

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OVERVIEW

We are a clinical-stage gene therapy company developing innovative therapies, dedicated to delivering safe, effective and affordable gene therapy treatments to patients worldwide.

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on September 17, 2019. Dr. Li, our executive Director, chief executive officer and chief medical officer, provides operational and managerial leadership in areas including business strategy and execution, research and innovation, and regulatory compliance and risk management, to ensure the Group’s long-term success. For more details of the experience and qualifications of Dr. Li, see “Directors and Senior Management” in this document.

BUSINESS MILESTONES

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

Year	Milestones
2019	Our Company was incorporated.
2020	We established the early-stage R&D team in Boston, the United States. We commenced project initiation for FT-001, FT-002 and FT-003. We completed vector construction and screening for FT-001. We completed vector construction for FT-002 and FT-003. We commenced animal efficacy study for FT-001.
2021	We completed series A financing, raising US\$35 million. We established our GMP compliant manufacturing facility in Suzhou, China. We completed animal efficacy studies to screen drug candidates for FT-002 and FT-003 and successfully selected drug candidates based on the efficacy data for further development. We commenced animal safety study for FT-001.
2022	We commenced animal safety studies for FT-002 and FT-003. We completed series B financing, raising over US\$160 million. We received IND approval for FT-001 for Phase I/II clinical trials in China and the United States. We commenced further animal efficacy studies for FT-002 and FT-003 to support IND filings.
2023	FT-001: The first participant was dosed in the Phase I clinical trial in China. The first participant was dosed in the Phase II clinical trial in China. FT-002: We received IND approval for Phase I/II clinical trials in China. FT-003: We received IND approval for Phase I/II clinical trials for nAMD and DME in China. The first participant was dosed in the Phase I clinical trial of nAMD and DME in China.
2024	FT-002: FT-002 was granted Orphan Drug Designation by the FDA. We received IND approval for Phase II clinical trials and received Fast Track Designation in the United States. The first participant was dosed in the Phase I clinical trial in China. FT-003: The first participant was dosed in the Phase II clinical trials for both nAMD and DME in China. We received IND approval for Phase II clinical trials for nAMD and DME in the United States.
2025	FT-002: The first participant was dosed in the Phase II clinical trial in China. FT-003: We received IND approval for Phase II clinical trials for DR in China. FT-017:

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Year	Milestones
2026	We received IND approval for Phase I/II clinical trials in China and the United States. FT-003: We received RMAT designation for FT-003 with respect to nAMD from the FDA.

OUR PRINCIPAL SUBSIDIARIES

As of the Latest Practicable Date, the following subsidiaries made a material contribution to our results of operations during the Track Record Period or are of strategic importance to us:

Principal subsidiaries	Place of incorporation	Date of incorporation	Principal business activities
Frontera Shanghai	PRC	June 5, 2020	Headquarters; gene therapy R&D including conducting pre-clinical and clinical development
Frontera Suzhou	PRC	September 16, 2020	Production of all clinical trial materials for the Group
Frontera Qisheng	PRC	August 19, 2020	Gene therapy R&D; holder of clinical trial approvals for all pipeline candidates
Frontera US.	Delaware, the U.S.	December 18, 2019	Gene therapy R&D; patent holder and applicant in respect of all pipeline candidates and development platforms

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

1. Incorporation of our Company and early share transfers

On September 17, 2019, our Company was incorporated as an exempted company with limited liability in the Cayman Islands with an authorized share capital of US\$50,000 divided into 500,000,000 Shares of a nominal or par value of US\$0.0001 each.

On the date of incorporation, 20,000,000 ordinary Shares in total were allotted and issued at par value to Aequitas International Management Ltd. (initial subscriber which was the agent hired by and acted for the Company in its corporate filing and registration matters), Dr. Wei Li, Dr. Qingsheng Zhu, OrbiMed Asia, and OrbiMed U.S. On the same date, the initial subscriber transferred its one ordinary Share to Dr. Wei Li at par value. Dr. Wei Li, who was initially involved in our Company’s formation, is a founding partner of Creacion. For details about Creacion, see “— Information about Our Shareholders — Founding Shareholders — Creacion” in this section. Dr. Qingsheng Zhu is the Chairman of our Board and a non-executive Director. Upon completion of the share issuance and above transfers, the shareholding structure of our Company was as follows:

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Shareholder	Number of Ordinary Shares	Shareholding Percentage
Wei Li	5,000,000	25%
Qingsheng Zhu	5,000,000	25%
OrbiMed Asia	5,000,000	25%
OrbiMed U.S.	5,000,000	25%
Total issued Shares	20,000,000	100%

2. Issuance and allotment of shares in April 2020

On April 28, 2020, all ordinary Shares held by Dr. Wei Li and Dr. Qingsheng Zhu were repurchased and cancelled by our Company. On the same day, pursuant to certain share subscription agreement, our Company issued 10,000,000 ordinary Shares to Creacion at par value. Upon completion of the share issuance and above transfers, the shareholding structure of our Company was as follows:

Shareholder	Number of Ordinary Shares	Shareholding Percentage
Creacion	10,000,000	50%
OrbiMed Asia	5,000,000	25%
OrbiMed U.S.	5,000,000	25%
Total issued Shares	20,000,000	100%

3. Issuance and allotment of shares in May 2020

On May 25, 2020, our Company allotted and issued a total of 3,475,000 ordinary Shares at par value to the following investors: 1,000,000 to Creacion, 500,000 to OrbiMed Asia, 500,000 to OrbiMed U.S., 1,200,000 to Mr. Yong Dai, 100,000 to Mr. Phillip Raymond Reilly, 25,000 to Mr. Qin Su, and 150,000 to Mr. Robert Michael Kotin. Each of the aforementioned individuals were early contributors to the Company. Upon completion of the share issuance and above allotments, the shareholding structure of our Company was as follows:

Shareholder	Number of Ordinary Shares	Shareholding Percentage
Creacion	11,000,000	46.9%
OrbiMed Asia	5,500,000	23.4%
OrbiMed U.S.	5,500,000	23.4%
Yong Dai	1,200,000	5.1%
Robert Michael Kotin	150,000	0.6%
Phillip Raymond Reilly	100,000	0.4%
Qin Su.	25,000	0.1%
Total issued Shares	23,475,000	100.0%

4. Issuance of shares in connection with the Pre-[REDACTED] Investments

Our Company has made various rounds of allotments and issuances to our Pre-[REDACTED] Investors pursuant to the Pre-[REDACTED] Investments. For details, see “— Pre-[REDACTED] Investments” below.

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5. Adoption of the Pre-[REDACTED] Equity Incentive Plan and grant of options thereunder

In recognition of the contributions of our employees, officers, Directors and other eligible persons, and to incentivize them to further promote our development, on August 28, 2020, we adopted the Pre-[REDACTED] Equity Incentive Plan.

As of the Latest Practicable Date, a total of 16,556,267 options were outstanding and granted to a total of 100 grantees under the Pre-[REDACTED] Equity Incentive Plan. No further options will be granted pursuant to the Pre-[REDACTED] Equity Incentive Plan after [REDACTED]. For details and principal terms of the Pre-[REDACTED] Equity Incentive Plan, see “Statutory and General Information — D. Pre-[REDACTED] Equity Incentive Plan” in Appendix IV to this document.

6. 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) 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 “— Reorganization” under this section.

7. Historical Development of our Talent Team

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.”

To the best knowledge of our Directors, there were no disputes or disagreements among each of Dr. Dai, Mr. Falb and two former chief business officers and the Group, its Directors, senior management and substantial shareholders as of the Latest Practicable Date. Based on the due diligence work conducted by the Joint Sponsors, nothing material has come to the attention of the Joint Sponsors which would contradict the Directors’ aforementioned conclusion.

INFORMATION ABOUT OUR SHAREHOLDERS

Founding Shareholders

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. To the best knowledge of the Directors, there has been no acting-in-concert arrangement between the Founding Shareholders.

The Company is incubated by private equity funds, where the Founding Shareholders provided initial monetary contribution and corporate governance support, then proceeded to hire professional management as soon as possible after incorporation in order for the management team to independently operate daily affairs and clinical and business progress of the Company. The incorporation of the Company was strategically driven by the Founding Shareholders’ assessment of the development trends and clinical value of AAV gene therapy drugs, combined with their past successful investment experience in the biopharmaceutical sector and thorough consideration with the advice of senior industry opinion leaders. The

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commercial rationale of the Company’s incorporation was to fully leverage the advantages in patient population, clinical resources, and medical talent from both China and the United States, with a dedicated focus on developing globally oriented, affordable AAV gene therapy products targeting rare diseases and chronic diseases.

