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Application Proof of

Frontera Therapeutics

(Incorporated in the Cayman Islands with limited liability)

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Frontera Therapeutics

(Incorporated in the Cayman Islands with limited liability)

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] Shares (subject to reallocation)**
Number of [REDACTED]	**:**	**[REDACTED] Shares (subject to reallocation and the [REDACTED])**
Maximum [REDACTED]	**:**	**[REDACTED] per [REDACTED], plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565%, and AFRC transaction levy of 0.00015% (payable in full on [REDACTED] in Hong Kong dollars and subject to refund)**
Nominal Value	**:**	**US$0.0001 per Share**
[REDACTED]	**:**	**[REDACTED]**

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Prior to making an **[REDACTED]** decision, prospective **[REDACTED]** should consider carefully all of the information set out in this document, including but not limited to the risk factors as set out in the section headed "Risk Factors" in this document.

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[REDACTED]

IMPORTANT

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[**REDACTED**]

EXPECTED TIMETABLE

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CONTENTS

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Page

Expected Timetable iii

Contents vi

Summary 1

Definitions 18

Glossary of Technical Terms 28

Forward-looking Statements 37

Risk Factors 38

Waivers and Exemptions 68

Information about this Document and the [REDACTED] 74

Directors and Parties Involved in the [REDACTED] 77

Corporate Information 81

Industry Overview 83

Regulatory Overview 118

History, Reorganization and Corporate Structure 131

Business 153

Financial Information 219

Share Capital 243

CONTENTS

Substantial Shareholders 245

Directors and Senior Management 247

Relationship with Our Single Largest Group of Shareholders 259

Future Plans and Use of [REDACTED] 262

[REDACTED] 265

Structure of the [REDACTED] 274

How to Apply for [REDACTED] 281

Appendix I — Accountants' Report I-1

Appendix II — Unaudited [REDACTED] Financial Information II-1

Appendix III — Summary of the Constitution of Our Company and Cayman Islands Company Law III-1

Appendix IV — Statutory and General Information IV-1

Appendix V — Documents Delivered to the Registrar of Companies and Available on Display V-1

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.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED "WARNING" ON THE COVER OF THIS DOCUMENT.

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

Therapeutic area	Product	Target	Route of administration	Indication	Clinical stage	Regulatory designation	Regulatory authorities	Latest milestone	Near-term milestones	Commercial rights	Intended commercialization jurisdictions[2]
Ophthalmic Diseases	★ FT-002	RPGR	Subretinal	XLRP	Ph 2 completed; U.S. Ph 2 IND approved[1]	FDA Orphan Drug Designation and Fast Track Designation	NMPA, FDA	China Ph 2 completed in Aug-26	Commence China Ph 3 by 2Q2027	Global	China; Ex-China (develop in-house or through partnership)
	★ FT-003	VEGF	Intravitreal	nAMD	Ph 2 completed; U.S. Ph 2 IND approved[1]	FDA RMAT Designation	NMPA, FDA	China Ph 2 completed in Jul-26 Ph 2 IND approved by FDA in Nov-24	Commence China Ph 3 by 1Q2027	Global	China; Ex-China (develop in-house or through partnership)
				DME	Ph 2 enrollment completed; U.S. Ph 2 IND approved[1]			China Ph 2 enrollment completed in Jan-26 Ph 2 IND approved by FDA in Dec-24	Commence China Ph 3 by 3Q2027		
				DR	Ph 2 IND approved			Ph 2 IND approved by NMPA in Mar-25			
	◆ FT-001	RPE65	Subretinal	RPE65-related IRDs	Ph 2 completed; Ph 3 IND approved	CDE Breakthrough Therapy Designation	NMPA, FDA	China Ph 2 completed in Feb-25; Ph 3 IND approved by CDE in Sep-25		Global	China; Ex-China (develop in-house or through partnership)
	FT-023	Undisclosed	Intravitreal	nAMD/DME/DR			N/A			Global	Global
Cardiovascular Diseases	FT-017	MYBPC3	Intravenous	HCM	Ph 1/2 IND approved; Ph 1/2 IND approved		NMPA, FDA	IND approval obtained from both NMPA and FDA in Apr-25	Commence China Ph 1 by 4Q2027	Global	China; Ex-China (develop in-house or through partnership)
	FT-018	PKP2	Intravenous	ARVC			N/A			Global	Global

★ Core products ◆ Key product — China progress — US progress

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

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

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

- 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."

