential partners, if any.

OUR SUPPLIERS

During the Track Record Period, our suppliers are mainly comprised of service providers and equipment and consumables suppliers. Although we primarily use a limited number of suppliers, there are alternate suppliers available for our needs for services, equipment and consumables. With respect to procuring our major equipment and consumables, we generally enter into supply agreements with our suppliers. Our agreements with the suppliers specifically list our quality requirements. We will decide whether to accept the supply upon inspecting and examining the materials. Most of our suppliers for consumables currently do not provide us with credit terms. To the best knowledge of our Directors, there was no material breach of procurement agreements with our suppliers during the Track Record Period. Our Directors believe that we would not experience any material difficulties in procuring our major consumables.

In 2024 and 2025 and for the six months ended June 30, 2026, purchases from our five largest suppliers in each year/period during the Track Record Period amounted to RMB122.2 million, RMB117.2 million and RMB44.3 million, representing 59.9%, 58.3% and 29.7% of our total purchases for the respective year/period. In 2024 and 2025 and for the six months ended June 30, 2026, our purchases from our largest supplier in each year/period during the Track Record Period amounted to RMB53.0 million, RMB37.7 million and RMB14.0 million, representing 26.0%, 18.8% and 9.4% of our total purchases for the respective year/period. All of our five largest suppliers in each year/period during the Track Record Period are Independent Third Parties. None of our Directors, Shareholders who, to the knowledge of our Directors, owns more than 5% of our issued share capital immediately following completion of the [**REDACTED**] nor any of their respective close associates had any interest in any of our five largest suppliers in each year/period during the Track Record Period and up to the Latest Practicable Date.

Details regarding our five largest suppliers in 2024 were as follows. (i) Supplier A, founded in 1997, is a global, late-stage CRO that provides comprehensive phase 1 through phase 4 clinical trial management, clinical pharmacology, and patient access solutions. Our relationship commenced in 2018. Purchases amounted to RMB53.0 million, representing 26.0% of our total purchases, mainly for CRO services, with payment terms of 30 days. (ii) Supplier B, founded in 1999, is a global integrated CDMO providing drug R&D and manufacturing for pharmaceutical and biotech companies. Our relationship commenced in 2020. Purchases amounted to RMB34.2 million, representing 16.8% of our total purchases, mainly for CRO services, with payment terms between 10 business days and 30 days. (iii) Supplier C, founded in 2000, is a group with global operations, providing integrated, end-to-end services including chemistry drug CRDMO, biology discovery, preclinical testing and clinical research services. Our relationship commenced in 2018. Purchases amounted to RMB16.0 million, representing 7.8% of our total purchases, mainly for CRO services, with payment terms between 5 business days and 30 days. (iv) Supplier D, founded in 1995, is an innovation-driven pharmaceutical company in China that focuses on major disease therapeutic areas including oncology, anti-infections, central nervous system, metabolism and autoimmunity. Our

relationship commenced in 2024. Purchases amounted to RMB13.9 million, representing 6.8% of our total purchases, mainly for technical services, with payment terms of 15 business days. (v) Supplier E, founded in 2004, is a life sciences service provider in China that offers a broad spectrum of research, development, and manufacturing services. Our relationship commenced in 2019. Purchases amounted to RMB5.1 million, representing 2.5% of our total purchases, mainly for CRO services, with payment terms between 10 business days and 45 days.

Details regarding our five largest suppliers in 2025 were as follows. (i) Supplier F, founded in 2003, is a leading pharmaceutical company focusing on R&D of innovative drugs, with complete closed loops of R&D, manufacturing, and sales. Our relationship commenced in 2018. Purchases amounted to RMB37.7 million, representing 18.8% of our total purchases, mainly for R&D services, with payment terms of 15 business days. (ii) Purchases from Supplier A amounted to RMB28.9 million, representing 14.4% of our total purchases, primarily for CRO services. Payment terms were 30 days. (iii) Purchases from Supplier C amounted to RMB26.2 million, representing 13.0% of our total purchases, mainly for CRO services. Payment terms were between 10 business days and 30 days. (iv) Supplier G, founded 1989, is an international generic active pharmaceutical ingredients supplier. Our relationship commenced in 2025. Purchases amounted to RMB13.6 million, representing 6.8% of our total purchases, mainly for raw materials, with payment terms of 20 business days. (v) Purchases from Supplier E amounted to RMB10.8 million, representing 5.4% of our total purchases, mainly for CRO services. Payment terms were between 10 business days and 30 days.

Details regarding our five largest suppliers for the six months ended June 30, 2026 were as follows. (i) Purchases from Supplier E amounted to RMB14.0 million, representing 9.4% of our total purchases, mainly for CRO services. Payment terms were between 10 business days and 30 days. (ii) Purchases from Supplier C amounted to RMB12.1 million, representing 8.1% of our total purchases, mainly for CRO services. Payment terms were between 10 business days and 30 days. (iii) Purchases from Supplier A amounted to RMB7.1 million, representing 4.8% of our total purchases, primarily for CRO services. Payment terms were 30 days. (vi) Purchases from Supplier G amounted to RMB5.8 million, representing 3.9% of our total purchases, primarily for raw materials. Payment terms were 20 business days. (v) Supplier H, founded in 2017, provides comprehensive, integrated professional services for the entire life cycle of new drug clinical trials. Our relationship commenced in 2022. Purchases amounted to RMB5.3 million, representing 3.6% of our total purchases, mainly for CRO services, with payment terms of 10 business days.

CUSTOMERS

During the Track Record Period, all our revenue was generated from two customers who were both pharmaceutical companies. In 2024 and 2025 and for the six months ended June 30, 2026, the aggregate revenue from our two customers in each year/period was RMB168.8 million, RMB37.3 million and RMB53.3 million, respectively. In 2024 and 2025 and for the six months ended June 30, 2026, revenue from our single largest customer in each year/period accounted for 90.3%, 75.1% and 68.9% of our total sales amount for the respective year/period. All of our customers in each year/period during the Track Record Period are Independent Third Parties. During the Track Record Period and up to the Latest Practicable Date, to the knowledge of our Directors, none of our Directors, their close associates or any Shareholder owns more than 5% of our share capital had any interest in any of our customers in each year.

Details regarding our two customers in 2024 were as follows. (i) CTTQ, founded in 1997, is a Chinese pharmaceutical company with integrated R&D, manufacturing, marketing, sales and distribution capabilities. Our relationship commenced in 2023, and we provided CTTQ licensing of a commercialized product. Our revenue from CTTQ was RMB152.4 million, representing 90.3% of total revenue. (ii) Customer B, founded in 2003, is a leading pharmaceutical company focusing on R&D of innovative drugs, with complete closed loops of R&D, manufacturing, and sales. Our relationship commenced in 2018, and we provided Customer B licensing of a commercialized product. Our revenue from Customer B was RMB16.4 million, representing 9.7% of total revenue.

Details regarding our two customers in 2025 were as follows. (i) We provided Customer B licensing of a commercialized product. Our revenue from Customer B was RMB28.0 million, representing 75.1% of total revenue. (ii) We provided CTTQ licensing of a commercialized product. Our revenue from CTTQ was RMB9.3 million, representing 24.9% of total revenue.

Details regarding our two customers for the six months ended June 30, 2026 were as follows. (i) We provided Customer B licensing of a commercialized product. Our revenue from Customer B was RMB16.6 million, representing 31.1% of total revenue. (ii) We provided CTTQ licensing of a commercialized product. Our revenue from CTTQ was RMB36.8 million, representing 68.9% of total revenue.

In 2025, one customer of ours was also our supplier (the "customer-supplier"): the sales to this customer-supplier amounted to RMB28.0 million, representing 75.1% of our total revenue in 2025, and the purchase from it amounted to RMB37.7 million, representing 18.8% of our total purchase in 2025. In 2024 and the six months ended June 30, 2026, none of our customers were also our suppliers, and none of our five largest suppliers were also our customers. Our sales to the customer-supplier was based on our provision of licensing of a commercialized product. Our procurement from the customer-supplier in 2025 was based on our agreement to partially fund a clinical program sponsored by the customer-supplier, as we expect to economically benefit from the clinical program.

As confirmed by the Frost & Sullivan, our arrangements with the customer-supplier are in line with the industry practice. We and the customer-supplier are not related to each other and do not hold any equity interest in each other or each other's group companies.

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we held 215 patents and patent applications, 55 of which relate to our Core Products. We have full ownership of the intellectual property rights relating to the Core Products. As of the Latest Practicable Date, with respect to our Core Products, we owned 34 issued patents, including six in China, seven in the U.S., and 21 in other jurisdictions, and 21 patent applications, including eight in China, three in the U.S., one under the Patent Cooperation Treaty ("PCT") which may enter into national phase, and nine in other jurisdictions. 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 Core Products as of the Latest Practicable Date:

Product	Name of Patent[(1)]	Type	Owner	Jurisdiction	Status	Patent Expiration[(2)]
Taragarestrant (D-0502) . . .	Selective estrogen receptor degraders and uses thereof	Invention	InventisBio	Chinese Mainland, Hong Kong, U.S., EU, Japan, Australia, Brazil, Canada, Israel, India, Korea, Mexico, New Zealand, Russia, South Africa	Granted	February 3, 2037
Taragarestrant (D-0502) . . .	Selective estrogen receptor degraders and uses thereof	Invention	InventisBio	Chinese Mainland	Pending	N/A
Taragarestrant (D-0502) . . .	Salts of selective estrogen receptor degraders	Invention	InventisBio	Chinese Mainland, Hong Kong, U.S., EU, Japan, Korea, Mexico	Granted	December 24, 2038
Taragarestrant (D-0502) . . .	Salts of selective estrogen receptor degraders	Invention	InventisBio	Canada	Pending	N/A
Taragarestrant (D-0502) . . .	Oral formulations and uses thereof	Invention	InventisBio	EU, Japan	Granted	June 18, 2041
Taragarestrant (D-0502) . . .	Oral formulations and uses thereof	Invention	InventisBio	Chinese Mainland, Hong Kong, U.S., Australia, Canada, Korea, Mexico	Pending	N/A

Product	Name of Patent[1]	Type	Owner	Jurisdiction	Status	Patent Expiration[2]
D-2570	Heteroaryl compounds, preparation methods and uses thereof	Invention	InventisBio	Chinese Mainland, Hong Kong	Granted	December 22, 2041
D-2570	Heteroaryl compounds, preparation methods and uses thereof	Invention	InventisBio	U.S.	Granted	December 20, 2042
D-2570	Heteroaryl compounds, preparation methods and uses thereof	Invention	InventisBio	Chinese Mainland, U.S., EU	Pending	N/A
D-2570	Heteroaryl compounds, solid forms, preparation methods and uses thereof	Invention	InventisBio	Chinese Mainland, U.S.	Granted	June 20, 2043
D-2570	Heteroaryl compounds, solid forms, preparation methods and uses thereof	Invention	InventisBio	Chinese Mainland, U.S., Hong Kong	Pending	N/A
D-2570	Pharmaceutical composition and use thereof	Invention	InventisBio	Chinese Mainland	Granted	June 20, 2043
D-2570	Pharmaceutical composition and use thereof	Invention	InventisBio	Chinese Mainland, Hong Kong	Pending	N/A
D-2570	Method for treating psoriasis	Invention	InventisBio	PCT	Pending	N/A

Notes:

(1) Unless otherwise indicated, the patent for applications within the same family is the same and is therefore disclosed once.

(2) 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.

We may rely, in some circumstances, on trade secrets and/or confidential information to protect aspects of our product candidates. We seek to protect our proprietary product candidates and processes, in part, by entering into confidentiality agreements with consultants, scientific advisers and contractors, and invention assignment agreements with our employees. 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 use to employ each of our employees, contains an assignment clause, under which 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. Despite any measures taken to protect our data and intellectual property, unauthorized parties may attempt to or successfully gain access to and use information that we regard as proprietary. Please see "Risk Factors — Risks Relating to Our Intellectual Property Rights" in this Document for a description of risks related to our intellectual property.

According to the freedom-to-operate searches and analyses ("FTO Analysis") conducted covering China and the U.S. in relation to our Core Products and darbinurad (D-0120), and covering China in relation to befotertinib (BPI-D0316) and garsorasib (D-1553), our Directors were not aware of a substantial risk of infringement in relation to the above products. China and the U.S. are the primary target markets for our Core Products in the near term. The FTO Analysis covers two fundamental aspects for FTO assessments of small molecule pharmaceuticals, namely the chemical structures and target indications of the drug candidates, which is in line with industry practice. The chemical structure-based analysis focused on the molecular structures of the drug candidates, which forms the essential basis of the implementation of the drug candidates, while the indication-based analysis focused on the specific therapeutic indications under development for the drug candidates, which is essential for the implementation of the drug candidates in the intended uses. Based on the FTO Analysis, our Directors are of the view that there are no valid and enforceable patents of any third party in China and the U.S. covering chemical structures or indications currently under development of the aforementioned drug candidates and the FTO Analysis is sufficient as to both scope of analysis and geographical coverage, having regard to our near-term plans for overseas expansion.

As of the Latest Practicable Date, we held 20 registered trademarks in Chinese Mainland and one registered trademark in Hong Kong. We are also the owner of five domain names.

During the Track Record Period and up to the Latest Practicable Date, (i) we were not involved in any material 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 regarding our product candidates; and (ii) we were not involved in any material proceedings in respect of any intellectual property rights that may be threatened or pending and that may have an influence on the R&D for any of our product candidates in which we may be a claimant or a respondent. Also, to the best knowledge of the Directors having made reasonable enquiries, none of our employees were in breach of any non-competition undertaking or wrongfully made use of trade secrets of their former employers.

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, leading R&D capability, technology platforms and seasoned management team provide us with competitive advantages, we face potential competition from many different sources, including major pharmaceutical, specialty pharmaceutical and biotechnology companies, academic institutions, and public and private research institutions. Any product candidates that we successfully develop and commercialize will compete with existing drugs and new drugs that may become available in the future.

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 employee benefits liability and adverse events in clinical trials. We currently do not maintain insurance for environmental liability or property loss. Please refer to "Risk Factors — Risks Relating to our Operations — We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources." 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 June 30, 2026, we had 191 employees in total, which included (i) 88 in early research and development, (ii) 68 in clinical development, (iii) 17 in CMC, (iv) 1 in business strategy and corporate development and (v) 17 in general and administrative, representing 46.1%, 35.6%, 8.9%, 0.5% and 8.9% of our total employees, respectively.

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.

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. Our PRC Legal Adviser 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.

PROPERTIES

As of Latest Practicable Date, we did not own real properties. We leased seven properties in Chinese Mainland with an aggregate GFA of approximately 5,844 sq.m. We did not own or lease any properties overseas. 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, no single property interest that formed part of non-property activities had a carrying amount of 15%, and no single property interest that formed part of property activities had a carrying amount of 1% of our total assets as of June 30, 2026. 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.

PERMITS, LICENSES AND OTHER APPROVALS

During the Track Record Period and up to the Latest Practicable Date, as advised by our PRC Legal Advisor, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material to our operations and such licenses, permits in the PRC and these certifications all remain in full effect. As advised by our U.S. Legal Advisor, the Group had obtained all requisite licenses, approvals and permits from relevant authorities that are material for InventisBio US to conduct its business in the state where its principal office is locate during the Track Record Period and up to the Latest Practicable Date. 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. The following table sets forth the details of our material licenses, permits and approvals as of the Latest Practicable Date:

License/Permit	Issuing Authority	Grant Date	Expiration Date
Drug Manufacturing License	Shanghai Municipal Drug Administration	October 12, 2023	October 11, 2028

ENVIRONMENT, SOCIAL AND GOVERNANCE

Overview

We recognize our environmental protection and social responsibilities and are aware of the potential impacts that our business operations may have on various environmental and social matters. We are committed to promoting sustainable development practices, fulfilling our social responsibilities and upholding stringent governance standards, reflecting our dedication to the principles of environmental, social and governance ("**ESG**"). We are committed to complying with applicable ESG reporting requirements and have established the *ESG Comprehensive Management Policy* in accordance with Appendix C2 to the Listing Rules to regulate the Group's ESG compliance.

Our ESG policy sets out the responsibilities and duties of different parties in managing ESG matters. Our Board will take primary responsibility for overseeing and identifying environmental and social risks and opportunities that may affect us, formulating and adopting our ESG policies and targets, and reviewing our performance against such targets on an annual basis. Our Board will also make appropriate adjustments to our ESG strategies if any material deviation from the established targets is identified.

A Strategy and ESG Committee has been established by our Board to provide support in the following areas: implementing ESG policies and targets; formulating and reviewing ESG strategies; executing and supervising the implementation of ESG management policies, strategies and targets across the Company, monitoring the progress in achieving targets and providing timely reports; conducting materiality assessments of ESG-related risks; continuously monitoring the implementation of the Group's ESG risk mitigation measures; organizing the preparation of ESG reports; and carrying out ESG management and enhancement initiatives. Our Strategy and ESG Committee is required to report to our Board on the Group's ESG performance and the effectiveness of our ESG management systems on an annual basis. We plan to introduce members with ESG expertise (or more environmental and social background) to our Board and our Strategy and ESG Committee, in order to continuously enhance the Group's ESG management capacity and improve the Group's ESG performance.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material claims, penalties or accidents in relation to workplace health and safety, social or environmental protection matters. The Directors confirm that, we have complied with all relevant PRC laws and regulations in relation to workplace health and safety, social or environmental protection matters in all material aspects.

Potential Impact of ESG-related Risks and Our Solutions

We have complied with applicable laws and regulations relating to environmental protection, social, and workplace health and safety. Under the supervision of the Board, we actively identify and monitor short-term, medium-term and long-term ESG-related risks. We have adopted various strategies and measures to identify, evaluate, manage and mitigate such risks, including: reviewing and assessing the ESG reports of comparable companies in our industry to ensure timely identification of common ESG-related risks and targets. Through this benchmarking process, we seek to ensure that our ESG targets and policies remain comparable; arranging periodic discussions and meetings with management to seek to ensure that all material ESG risks are identified and reported; engaging with key stakeholders on major ESG principles and practices to seek to ensure all material issues are addressed; formulating detailed ESG risk warning systems and management measures, quantifying performance indicators, identifying and considering ESG risks and opportunities separately from other business risks and opportunities; and setting short-term and long-term targets for key environmental and social performance indicators. For example, regarding environmental matters, we set targets to reduce emissions, pollution and other environmental impacts, as well as lower consumption of natural resource, in support of China's "30·60" dual carbon goal as a national strategy that reflects internationally recognized sustainability expectations.

Our Strategy and ESG Committee, in accordance with the disclosure requirements under Appendix C2 to the Hong Kong Listing Rules, will set targets for each major key performance indicator for each financial year. Our Board will review the relevant targets for major key performance indicators annually to ensure that such targets align with the Group's demands. In setting the targets for key performance indicators, we will take into account relevant historical performance and carefully consider our future business expansion plan. We target to achieve balance between business growth and ESG issues to achieve sustainable development.

Among others, we have identified the following ESG risks and opportunities as material issues that may affect our business, strategies or financial performance. We have formulated and implemented strategies and internal policies and procedures to manage and mitigate such risks, and we may update such strategies and policies based on our understandings to our stakeholders' changeable expectations. During the Track Record Period, we kept monitoring a number of ESG indicators (the key ones are set out below) to further assess and manage the environmental and social risks and opportunities arising from our business operations.

Environmental Protection

We fully recognize the potential environmental impacts arising from our business operations. We comply with applicable environmental laws and regulations, including the *Environmental Protection Law of the PRC*, to standardize and implement emissions, discharges and waste management, improve resource utilization efficiency, and fulfill our environmental responsibilities. We have formulated and implemented the *Policy on Environmental Protection and Responsibility Management* to mitigate and prevent potential risks to the environment during our operations. We have established a dedicated EHS department responsible for implementing our environmental policies and supervising environmental compliance. Furthermore, we conduct education and publicity on environmental protection laws and regulations for our employees to enhance their environmental protection awareness and conduct post-training assessments for employees in environmental protection positions. We aim to continuously strengthen the environmental management system across our R&D and production processes, ensure that the pollutant emissions

comply with applicable environmental laws and regulations, and enhance employee awareness of water conservation through targeted education and publicity — thereby maintaining a strong track record in environmental regulatory compliance in all material respects.

Waste Management

We strive to operate our facilities in an environmentally protective manner. We are not classified as an enterprise in high-pollution industries; however, our product R&D process involve the use of hazardous and biological raw materials, and may discharge waste gas as well as wastewater, solid waste and hazardous waste. Accordingly, we have established and implemented various internal policies such as the *Waste Disposal and Management Policy*, the *Water Pollutant Discharge Control Procedure* and the *Atmospheric Pollutant Discharge Control Procedure* designed to mitigate environmental risks and ensure compliance with applicable national, industry and local standards, laws, regulations and policy requirements. In particular,

General Solid Waste: We collect, store and dispose of general solid waste in accordance with applicable laws and regulations.

Hazardous Waste: Pursuant to the *National Hazardous Waste List* and our Environmental Impact Assessment document, our hazardous waste includes medical waste generated during experiments, laboratory waste, waste activated carbon and waste filter screens. Those hazardous waste would be collected and processed by qualified third-party waste disposal companies. Where necessary, we will first decontaminate such waste prior to transfer to the disposal companies. The waste disposal companies would issue us written records for the transfer of hazardous waste, which we would retain for internal audit and compliance inspection purposes. We have established management processes and conduct training and assessments on knowledge and skills related to the collection and transfer of hazardous waste for newly recruited employees.

Wastewater: Our wastewater is disposed through process technologies and discharged into the municipal sewage pipeline network via the total discharge outlet; domestic sewage is discharged through the specific sewage pipeline network of the industrial park where we are located. Meanwhile, we conduct wastewater discharge monitoring and operational inspections of treatment facilities designed to ensure stable compliance with discharge standards, such as the *Integrated Wastewater Discharge Standard*.

Waste Gas: We control the emission volume of factory waste gas. We utilize activated carbon absorption and filtration technologies to absorb hazardous gaseous pollutants from our waste gas and maintain a treatment efficiency of not less than 95%, ensuring compliance with emission standards, including the *Emission Standard of Air Pollutants for Pharmaceutical Industry*, the *Integrated Emission Standard of Air Pollutants* and the *Emission Standards for Odor Pollutants*.

Noise: The main equipment that generates noise includes laboratory equipment and fans. By adopting corresponding noise prevention and control measures, optimizing the spatial arrangement of such equipment, and leveraging attenuation through spatial distance, the factory noise emissions comply with the Class 2 standard emission limit requirements specified in the *Emission Standards for Industrial Enterprise Boundary Noise*.

During the Track Record Period and up to the Latest Practicable Date, we have not been imposed with penalties whatsoever for the violation of any environmental laws or regulations in all material aspects. The total amount of hazardous waste generated and disposed of at our principal place of operation (Chinese Mainland) was as follows:

		For the year ended December 31,		For the six months ended June 30,
Indicator		**2024**	**2025**	**2026**
Hazardous Waste[1]	**Medical Waste** ***(tons)***	1.12	0.85	0.40
	Other Hazardous Waste Excluding Medical Waste ***(tons)***	53.57	42.91	28.72

Indicator		For the year ended December 31, 2024	For the year ended December 31, 2025	For the six months ended June 30, 2026
General Solid Waste[2]	**Emissions** ***(tons)***	0.21	0.20	0.10
Exhaust Gas	**Emissions** ***(hundred million cubic meters)***	2.458	2.129	0.967

Notes:

1 Hazardous waste generated from our business activities primarily includes organic laboratory waste liquids, solid laboratory waste (including reagent bottles, laboratory gloves, glassware contaminated with chemicals, etc.), waste activated carbon and waste chemical reagents.

2 General solid waste generated from our business activities primarily includes waste cardboard boxes, waste plastic packaging, and waste foam packaging.

Besides, we engage external maintenance service providers to conduct periodic maintenance on our environmental protection facilities on an annual basis, and repair or upgrade such facilities as needed. We invested approximately RMB12,000 and RMB235,000, respectively in 2024 and 2025 for the maintenance and upgrading of environmental protection facilities.

Consumption of Resources

To achieve our sustainable development objectives, we monitor our environmental performance in areas such as resource utilization efficiency and energy consumption. We also formulate environmental management plans to continuously enhance energy efficiency. We also seek to ensure that all operational activities comply with relevant government environmental laws and requirements, with the aim of avoiding or mitigating any adverse impact of our operations and services on the environment.

We have established a series of measures to monitor our electricity and water consumption levels and have adopted initiatives to improve energy efficiency. During the Track Record Period, the total amount of purchased electricity and water resources consumed at our principal place of operation (Chinese Mainland) was as follows:

Indicator		For the year ended December 31, 2024	For the year ended December 31, 2025	For the six months ended June 30, 2026
Electricity Consumption	**Total Electricity Consumption** ***(MWh)***	1,258.5	1,125.2	508.9
Water Consumption	**Total Water Consumption** ***(tons)***	2,074	1,376	554

Note:

1 Our overseas entities are not involved in energy-intensive operations such as factories and have a relatively small workforce; therefore, they are currently excluded from resource consumption.

Climate Change

We understand that climate change may not have a direct negative impact on our business operations. Notwithstanding, climate change has become a key factor on the global economy and industrial development, and the green and low-carbon transition is now a key driver of sustainable social development — for instance, China's "30·60" dual carbon goal is a national strategy that

strengthens this trend. We believe that future regulatory trends and stakeholder expectations may impose stricter requirements on us, such as those related to carbon emission reduction or carbon footprint disclosure. As a matter of fact, we plan to systematically identify and assess climate-related risks and opportunities, by aligning with the "30·60" goal's timeframe and objectives, to mitigate the impacts arising from climate change and extreme weather events.

Through the formulation and implementation of our "*Policy on Low-carbon Development and Climate Change Response*", we have incorporated climate-related issues (including physical risks and transitional risks) into our risk assessment process and actively respond to climate change. During the Track Record Period and up to the Latest Practicable Date, we were not materially affected by climate-related matters, nor did we incur any material capital expenditure or compliance costs in this regard. In terms of actual risks, extreme weather events such as floods, rainstorms, and blizzards may disrupt utility supplies, cause system failures, or lead to data loss, thereby impacting our operational continuity and the stability of product delivery. Regarding transitional risks, evolving climate policies and tightening regulatory requirements may increase our compliance costs and investments in internal systems.

To further mitigate the impact of climate change, we periodically review and analyze statistics of carbon emissions generated from our business operations. Based on the tracking and verification of emission indicators, we actively take actions and explore solutions to reduce carbon emissions. We aim to proactively conduct carbon footprint tracking and explore the potential for decarbonization across all stages of our business operations, contributing to the China's "30·60" dual carbon goal. At our principal place of operation (Chinese Mainland), we conducted a preliminary assessment and accounted for greenhouse gas ("**GHG**") emissions in accordance with the *GHG Protocol Corporate Accounting and Reporting Standards*, covering Scope 1 and Scope 2 emissions. We plan to identify our boundaries of Scope 3 emissions gradually and calculate Scope 3 emissions as a part of our GHG emissions verification and accounting process when practicable. Scope 1 emissions refer to direct greenhouse gas emissions primarily from direct energy consumption in our operations. Scope 2 emissions refer to indirect greenhouse gas emissions primarily from purchased electricity consumption.

During the period from 2024 to 2025, we maintained a stable greenhouse gas emission intensity ranging from 3.28 to 3.67 tons of CO_2 equivalent per person. This performance is broadly in line with our industry peers who, similar to us, do not operate commercial-scale manufacturing facilities. Our greenhouse gas emission intensity is lower than that of industry peers with established typical commercial-scale production, primarily due to our current business model and the lower energy consumption profile associated with our operations.

The following table sets forth our Scope 1 and Scope 2 greenhouse gas emissions at our principal place of operation (Chinese Mainland) during the Track Record Period:

		For the year ended December 31,		For the six months ended June 30,
Indicator		**2024**	**2025**	**2026**
Greenhouse Gas Emissions[1]	**Scope 1 Greenhouse Gas Emissions *(tons of CO_2 equivalent)***	0.00	0.00	0.00
	Scope 2 Greenhouse Gas Emissions *(tons of CO_2 equivalent)*	667.76	597.03	270.02
	Total Greenhouse Gas Emissions per Employee *(tons of CO_2 equivalent/person)*[2]	3.67	3.28	1.41
	Year-on-year Change in Total Greenhouse Gas Emissions per Person	0.10	(0.11)	–

Notes:

1 We calculate total greenhouse gas emissions for Chinese Mainland based on carbon emission factors recorded in government documents of the PRC such as the China Energy Statistical Yearbook and the Announcement on the Publication of 2023 Power Carbon Dioxide Emission Factors. Besides, our overseas entities are not involved in energy-intensive operations such as factories and have a relatively small workforce; therefore, they are currently excluded from greenhouse gas emission statistics and calculations.

2 Given the direct and stable correlation between the number of R&D personnel and our core R&D activities, as well as its primary sources of carbon emissions (e.g., laboratory energy consumption), we believe that carbon intensity per employee (i.e., total carbon emissions divided by the total number of employees) serves as the representative indicator. This metric better reflects our efficiency in managing operational carbon emissions and provides more comparable and material environmental performance information.

Identification of Scope 3 Emissions

In the future, we will gradually expand the data collection coverage of Scope 3 emission and continuously improve data quality and transparency. As the data collection mechanism is further refined, we plan to release a more detailed Scope 3 emissions inventory in the future, including a breakdown of emissions by type and key emission reduction targets. We expect to initiate the assessment of Scope 3 greenhouse gas emissions in 2027 if data availability and measurement methodologies evolve.

Social Responsibility

Employment and Care

We enter into employment contracts with our employees in accordance with applicable laws and regulations, including the Labor Law of the PRC and the Labor Contract Law of the PRC, the Fair Labor Standards Act in the U.S., etc. We have also established internal policies such as the *Employee Handbook* and the *SOP on Training*. We adhere to the principles of legality, fairness, equality, voluntariness, mutual consent and good faith, and recruit employees based on merit. We actively protect the rights of our female employees and strictly prohibit the use of child labor in any of our business operations. During the Track Record Period, the number of our employees and their composition were as follows:

		For the year ended December 31,		For the six months ended June 30,
Indicator		**2024**	**2025**	**2026**
Number of Employees	**Male Employees (persons)**	78	77	84
	Female Employees (persons)	104	105	107
By Geography	**Employees in Chinese Mainland (persons)**	179	179	188
	Employees in Hong Kong, Macau, Taiwan and Overseas (persons)	3	3	3
By Age Group	**Below 30 years old (persons)**	46	35	34
	30 to 50 years old (persons)	127	138	147
	Above 50 years old (persons)	9	9	10

Welfare and Benefits

We are dedicated to offering competitive remuneration packages to attract and retain employees. We provide appealing benefits and care initiatives, including marriage and childbirth benefits, festive gifts and community activities. We also provide our employees with subsidies for meals, transportation and communication to facilitate their daily work and life. In addition, we offer

annual health check-ups, personal accident insurance and other medical benefits to safeguard our employees' physical and mental health. We aim to cultivate an environment where employee growth and corporate advancement are mutually reinforcing, enabling individuals and the organization to thrive together.

Diversity is a core value of the Group. We are dedicated to creating an inclusive and supportive working environment where each employee's personalities and differences are respected, with their dignity being upheld. By establishing the *Employee Diversity Policy*, we promote gender equality and gender diversity within our workforce, and provide equal opportunities in areas such as recruitment, training and development, remuneration, and career and promotion opportunities. Furthermore, from time to time, we provide training to employees on topics related to diversity and inclusion, ensuring that our vision and goals for diversity, equity and inclusion are accessible and understandable to all employees.

Our Board considers membership diversity as a key factor in upholding corporate governance standards and enhancing the effectiveness of the Board's decision-making. We have formulated the Board Diversity Policy as an important guideline. The nomination and appointment of Board members will depend on our business development and risk management needs, by considering factors such as gender, age, cultural background, educational background and professional experience, to ensure a reasonable balance of skills, experience and perspectives on the Board and inject diverse wisdom into our strategic decision-making.

Clinical Trial Subject Safety

Regarding clinical trial subjects, we strictly adhere to the requirements of the Good Clinical Practice ("GCP") and have established a full-process, systematic data protection system to effectively safeguard the legitimate rights and interests as well as data security of the subjects. We aim to strictly enforce clinical trial risk control mechanisms, promote high standards of subject protection, and preserve the core rights and interests of patients and clinical trial participants.

During the informed consent process, we provide the subjects (or their guardians) with comprehensive and detailed information on the purpose, procedures, potential risks and rights protection measures of the clinical trial in clear and understandable language, ensuring that the subjects sign the informed consent form on the basis of full informed decision and voluntary choice. For subject-related data, we adopt encrypted storage and hierarchical management mechanisms to strictly prevent data leakage or misuse.

In the context of outsourced R&D services, we impose strict compliance requirements on contracted institutions, clarify their data protection responsibilities, and seek to ensure that the entire chain of subject data management complies with regulatory standards to protect the rights and interests and data security of the subjects. We do not use animals in our R&D activities.

Animal Welfare

We are dedicated to complying with applicable domestic and international animal welfare laws and regulations, and managing necessary animal testing in accordance with the internationally recognized "3Rs" principle (Replace, Reduce, Refine). Such testing is conducted only where required by applicable laws and regulations or where scientifically essential and no viable alternatives exist, whether carried out internally or commissioned to qualified third-party organizations. Any such testing is subject to prior approval by an Institutional Animal Care and Use Committee ("IACUC"), with veterinary oversight of animal welfare throughout the process. The animal housing facilities we use for internal testing hold valid Laboratory Animal Use Permits. The animal housing facilities used for such testing are compliant, with controlled temperature, humidity, and ventilation, regular testing of feed and drinking water to ensure safety, and environmental enrichment measures in place. All practices adhere to applicable domestic and international animal welfare standards, including China's Regulations on the Administration of Laboratory Animals.

Workplace Safety

Since hazardous substances and biological materials are used during our production process, we place significant emphasis on workplace safety matters in our operation. We have adopted and maintained a series of rules, standard operating procedures and measures to safeguard a healthy and safe working environment for our employees, ensuring that our operations comply with applicable workplace safety regulations in the jurisdictions where we operate. Specifically, we: establish various policies, such as the *Work Safety Responsibility Policy, Safety Education and Training Management Policy*, *Occupational Disease Prevention and Control Responsibility Policy* and other procedures and guidelines, for the use, storage, handling, and disposal of hazardous substances and hazardous waste; given that our R&D process involves the use of biological materials such as adenoviruses, we further formulate the *Biosafety Manual* to establish dedicated control procedures, and have developed laboratory safety standards in compliance with applicable laws, so as to minimize the risk of employees' exposure to biological hazards; conduct periodic assessments of occupational health hazards and safety risks, and implement protective measures; follow the regulatory requirements and procedures when conducting experiments involving hazardous materials or hazardous chemical reactions; install appropriate safety and occupational protection facilities in workplaces, provide employees with necessary personal protective equipment, and supervise its appropriate use; conduct employee safety training; establish health records for all employees and provide annual physical examination benefits on a yearly basis; conduct pre-employment, on-the-job, and post-employment occupational disease health examinations for employees engaged in work involving occupational hazards; and conduct periodic fire safety inspections, seek to ensure the maintenance of fire-fighting equipment, organize daily emergency drills, and seek to enhance employees' emergency response capabilities.

To ensure compliance with applicable laws and regulations, our human resource and EHS department would consult our legal advisers, when necessary, to adjust our human resource as well as workplace health and safety policies in response to material changes in labor and safety laws and regulations. In the event of a workplace injury, we would intervene promptly to ensure that the affected employee receives immediate assistance and care. During the Track Record Period and up to the Latest Practicable Date, no material incidents occurred to us regarding the use of hazardous or toxic substances, health or safety.

Anti-corruption and Anti-bribery

We have formulated and implemented a series of policies, such as the *Anti-Bribery, Anti-corruption Policy* and the *Implementation Rules for Interactions with Third-Party Personnel or Organizations*, designed to ensure that our operations comply with applicable anti-bribery and anti-corruption laws and regulations in the jurisdictions where we operate. These policies set out potential bribery and corruption acts, our anti-bribery and anti-corruption measures, and reporting procedures. Prohibited improper payments and hospitality activities under these policies include bribes, kickbacks, excessive gifts or facilitation fees, or any other payments made or offered to obtain undue business advantages. We will investigate reported incidents and take appropriate actions where necessary. We also conduct background checks prior to the engagement of any third party and conduct ongoing monitoring to seek to ensure that the collaboration or hiring process is carried out in full compliance with our anti-bribery and anti-corruption policies. In addition, we provide training to our employees on anti-bribery and anti-corruption policies to strengthen the effective implementation of such policies.

Product Quality and Safety

We are deeply aware that our products are directly related to human health. To this end, we are dedicated to comply with the laws and regulations governing drug safety and clinical trials of pharmaceuticals, and have established a pharmacovigilance system designed to ensure drug quality and safety. Specifically, we have formulated and implemented a series of policies and procedures covering clinical trials, pharmacovigilance and quality audits, spanning from the product R&D phase to the post-marketing phase, designed to ensure the safety of our products. Such policies and

procedures include, but are not limited to, the *SOP for the Clinical Trial Drug Safety Management Plan, the SOP for Clinical Quality Audit* and the *Emergency Plan for Drug Safety Issues (Investigation of Death Cases and Cluster Events)*. According to these policies, we (i) monitor adverse events related to drugs and drug candidates in clinical trials and accurately record event information for each trial; (ii) analyze the collected adverse events and assess relevant safety risks; (iii) report adverse events and potential safety risks; and (iv) communicate with relevant employees to ensure the implementation of clinical trial protocols. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any material claims or penalties in relation to product safety issues, major defects or malfunctions, or false advertising in all material aspects, and we have complied with applicable laws and regulations in all major respects.

Supply Chain Management

Even though we do not directly manufacture products or conduct clinical trials, we consider product quality and patients' and clinical trial participants' health and safety as core priorities. We require our suppliers (including clinical trial-related service providers such as CROs, SMOs, system service providers, laboratory testing institutions, and drug warehousing and courier service providers, etc.) to comply with laws, regulations and normative standards such as the *Drug Administration Law of the PRC*, the *Regulations for the Implementation of the Drug Administration Law of the PRC*, the *Measures for the Supervision and Administration of Pharmaceutical Distribution and Use Quality*, the *Good Manufacturing Practices for Pharmaceuticals* and its appendices, to seek to ensure that the products or services they provide comply with the requirements related to data integrity, patient safety and product quality, and that they establish and continuously improve a comprehensive quality management system.