Dr. David Guowei Wang (one of our non-executive Directors) and Dr. Wei Li (a former Director of the Company and a founding partner of Creacion) joined the Company as the respective representatives from the Founding Shareholders at an early stage commensurate with their respective private equity funds’ financial contributions to the Company. They were involved in the initial administrative founding of the Company and involved in a non-executive capacity as they had full-time job commitments in their respective private equity funds. Dr. Wei Li, as a founding partner of Creacion, was involved in the Company’s formation and handled related matters such as early-stage recruitment. A similar rationale applies to Dr. Qingsheng Zhu (one of our non-executive Directors), who joined as an initial board member with more relevant expertise in the relevant biopharmaceutical industry in the PRC. These non-executive directors were responsible for determination of the Company’s overall strategy at the time of the incorporation, initial formulation and incorporation, and initial operations of the Group.

Dr. Wei Li has been involved in the Group in a non-executive capacity as a board representative of Creacion throughout the Track Record Period. His subsequent resignation from the Group due to his intention to focus on other endeavours was considered against the background of the Group’s significant growth and independent operation from the Founding Shareholders. There has not been and will not be any material impact to the Group’s operations as Dr. Wei Li’s role has been non-executive in nature throughout the Track Record Period and his tenure as Director. To the best knowledge of our Directors, there were no disputes or disagreements among Dr. Wei Li and the Group, its Directors, senior management and substantial shareholders as of the Latest Practicable Date. Based on the due diligence work conducted by the Joint Sponsors, nothing material has come to the attention of the Joint Sponsors which would contradict the Directors’ aforementioned conclusion.

For further details relating to the background and experience of Dr. Wang and Dr. Zhu, please refer to the section headed “Directors and Senior Management” in this document.

OrbiMed Entities

OrbiMed Asia

OrbiMed Asia Partners III, L.P. (“**OrbiMed Asia**”) is an exempted limited partnership registered under the laws of the Cayman Islands. The general partner of OrbiMed Asia is OrbiMed Asia GP III, L.P., with OrbiMed Advisors III Limited acting as its general partner. The directors of OrbiMed Advisors III Limited are comprised of Carl L. Gordon (a former Director of our Company), Geoffrey C. Hsu, W. Carter Neild, Sunny Sharma, David Guowei Wang (one of our non-executive Directors), Sven H. Borho, and David P. Bonita, all of whom (except David Guowei Wang and Carl L. Gordon) are Independent Third Parties. The governance of OrbiMed Asia is vested in OrbiMed Asia GP III, L.P., while the exercise of voting rights attached to OrbiMed Asia is delegated to OrbiMed Advisors LLC. No single limited partner of OrbiMed Asia holds 30% or more of the partnership interests of OrbiMed Asia. No single limited partner of OrbiMed Asia GP III, L.P. holds 30% or more of the partnership interests of OrbiMed Asia GP III, L.P.

OrbiMed U.S.

OrbiMed Private Investments VII, LP (“**OrbiMed U.S.**”) is a limited partnership registered under the laws of Delaware, USA. The general partner of OrbiMed U.S. is OrbiMed Capital GP VII LLC, with OrbiMed Advisors LLC being its managing member. The ultimate beneficial owner of OrbiMed Capital GP VII LLC is OrbiMed Advisors LLC. The governance of OrbiMed US is vested in OrbiMed Capital GP VII LLC, while the exercise of voting rights attached to OrbiMed US is delegated to OrbiMed Advisors LLC. The members of OrbiMed Advisors LLC are Carl L. Gordon, W. Carter Neild, Geoffrey C. Hsu, C. Scotland Stevens,

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David P. Bonita, Matthew S. Rizzo, Peter A. Thompson, and Mona Ashiya. Carl L. Gordon holds over 25% but less than 50% membership interest. OrbiMed Advisors LLC exercises voting and investment power through a management committee comprised of Carl L. Gordon (a former Director of our Company), W. Carter Neild, and Geoffrey C. Hsu, all of whom (except Carl L. Gordon) are Independent Third Parties. No single limited partner of OrbiMed US holds 30% or more of the partnership interests of OrbiMed U.S.

OrbiMed Entities

OrbiMed Advisors LLC is the advisory company to OrbiMed Asia, pursuant to its voting power under the Advisory Agreement between it and OrbiMed Asia. OrbiMed Advisors LLC is the managing member of OrbiMed Capital GP VII LLC, the general partner of OrbiMed U.S. and is the management company to OrbiMed U.S., pursuant to its voting power under the Management Agreement between it and OrbiMed U.S. Therefore, OrbiMed Advisors LLC has control over voting rights attaching to OrbiMed Asia and OrbiMed U.S., and with respect to its voting power in our Company, OrbiMed Asia and OrbiMed U.S. are under common control of OrbiMed Advisors LLC.

Creacion

Montar Capital, LLC (“**Creacion**”) is a limited liability company established under the laws of the Cayman Islands on March 13, 2020, which is owned as to 90.8% as a special purpose vehicle by Creacion Ventures I, L.P. a partnership incorporated and validly existing under the laws of the Cayman Islands (“**Creacion Ventures**”). The general partner of Creacion Ventures is Creacion Ventures GP I, LLC, which is held as to 50% by Dr. Wei Li and 50% by Dr. Qingsheng Zhu. Creacion Ventures has 11 limited partners and none of them hold 30% or more of the limited partnership interest therein.

Creacion Ventures is a life sciences-focused venture capital firm, with the mission to cultivate and support private companies in their pursuit of medical innovation, fulfilment of unmet medical need, and making large social and economic impact. The investment team of Creacion Ventures GP I, LLC brings over two decades of life sciences operational and venture investment experiences in investing in biotechnology companies from incubation stage, with assets under management of approximately USD170 million. Examples of companies listed on the Stock Exchange in which the investment team was involved since their formation include Innovent Biologics, Inc. (stock code: 1801), CStone Pharmaceuticals (stock code: 2616) and Ocumension Therapeutics (stock code: 1477). Creacion Ventures is managed by a team of seasoned entrepreneurs and investment professionals, and is actively investing in therapeutics, interventional medical devices, drug discovery tools and instruments, and diagnostic products. Dr. Wei Li, who was initially involved in our Company’s formation, is a founding partner of Creacion Ventures.

Management of Potential Competition With the Founding Shareholders

The board representatives appointed by the Founding Shareholders (being Dr. Wang, Mr. Diyong Xu and Dr. Zhu) act solely in non-executive capacity, and their roles are limited to providing high-level oversight, strategic guidance, and governance consistent with standard board responsibilities and in a collective capacity as Board members. They do not participate in the Company’s day-to-day management or routine decision-making related to R&D strategies, or commercialization plans of the Core Products. None of them have a controlling interest or voting majority on the Company’s board, and neither has the authority to alter the Board’s independence, composition, or decision-making autonomy from the Founding Shareholders. In any event, neither of the Founding Shareholders will be a controlling shareholder of the Company upon the [REDACTED], and the Company considers that their interests (whether controlling or otherwise) in various global healthcare companies (which focus on therapeutic tracks different than those on which the Company is focused) are unlikely to pose competition issues.

The Founding Shareholders are institutional investors with investments in strategic areas. The OrbiMed Entities have not, during the Track Record Period, incubated any

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company in the same region as the Company that would directly compete with the Company, nor does it have plans to do so. The OrbiMed Entities' investment portfolio is diversified across biopharmaceuticals, medical devices, digital health, diagnostics, and healthcare services. As a general matter, the OrbiMed Entities seek to avoid incubating companies that are competitors within the same therapeutic area and region. The investment strategy of Creacion is that it incubates only one company in each therapeutic track, and this has remained consistent throughout the Track Record Period. In any event, neither of the Founding Shareholders will be a controlling shareholder of the Company upon the [REDACTED], and the Company considers that their interests (whether controlling or otherwise) in various global healthcare companies (which focus on therapeutic tracks different than those on which the Company is focused) are unlikely to pose competition issues and there will be limited potential conflict of interest. Even where from time to time the representatives of the Founding Shareholders (which are non-executive Directors) may serve on the boards of both private and public companies within the broader healthcare and biopharmaceutical industries, the Company does not believe that these interests would render it incapable of carrying on its business independently from the other companies in which these non-executive Directors hold directorships and the portfolio companies that the Founding Shareholders' have interests in, because the businesses of such other companies are unrelated to that of the Company.

As a result, the Directors are of the view that the Company is able to manage any potential competition between the Company and the portfolio companies controlled by the Founding Shareholders especially considering the investment track record of the Founding Shareholders.

