

SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full document. You should read the whole document before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set forth in the section headed “Risk Factors” of this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

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

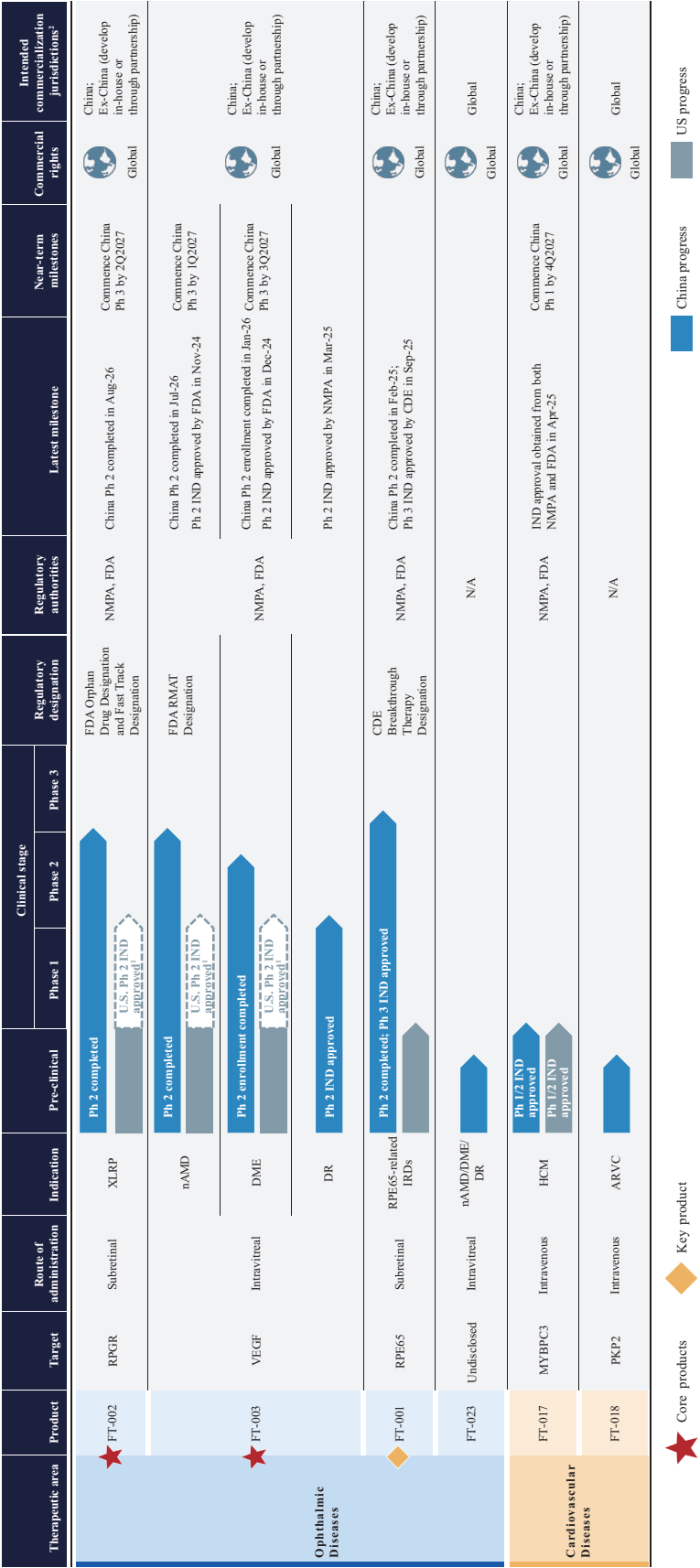
OVERVIEW

Incorporated in 2019, we are a clinical-stage gene therapy company dedicated to the in-house development of recombinant adeno-associated virus (“rAAV”) gene therapies. Our pipeline targets ophthalmic and cardiovascular diseases in particular. As of the Latest Practicable Date, our product pipeline consisted of six in-house developed rAAV gene therapy candidates, including (i) two Core Products, namely FT-002, a drug candidate being investigated to treat X-linked retinitis pigmentosa (“**XLRP**”), and FT-003, a drug candidate being investigated to treat neovascular age-related macular degeneration (“**nAMD**”) and diabetic macular edema (“**DME**”) through intravitreal injections; (ii) one Key Product, namely FT-001, a gene therapy drug candidate for treating inherited retinal diseases (“**IRD**”) caused by biallelic mutations in the RPE65 gene (“**RPE65-related IRD**”); and (iii) three other preclinical and early-stage gene therapy drug candidates for the treatment of ophthalmic and cardiovascular diseases.