We have established and implemented several supplier management policies, including the *SOP of Vendor Management* to specify the due diligence procedures, selection criteria, approval processes, and performance management when selecting and managing our service-providing partners. Our major suppliers are listed companies or large CROs/CDMOs that adhere to and operate their own quality management and ESG-related systems. In the process of supplier selection and management, we take into account their ESG-related performance. Through business collaboration and routine communication, we convey our requirements on clinical drug safety and pharmacovigilance requirements to them, and require them to assist us in identifying drug-related risks so that to ensure the compliance and safety of the entire clinical trial chain, jointly safeguard the rights and interests of patients as well as the quality of clinical research, and enable us to intervene promptly in the event of drug safety incidents. We are dedicated to continuously strengthening supplier management and establishing long-term partnerships with vendors that deliver good services, so as to ensure products and services procured through our supply chain comply with applicable laws, regulations and quality requirements.

Data Privacy and Personal Information Protection

We have established and implemented internal policies such as Clinical Data Review and Clean, Set-up and Maintenance of Electronic Data Capture Database to protect our data and information, designed to ensure compliance with all applicable national and international data protection and privacy laws and regulations. We strive to prevent unauthorized access, processing, or deletion of employees' personal information, and have adopted appropriate physical, electronic, and administrative measures to safeguard such data.

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 material legal or administrative proceedings. We are committed to maintaining the standards of compliance with the laws and regulations applicable to our business. However, we may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business.

We were previously involved in several lawsuits with Mirati Therapeutics Inc. ("Mirati"), Beta Pharma Inc. ("Beta US") and Beta Pharma (Shanghai) ("Beta Shanghai"). Beta US is Beta Shanghai's affiliated entity in the U.S. (collectively, "Beta entities"). We, Betta and Beta entities are independent from each other and share no affiliation. These lawsuits, as described below, have been finally resolved in our favor. As such, our Directors are of the view that these lawsuits are not expected to have a material adverse impact on the Group's financial and operational performance. Based on the due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that would reasonably cause the Sole Sponsor to disagree with the Directors' view that these lawsuits are not expected to have a material adverse impact on the Group's financial and operation performance.

In 2022, Mirati filed a lawsuit in Shanghai, China, alleging we misappropriated Mirati's trade secret regarding certain compounds. The Shanghai court dismissed the lawsuit in 2024 in its entirety and rejected Mirati's appeal in 2025. Mirati has not initiated any further legal proceedings related to the lawsuit.

In 2022, Beta Shanghai filed a lawsuit in Shanghai, China, alleging we and Betta misappropriated Beta Shanghai's trade secret regarding certain compounds. In 2023, Beta Shanghai withdrew the lawsuit and did not subsequently refile.

In 2023, Beta US filed a lawsuit in New Jersey, U.S., alleging we misappropriated Beta's trade secret regarding certain compounds. The New Jersey court dismissed the lawsuit in 2024 in its entirety. Beta US has not filed any appeal or initiated any additional legal proceedings in connection with the lawsuit.

Legal Compliance

According to our PRC Legal Adviser, 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. Our Directors confirmed that we had complied with all material applicable laws and regulations for our operations in the PRC and the U.S. and we were not involved in any material or systemic non-compliance incidents in the PRC and the U.S. As advised by our U.S. Legal Advisor, the Group has been in material compliance with the U.S. laws or regulations applicable to InventisBio US in the state where its principal office is located during the Track Record Period and up to the Latest Practicable Date. Our management team is responsible for building, developing and improving our compliance management system to ensure our compliance culture is embedded into our everyday workflow. We conduct compliance training for our employees and identifies, assesses, and reports compliance risks and expectations in a timely manner. Our senior management team monitors and evaluates the effectiveness of our compliance function and structure to ensure that we comply with applicable laws and regulations.

Non-compliance

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. We have complied with all statutory social security insurance fund and housing fund obligations applicable to us under the laws and regulations in China in all material aspects during the Track Record Period and as of the Latest Practicable Date, except that we did not make full social security insurance contributions for 2 employees who are not PRC citizens out of their own preference, which we estimate to be approximately RMB0.7 million. We currently plan to make full social insurance contributions for our employees by the second half of 2027. During the Track Record Period, we also engaged a third-party human resources agency to pay social insurance premium and housing provident funds for 12 employees. As of the Latest Practicable

Date, (i) these employees had confirmed such arrangement and had raised no objections in relation thereto; (ii) there had been no disputes between us, such employees and/or the third-party human resources agency with regard to such arrangement, as the case may be; and (iii) we had not received any notice of rectification from, or been imposed any administrative penalty by, the relevant governmental authorities as a result of such arrangement or nonpayment for employees who are not PRC citizens. As advised by our PRC Legal Advisor, taking into consideration the above, the risk of us being subject to material penalties as a result of not paying social insurance premium for employees who are not PRC citizens, or paying the social insurance premium and housing provident funds for the relevant employee through the third-party agency, which thus have a material adverse effect on our financial condition or results of operations taken as a whole, is relatively low. Furthermore, with regard to Interpretation II of Labor Dispute Cases, our PRC Legal Adviser is of the view that the Interpretation is not expected to have a material adverse effect on our financial position and business based on the followings: (i) the estimated maximum potential penalty for our social insurance contribution shortfalls during the Track Record Period will not increase as a result of the Interpretation, as shortfalls arising from employee voluntary elections or mutual agreements have already been factored into such calculations; and (ii) the Interpretation has neither repealed nor amended the social insurance laws and regulations currently in force in the PRC. Please refer to the section headed "Risk Factors — Risks Relating to Doing Business in Jurisdictions Where We Operate — We are subject to risks in relation to our social insurance and housing provident fund contributions" in this Document.

As of the Latest Practicable Date, due to the difficulty of procuring our lessors' cooperation to file such leases, five of our lease agreements for properties in China had not been registered with relevant authorities in China. Our PRC Legal Advisor is of the view that the non-registration of lease agreements will not affect the validity of the lease agreements, but the relevant local housing administrative authorities can require us to complete registrations within a specified timeframe and if we fail to so rectify, we may be subject to a fine of between RMB1,000 and RMB10,000 for each of these leasing properties. During the Track Record Period and up to the Latest Practicable Date, we had not received any order from the relevant government authorities requiring us to register these lease agreements, and no administrative penalty had been imposed on us for non-registration of these lease agreements. We plan to comply with and are preparing the lease agreement registration requirement regarding our lease agreements. However, as the filing of the lease agreements requires the coordination of both lessors and lessees, the lessors may not cooperate and complete the registration in a timely manner. For further details, please see the sections headed "Risk Factors — Risks Relating to Doing Business in Jurisdictions Where We Operate — We are subject to risks associated with our leased properties."

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

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 aspects related to risk management, connected transactions and information disclosure; provide anti-corruption and anti-bribery compliance training periodically to our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations; 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**]. We had improved our internal control system by adopting and implementing the corresponding enhanced internal control measures. Going forward, we will continue to regularly review and improve these internal control policies, measures and procedures.

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 and distributors. 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. We keep accurate books and records that reflect transactions and asset dispositions in reasonable detail. Requests for false invoices or payment of unusual, excessive or inadequately described expenses should be rejected and promptly reported. Misleading, incomplete or false entries in our books and records are never acceptable. 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) providing regular anti-corruption and anti-bribery compliance training for senior management and employees, including daily compliance team meeting, annual compliance training and other ad hoc compliance training sessions, to enhance their knowledge and compliance with applicable law and regulations; (ii) 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; (iii) 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 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; have close relatives who work for our suppliers, customers, competitors or distributors; serve as a consultant or director in an association or company in the same market or industry. 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 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. During clinical operations, we collect de-identified personal data from clinical trial participants, including weight, height, prior treatment records, and disease conditions. Such patient data are used solely for our clinical development efforts. 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. Our information technology network is configured with multiple layers of protection to secure our databases and servers. 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.

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.

Following the ICH GCP guidelines, we collected de-identified health-related information of subjects in our clinical trials, which included demographics, medical history, current medical conditions, medication history, laboratory test results, imaging data, electrocardiograms, adverse events, and efficacy data. The collected information was used for our clinical research, including preparation of clinical study reports and regulatory submissions. Such information was also used for preparing scientific publications and conference presentations.

We have implemented robust internal control measures and policies to ensure the security of personal data, including the protection of sensitive information of employees, customers, and partners, in compliance with relevant laws such as the General Data Protection Regulation ("GDPR"). Such measures and policies include: access controls — access is granted on a need-to-know basis using role-based access controls; encryption and storage — all personal data at rest and in transit is encrypted; training and Awareness — employees undergo mandatory training on data privacy policies, including handling personal information and recognizing phishing threats, which are integrated into the HR management framework to foster a culture of compliance; vendor and third-party management — contracts with external parties include data protection clauses requiring adherence to our privacy standards.

When a suspected or known violation or breach of data protection clauses occurs in contracts with external parties, we will activate a structured response process: incidents are promptly reported to the data protection/privacy officer or compliance team, followed by an initial assessment and immediate containment actions (e.g., revoking access or isolating systems); minor issues are

managed at the operational level, while serious or material breaches escalate to senior management and, if necessary, the Board of Directors; a formal investigation is conducted – often with partner cooperation and possible external expertise – leading to root cause analysis and required remediation plans; we enforce contractual rights to demand notification, corrective actions, and cooperation on regulatory reporting (*e.g.*, to authorities under GDPR); depending on severity, responses may include enhanced monitoring, suspension of activities, payment withholding, contract termination, or legal action, followed by a post-incident review to strengthen controls and prevent recurrence.

We engage in limited cross-border data transfers, primarily related to international R&D collaborations and clinical trials, which may involve sharing data with partners in regions like the U.S. To ensure security, transfers are conducted under approved mechanisms, such as standard contractual clauses or adequacy decisions, in line with GDPR requirements.

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 did not experience any leakage or material losses of patient data or other personal data in all applicable jurisdictions. As confirmed by our directors, we had neither incurred any related administrative penalties nor received any related administrative inquiry notice in all applicable jurisdictions. Our PRC Legal Adviser have 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 data privacy and cross-border data transfers, and had been in compliance with the relevant PRC laws and regulations in all material aspects in this regard.

BOARD OF DIRECTORS

Our Board of Directors comprises nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. Our Directors serve a term of three years and may be re-elected for successive reappointments.

The following table sets out information in respect of the Directors.

Name	Age	Position/Title	Date of Appointment as a Director	Date of Joining our Group	Role and Responsibility
Executive Directors					
Dr. Yaolin Wang (王耀林)	[62]	Chairman of the Board, executive Director and general manager	November 6, 2015	May 16, 2015	Overseeing the Company's overall strategy and operations, and leading major R&D decisions, including target selection and new-drug discovery
Dr. Yueheng Jiang (江岳恒)	[55]	Executive Director, secretary of the Board and deputy general manager	October 15, 2020	November 7, 2018	Leading our business development and CMC functions, managing key partnerships and overseeing process development, manufacturing, and supply chain activities for drug substances and finished products; and responsible for our Board related matters
Dr. Xing Dai (代星)	[51]	Executive Director and deputy general manager	April 5, 2017	September 18, 2015	Overseeing our medicinal chemistry efforts, leading preclinical molecular design and driving structure optimization from early hit identification through nomination of preclinical candidates
Mr. Luwei Shi (史陸偉)	[41]	Executive Director and finance director	October 15, 2020	October 12, 2015	Responsible for the overall financial management of our Group
Non-executive Directors					
Dr. Zhihui Wang (王質蕙)	[35]	Non-executive Director	December 8, 2023	December 8, 2023	Providing strategic advice and making recommendation on the operation and management of our Group
Mr. Yifu Liu (劉一夫)	[47]	Non-executive Director	October 30, 2023	October 30, 2023	Providing strategic advice and making recommendation on the operation and management of our Group
Independent Non-executive Directors					
Dr. Jia Yan (嚴嘉)	[55]	Independent non-executive Director	December 9, 2020	December 9, 2020	Providing independent opinions and judgment to the Board
Mr. Wen Chen (陳文)	[57]	Independent non-executive Director	December 9, 2020	December 9, 2020	Providing independent opinions and judgment to the Board
Ms. Xinmiao Dai (戴欣苗)	[63]	Independent non-executive Director	December 9, 2020	December 9, 2020	Providing independent opinions and judgment to the Board

Executive Directors

Dr. Yaolin Wang (王耀林), aged [62], was appointed as a Director and chairman of the Board in November 2015 and March 2017, respectively, and was re-designated as an executive Director in December 2025. He has been our general manager since November 2015. He is primarily responsible for overseeing the Company's overall strategy and operations, and leading major R&D decisions, including target selection and new-drug discovery.

Dr. Wang has nearly 30 years of working and management experience in the pharmaceutical and biotech industry. Prior to joining our Group, from June 1997 to November 2009, Dr. Wang served as an associate principal scientist at Schering-Plough Corporation, an American pharmaceutical company that was later acquired by Merck & Co., Inc. Dr. Wang subsequently served as a principal scientist at Merck & Co., Inc., a company listed on the New York Stock Exchange (stock code: MRK) from December 2009 to May 2015.

Dr. Wang received his bachelor's degree in Pharmacology from Fudan University (復旦大學), formerly known as Shanghai Medical University (上海醫科大學), in the PRC in July 1985 and his doctorate degree in Molecular and Cellular Pharmacology from Stony Brook University in the U.S. in August 1992. He completed his postdoctoral studies in Cell Biology at Baylor College of Medicine in the U.S.

Dr. Yueheng Jiang (江岳恒), aged [55], was appointed as a Director in October 2020 and was re-designated as an executive Director in December 2025. He has been our secretary of the Board and deputy general manager since December 2020. He previously served as our senior vice president from 2018 to 2020. Dr. Jiang is primarily responsible for (i) leading our business development and CMC functions, managing key partnerships and overseeing process development, manufacturing, and supply chain activities for drug substances and finished products; and (ii) our Board related matters.

Dr. Jiang has over 15 years of working and management experience in the pharmaceutical industry. Prior to joining us, from September 1996 to November 2009, Dr. Jiang served as a class I scientist at Schering-Plough Corporation, an American pharmaceutical company that was later merged into Merck & Co., Inc., where he was primarily responsible for the design, synthesis, and purification of small molecule drug candidates. Dr. Jiang subsequently served as a class II scientist at Merck & Co., Inc., a company listed on the New York Stock Exchange (stock code: MRK) from December 2009 to February 2011, where he was primarily responsible for designing small molecule structures and executing their synthesis and purification. He served as executive director at Yaheng Pharmaceutical Technology (Shanghai) Co., Ltd. (雅恒醫藥科技(上海)有限公司) from August 2011 to May 2012, a deputy general manager at ABA Chemicals Corporation (雅本化學股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300261), from May 2012 to December 2016 and a deputy general manager at ABA Chemicals (Shanghai) Limited (上海雅本化學有限公司) from December 2016 to November 2018.

Dr. Jiang received his bachelor's degree in chemistry from University of Utah in the U.S. in June 1994. He received his master's degree and doctorate degree in organic chemistry from the University of Wisconsin — Madison in the U.S. in August 1996 and May 2007, respectively.

Dr. Xing Dai (代星), aged [51], was appointed as a Director in April 2017 and was re-designated as an executive Director in December 2025. He has been our deputy general manager since December 2020. He also served as our senior vice president from September 2015 to December 2020. Dr. Dai is primarily responsible for overseeing our medicinal chemistry efforts, leading preclinical molecular design and driving structure optimization from early hit identification through nomination of preclinical candidates.

Dr. Dai has over 17 years of experience in new drug development in the pharmaceutical industry. Prior to joining us, he was a lecturer at Hubei University (湖北大學) from July 1996 to August 1998. From March 2008 to November 2009, he served as a senior scientist at Schering-Plough Corporation, an American pharmaceutical company that was later merged into Merck & Co., Inc. From December 2009 to August 2015, Dr. Dai successively served as an associate principal scientist and project manager at Merck & Co., Inc., a company listed on the New York Stock Exchange (stock code: MRK).

Dr. Dai received his bachelor's degree in chemistry from Hubei University (湖北大學) in the PRC in July 1996 and his master's degree in pesticide science from China Agricultural University (中國農業大學) in the PRC in July 2001. Dr. Dai received his doctorate degree in organic chemistry from State University of New York at Buffalo in the U.S. in September 2006. He completed his postdoctoral studies in organic chemistry in Massachusetts Institute of Technology (MIT) in the U.S.

Mr. Luwei Shi (史陸偉), aged [41], was appointed as a Director in October 2020 and was re-designated as an executive Director in December 2025. He has been the finance director of our Company since October 2015. As our finance director, he serves the function of a chief financial officer and is primarily responsible for the overall financial management of our Group.

Prior to joining our Group, Mr. Shi worked at Shanghai Certified Public Accountants LLP (上海上會會計師事務所(特殊普通合夥)) from September 2007 to August 2012. From September 2012 to September 2015, he worked at BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所(特殊普通合夥)).

Mr. Shi obtained his bachelor's degree in accounting from Shanghai University of International Business and Economics (上海對外經貿大學) in the PRC in July 2007 and his master's degree in business administration from Fudan University (復旦大學) in the PRC in January 2017. Mr. Shi has been a member of the Chinese Institute of Certified Public Accountants since November 2015, a member of the American Institute of Certified Public Accountants since March 2017, a certified management accountant with the Institute of Management Accountants United States of America since December 2018, and a certified internal auditor with the Institute of Internal Auditors since November 2013.

Non-executive Directors

Dr. Zhihui Wang (王質蕙), aged [35], was appointed as a Director in December 2023 and was re-designated as a non-executive Director in December 2025. She is primarily responsible for providing strategic advice and making recommendation on the operation and management of our Group.

Dr. Zhihui Wang possesses extensive experience in biomedical investment and corporate management. She served as a consultant at Boston Consulting (Shanghai) Co., Ltd. (波士頓諮詢(上海)有限公司) from October 2019 to May 2021. She has been a vice president at Lilly Asia Ventures, a biomedical venture capital firm focused on healthcare investment since February 2026, and previously served as an investment manager and senior investment manager from June 2021 to February 2024 and February 2024 to February 2026, respectively. She has been serving as a director at Shanghai Xihua Testing Technology Service Co., Ltd (上海熙華檢測技術服務股份有限公司) since June 2025.

Dr. Zhihui Wang received her bachelor's degree in preventive medicine from Fudan University (復旦大學) in the PRC in July 2014. She received her master's degree in epidemiology and Doctor of Philosophy from Harvard University in the U.S. in May 2016 and May 2019, respectively.

Mr. Yifu Liu (劉一夫), aged [47], was appointed as a Director in October 2023 and was re-designated as a non-executive Director in December 2025. He is primarily responsible for providing strategic advice and making recommendation on the operation and management of our Group.

Mr. Liu possesses ample experience in business strategy, corporate management and investment in therapeutic companies. Mr. Liu joined OrbiMed in August 2014 and is a managing director on the Asia team, focused on investment in therapeutic companies. Mr. Liu has also been serving as a director at Angitia Biopharmaceuticals Limited since June 2023. Mr. Liu worked at McKinsey & Company (Shanghai) Consulting Co., Ltd. (麥肯錫(上海)諮詢有限 公司) from August 2006 to May 2010. Mr. Liu subsequently worked at Celgene Pharmaceutical (Shanghai) Co. Ltd. (新基醫藥信息諮詢(上海)有限公司), the Shanghai branch of Celgene Corporation, a company listed on the NASDAQ (symbol: CELG), from May 2012 to July 2014.

Mr. Liu received his bachelor's degree in biology from Zhejiang University (浙江大學) in the PRC in June 2001 and his master's degree in biology from Tsinghua University (清華大學) in the PRC in July 2006.

Independent Non-executive Directors

Dr. Jia Yan (嚴嘉), aged [55], was appointed as an independent Director in December 2020 and was re-designated as an independent non-executive Director in December 2025. He is primarily responsible for providing independent opinions and judgment to the Board.

Dr. Yan possesses extensive experience in capital markets, cross-border M&A and international dispute resolutions. Dr. Yan has been serving as a global partner and the co-leader of the China practice of Pillsbury Winthrop Shaw Pittman LLP since May 2024. Dr. Yan previously worked at Paul, Weiss, Rifkind, Wharton & Garrison LLP. He subsequently served as the chief operating officer at iSinoLaw Limited (香港中華法律集團). Dr. Yan worked at Paul Hastings LLP and successively held positions of associate, partner, co-managing partner of its Beijing and Shanghai representative offices and co-managing partner of the China practice from April 2006 to May 2024.

Dr. Yan has been respectively serving as an independent director at Shanghai Feilo Acoustics Co., Ltd. (上海飛樂音響股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600651) since May 2021, at ABA Chemicals Corporation (雅本化學股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300261) since March 2022 and at Hansoh Pharmaceutical Group Company Limited, a company listed on the Hong Kong Stock Exchange (stock code: 3692) since December 2025.

Dr. Yan respectively received his bachelor's degree in international economic law and his master's degree in foreign legal history from Fudan University (復旦大學) in the PRC in July 1993 and July 1996. He received his master's degree in law from Yale University in the U.S. in 1999. Dr. Yan received his doctorate degree in philosophy from City University of Hong Kong in November 2003. Dr. Yan was admitted to the New York State bar in December 2000 and is a foreign registered lawyer of Hong Kong Law Society. He obtained his Chinese lawyer qualification in December 1994.

Mr. Wen Chen (陳文), aged [57], was appointed as an independent Director in December 2020 and was re-designated as an independent non-executive Director in December 2025. He is primarily responsible for providing independent opinions and judgment to the Board.

Mr. Chen has extensive experience in clinical research and business development of pharmaceutical companies. Mr. Chen currently serves as a partner of healthcare investment at Shanghai Yonghua Investment Management Co., Ltd. (上海涌鏵投資管理有限公司). Mr. Chen held the positions of deputy general manager and general manager of the business development

department at Hangzhou Tigermed Consulting Co., Ltd. (杭州泰格醫藥科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300347) and the Hong Kong Stock Exchange (stock code: 3347), from September 2010 to February 2020 and from May 2009 to February 2020, respectively.

Mr. Chen has been serving as an independent non-executive director at JHBP (CY) Holdings Limited (嘉和生物藥業(開曼)控股有限公司), a company listed on the Stock Exchange (stock code: 6998), since June 2020. He has also been serving as a director at Shanghai Kinetic Medical Co., Ltd (上海凱利泰醫療科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300326), since March 2025.

Mr. Chen obtained his bachelor's degree in science from Purdue University in the U.S. in May 1992. He obtained his master's degrees in medicine in Washington University in St. Louis, in the U.S. and in business administration from the University of Durham in the U.K. in May 1997 and December 1999, respectively.

Ms. Xinmiao Dai (戴欣苗), aged [63], was appointed as an independent Director in December 2020 and was re-designated as an independent non-executive Director in December 2025. She is primarily responsible for providing independent opinions and judgment to the Board.

Ms. Dai has extensive experience in accounting. Ms. Dai was an associate professor at Shanghai University of Finance and Economics (上海財經大學) from July 1984 to February 2023.

Since April 2023, she has been serving as an independent director at Hefei Conver Holding Co., Ltd. (合肥匯通控股股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603409). Since November 2025, Ms. Dai has been serving as an independent director at Shanghai Kechow Pharma, Inc. (上海科州藥物股份有限公司), a company listed on the National Equities Exchange and Quotations (stock code: 874790).

Ms. Dai received her bachelor's degree in economics and master's degree in management from Shanghai University of Finance and Economics (上海財經大學) in the PRC in September 1984 and January 1999, respectively. Ms. Dai has been a member of the Accounting Association of China since 2004 and a non-practicing member of the Certified Public Accountants Association since 2010.

SENIOR MANAGEMENT

The following table sets out information regarding the members of senior management of our Company.

Name	Age	Position/Title	Date of Appointment as Senior Management	Date of Joining our Group	Role and Responsibility
Dr. Yaolin Wang (王耀林)	[62]	Chairman of the Board, executive Director and general manager	November 6, 2015	May 16, 2015	Overseeing the Company's overall strategy and operations, and leading major R&D decisions, including target selection and new-drug discovery

Name	Age	Position/Title	Date of Appointment as Senior Management	Date of Joining our Group	Role and Responsibility
Dr. Yueheng Jiang (江岳恒)	[55]	Executive Director, secretary of the Board and deputy general manager	November 7, 2018	November 7, 2018	Leading our business development and CMC functions, managing key partnerships and overseeing process development, manufacturing, and supply chain activities for drug substances and finished products; and responsible for our Board related matters
Dr. Xing Dai (代星)	[51]	Executive Director and deputy general manager	September 18, 2015	September 18, 2015	Overseeing our medicinal chemistry efforts, leading preclinical molecular design and driving structure optimization from early hit identification through nomination of preclinical candidates
Mr. Luwei Shi (史陸偉)	[41]	Executive Director and finance director	October 12, 2015	October 12, 2015	Responsible for the overall financial management of our Group
Dr. Ling Zhang (張靈)	[62]	Deputy general manager and chief medical officer	December 9, 2020	March 1, 2018	Overseeing clinical development, leading protocol design and execution, coordinating cross-functional activities, and regulatory submissions.

Dr. Yaolin Wang (王耀林), aged [62], is the chairman of the Board, executive Director and general manager of our Company. See "— Executive Directors" above for details of his biography.

Dr. Yueheng Jiang (江岳恒), aged [55], is an executive Director, secretary of the Board and deputy general manager of our Company. See "— Executive Directors" above for details of his biography.

Dr. Xing Dai (代星), aged [51], is an executive Director and deputy general manager of our Company. See "— Executive Directors" above for details of his biography.

Mr. Luwei Shi (史陸偉), aged [41], is an executive Director and finance director of our Company. See "— Executive Directors" above for details of his biography.

Dr. Ling Zhang (張靈), aged [62], was appointed as our chief medical officer in March 2018 and as our deputy general manager in December 2020. He is primarily responsible for overseeing clinical development, leading protocol design and execution, coordinating cross-functional activities, and regulatory submissions.

Dr. Zhang has over 20 years of clinical research experience. He worked at GSK plc, a company listed on the New York stock exchange (stock code: GSK) and the London Stock Exchange (stock code: GSK), from August 1997 to August 2001, and as a distinguished specialist II of clinical research at Sanofi S.A., a company listed on the NASDAQ Stock Exchange (stock code: SNY) and Euronext Paris (stock code: SNA), from May 2004 to September 2005. Dr. Zhang worked at Merck & Co., Inc., a company listed on the New York Stock Exchange (stock code: MRK), from September 2005 to January 2013. He also served as a senior director of clinical development in oncology at Celgene Corporation, a company listed on the Nasdaq (stock code: CELG), from January 2013 to October 2013, and at Daiichi Sankyo, Inc. from May 2014 to October 2017, respectively.

Dr. Zhang received his bachelor's degree in medicine from Shanghai Medical College of Fudan University (復旦大學上海醫學院) (formerly known as Shanghai Medical University (上海醫科大學)) in the PRC in July 1987. He received his doctorate degree in microbiology and immunology from Temple University in the U.S. in January 1998.

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, either directly or indirectly, with our Company's business which would require 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 December 18, 2025, and (ii) understands his or her obligations as a director of a [**REDACTED**] issuer 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.

GENERAL

Save as disclosed above, none of the Directors or members of senior management of our Company has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Document.

None of the Directors or members of the senior management of our Company is related to any other Directors and members of the senior management of our Company.

Save as disclosed herein, to the best knowledge, information and belief of our Directors having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

JOINT COMPANY SECRETARIES

Dr. Yueheng Jiang (江岳恒), aged [55], was appointed as a Director in October 2020 and was re-designated as an executive Director in December 2025. He has been the secretary of the Board and deputy general manager of our Company since December 2020. Dr. Jiang was appointed as our joint company secretary in December 2025. See "— Executive Directors" above for details of his biography.

Ms. Shengyun Liu (柳聖云) was appointed as our joint company secretary with effect from the [**REDACTED**]. Ms. Liu has approximately four years of experience in the company secretarial and corporate governance fields. She is currently with Computershare Hong Kong Investor Services Limited.

Ms. Liu obtained her master's degree in corporate governance from The Saint Francis University in the United States in October 2024. She is also an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom since July 2024.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code as set out in the Appendix C1 to the Listing Rules, our Company has formed four Board committees, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy 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 D.3 of Part 2 of the Corporate Governance Code. The Audit Committee consists of three Directors, namely Ms. Xinmiao Dai (戴欣苗), Dr. Jia Yan (嚴嘉) and Dr. Zhihui Wang (王質蕙). Ms. Xinmiao Dai (戴欣苗), 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:

- overseeing and evaluating the work of the external auditors, proposing the appointment, reappointment, change and removal of the external auditors to our Board, approving the remuneration and terms of engagement of the external auditors, addressing issues relating to the resignation or dismissal of external auditor, and reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process;
- guiding and supervising internal audit work and its implementation;
- reviewing the financial information of our Company, including, monitoring the completeness of annual reports and accounts, half-yearly report and quarterly reports, and reviewing significant financial reporting judgments;
- overseeing the financial reporting system, risk management and internal control system, and assessing the effectiveness of internal control;
- coordinating the communication between internal audit department and external audit agency; and
- dealing with other matters that are involved in relevant laws, regulations, rules, normative documents, the Articles of Associations, terms of reference and the listing rules of the place where the Company's shares are [**REDACTED**] or that are authorized by the Board.

Remuneration and Appraisal Committee

We have established a Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of Part 2 of the Corporate Governance Code. The Remuneration and Appraisal Committee consists of five Directors, namely Dr. Jia Yan (嚴嘉), Mr. Wen Chen (陳文), Ms. Xinmiao Dai (戴欣苗), Dr. Zhihui Wang (王質蕙) and Dr. Yaolin Wang (王耀林). Dr. Jia Yan (嚴嘉) 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:

- formulating the remuneration plans or packages for Directors and senior management with reference to time contribution and responsibilities, importance and the level of remuneration payable by other related enterprises or comparable companies and conditions of employment for other position held within the Group;
- assessing the remuneration policies and system for all Directors and senior management of the Company, and setting up standardized and transparent procedures to formulate remuneration policies and make recommendations to the Board; monitoring the performance of responsibilities by the Company's Director and senior management and appraising their annual performance;
- determining, with delegated responsibility, the remuneration packages of individual executive Directors and senior management or making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, and such remuneration shall include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- supervising the implementation of the remuneration plan of the Company;
- reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules; and
- dealing with other matters that involved in relevant laws, regulations, rules, normative documents, the Articles of Associations, terms of reference and the listing rules of the place where the Company's shares are [**REDACTED**] or that are authorized by the Board.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of Part 2 of the Corporate Governance Code. The Nomination Committee consists of five Directors, namely Mr. Wen Chen (陳文), Dr. Jia Yan (嚴嘉), Dr. Yaolin Wang (王耀林), Ms. Xinmiao Dai (戴欣苗) and Dr. Yueheng Jiang (江岳恒). Mr. Wen Chen (陳文) serves as the chairperson of the Nomination Committee. The primary duties of the Nomination Committee include, but not limited to, the following:

- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least once every year and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- researching and developing standards and procedures for the election of our Board members and members of the senior management, and making recommendations to our Board;
- conducting extensive search and providing to our Board suitable candidates for Directors and other members of the senior management and making recommendations to the Board on the selection of individuals nominated for Director and senior management;
- examining our Board candidates and members of the senior management and making recommendations to our Board;
- assessing the independence of independent non-executive Directors when identifying and nominating individuals to become independent non-executive Directors, demonstrating to the Board whether and why such individuals would be able to devote sufficient time to the Board if he/she will be holding his/her seventh (or more) listed company directorship; and

- dealing with other matters that involved in relevant laws, regulations, rules, normative documents, the Articles of Associations, terms of reference and the listing rules of the place where the Company's shares are [**REDACTED**] or that are authorized by the Board.

Strategy Committee

We have established a Strategy Committee with written terms of reference in compliance with the Corporate Governance Code. The Strategy Committee consists of three Directors, namely Dr. Yaolin Wang (王耀林), Dr. Yueheng Jiang (江岳恒) and Dr. Xing Dai (代星). Dr. Yaolin Wang (王耀林) serves as the chairperson of the Strategy Committee. The primary duties of the Strategy Committee include, but not limited to, the following:

- researching and making recommendations on the Company's long-term development strategic planning;
- researching and making recommendations on major investment and financing programs that are required to be approved by the Board under the Articles of Association;
- researching and making recommendations on major capital operation and asset management projects which are required to be approved by the Board under the Articles of Association;
- researching and making recommendations on other major matters affecting the development of the Company;
- examining the implementation of the above matters; and
- dealing with other matters that involved in relevant laws, regulations, rules, normative documents, the Articles of Associations, terms of reference and the listing rules of the place where the Company's shares are [**REDACTED**] or that are authorized by our Board.

KEY TERMS OF EMPLOYMENT CONTRACTS

We normally enter into a confidentiality contract, an ownership of intellectual work products contract, an employment contract and a non-competition agreement with our key management members and technical personnel. Below sets forth the key terms of these contracts we enter into with our key management members and technical personnel.

Confidentiality

Scope of confidential information: Information the employee shall keep confidential includes but is not limited to: operation information, decisions of the Company, financial information, technical information, human resources information and clients' information and matters known within certain scope of personnel during certain period of time.

Confidentiality obligation: The employee shall during the course of his or her employment and after his or her employment not to (1) disclose any confidential information to any individuals, save for in accordance with the law or any statutory provisions; (2) use any confidential information for personal purposes; or (3) disclose any confidential information without authorization due to his or her inability to exercise all necessary care and caution. The confidentiality obligation shall continue to be in effect during the course of employment and after the departure of the employee, until the confidential information is legally publicized.

Non-competition

Term and scope: The non-competition obligation is effective during the course of employment and within 12 months after the termination of the employment.

Non-competition obligation: During the course of employment and within 12 months after termination of the employment, the employee shall not (i) whether in his or her own capacity develop or assist other entities to develop business which constitute or may constitute competition with the businesses of the Company, (ii) directly or indirectly own any equity or interest in, receive services from, or derive benefit from any competing business, (iii) intervene or attempt to intervene any business conducted between client, business partner or potential client of the Company, (iv) induce or attempt to induce other employees of the Company to resign, (v) induce a third party to engage in any competing business, (vi) disclose know-how technique possessed by the Company to any third-party without prior authorization from the Company, or (vii) engage in any activities that would harm the interests of the Company and its affiliated companies.

REMUNERATION OF DIRECTORS

Our Directors received their remuneration in the form of fees, salaries, allowances, discretionary bonuses, share-based compensation, retirement benefit scheme contributions and other benefits in kind. For the two financial years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, the aggregate amount of emoluments of our Directors recorded in the profit or loss amounted to RMB35.4 million, RMB35.0 million and RMB12.0 million, respectively. Under the arrangement currently in force, we estimate the total compensation before taxation to be accrued to our Directors for the year ending December 31, 2026 to be approximately RMB27.1 million.

For the two financial years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, there were four, four and four Directors among the five highest paid individuals, respectively. The total emolument for the remaining individuals among the five highest paid individuals for the two financial years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 were RMB8.0 million, RMB7.7 million and RMB2.9 million, respectively.

During the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office in connection with the management positions of any subsidiary of our Company. During the Track Record Period, none of our Directors waived any remuneration. Save as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiary to our Directors or the five highest paid individuals during the Track Record Period.

CORPORATE GOVERNANCE CODE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with 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 paragraph C.2.1 of Part 2 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 chairman and chief executive should be segregated and should not be performed by the same individual. We do not have a separate chairman and chief executive and Dr. Yaolin Wang (王耀林) currently performs the roles of the chairman of our Board and the general manager of our Company. Dr. Wang has assumed the role of chairman of our Board since March 2017. He has extensive experience in the business operations and management of our Group. Our Board believes that, in view of his experience, personal profile and his roles in our Company as mentioned above, Dr. Wang is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as our general manager. The Board also believes that vesting the roles of both chairman and general manager 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 of the Board and general manager 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

In order to enhance the effectiveness of our Board, to maintain the high standard of corporate governance and to achieve the goal of a sustainable and balanced development of the Company, we [have adopted] the board diversity policy which sets out the objective and approach to achieve and maintain diversity of our Board. Pursuant to the board diversity policy, we seek to achieve board diversity through the consideration of a number of factors when selecting the candidates to our Board, including but not limited to gender, skills, age, professional experience, knowledge, cultural background, and length of service.

Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development, chemistry, biology, biochemistry, pharmacology and accounting. Our Company has evaluated the structure, size and composition of our Board, and is of the opinion that the structure of our Board is reasonable, and the experience and skills of the Directors in various aspects and fields can enable our Company to maintain a high standard of operations.

Besides, we particularly recognize the importance of gender diversity. Our Board currently consists of two female Directors and seven male Directors. Going forward, we will continue to work to enhance gender diversity of our Board when selecting and recommending suitable candidates for Board appointments and will at least have one female Director and will ensure that our female management members will get equal opportunities to develop and perform so as to eventually be equipped to step up as a member of our Board. Our Company also intends to promote gender diversity at the mid to senior level so that our Company can maintain a balanced gender ratio at different levels. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our board diversity policy.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After the [**REDACTED**], our Nomination Committee will examine the board diversity policy from time to time to ensure its continued effectiveness and in particular use their efforts to identify and recommend suitable female candidates for the Board's consideration in the future, and 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 Guoyuan Capital (Hong Kong) Limited as our compliance adviser (the "**Compliance Adviser**") pursuant to Rules 3A.19 and 3A.23 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, among others, before the publication of any regulatory announcement, circular or financial report, and where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases.

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**].

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, our Company was owned as to (i) approximately 19.04% by InventisBio HK, an indirectly wholly-owned subsidiary of Dr. Wang, (ii) approximately 4.63% by YUEHENG JIANG LLC, a wholly owned subsidiary of Dr. Jiang, and (iii) approximately 3.53% by XING DAI LLC, a wholly-owned subsidiary of Dr. Dai. Pursuant to the Concert Party Agreements (as supplemented), Dr. Wang, Dr. Jiang, Dr. Dai, InventisBio HK, YUEHENG JIANG LLC and XING DAI LLC confirmed their relationship of acting in concert in exercising their rights as Shareholders of the Company. In the event the parties are unable to reach consensus on matters of our Company, each of the parties shall act in accordance with the instructions of Dr. Wang. For further details, see "History, Development and Corporate Structure — Our Single Largest Group of Shareholders and Concert Party Agreements".

Therefore, (a) Dr. Wang and his controlled entities, namely InventisBio HK, Aargletschers and InventisBio Cayman, (b) Dr. Jiang and YUEHENG JIANG LLC, and (c) Dr. Dai and XING DAI LLC controlled in aggregate approximately 27.19% of our total issued share capital and constituted our Single Largest Group of Shareholders immediately prior to the [**REDACTED**] assuming no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**].

Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no new Shares are issued under the Restricted Share Incentive Schemes), the Single Largest Group of Shareholders will continue to control in aggregate approximately [**REDACTED**]% of the total issued share capital of our Company and thereby continue to be our Single Largest Group of Shareholders.