In the event where there is a conflict of interest arising from Founding Shareholders' investment in other companies and/or the other directorships of appointed non-executive directors on the Company's board of directors, any potential conflict of interest can be managed through the following measures:

- (i) *Limited Role of Non-Executive Directors:* Founding Shareholder-appointed directors act solely as non-executive directors, and they do not participate in the Company's day-to-day management or decision-making related to R&D strategies, commercialization plans, or other operational matters.
- (ii) *Enhanced Board Oversight Mechanisms:* the Company is prepared to establish a conflict-of-interest oversight committee or designate specific independent directors to monitor and address any potential conflicts of interest. This ensures that any potential conflicts are reviewed and reported regularly, and that Founding Shareholder-appointed Directors recuse themselves from discussions or decisions where a conflict of interest might arise.
- (iii) *Clear Board Policies on Conflict of Interest:* the Company will adopt internal policies requiring all Board members, including Founding Shareholder-appointed Directors, to regularly disclose any new affiliations, investments, or directorships that could overlap or compete with the Company's business areas. The Company will also develop and implement policies that outline the roles, responsibilities, and expectations of non-executive Directors, including protocols for identifying and managing potential conflicts.
- (iv) *Regular Review and Information-sharing Restrictions:* the Company has procedures in place to conduct regular internal reviews of the list of companies where Founding Shareholder-appointed directors serve as a director to identify any changes in business activities or investments that could potentially overlap with the Company's operations. In case of a conflict of interest arising from Founding Shareholders' investment in other companies, the Company will request the Founding Shareholders to establish firewalls or information-sharing restrictions between its portfolio companies, among other measures, to prevent cross-contamination of sensitive information.
- (v) *Periodic Board Training on Conflict Management:* the Company will provide regular training sessions for board members on conflict-of-interest management,

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covering legal obligations, best practices, and the Company’s specific policies. This helps ensure all directors, including Founding Shareholder-appointed ones, are fully aware of their responsibilities.

Independent Operation from the Founding Shareholders

Since its incorporation, the Company’s management team has been structurally expanding and attracted industry leaders, and under the leadership of Dr. Xinyan Li and Dr. Zhongdong Shi, who spearheaded the development of the Core Products, the Company has grown and developed its pipeline under its own independent R&D team. The Company continues to achieve additional development milestones for the Core Products under the leadership of its management team. Given the presence of a fully functional executive team, the board representatives of the Founding Shareholders have non-executive roles and only participate in general corporate governance of the Company, and do not have any influence on or participation in the Company’s day-to-day management and operations. All of the steps taken in R&D initiation and development, as well as formulation of commercialization plans, are executed by the Company’s functional teams which are independent from the Founding Shareholders, after the R&D strategy and commercialization strategy is independently formulated by the Company. This approach is taken for all of the Company’s pipeline products. Therefore, the Directors are of the view that the Company is able to be managed and operated independently from the Founding Shareholders.

Our Pre-[REDACTED] Investors

For details about our principal Pre-[REDACTED] Investors, including the Sophisticated Investor, see “— Pre-[REDACTED] Investment — Information about the Pre-[REDACTED] Investors” in this section below.

PRE-[REDACTED] INVESTMENTS

Series A Financing

On October 24, 2019, our Company entered into a convertible note purchase agreement with OrbiMed Asia and OrbiMed U.S. (collectively, the “**OrbiMed Entities**”), pursuant to which (i) a convertible promissory note in a principal amount of US\$250,000 (the “**1st OrbiMed Asia Bridge Loan**”) was issued by our Company to OrbiMed Asia; and (ii) a convertible promissory note in a principal amount of US\$250,000 (the “**1st OrbiMed U.S. Bridge Loan**”) was issued by our Company to OrbiMed U.S.

On February 20, 2020, our Company entered into a convertible note purchase agreement with Creacion Ventures I, L.P., and a consent to assignment dated April 29, 2020, pursuant to which a convertible promissory note in a principal amount of US\$500,000 (the “**1st Creacion Bridge Loan**”) was issued by our Company to Creacion.

On April 27, 2020, our Company entered into a convertible note purchase agreement with OrbiMed Asia, OrbiMed U.S., and Creacion, pursuant to which (i) a convertible promissory note in a principal amount of US\$1,000,000 (the “**2nd OrbiMed Asia Bridge Loan**,” and together with the 1st OrbiMed Asia Bridge Loan, the “**OrbiMed Asia Bridge Loans**”) was issued by our Company to OrbiMed Asia; (ii) a convertible promissory note in a principal amount of US\$1,000,000 (the “**2nd OrbiMed U.S. Bridge Loan**,” and together with the 1st OrbiMed U.S. Bridge Loan, the “**OrbiMed US Bridge Loans**”) was issued by our Company to OrbiMed U.S.; and (iii) a convertible promissory note in a principal amount of US\$2,000,000 (the “**2nd Creacion Bridge Loan**,” together with the 1st Creacion Bridge Loan, the “**Creacion Bridge Loans**,” and together with the OrbiMed Asia Bridge Loans and OrbiMed U.S. Bridge Loans, the “**Bridge Loans**”) was issued by our Company to Creacion.

On October 9, 2020, our Company entered into the Series A Share Purchase Agreement with Creacion, OrbiMed Asia, OrbiMed U.S., and Denoma Ltd. The series A preferred Shares were issued pursuant to the aforementioned agreement and by full conversion of the Bridge Loans, and the consideration was settled in two closings.

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At the initial closing, our Company allotted and issued the series A preferred Shares to the following investors on October 9, 2020 as set forth in the table below:

Shareholders	Number of Series A Preferred Shares subscribed	Consideration
Creacion	8,000,000	US\$8,000,000 ⁽¹⁾
OrbiMed Asia	4,000,000	US\$4,000,000 ⁽²⁾
OrbiMed U.S.	4,000,000	US\$4,000,000 ⁽³⁾
Denoma Ltd	1,500,000	US\$1,500,000 ⁽⁴⁾
Total	17,500,000	US\$17,500,000

Notes:

- (1) This amount was settled in full by readily available funds of US\$5,500,000 and by full conversion of the Creacion Bridge Loans of US\$2,500,000.
- (2) This amount was settled in full by readily available funds of US\$2,750,000 and by full conversion of the OrbiMed Asia Bridge Loans of US\$1,250,000.
- (3) This amount was settled in full by readily available funds of US\$2,750,000 and by full conversion of the OrbiMed U.S. Bridge Loans of US\$1,250,000.
- (4) This amount was settled in full by readily available funds.

At the second closing, our Company allotted and issued the series A preferred Shares to the following investors on January 15, 2021 as set forth in the table below:

Shareholders	Number of Series A Preferred Shares subscribed	Consideration	Total Shareholding Percentage upon completion of transaction ⁽²⁾
Creacion	8,000,000	US\$8,000,000	46.2%
OrbiMed Asia	4,000,000	US\$4,000,000	23.1%
OrbiMed U.S.	4,000,000	US\$4,000,000	23.1%
Denoma Ltd	1,500,000	US\$1,500,000	5.1%
Total	17,500,000	US\$17,500,000⁽¹⁾	97.5%

Note:

- (1) This amount was settled in full by readily available funds.
- (2) The shareholding percentage is calculated based on the total number of Shares (including both Ordinary Shares and preferred Shares) held by each Shareholder divided by the total number of issued and outstanding Shares of the Company (including both Ordinary Shares and preferred Shares) immediately upon completion of the transaction.

Series B1 and Series B2 Financings

On April 19, 2021, our Company entered into the Series B Share Purchase Agreement with the Pre-[REDACTED] Investors. The series B preferred shares were issued and the consideration was settled in two closings as below.

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Series B-1 Financing

In connection with our Series B-1 financing, our Company allotted and issued an aggregate of 36,196,541 Series B-1 preferred Shares to the following investors on April 30, 2021 and May 6, 2021 for an aggregate consideration of US\$80,150,000 as set forth in the table below:

Shareholders	Number of Series B-1 Preferred Shares subscribed	Consideration	Total Shareholding Percentage upon completion of transaction ⁽³⁾
on April 30, 2021:			
Forward Force Investment Limited . .	11,290,250	US\$25,000,000	11.9%
Creacion	3,161,270	US\$7,000,000	31.9%
OrbiMed U.S.	3,387,075	US\$7,500,000	17.8%
OrbiMed Asia	3,387,075	US\$7,500,000	17.8%
Terra Magnum Fund I LP	1,129,025	US\$2,500,000	1.2%
Terra Magnum Sigma LLC	451,610	US\$1,000,000	0.5%
Loyal Valley Capital Advantage Fund III LP	2,258,050	US\$1,500,000	2.4%
Firstray Biotech Investment Holdings, Ltd.	903,220	US\$2,000,000	1.0%
WS Investment Company, L.L.C. . . .	67,741	US\$150,000	0.1%
on May 6, 2021:			
HSG Growth VI Holdco E, Ltd. ⁽²⁾ . .	7,903,175	US\$17,500,000	8.3%
Sarr International Investments HK V Limited	2,258,050	US\$5,000,000	2.4%
Total	36,196,541	US\$80,150,000⁽¹⁾	95.3%

Notes:

- (1) This amount was settled in full by readily available funds.
- (2) This entity was known as SCC Growth VI Holdco E, Ltd. at the time of the share issuance.
- (3) The shareholding percentage is calculated based on the total number of Shares (including both Ordinary Shares and preferred Shares) held by each Shareholder divided by the total number of issued and outstanding Shares of the Company (including both Ordinary Shares and preferred Shares) immediately upon completion of the transaction on May 6, 2021.