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

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



Notes:

- * Competent authorities in respective jurisdictions: National Medical Products Administration (NMPA) for China, the Food and Drug Administration (FDA) for the U.S.
1. Obtained IND approval from the FDA for Phase II clinical trials based on CMC, preclinical, and Phase I clinical data generated in China.
2. We hold global rights for all of our product candidates. For FT-002, FT-003, FT-001, FT-017, we plan to conduct development by ourselves in China for future commercialization. For overseas market, we will consider developing by ourselves (exact timeline to be confirmed subject to our resources allocation and management's judgment of the latest regulatory and market conditions and the competitive landscape) or seeking local partners for development and commercialization. Preclinical assets are not yet assigned specific jurisdictions given their early development stage.
- Abbreviations: RPGR = retinitis pigmentosa; GTPase regulator; VEGF = vascular endothelial growth factor; RPE65 = retinal pigment epithelium-specific 65 kDa protein; MYBPC3 = myosin-binding protein C3; PKP2 = the gene encoding Plakophilin-2; XLRP = X-linked retinitis pigmentosa; nAMD = neovascular age-related macular degeneration; DME = diabetic macular edema; DR = diabetic retinopathy; IRD = inherited retinal dystrophy, including leber congenital amaurosis type 2 (LCA2), retinitis pigmentosa (RP), etc; HCM = hypertrophic cardiomyopathy; ARVC = arrhythmogenic right ventricular cardiomyopathy; Ph = Phase; CDE = Centre for Drug Evaluation

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OUR DRUG CANDIDATES

FT-002, our Core Product

Our Core Product FT-002 is a drug candidate for the treatment of XLRP.

XLRP is one of the most common and severe forms of IRD, typically presenting before the age of 10 and progressing to legal blindness before the age of 50. There are about 62.3 thousand XLRP patients in China and 15.3 thousand XLRP patients in the United States in 2025.

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

FT-002 was granted Orphan Drug Designation by the FDA in January 2024 and Fast Track Designation in October 2024. We have completed Phase II clinical trials of FT-002 in China in August 2026 and have received clearance from the FDA for Phase II trials in the United States. In clinical studies, FT-002 has demonstrated strong preliminary efficacy and a favorable safety profile thus far. Up to the longest follow-up of three years, FT-002 was safe and well tolerated. Most treatment-emergent adverse events (“TEAE”) were related to the surgical procedure or protocol-required steroids and were effectively managed with standard care. Importantly, FT-002 showed certain sustained improvements in visual acuity, retinal function and structure, as well as the quality of life related to vision.

FT-003, our Core Product

Our Core Product FT-003 is an intravitreal drug candidate for the treatment of nAMD and DME.

nAMD is characterized by choroidal neovascularization, in which abnormal blood vessels form in the retina. DME is a serious complication of diabetes mellitus where high blood sugar damages the retinal blood vessels, causing fluid or blood leakage beyond the retina’s capacity to absorb it. Both can lead to blindness. There are approximately 4.2 million nAMD patients and 7.8 million DME patients in China and approximately 1.6 million nAMD patients and 2.0 million DME patients in the United States in 2025. Aside from these two countries, the rest of the world had approximately 15.8 million nAMD patients and 16.9 million DME patients in 2025.

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

FT-003 has the potential to reduce the treatment burden to a single shot administered in an outpatient clinic. In China, we have completed Phase II clinical trials of FT-003 for nAMD in July 2026, making it the most advanced intravitreal gene therapy for nAMD in China in terms of clinical development progress; we have also completed participant enrollment for Phase II clinical trials of FT-003 for DME, where participants are undergoing follow-up. In the United States, FT-003 for nAMD was granted regenerative medicine advanced therapy (RMAT) designation. We have also obtained FDA clearance for Phase II trials in the United States for both nAMD and DME. FT-003 has demonstrated significant therapeutic benefits in clinical trials of nAMD and DME thus far, and a favorable safety profile across all tested dose

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levels. Participants treated with FT-003 showed significant improvements in visual acuity and retinal structure, and no additional anti-VEGF treatments were required in treatment-naïve participants monitored for up to three years.