For details of Dr. Wang, Dr. Jiang and Dr. Dai, see "Directors and Senior Management — Board of Directors." For details of InventisBio HK, InventisBio Cayman, Aargletschers, YUEHENG JIANG LLC and XING DAI LLC, see "History, Development and Corporate Structure".

INDEPENDENCE FROM OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Our Directors consider that we are capable of carrying out our business independently from our Single Largest Group of Shareholders and their respective close associates after the [**REDACTED**], taking into account the following factors:

Management Independence

Our Board comprises nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. See "Directors and Senior Management" for further details.

Our Directors have relevant experience to ensure the proper functioning of the Board. We further believe that our Directors and members of the senior management are able to perform their roles in our Company in managing our business independently from our Single Largest Group of Shareholders (which include Dr. Wang, Dr. Jiang and Dr. Dai) and their respective close associates for the following reasons:

- all of our Directors and senior management (except Dr. Wang, Dr. Jiang and Dr. Dai) have no other relationship with our Single Largest Group of Shareholders and their respective close associates that would affect their independence. They have substantial experience in the industry and have been with our Group in management capacity for a number of years as further described in the section headed "Directors and Senior Management", which will enable them to discharge their duties independently from the Single Largest Group of Shareholders;

- each of our Directors is aware of his/her fiduciary duties as a Director which require, among others, that he/she must act for the benefit of and in the best interests of our Company and not allow any conflict between his/her duties as a Director and his/her personal interests;

- our independent non-executive Directors have extensive experience in different areas. They have been appointed pursuant to the requirements under the Listing Rules to ensure that the decisions of the Board are made only after due consideration of independent and impartial opinions. We believe that they will be able to exercise their independent judgment and will be able to provide impartial opinions in the decision-making process of our Board to protect the interests of our Shareholders;

- our Company is an A-share listed company and has established internal control mechanisms to identify related party transactions and connected transactions to ensure that our Shareholders or Directors with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions. Where a Board meeting or Shareholders' meeting is held to consider a proposed transaction in which our Directors or Single Largest Group of Shareholders or any of their respective close associates have a material interest, the relevant Directors or our Single Largest Group of Shareholders and their respective close associates shall abstain from voting on the relevant resolutions and shall not be counted towards the quorum for the voting; and;

- we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Single Largest Group of Shareholders, which would support our independent management. See "— Corporate Governance Measures."

Based on the above, our Directors are satisfied that our Board as a whole together with our senior management team are able to perform the managerial role in our Group independently.

Operational Independence

We have established our own organizational structure, with each department assigned to specific areas of responsibilities which have been in operation and are expected to continue to operate independently from our Single Largest Group of Shareholders. We have independent access to suppliers and customers, and have independent production capabilities. We are also in possession of all relevant assets, licenses trademark and other intellectual property necessary to carry on and operate our business and we have sufficient operational capacity in terms of capital and employees to operate independently.

Our Directors are of the view that there is no operational dependence by us on our Single Largest Group of Shareholders, and our Group is able to operate independent from our Single Largest Group of Shareholders after the [**REDACTED**].

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 do not expect to rely on the Single Largest Group of 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, among others, operating activities, 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 Single Largest Group of Shareholders or their respective associates. Our Directors confirm that as of the Latest Practicable Date, on one hand, none of the Single Largest Group of Shareholders or their respective close associates provided any loans, guarantees or pledges to our Group and, on the other hand, our Group did not provide any loans, guarantees or pledges to our Single Largest Group of Shareholders.

Based on the above, our Directors believe that we have the ability to operate independently of our Single Largest Group of Shareholders and their respective close associates from a financial perspective and are able to maintain financial independence from, and do not place undue reliance on, our Single Largest Group of Shareholders and their respective close associates.

CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance. 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:

- in preparation of the [**REDACTED**], we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provides that a Director shall not vote on any resolution in which such Director is connected with the Company or individual involved;

- we have established internal control mechanisms to identify connected transactions. Upon the [**REDACTED**], if we enter into connected transactions with any of our Single Largest Group of Shareholders or their respective associates, our Company will comply with the requirements of the Articles of Association and the applicable Listing Rules;

- we are committed that our Board should include a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors. We have appointed three independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial and external opinion to protect the interests of our public Shareholders. Details of our independent non-executive Directors are set out in "Directors and Senior Management — Board of Directors — Independent Non-executive Directors;"

- in the event that the independent non-executive Directors are requested to review any conflicts of interests circumstances between our Group on the one hand and our Single Largest Group of Shareholders and/or our Directors on the other hand, our Single Largest Group of Shareholders and/or our Directors shall provide the independent non-executive Directors with all necessary information and our Company shall disclose the decisions of the independent non-executive Directors either through our annual report or by way of announcements; and

- we have appointed Guoyuan Capital (Hong Kong) Limited as our compliance adviser, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors' duties and 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 the Single Largest Group of Shareholders, and to protect minority Shareholders' interests after the [**REDACTED**].

So far as our Directors are aware, immediately following the completion of the [**REDACTED**] and assuming the [**REDACTED**] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**], the following persons will have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly interested in 5% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at Shareholders' meetings of our Company:

			As of the Latest Practicable Date		Immediately following the [REDACTED] (assuming the [REDACTED] is not exercised and no new Shares are issued under the Restricted Share Incentive Schemes)		
Name of Shareholder	Nature of Interest	Description of Shares	Number of Shares[(1)]	Approximate percentage of shareholding in our Company[(2)]	Number of Shares[(1)]	Approximate percentage of shareholding in our A Shares[(3)]	Approximate percentage of shareholding in our Company[(3)]
Dr. Wang[(4)] . .	Interest in controlled corporations	A Shares	110,329,937	19.04%	[REDACTED]	[REDACTED]%	[REDACTED]%
Aargletschers[(4)] .	Interest in controlled corporations	A Shares	110,329,937	19.04%	[REDACTED]	[REDACTED]%	[REDACTED]%
InventisBio Cayman[(4)] . .	Interest in controlled corporations	A Shares	110,329,937	19.04%	[REDACTED]	[REDACTED]%	[REDACTED]%
InventisBio HK[(4)]	Beneficial owner	A Shares	110,329,937	19.04%	[REDACTED]	[REDACTED]%	[REDACTED]%

Notes:

(1) All interests stated are long positions in the Shares.

(2) The calculation is based on the total number of 579,592,004 A Shares in issue as of the Latest Practicable Date.

(3) The calculation is based on the total number of [579,592,004] A Shares and [**REDACTED**] H Shares in issue immediately after completion of the [**REDACTED**] since [**REDACTED**] H Shares will be issued pursuant to the [**REDACTED**], assuming that the [**REDACTED**] is not exercised, no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**], and no new Shares are issued under the Restricted Share Incentive Schemes.

(4) As of the Latest Practicable Date, InventisBio HK held 110,329,937 A Shares. InventisBio HK is wholly-owned by InventisBio Cayman, which is owned (a) indirectly as to 42.86% by Aargletschers, a company wholly owned by Dr. Wang, and (b) 57.14% directly by Dr. Wang. By virtue of the SFO, each of Dr. Wang, InventisBio Cayman and Aargletschers is deemed to be interested in the Shares held by InventisBio HK. See "Relationship with Our Single Largest Group of Shareholders — Our Single Largest Group of Shareholders" for more details.

Save as disclosed above and the section headed "Appendix IV — Statutory and General Information — Further Information about our Directors, Senior Management and Substantial Shareholders," our Directors are not aware of any person who will, immediately following completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**]), 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 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at Shareholders' meeting of the Company or any other member of our Group.

This section presents certain information regarding our share capital before and upon completion of the [**REDACTED**].

BEFORE THE COMPLETION OF THE [REDACTED]

As of the Latest Practicable Date, the issued share capital of our Company was RMB579,592,004, comprising 579,592,004 A Shares of nominal value RMB1.00 each.

UPON THE COMPLETION OF THE [REDACTED]

Immediately following the completion of the [**REDACTED**], assuming (i) the [**REDACTED**] is not exercised, and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**], the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate Percentage of the Total Share Capital of our Company
A Shares in issue	[579,592,004]	[**REDACTED**]%
H Shares to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	**100.00%**

Immediately following completion of the [**REDACTED**], assuming (i) the [**REDACTED**] is fully exercised, and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the exercise of the [**REDACTED**], the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate Percentage of the Total Share Capital of our Company
A Shares in issue	[579,592,004]	[**REDACTED**]%
H Shares to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	**100.00%**

OUR SHARES

Upon completion of the [**REDACTED**], the Shares will consist of A Shares and H Shares. A Shares and H Shares are all ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional [**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 [**REDACTED**] of the PRC.

Shanghai-Hong Kong Stock Connect has established a stock connect mechanism between the PRC and Hong Kong. Our A Shares can be subscribed for and traded by investors in the PRC, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shanghai-Hong Kong Stock Connect. If our H Shares are eligible securities under the

Southbound Trading Link, they can also be [**REDACTED**] and [**REDACTED**] by [**REDACTED**] in the PRC in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

A 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 Renminbi (as the case may be), or in the form of H Shares.

NO CONVERSION OF OUR A SHARES INTO H SHARES FOR [REDACTED] AND [REDACTED] ON THE HONG KONG STOCK EXCHANGE

A Shares and H Shares are generally neither interchangeable nor fungible, and the [**REDACTED**] of our A Shares and H Shares may be different after the [**REDACTED**]. The Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請"全流通"業務指引》) announced by the CSRC are not applicable to companies dually [**REDACTED**] in the PRC and on the Hong Kong Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A Shareholders may [**REDACTED**] A Shares held by them into H Shares for [**REDACTED**] and [**REDACTED**] on the Hong Kong Stock Exchange.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE [REDACTED]

We have obtained approval from our A Shareholders at the Shareholders' meeting of our Company held on December 25, 2025 to issue H Shares and seek the [**REDACTED**] of the H Shares on the Hong Kong Stock Exchange, details of which are as follows:

(i) **Size of the [REDACTED]:** The proposed number of H Shares to be [**REDACTED**] initially shall not exceed [**REDACTED**]% of the total issued number of Shares as enlarged by the H Shares to be issued pursuant to the [**REDACTED**] (before the exercise of the [**REDACTED**]). The number of H Shares to be issued pursuant to the exercise of the [**REDACTED**] shall not exceed [**REDACTED**]% of the total number of H Shares to be [**REDACTED**] initially pursuant to the [**REDACTED**].

(ii) **Method of [REDACTED]:** The method of [**REDACTED**] shall be by way of a [**REDACTED**] for subscription in Hong Kong and an [**REDACTED**] to institutional and professional [**REDACTED**].

(iii) **Target [REDACTED]:** The H Shares shall be issued to Hong Kong public [**REDACTED**], other overseas [**REDACTED**] who meet the relevant requirements, qualified domestic [**REDACTED**] eligible to [**REDACTED**] in overseas securities according to the laws and regulations of the PRC and other [**REDACTED**] who comply with the relevant regulatory requirements.

(iv) [**REDACTED**] **Basis:** The [**REDACTED**] of the H Shares will be determined after due consideration of the interests of existing Shareholders, the acceptance of [**REDACTED**] and issuance risks and in accordance with international practices through the demands for orders and book building process, subject to the domestic and overseas capital market conditions and by reference to the valuation level of comparable companies in domestic and overseas markets.

(v) **Valid Period:** The [**REDACTED**] of H Shares and [**REDACTED**] of H Shares on the Hong Kong Stock Exchange shall be completed within 24 months from the date when the Shareholders' meeting was held on December 25, 2025.

RESTRICTED SHARE INCENTIVE SCHEMES

We have adopted the 2022 Restricted Share Incentive Scheme and the 2026 Restricted Share Incentive Scheme. See "Statutory and General Information — Restricted Share Incentive Schemes" in Appendix IV for further details.

SHAREHOLDERS' MEETING

See "Appendix III — Summary of Articles of Association" for details of circumstances under which our Shareholders' meeting is required.

You should read the following discussion and analysis with our consolidated financial information, including the notes thereto, included in the Accountants' Report in Appendix I to this Document. Our consolidated financial information has been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, which may differ in material aspects from generally accepted accounting principles in other jurisdictions, including the United States. You should read the entire Accountants' Report and not merely rely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in the section headed "Risk Factors" and "Business" in this Document.

For the purpose of this section, unless the context otherwise requires, references to the year of 2024 refer to our financial year ended December 31 of such year. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis. Discrepancies between totals and sums of amounts listed in this section in any table or elsewhere in this document may be due to rounding.

OVERVIEW

Founded in 2013, we are a biopharmaceutical company focused on oncology, autoimmune diseases and metabolic disorders. We have eight product candidates, including two self-developed Core Products D-2570, and taragarestrant (D-0502). D-2570 is intended for the treatment of autoimmune diseases (including psoriasis, systemic lupus erythematosus ("SLE"), psoriatic arthritis ("PsA"), vitiligo and ulcerative colitis ("UC")), and taragarestrant (D-0502) is intended for the treatment of ER+/HER2- breast cancer. Both Core Products are currently under Phase III clinical trials.

BASIS OF PRESENTATION AND PREPARATION

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards ("**IFRS**"), International Accounting Standards and Interpretations issued by International Accounting Standards Board ("**IASB**"). Further details of the material accounting policy information adopted are set out in Note 4 of the Accountants' Report set out in Appendix I to this Document.

The IASB has issued a number of new and revised IFRSs. For the purpose of preparing this Historical Financial Information, the Group has consistently adopted all applicable new and revised IFRSs that are effective during the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Period are set out in Note 3 of the Accountants' Report set out in Appendix I to this Document.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The accounting policies set out in Note 4 of the Accountants' Report set out in Appendix I to this Document have been applied consistently to all periods presented in the Historical Financial Information.

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 Pipeline Products

Our business and results of operations depend on our ability to successfully develop, as well as our receipt of regulatory approval for and successful commercialization of, our drug candidates. For pipeline products that we out license certain rights, including commercialization rights, in certain jurisdictions to collaborators, our results of operations will depend on the collaborators' promotional and marketing efforts once those products are approved in the relevant jurisdictions. We have built a differentiated and globally competitive product pipeline spanning multiple high-burden disease areas, including NSCLC, breast cancer, colorectal cancer, psoriasis, and gout. Our pipeline is clearly structured and supported by growth momentum. Two of our key assets — befotertinib (BPI-D0316) and garsorasib (D-1553) — have already been approved for marketing in China and included in China's NRDL, marking our transition into a stage of commercial value realization. For more information on the development status of our Core Products and other drug candidates, see "Business — Our Product Pipeline."

We expect to incur significant research and development costs and further advance the pipeline products to the commercialization stage over the coming years. Our ability to generate revenue from our pipeline products to cover research and developments costs and other expenses will depend on multiple factors, including our ability to obtain regulatory approvals, secure adequate manufacturing capacity, collaboration with competent third-party partners, as well as making our products accessible to, affordable for and accepted by the addressable patient population who are in need of high-quality products that bring comprehensive benefits for oncology and immunology diseases.

Our Existing and Future Collaboration and Licensing Arrangements

In the past, we entered into a number of collaboration and licensing arrangements with respect to our products, including befotertinib (賽美納®, 貝福替尼, BPI-D0316) and garsorasib (安方寧®, 格索雷塞, D-1553). We generated revenue of RMB168.8 million, RMB37.3 million, RMB19.2 million and RMB53.3 million in 2024 and 2025 and for the six months ended June 30, 2025 and 2026, respectively, from our collaboration agreements. We are eligible to receive further payments upon the achievement of specified development, regulatory and commercial milestones, subject to terms and conditions of these agreements. For additional information about the relevant agreements, see "Business — Major Collaboration Arrangements." These strategic collaborations empower us to maximize the commercial value of our assets and provide capital support for our other pipeline assets and sustainable long-term growth. We may also enter into new collaboration and licensing arrangements to serve our best interests. We anticipate our existing and future collaboration and licensing arrangements to contribute a substantial part of our revenue and cash inflows going forward, and payments associated with such arrangements may influence and result in fluctuations in our revenue, profit and results of operations from period to period.

Our Cost Structure

Our results of operations are significantly affected by our cost structure, of which our research and development costs and general and administrative expenses are a major component.

We believe our ability to successfully develop drug candidates is the primary factor affecting our long-term competitiveness, as well as our future growth and development. Developing quality drug candidates requires significant investments of financial resources 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 incurred in 2024 and 2025 and for the six months ended June 30, 2025 and 2026 amounted to RMB384.3 million, RMB325.8 million, RMB116.5 million and RMB184.7 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 be a major component in our cost structure. As we advance our Core Products and more drug candidates along clinical trials and conduct additional preclinical studies, we expect to incur additional costs in relation to, among other things, preclinical study and clinical trial expenses.

Our general and administrative expenses, which primarily consisted of staff costs, share-based payment expenses and professional services fees, among others, amounted to RMB52.6 million, RMB45.4 million, RMB23.0 million and RMB16.6 million in 2024 and 2025 and for the six months ended June 30, 2025 and 2026, respectively. We expect our general and administrative expenses to continue to be 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 and general and administrative expenses, we anticipate increasing legal, compliance, accounting, insurance and [**REDACTED**] expenses associated with being a [**REDACTED**] company in Hong Kong.

Funding for Our Operations

During the Track Record Period, we funded our operations primarily through the proceeds from our IPO on the A-share market of the Shanghai Stock Exchange (SSE) STAR Market. Going forward, in the event of the successful commercialization of more of our pipeline products, we expect to supplementally fund our operations with license fee income and sales-based royalties generated from sales of the commercialized drug products by our collaborating partners. However, with the continuing expansion of our business, we may require further funding through public or private [**REDACTED**], debt financing, collaboration and licensing arrangements or other sources. Any fluctuation in the funding for our operations will impact our cash flow and our results of operations.

MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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 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. Our material accounting policies and estimates, which are important for an understanding of our financial condition and results of operations, are set forth in detail in Notes 4 and 5 to the Accountants' Report 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 years/periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue	168,790	37,290	19,164	53,319
Cost of sales	(4,016)	(5,132)	(2,546)	(3,023)
Gross profit	164,774	32,158	16,618	50,296
Other income	38,587	33,811	17,781	13,529
Other gains and losses, net	2,934	1,997	529	692
Provision for impairment losses	(8,868)	(12,566)	(16,500)	(96)
General and administrative expenses	(52,619)	(45,398)	(22,961)	(16,627)
Research and development costs	(384,347)	(325,792)	(116,518)	(184,716)
Finance costs	(665)	(835)	(438)	(360)
Loss before tax	(240,204)	(316,625)	(121,489)	(137,282)
Income tax (expense)/credit	–	(240)	(46)	201
Loss for the year/period	(240,204)	(316,865)	(121,535)	(137,081)
Other comprehensive income for the year/period				
Item that may be reclassified subsequently to profit or loss:				
Change in foreign currency translation of the financial statements of the subsidiaries of the Company	(1,159)	(506)	(464)	502
Other comprehensive income for the year/period, net of tax	(1,159)	(506)	(464)	502
Total comprehensive income for the year/period	(241,363)	(317,371)	(121,999)	(136,579)

Revenue

During the Track Record Period, our revenue was mainly derived from our collaboration with Betta regarding our approved product befotertinib (BPI-D0316) and collaboration with CTTQ regarding our approved product garsorasib (D-1553). We did not generate any revenue from our Core Products during the Track Record Period. For additional information about the relevant agreements, see "Business — Major Collaboration Arrangements."

All of our revenues during the Track Record Period were generated from Chinese Mainland pursuant to our collaboration agreements with Betta and CTTQ. The following table sets forth the revenue we recognized during the Track Record Period and for the six months ended June 30, 2025:

	Year Ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Development milestone payments	150,943	–	–	–
Upfront payment	–	–	–	28,302
Sales-based royalties	17,847	37,290	19,164	25,017
Total	**168,790**	**37,290**	**19,164**	**53,319**

Cost of Sales

In 2024 and 2025 and for the six months ended June 30, 2025 and 2026, our cost of sales was RMB4.0 million, RMB5.1 million, RMB2.5 million and RMB3.0 million, respectively. During the Track Record Period, our cost of sales represents costs related to licenses of patents. In March 2024, to further enhance production efficiency and ensure product quality of BPI-D0316, we entered into a separate licensing agreement with a domestic pharmaceutical company, to obtain the license to practice certain patents. Under the licensing agreement, we need to pay a royalty fee determined as a fixed percentage of the annual sales of BPI-D0316 in Greater China. We recognize such royal fee as cost of sales, in alignment with the royalties generated by BPI-D0316 from the Betta Agreement, to ensure such cost of sales is aligned with the corresponding net sales of BPI-D0316.

	For the Year Ended December 31,		For the Six Months Ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Costs related to licenses of patents	4,016	5,132	2,546	3,023
Total	**4,016**	**5,132**	**2,546**	**3,023**

Gross Profit

Our gross profit represents our revenue less our cost of sales. In 2024 and 2025 and for the six months ended June 30, 2025 and 2026, our gross profit was RMB164.8 million, RMB32.2 million, RMB16.6 million and RMB50.3 million, respectively. The fluctuation of our gross profit was primarily driven by the nature of the revenue we recognized, which in turn was driven by the payment schedule and royalties stipulated in those collaboration agreements.

Other Income

Our other income primarily consists of (i) bank interest income, (ii) government grants and (iii) others. The following table sets forth a breakdown of our other income for the years/periods indicated.

	For the Year Ended December 31,		For the Six Months Ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Bank interest income	30,021	24,986	9,163	7,694
Government grants	8,400	8,640	8,433	5,622
Others	166	185	185	213
Total	**38,587**	**33,811**	**17,781**	**13,529**

Our government grants mainly represent incentives we received from the local governments. There are no unfulfilled conditions relating to these government grants. These grants are granted primarily for compensating expenditure arising from our various preclinical and clinical research activities.

Other Gains and Losses, Net

Our other gains and losses, net primarily consists of (i) gain on fair value changes of financial assets at fair value through profit or loss ("FVTPL"), (ii) gains on lease termination and modification, (iii) investment income from financial assets at FVTPL, (iv) exchange gain/(loss) and (v) loss on disposals of property, plant and equipment. The following table sets forth a breakdown of our other gains and losses, net for the years/periods indicated.

	For the Year Ended December 31,		For the Six Months Ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Gain on fair value changes of financial assets at FVTPL	1,300	2,488	887	677
Gains on lease termination and modification	75	–	–	–
Investment income from financial assets at FVTPL	–	901	84	448
Exchange gain/(loss)	1,559	(1,392)	(442)	(361)
Loss on disposals of property, plant and equipment	–	–	–	(72)
Total	**2,934**	**1,997**	**529**	**692**

Gain on fair value changes of financial assets at FVTPL mainly represents gains resulting from changes in the fair value of our wealth management products purchased from reputable financial institutions. Investment income from financial assets at FVTPL mainly represents realized gains resulting from our wealth management products purchased from reputable financial institutions.

Provision for Impairment Losses

Provision for impairment losses consists of (i) impairment losses of trade receivables and (ii) (reversal of impairment losses)/impairment loss of other receivables. The following table sets forth a breakdown of our provision for impairment losses for the years/periods indicated.

	For the Year Ended December 31,		For the Six Months Ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Impairment losses/(reversal of impairment losses) under ECL model, net				
Trade receivables	8,883	12,596	16,499	72
Other receivables	(15)	(30)	1	24
Total	**8,868**	**12,566**	**16,500**	**96**

General and Administrative Expenses

During the Track Record Period, our general and administrative expenses primarily consisted of (i) staff costs, (ii) share-based payment expenses, (iii) professional services fees, (iv) depreciation and amortization, (v) office expenses, (vi) travel expenses, and (vii) others. The following table sets forth a breakdown of our general and administrative expenses for the years/periods indicated.

	For the Year Ended December 31,		For the Six Months Ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Staff costs	16,887	13,632	7,454	7,042
Share-based payment expenses	22,109	18,979	11,758	4,804
Professional services fees	7,739	7,103	1,522	1,458
Depreciation and amortization	1,816	1,947	931	1,013
Office expenses	2,024	2,134	804	1,220
Travel expenses	730	419	219	436
[**REDACTED**] expenses	–	41	–	365
Others	1,314	1,143	273	289
Total	**52,619**	**45,398**	**22,961**	**16,627**

Research and Development Costs

The following table sets forth a breakdown of our R&D costs for the years/periods indicated.

	For the Year Ended December 31,		For the Six Months Ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Clinical and preclinical research and development costs	208,308	165,219	38,199	112,112
Staff costs	108,792	104,280	49,898	48,208
Share-based payment expenses	24,843	16,751	9,591	1,375
Depreciation and amortization	18,167	14,254	7,046	7,097
Material costs	8,130	8,986	4,051	6,553
Patent fees	2,791	3,505	1,553	1,599
Travel expenses	3,293	2,613	1,279	1,822
Others	10,023	10,184	4,901	5,950
Total	**384,347**	**325,792**	**116,518**	**184,716**

The decrease in clinical and preclinical R&D costs from RMB208.3 million in 2024 to RMB165.2 million in 2025 is mainly due to the substantial costs incurred in 2024 for the Phase I/II clinical trial of garsorasib (D-1553) in patients with KRAS G12C mutated locally advanced or metastatic solid tumors in multiple regions, which was completed in November 2024. The increase in clinical and preclinical R&D costs from RMB38.2 million for the six months ended June 30, 2025 to RMB112.1 million for the six months ended June 30, 2026 is primarily related to D-2570.

In 2024 and 2025 and for the six months ended June 30, 2025 and 2026, our R&D costs accounted for 88.0%, 87.8%, 83.5% and 91.7% of our total operating expenses in the corresponding years/periods, respectively. In 2024 and 2025 and for the six months ended June 30, 2025 and 2026, we recorded R&D costs attributable to our Core Products of RMB121.9 million, RMB166.9 million, RMB64.4 million and RMB117.3 million, respectively, representing 31.7%, 51.2%, 55.3% and 63.5% of our total R&D costs, and 27.9%, 45.0%, 46.2% and 58.3% of our total operating expenses in the corresponding years/periods, respectively.

Below is a breakdown of R&D costs by major products during the Track Record Period.

	For the Year Ended December 31,				For the Six Months Ended June 30,			
	2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)			
D-0502	72,716	18.9	43,321	13.3	25,992	22.3	9,480	5.1
D-2570	49,187	12.8	123,578	37.9	38,444	33.0	107,793	58.4
D-0120	39,722	10.3	32,330	9.9	20,860	17.9	7,286	3.9
D-1553[(1)]	129,263	33.7	(8,700)	(2.7)	(13,962)	(12.0)	5,143	2.8
BPI-D0316	12,465	3.2	37,772	11.6	40	0.0	6	0.0
YF087	15,506	4.0	20,853	6.4	10,537	9.1	6,070	3.3
YF550	3,648	1.0	10,284	3.2	4,915	4.2	4,625	2.5
YF057	93	0.0	19,270	5.9	5,241	4.5	13,145	7.1
Other Programs[(2)]	61,747	16.1	47,084	14.5	24,451	21.0	31,168	16.9
Total	**384,347**	**100.0**	**325,792**	**100.0**	**116,518**	**100.0**	**184,716**	**100.0**

Notes:

(1) The R&D costs for D-1553 were negative in 2025, because of our adjustment of the R&D costs in connection with the out-licensing of D-1553 in August 2023 pursuant to the CTTQ Agreement, under which CTTQ shall be responsible for the commercial production, sales, and full lifecycle management of D-1553. We continued to incur R&D costs for D-1553 after signing the CTTQ Agreement, which provided that the Company shall remain responsible for costs incurred in clinical trials conducted prior to the signing of the CTTQ Agreement, while CTTQ shall be responsible for clinical trials conducted after signing the CTTQ Agreement. As a result, our payment obligations for R&D services of D-1553 provided by Supplier B after execution of the CTTQ Agreement were transferred to CTTQ. Therefore, in March 2025, pursuant to a tripartite arrangement among CTTQ, Supplier B and us, Supplier B agreed to refund us the expenses for R&D services (RMB23,482 thousand) provided on D-1553 in 2024, and CTTQ agreed to pay such refunded amount to Supplier B. The refund from Supplier B caused the R&D costs in 2025 to turn negative. Such reversal of R&D costs in relation to D-1553 due to the out-licensing arrangement complies with the applicable accounting standards. Without taking into account the refund, we incurred R&D costs of RMB14,782 thousand on D-1553 in 2025.

In 2024, there was no reversal of R&D costs for D-1553. We incurred higher R&D costs for D-1553 than the Core Products in 2024 primarily due to the significant R&D costs associated with our Phase I/II clinical trial of D-1553 in patients with KRAS G12C mutated locally advanced or metastatic solid tumors conducted in multiple regions. Such substantial R&D expenditure on D-1553 was non-recurring in nature. Taking into consideration of the completion of the Phase I/II clinical trial of D-1553 in November 2024 and the CTTQ Agreement we signed in August 2023 that granted CTTQ an exclusive license to develop, register, manufacture and commercialize D-1553 in the PRC, we do not expect to incur significant additional R&D costs in respect of D-1553 going forward. The elevated level of R&D expenditure on D-1553 in 2024 is not indicative of our R&D focus in 2025 and beyond. Also, the R&D costs for the Core Products have been higher than the R&D cost for D-1553 for 2025 and for the six months ended June 30, 2026, even without taking into account the reversal in 2025, and are expected to remain so for the 12 months prior to the [**REDACTED**].

In the next five years, we expect that a majority of our R&D costs will be incurred for our two Core Products, primarily comprising costs associated with (i) the ongoing Phase III monotherapy clinical trial and Phase II combination therapy clinical trial of taragarestrant (D-0502) for advanced or metastatic ER+/HER2– breast cancer, and (ii) the two ongoing Phase III clinical trials for moderate-to-severe plaque psoriasis and several Phase II clinical trials of D-2570. For details, please refer to "Business – Our Product Pipeline" and "Future Plans and Use of [**REDACTED**]."

(2) "Other programs" included 13, 19, 10 and 24 product candidates in 2024 and 2025 and for the six months ended June 30, 2025 and 2026, respectively. In 2024 and 2025 and for the six months ended June 30, 2025 and 2026, the highest amount of R&D costs incurred by any single product candidate within "Other programs" was RMB17,847 thousand, RMB21,515 thousand, RMB12,249 thousand and RMB12,216 thousand, respectively, which was generally less than the R&D expenses allocated to D-0502 or D-2570 in each year/period during the Track Record Period. However, for the six months ended June 30, 2026, the highest amount of R&D expenses incurred by a single product candidate within "Other Programs" was RMB12.2 million, which exceeded the RMB9.5 million recorded for D-0502 during the same period. This was primarily attributable to timing differences in the recognition of R&D expenses. A substantial portion of the R&D expenses for our clinical programs represents service fees paid or payable to CROs and other third-party service providers, and the timing of recognition of such expenses may not correspond precisely with the timing or level of the underlying R&D activities, particularly over a shorter period (i.e. six months). Such timing differences generally become less pronounced over a longer period as the expenses recognized become more aligned with the underlying R&D activities. Based on our current development plans and expected R&D activities, we expect the R&D expenses for each of D-0502 and D-2570 for the full year of 2026 will exceed those of any single product candidate included within "Other Programs."

Finance Costs

Our finance costs consist of interest expenses on lease liabilities. The following table sets forth our finance costs for the years indicated.

	For the Year Ended December 31,		For the Six Months Ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Interest expenses on lease liabilities	665	835	438	360

Income Tax Expenses

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the Enterprise Income Tax ("**EIT**") rate of the PRC subsidiaries was 25% during the Track Record Period except for certain members of the Group, which was subject to tax concession set out below.

We were accredited as a "High and New Technology Enterprise" ("**HNTE**") in 2022. Therefore, our Company was entitled to a preferential EIT rate of 15% during the Track Record Period. The qualification as a HNTE Enterprise is subject to review by the relevant tax authority in the PRC every three years. Our Company's qualification as a HNTE is subject to review in 2027.

In 2022, the Ministry of Finance and the State Administration of Taxation issued the Notice on the Further Implementation of Preferential Income Tax for Small and Micro Enterprises (Cai Shui [2023] No. 12), which provides that the portion of annual taxable income of small and micro enterprises exceeding RMB1.0 million but not exceeding RMB3.0 million shall be deducted to 25% of the taxable income and subject to income tax at a rate of 20% for the period from January 1, 2022 to December 31, 2027. InventisBio Beijing was recognized as Small and Micro Enterprises and was entitled to a preferential tax rate of 20% during the Track Record Period.

Our U.S. subsidiaries are subject to the federal corporate income tax at a rate of 21%.

Our Hong Kong subsidiary is subject to Hong Kong profits tax at the statutory rate of 16.5%. Except that under the two-tiered profits tax rates regime, the first HK$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of corporation in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2026

Revenue

Our revenue increased from RMB19.1 million for the six months ended June 30, 2025 to RMB53.3 million for the six months ended June 30, 2026, primarily due to the recognition of the second upfront payment of RMB28.3 million in relation to D-1553.

Cost of Sales

Our cost of sales increased from RMB2.5 million for the six months ended June 30, 2025 to RMB3.0 million for the six months ended June 30, 2026, which was attributable to cost related to royalties arising from the net sales amount of the products sold by Betta.

Gross Profit

Our gross profit increased from RMB16.6 million for the six months ended June 30, 2025 to RMB50.3 million for the six months ended June 30, 2026, primarily due to the increased revenues during the corresponding years.

Other Income

Our other income decreased from RMB17.8 million for the six months ended June 30, 2025 to RMB13.5 million for the six months ended June 30, 2026, primarily due to (i) the decreased government grants from RMB8.4 million for the six months ended June 30, 2025 to RMB5.6 million for the six months ended June 30, 2026 and (ii) the decreased bank interest income from RMB9.2 million for the six months ended June 30, 2025 to RMB7.7 million for the six months ended June 30, 2026.

Other Gains and Losses, Net

Our other gains and losses, net increased from net gain of RMB0.5 million for the six months ended June 30, 2025 to net gain of RMB0.7 million for the six months ended June 30, 2026, primarily due to the change of investment income from financial assets at FVTPL of RMB0.1 million for the six months ended June 30, 2025 to exchange loss of RMB0.4 million for the six months ended June 30, 2026, partially offset by the decreased gain on fair value changes of financial assets at FVTPL from RMB0.9 million for the six months ended June 30, 2025 to RMB0.7 million for the six months ended June 30, 2026.

Provision for Impairment Losses

Our provision for impairment losses decreased from RMB16.5 million for the six months ended June 30, 2025 to RMB0.1 million for the six months ended June 30, 2026 primarily driven by the decreased impairment losses on the trade receivables from RMB16.5 million for the six months ended June 30, 2025 to RMB0.1 million for the six months ended June 30, 2026, mainly due to the decrease in trade receivables from Betta.

General and Administrative Expenses

Our general and administrative expenses decreased from RMB23.0 million for the six months ended June 30, 2025 to RMB16.6 million for the six months ended June 30, 2026. The decrease was mainly due to (i) a decrease of RMB7.0 million in share-based payment expenses due to the amortization of share-based payment expenses related to the ESOP awards, (ii) and a decrease of RMB0.4 million in staff costs, due to the decrease in accrued year-end bonuses.

Research and Development Costs

Our research and development costs increased by 58.5% from RMB116.5 million for the six months ended June 30, 2025 to RMB184.7 million for the six months ended June 30, 2026, primarily attributable to the increase of clinical trial expenses related to D-2570.

Finance Costs

Our finance costs remained relatively stable at RMB0.4 million and RMB0.4 million for the six months ended June 30, 2025 and 2026, primarily attributable to the amortization of unrecognized financing expenses on lease liabilities using the effective interest method, with the amortization amount showing a decreasing trend on a year-by-year basis.

Income Tax Expense

We recorded income tax expense of RMB46 thousand for the six months ended June 30, 2025 but income tax credit of RMB0.2 million for the six months ended June 30, 2026.

Loss for the Period

For the reasons described above, our loss for the period increased from RMB121.5 million for the six months ended June 30, 2025 to RMB137.1 million for the six months ended June 30, 2026.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2025

Revenue

Our revenue decreased from RMB168.8 million in 2024 to RMB37.3 million in 2025, primarily due to a lack of recognition of development milestone payments deriving from our collaboration agreements in 2025, and such recognition of development milestone payments occurred in 2024.

Cost of Sales

Our cost of sales increased from RMB4.0 million in 2024 to RMB5.1 million in 2025, which was attributable to cost related to royalties arising from the net sales amount of the products sold by Betta.

Gross Profit

Our gross profit decreased from RMB164.8 million in 2024 to RMB32.2 million in 2025, primarily due to the decreased revenues during the corresponding years.

Other Income

Our other income decreased from RMB38.6 million in 2024 to RMB33.8 million in 2025 primarily due to the decreased bank interest income from RMB30.0 million 2024 to RMB25.0 million in 2025.

Other Gains and Losses, Net

Our other gains and losses, net decreased from net gain of RMB2.9 million in 2024 to net gain of RMB2.0 million in 2025, primarily due to the change of exchange gain of RMB1.6 million in 2024 to exchange loss of RMB1.4 million in 2025, partially offset by the increased gain on fair value changes of financial assets at FVTPL from RMB1.3 million in 2024 to RMB2.5 million in 2025.

Provision for Impairment Losses

Our provision for impairment losses increased from RMB8.9 million in 2024 to RMB12.6 million in 2025 primarily driven by the increased impairment losses on the trade receivables from RMB8.9 million in 2024 to RMB12.6 million in 2025, mainly due to the longer aging of trade receivables from Betta.

General and Administrative Expenses

Our general and administrative expenses decreased from RMB52.6 million in 2024 to RMB45.4 million in 2025. The decrease was mainly due to (i) a decrease of RMB3.1 million in share-based payment expenses due to the amortization of share-based payment expenses related to the ESOP awards, (ii) and a decrease of RMB3.3 million in staff costs, due to fewer working hours incurred.

Research and Development Costs

Our research and development costs decreased by 15.2% from RMB384.3 million in 2024 to RMB325.8 million in 2025, primarily attributable to substantial R&D costs incurred in 2024 for the Phase I/II clinical trial of garsorasib (D-1553) in patients with KRAS G12C mutated locally advanced or metastatic solid tumors in multiple regions, which was completed in November 2024.

Finance Costs

Our finance costs increased from RMB0.7 million 2024 to RMB0.8 million 2025, primarily attributable to the increased interest expenses on lease liabilities in 2025 associated with our rental properties.

Income Tax Expense

Our income tax expense increased from nil in 2024 to RMB0.2 million in 2025.

Loss for the Period

For the reasons described above, our loss for the year increased from RMB240.2 million in 2024 to RMB316.9 million in 2025.

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.