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Series B-2 Financing

In connection with our Series B-2 financing, our Company allotted and issued an aggregate of 19,998,104 series B-2 preferred Shares to the following investors on July 18, 2022 for an aggregate consideration of US\$80,150,000 as set forth in the table below:

Shareholders	Number of Series B-2 Preferred Shares subscribed	Consideration	Total Shareholding Percentage upon completion of transaction ⁽³⁾
Forward Force Investment Limited . . .	6,237,712	US\$25,000,000	15.3%
HSG Growth VI Holdco E, Ltd. ⁽²⁾ . . .	4,366,398	US\$17,500,000	10.7%
Creacion	1,746,559	US\$7,000,000	27.8%
OrbiMed U.S.	1,871,314	US\$7,500,000	16.4%
OrbiMed Asia	1,871,314	US\$7,500,000	16.4%
Terra Magnum Fund I LP	623,772	US\$2,500,000	1.5%
Terra Magnum Sigma LLC	249,508	US\$1,000,000	0.6%
Loyal Valley Capital Advantage Fund III LP	1,247,542	US\$5,000,000	3.1%
Starr International Investments HK V, Limited	1,247,542	US\$5,000,000	3.1%
Firstray Biotech Investment Holdings, Ltd.	499,017	US\$2,000,000	1.2%
WS Investment Company, L.L.C.	37,426	US\$150,000	0.1%
Total	19,998,104	US\$80,150,000⁽¹⁾	96.1%

Notes:

- (1) This amount was settled in full by readily available funds.
- (2) This entity was known as SCC Growth VI Holdco E, Ltd. at the time of the share issuance.
- (3) The shareholding percentage is calculated based on the total number of Shares (including both Ordinary Shares and preferred Shares) held by each Shareholder divided by the total number of issued and outstanding Shares of the Company (including both Ordinary Shares and preferred Shares) immediately upon completion of the transaction.

Principal terms of the Pre-[REDACTED] Investments

Details of the Pre-[REDACTED] Investments by our Pre-[REDACTED] Investors through subscription of Preferred Shares are summarized below:

	Series A Financing	Series B-1 Financing	Series B-2 Financing
Date of agreement . . .	October 9, 2020	April 19, 2021	April 19, 2021
Number of shares subscribed	35,000,000 Series A preferred Shares	36,196,541 Series B-1 preferred Shares	19,998,104 Series B-2 preferred Shares
Amount of consideration paid . . .	US\$35,000,000 ⁽¹⁾	US\$80,150,000	US\$80,150,000
Date of payment of full consideration	January 15, 2021	May 6, 2021	July 21, 2022
Post-money valuation of our Company (approximation) ⁽⁴⁾	US\$70,000,000	US\$235,151,001 ⁽²⁾	US\$527,830,363 ⁽³⁾
Cost per share under the Pre-[REDACTED] Investments (approximation)	US\$1.0	US\$2.2143	US\$4.0079
Discount to the [REDACTED] (approximation) ⁽⁵⁾	[REDACTED]	[REDACTED]	[REDACTED]

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	Series A Financing	Series B-1 Financing	Series B-2 Financing
Basis of determination of the valuation and consideration	Based on arm’s length negotiations between the parties after taking into consideration timing of the investments, the clinical progress of our pipeline, the regulatory approvals and permits obtained, the development of our in-house developed platform, the overall status of our business and operations and different level of risks associated with our product candidates at the then stage at the relevant time.		
[REDACTED] period	[The Shares held by the Pre-[REDACTED] Investors will be subject to a [REDACTED] period of six months from the [REDACTED].]		
Use of proceeds from the Pre-[REDACTED] Investments	We utilized the proceeds from the Pre-[REDACTED] Investments for the principal business of our Group as approved by the Board, including R&D activities, the growth and expansion of our business and general working capital purposes. As at the Latest Practicable Date, approximately 86% of the net proceeds from the Pre-[REDACTED] Investments have been utilized. We intend to use the rest of the proceeds from the Pre-[REDACTED] Investments for further research and development activities, working capital, and other general corporate purposes. We expect to fully utilize the proceeds from the Pre-[REDACTED] Investments by early 2027.		
Strategic benefits of the Pre-[REDACTED] Investments to the Group	At the time of the Pre-[REDACTED] Investments, our Directors were of the view that our Company could benefit from the additional funds provided by the investments in our Company and the knowledge and experience of the Pre-[REDACTED] Investors.		

Notes:

- (1) Part of the consideration was settled by the conversion of the convertible notes, see “— Series A Financing” above.
- (2) The increase in the valuation of our Company from series A financing to series B-1 financing was mainly due to (i) the establishment and commencement of operations of our R&D center in Boston that was substantially completed in around February 2020, and (ii) the anticipation of our advancement of the development of our product pipeline and clinical progress.
- (3) The increase in the valuation of our Company from series B-1 financing to series B-2 financing has taken into account (i) the approval for Phase I/II clinical trials for FT-001 in April 2022 in the U.S. and submitted the IND application in China, (ii) the successful initial production of products in the Company’s GMP-compliant manufacturing facility in Suzhou in July 2022, validating the Company’s capability to accomplish scalable and low-cost production of rAAV vectors; (iii) expansion of the Company’s R&D team and capabilities over the years from 2020 through 2022; and (iv) established teams in translational medicine, clinical, medical, and regulatory affairs.
- (4) The increase in valuation of our Company upon [REDACTED] from series B-2 financing has taken into account: (i) the advancements in our business and product candidates, including the completion of the Phase I/II clinical trials of FT-001 in February 2025, the completion of the Phase I clinical trial of our Core Product FT-002 in August 2024 and and initiation of the Phase II clinical trial of it in February 2025 in accordance with NMPA-approved protocol; (ii) the completion of the Phase I clinical trial of our Core Product FT-003 nAMD in August 2024 and and initiation of the Phase II clinical trial of it in October 2024 in accordance with NMPA-approved protocol; (iii) the completion of the Phase I clinical trial of our Core Product FT-003 DME in October 2024 and and initiation of the Phase II clinical trial of it in November 2024; (iv) the expansion of our various functional teams, including our clinical team from 2022 through 2026, and (v) the expected capital raised during the [REDACTED]. For details of the aforesaid advancements in our business and product candidates, see “Business” in this document.
- (5) Calculated on the [REDACTED] of [REDACTED], being the mid-point of the indicative [REDACTED] range, and the indicative exchange rate of HK\$[7.8428] to US\$1.00.

Rights of the Pre-[REDACTED] Investors

The Pre-[REDACTED] Investors were granted customary special rights, including but not limited to the drag-along right (which includes a put option), information and inspection rights, right of first refusal, tag-along rights, veto right and/or director appointment right. The drag-along right will be terminated automatically upon [REDACTED] and shall be automatically reinstated if the [REDACTED] is not consummated, and all other special rights granted to the Pre-[REDACTED] Investors by our Company shall automatically cease to be effective or [otherwise be terminated] upon [REDACTED].

All preferred Shares shall be automatically converted into Shares upon completion of the [REDACTED] on [a one-to-one basis], at which our share capital will comprise of [one class of shares, namely ordinary shares.]

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Compliance with the Pre-[REDACTED] Investment Guidance

On the basis that (i) the consideration for the Pre-[REDACTED] Investments was settled more than 28 clear days before the date of our first submission of the [REDACTED] to the Stock Exchange in relation to the [REDACTED]; and (ii) the special rights granted to the Pre-[REDACTED] Investors will not survive [REDACTED] as disclosed in the paragraph headed “— Rights of the Pre-[REDACTED] Investors” in this section, the Joint Sponsors confirm that the Pre-[REDACTED] Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

Information about the Pre-[REDACTED] Investors

Below sets out information of our Pre-[REDACTED] Investors. To the best knowledge of our Directors, each of such Pre-[REDACTED] Investors and where applicable, their respective general partner(s), limited partner(s) and ultimate beneficial owner(s) is an Independent Third Party.

For details about our Founding Shareholders, OrbiMed Entities and Creacion, who are also our Pre-[REDACTED] Investors, see “— Information about Our Shareholders — Founding Shareholders” in this section above.

Boyu

Forward Force Investment Limited is a company incorporated under the laws of Cayman Islands. Its parent company is Boyu Capital Growth Fund I, Pte. Ltd., which is in turn wholly owned by Boyu Capital Growth Fund I, L.P.. The sole general partner of Boyu Capital Growth Fund I, L.P. is Boyu Capital Growth GP I, Ltd. (“**Boyu**”). Boyu is 100% owned by Boyu Group, LLC, which is in turn ultimately controlled by Mr. Xiaomeng Tong, an Independent Third Party. None of the limited partners of Boyu Capital Growth Fund I, L.P. own 30% or more of the partnership interests.