FT-001, our Key Product

Our Key Product FT-001 is a drug candidate for treating RPE65-related IRD. It is our drug candidate at the most advanced stage of clinical development.

RPE65-related IRD is characterized by a progressive and irreversible decline in vision that results in blindness. The two most common forms are Leber congenital amaurosis type 2 (“LCA2”) and RPE65-related retinitis pigmentosa (“RP”). The number of patients with RPE65-related IRD was approximately 51.5 thousand globally and 7.9 thousand in China in 2025.

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

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

Other Drug Candidates

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

- FT-023 is a gene therapy drug candidate in the preclinical stage of study for treating nAMD, DME and diabetic retinopathy (“DR”). FT-023 can be an effective therapy for retinal vascular leakage disorders other than the anti-VEGF therapy, as it focuses on a biological target. When combined with the anti-VEGF pathway, FT-023 can have elevated efficacy on nAMD and DME patients and potentially treat the patients who do not respond well to anti-VEGF treatments.
- FT-017 is a gene therapy drug candidate for treating MYBPC3 mutation-associated Hypertrophic Cardiomyopathy (“HCM”). FT-017 is the first rAAV gene therapy for HCM caused by MYBPC3 gene mutations to enter clinical trials in China.
- FT-018 is a gene therapy drug candidate in the preclinical stage of study for treating Arrhythmogenic Right Ventricular Cardiomyopathy (“ARVC”) caused by mutations of the PKP2 gene. FT-018 is the only rAAV gene therapy for ARVC caused by PKP2 gene mutations that has been disclosed in China.

STRENGTHS

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

- Differentiated gene therapy pipeline with leading positions in clinical advancement in China
- AAVANCE™, our Bac/Sf9 manufacturing platform enabling safe, scalable and cost-efficient manufacturing with high product quality

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- Strong translational medicine and clinical operation capabilities leveraging strengths in China and the United States
- EXACTE™, our rAAV gene therapy R&D platform supporting product development with global intellectual property protection
- Deep expertise in gene therapy across research, translational, clinical, and manufacturing disciplines

STRATEGIES

- Accelerate the clinical development of our mid- to late-stage ophthalmic drug pipeline
- Continue to enhance our CMC and manufacturing capacities to support eventual commercialization
- Continue to build up our EXACTE™ development platform to expand our coverage to other underserved indications and fully realize the clinical and commercial value of our technology platforms
- Implement tailored commercialization approaches for different indications to fully achieve commercial and clinical benefits
- Continue to carry out our global strategy by pursuing overseas clinical development and commercialization through collaborations and partnerships
- Cultivate and retain talent to transform human capital into the catalyst for sustained innovation and shareholder value creation

RESEARCH AND DEVELOPMENT

We are a biotech company focused on utilizing our EXACTE™ R&D platform and our AAVANCE™ manufacturing platform to develop rAAV gene therapies. We have constructed an in-house R&D team that consisted of 37 members across China and the United States as of June 30, 2026, over 56% of whom held a doctoral or master’s degree, mainly in medical science, biology, pharmacology, and chemistry and other related fields. The average industry experience of our R&D team is over ten years. Members of our R&D team have deep scientific talent and extensive experience at multinational pharmaceutical companies.

Notably, our research leadership have extensive prior experience in gene therapy research and a demonstrated track record contributing to the advancement of gene therapy drugs. Our in-house R&D team is led by Dr. Xinyan Li, our chief executive officer and chief medical officer, and Dr. Zhongdong Shi, our senior vice president and head of R&D.