	At December 31,		At June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets			
Property, plant and equipment	19,669	18,610	17,254
Intangible assets	592	1,429	839
Right-of-use assets	25,147	21,465	18,311
Prepayments	679	587	5,024
Deferred tax assets	3,439	3,188	2,641
Total non-current assets	49,526	45,279	44,069
Current assets			
Trade receivables	165,342	84,666	86,037
Prepayments, deposits and other receivables	23,181	43,392	66,668
Financial assets at FVTPL	101,300	153,677	152,960
Time deposits	667,521	653,711	531,210
Cash and bank balances	913,947	723,120	641,249
Total current assets	1,871,291	1,658,566	1,478,124
Total assets	1,920,817	1,703,845	1,522,193
Current liabilities			
Trade payables	59,964	115,480	75,878
Other payables and accruals	22,229	26,272	13,226
Lease liabilities	7,788	7,150	6,453
Total current liabilities	89,981	148,902	95,557
Net current assets	1,781,310	1,509,664	1,382,567
Total assets less current liabilities	1,830,836	1,554,943	1,426,636
Non-current liabilities			
Deferred income	480	480	480
Lease liabilities	16,134	14,919	12,350
Deferred tax liabilities	3,439	3,428	2,680
Total non-current liabilities	20,053	18,827	15,510
NET ASSETS	1,810,783	1,536,116	1,411,126

Property, plant and equipment

Our property, plant and equipment primarily consist of laboratory equipment, machinery and office equipment, construction in progress and leasehold improvement. Our property, plant and equipment decreased from RMB19.7 million as of December 31, 2024 to RMB18.6 million as of

December 31, 2025, primarily attributable to the increase of RMB10.0 million in leasehold improvement, partially offset by (i) the decrease of RMB6.5 million in construction in progress due to the completion of the construction and (ii) the decrease of RMB4.6 million in laboratory equipment mainly due to the depreciation charged for the period. Our property, plant and equipment decreased from RMB18.6 million as of December 31, 2025 to RMB17.3 million as of June 30, 2026, primarily attributable to (i) the decrease of RMB2.0 million in laboratory equipment mainly due to the depreciation charged for the period and (ii) the decrease of RMB1.1 million in leasehold improvement, partially offset by the increase of RMB1.8 million in construction in progress due to newly added renovation projects pending completion and acceptance.

Intangible assets

Our intangible assets consist of computer software related to our business operations. The net carrying amount of our intangible assets increased from RMB0.6 million as of December 31, 2024 to RMB1.4 million as of December 31, 2025, primarily attributable to the increased costs relating to the purchase of new software, including software used for clinical trials. The net carrying amount of our intangible assets decreased from RMB1.4 million as of December 31, 2025 to RMB0.8 million as of June 30, 2026, primarily attributable to the amortization charged for such intangible assets during the period.

Right-of-use assets

Our right-of-use assets are primarily related to our leased office premises used in our operations. Our right-of-use assets decreased from RMB25.1 million as of December 31, 2024 to RMB21.5 million as of December 31, 2025 and further to RMB18.3 million as of June 30, 2026, primarily due to the depreciation charged for such right-of-use assets during the respective period.

Prepayments

Our prepayments are primarily related to prepaid hospital and investigator service fees made in connection with our clinical trials. Our non-current portion of the prepayments remained relatively stable at RMB0.7 million and RMB0.6 million as of December 31, 2024 and 2025, respectively. Our prepayments increased from RMB28.1 million as of December 31, 2025 to RMB47.6 million as of June 30, 2026, primarily due to the expansion of the clinical project scale and prepaid [**REDACTED**] expenses.

Deferred tax assets

Our deferred tax assets are primarily related to our lease liabilities. Our deferred tax assets remained relatively stable at RMB3.4 million and RMB3.2 million as of December 31, 2024 and 2025, respectively. Our deferred tax assets decreased from RMB3.2 million as of December 31, 2025 to RMB2.6 million as of June 30, 2026, primarily because the deferred tax assets recognized as of June 30, 2026 only related to lease-related items.

Trade receivables

During the Track Record Period, our trade receivables represent receivables from our collaboration partners for payment obligations set out in the relevant agreements. In particular, during the Track Record Period, we received RMB80.0 million milestone payment from Betta, out of the milestone payments in an aggregate amount of RMB180.0 million we are entitled to receive under our collaboration agreement. The following table sets forth the details of our trade receivables as of the dates indicated.

	As of December 31,		As of June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	183,518	115,438	116,881
Less: loss allowance for trade receivables	(18,176)	(30,772)	(30,844)
Total	**165,342**	**84,666**	**86,037**

Our trade receivables decreased from RMB165.3 million as of December 31, 2024 to RMB84.7 million as of December 31, 2025, primarily due to the decease of trade receivables resulting from our receipt of RMB80.0 million milestone payment from Betta in 2025 and the increase in loss allowance for trade receivables resulting from the longer aging of such trade receivables. Our trade receivables remained relatively stable at RMB84.7 million and RMB86.0 million as of December 31, 2025 and June 30, 2026.

The following table sets forth an aging analysis of our trade receivables as of the dates indicated.

	As of December 31,		As of June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	3,518	15,438	16,881
1 to 2 years	180,000	–	–
2 to 3 years	–	100,000	100,000
	183,518	115,438	116,881
Less: loss allowance for trade receivables	(18,176)	(30,772)	(30,844)
Total	**165,342**	**84,666**	**86,037**

As of July 31, 2026, RMB5.5 million, or 6.3% of our trade receivables as of June 30, 2026 had been subsequently settled. The relatively low subsequent settlement rate of trade receivables and the relatively high balance in the "2 to 3 years" aging bucket were both attributable to the outstanding RMB100.0 million milestone payment receivable from Betta. We have received milestone payment from Betta in the amount of RMB80.0 million on December 26, 2025. We are in active discussion with Betta on the settlement of the remaining balance of the milestone payments. Accordingly, we do not expect any material recoverability issues with respect to the Company's trade receivables.

The following table sets forth the turnover days of our trade receivables for the periods indicated:

	Year Ended December 31,		Six Months Ended June 30,
	2024	2025	2026
Trade receivables turnover days[(1)]	399	1,463	394

Note:

(1) Trade receivables turnover days for a period equals the average of the gross value of the opening and closing trade receivables balance divided by revenue for the relevant period and multiplied by the number of days in the relevant period (i.e. 365 days for a fiscal year and 181 days for the six months ended June 30).

Prepayments, deposits and other receivables

Our prepayments are primarily related to prepaid hospital and investigator service fees made in connection with our clinical trials. Our deposits and other receivables mainly represent (i) deposits for business operations, such as rental deposits, (ii) interest receivables and (iii) value-added input tax credit. The following table sets forth the components of our prepayments (current portion), deposits and other receivables as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Deposits and other receivables	11,610	15,968	24,240
Less: loss allowance for other receivables	(121)	(91)	(115)
Prepayments (current portion)	11,692	27,515	42,543
Total	**23,181**	**43,392**	**66,668**

Our prepayments (current portion), deposits and other receivables increased from RMB23.2 million as of December 31, 2024 to RMB43.4 million as of December 31, 2025, primarily due to the increase of prepayments result from expansion of our clinical trials and [**REDACTED**] expenses. Our prepayments (current position), deposits and other receivables subsequently increased from RMB43.4 million as of December 31, 2025 to RMB66.7 million as of June 30, 2026, mainly due to the increase of prepayments result from expansion of our clinical trials and [**REDACTED**] expenses. As of July 31, 2026, RMB2.5 million, or 3.7% of the current portion of our prepayments, deposits and other receivables as of June 30, 2026 had been subsequently utilized/settled.

Financial assets at FVTPL

Our financial assets at FVTPL during the Track Record Period represents the wealth management products we purchased as part of our wealth management to generate reasonable low risk returns. The purchases of such products were approved by our senior management team. We had financial assets at FVTPL of RMB101.3 million and RMB153.7 million as of December 31, 2024 and 2025, respectively. The increase was due to the purchase of new wealth management products. Our financial assets at FVTPL remained relatively stable at 153.0 million as of June 30, 2026.

With regards to the purchase of wealth management products, we have formulated the investment policy of diversifying risks and generating steady returns on the premise of ensuring the safety of funds. Our finance manager and the finance department are mainly responsible for making, implementing and supervising our investment decisions. We have implemented the following treasury policies and internal authorization controls: we have formulated the internal control measures to control our process of investment in wealth management products; our Board authorizes and supervises the finance manager to approve through a strict review and decision-making process, and our General Manager and/or Chairman of the Board are responsible for the approval of our material investments in wealth management products; our finance department is responsible for the analysis and research of investments in wealth management products, as well as the long-term routine management of such investments; and investments in wealth management products could be made when we have surplus cash that is not required for our short-term working capital purposes and in no event beyond the amount authorized by our senior management team.

Prior to making an investment, we evaluate the sufficiency of our remaining working capital for our business needs, operating activities, research and development and capital expenditures following the proposed investment. We adopt a prudent approach in selecting financial assets. Our investment strategy related to financial assets focuses on minimizing the financial risks by reasonably and conservatively matching the maturities of the portfolio to anticipated operating cash

needs, while generating desirable investment returns for the benefits of our shareholders. We make investment decisions related to financial assets on a case-by-case basis after thoroughly considering a number of factors, including the macro-economic environment, general market conditions, risk control and credit of invested subjects, our own working capital conditions, and the expected profit or potential loss of the investment. To control our risk exposure, we have in the past sought and may continue in the future to seek other low-risk wealth management products.

To the extent that we will have surplus cash that is not required for our short-term working capital purposes, we will continue to consider investing in wealth management products taking into account the considerations above as appropriate to be in our best interest. Our investments in wealth management products after the [**REDACTED**] will be subject to compliance with Chapter 14 of the Listing Rules.

Time deposits

All time deposits held at bank with original maturity less than one year with corresponding interest receivables are classified as our current assets. Our time deposits remained relatively stable at RMB667.5 million and RMB653.7 million as of December 31, 2024 and 2025, respectively. Our time deposits decreased from RMB653.7 million as of December 31, 2025 to RMB531.2 million as of June 30, 2026, primarily due to the increase in expenses.

Cash and bank balances

Our cash and bank balances decreased from RMB913.9 million as of December 31, 2024 to RMB723.1 million as of December 31, 2025 and further to RMB641.2 million as of June 30, 2026. For an analysis on cash flows during the Track Record Period, see "— Liquidity and Capital Resources."

Trade payables

Our trade payables primarily related to payables in relation to our research and development activities. Our trade payables increased from RMB60.0 million as of December 31, 2024 to RMB115.5 million as of December 31, 2025, primarily due to additional clinical trials that resulted in payment obligations to certain suppliers. Our trade payables subsequently decreased from RMB115.5 million as of December 31, 2025 to RMB75.9 million as of June 30, 2026, primarily due to (i) the RMB40.0 million payable to Betta in 2025 had been settled and (ii) part of the [**REDACTED**]-related expenses had been paid, partially offset by the increase of accounts payable as a result of increased R&D expenditures. The following table sets forth an aging analysis of our trade payables as of the dates indicated.

	As of December 31,		As of June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	59,964	115,480	75,878
Total	**59,964**	**115,480**	**75,878**

Our trade payables are non-interest-bearing and are typically settled on terms of within one month of the invoice date. As of July 31, 2026, RMB11.5 million, or 15.2%, of our trade payables as of June 30, 2026 had been subsequently settled.

Other payables and accruals

Our other payables and accruals consist of (i) salary and bonus payables, (ii) other taxes payables and (iii) others. The following table sets forth a breakdown of our other payables and accruals.

	As of December 31,		As of June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Other payables and accruals			
– Salary and bonus payables	20,310	23,629	11,132
– Other taxes payables	15	13	80
– Others	1,904	2,630	2,014
Total	**22,229**	**26,272**	**13,226**

Our other payables and accruals increased from RMB22.2 million as of December 31, 2024 to RMB26.3 million as of December 31, 2025, primarily due to the increase in salary and bonus payables of RMB3.3 million. Our other payables and accruals subsequently decreased from RMB26.3 million as of December 31, 2025 to RMB13.2 million as of June 30, 2026, primarily due to the decrease in salary and bonus payables of RMB12.5 million. As of July 31, 2026, RMB9.1 million, or 68.5%, of our other payables and accruals as of June 30, 2026 had been subsequently settled.

Lease liabilities

Our lease liabilities primarily consisted of leases of offices and laboratories. Our lease liabilities decreased from RMB23.9 million as of December 31, 2024 to RMB22.1 million as of December 31, 2025 due to our lease payments made in the 2025. Our lease liabilities decreased from RMB22.1 million as of December 31, 2025 to RMB18.8 million as of June 30, 2026 due to our lease payments made in the 2026.

Deferred income

Our deferred income primarily consists of incentives provided by local authorities for compensating of research and development costs incurred. Our deferred income remained stable at RMB0.5 million, RMB0.5 million and RMB0.5 million as of December 31, 2024 and 2025 and June 30, 2026, respectively.

Deferred tax liabilities

Our deferred tax liabilities arising from financial asset at FVTPL and right-of-use assets. Our deferred tax liabilities remained relatively stable at RMB3.4 million and RMB3.4 million as of December 31, 2024 and 2025, respectively. Our deferred tax liabilities decreased from RMB3.4 million as of December 31, 2025 to RMB2.7 million as of June 30, 2026, primarily due to the decrease in right-of-use assets of RMB0.5 million.

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. We relied on 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 RMB242.0 million, RMB155.4 million, RMB105.8 million and RMB188.2 million in 2024 and 2025 and for the six months ended June 30, 2025 and 2026, respectively. As of June 30, 2026, being the latest practicable date for determining our indebtedness, we had cash and bank balances, time deposits and financial assets at FVTPL of RMB1,325.4 million.

Current Assets and Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated.

	As of December 31,		As of June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
CURRENT ASSETS			
Trade receivables	165,342	84,666	86,037
Prepayments, deposits and other receivables	23,181	43,392	66,668
Financial assets at FVTPL	101,300	153,677	152,960
Time deposits	667,521	653,711	531,210
Cash and bank balances	913,947	723,120	641,249
Total current assets	**1,871,291**	**1,658,566**	**1,478,124**
CURRENT LIABILITIES			
Trade payables	59,964	115,480	75,878
Other payables and accruals	22,229	26,272	13,226
Lease liabilities	7,788	7,150	6,453
Total current liabilities	**89,981**	**148,902**	**95,557**
NET CURRENT ASSETS	**1,781,310**	**1,509,664**	**1,382,567**

We had net current assets position as of December 31, 2024 and 2025 and June 30, 2026.

Our net current assets decreased by RMB271.6 million from RMB1,781.3 million as of December 31, 2024 to RMB1,509.7 million as of December 31, 2025, primarily because of the increase in current liabilities. Our net current assets decreased by RMB127.1 million from RMB1,509.7 million as of December 31, 2025 to RMB1,382.6 million as of June 30, 2026, primarily due to the decrease in current assets, partially offset by the decrease in current liabilities. Our current assets decreased from RMB1,871.3 million as of December 31, 2024 to RMB1,658.6 million as of December 31, 2025, primarily due to the decrease in cash and bank balances of RMB190.8 million, partially offset by the increase of financial assets at FVTPL of RMB52.4 million and the increase of prepayments, deposits and other receivables of RMB20.2 million. Our current assets decreased from RMB1,658.6 million as of December 31, 2025 to RMB1,478.1 million as of June 30, 2026, primarily due to the decrease in time deposits of RMB122.5 million and the decrease in cash and bank balances of RMB81.9 million, partially offset by the the increase of prepayments, deposits and other receivables of RMB23.3 million.

Consolidated Statements of Cash Flows

The following table sets forth key items of our consolidated statements of cash flows for the years/periods indicated:

	For the Year Ended December 31,		For the Six Months Ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Net cash used in operating activities	(241,972)	(155,444)	(105,751)	(188,176)
Net cash (used in)/generated from investing activities	(53,929)	(26,330)	(292,923)	123,905
Net cash (used in)/generated from financing activities	(6,482)	(6,220)	1,686	(17,378)
Net decrease in cash and cash equivalents	**(302,383)**	**(187,994)**	**(396,988)**	**(81,649)**
Cash and cash equivalents at the beginning of the year/period	1,215,826	913,947	913,947	723,120
Effect of exchange rate changes	504	(2,833)	(2,210)	(222)
Cash and cash equivalents at the end of the year/period, represented by bank balances and cash	**913,947**	**723,120**	**514,749**	**641,249**

Net Cash Used in Operating Activities

For the six months ended June 30, 2026, our net cash used in operating activities was RMB188.2 million, which was primarily attributable to our loss before tax of RMB137.3 million, adjusted by certain non-cash and working capital items, including (i) bank interest income of RMB7.7 million, (ii) share-based payment expense of RMB6.2 million, (iii) depreciation of right-of-use assets of RMB4.3 million, and (iv) decrease in trade payables of RMB39.6 million.

In 2025, our net cash used in operating activities was RMB155.4 million, which was primarily attributable to our loss before tax of RMB316.6 million, adjusted by certain non-cash and working capital items, including (i) share-based payment expense of RMB35.7 million, (ii) bank interest income of RMB25.0 million, (iii) impairment losses on trade receivables of RMB12.6 million, and (iv) decrease in trade receivables of RMB68.1 million.

In 2024, our net cash used in operating activities was RMB242.0 million, which was primarily attributable to our loss before tax of RMB240.2 million, adjusted by certain non-cash and working capital items, including (i) decrease in contract liabilities of RMB47.2 million, (ii) share-based payment expense of RMB47.0 million, (iii) bank interest income of RMB30.0 million, (iv) decrease in prepayments, deposits and other receivables of RMB18.7 million, (v) depreciation of right-of-use assets of RMB13.1 million, (vi) decrease in trade payables of RMB12.6 million, and (vii) impairment losses on trade receivables of RMB8.9 million.

Going forward, we intend to improve our net operating cash outflows through a combination of revenue enhancement and cost discipline measures.

On the revenue side, we plan to increase collaboration-based revenues by leveraging our R&D capabilities and existing strategic partnerships. For our approved products, revenue generation is dependent on commercial sales activities carried out by our respective partners, who are responsible for market development and promotion. Accordingly, our nearterm cash inflows from such products will be linked to the performance and execution of these partners in the relevant markets.

In parallel, we are actively exploring and advancing potential collaboration opportunities in respect of our pipeline products, including garsorasib (D-1553), D-2570 and darbinurad (D-0120). Under such collaboration arrangements, we may receive upfront payments, research service fees, milestone payments tied to the achievement of development progress, and potential downstream royalties.

On the cost management side, we intend to optimize our operating cash outflows by (i) prioritizing core and high-probability R&D programs and deferring or discontinuing non-core early-stage projects following periodic portfolio reviews, (ii) enhancing operational efficiency through improved resource allocation and streamlined internal processes, including greater use of standardized and scalable R&D platforms to reduce marginal development costs, and (iii) implementing tighter controls over discretionary spending, particularly in administrative and non-essential expenditures. We also plan to actively manage third-party service expenses, including CRO-related costs, through vendor selection, scope optimization and negotiation of more cost-efficient service arrangements.

Through the combined effect of increasing collaboration-driven cash inflows and disciplined management of operating expenditures, we aim to progressively narrow our net operating cash outflows and improve our overall cash flow position.

Net Cash (Used in)/Generated from Investing Activities

For the six months ended June 30, 2026, our net cash generated from investing activities was RMB123.9 million, primarily attributable to the (i) proceeds from time deposits of RMB653.7 million and (ii) proceeds from financial assets at FVTPL of RMB537.0 million partially offset by (iii) investments in financial assets at FVTPL of RMB535.1 million and (iv) investments in time deposits of RMB531.2 million.

In 2025, our net cash used in investing activities was RMB26.3 million, primarily attributable to the (i) investments in time deposits of RMB653.7 million, (ii) investments in financial assets at FVTPL of RMB646.8 million, partially offset by (iii) proceeds from time deposits of RMB667.5 million, and (iv) proceeds from financial assets at FVTPL of RMB597.4 million.

For the year of 2024, our net cash used in investing activities was RMB53.9 million, primarily attributable to the (i) investments in time deposits of RMB667.5 million and (ii) investments in financial assets at FVTPL of RMB100.0 million, partially offset by (iii) the proceeds from time deposits of RMB700.0 million.

Net Cash (Used in)/Generated from Financing Activities

For the six months ended June 30, 2026, we had RMB17.4 million of net cash outflow from financing activities, primarily attributable to the payment of [**REDACTED**] expenses of RMB[**REDACTED**] and the principal portion of lease payments of RMB4.4 million, partially offset by the proceeds from Restricted Share Incentive Schemes of RMB5.4 million.

In 2025, we had RMB6.2 million of net cash outflow from financing activities, primarily attributable to the principal portion of lease payments of RMB9.0 million and the payment of [**REDACTED**] expenses of RMB[**REDACTED**], partially offset by the proceeds from Restricted Share Incentive Schemes of RMB7.0 million.

In 2024, we had RMB6.5 million of net cash outflow from financing activities, primarily attributable to the principal portion of lease payments of RMB13.4 million, partially offset by proceeds from 2022 Restricted Share Incentive Scheme of RMB7.6 million.

CASH OPERATING COSTS

The following table sets forth information on our cash operating costs for the years indicated.

	For the Year Ended December 31,		For the Six Months Ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Research and development costs				
Research and development costs for Core Products				
– Clinical and preclinical research development costs	61,175	97,017	35,260	93,241
– Staff costs	33,036	44,977	20,755	21,250
– Rental and other research and development costs	4,630	8,121	3,260	4,927
Research and development costs for other product candidates				
– Clinical and preclinical research development costs	161,736	32,668	12,859	74,075
– Staff costs	75,756	59,303	29,143	26,958
– Rental and other research and development costs	23,050	15,585	8,396	7,913
Workforce employment costs	16,887	13,633	7,454	6,985
Total	**376,270**	**271,304**	**117,127**	**235,349**

In 2024, we incurred higher R&D costs for our other product candidates than for the Core Products primarily due to the significant R&D costs associated with the Phase I/II clinical trial of garsorasib (D-1553) in patients with KRAS G12C mutated locally advanced or metastatic solid tumors in multiple regions sponsored by us, which was completed in November 2024. This trial enrolled approximately 180 subjects, was conducted across multiple regions, and comprised both a Phase Ia and a Phase Ib component, as well as a Phase II part, with different trial protocols. Given its scale, geographic scope and complexity, the Phase I/II clinical trial of D-1553 resulted in substantial R&D expenditure in 2024. Such substantial weight on R&D costs attributable to other product candidates was non-recurring in nature. Taking into consideration of the completion of the Phase I/II clinical trial of D-1553 in November 2024 and us having granted CTTQ an exclusive license to develop, register, manufacture and commercialize D-1553 in the PRC in August 2023, we do not expect to incur significant additional R&D costs in respect of D-1553 going forward, and the elevated level of R&D expenditure for other product candidates in 2024 is not indicative of our R&D focus in 2025 and beyond.

Notwithstanding the above, we have remained primarily engaged in the research and development of its Core Products. As of the Latest Practicable Date, our pipeline comprises eight differentiated drug candidates at various stages of development, of which two are designated as Core Products. In addition, throughout the Track Record Period, the aggregate R&D expenditure incurred for the Core Products has been substantially higher than that incurred for any single non-Core Product candidate, and our R&D strategy, resource allocation and management focus have been consistently centered on advancing the Core Products. We expect that majority of the R&D costs in the year of 2026 will be incurred in connection with the development of Core Products, which is expected be top ranked among our product pipeline. This has further supported the fact that our R&D strategy, resource allocation and management focus have been consistently centered on advancing the Core Products.

WORKING CAPITAL CONFIRMATION

Our Directors are of the opinion that, taking into account the financial resources available, including cash and cash equivalents, the expected revenue from commercialization of befotertinib (BPI-D0316) and garsorasib (D-1553) in China by our partners, 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 costs and general and administrative expenses for at least the next 12 months from the date of this Document.

Our cash burn rate refers to the average monthly amount of net cash used in operating activities, capital expenditures and lease payments. As we continue to advance the development of our pipeline products, assuming an average cash burn rate going forward of [**REDACTED**] times the level in 2024 and 2025 and for the six months ended June 30, 2026, we estimate that our cash at bank and on hand as of June 30, 2026 will be able to maintain our financial viability for [**REDACTED**] months from June 30, 2026 taking into account the estimated net [**REDACTED**] from the [**REDACTED**]; or we estimate that we will be able to maintain our financial viability for [**REDACTED**] months from June 30, 2026 without taking into account the estimated net [**REDACTED**] from the [**REDACTED**] (based on the low-end of the [**REDACTED**] and assuming the [**REDACTED**] is not exercised). 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.

INDEBTEDNESS

The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Current			
Lease liabilities	7,788	7,150	6,453
Non-current			
Lease liabilities	16,134	14,919	12,350
Total	**23,922**	**22,069**	**18,803**

As of December 31, 2024 and 2025 and June 30, 2026, except as discussed above, we did not have any 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. We do not have any banking loans, as such no unutilised banking facilities were noted during the Track Record Period. Since June 30, 2026, being the latest practicable date for the purpose of the indebtedness statement, and up to the date of this Document, there had been no material change in our indebtedness.

Our Directors confirm that as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt and there was no breach of any covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that our Group did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

CAPITAL EXPENDITURES

The following table sets forth our capital expenditures for the years indicated:

	For the Year Ended December 31,		For the Six Months Ended June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Purchase of property, plant and equipment	9,235	5,483	2,046
Purchase of intangible assets	–	1,535	–
Total	**9,235**	**7,018**	**2,046**

Our historical capital expenditures during the Track Record Period primarily included purchases of property, plant and equipment and intangible assets. We funded our capital expenditure requirements during the Track Record Period mainly from our IPO on the A-share market of the Shanghai Stock Exchange (SSE) STAR Market. We plan to fund our planned capital expenditures using our cash at bank and the net [**REDACTED**] received from the [**REDACTED**]. Please refer to the section headed "Future Plans and 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 December 31, 2024 and 2025 and June 30, 2026, we did not have any contractual commitments.

CONTINGENT LIABILITIES

As of December 31, 2024 and 2025 and June 30, 2026, 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 entered into certain transactions with certain related parties. Details of our transactions with the related parties during the Track Record Period are set out in Note 35 to the Accountants' Report included in Appendix I to this Document. Our Directors confirm that the material related party transactions during the Track Record Period were 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.

KEY FINANCIAL RATIOS

Our current ratio was 20.8, 11.1 and 15.5 as of December 31, 2024 and 2025 and June 30, 2026, respectively. Current ratio equals total current assets divided by total current liabilities as of the end of the year.

MARKET RISK DISCLOSURE

We are exposed to a variety of financial risks, including foreign currency risk, interest rate 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 32 to the Accountants' Report in Appendix I to this Document. The discussion below provides a summary of our market risks.

Foreign Currency Risk

Foreign currency risk means the risk relating to the fluctuation of fair value or future cash flows of financial instruments, which arises from changes in exchange rates. We have transactional currency exposures. Such exposures arise from financing activities by subsidiaries in currencies other than the subsidiaries' functional currencies. For further details, including relevant sensitivity analysis, see Note 32 to the Accountants' Report in Appendix I to this Document.

Interest Rate Risk

We are exposed to fair value interest rate risk in relation to its time deposits, cash and bank balances and lease liabilities. We have no cash flow interest rate risk as there are no borrowings.

Credit Risk

Credit risk refers to the risk that our counterparties default on their contractual obligations resulting in financial losses to us. Our credit risk exposures are primarily attributable to trade receivables, bank balances, time deposits and other receivables. We do not hold any collateral or other credit enhancements to cover our credit risks associated with our financial assets. In order to minimise the credit risk, our management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the management considers that our credit risk is significantly reduced.

We have concentration of credit risk as approximately 99.15%, 91.5% and 92.3% of the total trade receivables was due from our largest debtor as of December 31, 2024 and 2025 and June 30, 2026, respectively. We have concentration of credit risk as all the total trade receivables was due from our top two largest debtors as of December 31, 2024 and 2025 and June 30, 2026, respectively.

For trade receivables, we have applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. We determine the ECL on these items by using a provision matrix as at December 31, 2024 and 2025 and June 30, 2026 within lifetime ECL (not credit impaired) estimated based on the financial quality of debtors and historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

We consider that there is no significant change in credit risk rating of the debtors, their historical payment pattern and forward-looking information during the Track Record Period. We make full provision for a trade receivable when there is information indicating that the receivable is in severe financial difficulty and there is no realistic prospect of recovery.

Liquidity Risk

We monitor and maintain a level of cash and cash equivalents deemed adequate by our management to finance the operations and mitigate the effects of fluctuations in cash flows. For further details, see Note 32 to the Accountants' Report set out 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 have a formal dividend policy, and we do not have a pre-determined dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not 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. As advised by our PRC Legal Adviser, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our accumulated losses, or even if we become profitable as we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered by our after-tax profits, and (ii) sufficient statutory and other reserves are drawn in accordance with the relevant laws, regulations and our constitutional documents.

As confirmed by our PRC Legal Adviser, 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.

DISTRIBUTABLE RESERVES

As of June 30, 2026, our Company did not have any distributable reserves.

[**REDACTED**] EXPENSE INCURRED AND TO BE INCURRED

Our [**REDACTED**] expenses represent professional fees, [**REDACTED**] and other fees incurred in connection with the [**REDACTED**]. Based on an [**REDACTED**] of HK$[**REDACTED**] per H Share (being the midpoint of the range of the indicative [**REDACTED**] stated in this Document), we estimated that the total [**REDACTED**] expenses for the [**REDACTED**] are approximately HK$[**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**] expenses, including [**REDACTED**] and other expenses, of HK$[**REDACTED**]; and (ii) [**REDACTED**] expenses of HK$[**REDACTED**], including (a) fee paid and payable to legal advisers and reporting accountants of HK$[**REDACTED**], and (b) other fees and expenses of HK$[**REDACTED**]. [**REDACTED**], approximately HK$[**REDACTED**] and HK$[**REDACTED**] of the [**REDACTED**] expenses have been recognized in profit or loss for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, respectively. 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 CONSOLIDATED NET TANGIBLE ASSETS

[**REDACTED**]

[**REDACTED**]

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of the Document, there had been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since June 30, 2026, being the end date of the periods reported on in the Accountants' Report set out in Appendix I to this Document, and there had been no event since June 30, 2026, that would materially affect the information shown in the Accountants' Report set out in Appendix I to this Document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, 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

For further details of our future plans, please see the section headed "Business — Our Strategies" in this Document.

USE OF [REDACTED]

Assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the midpoint of the range of the indicative [**REDACTED**] stated in this Document), we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] from the [**REDACTED**] after deducting the [**REDACTED**] and other estimated expenses in connection with the [**REDACTED**] (assuming the [**REDACTED**] is not exercised).

We intend to use the net [**REDACTED**] we expect to receive from the [**REDACTED**] (assuming the [**REDACTED**] is not exercised) for the purposes and in the amounts set out below.

(i) Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the clinical development of our Core Products D-2570 and taragarestrant (D-0502), including:

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the Phase II and Phase III clinical trials of D-2570 targeting plaque psoriasis, UC, PsA, SLE and vitiligo and other costs supporting D-2570 clinical development. Specifically,
  - the U.S. Phase II clinical trial for plaque psoriasis expects to recruit around 75 subjects and complete in the first quarter of 2028, and we intend to use the net [**REDACTED**] of HK$[**REDACTED**] to fund the clinical trial;
  - the China Phase III clinical trial for UC expects to recruit around 500 subjects, initiate in 2027, complete in 2029, and we intend to use the net [**REDACTED**] of HK$[**REDACTED**] to fund the clinical trial;
  - the China Phase III clinical trial for PsA expects to recruit around 500 subjects, initiate in 2028, complete in 2030, and we intend to use the net [**REDACTED**] of HK$[**REDACTED**] to fund the clinical trial;
  - the China Phase III clinical trial for SLE expects to recruit around 500 subjects, initiate in 2029, complete in 2032, and we intend to use the net [**REDACTED**] of HK$[**REDACTED**] to fund the clinical trial;
  - the China Phase III clinical trial for vitiligo expects to recruit around 500 subjects, initiate in 2028, complete in 2030, and we intend to use the net [**REDACTED**] of HK$[**REDACTED**] to fund the clinical trial; and
  - we intend to use the net [**REDACTED**] of HK$[**REDACTED**] to fund the exploration of other indications, the toxicity studies, API and formulation development, and R&D staff costs in connection with supporting the above clinical trials of D-2570;
- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the Phase II and Phase III clinical trials of taragarestrant (D-0502) in combination with JSKN016, a bispecific ADC targeting trophoblast cell surface antigen 2 and human epidermal growth factor receptor 3, targeting ER-positive, HER2-negative breast cancer. Specifically,
  - the Phase II clinical trial initiated in March 2026 expects to recruit around 60 subjects and complete in 2028, and the Phase III clinical trial expects to recruit around 1,000 subjects, initiate in 2028, complete in 2031, and we intend to use the net [**REDACTED**] of HK$[**REDACTED**] to fund the clinical trial; and
  - we intend to use the net [**REDACTED**] of HK$[**REDACTED**] to fund the API and formulation development, and R&D staff costs in connection with supporting the above clinical trials of D-0502;

(ii) Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be for the R&D of our preclinical product candidates, which will involve toxicology studies, clinical trials, API and formulation development and R&D staff costs, including:

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to fund R&D activities and costs regarding YF087. Specifically,
  - a China Phase II clinical trial for MSI-H/dMMR advanced solid tumors expects to recruit around 120 subjects, initiate in 2028, complete in 2030;
  - a China Phase III clinical trial for MSI-H/dMMR advanced solid tumors expects to recruit around 300 subjects, initiate in 2030, complete in 2032;
  - the toxicity studies, API and formulation development, and R&D staff costs in connection with supporting the above clinical trials of YF087;
- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to fund R&D activities and costs regarding YF550. Specifically,
  - a China Phase II clinical trial for solid tumors with chromosomal instability expects to recruit around 120 subjects, initiate in 2028, complete in 2030;
  - a China Phase III clinical trial for solid tumors with chromosomal instability expects to recruit around 300 subjects, initiate in 2030, complete in 2032;
  - the toxicity studies, API and formulation development, and R&D staff costs in connection with supporting the above clinical trials of YF550;
- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to fund R&D activities and costs regarding YF057. Specifically,
  - a China Phase II clinical trial for atopic dermatitis or asthma expects to recruit around 300 subjects, initiate in 2028, complete in 2030;
  - the toxicity studies, API and formulation development, and R&D staff costs in connection with supporting the above clinical trials of YF057;

(iii) Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the continued development of our ADC technology platform. Specifically,

- related non-clinical tests and efforts (including toxicology tests, API production, and CMC research);
- the toxicity studies, API and formulation development, and R&D staff costs. Specifically, starting from 2026, we expect to additionally recruit four employees in CMC, two employees in clinical development and one employee in early research and development; and
- Phase I/II clinical trials on drug candidates developed from the platform that expects to enroll around 300 subjects starting in 2028;

(iv) Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for our working capital and other general corporate purposes.

The above allocation of the net [**REDACTED**] from the [**REDACTED**] will be adjusted on a pro rata basis in the event that the [**REDACTED**] is fixed at a higher or lower level compared to the mid-point of the indicative [**REDACTED**] stated in this document.

If the [**REDACTED**] is fixed at the high-end or low-end of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), the net [**REDACTED**] will increase or decrease by approximately HK$[**REDACTED**] (after deducting [**REDACTED**] fees and expenses related to the [**REDACTED**]). We intend to apply the additional or reduced net [**REDACTED**] to the above uses on a pro rata basis.

If the [**REDACTED**] is exercised in full, we will receive additional net [**REDACTED**] of approximately HK$[**REDACTED**], HK$[**REDACTED**] and HK$[**REDACTED**] if the [**REDACTED**] is fixed at the low-end, midpoint and high-end of the [**REDACTED**], respectively. We intend to apply the additional net [**REDACTED**] to the above uses on a pro rata basis.

If the net [**REDACTED**] of the [**REDACTED**] are not immediately used for the purposes described above, to the extent permitted by the relevant laws and regulations, we will deposit the net [**REDACTED**] in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions, as long as it is deemed to be in the best interests of the Company. We will comply with all disclosure requirements under the Listing Rules if there is any change to the above proposed use of [**REDACTED**].

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

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The following is the text of a report set out on pages [I-1] to [I-[53]], received from the Company's reporting accountants, BDO Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Sole Sponsor pursuant to the requirements of 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.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF INVENTISBIO CO., LIMITED AND CITIC SECURITIES (HONG KONG) LIMITED

INTRODUCTION

We report on the historical financial information of InventisBio Co., Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-[3] to I-[53], which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2024 and 2025 and June 30, 2026 and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statement of cash flows of the Group for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 (the "Track Record Period"), and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-[3] to I-[53] 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 initial [**REDACTED**] of H 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 Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING 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 ("the 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 Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Company's financial position as at December 31, 2024 and 2025 and June 30, 2026, the Group's consolidated financial position as at December 31, 2024 and 2025 and June 30, 2026, and of the Group's consolidated financial performance and consolidated cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

REVIEW OF STUB PERIOD HISTORICAL FINANCIAL INFORMATION

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended June 30, 2025 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the International Auditing and Assurance Standards Board ("IAASB"). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant's report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[3] have been made.