Boyu provides catalytic capital and strategic support for leading companies in sectors including technology, healthcare, consumer and sustainable energy globally.

HSG Growth

HSG Growth VI Holdco E, Ltd. (“**HSG Growth**”) is a limited liability company incorporated in the Cayman Islands. It is wholly owned by HongShan Capital Growth Fund VI, L.P. (“**HongShan GVI Fund**”). HongShan GVI Fund is an investment fund whose primary purpose is to make equity investments in private companies. The general partner of HongShan GVI Fund is HSG Growth VI Management, L.P., whose general partner is HSG Holding Limited, a wholly-owned subsidiary of SNP China Enterprises Limited. Mr. Neil Nanpeng Shen is the sole shareholder of SNP China Enterprises Limited and an Independent Third Party. None of the limited partners of HongShan GVI Fund has 30% or more of the limited partnership interest therein.

HSG Growth is an investment vehicle managed by HSG. HSG is a Sophisticated Investor. HSG is a leading venture capital and private equity firm investing in technology, healthcare and consumer sectors. Founded in 2005, HSG has nurtured entrepreneurship and innovation, investing in more than 1,600 companies. Investment funds affiliated with HSG have invested in other biotechnology and healthcare companies such as CStone Pharmaceuticals (基石藥業) (stock code: 2616), Innovent Biologics, Inc. (信達生物製藥) (stock code: 1801), Brie Biosciences Limited (騰盛博藥生物科技股份有限公司) (stock code: 2137), Jiangsu Recbio Technology Co., Ltd. (江蘇瑞科生物技術股份有限公司) (stock code: 2179) and VISEN Pharmaceuticals (維昇藥業) (stock code: 2561). As of September 30, 2025, HSG's assets under management was approximately US\$55 billion across different products and affiliate funds.

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Terra Magnum and Denoma Ltd

Terra Magnum Fund I LP is a limited partnership registered under the laws of Cayman Islands. The general partner of Terra Magnum Fund I LP is Terra Magnum Fund I GP, which is ultimately controlled by Hongxia Wang, the founder of Terra Magnum Capital Partners (“**TMCP**”) and an Independent Third Party of the Company. None of the limited partners of Terra Magnum Fund I LP own 30% or more of the partnership interests.

Terra Magnum Sigma LLC is a limited liability company registered under the laws of Cayman Islands. It is a wholly-owned subsidiary of Terra Magnum and ultimately controlled by Hongxia Wang, the founder of TMCP and an Independent Third Party of the Company.

Founded in 2016, Terra Magnum Capital Partners is a global private investment firm specialized in providing growth and transformational capital and value-added services for fast-growing companies in biotech, consumer, technology and education sectors. TMCP has invested in several biotech companies such as Viela Bio (NASDAQ: VIE), CStone Pharmaceuticals (基石藥業) (stock code: 2616), Arcellx (NASDAQ: ACLX), Structure Therapeutics (NASDAQ: GPCR), Maze Therapeutics (NASDAQ: MAZE) and ArriVient Biopharma (NASDAQ: AVBP).

Denoma Ltd, a limited liability company established under the laws of British Virgin Islands, is a life science investment firm with portfolio companies covering sectors of the biomedical and healthcare industry. Denoma Ltd is ultimately controlled by Hongxia Wang, an Independent Third Party of the Company.

Loyal Valley Fund III

Loyal Valley Capital Advantage Fund III LP (“**Loyal Valley Fund III**”) is a limited partnership registered under the laws of Cayman Islands. The general partner of Loyal Valley Fund III is Loyal Valley Capital Advantage Fund III Limited, which is ultimately controlled by Lin Lijun (林利軍), the founder of Loyal Valley Capital and an Independent Third Party of the Company. None of the limited partners of Loyal Valley Fund III own 30% or more of the partnership interests.

As of November 30, 2025, Loyal Valley Capital had total assets under management of approximately RMB50 billion. Loyal Valley Capital is a thematic, research-driven private equity firm focused on deep fundamental research and unlocking value through post-investment value-creation. Loyal Valley Capital manages capital on behalf of a geographically diversified group of long-term institutional investors, including sovereign wealth funds, private banks, family offices, and fund of funds managers, from across the Americas, Europe, and Asia. Loyal Valley Capital has invested in several healthcare companies such as Nanjing Leads Biolabs Co Ltd (南京維立志博生物科技股份有限公司) (stock code: 9887.HK), Shanghai Junshi Biosciences Co., Ltd. (上海君實生物醫藥科技股份有限公司) (stock code: 1877.HK; 688180.SH), Shanghai Henlius Biotech, Inc. (上海復宏漢霖生物技術股份有限公司) (stock code: 2696.HK), InnoCare Pharma Limited (諾誠健華醫藥有限公司) (stock code: 9969.HK) and CARsgen Therapeutics Holdings Limited (科濟藥業控股有限公司) (stock code: 2171.HK).

Starr International Investments HK V, Limited

Starr International Investments HK V, Limited is a company incorporated with limited liability in Hong Kong on November 20, 2015 (“**Starr International Investments HK**”), which is principally engaged in investment business in Asia and holds Asia sourced private equity investments. Starr International Investments HK is a wholly-owned subsidiary of Starr International Company, Inc., a company incorporated in Switzerland. The ultimate beneficial owner of Starr International Company, Inc. is Starr International Foundation, a Swiss charitable foundation, which is an Independent Third Party of the Company.

Starr International Investments HK’s investment in the Company was made in the ordinary course of its business to generate long-term capital appreciation in line with its

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

investment strategy. Starr International Investments HK’s decision to invest in our Company was based on its assessment of the Company’s ability to commercially develop potential gene therapy technologies and the management team’s experience.

Firstray Biotech

Firstray Biotech Investment Holdings, Ltd (“**Firstray Biotech**”) is an exempted company incorporated in the Cayman Islands on March 24, 2021. Firstray Biotech has invested in companies in the sectors of biotechnology and healthcare. As of the Latest Practicable Date, one of the shareholders of Firstray Biotech, namely Yang Yang, held an interest of 30% or above, and all of the shareholders are Independent Third Parties. The board of directors of Firstray Biotech is comprised of three individuals, namely, Tong Zhang, Yang Yang, and Xiaowei Liu, each of whom is an Independent Third Party.

WS Investment Company, L.L.C.

WS Investment Company, L.L.C. is a limited liability company incorporated under the laws of Delaware, U.S., on January 5, 2000, with its principal place of business in Palo Alto, U.S.. Its managing member, WS Investment Management Company, a California Corporation, has sole and exclusive management authority over, and responsibility for, all affairs, decisions, and actions. James D. Hinson is a corporate officer of WS Investment Management Company and an Independent Third Party. WS Investment Company, LLC invests in tech and life science companies.

REORGANIZATION

Historical Contractual Arrangements

Commencing in September 2020 and up to December 2025, because we conducted the business of gene therapy R&D, which would fall into “development and application of human stem cell and gene diagnosis and therapy technologies” (the “**Relevant Businesses**”), a business subject to the then effective Special Administrative Measures (Negative List) for Foreign Investment Access (the “**Negative List**”), we had entered into certain historical contractual arrangements (the “**Historical Contractual Arrangements**”) to conduct such business of gene therapy R&D through Frontera Qisheng (known as Frontera Biotechnology (Suzhou) Co., Ltd. (方拓生物科技(蘇州)有限公司) at that time when it was registered in Suzhou, China).

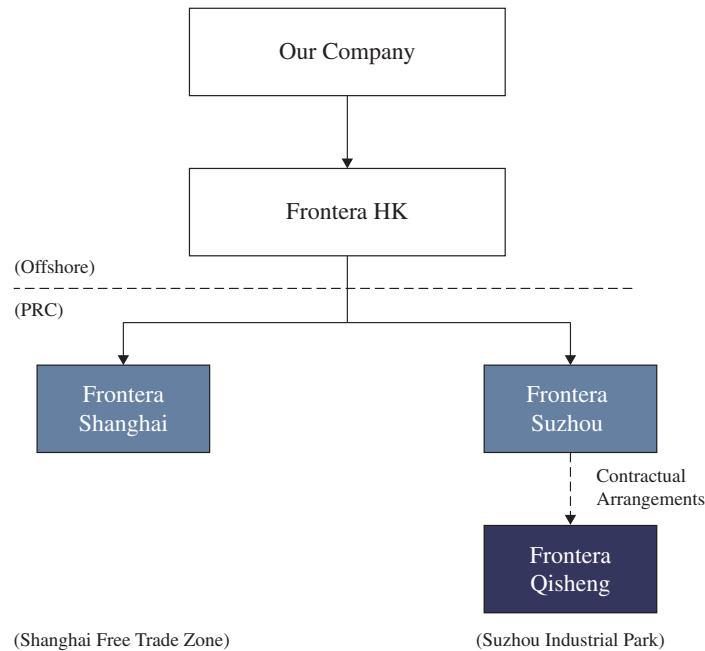
Based on (i) the understanding of relevant PRC laws and regulations then in effect; (ii) we had not been subject to any administrative penalty imposed by any PRC regulators due to the Historical Contractual Arrangements; and (iii) we had not encountered any interference or encumbrance from any PRC regulators in operating our business under the Historical Contractual Arrangements, our PRC Legal Adviser is of the view that, the Historical Contractual Arrangements were valid, legal and binding, and did not result in a violation of any applicable mandatory PRC laws and regulations then in effect. However, we have been further advised by our PRC Legal Adviser that there are uncertainties regarding the interpretation, application and enforcement of PRC laws and regulations as to contractual arrangements, and whether the PRC regulatory authorities would promulgate further laws or regulations.