Dr. Xinyan Li is responsible for shaping our overall development strategy and providing guidance across key business segments from preclinical study and translational medicine to clinical development, manufacturing, and regulatory affairs. Prior to joining us, Dr. Li had worked for over 20 years in the innovative biopharmaceutical field, with nearly 10 years of experience in scientific research and deep expertise in molecular biology, immunology, and cell and gene therapy. Dr. Li previously conducted research on gene and cell therapy as a visiting scholar at the Faculty of Medicine of the University of Montpellier in France, and has earned multiple prestigious awards for her impactful scientific research in Jiangsu province and Shanghai that honor her contributions to medical research and innovation, including, among many others, the “Pearl Plan” Leading Talents award of the Pudong New Area (浦東新區“明珠計劃”領軍人才) in 2024 and the Double Innovation Talents award of Jiangsu Province (江蘇省“雙創人才”) in 2023. Dr. Li brings extensive experience overseeing global drug development through its full life cycle. While at CARsgen Life Sciences Co., Ltd., Dr. Li led preclinical and clinical operations, medical affairs, and regulatory strategy, and achieved significant milestones, including the IND clearance for CT041 (an anti-CLDN18.2 CAR-T therapy) from the FDA and the NMPA, as well as the initiation of the pivotal Phase II trial of CT053 (a fully human BCMA CAR-T therapy) in China. Dr. Li formulated the development plan of our Core Products back in November 2020, and has consistently led the formulation and execution of our R&D strategy since then. For more details on Dr. Li’s background and how they relate to her work in rAAV based gene therapies with us, see “Directors and Senior Management — Board of Directors — Executive Directors.”

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Dr. Zhongdong Shi, one of our earliest employees, leads our research and development strategy and activities and oversees all research and development plans. Dr. Shi has extensive experience from his previous job in viral vector design and production, gene editing and stem cell differentiation and disease modeling, all of which are critical technologies for developing cell and gene therapies. During Dr. Shi’s time in the biotech industry prior to joining us, although the products he developed were stem cell therapies and CAR-T cell therapies, his work focused on vector designs, including lentiviral vector and AAV vector, and the use of those viral vectors to deliver genes of interest into stem cells and T cells to produce cell therapy products. These direct hands-on experiences in viral vector design, production and application enabled Dr. Shi to become an integral part of our endeavor to build up our R&D capabilities in the early days, as well as a key contributor to the initial discovery and development of our Core Products. Throughout his time with us, Dr. Shi has consistently steered our research and development focus and resources towards greater impact and more efficient clinical development. Dr. Shi is listed as the inventor of our material patents and the developer of EXACTE™, our R&D platform. Dr. Shi has over 15 years of experience in biomedical research and therapeutic development.

Our R&D team consists of our drug discovery team, preclinical and translational medicine team, clinical development team, and CMC team. Our preclinical studies and translational medicine function is led by senior director Dr. Chao Ren, who holds a Ph.D. in Biology from Warwick University and has 13 years of experience at leading biotechnology companies. Our clinical operations function is led by senior director Mr. Minghui Xue, who brings 16 years of experience from several industry-leading biotech companies. Our CMC function is led by the head of manufacturing, Mr. Peng Yang, who has 17 years of experience at top biotechnology companies. Our quality function is led by Dr. Aiqun Li, who earned a Ph.D. in Cell Biology from Purdue University and has 16 years of experience at leading biotechnology companies and research institutions.

Between March 2021 and May 2023, Dr. Yong Dai served as our then chief executive officer. Between May 2022 and January 2024, Dr. Dean Falb served as our then chief scientific officer. Both of Dr. Yong Dai and Dr. Dean Falb were based in the United States. In 2023 and 2024, Dr. Dai and Dr. Falb left the Company due to our strategy adjustment and re-balancing of focus across China and the United States as a result of our drug discovery progress, subsequent selection of technology pathway and organic development of the Core Products towards clinical trials in China. Following their respective departures, we continued to advance our research and development pipeline in accordance with our development plans, and the departure of Dr. Dai and Dr. Falb did not have a material adverse impact on our R&D capabilities or our clinical development progress. For more details relating to our current and former R&D personnel, please see “Business — Research and Development — R&D Team.”

Our research and development expenses during the Track Record Period mainly included drug discovery, preclinical and clinical trial expenses, manufacturing expenses, registration and regulatory affairs expenses, and staff costs.

For the years ended December 31, 2024 and 2025, our research and development expenses was US\$20.6 million and US\$13.9 million, respectively, representing 74.6% and 73.1% of our total operating expenses, defined as the sum of research and development expenses and general and administrative expenses in the corresponding years, respectively. For the six months ended June 30, 2025 and 2026, our research and development expenses was US\$7.1 million and US\$5.3 million, respectively, representing 72.4% and 68.6% of our total operating expenses, respectively.