Dividends

We refer to Note 17 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

BDO Limited
Certified Public Accountants
[●]
Practising Certificate no. P[●]

Hong Kong [**REDACTED**]

I. HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the historical financial information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been audited by BDO Limited in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("**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.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended December 31,		Six months ended June 30,	
		2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	6	168,790	37,290	19,164	53,319
Cost of sales		(4,016)	(5,132)	(2,546)	(3,023)
Gross profit		164,774	32,158	16,618	50,296
Other income	8	38,587	33,811	17,781	13,529
Other gains and losses, net	9	2,934	1,997	529	692
Provision for impairment losses	10	(8,868)	(12,566)	(16,500)	(96)
General and administrative expenses		(52,619)	(45,398)	(22,961)	(16,627)
Research and development costs		(384,347)	(325,792)	(116,518)	(184,716)
Finance costs	11	(665)	(835)	(438)	(360)
Loss before tax	12	(240,204)	(316,625)	(121,489)	(137,282)
Income tax (expense)/credit	13	–	(240)	(46)	201
Loss for the year/period		(240,204)	(316,865)	(121,535)	(137,081)
Other comprehensive income for the year/period					
Item that may be reclassified subsequently to profit or loss:					
Change in foreign currency translation of the financial statements of the subsidiaries of the Company		(1,159)	(506)	(464)	502
Other comprehensive income for the year/period, net of tax		(1,159)	(506)	(464)	502
Total comprehensive income for the year/period		(241,363)	(317,371)	(121,999)	(136,579)
Loss for the year/period attributable to:					
Owners of the Company		(240,204)	(316,865)	(121,535)	(137,081)
Total comprehensive income attributable to:					
Owners of the Company		(241,363)	(317,371)	(121,999)	(136,579)
Loss per share attributable to ordinary equity holders of the Company					
Basic (RMB)	16(a)	(0.42)	(0.55)	(0.21)	(0.24)
Diluted (RMB)	16(b)	(0.42)	(0.55)	(0.21)	(0.24)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at December 31, 2024	As at December 31, 2025	As at June 30, 2026
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	*19*	19,669	18,610	17,254
Intangible assets	*20*	592	1,429	839
Right-of-use assets	*21*	25,147	21,465	18,311
Prepayments	*24*	679	587	5,024
Deferred tax assets	*22*	3,439	3,188	2,641
Total non-current assets		49,526	45,279	44,069
Current assets				
Trade receivables	*24*	165,342	84,666	86,037
Prepayments, deposits and other receivables	*24*	23,181	43,392	66,668
Financial assets at fair value through profit or loss ("**FVTPL**")	*23*	101,300	153,677	152,960
Time deposits	*25*	667,521	653,711	531,210
Cash and bank balances	*25*	913,947	723,120	641,249
Total current assets		1,871,291	1,658,566	1,478,124
Total assets		1,920,817	1,703,845	1,522,193
Current liabilities				
Trade payables	*26*	59,964	115,480	75,878
Other payables and accruals	*26*	22,229	26,272	13,226
Lease liabilities	*27*	7,788	7,150	6,453
Total current liabilities		89,981	148,902	95,557
Net current assets		1,781,310	1,509,664	1,382,567
Total assets less current liabilities		1,830,836	1,554,943	1,426,636
Non-current liabilities				
Deferred income	*28*	480	480	480
Lease liabilities	*27*	16,134	14,919	12,350
Deferred tax liabilities	*22*	3,439	3,428	2,680
Total non-current liabilities		20,053	18,827	15,510
NET ASSETS		1,810,783	1,536,116	1,411,126
Capital and reserves				
Equity attributable to owners of the Company				
Share capital	*29*	576,745	578,348	579,592
Reserves		3,778,964	3,819,559	3,830,406
Accumulated losses		(2,544,926)	(2,861,791)	(2,998,872)
TOTAL EQUITY		1,810,783	1,536,116	1,411,126

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company					
	Share capital	Capital reserve	Share award reserve	Exchange reserve	Accumulated losses	Total
	(Note 29) *RMB'000*	*(Note 30(i))* *RMB'000*	*(Note 30(ii))* *RMB'000*	*(Note 30(iv))* *RMB'000*	*(Note 30(iii))* *RMB'000*	*RMB'000*
Balance at January 1, 2024	575,000	2,682,742	1,055,323	(10,740)	(2,304,722)	1,997,603
Loss for the year	–	–	–	–	(240,204)	(240,204)
Change in foreign currency translation of the financial statements of the subsidiaries of the Company	–	–	–	(1,159)	–	(1,159)
Total comprehensive income for the year	–	–	–	(1,159)	(240,204)	(241,363)
Issuance of restricted shares	1,745	5,846	–	–	–	7,591
Recognition of equity-settled share-based payment expenses	–	–	46,952	–	–	46,952
Balance at December 31, 2024 and January 1, 2025	576,745	2,688,588	1,102,275	(11,899)	(2,544,926)	1,810,783
Loss for the year	–	–	–	–	(316,865)	(316,865)
Change in foreign currency translation of the financial statements of the subsidiaries of the Company	–	–	–	(506)	–	(506)
Total comprehensive income for the year	–	–	–	(506)	(316,865)	(317,371)
Issuance of restricted shares	1,603	5,371	–	–	–	6,974
Recognition of equity-settled share-based payment expenses	–	–	35,730	–	–	35,730
Vesting of restricted shares	–	112,106	(112,106)	–	–	–
Balance at December 31, 2025	578,348	2,806,065	1,025,899	(12,405)	(2,861,791)	1,536,116

	Attributable to owners of the Company					
	Share capital	Capital reserve	Share award reserves	Exchange reserves	Accumulated losses	Total
	(Note 29) *RMB'000*	*(Note 30(i))* *RMB'000*	*(Note 30(ii))* *RMB'000*	*(Note 30(iv))* *RMB'000*	*(Note 30(iii))* *RMB'000*	*RMB'000*
(Unaudited)						
Balance at January 1, 2025	576,745	2,688,588	1,102,275	(11,899)	(2,544,926)	1,810,783
Loss for the period	–	–	–	–	(121,535)	(121,535)
Change in foreign currency translation of the financial statements of the subsidiaries of the Company	–	–	–	(464)	–	(464)
Total comprehensive income for the period	–	–	–	(464)	(121,535)	(121,999)
Issuance of restricted shares	1,583	5,302	–	–	–	6,885
Recognition of equity-settled share-based payment expenses	–	–	21,349	–	–	21,349
Vesting of restricted shares	–	41,893	(41,893)	–	–	–
Balance at June 30, 2025	578,328	2,735,783	1,081,731	(12,363)	(2,666,461)	1,717,018

	Attributable to owners of the Company					
	Share capital	Capital reserve	Share award reserves	Exchange reserves	Accumulated losses	Total
	(Note 29) *RMB'000*	*(Note 30(i))* *RMB'000*	*(Note 30(ii))* *RMB'000*	*(Note 30(iv))* *RMB'000*	*(Note 30(iii))* *RMB'000*	*RMB'000*
Balance at January 1, 2026	578,348	2,806,065	1,025,899	(12,405)	(2,861,791)	1,536,116
Loss for the period	–	–	–	–	(137,081)	(137,081)
Change in foreign currency translation of the financial statements of the subsidiaries of the Company	–	–	–	502	–	502
Total comprehensive income for the period	–	–	–	502	(137,081)	(136,579)
Issuance of restricted shares	1,244	4,166	–	–	–	5,410
Recognition of equity-settled share-based payment expenses	–	–	6,179	–	–	6,179
Vesting of restricted shares	–	15,178	(15,178)	–	–	–
Balance at June 30, 2026	579,592	2,825,409	1,016,900	(11,903)	(2,998,872)	1,411,126

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
OPERATING ACTIVITIES				
Loss before tax	(240,204)	(316,625)	(121,489)	(137,282)
Adjustments for:				
Depreciation of property, plant and equipment	6,511	6,542	3,028	3,252
Depreciation of right-of-use assets	13,144	8,961	4,709	4,268
Amortization of intangible assets	328	698	240	590
Impairment losses on trade receivables	8,883	12,596	16,499	72
(Reversal)/provision of impairment losses on other receivables	(15)	(30)	1	24
Loss on disposals of property, plant and equipment	–	–	–	72
Bank interest income	(30,021)	(24,986)	(9,163)	(7,694)
Gain on fair value changes of financial assets at FVTPL	(1,300)	(2,488)	(887)	(677)
Gains on lease termination and modification	(75)	–	–	–
Share-based payment expenses	46,952	35,730	21,349	6,179
Finance costs	665	835	438	360
Operating cash flows before movements in working capital	(195,132)	(278,767)	(85,275)	(130,836)
Decrease/(increase) in trade receivables	2,341	68,080	(9,981)	(1,443)
Decrease/(increase) in prepayments, deposits and other receivables	18,676	(9,443)	4,168	(5,306)
Decrease in contract liabilities	(47,170)	–	–	–
Decrease in deferred income	(400)	–	–	–
(Decrease)/increase in trade payables	(12,558)	55,516	(7,459)	(39,602)
(Decrease)/increase in other payables and accruals	(7,729)	9,170	(7,204)	(10,989)
Net cash used in operating activities	(241,972)	(155,444)	(105,751)	(188,176)
INVESTING ACTIVITIES				
Investments in financial assets at FVTPL	(100,000)	(646,797)	(172,080)	(535,074)
Proceeds from financial assets at FVTPL	–	597,359	122,084	536,967
Acquisition of property, plant and equipment, intangible assets and other non-current assets	(7,561)	(6,918)	(5,552)	(5,499)
Interest received	21,153	16,230	1,745	6,038
Proceeds from time deposits	700,000	667,521	90,000	653,695
Investments in time deposits	(667,521)	(653,725)	(329,120)	(531,222)
Prepayment for acquisition of equity interest	–	–	–	(1,000)
Net cash (used in)/generated from investing activities	(53,929)	(26,330)	(292,923)	123,905

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
FINANCING ACTIVITIES				
Proceeds from restricted share schemes	7,591	6,974	6,885	5,410
Principal portion of lease payments	(13,408)	(9,036)	(4,761)	(4,380)
Interest paid for lease liabilities	(665)	(835)	(438)	(360)
Payments for [**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Net cash (used in)/generated from financing activities	(6,482)	(6,220)	1,686	(17,378)
Net decrease in cash and cash equivalents	(302,383)	(187,994)	(396,988)	(81,649)
Cash and cash equivalents at the beginning of the year/period	1,215,826	913,947	913,947	723,120
Effect of exchange rate changes	504	(2,833)	(2,210)	(222)
Cash and cash equivalents at the end of the year/period, represented by bank balances and cash	913,947	723,120	514,749	641,249

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at December 31, 2024	As at December 31, 2025	As at June 30, 2026
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	*19*	19,669	18,610	17,254
Intangible assets	*20*	592	1,429	839
Right-of-use assets	*21*	24,450	21,326	17,602
Investments in subsidiaries	*18*	409,575	447,361	449,368
Prepayments	*24*	679	587	5,024
Deferred tax assets	*22*	3,412	3,188	2,610
Total non-current assets		458,377	492,501	492,697
Current assets				
Trade receivables	*24*	165,342	84,666	86,037
Prepayments, deposits and other receivables	*24*	22,188	42,448	66,433
Financial assets at FVTPL	*23*	101,300	153,677	152,960
Time deposits	*25*	667,521	652,837	530,356
Cash and bank balances	*25*	890,904	714,415	634,471
Total current assets		1,847,255	1,648,043	1,470,257
Total assets		2,305,632	2,140,544	1,962,954
Current liabilities				
Trade payables	*26*	51,437	108,706	63,273
Other payables and accruals	*26*	12,571	13,873	8,084
Lease liabilities	*27*	7,197	7,150	6,155
Total current liabilities		71,205	129,729	77,512
Net current assets		1,776,050	1,518,314	1,392,745
Total assets less current liabilities		2,234,427	2,010,815	1,885,442
Non-current liabilities				
Deferred income	*28*	480	480	480
Lease liabilities	*27*	16,134	14,919	12,041
Deferred tax liabilities	*22*	3,412	3,428	2,649
Total non-current liabilities		20,026	18,827	15,170
NET ASSETS		2,214,401	1,991,988	1,870,272
Capital and reserves				
Equity attributable to owners of the Company				
Share capital	*29*	576,745	578,348	579,592
Reserves	*30*	2,544,118	2,585,219	2,595,564
Accumulated losses	*30*	(906,462)	(1,171,579)	(1,304,884)
TOTAL EQUITY		2,214,401	1,991,988	1,870,272

II. NOTES TO HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was established in the People's Republic of China (the "**PRC**") on January 11, 2013. The Company's shares have been listed on the Shanghai Stock Exchange with stock code 688382 since July 25, 2022. The address of the Company's registered office is Room 210, No. 4, Lane 67, Libing Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, the PRC.

The Group and the Company are principally engaged in research, development and commercialisation of pharmaceutical products.

The parent company of the Company is InventisBio Hong Kong Limited. The Company is ultimately controlled by a concert party which formed by Dr. Yaolin Wang, Dr. Xing Dai and Dr. Yueheng Jiang.

2. BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued by International Accounting Standards Board ("**IASB**"). Further details of the material accounting policy information adopted are set out in Note 4.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, the Group has consistently adopted all applicable new and revised IFRS Accounting Standards that are effective during the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Period are set out in Note 3.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The accounting policies set out in Note 4 have been applied consistently to all periods presented in the Historical Financial Information.

3. APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

The Group plans to adopt these new standards and amendments to standards when they become effective:

New and amendments to IFRS Accounting Standards issued but not yet effective

IFRS 18	Presentation and Disclosure in Financial Statements[1]
IFRS 19 and its amendments	Subsidiaries without Public Accountability: Disclosures[1]
IFRS 20	Regulatory Assets and Regulatory Liabilities[2]
Amendments to IFRS 10 and IAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[1]
Amendments to IAS 28	Fair Value Option for Investments in Associates and Joint Ventures[1]

1 Effective for annual periods beginning on or after January 1, 2027

2 Effective for annual periods beginning on or after January 1, 2029

3 No mandatory effective date yet determined but available for adoption

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated statements of profit or loss and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. The Group expects to apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for all prior periods presented will be restated in accordance with IFRS 18 upon initial adoption.

Except for the abovementioned changes in presentation and disclosure, these pronouncements are not expected to have a material impact on the results or the financial position of the Group.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

b. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

c. Level 3 inputs are unobservable inputs for the asset or liability. The principal accounting policies are set out below.

(a) Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee:
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year/period are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated.

(b) Investments in subsidiaries

Investments in subsidiaries are stated at cost less any identified impairment loss on the statements of financial position of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(c) Impairment of non-financial assets (excluding deferred tax assets)

Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognized in other comprehensive income.

(d) Foreign currency translation

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that 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 periods. Differences arising on settlement or translation of monetary items are recognized 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 recognized in other comprehensive income or profit or loss is also recognized in other comprehensive income or profit or loss, respectively).

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.

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting periods, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting periods and their statements of profit or loss and other comprehensive income are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognized In other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognized in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of the overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the overseas subsidiaries which arise throughout the reporting periods are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

(e) Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group's revenue is generated from the collaboration agreements with customers which only contain one performance obligation of granting of licenses to intellectual property rights.

The Group considers the terms of the contracts to determine the transaction price. When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Revenue in the form of a sales-based or usage-based royalty, in exchange for a license of intellectual property, is recognized only when the later of the following events occurs: (i) the subsequent sale or usage occurs; and (ii) the performance obligation to which some or all of the sales-based or usage-based royalty has been allocated has been satisfied.

The Group's revenue is mainly generated from license of intellectual properties of new drugs to customers. The terms of this arrangement typically include upfront payment, milestone payments and royalties on net sales of licensed products. The contracts generally do not include a significant financing component as the amount or timing of the variable considerations varies on the basis of achieving a particular milestone and how much and when the subsequent sales occurred.

The Group concludes that it has a single performance obligation under the contract to issue the license. The Group has granted a 'right to use' license and revenue is recognized at the point in time that the license is granted to the customer.

The consideration for the license comprises a fixed payment (the upfront payment) and variable elements (the milestone payments and royalties). The Group uses judgment to determine whether milestones or other variable consideration should be included in the transaction price. At the inception of the arrangement, the Group assesses whether the milestones are considered highly probable of being achieved and estimates the amount to be included in the transaction price using the most likely amount method. In making these assessments, the Group considers various factors such as the scientific, clinical, regulatory, commercial, and other risks that must be overcome to achieve a particular milestone. Milestone payments that are subject to regulatory approvals and commercialisation stages are not considered highly probable of being achieved until those approvals are received or commercialisation stages are achieved.

Interest income

Interest income is recognized on an accrual basis using the effective interest 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.

(f) Leasing

Definition of 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.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as lessee

All leases are required to be capitalised in the consolidated statements of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases for which at the commencement date have a lease term less than 12 months and leases of low-value assets. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

The Group presents right-of-use assets and lease liabilities separately in the consolidated statements of financial position.

Right-of-use asset

The right-of-use asset is recognized at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease. The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use asset at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

The right-of-use asset is subsequently depreciated using the straight-line method from the date of initial application over the shorter of the remaining lease term or the useful life of the underlying asset. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

Lease liability

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

(g) Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognises as expense the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire property, plant and equipment are recognized as deferred revenue in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

(h) Retirement benefit costs

Employees of the Group are covered by various government-sponsored defined-contribution pension plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these employees when they retire. The Group contributes on a monthly basis to these pension plans for the employees which are determined at a certain percentage of their salaries. Under these plans, the Group has no obligation for post-retirement benefits beyond the contribution made. Contributions to these plans are expensed as incurred and contributions paid to the defined contribution pension plans for a staff are not available to reduce the Group's future obligations to such defined-contribution pension plans even if the staff leaves the Group.

(i) Short-term employee benefits

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognized for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

(j) Share-based payments

Equity-settled share-based payment transaction

Restricted shares granted to employees

The Company operates restricted share scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees and consultants render services as consideration for equity instruments ("**equity-settled transactions**").

The cost of equity-settled transactions with employees and others providing similar services is measured by reference to the fair value of the equity instruments at the date at which they are granted.

The cost of equity-settled transactions is recognized in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the consolidated statement of profit or loss for a period represents the movement in the cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognized. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognized for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

(k) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

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.

(l) Taxation

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profits nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries or associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(m) Property, plant and equipment

Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are recognized as an expense in profit or loss during the period in which they are incurred.

Property, plant and equipment are depreciated so as to write off their cost or valuation net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

	Useful life	Residual value rate	Annual depreciation rate
Laboratory equipment	5 years	10.00%	18.00%
Machinery and office equipment	5 years	10.00%	18.00%
Leasehold improvement	Shorter of remaining lease term and estimated useful life	N/A	N/A

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognized.

(n) Intangible assets (other than goodwill)

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses.

Amortization is provided on a straight-line basis over their useful lives as follows. The amortization expense is recognized in profit or loss.

Software	5 years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

(o) Research and development costs

Expenditure on internally developed products is capitalized if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Group is able to sell the product; and
- sale of the product will generate future economic benefits; and expenditure on the project can be measured reliably.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognized in profit or loss as incurred.

(p) Impairment losses on tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets other than goodwill which with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of value in use and fair value less costs of disposal. In assessing value in use, the estimated future cash flows of the asset (or the cash-generating unit) 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 (or the cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or the cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or the cash-generating unit) in prior periods. A reversal of an impairment loss is recognized immediately in profit or loss.

(q) Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument.

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income or interest expense over the Track Record Period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Financial assets at amortized cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain on derecognition is recognized in profit or loss.

FVTPL: Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model, whereby changes in fair value, interest income calculated using the effective interest rate method and foreign exchange gains and losses are recognized in profit or loss. Notwithstanding the criteria for debt instruments to be classified at amortized, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Impairment loss on financial assets

The Group recognises a loss allowance for expected credit loss ("**ECL**") on financial assets which are subject to impairment under IFRS 9 "Financial Instruments". The amount of ECL is updated at the end of each reporting period to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group has elected to measure loss allowances for trade receivables using IFRS 9 simplified approach and always recognises lifetime ECL for trade receivables. The ECL on these financial assets are assessed collectively using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For other financial instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in the credit risk since initial recognition or evidence that a financial asset is credit-impaired, then the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, 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 instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate obtained from economic expert reports, financial analysts and governmental bodies, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, or the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management, the Group considers an event of default to have occurred when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries made are recognized in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the relevant weighting.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis to cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade receivables and other receivables are each assessed as a separate group);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

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 a financial liability and an equity instrument.

Financial liabilities at amortized cost

Financial liabilities at amortized cost are subsequently measured at amortized cost, using the effective interest method. The related interest expense is recognized in profit or loss. Gains or losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

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. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

(r) Provisions and contingent liabilities

Provisions are recognized for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(s) Related parties

(i) A person or a close member of that person's family is related to the Group if that person:

(a) has control or joint control over the Group;

(b) has significant influence over the Group; or

(c) is a member of key management personnel of the Group or the Company's parent.

(ii) An entity is related to the Group if any of the following conditions apply:

(a) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(c) Both entities are joint ventures of the same third party.

(d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(e) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.

(f) The entity is controlled or jointly controlled by a person identified in (i).

(g) A person identified in (i)(a) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

(h) 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 Group's parent.

(iii) Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependents of that person or that person's spouse or domestic partner.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates, judgements and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the Historical Financial Information.

Research and development costs

All research costs are charged to profit or loss as incurred. Expenses incurred on each pipeline to develop new products are only capitalized and deferred in accordance with the accounting policy for research and development costs in Note 4 to the Historical Financial Information. Determining the amounts to be capitalized requires management to make judgements on the technical feasibility of existing pipelines to be successfully commercialized and bring economic benefits to the Company.

During the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 (unaudited) and 2026, the Group incurred significant research and development costs of approximately RMB384,347,000, RMB325,792,000, RMB116,518,000 and RMB184,716,000, respectively. However, none of these development costs have been capitalized as per the management assessment, they are not able to meet the recognition criteria.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting periods, 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.

Useful lives and estimated impairment on property, plant and equipment, intangible assets and right-of-use assets

The Group assesses whether there are any indicators of impairment for long -term non-financial assets, at the end of each reporting period. These non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Further details are set out in Note 19 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 a subsidiary's stand-alone credit rating).

Provision of ECL for financial assets at amortized cost

The Group calculates ECL for trade and other receivables and cash and cash equivalent under IFRS 9. The provision rates are based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. Details of the key assumptions and inputs used are set out in Note 32(b)(iii). Changes in these assumptions and estimation could materially affect the assessment and it may be necessary to make additional loss allowance in future periods.

Fair value measurements for financial assets at FVTPL

The Group has made various investments during the Track Record Period as set out in Note 23. The Group accounts for these financial instruments as financial assets at FVTPL. For those investments with no quoted market prices in an active market, their fair values are estimated by using valuation techniques. These techniques include those further described in Note 32(c) under the heading "Fair value measurement". Valuation models established by the management make the maximum use of market inputs and rely as little as possible on the Group's specific data. However, some inputs, such as interest rates of similar wealth management products available in the market, which are reviewed periodically and adjusted if necessary. Should any of the estimates and assumptions be changed, it may lead to a change in the fair value of the financial assets.

6. REVENUE

(a) Disaggregation of revenue from contracts with customers

Revenue for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 (unaudited) and 2026 are as follows:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15				
Transferred at point in time:				
License fee income and sales-based royalties	168,790	37,290	19,164	53,319

(b) Performance obligation for contracts with customers and revenue recognition policies

License fee income and sales-based royalties

(i) From 2018 to 2019, the Company entered into an out-licensing agreement and a supplementary agreement with a customer to grant them (i) an exclusive right of research and development, production, and commercialisation of Project BPI-D0316; and (ii) an exclusive supply right of pharmaceutical ingredient for Project BPI-D0316 in the PRC, Hong Kong and Taiwan.

The consideration for the out-licensing comprises of (i) upfront payment, (ii) development milestones payments, (iii) sales milestone payments, and (iv) royalties calculated based on the net sales as defined in the related supplementary agreement with customers.

(ii) From 2023 to 2024, the Company entered into an out-licensing agreement and a supplementary agreement with another customer to grant them (i) an exclusive right of research and development, production, and commercialisation of Project D-1553; and (ii) an exclusive supply right of pharmaceutical ingredient for Project D-1553 in the PRC.

The consideration for the out-licensing comprises of (i) upfront payment, (ii) development milestones payments, (iii) sales milestone payments, and (iv) royalties calculated based on the net sales as defined in the related supplementary agreement with customers.

For variable consideration in relation to milestone payments and royalties from above out-licensing agreements, the Group estimates the amount of consideration to which it will be entitled using the most likely amount, which best predicts the amount of consideration to which the Group will be entitled. The potential milestone payments that the Company is eligible to receive were considered as variable consideration as all milestone amounts were fully constrained due to uncertainty of achievement. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

No sales milestone payments was recognized as revenue during the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 (unaudited) and 2026.

The aforementioned development milestone payments of approximately RMB150,943,000 are recognized as revenue for the year ended December 31, 2024; upfront payment of approximately RMB28,302,000 is recognized as revenue for the six months ended June 30, 2026; and sales-based royalties of approximately RMB17,847,000, RMB37,290,000, RMB19,164,000 and RMB25,017,000 are recognized as revenue for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 (unaudited) and 2026, respectively. As at December 31, 2024 and 2025 and the six months ended June 30, 2025 (unaudited) and 2026, the remaining uncompleted milestone payments are subject to the future achievement of remaining milestone criteria.

7. SEGMENT INFORMATION

The operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("**CODM**"). Management reviews the performance of the Group as a single operating segment based on the internal organisation structure, management requirements and internal reporting system. No separate analysis of the segment results by reportable segment is necessary.

Geographical information

An analysis of the Group's revenue from external customers, based on location of customers and analyzed by regions, is presented below:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue from external customers				
– Chinese Mainland (country of domicile)	168,790	37,290	19,164	53,319

Information about the Group's non-current assets excluding deferred tax assets by geographical location of the assets are presented below:

	At December 31,		Six months ended June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets excluding deferred tax assets – Chinese Mainland (country of domicile)	46,087	42,091	41,428

Information about major customers

Revenue from customers which contributing over 10% of the total revenue of the Group are as follows:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Company A	152,411	9,276	5,281	36,763
Company B	(Note)	28,014	13,883	16,556

Note: Less than 10% of total revenue of the year/period.

8. OTHER INCOME

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Bank interest income	30,021	24,986	9,163	7,694
Government grants *(Note)*	8,400	8,640	8,433	5,622
Others	166	185	185	213
	38,587	33,811	17,781	13,529

Note: The amounts mainly represent incentives the Group received from the local governments. There are no unfulfilled conditions relating to these government grants. These grants are granted primarily for compensating expenditure arising from various preclinical and clinical research activities.

9. OTHER GAINS AND LOSSES, NET

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Gain on fair value changes of financial assets at FVTPL	1,300	2,488	887	677
Gains on lease termination and modification	75	–	–	–
Investment income from financial assets at FVTPL	–	901	84	448
Exchange gain/(loss)	1,559	(1,392)	(442)	(361)
Loss on disposals of property, plant and equipment	–	–	–	(72)
	2,934	1,997	529	692

10. PROVISION FOR IMPAIRMENT LOSSES

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Impairment losses/(reversal of impairment losses) under ECL model, net				
Trade receivables	8,883	12,596	16,499	72
Other receivables	(15)	(30)	1	24
Total	8,868	12,566	16,500	96

11. FINANCE COSTS

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Interest expenses on lease liabilities	665	835	438	360

12. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Cost of licenses of patents	2,791	3,505	1,553	1,599
Depreciation of property, plant and equipment	6,511	6,542	3,028	3,252
Depreciation of right-of-use assets	13,144	8,961	4,709	4,268
Amortization of intangible assets (included in general and administrative expenses and research and developments costs)	328	698	240	590
Staff costs (including directors' emoluments):				
– Salaries and other benefits	116,177	108,799	52,763	50,105
– Retirement benefits scheme contributions	9,502	9,113	4,589	5,145
– Share-based payment expenses	46,952	35,730	21,349	6,179
Auditors' remuneration	830	830	–	–
[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Short-term leases with application of recognition exemption	206	210	193	105

13. INCOME TAX EXPENSE/(CREDIT)

The amount of income tax expense/(credit) in the consolidated statements of profit or loss and other comprehensive income represents:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Current tax				
– Tax for the year/period	–	–	–	–
Deferred tax *(Note 22)*	–	240	46	(201)
Total income tax expense/(credit)	–	240	46	(201)

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the standard EIT rate of the PRC subsidiaries is 25%. The Company was approved as "High and New Technology Enterprise" ("HNTE") by the relevant government authorities and was subject to a preferential rate of 15% for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 (unaudited) and 2026. The qualification as a HNTE is subject to review by the relevant tax authority in the PRC every three years. The Company's qualification as a HNTE is subject to review in 2027.

In 2022, the Ministry of Finance and the State Administration of Taxation issued the Notice on the Further Implementation of Preferential Income Tax for Small and Micro Enterprises (Cai Shui [2023] No. 12), which provides that the portion of annual taxable income of small and micro enterprises exceeding RMB1,000,000 but not exceeding RMB3,000,000 shall be deducted to 25% of the taxable income and subject to income tax at a rate of 20% for the period from January 1, 2022 to December 31, 2027. InventisBio Beijing was recognized as a Small and Micro Enterprises and was entitled to a preferential tax rate of 20% during the Track Record Period.

The subsidiaries of the Company incorporated in USA are subject to the federal corporate income tax at a rate of 21%.

The subsidiary established in Hong Kong is subject to Hong Kong profits tax at the statutory rate of 16.5%. Except that under the two-tiered profits tax rates regime, the first HK$2,000,000 of profits of qualifying corporation will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. The profits of corporation in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The income tax expense/(credit) for the Track Record Period and the six months ended June 30, 2025 (unaudited) can be reconciled to the loss before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Loss before tax	(240,204)	(316,625)	(121,489)	(137,282)
Tax at the applicable tax rate of 15%	(36,031)	(47,494)	(18,223)	(20,592)
Effects of different tax rates applicable to different subsidiaries of the Group	(7,063)	(3,087)	(2,380)	(224)
Tax effect of expenses that are not deductible for tax purposes	6,851	16,285	13,901	13,220
Tax effect of temporary difference not recognized	73,811	55,459	15,708	19,178
Tax effect of additional tax deduction for eligible research and development costs	(37,568)	(20,923)	(8,960)	(11,783)
Income tax expense/(credit)	–	240	46	(201)

(a) Tax losses

As of December 31, 2024 and 2025 and June 30, 2026, the Group did not recognize deferred tax assets in respect of losses of approximately RMB2,011,076,000, RMB2,348,595,000 and RMB2,485,412,000, respectively.

The tax losses incurred from the group that are not recognized as deferred tax assets will expire from 2025 to indefinite. Deductible losses that are not recognized for deferred income tax assets will expire as follows:

	Year ended December 31,		Six months ended June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
2025	35,230	–	–
2026	63,680	63,680	–
2027	34,273	34,273	34,273
2028	72,101	72,101	72,101
2029	31,319	31,454	31,454
2030	135,352	136,332	136,088
2031	225,251	225,251	226,232
2032	513,560	513,560	513,560
2033	308,310	308,310	308,288
2034	340,264	288,788	288,788
2035	–	387,289	387,597
2036	–	–	208,642
Indefinite	251,736	287,557	278,389
Total	2,011,076	2,348,595	2,485,412

14. DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Details of the emoluments paid or payable to the directors and supervisors of the Company for the services provided to the Group during the Track Record Period and the six months ended June 30, 2025 (unaudited) are as follows:

Year ended December 31, 2024

	Directors' fee	Salaries, bonus and other allowance	Share-based payment	Social security costs and housing benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive Directors					
Dr. Yaolin Wang	–	7,774	–	333	8,107
Dr. Yueheng Jiang	–	4,900	5,385	307	10,592
Dr. Xing Dai	–	4,867	457	287	5,611
Dr. Zhihui Wang	–	–	–	–	–
Mr. Yifu Liu	–	–	–	–	–
Mr. Luwei Shi	–	1,216	7,688	148	9,052
Independent non-executive directors					
Dr. Jia Yan	200	–	–	–	200
Mr. Wen Chen	200	–	–	–	200
Ms. Xinmiao Dai	200	–	–	–	200
Supervisors					
Mr. Qinghua Feng	–	–	–	–	–
Ms. Jifang Weng	–	708	177	148	1,033
Ms. Dandan Ren	–	230	66	89	385
	600	19,695	13,773	1,312	35,380

Year ended December 31, 2025

	Directors' fee	Salaries, bonus and other allowance	Share-based payment	Social security costs and housing benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive Directors					
Dr. Yaolin Wang	–	8,860	–	308	9,168
Dr. Yueheng Jiang	–	5,866	4,432	283	10,581
Dr. Xing Dai	–	5,130	363	284	5,777
Dr. Zhihui Wang	–	–	–	–	–
Mr. Yifu Liu	–	–	–	–	–
Mr. Luwei Shi	–	1,215	6,965	150	8,330
Independent non-executive directors					
Dr. Jia Yan	200	–	–	–	200
Mr. Wen Chen	200	–	–	–	200
Ms. Xinmiao Dai	200	–	–	–	200
Supervisors					
Mr. Qinghua Feng *(Note)*	–	–	–	–	–
Ms. Jifang Weng *(Note)*	–	295	59	62	416
Ms. Dandan Ren *(Note)*	–	96	22	37	155
	600	21,462	11,841	1,124	35,027

Six months ended June 30, 2025
(Unaudited)

	Directors' fee	Salaries, bonus and other allowance	Share-based payment	Social security costs and housing benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive Directors					
Dr. Yaolin Wang	–	3,586	–	243	3,829
Dr. Yueheng Jiang	–	2,445	2,884	204	5,533
Dr. Xing Dai	–	2,428	226	199	2,853
Ms. Zhihui Wang	–	–	–	–	–
Mr. Yifu Liu	–	–	–	–	–
Mr. Luwei Shi	–	608	4,369	73	5,050
Independent non-executive directors					
Dr. Jia Yan	100	–	–	–	100
Mr. Wen Chen	100	–	–	–	100
Ms. Xinmiao Dai	100	–	–	–	100
Supervisors					
Mr. Qinghua Feng *(Note)*	–	–	–	–	–
Ms. Jifang Weng *(Note)*	–	295	59	62	416
Ms. Dandan Ren *(Note)*	–	96	22	37	155
	300	9,458	7,560	818	18,136

Six months ended June 30, 2026

	Directors' fee	Salaries, bonus and other allowance	Share-based payment	Social security costs and housing benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive Directors					
Dr. Yaolin Wang	–	3,000	–	308	3,308
Dr. Yueheng Jiang	–	1,986	1,308	271	3,565
Dr. Xing Dai	–	1,741	120	271	2,132
Ms. Zhihui Wang	–	–	–	–	–
Mr. Yifu Liu	–	–	–	–	–
Mr. Luwei Shi	–	402	2,246	73	2,721
Independent non-executive directors					
Dr. Jia Yan	100	–	–	–	100
Mr. Wen Chen	100	–	–	–	100
Ms. Xinmiao Dai	100	–	–	–	100
	300	7,129	3,674	923	12,026

Note:

On May 30, 2025, these supervisors were removed from the positions of supervisors due to the fact that the Board of Supervisors had been replaced by Audit Committee on the same date.

15. FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals of the Group included 4, 4, 4 and 4 directors during the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 (unaudited) and 2026, respectively, details of whose remuneration are set out above. Details of the remuneration for the remaining highest paid individual during the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 (unaudited) and 2026, respectively, are as follows:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Salaries, bonus and other allowance	7,179	7,039	3,580	2,463
Share-based payment	457	363	226	120
Social security costs and housing benefits	324	316	259	288
	7,960	7,718	4,065	2,871

The number of non-director highest paid employee whose remuneration fell within the following bands is as follows:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
			(unaudited)	
HKD3,000,001 to HKD3,500,000	–	–	–	1
HKD4,000,001 to HKD4,500,000	–	–	1	–
HKD8,500,001 to HKD9,000,000	1	1	–	–
	1	1	1	1

During the Track Record Period and the six months ended June 30, 2025 (unaudited), no emoluments were paid by the Group to the directors of the Company or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company have waived any emoluments during the Track Record Period and the six months ended June 30, 2025 (unaudited).

16. LOSS PER SHARE

Basic and diluted loss per share

The calculation of the basic and diluted loss per share attribute to owners of the Company is based on the following data:

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the Track Record Period and the six months ended June 30, 2025 (unaudited).

Loss:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Loss attributable to owners of the Company	(240,204)	(316,865)	(121,535)	(137,081)
Loss for the purpose of calculating basic loss per share	(240,204)	(316,865)	(121,535)	(137,081)

Number of shares:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	thousands shares	*thousands shares*	*thousands shares (unaudited)*	*thousands shares*
Weighted average number of ordinary shares in issue	576,421	577,937	577,537	578,556
Basic loss per share (RMB per share)	(0.42)	(0.55)	(0.21)	(0.24)

(b) Diluted

Because the diluted loss per share amount is decreased when taking the restricted shares granted under the restricted share incentive schemes in 2020, 2022 and 2026 into account, the restricted shares incentive schemes had an anti-dilutive effect on the basic loss per share amounts presented and were ignored in the calculation of diluted loss per share during the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 (unaudited) and 2026. Therefore, no adjustment has been made on the basic loss per share amounts presented for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 (unaudited) and 2026 for the purpose of computation of diluted loss per share.

Loss:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Loss attributable to owners of the Company	(240,204)	(316,865)	(121,535)	(137,081)
Loss for the purpose of calculating diluted loss per share	(240,204)	(316,865)	(121,535)	(137,081)

Number of shares:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	thousands shares	*thousands shares*	*thousands shares (unaudited)*	*thousands shares*
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per shares	576,421	577,937	577,537	578,556
Diluted loss per share (RMB per share)	(0.42)	(0.55)	(0.21)	(0.24)

17. DIVIDENDS

No dividend was declared or paid by the Company during the Track Record Period and the six months ended June 30, 2025 (unaudited).

18. INVESTMENTS IN SUBSIDIARIES

	At December 31,		At June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
The Company			
Investments in subsidiaries			
– Unlisted shares, at cost	409,575	447,361	449,368

The management has assessed that there is impairment indication for the investment in subsidiaries of the Company at the end of each reporting period during the Track Record Period resulting from the unfavorable operating performance of subsidiaries. Therefore, the management has performed impairment assessment for the investments in subsidiaries.

Based on the recoverable amount calculation, the recoverable amounts of the CGU exceed the carrying amounts of investments in the subsidiaries. No impairment loss has been provided for the investments in subsidiaries for the Track Record Period.

The impairment assessment is detailed in Note 19 to the Historical Financial Information.

The Company had direct and indirect equity interests in the following principal subsidiaries during the Track Record Period:

Name of subsidiaries	Date and place of incorporation/ establishment	Authorized shares capital/ registered capital			December 31, 2024		December 31, 2025		June 30, 2026		Principal business activities
		December 31, 2024	December 31, 2025	June 30, 2026	Direct	Indirect	Direct	Indirect	Direct	Indirect	
					%	%	%	%			
InventisBio Beijing Limited ("InventisBio Beijing")* *(i), (ii), (iii) & (iv)* . .	August 28, 2020 Chinese Mainland	RMB5,000,000	RMB5,000,000	RMB5,000,000	100	–	100	–	100	–	Research and development of pharmaceutical products
InventisBio US LLC ("New InventisBio US")* *(iii)*	May 26, 2020 USA	US$100	US$100	US$100	100	–	100	–	100	–	Investment holding
InventisBio LLC ("InventisBio US")* *(iii), (iv) & (v)*	October 15, 2018 USA	US$50,000	US$50,000	US$50,000	–	100	–	100	–	100	Research and development of pharmaceutical products
InventisBio Nexa Limited ("InventisBio Nexa")* *(vi)*	April 24, 2026 Hong Kong	–	–	HK$10,000	–	–	–	–	100	–	Biotechnology research, development and investment services
InventisBio Yiqi Beijing Limited ("Yiqi Beijing")* *(i), (ii), (iii) & (vi)*	June 3, 2026 Chinese Mainland	–	–	RMB8,000,000	–	–	–	–	100	–	Research and development of pharmaceutical products

Notes:

(i) The English names of the subsidiaries registered in the Chinese Mainland represent the best efforts made by management of the Company to translate their Chinese names for identification purpose only as they do not have official English names.

(ii) A limited liability company operating in the Chinese Mainland.