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

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.

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."

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.

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
	(US$ in thousands)			
			(Unaudited)	
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
	(US$ in thousands)		
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**

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
	(US$ in thousands)			
			(Unaudited)	
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.

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.

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**]

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(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**]

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.

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.

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

"Accountants' Report"	the accountants' report of our Company for the Track Record Period from Deloitte, the text of which is set out in Appendix I to this document
"affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong (formerly known as the Financial Reporting Council of Hong Kong)
"Articles" or "Articles of Association"	the articles of association of our Company conditionally adopted on [●] with effect from the [**REDACTED**], as amended, supplemented or otherwise modified from time to time, a summary of which is set out in Appendix III to this document
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of our Board
"Board of Directors" or "Board"	the board of Directors
"Business Day"	a day on which banks in Hong Kong are open generally for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
"BVI"	British Virgin Islands
"CAC"	Cyberspace Administration of China (中華人民共和國國家互聯網信息辦公室)

[**REDACTED**]

"Cayman Companies Act" or "Companies Act"	the Companies Act (As Revised) of the Cayman Islands, Cap. 22 (Law 3 of 1961), as amended or supplemented or otherwise modified from time to time

[**REDACTED**]

"China" or "PRC"	the People's Republic of China, which for the purpose of this document and for geographical reference only, excludes Taiwan, Hong Kong and the Macau Special Administrative Region of the People's Republic of China
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "our Company" or "the Company"	Frontera Therapeutics, an exempted company with limited liability incorporated in the Cayman Islands on September 17, 2019
"Compliance Advisor"	Alliance Capital Partners Limited
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Core Products"	has the meaning ascribed thereto in Chapter 18A of the Listing Rules and Chapter 2.3 of the Guide for New Listing Applicants, and are the products for the purpose of satisfying the eligibility requirements under Chapter 18A; for the purpose of this Document, our Core Products refer to FT-002 and FT-003
"COVID-19"	a viral respiratory disease caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
"Creacion"	Creacion Ventures I, L.P. and its special purpose vehicle Montar Capital, one of our Founding Shareholders and a Pre-[**REDACTED**] Investor of our Company and a substantial shareholder, as the context requires
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
	[**REDACTED**]
"Director(s)"	the director(s) of our Company
"Dr. Li"	Dr. Xinyan Li (李新燕), our executive Director, chief executive officer and chief medical officer of our Company
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
"FDA"	U.S. Food and Drug Administration

[**REDACTED**]

"Founding Shareholders"	OrbiMed Entities and Creacion
"Frontera HK"	Frontera Therapeutics (HK) Limited, a private company limited by shares incorporated under the laws of Hong Kong on October 2, 2019 and a wholly owned subsidiary of our Company
"Frontera Qisheng"	Shanghai Frontera Qisheng Therapeutics Co., Ltd. (上海方拓啟晟生物科技有限公司), formerly known as Frontera Biotechnology (Suzhou) Co., Ltd. (方拓生物科技(蘇州)有限公司), a company incorporated under the laws of the PRC with limited liability on August 19, 2020 and an indirectly wholly-owned subsidiary of our Company
"Frontera Shanghai"	Frontera Therapeutics Company Ltd. (芳拓生物科技(上海)有限公司), a company incorporated under the laws of the PRC with limited liability on June 5, 2020 and an indirectly wholly-owned subsidiary of our Company
"Frontera Suzhou"	Frontera Therapeutics (Suzhou) Co., Ltd. (十方生物科技(蘇州)有限公司), a company incorporated under the laws of the PRC with limited liability on September 16, 2020 and an indirectly wholly-owned subsidiary of our Company
"Frontera US"	FTGEN Corp (formerly known as Frontera Therapeutics, Inc.), a corporation incorporated under the laws of Delaware, the U.S., on September 16, 2020 and a wholly-owned subsidiary of our Company
"Frost & Sullivan" or "Industry Consultant"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant
"Frost & Sullivan Report"	the industry report commissioned by our Company and independently prepared by Frost & Sullivan, a summary of which is set out in the section headed "Industry Overview" in this document