For the years ended December 31, 2024 and 2025, we recorded research and development expenses attributable to one of our Core Products FT-002 of US\$2.2 million and US\$1.7 million, respectively, representing 10.6% and 12.5% of our total research and development expenses, respectively. For the six months ended June 30, 2025 and 2026, we recorded research and development expenses attributable to FT-002 of US\$0.6 million and US\$1.0 million, respectively, representing 8.7% and 18.7% of our total research and development expenses, respectively.

For the years ended December 31, 2024 and 2025, we recorded research and development expenses attributable to one of our Core Products FT-003 of US\$4.0 million and

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US\$6.0 million, respectively, representing 19.6% and 43.1% of our total research and development expenses, respectively. For the six months ended June 30, 2025 and 2026, we recorded research and development expenses attributable to FT-003 of US\$2.8 million and US\$3.2 million, respectively, representing 39.5% and 60.8% of our total research and development expenses, respectively.

For details of our research and development expenses, including research and development expenses attributable to the Core Products, please see “Financial Information — Description of Major Components of Our Results of Operations — Research and Development Expenses.”

MANUFACTURING

We have established an in-house, commercial-ready gene therapy manufacturing facility, with the ability to scale complex gene therapy production processes while meeting the global regulatory and safety standards to support our current clinical trials and commercial production in the future. Our manufacturing facility is located in Suzhou, Jiangsu province, China, occupying approximately 4,000 sq.m. of land. Our Suzhou facility was purpose-built to meet current good manufacturing practices (“cGMP”) standards as required by regulatory authorities in the US, EU, and China, enabling global compliance for both clinical and commercial supply of our rAAV gene therapy products.

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

COMMERCIALIZATION

As of the Latest Practicable Date, we had not obtained marketing approval for any drug candidates, nor had we generated any revenue from product sales.

Anticipating commercialization of our late-stage rAAV gene therapy drug candidates in the next few years, we plan to adopt a flexible commercialization strategy in China. We plan to commence recruitment for a sales and marketing position in 2026; this individual will primarily focus on business development. Based on our current development schedule, we plan to establish an in-house sales team by the end of 2027, and to expand and strengthen the team progressively as products are launched. In some cases we may enhance our in-house sales coverage with capability in specific fields to reach the relevant hospitals, key opinion leaders and patient populations for those products. We are evaluating potential cooperation with external CSOs, large pharmaceutical companies with established sales networks and capabilities, and downstream ophthalmic hospitals.

Our commercialization strategies will be tailored to the characteristics of each product. For products addressing rare diseases, we expect to rely on a combination of our own in-house sales team and relationships with third parties to reach the targeted patient population. We would also consider how to utilize favorable policies, such as within selected industry Pilot Zones in China, such as Hainan province, where certain treatments are allowed before NMPA approval.

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

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As disclosed in “Future Plans and Use of [REDACTED]”, we plan to use [REDACTED] of the net [REDACTED], or approximately [REDACTED], to fund preparations for the commercial roll-out of our drug candidates in China, including registrational filings as well as establishing sales and marketing capabilities.

Additionally, we intend to enhance market awareness of gene therapy and our products through active promotions. These may include collaboration with rare diseases foundations or patient associations to host awareness events, partnering with physicians and healthcare institutions to conduct academic symposiums or conferences advocating the necessity and benefits of gene therapy, leveraging real-world data after commercial launch to educate healthcare professionals and patients on the efficacy, safety, and consistency of our products, and utilizing digital tools and engaging data-driven precision marketing service providers for targeted patient outreach. We maintain ongoing communications with ophthalmology experts and principal investigators to conduct market education and prepare for the future commercialization of our products.

We aim to achieve pricing solutions for our patients through active collaboration with payor sides, in particular through negotiating with commercial insurance providers to explore personalized insurance policies that cover rare and chronic disease management.

INTELLECTUAL PROPERTY

We are committed to the development and protection of our intellectual properties. As of the Latest Practicable Date, our patent portfolio consists of one patent in Japan and 29 patent applications, including seven Patent Cooperation Treaty (“PCT”) patent applications, seven U.S. patent applications, five China patent applications (including one Hong Kong patent application), two Canada patent application, three European patent applications, two Japan patent applications, two Australia patent application, and one Korea patent application. Our patent and patent applications primarily include compositions, methods and uses related to our drug candidates and technology platforms.