(iii) No audited statutory financial statements have been issued for these entities as there are no statutory requirements in the respective places of incorporation.

(iv) The Company granted its restricted shares to the employees in InventisBio Beijing and InventisBio US. Then, the fair value of the granted restricted shares during the vesting period amounting to approximately RMB8,849,000 and RMB2,007,000, respectively, were recorded as investments in subsidiaries during the year ended December 31, 2025 and the six months ended June 30, 2026.

(v) The Company made the capital injection of US$3,963,000 (approximately RMB28,937,000) to InventisBio US during the year ended December 31, 2025.

(vi) These subsidiaries are newly incorporated during the six months ended June 30, 2026.

19. PROPERTY, PLANT AND EQUIPMENT

	Laboratory Equipment	Machinery and office equipment	Construction in progress	Leasehold Improvement	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
The Group					
Cost					
As at January 1, 2024	31,695	343	500	1,045	33,583
Additions	431	83	8,721	–	9,235
Disposals	–	–	(2,751)	–	(2,751)
As at December 31, 2024 and January 1, 2025	32,126	426	6,470	1,045	40,067
Additions	233	75	5,175	–	5,483
Transfer from construction in progress ("CIP") to other property, plant and equipment, net	–	–	(11,645)	11,645	–
As at December 31, 2025 and January 1, 2026	32,359	501	–	12,690	45,550
Additions	239	–	1,807	–	2,046
Disposals	(442)	–	–	–	(442)
As at June 30, 2026	32,156	501	1,807	12,690	47,154
Accumulated Depreciation					
As at January 1, 2024	13,728	159	–	–	13,887
Charge for the year	5,412	54	–	1,045	6,511
As at December 31, 2024 and January 1, 2025	19,140	213	–	1,045	20,398
Charge for the year	4,841	63	–	1,638	6,542
As at December 31, 2025 and January 1, 2026	23,981	276	–	2,683	26,940
Charge for the period	2,128	32	–	1,092	3,252
Written back on disposals	(292)	–	–	–	(292)
As at June 30, 2026	25,817	308	–	3,775	29,900
Net book value					
As at December 31, 2024	12,986	213	6,470	–	19,669
As at December 31, 2025	8,378	225	–	10,007	18,610
As at June 30, 2026	6,339	193	1,807	8,915	17,254

The management has assessed that there is impairment indication for the non-financial assets (including property, plant and equipment, intangible assets, right-of-use assets and prepayments (non-current portion), of the Group at the end of the financial years ended December 31, 2024 and 2025, respectively resulting from the unfavourable operating performance of the Group during the years ended December 31, 2024 and 2025. Therefore, the management has performed impairment assessment for the non-financial assets, which mainly consist of property, plant and equipment (Note 19), intangible assets (Note 20), right-of-use assets (Note 21) and prepayments (non-current portion) (Note 24) of the Group. Having considered the actual financial performance for the six months ended June 30, 2026, the management is not aware of any impairment indicators and therefore no impairment assessment is performed.

For the purposes of impairment testing, the Group estimates the recoverable amount of a CGU of the Group to which the asset belongs when it is not possible to estimate the recoverable amount individually. The CGU comprises the Group's single operation of research, development and commercialisation of pharmaceutical products and represents the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

The recoverable amount of the CGU is determined based on value-in-use calculation. The group engaged an independent professional valuer to assist with the calculation. The calculation uses cash flow projections based on financial budgets approved by management covering a five-year period which with pre-tax discount rates of 23.48% and 24.60% as at December 31, 2024 and 2025, respectively. Cash flows beyond the detailed forecast period are extrapolated using an estimated weighted average growth rate of 3.00% consistent for all these reporting dates, which does not exceed the long-term average growth rate for the market in which the subsidiaries operate.

Based on the result of the assessment, the recoverable amounts of non-financial assets exceed the carrying amounts of non-financial assets at the end of each reporting period during the Track Record Period. No impairment loss has been provided for the non-financial assets of the Group for the Track Record Period.

	Laboratory Equipment	Machinery and office equipment	Construction in progress	Leasehold Improvement	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
The Company					
Cost					
As at January 1, 2024	31,695	343	500	1,045	33,583
Additions	431	83	8,721	–	9,235
Disposals	–	–	(2,751)	–	(2,751)
As at December 31, 2024 and January 1, 2025	32,126	426	6,470	1,045	40,067
Additions	233	75	5,175	–	5,483
Transfer from construction in progress ("CIP") to other property, plant and equipment, net	–	–	(11,645)	11,645	–
As at December 31, 2025 and January 1, 2026	32,359	501	–	12,690	45,550
Additions	239	–	1,807	–	2,046
Disposals	(442)	–	–	–	(442)
As at June 30, 2026	32,156	501	1,807	12,690	47,154
Accumulated Depreciation					
As at January 1, 2024	13,728	159	–	–	13,887
Charge for the year	5,412	54	–	1,045	6,511
As at December 31, 2024 and January 1, 2025	19,140	213	–	1,045	20,398
Charge for the year	4,841	63	–	1,638	6,542
As at December 31, 2025 and January 1, 2026	23,981	276	–	2,683	26,940
Charge for the period	2,128	32	–	1,092	3,252
Written back on disposals	(292)	–	–	–	(292)
As at June 30, 2026	25,817	308	–	3,775	29,900
Net book value					
As at December 31, 2024	12,986	213	6,470	–	19,669
As at December 31, 2025	8,378	225	–	10,007	18,610
As at June 30, 2026	6,339	193	1,807	8,915	17,254

20. INTANGIBLE ASSETS

	Software
	RMB'000
The Group	
Cost	
As at January 1, 2024, December 31, 2024 and January 1, 2025	1,448
Addition	1,535
As at December 31, 2025, January 1, 2026 and June 30, 2026	2,983
Amortization	
As at January 1, 2024	528
Amortization for the year	328
As at December 31, 2024 and January 1, 2025	856
Amortization for the year	698
As at December 31, 2025 and January 1, 2026	1,554
Amortization for the period	590
As at June 30, 2026	2,144
Net book value	
As at December 31, 2024	592
As at December 31, 2025	1,429
As at June 30, 2026	839

	Software
	RMB'000
The Company	
Cost	
As at January 1, 2024, December 31, 2024 and January 1, 2025	1,448
Addition	1,535
As at December 31, 2025, January 1, 2026 and June 30, 2026	2,983
Amortization	
As at January 1, 2024	528
Amortization for the year	328
As at December 31, 2024 and January 1, 2025	856
Amortization for the year	698
As at December 31, 2025 and January 1, 2026	1,554
Amortization for the period	590
As at June 30, 2026	2,144
Net book value	
As at December 31, 2024	592
As at December 31, 2025	1,429
As at June 30, 2026	839

Impairment assessment for intangible assets is detailed in Note 19 to the Historical Financial Information.

21. RIGHT-OF-USE ASSETS

Details of the right-of-use assets recognized and movements during the year/period:

The Group

	Other properties leased for own use
	RMB'000
Costs	
As at January 1, 2024	41,965
Additions	27,168
Lease termination	(5,039)
As at December 31, 2024 and January 1, 2025	64,094
Additions	5,279
Lease termination	(21,171)
As at December 31, 2025 and January 1, 2026	48,202
Additions	1,114
As at June 30, 2026	49,316
Depreciation	
As at January 1, 2024	30,235
Depreciation	13,144
Eliminated on lease termination	(4,432)
As at December 31, 2024 and January 1, 2025	38,947
Depreciation	8,961
Eliminated on lease termination	(21,171)
As at December 31, 2025 and January 1, 2026	26,737
Depreciation	4,268
As at June 30, 2026	31,005
Carrying amounts	
As at December 31, 2024	25,147
As at December 31, 2025	21,465
As at June 30, 2026	18,311

The Company

	Other properties leased for own use
	RMB'000
Costs	
As at January 1, 2024	40,051
Additions	26,007
Lease termination	(3,125)
As at December 31, 2024 and January 1, 2025	62,933
Additions	5,279
Lease termination	(21,171)
As at December 31, 2025 and January 1, 2026	47,041
Additions	304
As at June 30, 2026	47,345
Depreciation	
As at January 1, 2024	28,480
Depreciation	12,520
Eliminated on lease termination	(2,517)
As at December 31, 2024 and January 1, 2025	38,483
Depreciation	8,403
Eliminated on lease termination	(21,171)
As at December 31, 2025 and January 1, 2026	25,715
Depreciation	4,028
As at June 30, 2026	29,743
Carrying amounts	
As at December 31, 2024	24,450
As at December 31, 2025	21,326
As at June 30, 2026	17,602

For the years ended December 31, 2024 and 2025 and the six months end June 30, 2026, the Group leases various office premises for its operations. Lease contracts are entered into for fixed terms of ranging from 1 year to 6 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable year, the Group applies the definition of a contract and determines the year for which the contract is enforceable.

Impairment assessment for right-of-use assets is detailed in Note 19 to the Historical Financial Information.

22. DEFERRED TAXATION

The Group

The following is a summary of the deferred tax balances of the Group for financial reporting purposes:

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	3,439	3,188	2,641
Deferred tax liabilities	(3,439)	(3,428)	(2,680)
	–	(240)	(39)

The followings are the major deferred tax assets and liabilities recognized and movements during the Track Record Period:

DEFERRED TAX ASSETS	Lease liabilities
	RMB'000
As of January 1, 2024	2,901
Credited to profit or loss	538
As of December 31, 2024 and January 1, 2025	3,439
Charged to profit or loss	(251)
As of December 31, 2025 and January 1, 2026	3,188
Charged to profit or loss	(547)
As at June 30, 2026	2,641

Note:

As at December 31, 2024 and 2025 and June 30, 2026, the Group had unused tax losses of approximately RMB2,011,076,000, RMB2,348,595,000 and RMB2,589,267,000, respectively, available to offset against future profits, and had not been recognized as at December 31, 2024 and 2025 and June 30, 2026, respectively, due to the unpredictability of future profit streams.

DEFERRED TAX LIABILITIES	Financial assets at FVTPL	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*
As of January 1, 2024	–	2,901	2,901
Charged to profit or loss	–	538	538
As of December 31, 2024 and January 1, 2025	–	3,439	3,439
Charged/(credited) to profit or loss	240	(251)	(11)
As of December 31, 2025 and January 1, 2026	240	3,188	3,428
Credited to profit or loss	(201)	(547)	(748)
As at June 30, 2026	39	2,641	2,680

The Company

The following is a summary of the deferred tax balances of the Company for financial reporting purposes:

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	3,412	3,188	2,610
Deferred tax liabilities	(3,412)	(3,428)	(2,649)
	–	(240)	(39)

The followings are the major deferred tax assets and liabilities recognized and movements during the Track Record Period:

DEFERRED TAX ASSETS	Lease liabilities
	RMB'000
As of January 1, 2024	2,893
Credited to profit or loss	519
As of December 31, 2024 and January 1, 2025	3,412
Charged to profit or loss	(224)
As of December 31, 2025 and January 1, 2026	3,188
Charged to profit or loss	(578)
As at June 30, 2026	2,610

DEFERRED TAX LIABILITIES	Financial assets at FVTPL	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*
As of 1 January 2024	–	2,893	2,893
Charged to profit or loss	–	519	519
As of December 31, 2024 and January 1, 2025	–	3,412	3,412
Charged/(credited) to profit or loss	240	(224)	16
As of December 31, 2025 and January 1, 2026	240	3,188	3,428
Credited to profit or loss	(201)	(578)	(779)
As at June 30, 2026	39	2,610	2,649

23. FINANCIAL ASSETS AT FVTPL

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
The Group			
Financial assets			
Current assets			
Financial assets at FVTPL			
– Wealth management products *(Note)*	101,300	153,677	152,960

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
The Company			
Financial assets			
Current assets			
Financial assets at FVTPL			
– Wealth management products *(Note)*	101,300	153,677	152,960

Note:

Wealth management products

The Group purchased series of wealth management products from reputable financial institutions in the PRC. The investments are yield enhancement deposits with expected and guaranteed rates of return. The expected rates of return ranged from 1.9% to 2.09%, 1.5% to 2.05% and 1.4% to 2.05% per annum for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, respectively, which were determined by reference to the returns of the underlying investments. The directors of the Company considered the wealth management products shall be classified as financial assets at FVTPL due to it is held for trading purpose.

24. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
The Group			
Trade receivables			
– Third parties	183,518	115,438	116,881
Less: loss allowance for trade receivables	(18,176)	(30,772)	(30,844)
	165,342	84,666	86,037
Deposits and other receivables			
– Third parties *(Note (ii))*	11,423	15,781	24,240
– A related party *(Note (i))*	187	187	–
Sub-total for deposits and other receivables	11,610	15,968	24,240
Less: loss allowance for other receivables	(121)	(91)	(115)
Sub-total	11,489	15,877	24,125

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Prepayments			
– Current portion *(Note (iii))*	11,692	27,515	42,543
– Non-current portion	679	587	5,024
Sub-total	12,371	28,102	47,567

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
The Company			
Trade receivables			
– Third parties	183,518	115,438	116,881
Less: loss allowance for trade receivables	(18,176)	(30,772)	(30,844)
	165,342	84,666	86,037
Deposits and other receivables			
– Third parties *(Note (ii))*	11,245	15,602	24,061
– A related party *(Note (i))*	187	187	–
Sub-total for deposits and other receivables	11,432	15,789	24,061
Less: loss allowance for other receivables	(118)	(88)	(112)
Sub-total	11,314	15,701	23,949
Prepayments			
– Current portion *(Note (iii))*	10,874	26,747	42,484
– Non-current portion	679	587	5,024
Sub-total	11,553	27,334	47,508

Notes:

(i) Details of the other receivables due from a related party are set out in Note 35(b).

(ii) Other receivables from third parties mainly consist of interest receivables, rental deposits and value-added input tax credit.

(iii) Prepaid [**REDACTED**] are included in current portion of prepayments as of December 31, 2025 and June 30, 2026.

The Group generally allows a credit period of 20 to 60 days to its customers. The following is aging analysis of trade receivables (net of allowance for impairment losses), presented based on the respective revenue recognition dates, at the end of each financial period during the Track Record Period:

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
The Group			
Within 1 year	3,518	15,438	16,881
1 to 2 years	180,000	–	–
2 to 3 years	–	100,000	100,000
	183,518	115,438	116,881
Less: loss allowance for trade receivables	(18,176)	(30,772)	(30,844)
	165,342	84,666	86,037

Movements in lifetime ECL that have been recognized for trade receivables in accordance with the simplified approach set out in IFRS 9 for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026:

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year/period	9,293	18,176	30,772
Provision for impairment loss	8,883	12,596	72
At the end of the year/period	18,176	30,772	30,844

The Company

The following is aging analysis of trade receivables (net of allowance for impairment losses), presented based on the respective revenue recognition dates, at the end of each financial period during the Track Record Period:

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	3,518	15,438	16,881
1 to 2 years	180,000	–	–
2 to 3 years	–	100,000	100,000
	183,518	115,438	116,881
Less: loss allowance for trade receivables	(18,176)	(30,772)	(30,844)
	165,342	84,666	86,037

Movements in lifetime ECL that have been recognized for trade receivables of the Company in accordance with the simplified approach set out in IFRS 9 for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026:

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of year/period	9,293	18,176	30,772
Provision for impairment loss	8,883	12,596	72
At the end of year/period	18,176	30,772	30,844

25. CASH AND BANK BALANCES AND TIME DEPOSITS

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
The Group			
Current assets			
Time deposits with original maturity within one year	667,521	653,711	531,210
Cash and bank balances	913,947	723,120	641,249
	1,581,468	1,376,831	1,172,459
Less: Time deposits with original maturity longer than 3 months	(667,521)	(653,711)	(531,210)
Cash and cash equivalent	913,947	723,120	641,249

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
The Company			
Current assets			
Time deposits with original maturity within one year	667,521	652,837	530,356
Cash and bank balances	890,904	714,415	634,471
	1,558,425	1,367,252	1,164,827
Less: Time deposits with original maturity longer than 3 months	(667,521)	(652,837)	(530,356)
Cash and cash equivalent	890,904	714,415	634,471

26. TRADE AND OTHER PAYABLES AND ACCRUALS

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
The Group			
Trade payables			
– Third parties	59,964	115,480	75,878
Total trade payables	59,964	115,480	75,878
Other payables and accruals			
– Salary and bonus payables	20,310	23,629	11,132
– Other taxes payables	15	13	80
– Others	1,904	2,630	2,014
Total other payables and accruals	22,229	26,272	13,226
	82,193	141,752	89,104

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
The Company			
Trade payables			
– Third parties	51,437	108,706	63,273
Total trade payables	51,437	108,706	63,273
Other payables and accruals			
– Salary and bonus payables	11,501	11,768	6,588
– Other taxes payables	10	9	19
– Others	1,060	2,096	1,477
Total other payables and accruals	12,571	13,873	8,084
	64,008	122,579	71,357

Payment terms with suppliers are mainly on credit period within one month. The following is an aging analysis of trade payables presented based on transaction dates at the end of each of the reporting period:

	As at December 31,		As at June 30,
Trade payables	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
The Group			
Within 1 year	59,964	115,480	75,878

Trade payables	As at December 31, 2024	As at December 31, 2025	As at June 30, 2026
	RMB'000	*RMB'000*	*RMB'000*
The Company			
Within 1 year	51,437	108,706	63,273

27. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's and the Company's lease liabilities at the end of each reporting period:

	As at December 31, 2024	As at December 31, 2025	As at June 30, 2026
	RMB'000	*RMB'000*	*RMB'000*
The Group			
Within 1 year	8,581	7,794	7,000
Over 1 year but within 2 years	17,546	5,629	4,926
Over 2 years but within 5 years	–	10,169	8,069
Total lease payments	26,127	23,592	19,995
Interest	(2,205)	(1,523)	(1,192)
	23,922	22,069	18,803
Less: Amounts due for settlement within 12 months shown under current liabilities	(7,788)	(7,150)	(6,453)
Amount due for settlement after 12 months shown under non-current liabilities	16,134	14,919	12,350

	As at December 31, 2024	As at December 31, 2025	As at June 30, 2026
	RMB'000	*RMB'000*	*RMB'000*
The Company			
Within 1 year	7,983	7,794	6,689
Over 1 year but within 2 years	17,546	5,629	4,615
Over 2 years but within 5 years	–	10,169	8,069
Total lease payments	25,529	23,592	19,373
Interest	(2,198)	(1,523)	(1,177)
	23,331	22,069	18,196
Less: Amounts due for settlement within 12 months shown under current liabilities	(7,197)	(7,150)	(6,155)
Amount due for settlement after 12 months shown under non-current liabilities	16,134	14,919	12,041

28. DEFERRED INCOME

The Group

	Income related
	RMB'000
Non-current:	
As at January 1, 2024	880
Additions	100
Release to profit or loss *(Note 8)*	(500)
As at December 31, 2024, January 1, 2025, December 31, 2025, January 1, 2026 and June 30, 2026	480

The Company

	Income related
	RMB'000
Non-current:	
As at January 1, 2024	880
Additions	100
Release to profit or loss *(Note 8)*	(500)
As at December 31, 2024, January 1, 2025, December 31, 2025, January 1, 2026 and June 30, 2026	480

Note: The amounts primarily consist of incentives provided by local authorities for compensating of research and development costs which expected to be incurred. These funds will be recognized as deferred income and systematically released to profit or loss. For grants related to expense, the amounts received are recognized in profit or loss over the periods necessary to match them with the related costs they are intended to compensate.

29. SHARE CAPITAL

	Number of ordinary shares	Equivalent nominal value of shares
	thousands shares	*RMB'000*
The Group and the Company		
Ordinary shares of RMB1.00 each		
As of January 1, 2024	575,000	575,000
2022 Restricted Share Incentive Scheme *(Note (i))*	1,745	1,745
As of December 31, 2024 and January 1, 2025	576,745	576,745
2022 Restricted Share Incentive Scheme *(Note (ii))*	1,603	1,603
As of December 31, 2025 and January 1, 2026	578,348	578,348
2022 Restricted Share Incentive Scheme *(Note (iii))*	1,244	1,244
As at June 30, 2026	579,592	579,592

(Unaudited)

	Number of ordinary shares	Equivalent nominal value of shares
	thousands shares	*RMB'000*
The Group and the Company		
Ordinary shares of RMB1.00 each		
As of January 1, 2025	576,745	576,745
2022 Restricted Share Incentive Scheme *(Note (iv))*	1,583	1,583
As at June 30, 2025	578,328	578,328

Notes:

(i) During the year ended December 31, 2024, 1,745,195 ordinary shares in the Company were issued under 2022 Restricted Share Incentive Scheme at a consideration of approximately RMB7,591,000, approximately RMB1,745,000 and RMB5,846,000 were credited to share capital account and share premium in capital reserve account, respectively

(ii) During the year ended December 31, 2025, 1,603,296 ordinary shares in the Company were issued under 2022 Restricted Share Incentive Scheme at a consideration of approximately RMB6,974,000, approximately RMB1,603,000 and RMB5,371,000 were credited to share capital account and share premium in capital reserve account, respectively

(iii) During the six months ended June 30, 2026, 1,243,513 ordinary shares in the Company were issued under 2022 Restricted Share Incentive Scheme at a consideration of approximately RMB5,410,000, approximately RMB1,244,000 and RMB4,166,000 were credited to share capital account and share premium in capital reserve account, respectively

(iv) During the six months ended June 30, 2025 (unaudited), 1,582,649 ordinary shares in the Company were issued under 2022 Restricted Share Incentive Scheme at a consideration of approximately RMB6,885,000, approximately RMB1,583,000 and RMB5,302,000 were credited to share capital account and share premium in capital reserve account, respectively.

30. RESERVES

Reserves movements of the Company:

	Capital reserve	Share award reserve	Accumulated losses	Total
	Note (i)	*Note (ii)*	*Note (iii)*	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2024	2,357,250	134,070	(786,384)	1,704,936
Loss for the year	–	–	(120,078)	(120,078)
Recognition of equity-settled share-based payment expenses	–	46,952	–	46,952
Issuance of restricted shares	5,846	–	–	5,846
Balance at December 31, 2024	2,363,096	181,022	(906,462)	1,637,656

	Capital reserve	Share award reserve	Accumulated losses	Total
	Note (i)	*Note (ii)*	*Note (iii)*	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2025	2,363,096	181,022	(906,462)	1,637,656
Loss for the year	–	–	(265,117)	(265,117)
Recognition of equity-settled share-based payment expenses	–	35,730	–	35,730
Issuance of restricted shares	5,371	–	–	5,371
Vesting of restricted shares	112,106	(112,106)	–	–
Balance at December 31, 2025	2,480,573	104,646	(1,171,579)	1,413,640

(Unaudited)

	Capital reserve	Share award reserve	Accumulated losses	Total
	Note (i)	*Note (ii)*	*Note (iii)*	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2025	2,363,096	181,022	(906,462)	1,637,656
Loss for the period	–	–	(82,311)	(82,311)
Recognition of equity-settled share-based payment expenses	–	21,349	–	21,349
Issuance of restricted shares	5,302	–	–	5,302
Vesting of restricted shares	41,893	(41,893)	–	–
Balance at June 30, 2025	2,410,291	160,478	(988,773)	1,581,996

	Capital reserve	Share award reserve	Accumulated losses	Total
	Note (i)	*Note (ii)*	*Note (iii)*	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2026	2,480,573	104,646	(1,171,579)	1,413,640
Loss for the period	–	–	(133,305)	(133,305)
Recognition of equity-settled share-based payment expenses	–	6,179	–	6,179
Issuance of restricted shares	4,166	–	–	4,166
Vesting of restricted shares	15,178	(15,178)	–	–
Balance at June 30, 2026	2,499,917	95,647	(1,304,884)	1,290,680

Notes:

(i) Capital reserve

The amount mainly represents the share premium which is capital contribution in excess of nominal value of share capital.

(ii) Share award reserve

The share award reserve represent the equity-settled restricted share schemes as set out in Note 33 to the Historical Financial Information.

(iii) Accumulated losses

Cumulative net gains and losses recognized in profit or loss.

(iv) Exchange reserve

The amount mainly represents gains/losses arising from retranslating the net assets of foreign operations into the presentation currency of the Group.

31. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities comprising the Group will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the Track Record Period.

The capital structure of the Group consists of lease liabilities and equity attributable to owners of the Company (comprising capital and reserves).

Management of the Group regularly reviews the capital structure on a continuous basis taking into account the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the new share issues.

32. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Amortized cost			
Trade and other receivables	176,831	100,543	110,162
Cash and bank balances	913,947	723,120	641,249
Time deposits	667,521	653,711	531,210
Financial assets at FVTPL	101,300	153,677	152,960
Total	1,859,599	1,631,051	1,435,581

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities			
Amortized cost			
Trade and other payables	82,193	141,752	89,104
Lease liabilities	23,922	22,069	18,803
Total	106,115	163,821	107,907

The Company

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Amortized cost			
Trade and other receivables	176,656	100,367	109,986
Cash and bank balances	890,904	714,415	634,471
Time deposits	667,521	652,837	530,356
Financial assets at FVTPL	101,300	153,677	152,960
Total	1,836,381	1,621,296	1,427,773

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities			
Amortized cost			
Trade and other payables	64,008	122,579	71,357
Lease liabilities	23,331	22,069	18,196
Total	87,339	144,648	89,553

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, cash and bank balances, time deposits, financial assets at FVTPL, trade and other payables and lease liabilities. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group and the Company manage and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

The Group's activities expose it primarily to currency risk and interest rate risk. There has been no change in the Group's exposure to these risks or the manner in which it managed and measured the risks during each of the reporting period.

(i) Foreign currency risk

Several subsidiaries of the Company have foreign currency capital expenditure and cash and bank balances, which expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currencies denominated monetary assets and liabilities at the end of each reporting period are as follows:

The Group

	Assets		
	As of December 31,		As of June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
US$	131,864	119,091	115,744

	Liabilities		
	As of December 31,		As of June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
US$	11,636	16,153	19,596

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against US$. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding US$ denominate monetary items and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rates. A negative number below indicates an increase in post-tax loss where RMB strengthen 5% against US$. For a 5% weakening of RMB against US$, there would be an equal and opposite impact on the post-tax loss and the amounts below would be positive.

The Group

	As of December 31,		As of June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
US$	(5,110)	(4,375)	(4,086)

During the Track Record Period, the currency exposure of RMB against currencies other than US$ is immaterial, and accordingly, no sensitivity analysis is disclosed.

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to its time deposits, cash and bank balances and lease liabilities.

The Group has no cash flow interest rate risk as there are no borrowings.

Credit risk

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's and the Company's counterparties default on their contractual obligations resulting in financial losses to the Group and the Company. The Group's and the Company's credit risk exposures are primarily attributable to trade receivables, bank balances, time deposits and other receivables. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade receivables arising from contracts with customers

In order to minimise the credit risk, the management of the Group and the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the management considers that the Group's and the Company's credit risk is significantly reduced.

The Group has concentration of credit risk as approximately 99.15%, 91.5% and 92.3% of the total trade receivables was due from the Group's largest debtor as at December 31, 2024 and 2025 and June 30, 2026, respectively. The Group has concentration of credit risk as all the total trade receivables was due from the Group's top two largest debtors as at December 31, 2024 and 2025 and June 30, 2026, respectively.

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items by using a provision matrix as at December 31, 2024 and 2025 and June 30, 2026 within lifetime ECL (not credit impaired) estimated based on the financial quality of debtors and historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The following table details the credit risk exposures of the Group's trade receivables which are subject to ECL assessment:

	Average expected credit loss rate	Gross amounts	Loss allowance
		RMB'000	*RMB'000*
As at December 31, 2024			
Within 1 year	5%	3,518	176
1 to 2 years	10%	180,000	18,000
		183,518	18,176
As at December 31, 2025			
Within 1 year	5%	15,438	772
2 to 3 years	30%	100,000	30,000
		115,438	30,772
As at June 30, 2026			
Within 1 year	5%	16,881	844
2 to 3 years	30%	100,000	30,000
		116,881	30,844

The Group considers that there is no significant change in credit risk rating of the debtors, historical payment pattern and forward-looking information during the Track Record Period.

The Group makes full provision for a trade receivable when there is information indicating that the receivable is in severe financial difficulty and there is no realistic prospect of recovery.

Other receivables

For other receivables, the management makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group and the Company provided impairment based on 12m ECL.

Time deposits and cash at banks

The Group expects that there is no significant credit risk associated with time deposits and cash at banks since they are substantially deposited at state-owned banks and other medium or large-sized listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

The Group also expects that there is no significant credit risk associated with the amount due from a related party since this counterparty is mainly a related party with good reputation.

(iv) Liquidity risk

In the management of the liquidity risk, the Group and the Company monitor and maintain a level of bank balances and cash deemed adequate by the management to finance the operations of the Group and the Company, and mitigate the effects of fluctuations in cash flows.

The following tables detail the Group's and the Company's remaining contractual maturity for its financial liabilities and lease liabilities. The tables have been drawn up based on the undiscounted cash flows of and financial liabilities and lease liabilities based on the earliest date on which the Group can be required to pay.

The tables include both interest and principal cash flows.

	On demand or less than one year	More than one year but less than two years	More than two years but less than five years	Total undiscounted cash flow	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
The Group					
As at December 31, 2024					
Trade and other payables	82,193	–	–	82,193	82,193
Lease liabilities	8,581	17,546	–	26,127	23,922
Total	90,774	17,546	–	108,320	106,115

	On demand or less than one year	More than one year but less than two years	More than two years but less than five years	Total undiscounted cash flow	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2025					
Trade and other payables	141,752	–	–	141,752	141,752
Lease liabilities	7,794	5,629	10,169	23,592	22,069
Total	149,546	5,629	10,169	165,344	163,821

	On demand or less than one year	More than one year but less than two years	More than two years but less than five years	Total undiscounted cash flow	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at June 30, 2026					
Trade and other payables	89,104	–	–	89,104	89,104
Lease liabilities	7,000	4,926	8,069	19,995	18,803
Total	96,104	4,926	8,069	109,099	107,907

	On demand or less than one year	More than one year but less than two years	More than two years but less than five years	Total undiscounted cash flow	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
The Company					
As at December 31, 2024					
Trade and other payables	64,008	–	–	64,008	64,008
Lease liabilities	7,983	17,546	–	25,529	23,331
Total	71,991	17,546	–	89,537	87,339

	On demand or less than one year	More than one year but less than two years	More than two years but less than five years	Total undiscounted cash flow	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2025					
Trade and other payables	122,579	–	–	122,579	122,579
Lease liabilities	7,794	5,629	10,169	23,592	22,069
Total	130,373	5,629	10,169	146,171	144,648

	On demand or less than one year	More than one year but less than two years	More than two years but less than five years	Total undiscounted cash flow	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at June 30, 2026					
Trade and other payables	71,357	–	–	71,357	71,357
Lease liabilities	6,689	4,615	8,069	19,373	18,196
Total	78,046	4,615	8,069	90,730	89,553

(c) Fair value measurement

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the Historical Financial Information. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under IFRS Accounting Standards.

(i) Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of each reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

(ii) Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(iii) Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The carrying amounts of the financial assets and liabilities, which are measured at amortized cost, approximated their fair value as of December 31, 2024 and 2025 and June 30, 2026.

The following table presents the Group's financial assets that are measured at fair value as of December 31, 2024 and 2025 and June 30, 2026, respectively.

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2024				
Assets				
Financial assets at FVTPL				
Wealth management products	–	101,300	–	101,300

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2025				
Assets				
Financial assets at FVTPL				
Wealth management products	–	153,677	–	153,677

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at June 30, 2026				
Assets				
Financial assets at FVTPL				
Wealth management products	–	152,960	–	152,960

(ii) Information about Level 2 fair value measurement

The fair values of the wealth management products which were all issued by reputable financial institutions have been estimated by using discounted cash flow valuation models with reference to observable inputs including interest rates.

During the Track Record Period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

33. SHARE-BASED PAYMENT

Share-based payment expenses during the Track Record Period and the six months ended June 30, 2025 (unaudited) are as follows:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Equity settled share-based payment expenses	46,952	35,730	21,349	6,179

Restricted share scheme before IPO in Shanghai Stock Exchange ("SSE") (2020)

The Company adopted a restricted share incentive scheme in 2020 (the "2020 Restricted Share Incentive Scheme") for the primary purpose of attracting, retaining and motivating the directors and employees of the Group. Under the 2020 Restricted Share Incentive Scheme, the directors granted a total of 16,314,684 restricted shares under the incentive scheme to eligible employees, including the directors and employees of the Group, at a price of RMB0.43 per share to obtain ordinary shares of the Company upon vesting.

In order to implement the restricted share incentive scheme, Shanghai Yixi Enterprise Management Center (Limited Partnership)* ("上海益喜企業管理中心(有限合夥)"), Shanghai Yimu Enterprise Management Center (Limited Partnership)* ("上海益穆企業管理中心(有限合夥)") and YAOLIN WANG LLC were established and designated as share incentive platforms to hold the shares specially awarded to the eligible participants as the ultimate beneficial owners.

Restricted shares granted to incentive recipients are subject to lock-up periods, which commence from the expected date for the Group to be listed in the Shanghai Stock Exchange. According to the Company's performance appraisal and individual performance appraisal, 40% of the shares will be vested after 36 months, 30% of the shares will be vested after 48 months and the rest will be vested after 60 months. During the lock-up period, the incentive recipients' restricted shares shall not be transferable, used as collateral, or applied to debt settlement.

Restricted shares held by recipients who do not meet vesting conditions shall not be released and cannot be deferred to subsequent periods; such shares shall be repurchased and canceled by the Company at the grant price.

Upon termination of the restricted share incentive plan, the Company shall repurchase all unvested restricted shares and cancel of them in accordance with the provisions of the Company Law.

Set out below are details of the movements of the outstanding restricted shares granted under the 2020 Restricted Share Incentive Scheme during the Track Record Period:

	As at December 31,		As at June 30,
	2024	2025	2026
At the beginning of the year/period	16,219,830	16,093,330	9,567,456
Granted	819,720	57,500	4,140
Vested	–	(6,525,874)	–
Exercised	(126,500)	–	–
Forfeited	(819,720)	(57,500)	(4,140)
At the end of the year/period	16,093,330	9,567,456	9,567,456

The fair value of restricted shares is determined by the closing share price at grant day. The fair value of restricted shares granted for 2020 Restricted Share Incentive Scheme at grant dates was RMB11.86 and RMB9.03, respectively.

During the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, the Company recognized expenses for the services rendered during the vesting period under 2020 Restricted Share Incentive Scheme of approximately RMB29,061,000, RMB27,873,000 and RMB9,394,000, respectively.

Restricted share incentive scheme in 2022

The Company adopted a restricted share incentive scheme in 2022 (the "2022 Restricted Share Incentive Scheme") for the primary purpose of attracting, retaining and motivating the directors and employees of the Group. Under the 2022 Restricted Share Incentive Scheme, the directors granted 4,611,762, 68,824 and 853,529 newly issued restricted shares under the incentive scheme to eligible employees, including the directors and employees of the Group, which all at a price of RMB4.35 per share, in January 2023, August 2023 and January 2024, respectively, which settled upon the date of grant, to obtain ordinary shares of the Company upon vesting.

Restricted shares granted to incentive recipients are subject to lock-up periods, which commence from the grant date. According to the Company's performance appraisal and individual performance appraisal, 40% of the shares will be vested after 12 months, 30% of the shares will be vested after 24 months and the rest will be vested after 36 months. During the lock-up period, the incentive recipients' restricted shares shall not be transferable, used as collateral, or applied to debt settlement.

Restricted shares held by recipients who do not meet vesting conditions shall not be released and cannot be deferred to subsequent periods; such shares shall be repurchased and canceled by the Company at the grant price.

Upon termination of the restricted share incentive plan, the Company shall repurchase all unvested restricted shares and cancel of them in accordance with the provisions of the Company Law.

Set out below are details of the movements of the outstanding restricted shares granted under the 2022 Restricted Share Incentive Scheme during the Track Record Period:

	As at December 31,		As at June 30,
	2024	2025	2026
At the beginning of the year/period	4,557,056	3,230,097	1,598,566
Granted	853,529	–	–
Vested	(1,745,195)	(1,603,296)	(1,243,513)
Forfeited	(435,293)	(28,235)	(315,012)
At the end of the year/period	3,230,097	1,598,566	40,041

The fair value of restricted shares is determined by the closing share price at grant day. The fair value of restricted shares granted for 2022 Restricted Share Incentive Scheme at grant dates was RMB17.14, RMB13.05 and RMB13.88, respectively.

During the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, the Company recognized/(reversed) expenses for the services rendered during the vesting period under 2022 Restricted Share Incentive Scheme of approximately RMB17,891,000, RMB7,857,000 and RMB(3,215,000), respectively.

Restricted share incentive scheme in 2026

The Company adopted a restricted share incentive scheme in 2026 (the "2026 Restricted Share Incentive Scheme") for the primary purpose of attracting, retaining and motivating the directors and employees of the Group. Under the 2026 Restricted Share Incentive Scheme, the directors granted a total of 6,570,981 newly issued restricted shares under the incentive scheme to eligible employees, including the directors and employees of the Group, which all at a price of RMB10.55 per share in June 2026, to obtain ordinary shares of the Company upon vesting.

Restricted shares granted to incentive recipients are subject to lock-up periods, which commence from the grant date. According to the Company's performance appraisal and individual performance appraisal, 40% of the shares will be vested after 12 months, 40% of the shares will be vested after 24 months and the rest will be vested after 36 months. During the lock-up period, the incentive recipients' restricted shares shall not be transferable, used as collateral, or applied to debt settlement.

Restricted shares held by recipients who do not meet vesting conditions shall not be released and cannot be deferred to subsequent periods; such shares shall be repurchased and canceled by the Company at the grant price.

Upon termination of the restricted share incentive plan, the Company shall repurchase all unvested restricted shares and cancel of them in accordance with the provisions of the Company Law.

Set out below are details of the movements of the outstanding restricted shares granted under the 2026 Restricted Share Incentive Scheme during the Track Record Period:

	As at June 30, 2026
At the beginning of the period	–
Granted	6,570,981
At the end of the period	6,570,981

The fair value of restricted shares is determined by the closing share price at grant day. The fair value of restricted shares granted for 2026 Restricted Share Incentive Scheme at grant date was RMB17.40.

During the six months ended June 30, 2026, no expense was recognized under 2026 Restricted Share Incentive Scheme.