In September 2024, the Ministry of Commerce, the National Health Commission, and the National Medical Products Administration jointly issued the Notice on Carrying out a Pilot Program for Expanding Opening-up in the Medical-related Field (《關於在醫療領域開展擴大開放試點工作的通知》, the “**Work Notice**”). The Work Notice allows foreign-invested enterprises to conduct the Relevant Businesses in four Free Trade Zones and/or Ports, including the China (Shanghai) Pilot Free Trade Zone (the “**Shanghai Free Trade Zone**”), for the purpose of registration, marketing and production. Therefore, a PRC company with foreign ownership has been allowed to conduct the Relevant Businesses in such four Free Trade Zones and/or Ports with the introduction of the Work Notice.

In light of the above regulatory developments and our corporate strategy, we began the process of unwinding the Historical Contractual Arrangements in September 2025. The

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following chart depicts our shareholding structure immediately prior to the Unwinding of the Historical Contractual Arrangements:



Unwinding of the Historical Contractual Arrangements

1. *Relocation of Frontera Qisheng’s registered place from Suzhou to Shanghai Free Trade Zone*

Prior to the Reorganization, Frontera Qisheng was established and registered in Suzhou, China (known as Frontera Biotechnology (Suzhou) Co., Ltd. (方拓生物科技(蘇州)有限公司) at the time of establishment). With the promulgation of the Work Notice, we decided to relocate Frontera Qisheng’s registered office from Suzhou to Shanghai Free Trade Zone (the “**Relocation**”), where the business of gene therapy R&D is allowed to be conducted by foreign-invested enterprises in accordance with the Work Notice, and subsequently unwind the Historical Contractual Arrangements to streamline our ownership structure.

As of October 18, 2025, Frontera Qisheng has completed the Relocation, and began operating as a legal entity registered and existing in the Shanghai Free Trade Zone. It has been renamed from Frontera Biotechnology (Suzhou) Co., Ltd. (方拓生物科技(蘇州)有限公司) to Shanghai Frontera Qisheng Therapeutics Co., Ltd. (上海方拓啟晟生物科技有限公司).

In addition, the description of “preclinical and clinical gene therapy R&D” was retained in the scope of business of Frontera Qisheng as set out in its updated business license after the Relocation, while certain assets of Frontera Qisheng, namely the lease of the facility in Suzhou, relevant fixed assets and certain employees, were transferred to Frontera Suzhou, to ensure the continuation of our business operations in Suzhou and lower the costs incurred due to the Relocation.

2. *Unwinding the Historical Contractual Arrangements and 100% acquisition of Frontera Qisheng by Frontera Shanghai*

With the completion of the Relocation and in accordance with the Work Notice, we are allowed to hold indirect ownership in Frontera Qisheng and continue to conduct the business of gene therapy R&D through Frontera Qisheng in Shanghai Free Trade Zone. Therefore, we began to unwind the Historical Contractual Arrangements and acquire 100% of the equity interest in Frontera Qisheng by Frontera Shanghai (the “**Unwinding of the Historical Contractual Arrangements**”).

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

On November 11, 2025, a termination agreement was entered into among Frontera Qisheng, its then shareholders (namely, Dr. Xinyan Li, Yifu Liu (a representative of OrbiMed Entities) and Jin Xue (a representative of Creacion)) and Frontera Suzhou, to terminate the Historical Contractual Arrangements.

On November 11, 2025, an equity transfer agreement was entered into among Frontera Qisheng, its then shareholders, and Frontera Shanghai, pursuant to which Frontera Shanghai acquired 100% of the equity interest in Frontera Qisheng. The new business license of Frontera Qisheng was obtained on December 2, 2025.

For the avoidance of doubt, throughout the Track Record Period, the results of Frontera Qisheng have been consolidated into those of the Group throughout the Track Record Period, and the Group has retained control of Frontera Qisheng through the Historical Contractual Arrangements and, after their unwinding, through direct control of Frontera Shanghai. Therefore, none of the aforementioned corporate actions constitutes an acquisition or disposal of material subsidiary or business by us during the Track Record Period under Rule 4.05A of the Listing Rules.

Our PRC Legal Adviser has confirmed that (i) the PRC companies in our Group as described in this section have been duly established, (ii) all equity transfers and capital changes of the PRC companies in our Group under the Reorganization have been legally completed, and all necessary regulatory approvals and registrations in respect thereof have been obtained in accordance with PRC laws in all material respects. For details on the laws and regulations, see “Regulatory Overview” in this document. Further, our PRC Legal Adviser is of view that, (i) the Unwinding of the Historical Contractual Arrangements (including the Relocation) complied with relevant applicable PRC laws and regulations in all material aspects; and (ii) as of the Latest Practicable Date, the business operations of the Group in the PRC is not subject to the restriction or prohibition from foreign investment under the Negative List and other relevant and applicable PRC laws and regulations, based on the following:

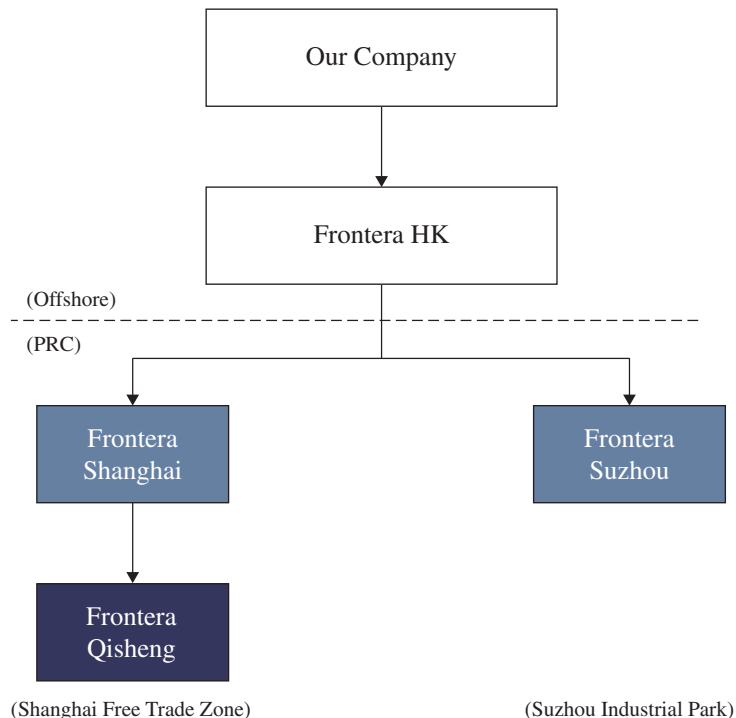
- (i) after the Relocation, the description of “preclinical and clinical gene therapy R&D” was retained in the scope of business of Frontera Qisheng as set out in its updated business license, and according to Company’s consultations with the officers of the Administration of Market Regulation of Shanghai Pudong New District, Shanghai Municipal Commission of Commerce, the Jiangsu Medical Products Administration, and the Bureau of Commerce of the Suzhou Industrial Park in December 2025, which are, as advised by our PRC Legal Advisor, the competent authorities to administer the market regulation, the license and certification of manufacturing, marketing and sales of medical products, or the foreign investment activities, as applicable, in which Frontera Qisheng or Frontera Suzhou are located, (a) Frontera Qisheng can conduct gene therapy R&D activities in Shanghai Free Trade Zone without additional regulatory approvals in Shanghai; and (b) the manufacturing activities of the gene therapy drug products to be conducted by the Group, as well as the sales and marketing activities or application of the drug products after registration are not limited to area of the four Free Trade Zones and/or Ports. In addition, pursuant to the above consultations, Frontera Suzhou, as a foreign-invested entity registered outside the FreeTrade Zones and/or Ports, is allowed to be engaged by Frontera Qisheng as a contract manufacturer for the production of gene-therapy drug products outside the the FreeTrade Zones and/or Ports;
- (ii) as advised by Frost & Sullivan, the manufacturing activities conducted by Frontera Suzhou are based on Baculovirus/Spodoptera frugiperda Sf9 insect cell system, which do not involve the application of human gene therapy technologies or human gene materials and, as confirmed by the Company, the raw materials for the manufacturing activities conducted by Frontera Suzhou are Sf9 insect cells and relevant virus strains prepared by commercial kits. The manufacturing process includes infecting Sf9 cells with such viruses for culture, harvest, and produce the formulation through a series of purification steps, which do not involve the application of human gene therapy technologies or human gene materials; and

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- (iii) in addition, according to the Industrial Classification for National Economic Activities (國民經濟行業分類), the business of pharmaceutical manufacturing is categorized under the industry of Manufacturing, while the business of pharmaceutical R&D is categorized under the industry of Scientific Research and Technical Services. According to the Negative List currently in effect, no business under Manufacturing industry is subject to restriction or prohibition from foreign investment.