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

- FT-002: We had five patent applications in China, the United States, Europe, and Japan, including one of the patent applications in the United States that received a notice of allowance in May 2026.
- FT-003: We obtained one patent in Japan in April 2026. We had seven patent applications in China (including Hong Kong), the United States, Europe, Canada, and Australia, including the patent applications in the United States that received a notice of allowance in June 2026.

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

For more details, please see “Business — Intellectual Property.”

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COMPETITION

Our Core Products target four major ophthalmic indications: XLRP, DME, nAMD and DR. As of the Latest Practicable Date, there are currently no approved drugs globally for XLRP. For DME, nAMD and DR, several therapies have been approved globally, and the currently approved treatment options for these indications are predominantly anti-VEGF therapies, with no gene therapy products approved for these indications to date. For details, see “Industry Overview.”

The biopharmaceutical and gene therapy industries are characterized by rapidly advancing technologies, competition and a strong emphasis on drugs protected by intellectual property rights. We face actual or potential competition from many different sources, including major pharmaceutical, specialty pharmaceutical and biotechnology companies, academic institutions, and public and private research institutions.

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period and up to the Latest Practicable Date, we had no commercialized products and therefore no customers. During the Track Record Period, our suppliers primarily consisted of (i) CROs who provide third-party contracting services for research and development, (ii) suppliers of equipment and devices for our drug development, (iii) suppliers of office space, laboratory and manufacturing facilities, (iv) SMOs who provide assistance with clinical participant recruitment, and (v) professional service providers. Our purchases from our five largest suppliers in aggregate accounted for 33.1% and 40.9% of our total purchases for the years ended December 31, 2024 and 2025, respectively, and 38.3% for the six months ended June 30, 2026. Our purchases from our largest supplier alone accounted for 10.1% and 12.8% of our total purchases for the years ended December 31, 2024 and 2025, respectively, and 13.7% for the six months ended June 30, 2026. All of our suppliers in each year during the Track Record Period are Independent Third Parties. None of our Directors, their respective associates nor any shareholder who, to the knowledge of our Directors, will own more than 5% of our issued share capital immediately following completion of the [REDACTED] has any interest in any of our five largest suppliers in each year/period during the Track Record Period.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

Summary of Consolidated Statements of Profit or Loss

We currently have no products approved for commercial sales and were loss-making during the Track Record Period. We incurred losses of US\$26.5 million and US\$19.5 million for the years ended December 31, 2024 and 2025, respectively, and losses of US\$8.2 million and US\$4.7 million for the six months ended June 30, 2025 and 2026, respectively. Our losses primarily resulted from research and development expenses and general and administrative expenses.

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

	For the Year Ended December 31,		For the Six Months Ended June 30,	
	2024	2025	2025	2026
	<i>(US\$ in thousands)</i>			
	<i>(Unaudited)</i>			
Research and development expenses	(20,576)	(13,925)	(7,116)	(5,305)
General and administrative expenses	(6,989)	(5,135)	(2,708)	(2,430)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other income	617	488	374	1,702
Finance cost	(905)	(768)	(441)	(241)
Other gains and losses	1,389	2,465	1,684	2,233
Loss before tax	(26,464)	(19,528)	(8,207)	(4,744)
Loss for the year/period	(26,464)	(19,528)	(8,207)	(4,744)
Other comprehensive income				
Exchange difference arising on translation of foreign operations	870	(1,776)	(828)	(1,691)
Total comprehensive expense for the year/period	(25,594)	(21,304)	(9,035)	(6,435)

We recorded net loss of US\$26.5 million and US\$19.5 million for the years ended December 31, 2024 and 2025, respectively, and net loss of US\$8.2 million and US\$4.7 million for the six months ended June 30, 2025 and 2026, respectively. The change of net loss was mainly attributable to the decrease of research and development expenses.