[**REDACTED**]

"Group", "our Group", "we", "us" or "our"	our Company and its subsidiaries from time to time or, where the context so requires, in respect of the period prior to our Company having become the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"Guide for New Listing Applicants"	the Guide for New Listing Applicants published by the Stock Exchange, as amended, supplemented or otherwise modified from time to time

[**REDACTED**]

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

[**REDACTED**]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China

[**REDACTED**]

[**REDACTED**]

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

[**REDACTED**]

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

[**REDACTED**]

[**REDACTED**]

"Latest Practicable Date"	August 21, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document before its publication
"LEI"	Legal Entity Identifier, a 20-character alpha-numeric code under the Global LEI System adopted by the Financial Stability Board to uniquely identify distinct legal entities which participate in financial transactions

[**REDACTED**]

"Listing Committee"	the listing committee of the Stock Exchange

[**REDACTED**]

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"Memorandum" or "Memorandum of Association"	the memorandum of association of our Company conditionally adopted on [●] with effect from the [**REDACTED**], a summary of which is set out in Appendix III to this document
"MOF"	the Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)

"NMPA"	the National Medical Products Administration of the PRC (國家藥品監督管理局), the successor to the China Food and Drug Administration (國家食品藥品監督管理總局)
"Nomination Committee"	the nomination committee of our Board
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)
	[**REDACTED**]
"OrbiMed Asia"	OrbiMed Asia Partners III, L.P., an exempted limited partnership registered under the laws of the Cayman Islands on September 14, 2016, one of the Founding Shareholders and a Pre-[**REDACTED**] Investor of our Company
"OrbiMed Entities"	OrbiMed Asia and OrbiMed U.S.
"OrbiMed U.S."	OrbiMed Private Investments VII, LP, a limited partnership registered under the laws of Delaware, U.S on November 8, 2017 one of the Founding Shareholders and a Pre-[**REDACTED**] Investor of our Company
	[**REDACTED**]
"Overseas Listing Trial Measures"	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) promulgated by the CSRC on February 17, 2023 and effective on March 31, 2023
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Legal Adviser"	Zhong Lun Law Firm, the legal adviser to our Company as to the PRC laws

"Preferred Shares"	series A preferred shares, series B-1 preferred shares, and/or series B-2 preferred shares
"Pre-[**REDACTED**] Equity Incentive Plan"	the equity incentive plan approved and adopted by our Company on August 28, 2020, as amended and supplemented, the principal terms of which are set out in the paragraph headed "Statutory and General Information — D. Pre-[**REDACTED**] Equity Incentive Plan" in Appendix IV to this document
"Pre-[**REDACTED**] Investment(s)"	the investment(s) in our Group before the [**REDACTED**], details of which are set out in the paragraph headed "History, Reorganization and Corporate Structure — Pre-[**REDACTED**] Investments" in this document
"Pre-[**REDACTED**] Investor(s)"	the investor(s) who acquired interest in our Group pursuant to the relevant share subscription agreement(s), details of which are set out in the section headed "History, Reorganization and Corporate Structure" in this document

[**REDACTED**]

"R&D"	research and development
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration Committee"	the remuneration committee of our Board
"Reorganization"	the reorganization undertaken by our Group in preparation for the [**REDACTED**], details of which are set out in the paragraph headed "History, Reorganization and Corporate Structure — Reorganization"
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Rule 144A"	Rule 144A under the U.S. Securities Act
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)