The Group’s marketing and sales activities will be carried out by Frontera Shanghai and Frontera Qisheng. In light of the above consultations and according to the Work Notice, after obtaining relevant market authorizations, the gene therapy drugs of the Group can be sold to and applied by customers nationwide.

The following chart depicts our corporate and shareholding structure immediately after to the Unwinding of the Historical Contractual Arrangements:



MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

Other than the above and as disclosed in “— Reorganization”, during the Track Record Period and up to the Latest Practicable Date, we did not conduct any major acquisitions, disposals or mergers that we consider to be material to us.

REASONS FOR THE [REDACTED]

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

PUBLIC FLOAT AND FREE FLOAT

Rule 8.08 of the Listing Rules requires that there must be an open market in the securities for which listing is sought. This will normally mean that for a class of securities new

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to listing, at least a minimum prescribed percentage of that class of securities must be held by the public at the time of listing. Where the expected market value of the class of securities at the time of listing is over HK\$6,000,000,000 but not exceeding HK\$30,000,000,000, the minimum prescribed percentage is determined at the higher of: (i) the percentage that would result in the expected market value of such securities held by the public to be HK\$1,500,000,000 at the time of listing; and (ii) 15%.

Based on (i) the [REDACTED] of [REDACTED], and (ii) [REDACTED] Shares which are expected to be in issue 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), it is expected that the market value of the Shares at the time of [REDACTED] will be [REDACTED].

Based on (i) the [REDACTED] of [REDACTED], and (ii) [REDACTED] Shares which are expected to be in issue 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), it is expected that the market value of the Shares at the time of [REDACTED] will be [REDACTED].

Based on (i) the [REDACTED] of [REDACTED], and (ii) [REDACTED] Shares which are expected to be in issue 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), it is expected that the market value of the Shares at the time of [REDACTED] will be [REDACTED].

Accordingly, a number of Shares with a market value of at least HK\$1,500,000,000 must be held by the public at the time of [REDACTED].

Upon 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 Shares held by certain of our Shareholders who are, or are indirectly controlled by, our core connected persons, will not be counted towards the public float. Details of these Shareholders are set out below:

- OrbiMed Entities, holding [REDACTED] of the issued share capital of our Company;
- Creacion, holding [REDACTED] of the issued share capital of our Company; and
- Forward Force Investment Limited, holding [REDACTED] of the issued share capital of our Company.

For details of these Shareholders and their controllers, see “Substantial Shareholders.”

Shares held by Shareholders other than as set out above will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules as they will not be core connected persons of our Company upon [REDACTED], are not accustomed to take instructions from core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares, and their acquisition of Shares were not financed directly or indirectly by core connected persons.

Based on the above, it is expected that immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no further Shares are issued under the Pre-[REDACTED] Equity Incentive Plan), approximately [REDACTED] of our Company’s total issued Shares will be held by the public upon completion of the [REDACTED] in accordance with Rule 8.08 of the Listing Rules.

Our Company is also expected to satisfy the free float requirement under Rule 8.08A of the Listing Rules at time of the [REDACTED] based on the indicative [REDACTED] range. Based on the [REDACTED] of [REDACTED] (being the low end of the [REDACTED] range), the [REDACTED] expected to be held by the public and not subject to any disposal

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

restrictions (excluding any [REDACTED] that may be [REDACTED] by [REDACTED] who are subject to a six-month [REDACTED] period) will have a market value of approximately [REDACTED]. Accordingly, the Company expects to comply with the free float requirement under Rule 8.08A(2) of the Listing Rules by having a free float with a market value of not less than HK\$600 million at the time of [REDACTED].

CAPITALIZATION OF OUR COMPANY

The table below is a summary of the capitalization of our Company as Latest Practicable Date and the [REDACTED] (assuming the [REDACTED] is not exercised and no further Shares are issued under the Pre-[REDACTED] Equity Incentive Plan):

Name of Shareholders	As of Latest Practicable Date ⁽¹⁾					Approximate ownership percentage in the total issued share capital of our Company ⁽¹⁾	As of the [REDACTED] ⁽²⁾		
	Ordinary Shares	Series A preferred Shares	Series B-1 Preferred Shares	Series B-2 Preferred Shares	Aggregate number of Shares		Number of Shares	Approximate ownership percentage in the total issued share capital of our Company	Counted toward public float
Creacion	11,000,000	16,000,000	3,161,270	1,746,559	31,907,829	27.7%	[REDACTED]	[REDACTED]	No
OrbiMed Entities	11,000,000	16,000,000	6,774,150	3,742,628	37,516,778	32.6%	[REDACTED]	[REDACTED]	No
OrbiMed Asia	5,500,000	8,000,000	3,387,075	1,871,314	18,758,389	16.3%	[REDACTED]	[REDACTED]	No
OrbiMed U.S.	5,500,000	8,000,000	3,387,075	1,871,314	18,758,389	16.3%	[REDACTED]	[REDACTED]	No
Forward Force Investment Limited	–	–	11,290,250	6,237,712	17,527,962	15.2%	[REDACTED]	[REDACTED]	No
HSG Growth VI Holdco E, Ltd.	–	–	7,903,175	4,366,398	12,269,573	10.7%	[REDACTED]	[REDACTED]	Yes
Loyal Valley Capital Advantage Fund III LP	–	–	2,258,050	1,247,542	3,505,592	3.0%	[REDACTED]	[REDACTED]	Yes
Starr International Investments HK V, Limited	–	–	2,258,050	1,247,542	3,505,592	3.0%	[REDACTED]	[REDACTED]	Yes
Terra Magnum	–	3,000,000	1,580,635	873,280	5,453,915	4.7%	[REDACTED]	[REDACTED]	Yes
Terra Magnum Fund I LP	–	–	1,129,025	623,772	1,752,797	1.5%	[REDACTED]	[REDACTED]	Yes
Terra Magnum Sigma LLC	–	–	451,610	249,508	701,118	0.6%	[REDACTED]	[REDACTED]	Yes
Denoma Ltd	–	3,000,000	–	–	3,000,000	2.6%	[REDACTED]	[REDACTED]	Yes
Firstray Biotech Investment Holdings, Ltd.	–	–	903,220	499,017	1,402,237	1.2%	[REDACTED]	[REDACTED]	Yes
WS Investment Company, LLC	–	–	67,741	37,426	105,167	0.1%	[REDACTED]	[REDACTED]	Yes
Individual Shareholders ⁽³⁾	1,943,882	–	–	–	1,943,882	1.7%	[REDACTED]	[REDACTED]	Yes
Other investors taking part in the [REDACTED]	–	–	–	–	–	–	[REDACTED]	[REDACTED]	Yes
Total	23,943,882	35,000,000	36,196,541	19,998,104	115,138,527	100%	[REDACTED]	100%	

Notes:

- (1) Based on the assumptions that all Preferred Shares have been converted into Shares on a one-to-one basis.
- (2) Assuming the [REDACTED] is not exercised and without taking into account any Shares which may be issued under the Pre-[REDACTED] Equity Incentive Plan.
- (3) Including 15 individuals who are early contributors to the Company, or former employees or external consultants of our Company that were granted options and exercised the options under the Pre-[REDACTED] Equity Incentive Plan. For details and principal terms of the Pre-[REDACTED] Equity Incentive Plan, see “Statutory and General Information — D. Pre-[REDACTED] Equity Incentive Plan” in Appendix IV to this document.