Summary of Consolidated Statements of Financial Positions

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

	As of December 31,		As of June 30,
	2024	2025	2026
	<i>(US\$ in thousands)</i>		
Total non-current assets	16,501	7,204	6,590
Total current assets	55,173	39,835	36,370
Total assets	71,674	47,039	42,960
Total non-current liabilities	16,238	9,558	8,686
Total current liabilities	4,424	7,290	10,118
Total liabilities	20,662	16,848	18,804
Net current assets	50,749	32,545	26,252
Net assets	51,012	30,191	24,156

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Our net current assets decreased from US\$50.7 million as of December 31, 2024 to US\$32.5 million as of December 31, 2025, which was primarily attributable to the decrease of total current assets, mainly consisting of the decrease of financial assets at FVTPL of US\$13.9 million. Our net current assets further decreased to US\$26.3 million as of June 30, 2026, which was mainly attributable to (i) the decrease of total current assets, mainly consisting of the decrease in financial assets at FVTPL of US\$8.7 million, partially offset by the increase in cash and cash equivalent of US\$5.7 million, and (ii) the increase of current liabilities, mainly consisting of the increase in borrowings of US\$4.5 million.

Our net assets decreased from US\$51.0 million as of December 31, 2024 to US\$30.2 million as of December 31, 2025, and further decreased to US\$24.2 million as of June 30, 2026, which was primarily attributable to loss and total comprehensive expense of US\$21.3 million in 2025 and loss and total comprehensive expense of US\$6.4 million for the six months ended June 30, 2026, mainly resulting from research and development expenses and general and administrative expenses.

Summary of Consolidated Statements of Cash Flows

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

	For the Year Ended December 31,		For the Six Months Ended June 30,	
	2024	2025	2025	2026
	<i>(US\$ in thousands)</i>			
	<i>(Unaudited)</i>			
Net cash used in operating activities	(23,106)	(16,339)	(6,914)	(6,512)
Net cash from investing activities	24,437	15,579	7,414	9,213
Net cash from/(used in) financing activities . .	(1,692)	(1,710)	(875)	2,604
Net increase/(decrease) in cash and cash equivalents	(361)	(2,470)	(375)	5,305
Cash and cash equivalents at beginning of the year/period	13,528	12,807	12,807	11,285
Cash and cash equivalents at end of the year/period	12,807	11,285	12,585	16,973

During the Track Record Period, we incurred negative cash flows from our operations and our operating cash outflows mainly resulted from our research and development costs. Our operating activities used US\$23.1 million and US\$16.3 million for the years ended December 31, 2024 and 2025, respectively, and US\$6.5 million for the six months ended June 30, 2026.

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Cash Operating Costs

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

	For the Year Ended December 31,		For the Six Months Ended June 30,	
	2024	2025	2025	2026
	(US\$ in thousands)			
	(Unaudited)			
Costs relating to research and development of our Core Products				
Staff costs	1,850	1,747	839	1,376
Cost of purchase	384	857	434	880
Professional services expenses	2,947	3,538	1,457	1,151
Others	275	635	225	166
Subtotal	5,456	6,777	2,955	3,573
Costs relating to research and development of our other drug candidates				
Staff costs	5,579	2,320	1,358	353
Cost of Purchase	2,534	406	210	71
Professional services expenses	2,265	1,363	888	186
Others	1,241	757	401	318
Subtotal	11,619	4,846	2,857	928
Total research and development cost	17,075	11,623	5,812	4,501
Labor cost for non-research and development staff	3,358	2,434	1,360	1,127
Other operating costs	1,791	1,413	625	733

WORKING CAPITAL SUFFICIENCY

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

Our cash burn rate refers to the average monthly amount of cash used in operating activities. We estimate that we will receive net [REDACTED] of approximately [REDACTED] from the [REDACTED], assuming an [REDACTED] of [REDACTED], being the low end of the indicative [REDACTED] range stated in this document. Assuming an average monthly cash burn rate going forward of [2.3] times the level during the six months ended June 30, 2026, we estimate that (i) without taking into account the estimated [REDACTED] for the [REDACTED], our total cash balance as of June 30, 2026, including cash and cash equivalents and financial assets measured at FVTPL, will be able to maintain our financial viability for [12] months, (ii) if we take into account the [REDACTED] of the estimated net [REDACTED] from the [REDACTED] that is allocated to our working capital and other general corporate purposes, [REDACTED] months, and (iii) if we take into account all of the estimated net [REDACTED] from the [REDACTED], [REDACTED] months. We expect to raise our next round of financing no earlier than six months after the completion of the [REDACTED].