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Lease liabilities
	RMB'000
As at January 1, 2024	11,619
Lease interest expenses	665
Repayment of capital element of lease liabilities	(13,408)
Payment of interest element of lease rentals paid	(665)
Non-cash movement	25,711
As at December 31, 2024 and January 1, 2025	23,922
Lease interest expenses	835
Repayment of capital element of lease liabilities	(9,036)
Payment of interest element of lease rentals paid	(835)
Non-cash movement	7,183
As at December 31, 2025	22,069
(Unaudited)	
As at January 1, 2025	23,922
Lease interest expenses	438
Repayment of capital element of lease liabilities	(5,006)
Payment of interest element of lease rentals paid	(438)
Non-cash movement	4,036
As at June 30, 2025	22,952
As at January 1, 2026	22,069
Lease interest expenses	360
Repayment of capital element of lease liabilities	(4,380)
Payment of interest element of lease rentals paid	(360)
Non-cash movement	1,114
As at June 30, 2026	18,803

The non-cash movement included lease liabilities mainly resulted from the new lease contracts entered during the Track Record Period and the six months ended June 30, 2025 (unaudited).

35. RELATED PARTY TRANSACTIONS AND BALANCES

The Group

During the reporting periods, the following parties are identified as related parties to the Group and the respective relationships are set out below:

Names of related parties	Relationship
益方生物科技(香港)有限公司 InventisBio Hong Kong Limited	The parent of the Group
上海雅本化學有限公司 Aba Chemical (Shanghai) Limited *(Note i & ii)*	A company controlled by a shareholder which holding 5% or more of the Company's shares
禮進生物醫藥科技(上海)有限公司 Lyvgen Biopharma Co., Ltd. *(Note i)*	A company in which a shareholder holding 5% or more of the company's shares serve as directors

Notes:

(i) The English names of the related parties registered in the PRC mentioned above represent the best efforts made by management of the Company to translate their Chinese names for identification purpose only as they do not have official English names.

(ii) The shareholding percentage of the Company's shareholder changed to 5% on April 29, 2025 due to the disaposal of shares and dillutive effect from the implementation of 2022 Restricted Share Incentive Scheme.

(a) Transactions with related parties

(i) Purchase

The Group

Name of related party	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Purchase of services:				
上海雅本化學有限公司 Aba Chemical (Shanghai) Limited	–	9	9	–
Purchase of goods:				
上海雅本化學有限公司 Aba Chemical (Shanghai) Limited	–	125	125	–
禮進生物醫藥科技(上海)有限公司 Lyvgen Biopharma Co., Ltd.	300	–	–	–
	300	125	125	–

(ii) The Group as lessee

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Name of related party				
上海雅本化學有限公司 Aba Chemical (Shanghai) Limited	2,041	448	448	–

(b) Related party balances

Other receivables

The Group

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Name of related party			
上海雅本化學有限公司 Aba Chemical (Shanghai) Limited	187	187	–

The amount is unsecured, non-interest bearing, non-trade in nature and aged within one year at the end of each reporting period.

As at the date of this report, the Group had received such non-trade related amount due from a related party.

(c) Compensation of key management personnel

The remuneration of directors of the Company and other members of key management of the Group during the Track Record Period and the six months ended June 30, 2025 (unaudited) is as follows:

The Group

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Directors' fee, salaries and other benefits	20,295	22,062	9,758	7,429
Share-based compensation	13,773	11,841	7,560	3,674
Social security costs and housing benefits	1,312	1,124	818	923
	35,380	35,027	18,136	12,026

36. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared for the Company or any of the subsidiaries now comprising the Group in respect of any period subsequent to June 30, 2026 and up to the date of the report.

37. SUBSEQUENT EVENTS

There are no material subsequent events undertaken by the Company or by the Group after June 30, 2026 and up to the date of this report.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

This Appendix contains a summary of the principal provisions of the Articles of Association adopted by the Company on December 25, 2025, which will become effective on the date on which the H Shares are [**REDACTED**] on the Hong Kong Stock Exchange. The main purpose of this Appendix is to provide potential [**REDACTED**] with an overview of the Articles of Association of the Company, and therefore it may not contain all the information that is important for potential [**REDACTED**].

GENERAL PROVISIONS

The shareholders are liable for the Company to the extent of their subscribed shares, while the Company is liable for its debts to the extent of its entire assets.

The Articles of Association shall, from its effective date, constitute a legally binding document regulating the Company' s organization and conduct as well as the rights and obligations between the Company and each shareholder and among the shareholders inter se, and shall be legally binding on the Company, its shareholders, directors and senior management personnel. Pursuant to the Articles of Association, shareholders may institute legal proceedings against shareholders, against directors and senior management personnel of the Company, and against the Company, while the Company may institute legal proceedings against shareholders, directors and senior management personnel.

PURPOSE AND SCOPE OF BUSINESS

The Company's business scope, as registered by law, is licensed activities: pharmaceutical manufacturing; pharmaceutical wholesale; pharmaceutical retail; pharmaceutical import and export. (activities subject to statutory approval may only be conducted upon obtaining relevant departmental authorisation; specific business activities shall be governed by the relevant departmental approval documents or permits.) general activities: biotechnology (excluding human stem cell research, gene diagnosis and therapeutic technology development and application); technology development, technical services, technology transfer, technical exchange, technology promotion, and technical services within the pharmaceutical and medical technology sectors. (except for items subject to approval in accordance with the law, business activities may be conducted independently in accordance with the law based on the business licence.)

SHARES

Issuance of Shares

The Company's shares are in the form of registered stock. The issuance of the Company's shares follows the principles of openness, fairness, and justice. Each share of the same category shall have equal rights. Shares of the same class issued at the same time have the same issuance conditions and price; subscribers subscribing to the shares pay the same amount per share.

Increase and Decrease of Shares

The Company may increase its capital by the following methods in accordance with the needs of its operation and development, in compliance with laws and regulations, and upon resolutions passed by the Shareholders' meeting:

(i) issuing shares to non-specific objects;

(ii) issuing shares to specific objects;

(iii) allotting bonus shares to existing shareholders;

(iv) converting capital reserve into share capital; and

(v) other methods approved by laws, administrative regulations, the CSRC, the relevant securities regulatory authorities of the Company's stock listing place.

The Company may reduce its registered capital. The reduction of the Company's registered capital shall be carried out in accordance with the procedures stipulated by the PRC Company Law, and other relevant regulations and the Articles of Association.

Repurchase of Shares

The company shall not repurchase its own shares, except under any of the following circumstances:

(i) to reduce the Company's registered capital;

(ii) to merge with another company holding the Company's shares;

(iii) to use the shares for employee stock ownership plans or equity incentives;

(iv) to repurchase shares from shareholders who object to the resolutions on the Company's merger or division made by the Shareholders' meeting;

(v) to use the shares for converting corporate bonds issued by the Company into shares;

(vi) as necessary to safeguard the Company's value and the rights and interests of shareholders.

The Company may repurchase its own shares through public centralized trading, or other methods recognized by laws, regulations, the CSRC and the stock exchange and the securities regulatory authorities of the Company's stock listing place.

Where the Company repurchases its shares under the circumstances set out in items (i) and (ii) above, a resolution shall be passed at the Shareholder's meeting of the Company. Where the Company repurchases its shares under the circumstances set out in items (iii), (v) and (vi) above, on the premise of complying with the securities regulatory rules of the place where the shares of the Company are listed, a resolution shall be passed at a Board meeting attended by more than two-thirds of the directors in accordance with the provisions of the Articles of Association or the authorization of the Shareholder's meeting.

On the premise of complying with the securities regulatory rules of the place where the shares of the Company are listed, where the Company repurchases its shares under the circumstances set out in item (i) above, such shares shall be cancelled within 10 days from the date of repurchase; where the Company repurchases its shares under the circumstances set out in items (ii) and (iv) above, such shares shall be transferred or cancelled within 6 months; where the Company repurchases its shares under the circumstances set out in items (iii), (v) and (vi) above, the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or cancelled within 3 years.

The repurchase of its shares by the Company under the circumstances set out in items (iii), (v) and (vi) above shall be conducted through public centralized trading.

Transfer of Shares

The Company's shares shall be transferred in accordance with laws, regulations, the Articles of Association, and the regulations of the securities regulatory authorities and stock exchanges of the Company's stock listing place. All transfers of H shares shall be effected by written transfer documents in a general or standard format or any other format acceptable to the Board of Directors (including the standard transfer format or transfer form prescribed from time to time by the Hong Kong Stock Exchange); such transfer documents may only be executed by handwritten signature or by affixing the company's valid seal (if the transferor or transferee is a company). If the transferor or transferee is a recognized clearing house (as defined by the relevant regulations in force from

time to time under Hong Kong law) or its agent, the transfer document may be signed in handwritten or machine-printed form. All transfer documents shall be kept at the company's registered office or at any other address designated from time to time by the board of directors.

A shares issued before the Company's listing of A Shares on the STAR Market shall not be transferred within one year from the date the Company's A Shares are listed and traded on the STAR Market.

Directors and senior management members of the Company shall report to the Company the shares they hold in the Company and any changes therein. During their term of office, they shall not transfer more than 25% of the total number of shares of the same category they hold in the Company each year; the shares they hold in the Company shall not be transferred within one year from the date the Company's shares are listed and traded. The above personnel shall not transfer the shares they hold in the Company within six months after leaving their positions.

Directors, senior management members, and shareholders who hold more than 5% of the Company's shares shall not sell the Company's shares or other equity securities they hold within six months after purchase, or purchase the Company's shares or other equity securities within six months after sale. Any profits obtained from such transactions shall belong to the Company, and the Company's Board of Directors shall recover such profits. However, this provision does not apply to securities companies that hold more than 5% of the Company's shares due to the purchase of remaining shares after underwriting, or other circumstances stipulated by the CSRC and the securities regulatory authorities of the Company's stock listing place. The shares or other equity securities held by Directors, senior management members, and natural person shareholders as mentioned in the preceding paragraph include those held by their spouses, parents, children, and those held in other people's accounts.

If the Company's Board of Directors fails to execute the provisions of the previous paragraph of this article, shareholders have the right to request the Board of Directors to execute within 30 days. If the Board of Directors fails to execute within the above period, shareholders have the right to directly file a lawsuit with the people's court in the name of the Company for the benefit of the Company. If the Board of Directors fails to execute the provisions of the previous paragraph of this article, the responsible Directors shall bear joint and several liability according to law.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

General Provisions on Shareholders

The Company shall establish a register of shareholders based on the certificates provided by the securities registration institution. The register of shareholders is conclusive evidence of shareholders' ownership of the Company's shares. The original copy of the H share register of shareholders listed in Hong Kong shall be kept in Hong Kong for shareholders' inspection. In the event of any inconsistency between the original and duplicate copies of the H share shareholder register, the original shall prevail. However, the Company may suspend the processing of shareholder registration procedures in accordance with applicable laws and regulations, the securities regulatory rules of the place where the Company's shares are listed, and provisions equivalent to Section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). Shareholders shall enjoy rights and assume obligations in accordance with the class of shares they hold. Shareholders holding shares of the same class shall enjoy equal rights and assume the same obligations.

Any shareholder who is registered in the H-share shareholder register or any person who requests to have their name or title registered in the H-share shareholder register may apply to the company for the issuance of new shares to replace lost shares. H-share shareholders who apply for the issuance of new shares due to lost shares may do so in accordance with the laws of the place where the original H-share shareholder register is kept, the rules of the securities exchange, or other relevant regulations.

Shareholders of the Company shall enjoy the following rights:

(i) To receive dividends and other forms of profit distribution in proportion to the numbers of shares they hold;

(ii) To request to convene, preside over, attend, or appoint a shareholder proxy to attend the Shareholders' meeting and exercise corresponding voting rights, unless required by the Hong Kong Listing Rules to abstain from voting on specific matters;

(iii) To supervise the Company's operations and make suggestions or inquiries;

(iv) To transfer, donate, or pledge the shares they hold in accordance with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;

(v) To inspect and copy the Articles of Association, register of shareholders, minutes of Shareholders' meetings, resolutions of the Board of Directors, financial reports, and the accounting books and vouchers of the Company if they meet the requirements;

(vi) To participate in the distribution of the Company's remaining assets according to the proportion of shares they hold when the Company is terminated or liquidated;

(vii) To request the Company to repurchase their shares if they object to the resolutions on the Company's merger or division made by the Shareholders' meeting;

(viii) Other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Shareholders requesting to inspect and copy the Company's relevant materials shall comply with the provisions of the PRC Company Law, the Securities Law, and other laws and administrative regulations.

Shareholders of the Company shall bear the following obligations:

(i) To comply with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;

(ii) To pay the share price according to the shares they subscribe for and the method of subscription;

(iii) Not to withdraw their capital except in circumstances stipulated by laws and regulations;

(iv) Not to abuse shareholder rights to damage the interests of the Company or other shareholders; not to abuse the Company's independent legal person status and shareholders' limited liability to damage the interests of the Company's creditors;

(v) Other obligations stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Shareholders who abuse their rights and cause losses to the Company or other shareholders shall bear compensation liability according to law. Shareholders who abuse the Company's independent legal person status and shareholders' limited liability to evade debts and seriously damage the interests of the Company's creditors shall bear joint and several liability for the Company's debts.

Controlling Shareholders and Actual Controllers

The Company's Controlling Shareholders under A Share listing rules and actual controllers shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, the CSRC, the securities regulatory rules where the Company's shares are listed, and shall safeguard the interests of the company.

The Company's Controlling Shareholders under A Share listing rules and actual controllers shall comply with the following provisions:

(i) To exercise shareholder rights according to law and not to abuse control rights or use affiliated relationships to damage the legitimate rights and interests of the Company or other shareholders;

(ii) To strictly fulfill the public statements and commitments made and not to change or exempt them without authorization;

(iii) To strictly fulfill information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in information disclosure work, and promptly inform the Company of major events that have occurred or are about to occur;

(iv) Not to occupy the Company's funds in any way;

(v) Not to force, instruct, or require the Company and its relevant personnel to provide guarantees in violation of laws and regulations;

(vi) Not to use the Company's undisclosed major information to seek benefits, not to disclose the Company's undisclosed major information in any way, and not to engage in illegal activities such as insider trading, short-swing trading, and market manipulation;

(vii) Not to damage the legitimate rights and interests of the Company and other shareholders through unfair related party transactions, profit distribution, asset restructuring, external investment, etc.;

(viii) To ensure the Company's asset integrity, personnel independence, financial independence, institutional independence, and business independence, and not to affect the Company's independence in any way;

(ix) Other provisions stipulated by laws, administrative regulations, the CSRC, the securities regulatory authorities and stock exchanges of the Company's stock listing place, and the Articles of Association.

If the Company's Controlling Shareholders under A Share listing rules or actual controllers do not serve as Directors of the Company but actually execute the Company's affairs, the provisions of the Articles of Association on Directors' duties of loyalty and diligence shall apply.

If the Company's Controlling Shareholders under A Share listing rules or actual controllers instruct Directors or senior management members to engage in activities that damage the interests of the Company or shareholders, they shall bear joint and several liability with such Directors or senior management members.

General Provisions on Shareholders' Meeting

The Shareholders' meeting of the Company shall comprise all the shareholders. The Shareholders' meeting acts as the Company's organ of authority and shall exercise the following powers according to law:

(i) To elect and replace Directors who are not employee representatives, and decide on matters related to Directors' remuneration;

(ii) To examine and approve the Board of Directors' report;

(iii) To examine and approve the Company's profit distribution plan and loss recovery plan;

(iv) To make resolutions on the Company's increase or decrease of registered capital;

(v) To make resolutions on the issuance of corporate bonds;

(vi) To make resolutions on the Company's merger, division, dissolution, liquidation, or change of corporate form;

(vii) To amend the Articles of Association;

(viii) To make resolutions on the appointment and dismissal of accounting firms undertaking the Company's audit business;

(ix) To examine and approve the external guarantee matters stipulated in Article 49 of the Articles of Association;

(x) To examine and approve matters related to the Company's purchase or sale of major assets within one year where the total asset value or transaction amount exceeds 30% of the Company's total assets as audited in the latest period;

(xi) To examine and approve changes in the use of raised funds;

(xii) To examine and approve equity incentive schemes and employee stock ownership plans;

(xiii) To examine and approve other matters that should be decided by the Shareholders' meeting as stipulated by laws, administrative regulations, departmental rules, provisions stipulated by the securities regulatory authorities of the Company's stock listing place, or the Articles of Association.

The Shareholders' meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

The external guarantee behaviors of the Company must be reviewed and approved by the Board of Directors. The following external guarantee behaviors of the Company must be reviewed and approved by the Shareholders' meeting after being reviewed and approved by the Board of Directors:

(i) Any guarantee provided after the total external guarantees of the Company and its controlled subsidiaries exceed 50% of the Company's net assets as of the audited financial statements in the latest period;

(ii) Any guarantee provided to a guarantee object with a debt-to-asset ratio exceeding 70%;

(iii) Any guarantee provided within one year to others with a guarantee amount exceeding 30% of the Company's total assets as of the latest audited financial statements;

(iv) Any single guarantee with an amount exceeding 10% of the Company's net assets as of the latest audited financial statements;

(v) Any guarantee provided to shareholders, actual controllers, and their related parties;

(vi) Other guarantee circumstances stipulated by laws, administrative regulations, departmental rules, provisions stipulated by the securities regulatory authorities of the Company's stock listing place, or the Articles of Association.

When the Shareholders' meeting reviews the guarantee matters stipulated in item (iii) of the previous article, it must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting. When the Shareholders' meeting reviews any guarantee

provided to shareholders, actual controllers, and their related parties, the shareholders or the shareholders controlled by the actual controller shall not participate in the voting, and the voting must be approved by more than half of the voting rights held by other shareholders present at the meeting.

The Shareholders' meeting is divided into annual Shareholders' meetings and extraordinary Shareholders' meetings. The annual Shareholders' meeting shall be held once a year and shall be held within six months after the end of the previous fiscal year.

Under any of the following circumstances, the Company shall hold an extraordinary Shareholders' meeting within two months from the date of occurrence:

(i) When the number of Directors is less than the minimum number stipulated by the PRC Company Law or two-thirds of the number stipulated by the Articles of Association;

(ii) When the Company's unrecovered losses reach one-third of the total share capital;

(iii) When shareholders who individually or jointly hold more than 10% of the Company's shares request it;

(iv) When the Board of Directors deems it necessary;

(v) When the Audit Committee proposes to convene;

(vi) Other circumstances stipulated by laws, administrative regulations, departmental rules, provisions stipulated by the securities regulatory authorities of the Company's stock listing place, or the Articles of Association.

Convening of Shareholders' Meeting

The Board of Directors shall convene the Shareholders' meeting.

With the consent of more than half of all independent Directors, independent Directors have the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting. The Board of Directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary Shareholders' meeting within 10 days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution; if the Board of Directors does not agree to convene an extraordinary Shareholders' meeting, it shall explain the reasons and make an announcement.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting and shall submit the proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary Shareholders' meeting within 10 days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution, and any changes to the original proposal in the notice shall be agreed upon by the Audit Committee. If the Board of Directors does not agree to convene an extraordinary Shareholders' meeting or fails to provide feedback within 10 days of receiving the proposal, it shall be deemed that the Board of Directors is unable or unwilling to perform its duties of convening the Shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or jointly hold more than 10% of the Company's total share capital have the right to request the Board of Directors to convene an extraordinary Shareholders' meeting and add a proposal to the agenda of the Shareholders' meeting and shall submit the request in writing to the Board of Directors. The Board of Directors shall, in accordance with laws,

administrative regulations, and the Articles of Association, provide written feedback within 10 days after receiving the request, indicating whether it agrees or disagrees to convene the extraordinary Shareholders' meeting. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders. If the Board of Directors does not agree to convene an extraordinary Shareholders' meeting or fails to provide feedback within 10 days of receiving the request, shareholders who individually or jointly hold more than 10% of the Company's total share capital have the right to propose to the Audit Committee to convene an extraordinary Shareholders' meeting and shall submit the request in writing to the Audit Committee. If the Audit Committee agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of receiving the request, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders. If the Audit Committee fails to issue the notice of the Shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee is unable or unwilling to convene and preside over the Shareholders' meeting, and shareholders holding more than 10% of the Company's total share capital separately or jointly for more than 90 consecutive days may convene and preside over the meeting on their own.

If the Audit Committee or shareholders decide to convene the Shareholders' meeting on their own, they shall notify the Board of Directors in writing and file with the relevant competent authorities and the stock exchange on which the Company's shares are listed and traded in accordance with the applicable laws and regulations (if required). Before the announcement of the Shareholders' meeting resolution, the total shareholding ratio of the convening shareholders shall not be less than 10% of the total share capital. The Audit Committee or convening shareholders shall submit relevant proof materials to relevant competent authorities and the stock exchange on which the Company's shares are listed and traded in accordance with the applicable laws and regulations (if required) when issuing the notice of the Shareholders' meeting and the announcement of the Shareholders' meeting resolution.

For Shareholders' meetings convened by the Audit Committee or shareholders on their own, the Board of Directors and the board secretary shall cooperate. The Board of Directors shall provide the register of shareholders as of the record date.

The necessary expenses for the Shareholders' meeting convened by the Audit Committee or shareholders on their own shall be borne by the Company.

Proposals and Notices of the Shareholders' Meeting

The content of the proposals shall fall within the scope of the Shareholders' meeting's authority, have clear topics and specific resolution matters, and comply with the provisions of laws, administrative regulations, the rules stipulated by the securities regulatory authorities of the Company's stock listing place, and the Articles of Association.

When the Company convenes a Shareholders' meeting, the Board of Directors, the Audit Committee, and shareholders holding more than 1% of the Company's total share capital separately or jointly have the right to submit proposals to the Company.

Shareholders holding more than 1% of the Company's total share capital separately or jointly may submit temporary proposals in writing to the convener 10 days before the Shareholders' meeting. The convener shall issue a supplementary notice of the Shareholders' meeting within 2 days of receiving the proposal, announce the content of the temporary proposal, and submit the temporary proposal to the Shareholders' meeting for review. However, temporary proposals that violate laws, administrative regulations, or the Articles of Association, or do not fall within the scope of the Shareholders' meeting's authority, shall be excluded.

Except for the circumstances stipulated in the preceding paragraph, the convener shall not modify the proposals already listed in the notice of the Shareholders' meeting or add new proposals after issuing the notice of the Shareholders' meeting.

Proposals not listed in the notice of the Shareholders' meeting or not in compliance with the Articles of Association shall not be voted on or resolved at the Shareholders' meeting.

The convener shall notify all shareholders 21 days before the annual Shareholders' meeting and 15 days before the extraordinary Shareholders' meeting.

The notice of the Shareholders' meeting shall include the following content:

(i) The time, place, and duration of the meeting;

(ii) The matters and proposals to be reviewed at the meeting;

(iii) A clear statement that all shareholders are entitled to attend the Shareholders' meeting and may appoint a proxy in writing to attend the meeting and vote, and the proxy does not need to be a shareholder of the Company;

(iv) The record date for shareholders entitled to attend the Shareholders' meeting;

(v) The name and telephone number of the standing contact person for the meeting;

(vi) The time and procedure for voting by network or other means.

Convening of the Shareholders' Meeting

All shareholders registered on the record date or their proxies are entitled to attend the Shareholders' meeting, speak and vote in accordance with relevant laws, regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association (unless individual shareholders are required to waive their voting rights on specific matters in accordance with the aforementioned rules).

Shareholders may attend Shareholders' Meetings in person or appoint a proxy to attend and vote on their behalf. If a shareholder is a recognized clearing house (or its agent), that shareholder may authorise its corporate representative or one or more persons it deems appropriate to act as its proxy at any shareholders' meeting.

Individual shareholders attending the meeting in person shall present their ID cards or other valid identification documents; if appointing a proxy to attend the meeting, they shall present their valid ID cards and a power of attorney for the shareholder. Corporate shareholders shall be represented by the legal representative or a proxy authorized by the legal representative. The legal representative attending the meeting shall present their ID card and valid proof of their legal representative status; the proxy attending the meeting shall present their ID card and a written power of attorney issued by the legal representative of the corporate shareholder.

The power of attorney for appointing a proxy to attend the Shareholders' meeting shall specify the following content:

(i) The name or title of the principal and the category and quantity of shares held;

(ii) The name or title of the proxy;

(iii) Specific instructions of the shareholder, including instructions to vote for, against, or abstain on each matter listed on the agenda of the Shareholders' meeting;

(iv) The date of issuance and validity period of the power of attorney;

(v) The signature (or seal) of the principal. If the principal is a corporate shareholder or a partnership shareholder, the corporate seal or the partnership seal shall be affixed.

If the power of attorney for proxy voting is signed by a person authorized by the principal, the authorization letter or other authorization documents shall be notarized. The notarized authorization letter or other authorization documents and the power of attorney for proxy voting shall be kept at the Company's domicile or another place designated in the notice of the meeting. If the shareholder is a recognized clearing house (or its agent), the shareholder may authorise one or more persons whom it deems appropriate to act as its representative at any shareholders' meeting or creditors' meeting; however, if more than one person is authorised, the authorisation letter shall specify the number and class of shares covered by the authorisation for each such person, and the authorisation letter shall be signed by an authorised representative of the recognized clearing house. Persons authorised in this manner may exercise rights on behalf of the recognized clearing house (or its agent) without the need to present shareholding certificates, notarised authorisations, and/or further evidence to prove their formal authorisation, and shall enjoy the same statutory rights as other shareholders, including the right to speak and vote, as if such persons were individual shareholders of the company.

If the Shareholders' meeting requires Directors and senior management members to attend the meeting, the Directors and senior management members shall attend and accept shareholders' inquiries.

The Shareholders' meeting shall be presided over by the chairman of the Board of Directors. If the chairman is unable or unwilling to perform his duties, a Director elected by more than half of the Directors shall preside. The Shareholders' meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or unwilling to perform his duties, an Audit Committee member elected by more than half of the Audit Committee members shall preside. The Shareholders' meeting convened by shareholders shall be presided over by the convener or a representative elected by the convener. If the meeting chairperson violates the rules of procedure during the Shareholders' meeting, making it impossible to continue the meeting, the Shareholders' meeting may elect a person to act as the meeting chairperson with the consent of more than half of the voting rights held by the shareholders present at the meeting, and continue the meeting.

Voting and Resolutions of the Shareholders' Meeting

Resolutions of the Shareholders' meeting are divided into ordinary resolutions and special resolutions. An ordinary resolution of the Shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders (including shareholder proxies) present at the meeting. A special resolution of the Shareholders' meeting shall be passed by more than two-thirds of the voting rights held by the shareholders (including shareholder proxies) present at the meeting.

The following matters shall be passed by the Shareholders' meeting as ordinary resolutions:

(i) The work report of the Board of Directors;

(ii) The profit distribution plan and loss recovery plan proposed by the Board of Directors;

(iii) The appointment and dismissal of board members and their remuneration and payment methods;

(iv) Other matters except those that, as stipulated by laws, administrative regulations, the securities regulatory rules of the Company's stock listing place, or the Articles of Association, shall be passed by a special resolution.

The following matters shall be passed by the Shareholders' meeting as special resolutions:

(i) The increase or decrease of the Company's registered capital;

(ii) The division, split, merger, dissolution, and liquidation, or alteration of corporate form of the Company;

(iii) Amendments to the Articles of Association;

(iv) The Company's purchase or sale of major assets or provision of guarantees to others exceeding 30% of the Company's total assets as of the latest audited financial statements within one year;

(v) Share incentive plans;

(vi) Other matters stipulated by laws, administrative regulations, securities regulatory rules of the Company's stock listing place or the Articles of Association, as well as matters that the Shareholders' meeting deems to have a significant impact on the Company and require a special resolution.

Shareholders shall exercise their voting rights based on the number of voting shares they represent, with each share having one vote. Subject to applicable laws and regulations, shareholders (including shareholder proxies) with two or more votes may cast all of their votes in favour or against a resolution.

The Company's own shares held by the Company do not have voting rights, and such shares shall not be counted in the total number of voting shares present at the Shareholders' meeting.

When the Shareholders' meeting reviews major matters affecting the interests of small and medium investors, the votes of small and medium investors shall be counted separately. The results of the separate vote count shall be disclosed in a timely manner.

If a shareholder purchases the Company's voting shares in violation of the provisions of Article 63, Paragraphs 1 and 2 of the PRC Securities Law, the shares exceeding the prescribed proportion shall not exercise voting rights within 36 months after purchase and shall not be counted in the total number of voting shares present at the Shareholders' meeting.

In accordance with relevant laws, regulations, and securities regulatory rules where the company's shares are listed, if any shareholder is required to abstain from voting on a relevant proposal, or if any shareholder is restricted to voting only in favour of or against a designated proposal, then any votes cast by such shareholder or its representative in violation of the aforementioned provisions or restrictions shall not be counted in the voting results.

The Company's Board of Directors, independent Directors, shareholders holding more than 1% of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations, or the CSRC may publicly solicit shareholders' voting rights. The solicitation of shareholders' voting rights shall fully disclose specific voting intentions and other information to the solicited parties. It is prohibited to solicit shareholders' voting rights in a paid or disguised paid manner. Except for statutory conditions, the Company shall not impose a minimum shareholding ratio restriction on the solicitation of voting rights.

When the Shareholders' meeting reviews related party transactions, related shareholders shall not participate in the voting, and the number of voting shares they represent shall not be counted in the total number of valid votes; the announcement of the Shareholders' meeting resolution shall fully disclose the voting situation of non-related shareholders.

DIRECTORS AND BOARD OF DIRECTORS

General Provisions on Directors

The Directors of the Company may include executive Directors, non-executive Directors and independent Directors. Directors of the Company shall be individuals. A person with any of the following circumstances shall not serve as a Director of the Company:

(i) Having no capacity for civil conduct or limited capacity for civil conduct;

(ii) Having been sentenced to a criminal penalty for embezzlement, bribery, infringement of property, misappropriation of property, or disrupting the socialist market economic order, or having had his/her political rights deprived due to a crime, and less than 5 years have elapsed since the expiration of the execution period, or if on probation, less than 2 years have elapsed since the expiration of the probation period;

(iii) Having served as a director, factory director, or manager of a company or enterprise undergoing insolvency liquidation and being personally liable for the insolvency of such company or enterprise, and less than 3 years have elapsed since the completion of the insolvency liquidation of such company or enterprise;

(iv) Having served as the legal representative of a company or enterprise whose business license has been revoked or has been ordered to close down due to illegal activities and being personally liable, and less than 3 years have elapsed since the revocation of the business license or the order to close down of such company or enterprise;

(v) Having a large-amount debt due but unpaid and being listed as a person subject to enforcement for bad credit by the people's court;

(vi) Having been subject to measures restricting access to the securities market by the CSRC and the time limit has not expired;

(vii) Having been subject to publicly recognized by the stock exchange as unsuitable to serve as a director, senior management, and so forth of a listed company for an unexpired period of time;

(viii) Other circumstances stipulated by laws, administrative regulations, and departmental rules.

Elections or appointments of Directors that violate the provisions of this section shall be invalid. If a Director becomes subject to any of the circumstances listed in this section during their tenure, the Company shall terminate their position.

Directors shall be elected or replaced by the Shareholders' meeting and may be removed from their positions by an ordinary resolution of the Shareholders' meeting before the expiration of their term. The term of office for Directors is three years, and upon the expiration of their term, they may be re-elected.

The term of a Director is calculated from the date of assuming office until the expiration of the current Board of Directors' term. If the Directors are not timely re-elected upon the expiration of their term, the original Directors shall continue to perform their duties as Directors in accordance with laws, administrative regulations, departmental rules, and the Articles of Association until the newly elected Directors assume office.

Neither a Director nor an alternate Director is required to hold any shares in the Company by ways of qualification. Further, there are no provision in Articles of Association relating to retirement of Directors upon reaching any age limit.

A Director may also hold the position of senior management positions, but the total number of Directors who also serve as senior management positions, as well as Directors who are employee representatives, shall not exceed half of the total number of Directors of the Company.

A Director may resign before the expiration of their term. A Director's resignation shall take effect on the date the Company receives the written resignation report, and the Company shall disclose the relevant information as soon as practicable (no later than two trading days). If the resignation of a Director results in the number of board members falling below the statutory minimum, the original Directors shall continue to perform their duties as Directors in accordance with laws, administrative regulations, departmental rules, and the Articles of Association until the newly elected Directors assume office.

Board of Directors

The Board of Directors shall exercise the following powers and duties:

(i) convening the Shareholders' meeting and reporting to the Shareholders' meeting;

(ii) implementing the resolutions of the Shareholders' meeting;

(iii) deciding on the Company's business plans and investment proposals;

(iv) formulating the Company's profit distribution plans and loss recovery plans;

(v) formulating plans for the Company's increase or decrease of registered capital, issuance of bonds or proposals on other securities and listing;

(vi) drafting plans for major acquisitions, repurchases of the Company's shares, mergers, divisions, dissolution, or changes in the Company's form;

(vii) deciding on matters such as external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, related-party transactions, and external donations, within the scope authorized by the Shareholders' meeting;

(viii) deciding on the establishment of the Company's internal management structure;

(ix) deciding on the appointment or dismissal of the general manager, secretary of the Board, and other senior management members, and determining their remuneration and reward or punishment; based on the general manager nomination, deciding on the appointment or dismissal of the vice presidents, chief financial officer, and other senior management members, and determining their remuneration and reward or punishment;

(x) formulating the Company's basic management systems;

(xi) drafting amendments to the Articles of Association;

(xii) managing the Company's information disclosure matters;

(xiii) proposing to the Shareholders' meeting the appointment or replacement of the accounting firm auditing the Company;

(xiv) listening to the work reports of the general manager and reviewing the general manager's work; and

(xv) other powers and duties granted by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, the Articles of Association or the Shareholders' meeting.

The Board of Directors shall determine the authority for the Company's external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected party transactions, and external donations, and establish strict review and decision-making procedures. Major investment projects shall be evaluated by relevant experts and professionals and submitted to the Shareholders' meeting for approval.

The Board of Directors shall have one chairman. The chairman shall be elected by a majority vote of all Directors and shall serve a term of three years, with eligibility for reelection.

The chairman shall exercise the following powers and duties:

(i) presiding over the Shareholders' meeting and convening and presiding over board meetings;

(ii) supervising and inspecting the implementation of board resolutions; and

(iii) other powers and duties granted by the Board of Directors.

The Board of Directors shall hold at least four meetings each year, convened by the chairman, with written notice provided to all Directors at least 14 days before the meeting. Shareholders representing more than one-tenth of the voting rights, one-third of the Directors, or the Audit Committee may propose the convening of an extraordinary board meeting. The chairman shall convene and preside over the board meeting within 10 days of receiving such a proposal.

Extraordinary board meetings shall be convened in writing, with notice provided to all Directors at least five days before the meeting. With the unanimous consent of all Directors of the Company, the notice period for convening an extraordinary board meeting may be shortened or waived.

A board meeting shall require the attendance of more than half of the Directors to be valid. Resolutions of the Board of Directors shall require the approval of more than half of all Directors. Each Director shall have one vote in board resolutions.

If a Director has a relationship with the enterprise or individual involved in a board resolution, the Director shall promptly report in writing to the Board of Directors. The Director with such a relationship shall not vote on the resolution or act as a proxy for another Director to vote. The board meeting may proceed with the attendance of more than half of the non-related Directors, and resolutions shall require the approval of more than half of the non-related Directors. If the number of non-related Directors attending the board meeting is less than three, the matter shall be submitted to the Shareholders' meeting for review.

Board meetings shall be attended by Directors in person. If a Director is unable to attend, they may appoint another Director in writing to attend on their behalf. The written appointment shall specify the name of the proxy, the matters to be represented, the scope of authority, and the validity period, and shall be signed or sealed by the appointing Director. The proxy shall exercise the Director's rights within the scope of authority. If a Director does not attend the board meeting and does not appoint a proxy to attend, they shall be deemed to have waived their voting rights at that meeting. Independent Directors shall not delegate their voting rights to non-independent directors.

Independent Directors

Independent Directors shall diligently perform their duties in accordance with laws, administrative regulations, the CSRC, the securities regulatory rules of the place where Company's shares are listed, and the Articles of Association. They shall play a role in decision-making, supervision, and professional consultation within the Board of Directors, safeguarding the overall interests of the Company and protecting the lawful rights and interests of minority shareholders.

The proportion of independent Directors among the members of the Board of Directors shall not be less than one-third, and shall comply with the requirements of the securities regulatory rules of the place where the Company's shares are listed.

Independent Directors must maintain independence. The following persons shall not serve as independent Directors:

(i) persons employed by the Company or its affiliated enterprises, as well as their spouses, parents, children, and close relatives;

(ii) natural persons who directly or indirectly hold more than 1% of the Company's issued shares or are among the top ten shareholders of the Company, as well as their spouses, parents, and children;

(iii) persons employed by shareholders who directly or indirectly hold more than 5% of the Company's issued shares or are among the top five shareholders of the Company, as well as their spouses, parents, and children;

(iv) persons employed by affiliated enterprises of the Company's Controlling Shareholders under A Share listing rules or actual controllers, as well as their spouses, parents, and children;

(v) persons who have significant business dealings with the Company, its Controlling Shareholders under A Share listing rules, actual controllers, or their respective subsidiaries, or who are employed by entities that have significant business dealings with the Company, and their controlling shareholders under A Share listing rules or actual controllers;

(vi) persons who provide financial, legal, consulting, or sponsorship services to the Company, its controlling shareholders under A Share listing rules, actual controllers, or their respective subsidiaries, including but not limited to project team members, reviewers, signatories, partners, Directors, senior management members, and principal responsible persons of intermediary institutions providing such services;

(vii) persons who have had any of the above-mentioned circumstances within the past 12 months;

(viii) other persons deemed not independent under laws, administrative regulations, the CSRC, the securities regulatory authorities and stock exchanges of the Company's stock listing place, or the Articles of Association.

Independent Directors shall conduct an annual self-assessment of their independence and submit the results to the Board of Directors. The Board of Directors shall annually evaluate the independence of incumbent independent Directors and issue a special opinion, which shall be disclosed together with the annual report.

The following matters shall be submitted to the Board of Directors for review after obtaining the approval of more than half of all the independent Directors:

(i) connected party transactions that require disclosure;

(ii) proposals for the Company and related parties to change or waive commitments;

(iii) decisions and measures taken by the Board of Directors of an acquired listed company in response to the acquisition; and

(iv) other matters stipulated by laws, administrative regulations, the CSRC, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The Company shall establish a special meeting mechanism composed entirely of independent Directors. Matters such as related party transactions to be reviewed by the Board of Directors shall first be approved by the special meeting of independent Directors. The Company holds special meetings of independent Directors regularly or irregularly. Matters listed in items (i) to (iii) of paragraph 1 of Article 121 and Article 131 of the Articles of Association shall be reviewed by the special meeting of independent Directors. The special meeting of independent Directors may discuss other matters of the Company as needed.

Special Committees under the Board

The Company's Board of Directors shall establish an Audit Committee, which shall exercise the powers and duties of the Board of Supervisors as stipulated in the PRC Company Law.