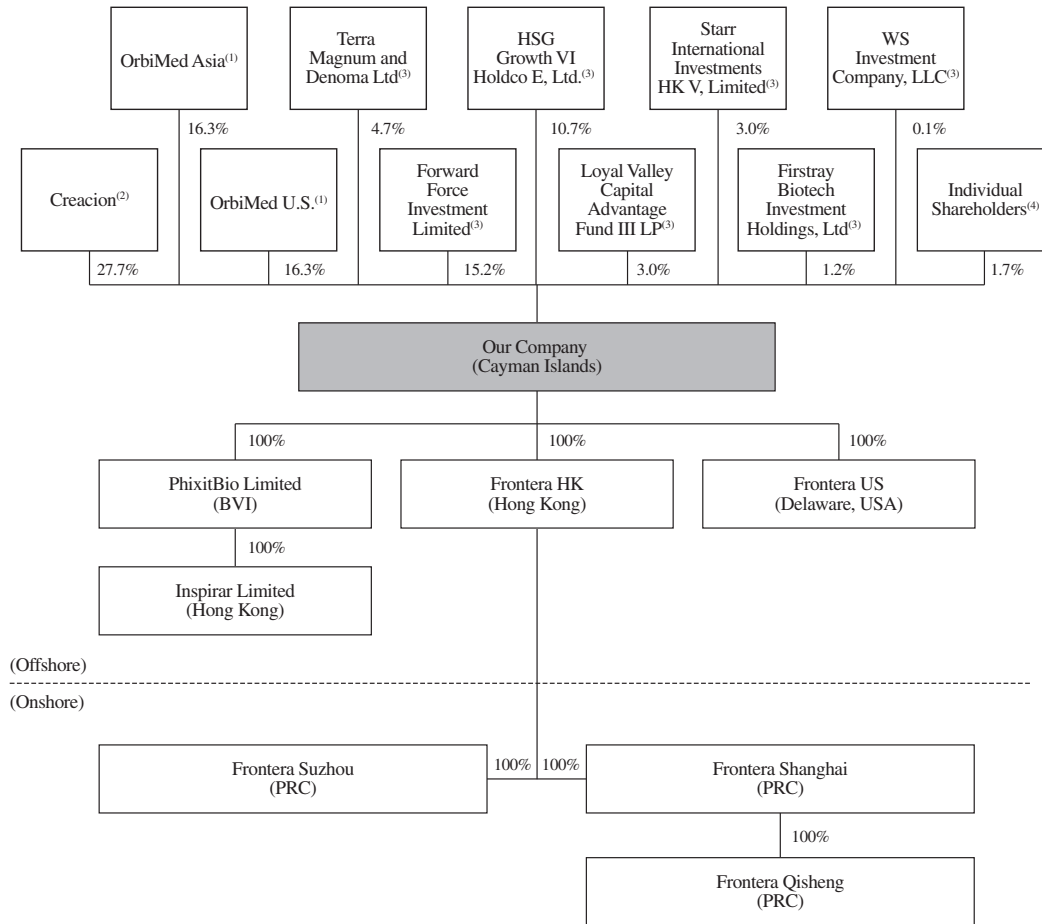
PRC REGULATORY REQUIREMENT

Our PRC Legal Adviser has confirmed that our PRC subsidiaries have been duly established and all necessary regulatory approvals and registrations in respect of the incorporation of our PRC subsidiaries, as applicable, have been obtained in accordance with PRC laws in all material respects.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OUR CORPORATE STRUCTURE IMMEDIATELY PRIOR TO COMPLETION OF THE [REDACTED]

The following chart sets forth the shareholding structure of our Group immediately prior to the [REDACTED] (assuming all preferred Shares have been converted into Shares on a one-to-one basis):



Notes:

- (1) As of the Latest Practicable Date, the general partner of OrbiMed Asia Partners III, L.P. (“**OrbiMed Asia**”) is OrbiMed Asia GP III, L.P., with OrbiMed Advisors III Limited acting as its general partner. As of the Latest Practicable Date, the general partner of OrbiMed Private Investments VII, LP (“**OrbiMed U.S.**”) is OrbiMed Capital GP VII LLC, with OrbiMed Advisors LLC being its managing member. OrbiMed Advisors LLC is the advisory company to OrbiMed Asia, pursuant to its voting power under the advisory agreement between it and OrbiMed Asia. OrbiMed Advisors LLC also has controlling voting power over OrbiMed U.S. Therefore, OrbiMed Asia and OrbiMed U.S. are under common control of OrbiMed Advisors LLC.

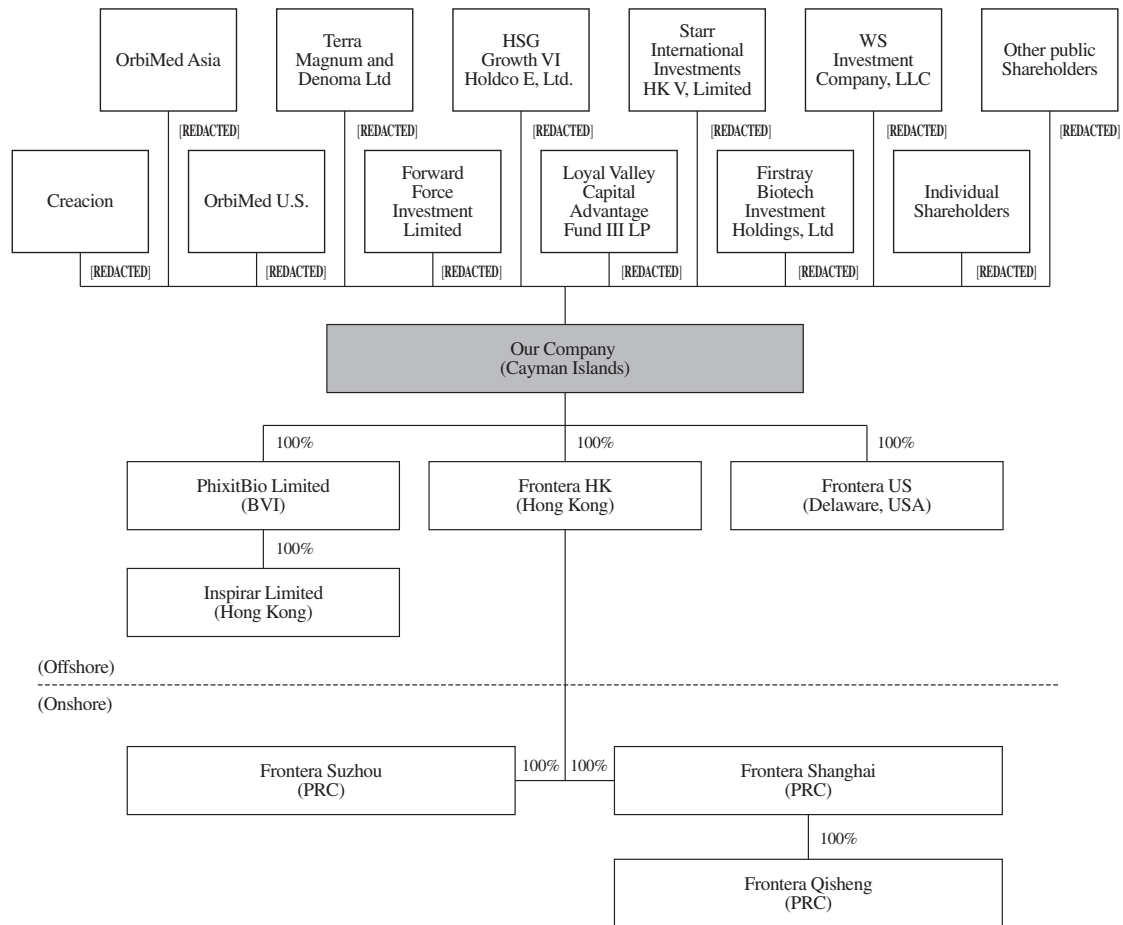
As the OrbiMed Entities’ aggregate ownership percentage in the total issued share capital of our Company as at the date of this document is 32.6% (and therefore exceeds 30%), it is subject to disposal restrictions after the [REDACTED] pursuant to Chapter 10.07 of the Listing Rules. In the period commencing on the date of this document and ending on the date that is six months from the [REDACTED], the OrbiMed Entities shall not and shall procure that the relevant registered holder(s) shall not dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares in respect of which they are shown by this document to be the beneficial owners.

- (2) Creacion is subject to certain [REDACTED] restrictions applicable to the Pre-[REDACTED] Investors. For details, see “— Pre-[REDACTED] Investments — Principal terms of the Pre-[REDACTED] Investments” in this section.
- (3) For details relating to these Shareholders, see “— Pre-[REDACTED] Investments — Information about the Pre-[REDACTED] Investors” in this section.
- (4) Including 15 individuals who are early contributors to the Company, or former employees or external consultants of our Company that were granted options and exercised the options under the Pre-[REDACTED] Equity Incentive Plan. For details and principal terms of the Pre-[REDACTED] Equity Incentive Plan, see “Statutory and General Information — D. Pre-[REDACTED] Equity Incentive Plan” in Appendix IV to this document.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OUR CORPORATE STRUCTURE IMMEDIATELY FOLLOWING COMPLETION OF THE [REDACTED]

The following chart sets forth the shareholding structure of our Group immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no further Shares are issued under the Pre-[REDACTED] Equity Incentive Plan):



Note:

See the notes to the paragraph headed “— Our Corporate Structure Immediately Prior to Completion of the [REDACTED]” in this section.