KEY FINANCIAL RATIOS

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

	As of December 31,		As of June 30,
	2024	2025	2026
Current ratio ⁽¹⁾	12.5	5.5	3.6

Note:

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

SUMMARY

Our current ratio decreased from 12.5 as of December 31, 2024 to 5.5 as of December 31, 2025, primarily due to a decrease in financial assets at FVTPL. Our current ratio further decreased to 3.6 as of June 30, 2026, primarily due to a decrease in financial assets at FVTPL and an increase in borrowings.

RISK FACTORS

We believe there are certain risks and uncertainties involved in our operations. These risks include the following:

- We depend substantially on the success of our drug candidates, all of which are in discovery stage, preclinical or clinical development.
- Clinical development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results.
- We invest substantial human and capital resources in research and development in order to develop our drug candidates and enhance our technologies, but we cannot guarantee that such efforts will lead to successful outcomes.
- Our drug candidates may cause adverse side effects, such as triggering immune responses, or have other properties that could delay or prevent their regulatory approval, which may limit their commercial profile or result in negative post-approval consequences.
- The side effects of our drug candidates on patients, such as tumorigenesis induced by AAV genome integration and unintended off-target genomic modifications, may be irreversible, with limited effective remedial measures available should any SAEs occur.
- Our drug candidates may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success due to several factors, including the unavailability of long-term treatment outcomes, long-term follow-up required and the concern of long-term safety, and limited market accessibility and negative public sentiment owe to high pricing.
- We face intense competition and rapid technological change and the possibility that our competitors may develop therapies that are similar, more advanced, or more effective than ours.
- The manufacture of gene therapy products is a complex process which requires significant expertise and capital investment, and if we encounter problems in manufacturing our business could suffer.
- We are a clinical-stage biotech company with a limited operating history, which may make it difficult to evaluate our current business and predict our future performance.
- If we are unable to obtain adequate patent and other intellectual property protection for our drug candidates throughout the world, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us, and our ability to successfully commercialize our drug candidates may be adversely affected.
- Our future success depends on our ability to retain key executives and to attract, train, retain and motivate qualified and highly skilled personnel.
- Gene therapy products are subject to stringent regulation across multiple jurisdictions, and the regulations or restrictions governing the development and commercialization of our drug candidates may change from time to time.
- All material aspects of the research, development, manufacturing and commercialization of biopharmaceutical products are heavily regulated.

SUMMARY

[REDACTED]

SUMMARY

OUR FOUNDING SHAREHOLDERS AND PRE-[REDACTED] INVESTORS

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

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

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

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

REORGANIZATION AND THE UNWINDING OF THE HISTORICAL CONTRACTUAL ARRANGEMENTS

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

[REDACTED]

SUMMARY

USE OF [REDACTED]

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

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

- [REDACTED] of the net [REDACTED], or approximately [REDACTED], will be used to fund the continuing clinical research and development activities of our Core Products FT-002 and FT-003;
- [REDACTED] of the net [REDACTED], or approximately [REDACTED], will be used to fund preparations for the commercial roll-out of our drug candidates in China, including registrational filings as well as establishing sales and marketing capabilities;
- [REDACTED] of the net [REDACTED], or approximately [REDACTED], will be used to fund the research and development of early-stage pipeline programs and cover other research and development related costs;
- [REDACTED] of the net [REDACTED], or approximately [REDACTED], will be used for investing in our manufactory capabilities in preparation for the market approval and commercialization of our drug candidates, including any facility upgrades that may be required in the future; and
- [REDACTED] of the net [REDACTED], or approximately [REDACTED], will be used for working capital and other general corporate purposes.

See “Future Plans and Use of [REDACTED]” for further details.

DIVIDENDS

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

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

SUMMARY

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

RECENT DEVELOPMENT

Following the end of the Track Record Period and up to the Latest Practicable Date: (i) we have continued to develop our business and advance our pipeline; (ii) there has been no material change to our business model; and (iii) there has been no material development to the industry, market or regulatory landscape in which we operate.

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since June 30, 2026, being the end date of our latest consolidated financial statements, and there has 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.

We expect that there will be a significant increase in our net loss in 2026, primarily due to (i) an increase in research and development expenses including professional services expenses to be paid to clinical service providers, and costs of purchasing materials and consumables to be used in clinical trials in preparation for the planned commencements of multiple Phase III clinical trials, and (ii) an increase in staff costs, mainly driven by an increase in share-based compensation expenses arising from the share-based compensation granted in November 2025.