The Audit Committee shall comprise more than three members, all of whom must be non-executive directors, of whom the majority must be independent directors, at least one of whom must be an independent director with appropriate professional qualifications or appropriate accounting or related financial management expertise, with the chairperson (convener) being an independent Director with accounting expertise.

The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audits, and internal controls. The following matters shall be submitted to the Board of Directors for review after obtaining the approval of more than half of all Audit Committee members:

(i) disclosure of financial accounting reports and financial information in periodic reports, as well as internal control evaluation reports;

(ii) appointment or dismissal of the accounting firm auditing the listed company;

(iii) appointment or dismissal of the Company's chief financial officer;

(iv) changes in accounting policies, accounting estimates, or corrections of major accounting errors due to reasons other than changes in accounting standards; and

(v) other matters stipulated by laws, administrative regulations, the CSRC, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The Audit Committee shall hold at least one meeting per quarter. Extraordinary meetings may be convened upon the proposal of two or more members or if the chairperson deems it necessary. A meeting of the Audit Committee shall require the attendance of at least two-thirds of its members to be valid. Resolutions of the Audit Committee shall require the approval of more than half of its members. Each member shall have one vote in Audit Committee resolutions. Minutes of Audit Committee meetings shall be prepared, and attending members shall sign the minutes. The working procedures of the Audit Committee shall be formulated by the Board of Directors.

The Board of Directors shall establish other special committees, such as the Strategic Committee, the Nomination Committee, and the Remuneration and Appraisal Committee, which shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Independent directors should constitute a majority of the Nomination Committee and the Remuneration and Appraisal Committee and serve as conveners. Proposals of these committees shall be submitted to the Board of Directors for review and decision. The working procedures of these special committees shall be formulated by the Board of Directors.

SENIOR MANAGEMENT MEMBERS

The Company shall have a general manager, also known as the chief executive officer, who shall be appointed or dismissed by the Board of Directors. The company shall appoint several vice presidents, who shall be hired or dismissed by the Board of Directors. The chief executive officer, vice presidents, chief financial officer, and secretary of the Board shall constitute the senior management of the Company.

The provisions of the Articles of Association regarding the circumstances under which a person may not serve as a Director and the regulations on departure management shall also apply to senior management. The provisions of the Articles of Association regarding the fiduciary duties and diligence obligations of Directors shall also apply to senior management.

The chief executive officer shall be accountable to the Board of Directors and shall exercise the following powers and duties:

(i) presiding over the Company's production, operation, and management activities, implementing the resolutions of the Board of Directors, and reporting to the Board of Directors;

(ii) implementing the Company's annual business plans and investment proposals;

(iii) drafting proposals for the establishment of the Company's internal management structure;

(iv) drafting the Company's basic management systems;

(v) formulating the Company's specific regulations;

(vi) proposing to the Board of Directors the appointment or dismissal of the vice presidents, chief financial officer and other senior management;

(vii) deciding on the appointment or dismissal of management personnel other than those whose appointment or dismissal is to be decided by the Board of Directors; and

(viii) other powers and duties granted by the Articles of Association or the Board of Directors.

The chief executive officer shall attend meetings of the Board of Directors.

FINANCIAL AND ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial and Accounting System

The Company shall establish its financial and accounting system in accordance with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the provisions of relevant national authorities.

Within four months after the end of each fiscal year, the Company shall submit and disclose its annual report to the local office of the CSRC and the stock exchange where the Company's shares are listed. Within two months after the end of the first half of each fiscal year, the Company shall submit and disclose its interim report to the local office of the CSRC and the stock exchange where the Company's shares are listed. The Company shall submit and disclose its quarterly report in accordance with the regulations of the stock exchange where the Company's shares are listed.

The Company shall not establish separate accounting books in addition to the statutory accounting books. The Company's assets shall not be stored in accounts opened in the name of any individual.

When distributing the after-tax profits of the current year, the Company shall allocate 10% of the profits to the Company's statutory reserve fund. If the cumulative amount of the Company's statutory reserve fund exceeds 50% of the Company's registered capital, the Company may cease to make further allocations. If the Company's statutory reserve fund is insufficient to cover the losses of previous years, the Company shall use the current year's profits to cover the losses before allocating the statutory reserve fund as stipulated above. After allocating the statutory reserve fund from the after-tax profits, the Company may also allocate a discretionary reserve fund from the after-tax profits upon a resolution of the Shareholders' meeting.

After covering losses and allocating reserve funds, the remaining after-tax profits shall be distributed according to the proportion of shares held by shareholders, unless otherwise stipulated in the Articles of Association. If the Shareholders' meeting violates the PRC Company Law by distributing profits to shareholders, the shareholders must return the profits distributed in violation of the regulations to the Company; if the Company suffers losses as a result, the shareholders and the responsible Directors and senior management shall bear the liability for compensation. The Company's own shares held by the Company shall not participate in the distribution of profits.

The Company's reserve funds shall be used to cover the Company's losses, expand the Company's production and operation, or convert into additional registered capital. When using reserve funds to cover the Company's losses, the discretionary reserve fund and the statutory reserve fund shall be used first; if the losses cannot be fully covered, the capital reserve fund may be used in accordance with regulations. When converting the statutory reserve fund into additional registered capital, the remaining statutory reserve fund shall not be less than 25% of the Company's registered capital before the conversion.

Internal Audit

The Company shall implement an internal audit system, specifying the leadership structure, responsibilities and authorities, staffing, funding, application of audit results, and accountability for internal audit work.

The Company's internal audit system shall be implemented after approval by the Board of Directors and shall be disclosed to the public.

Engagement of Accounting Firms

The Company shall engage an accounting firm that complies with the PRC Securities Law to conduct audits of financial statements, verification of net assets, and other related consulting services. The engagement term shall be one year and may be renewed.

The appointment or dismissal of an accounting firm shall be decided by the Shareholders' meeting. The Board of Directors shall not appoint an accounting firm before the decision of the Shareholders' meeting.

The Company shall ensure that the engaged accounting firm is provided with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or misreport such materials.

The audit fees of the accounting firm shall be decided by the Shareholders' meeting.

When the Company dismisses or does not renew the engagement of an accounting firm, it shall notify the accounting firm 30 days in advance. When the Shareholders' meeting votes on the dismissal of an accounting firm, the accounting firm shall be allowed to present its opinions. If the accounting firm resigns, it shall explain to the Shareholders' meeting whether there are any improper circumstances in the Company.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase, and Capital Reduction

The Company's merger can be in the form of an absorption merger or a consolidation merger. When one company absorbs other companies, it is an absorption merger, and the absorbed companies are dissolved. When two or more companies merge to form a new company, it is a consolidation merger, and all the merging companies are dissolved.

For a company merger, the merging parties shall sign a merger agreement and prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days from the date of adopting the merger resolution and make an announcement in the CSRC Designated Media or on the National Enterprise Credit Information Publicity System, Hong Kong Stock Exchange Disclosure website (**www.hkexnews.hk**) or other qualified medias within 30 days. Creditors may, within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received the notice, request the Company to pay off its debts or provide corresponding guarantees. When the Company merges, the credits and debts of the merging parties shall be succeeded by the surviving company after the merger or the newly established company.

When the Company divides, its assets shall be divided accordingly. When the Company divides, it shall prepare a balance sheet and a detailed inventory of assets. The Company shall notify its creditors within 10 days from the date of the division resolution and make an announcement in the CSRC Designated Media or on the National Enterprise Credit Information Publicity System, Hong Kong Stock Exchange Disclosure website (**www.hkexnews.hk**) or other qualified medias within 30 days. The debts of the Company before the division shall be jointly assumed by the companies after the division, unless otherwise agreed in a written agreement between the Company and its creditors before the division.

When the Company needs to reduce its registered capital, it must prepare a balance sheet and a detailed inventory of assets. The Company shall notify its creditors within 10 days from the date of the Shareholders' meeting resolution on the capital reduction and make an announcement in the CSRC Designated Media or on the National Enterprise Credit Information Publicity System, Hong Kong Stock Exchange Disclosure website (**www.hkexnews.hk**) or other qualified medias within 30 days. Creditors may request the Company to settle its debts or provide corresponding guarantees within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice.

Where the Company increases its registered capital through the issuance of new shares, the shareholders shall not have any preemptive subscription right, unless otherwise provided in the Articles of Association or resolved by the Shareholders' meeting.

When the Company merges or divides, and the registration matters change, it shall apply for a change of registration with the Company registration authority in accordance with the law; when a company is dissolved, it shall apply for cancellation of registration in accordance with the law; when a new company is established, it shall apply for establishment registration in accordance with the law. When the Company increases or reduces its registered capital, it shall apply for a change of registration with the Company registration authority in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

(i) the business term stipulated in the Articles of Association expires or other dissolution reasons stipulated in the Articles of Association arise;

(ii) the Shareholders' meeting resolves to dissolve the Company;

(iii) the Company needs to be dissolved due to a merger or division;

(iv) the Company is legally revoked its business license, ordered to close, or revoked;

(v) the Company's operation and management encounter serious difficulties, and its continued existence would cause significant losses to shareholders' interests, and no other solutions can be found. Shareholders holding 10% or more of the Company's total voting rights may request the people's court to dissolve the Company.

When the Company has the dissolution reasons mentioned above, it shall publicize the dissolution reasons through the National Enterprise Credit Information Publicity System within 10 days.

If the Company has the circumstances mentioned in items (i) and (ii) above and has not yet distributed its assets to shareholders, it may continue to exist by amending its Articles of Association or through a resolution of the Shareholders' meeting. To amend the Articles of Association or pass a resolution of the Shareholders' meeting in accordance with the preceding paragraph, it must be approved by more than two-thirds of the voting rights held by shareholders present at the Shareholders' meeting.

If a company is dissolved due to the circumstances mentioned in items (i), (ii), (iv), and (v) above, it shall be liquidated. The Directors are the liquidation obligors and shall establish a liquidation group within 15 days from the date the dissolution reason arises to commence liquidation. The liquidation group shall consist of Directors, unless otherwise stipulated in the Articles of Association or the Shareholders' meeting resolves to appoint others. If the liquidation obligors fail to perform their liquidation obligations in a timely manner, causing losses to the Company or creditors, they shall bear the liability for compensation.

During the liquidation period, the liquidation group shall exercise the following powers and duties:

(i) cleaning up the Company's assets and preparing a balance sheet and a detailed inventory of assets;

(ii) notifying and announcing to creditors;

(iii) handling the Company's unfinished business related to the liquidation;

(iv) paying off the taxes owed and the taxes incurred during the liquidation process;

(v) cleaning up claims and debts;

(vi) distributing the remaining assets after the Company's debts are settled; and

(vii) representing the Company in civil litigation activities.

The liquidation group shall notify creditors within 10 days from the date of its establishment and make an announcement in the CSRC Designated Media or on the National Enterprise Credit Information Publicity System, Hong Kong Stock Exchange Disclosure website (**www.hkexnews.hk**) or other qualified medias within 60 days. Creditors shall declare their claims to the liquidation group within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice. When declaring claims, creditors shall explain the relevant matters of the claims and provide supporting materials. The liquidation group shall register the claims. During the claim declaration period, the liquidation group shall not settle claims with creditors.

After cleaning up the Company's assets and preparing a balance sheet and a detailed inventory of assets, the liquidation group shall formulate a liquidation plan and submit it to the Shareholders' meeting or the people's court for confirmation. After paying off the liquidation expenses, employees' wages, social insurance fees, and statutory compensation, paying off the taxes owed, and settling the Company's debts, the remaining assets shall be distributed to shareholders according to the proportion of shares held. During the liquidation period, the Company shall continue to exist but shall not engage in business activities unrelated to the liquidation. The Company's assets shall not be distributed to shareholders before being settled in accordance with the preceding paragraph.

After cleaning up the Company's assets and preparing a balance sheet and a detailed inventory of assets, if the liquidation group finds that the Company's assets are insufficient to settle its debts, it shall apply to the people's court for insolvency liquidation in accordance with the law. After the people's court accepts the insolvency application, the liquidation group shall transfer the liquidation affairs to the insolvency administrator designated by the people's court.

After the Company's liquidation is completed, the liquidation group shall prepare a liquidation report, submit it to the Shareholders' meeting or the people's court for confirmation, and submit it to the Company registration authority to apply for cancellation of the Company's registration.

If the Company is legally declared bankrupt, it shall implement insolvency liquidation in accordance with the relevant enterprise insolvency laws.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association under the following circumstances:

(i) after the following amendments to the Company Law or relevant laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, the provisions of the Articles of Association herein conflict with the amended laws, administrative regulations, or securities regulatory rules of the place where the Company's shares are listed;

(ii) the Company's circumstances change and are inconsistent with the matters recorded in the Articles of Association; and

(iii) the Shareholders' meeting resolves to amend the Articles of Association.

Where any amendment to the Articles of Association resolved by the Shareholders' meeting is subject to approval by the competent authority, such amendments shall be submitted to the competent authority for approval; if it involves company registration matters, the change of registration shall be processed in accordance with the law.

The Board of Directors shall amend the Articles of Association in accordance with the resolutions of the Shareholders' Meeting and the approval opinions of the relevant competent authorities (if any).

Where any amendment to the Articles of Association involves information required by law or regulations to be disclosed, such information shall be publicly announced in accordance with provisions.

FURTHER INFORMATION ABOUT OUR COMPANY

Establishment of our Company

Our Company was established as a limited liability company in the PRC on January 11, 2013 and was converted into a joint stock limited company with limited liability on December 9, 2020 under the laws of the PRC. As of the Latest Practicable Date, the registered share capital of our Company is RMB579,592,004.

Our Company has established a place of business in Hong Kong at 46/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong and has been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on January 8, 2026. Ms. Ho Wing Nga (何詠雅) has been appointed as the authorized representative in Hong Kong and our agent for the acceptance of service of process in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

As we are established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in "Summary of Articles of Association" in Appendix III. A summary of certain relevant aspects of the laws and regulations of the PRC is set out in "Regulatory Overview — Overview of Laws and Regulations in the PRC."

Changes in Share Capital of Our Company

The changes in the share capital of our Company during the two years immediately preceding the date of this Document are set out as follows:

On August 12, 2026, the registered capital of our Company increased from RMB578,348,491 to RMB579,592,004.

On January 14, 2026, the registered capital of our Company increased from RMB578,327,844 to RMB578,348,491.

On August 6, 2025, the registered capital of our Company increased from RMB576,745,195 to RMB578,327,844.

On February 24, 2025, the registered capital of our Company increased from RMB576,717,665 to RMB576,745,195.

Save as aforesaid, as of the Latest Practicable Date, 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 Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in the Accountants' Report in Appendix I. There had been no other alterations of share capital of our subsidiaries within the two years preceding the date of this Document.

Resolutions of our Shareholders

At the Shareholders' meeting of our Company held on December 25, 2025, the following resolutions, among other things, were duly passed:

(a) the issue by our Company of H Shares of nominal value of RMB1.0 each and such H Shares be [**REDACTED**] on the Hong Kong Stock Exchange;

(b) the number of H Shares to be issued before the exercise of the [**REDACTED**] shall not exceed [**REDACTED**]% of the enlarged share capital of our Company upon completion of the [**REDACTED**] and granting the [**REDACTED**] the [**REDACTED**] of no more than [**REDACTED**]% of the above number of H Shares to be issued;

(c) subject to the completion of the [**REDACTED**], the conditional adoption of the Articles of Association, which shall become effective on [**REDACTED**]; and

(d) authorization of the Board or its authorized individual to handle all matters relating to, among other things, the [**REDACTED**], the issue and [**REDACTED**] of H Shares on the Hong Kong Stock Exchange.

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 the two years immediately preceding the date of this Document that is or may be material:

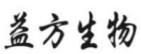
(a) [**REDACTED**].

Intellectual Property Rights

As of the Latest Practicable Date, our Group has registered, or has applied for the registration of the following intellectual property rights which were material to our Group's business.

Trademarks

As of the Latest Practicable Date, we have registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Registration number	Owner	Application date	Expiry date	Place of registration
1.	INVENTISBIO	67304942	The Company	September 20, 2022	March 13, 2033	PRC
2.	INVENTISBIO	67312571	The Company	September 20, 2022	March 13, 2033	PRC
3.	INVENTISBIO	67323033	The Company	September 20, 2022	March 13, 2033	PRC
4.	益方製藥	75285936	The Company	March 4, 2024	February 6, 2035	PRC
5.	INVENTIS PHARMA	65162673	The Company	June 8, 2022	November 27, 2032	PRC
6.	益方藥業	65159022	The Company	June 8, 2022	October 6, 2033	PRC
7.	INVENTIS PHARMA	65156999	The Company	June 8, 2022	November 27, 2032	PRC
8.	INVENTIS PHARMA	65154177	The Company	June 8, 2022	November 27, 2032	PRC
9.	INVENTIS PHARMACEUTICAL	65153639	The Company	June 8, 2022	November 27, 2032	PRC
10.	INVENTISPHARMA	65151500	The Company	June 8, 2022	December 6, 2032	PRC
11.	INVENTIS PHARMACEUTICAL	65151489	The Company	June 8, 2022	December 6, 2032	PRC
12.		43705149	The Company	January 9, 2020	July 6, 2031	PRC
13.		38241103	The Company	May 16, 2019	May 27, 2030	PRC
14.		38231716	The Company	May 16, 2019	July 20, 2030	PRC

No.	Trademark	Registration number	Owner	Application date	Expiry date	Place of registration
15.		38227807	The Company	May 16, 2019	August 20, 2030	PRC
16.	益方生物	307089003	The Company	November 11, 2025	November 10, 2035	Hong Kong

Patents

See "Business — Intellectual Property" for patents registered and patents applications as of the Latest Practicable Date which we consider to be or may be material to our business.

Domain Name

As of the Latest Practicable Date, we have registered the following internet domain name which we consider to be material to our business:

No.	Domain Name	Registered Owner	Registration Date	Expiry Date
1. . .	inventisbio.com	The Company	November 22, 2016	November 22, 2029

Save as the above, as of the Latest Practicable Date, there were no other intellectual property rights which were material to our business.

FURTHER INFORMATION ABOUT OUR DIRECTORS, SENIOR MANAGEMENT AND SUBSTANTIAL SHAREHOLDERS

Interests and short positions of our Directors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations

Save as disclosed in the section headed "Substantial Shareholders" and below, immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised and no new Shares are issued under the Restricted Share Incentive Schemes), so far as our Directors are aware, none of our Directors and chief executive has any interests and short positions in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) (i) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or (ii) which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which will be required to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules:

Name	Capacity/ Nature of interest	Description of Shares	Number of Shares[1]	Approximate percentage of shareholding in the A Shares immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no new Shares are issued under the Restricted Share Incentive Schemes)[2]	Approximate percentage of shareholding in the total Share capital immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no new Shares are issued under the Restricted Share Incentive Schemes)[2]
Dr. Wang . .	Interest in controlled corporation	A Shares	110,329,937	[**REDACTED**]%	[**REDACTED**]%
Dr. Jiang . .	Interest in controlled corporation	A Shares	26,825,520	[**REDACTED**]%	[**REDACTED**]%
Dr. Dai . . .	Interest in controlled corporation	A Shares	20,450,445	[**REDACTED**]%	[**REDACTED**]%
Mr. Luwei Shi[3] . . .	Beneficial owner[3]	A Shares	502,873	[**REDACTED**]%	[**REDACTED**]%
	Interest in controlled corporation[3]	A Shares	6,821,173	[**REDACTED**]%	[**REDACTED**]%

Notes:

(1) All interests stated are long positions in the Shares.

(2) The calculation is based on the total number of [579,592,004] A Shares and [**REDACTED**] H Shares in issue immediately after completion of the [**REDACTED**] since [**REDACTED**] H Shares will be issued pursuant to the [**REDACTED**], assuming that the [**REDACTED**] is not exercised and no new Shares are issued under the Restricted Share Incentive Schemes.

(3) As of the Latest Practicable Date, Mr. Luwei Shi is deemed to be interested in a total of 502,873 A Shares, comprising (i) 921 A Shares directly held by him; and (ii) 501,952 A Shares granted under the 2026 Restricted Share Incentive Scheme. As of the Latest Practicable Date, Mr. Luwei Shi was the sole general partner of Shanghai Yixi holding 38.08% partnership interest and responsible for its daily management. By virtue of the SFO, Mr. Luwei Shi is deemed to be interested in the Shares held by Shanghai Yixi.

Interests of the substantial shareholders in the Shares

Save as disclosed in "Substantial Shareholders", immediately following the completion of the [**REDACTED**] and without taking into account any Shares which may be issued pursuant to the exercise of the [**REDACTED**], our Directors are not aware of any other person (not being a Director or chief executive of our Company) who will have an interest or short position in our Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under 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 issued voting shares of our Company.

As of the Latest Practicable Date, our Directors are not aware of any persons who would, immediately following the completion of the of the [**REDACTED**], be directly or indirectly interested in 10% or more of the issued voting shares of the following member of our Group (other than our Company).

Particulars of Directors' Service Contracts

Each of the Directors has entered into a service contract or a letter of appointment with our Company. The principal particulars of these service contracts and letters of appointment include (a) the term of service, (b) subject to termination in accordance with their respective term, and (c) a dispute resolution provision. The service contracts and letters of appointment may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, we have not entered into, and do not propose to enter into any service contracts with any of our Directors in their respective capacities as Directors (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

Remuneration of Directors

Save as disclosed in "Directors and Senior Management" and Note 35 to the Accountants' Report set out in Appendix I for the two financial years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, none of our Directors received other remunerations of benefits in kind from us.

Directors' Competing Interests

Save as disclosed in this Document, none of our Directors is interested in any business apart from our Group's business which competes or is likely to compete, directly or indirectly, with the business of our Group.

Disclaimers

Save as disclosed in this Document:

(a) none of our Directors or our chief executive has any interest or short position in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV 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 to be notified to us and the Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are [**REDACTED**] on the Stock Exchange;

(b) none of our Directors is aware of any person (not being a Director or chief executive of our Company) who will, immediately following the completion of the [**REDACTED**] (without taking into account any H Shares which may be allotted and issued pursuant to the exercise of the [**REDACTED**]), have an interest or short position in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is interested, directly or indirectly, in 10% or more of the issued voting shares of any member of our Group;

(c) none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders who own more than 5% of the number of issued shares of our Company have any interests in any of our customers or the five largest suppliers of our Group in each year/period;

(d) none of our Directors or any of the parties listed in "— Qualifications of Experts" in this Appendix is:

i. interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this Document, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group; or

ii. materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to our business;

(e) save in connection with the [**REDACTED**], none of the persons listed in "— Qualifications of Experts" in this Appendix has any shareholding 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; and

(f) none of our Directors has entered or has proposed to enter into any service agreements with our Company or any member of our Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

Restricted Share Incentive Schemes

The following is a summary of the principal terms of the 2022 Restricted Share Incentive Scheme and the 2026 Restricted Share Incentive Scheme. The terms of Restricted Share Incentive Schemes are not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve any further grant of RSUs by our Company after our [**REDACTED**]. Save as otherwise disclosed, the terms of each of the Restricted Share Incentive Schemes are substantially similar and are summarized below.

(i) Purpose

The purpose of the Restricted Share Incentive Schemes are to establish and improve our Company's long-term incentive and restraint mechanism, attract and retain outstanding talents, fully mobilize their enthusiasm and creativity, effectively enhance the cohesion of the core team and our Company's core competitiveness, align the interests of our Shareholders, our Company and the core team, and ensure that all parties jointly focus on our Company's sustainable growth and our Company's development strategies and operational objectives are achieved.

(ii) Administration

The Shareholders' meeting is responsible for considering and approving the implementation, modification, and termination of the Restricted Share Incentive Schemes. The Board serves as the executive management body for the Restricted Share Incentive Schemes and is responsible for its implementation. The independent non-executive Directors or the Remuneration Committee will act as the supervisory body for the 2022 Restricted Share Incentive Scheme. The Remuneration Committee will act as the supervisory body for the 2026 Restricted Share Incentive Scheme.

(iii) Participants

The participants of the 2022 Restricted Share Incentive Scheme include employees of our Company and its subsidiaries. The participants of the 2026 Restricted Share Incentive Scheme include employees, Directors and members of the senior management of our Company and its subsidiaries. The scope of participants of the Restricted Share Incentive Schemes excludes independent non-executive Directors, and Shareholders or actual controller who individually or collectively hold 5% or more of the Shares of our Company and their spouse, parents and children.

(iv) Source and maximum number of Shares

The Shares under the Restricted Share Incentive Schemes will be sourced from the Company's A Shares, which will be issued to the grantees by the Company from time to time.

The maximum number of Shares underlying the RSUs may be granted under each of the Restricted Share Incentive Schemes are as follows:

Restricted Share Incentive Scheme	Maximum number of Shares underlying the RSUs to be granted under the scheme
2022 Restricted Share Incentive Scheme	5,534,115
2026 Restricted Share Incentive Scheme	6,570,981

(v) Date of grant and duration of the schemes

After the Restricted Share Incentive Schemes are considered and approved by the Shareholders' meeting, the Board shall, within 60 days (or, if there are conditions for granting rights and interests, counting from the date such conditions are satisfied), convene a meeting in accordance with relevant regulations to grant the rights and interests to the grantees and complete related procedures such as announcements. For the 2022 Restricted Share Incentive Scheme, further grant of RSUs could be determined by the Board within 12 months following the approval of the 2022 Restricted Share Incentive Scheme by the Shareholders' meeting.

The Restricted Share Incentive Schemes shall be effective from the granting date of RSUs up to the date when all RSUs granted to the participants are vested or have been canceled or been forfeited, with a term not exceeding 60 months.

(vi) Restriction on Directors and the senior management team

Under the 2022 Restricted Share Incentive Scheme, if a grantee is a Director or a senior management of our Company, during the period of his or her term of employment, the Shares to be transferred in each year shall not exceed 25% of the total Shares he or she holds. Under the 2026 Restricted Share Incentive Scheme, if a grantee is a Director or a senior management of our Company, during the period of his or her term of employment as determined upon appointment, and within six months following the expiration of such term, the Shares to be transferred in each year shall not exceed 25% of the total Shares he or she holds. No share held by such Director or senior management can be transferred within six months after termination of his or her employment under the Restricted Share Incentive Schemes. If the grantee is a Director or senior management of our Company or their spouse, parents or children, any income gained through sale of Shares within six months of purchase or purchase of Shares within six months of sale shall belong to our Company and will be forfeited by the Board. If there is any change in the applicable laws and regulations on the foregoing restriction requirements, the grantee shall comply with the amended laws and regulations.

(vii) Conditions to the grant of RSUs

The RSUs under the Restricted Share Incentive Schemes will only be granted to selected participants if all the following conditions are fulfilled:

(a) with respect to our Company, none of the following circumstances having occurred: (1) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to our Company's accountant's report for the most recent fiscal year; (2) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to the internal control in

financial report for the most recent fiscal year; (3) our Company has not distributed dividends in accordance with the laws and regulations, our Articles of Association or our public commitment within the last 36 months after its listing of A Shares; (4) applicable laws and regulations prohibit the implementation of any share incentive; or (5) any other circumstances determined by the CSRC.

(b) with respect to a grantee, none of the following circumstances having occurred: (1) the grantee has been regarded as an inappropriate person by any stock exchange within the last 12 months; (2) the grantee has been regarded as an inappropriate person by the CSRC or its local office within the last 12 months; (3) the grantee has been punished or prohibited from entering into the securities market by the CSRC or its local office due to material breach of laws and regulations within the last 12 months; (4) the grantee is not qualified to serve as a director or senior management according to the PRC Company Law; (5) the grantee is prohibited from participating in any share incentive of listed companies according to laws and regulations; or (6) any other circumstances determined by the CSRC.

(viii) Vesting of RSUs

The vesting period for RSUs commences from date of grant of RSUs and the period between the date of completion of registration of the grant and the date of vesting of the RSUs shall be (i) 12 to 36 months under the 2022 Restricted Share Incentive Scheme; and (ii) 12 to 48 months under the 2026 Restricted Share Incentive Scheme. Prior to the vesting of RSUs granted to participants, the RSUs granted to the participants shall not be transferred, used as guarantee or for repayment of debt. In addition, the RSUs will only be vested when (i) the conditions to the grant are fulfilled; (ii) participants must have an employment period of over 12 months before any batch of the RSUs are vested; and (iii) the annual assessment and performance targets as set out under the Restricted Share Incentive Schemes are achieved.

Under the 2022 Restricted Share Incentive Scheme, the RSUs will be vested in accordance with the vesting schedule as set out as follows:

(a) for the first batch of RSUs granted, vested as to (i) 40% in the period between the first trading day following the 12-month anniversary of the grant registration date and the last trading day up to the 24-month anniversary of the grant registration date, (ii) 30% in the period between the first trading day following the 24-month anniversary of the grant registration date and the last trading day up to the 36-month anniversary of the grant registration date, and (iii) 30% in the period between the first trading day following the 36-month anniversary of the grant registration date and the last trading day up to the 48-month anniversary of the grant registration date;

(b) for RSUs further granted on or before September 30, 2023, vested as to (i) 40% in the period between the first trading day following the 12-month anniversary of the grant registration date and the last trading day up to the 24-month anniversary of the grant registration date, (ii) 30% in the period between the first trading day following the 24-month anniversary of the grant registration date and the last trading day up to the 36-month anniversary of the grant registration date, and (iii) 30% in the period between the first trading day following the 36-month anniversary of the grant registration date and the last trading day up to the 48-month anniversary of the grant registration date; and

(c) for RSUs further granted after September 30, 2023, vested as to (i) 50% in the period between the first trading day following the 12-month anniversary of the grant registration date and the last trading day up to the 24-month anniversary of the grant registration date, and (ii) 50% in the period between the first trading day following the 24-month anniversary of the grant registration date and the last trading day up to the 36-month anniversary of the grant registration date.

Under the 2026 Restricted Share Incentive Scheme, the RSUs will be vested in accordance with the vesting schedule as set out as follows:

(i) 40% in the period between the first trading day following the 12-month anniversary of the grant registration date and the last trading day up to the 24-month anniversary of the grant registration date;

(ii) 40% in the period between the first trading day following the 24-month anniversary of the grant registration date and the last trading day up to the 36-month anniversary of the grant registration date; and

(iii) 20% in the period between the first trading day following the 36-month anniversary of the grant registration date and the last trading day up to the 48-month anniversary of the grant registration date.

The grantees shall pay the purchase price upon fulfillment of all the conditions of the RSUs to receive the A Shares. The number of RSUs granted and/or the purchase prices will be adjusted upon the occurrence of certain events, including capitalization of capital reserves, issue of bonus shares, share splits and consolidations and placings. The RSUs may be canceled by our Company or lapse upon occurrence of certain events as set out in the Restricted Share Incentive Schemes, including but not limited to the change of the positions of the grantee or termination of employment.

(ix) Dividend and voting rights

Upon issuance of the A Shares by our Company, the grantees of RSUs will be entitled to exercise the right of Shareholders, including but not limited to the right to receive dividends and voting rights.

(x) Outstanding RSUs

As of the Latest Practicable Date, 183 grantees (the "**Grantee(s)**") were granted RSUs which have not been vested ("**Outstanding RSUs**") for an aggregate of 6,591,628 A Shares under the Restricted Share Incentive Schemes. After the completion of the [**REDACTED**] and assuming the [**REDACTED**] is not exercised, such Outstanding RSUs represent (a) approximately [**REDACTED**]% of the total number of Shares in issue (without taking into account Shares which may be issued pursuant to the Outstanding RSUs granted under the Restricted Share Incentive Schemes); and (b) approximately [**REDACTED**]% of the total issued Shares of the Company upon the issuance of all Shares which may be issued pursuant to the Outstanding RSUs granted under the Restricted Share Incentive Schemes. No further grant will be made after the [**REDACTED**].

As of the Latest Practicable Date, the 183 Grantees with Outstanding RSUs granted under the Restricted Share Incentive Schemes comprised (i) 182 employee Grantees (who are not Directors, members of senior management or connected persons of the Company, the "**Employee Grantee(s)**") for 20,647 A Shares under the 2022 Restricted Share Incentive Scheme and 6,069,029 A Shares under the 2026 Restricted Share Incentive Scheme; and (ii) Mr. Shi Luwei (史陸偉), our executive Director and finance director, for 501,952 A Shares under the 2026 Restricted Share Incentive Scheme.

The table below sets forth the details of Outstanding RSUs under the Restricted Share Incentive Schemes as of the Latest Practicable Date:

2022 Restricted Share Incentive Scheme

Grantee	Date of grant	Number of outstanding RSUs	Purchase price per A Share	Approximate percentage of issued Shares immediately after the [REDACTED][(1)]
			(RMB)	
2 Employee Grantees . .	August 21, 2023	20,647	4.35	[**REDACTED**]%
Total	–	20,647	–	[**REDACTED**]%

Notes:

(1) The calculation is based on the assumption that the [**REDACTED**] is not exercised, no new Shares are issued under the Restricted Share Incentive Schemes and no other changes are made to the issued share capital of the Company between the Latest Practicable Date and the [**REDACTED**].

(2) The two Employee Grantees holding Outstanding RSUs under the 2022 Restricted Share Incentive Scheme also held Outstanding RSUs under the 2026 Restricted Share Incentive Scheme. As such, the total number of Employee Grantees with Outstanding RSUs under the Restricted Share Incentive Schemes as of the Latest Practicable Date is 182.

2026 Restricted Share Incentive Scheme

Grantee	Position	Address	Date of grant	Number of outstanding RSUs	Purchase price per A Share	Approximate percentage of issued Shares immediately after the [REDACTED][(1)]
					(RMB)	
Director, senior management and connected person						
Mr. Luwei Shi (史陸偉)	Executive Director and finance director	No. 1, Lane 528 Miyun Road Yangpu District Shanghai, PRC	June 24, 2026	501,952	10.55	[**REDACTED**]%
Employee Grantees						
182 Employee Grantees	–	–	June 24, 2026	6,069,029	10.55	[**REDACTED**]%
Total	–	–	–	6,570,981	–	[**REDACTED**]%

Note:

(1) The calculation is based on the assumption that the [**REDACTED**] is not exercised, no new Shares are issued under the Restricted Share Incentive Schemes and no other changes are made to the issued share capital of the Company between the Latest Practicable Date and the [**REDACTED**].

(xi) Dilution effect and impact on loss per Share

Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised) and assuming exercise of all Outstanding RSUs under the Restricted Share Incentive Schemes, the shareholding of our Shareholders will be diluted by approximately [**REDACTED**]%. The consequential impact on the loss per Ordinary Share for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 are decreased by 15.1%, 15.0% and 15.0%, respectively, being the decremental impact to diluted loss per share, since the RSUs would not be included in the calculation of diluted loss per share due to anti-dilution.

OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries under the laws of the PRC.

Litigation

As of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against any member of our Group, that would have a material and adverse effect on our Group's results of operations or financial conditions, taken as a whole.

Sole Sponsor

CITIC Securities (Hong Kong) Limited satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The Sole Sponsor will receive an aggregate fee of US$500,000 for acting as the sole sponsor for the [**REDACTED**].

Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses.

Promoter

The promoters of the Company are all of the 39 then Shareholders 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 or is proposed to be paid, allotted or given to the promoters in connection with the [**REDACTED**] and the related transactions described in this Document.

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.

No Material Adverse Change

Our Directors have confirmed that, up to the date of the Document, there had been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since June 30, 2026, being the end date of the periods reported on in the Accountants' Report set out in Appendix I to this Document, and there had been no event since June 30, 2026, that would materially affect the information shown in the Accountants' Report set out in Appendix I to this Document.

Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given their opinion and/or advice in this Document are as follows:

Name	Qualification
CITIC Securities (Hong Kong) Limited	A licensed corporation to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
JunHe LLP	PRC legal adviser
BDO Limited	Certified Public Accountants under Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Frost & Sullivan.	Independent industry consultant

As of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries 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.

Consents of Experts

Each of the experts as referred to "— Qualifications of Experts" in this Appendix has given and has not withdrawn their respective written consents to the issue of this Document with the inclusion of their reports and/or letters (as the case may be) and the references to their names included in the form and context in which they are respectively included.

Binding Effect

This Document shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

Bilingual Document

The English and Chinese language versions of this Document are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

Save as otherwise disclosed in this Document:

(a) within the two years preceding the date of this Document: (i) we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any shares of our Company;

(b) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;

(c) we have not issued nor agreed to issue any founder shares, management shares or deferred shares;

(d) there are no arrangements under which future dividends are waived or agreed to be waived;

(e) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;

(f) 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;

(g) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;

(h) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;

(i) no part of the equity or debt securities of our Company, if any, is currently [**REDACTED**] on or dealt in on any stock exchange or trading system, and no such [**REDACTED**] or permission to [**REDACTED**] on any stock exchange other than the Hong Kong Stock Exchange is currently being or agreed to be sought;

(j) our Company has no outstanding convertible debt securities or debentures;

(k) our Company is a joint stock limited company and is subject to the PRC Company Law; and

(l) 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.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this Document and delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of the material contract referred to in "Appendix IV — Statutory and General Information — Further Information about our Business — Summary of Material Contract"; and

(b) the written consents referred to in "Appendix IV — Statutory and General Information — Other Information — Consents of Experts".

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the Stock Exchange's website at **www.hkexnews.hk** and the Company's website at **www.inventisbio.com** during a period of 14 days from the date of this Document:

(a) the Articles of Association;

(b) the audited consolidated financial statements of our Group for the two financial years ended December 31, 2024 and 2025 and the six months ended June 30, 2026;

(c) the Accountants' Report from BDO Limited, the text of which is set out in Appendix I;

(d) the report from BDO Limited on the unaudited [**REDACTED**] financial information of our Group, the text of which is set out in Appendix II;

(e) the material contracts referred to in "Appendix IV — Statutory and General Information — Further Information about our Business — Summary of Material Contracts";

(f) the written consents referred to in "Appendix IV — Statutory and General Information — Other Information — Consents of Experts";

(g) the service contracts and letters of appointment referred to in "Appendix IV — Statutory and General Information — Further Information about our Directors, Senior Management and Substantial Shareholders — Particulars of Directors' Service Contracts";

(h) the legal opinions issued by JunHe LLP, our PRC Legal Adviser, in respect of, among other things, the general corporate matters of our Group under the PRC law;

(i) the industry report issued by Frost & Sullivan referred to in "Industry Overview";

(j) a copy of the PRC Company Law, PRC Securities Law, and the Overseas Listing Trial Measures, together with unofficial English translations;

(k) the Shanghai Stock Exchange STAR Market Listing Rules, together with an unofficial English translation; and

(l) the terms of the Restricted Share Incentive Schemes.

DOCUMENT AVAILABLE FOR INSPECTION

Copies of the full lists of all the grantees under the Restricted Share Incentive Schemes will be made available for public inspection at our Company's Hong Kong legal adviser's office in Hong Kong at 10/F, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this Document.