"SAFE Circular 37"	the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) promulgated by the SAFE on July 14, 2014
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局), the successor to the State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局)
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
"series A preferred shares"	the series A preferred shares in the share capital of our Company with a par value of US$0.0001 each, which are held by the Pre-[**REDACTED**] Investor(s) as of the date of this document
"series B-1 preferred shares"	the series B-1 preferred shares in the share capital of our Company with a par value of US$0.0001 each, which are held by the Pre-[**REDACTED**] Investor(s) as of the date of this document
"series B-2 preferred shares"	the series B-2 preferred shares in the share capital of our Company with a par value of US$0.0001 each, which are held by the Pre-[**REDACTED**] Investor(s) as of the date of this document
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) and preferred shares in the share capital of our Company with a par value of US$0.0001 each
"Shareholder(s)"	holder(s) of our Shares
"Sophisticated Investor(s)"	has the meaning ascribed to it under paragraph 10 of Chapter 2.3 of the Guide for New Listing Applicants

[**REDACTED**]

"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Takeovers Codes"	the Codes on Takeovers and Mergers and Share Buy-backs published by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the two financial years ended December 31, 2024 and 2025 and the six months ended June 30, 2026

[**REDACTED**]

"United States" or "U.S." or "USA"	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
"U.S. Securities Act"	the United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time
"US$" or "USD" or "U.S. dollars"	United States dollars, the lawful currency of the United States
"%"	per cent

GLOSSARY OF TECHNICAL TERMS

This glossary contains definitions of certain technical terms used in this document in connection with us and our business. These may not correspond to standard industry definitions, and may not be comparable to similar terms adopted by other companies.

"AAV"	adeno-associated virus, which has emerged as an attractive vector for gene therapy to promote sustained gene expression in a variety of tissues such as muscle, eye, brain, liver, and lung
"AAV2"	adeno-associated virus serotype 2
"AAVANCE™"	AAV Advanced Next-gen CGMP Excellence, our manufacturing platform which we created to deliver scalable, high-quality and low-cost production of rAAV gene therapy products
"ACE inhibitors"	angiotensin converting enzyme inhibitors, a class of drugs treating hypertension by blocking the ACE enzyme
"adRP"	autosomal dominant RP
"AE"	adverse event, a harmful and negative outcome that happens when a patient has been provided with medical care
"Aflibercept"	a humanized recombinant fusion protein which is a soluble decoy receptor that binds vascular endothelial growth factor A and B, and placental growth factor with a greater affinity than the body's native receptors. It is called a decoy receptor since VEGF does not bind to its original receptors and mistakenly binds with aflibercept, thereby reducing VEGF activity
"AMD"	age-related macular degeneration, a degenerative retinal disease that causes progressive loss of central vision, and the leading cause of irreversible blindness in aged people
"ANGPT2"	an angiogenic factor primarily secreted by endothelial cells which exacerbates inflammatory responses and serves as an early biomarker of endothelial injury during sepsis
"anti-VEGF"	a medicine that slows or stops the damage caused by the abnormal growth of blood vessels

"annualized anti-VEGF injection rate"	calculated as the percentage difference between the number of pre- and post-treatment annualized anti-VEGF injections, where (i) the number of pre-treatment annualized anti-VEGF injections is calculated as total anti-VEGF injections in the one year preceding treatment divided by the smaller of 366 days or the time between when a study eye first received anti-VEGF treatment and the injection time of the studied product candidate, and (ii) the number of post-treatment annualized anti-VEGF injections is calculated as total anti-VEGF injections after treatment divided by the quotient of (x) the time between the last visit and the injection time of the studied product candidate, divided by (y) 365.25 days
"ARVC"	arrhythmogenic right ventricular cardiomyopathy, a genetically determined heart muscle disease characterized by progressively fibrofatty replacement of the right ventricular myocardium
"Bac/Sf9"	Baculovirus/Spodoptera frugiperda 9
"BCVA"	best corrected visual acuity, the highest level of vision a person can achieve using the best possible corrective lenses (like glasses or contacts) to treat refractive errors
"BLA"	the Biologics License Application, a request to the FDA for permission to introduce, or deliver for introduction, a biologic product into interstate commerce
"CDE"	the Center for Drug Evaluation (國家藥品監督管理局藥品審評中心), a department of the NMPA responsible for evaluating drug clinical trial applications, drug marketing authorization applications, supplementary applications, and overseas production drug re-registration applications
"CDMO"	contract development and manufacturing organization, a company that serves other companies in the pharmaceutical industry on a contract basis, providing drug development and drug manufacturing services
"CEP290"	centrosomal protein 290, a vital gene and protein crucial for building and maintaining primary cilia and centrosomes, cellular structures involved in cell division, shape, and sensory functions like vision and hearing
"cGMP"	current good manufacturing practices, regulations enforced by regulatory authorities such as the U.S. Food and Drug Administration, the World Health Organization, and the European Medicines Agency to ensure that pharmaceutical products, medical devices, and food products are consistently produced and controlled according to strict quality standards

GLOSSARY OF TECHNICAL TERMS

"cKO"	conditional knockout, a genetic technique where a specific gene is turned off or deleted in targeted cells, tissues, or at specific times, rather than globally, allowing researchers to study gene function and model diseases without causing early lethality or widespread effects seen in traditional gene knockouts
"CMC"	chemistry, manufacturing, and controls processes in the development, licensure, manufacturing, and ongoing marketing of pharmaceutical products
"codon optimization"	a process used to improve gene expression and increase the translational efficiency of a gene of interest by accommodating codon bias of the host organism
"connecting cilium"	a specialized, narrow stalk in photoreceptor cells (rods & cones) linking the inner segment (protein factory) to the light-sensing outer segment, acting as a bridge between the inner and outer segments of photoreceptors, facilitating the movement of essential proteins and materials required for photoreceptor survival and function
"COR"	class of recommendation, a system rating the strength of advice for a treatment or test, indicating how likely its benefits outweigh risks
"CpG motif"	Cytosine-Guanine motif, a DNA sequence where a Cytosine (C) nucleotide is directly followed by a Guanine (G) nucleotide, linked by a phosphate group (p)
"CRO(s)"	contract research organization, a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis
"CSME"	clinically significant macular edema
"CSO(s)"	contract sales organization, a company that provides services and solutions related to pharmaceutical marketing and sales activities on a contract basis
"CST"	central subfield thickness, an objective, quantifiable measure of retinal thickness in the central part of the macula (1mm diameter), often used in conditions like diabetic macular edema or age-related macular degeneration
"dB"	a logarithmic unit for sound, used in audiometry (hearing tests) to measure hearing thresholds and in ultrasound imaging

GLOSSARY OF TECHNICAL TERMS

"DLT"	dose limiting toxicities, a clinically significant adverse event or abnormal laboratory value assessed as unrelated to disease progression, intercurrent illness, or concomitant medications and meeting the US National Cancer Institute common terminology criteria that are Common Terminology Criteria for Adverse Events Grade 3 (severe) or 4 (life-threatening)
"DME"	diabetic macular edema
"dose-escalation"	a process used in early-phase clinical trials, particularly Phase I studies, to identify the maximum tolerated dose of an investigational treatment
"dose-limiting toxicity"	side effects of a drug or other treatment that are serious enough to prevent an increase in dose or level of that treatment
"DR"	diabetic retinopathy, a microvascular and neurodegenerative complication of diabetes mellitus, characterized by pericyte loss, basement membrane thickening, microaneurysm formation, neovascularization, and blood-retinal barrier disruption
"empty capsid"	viral capsids that do not contain vector genome, formed when adeno-associated viruses are packaged for use as viral vectors in gene therapy
"EOSRD"	early-onset severe retinal dystrophy, a group of rare, inherited genetic eye conditions causing profound vision loss starting in infancy or early childhood (before age 5), characterized by poor night/central vision, nystagmus (involuntary eye movements), light sensitivity, and slow pupil response, often overlapping with Leber congenital amaurosis, with vision worsening progressively over time
"ETDRS letters"	letters used in the Early Treatment Diabetic Retinopathy Study chart, which is a standardized tool for measuring visual acuity in eye exams, particularly for diabetic eye disease
"EXACTE™"	Excellence in AAV Capsid and Transgene Engineering, our rAAV gene therapy R&D platform which we created to drive innovation, efficiency, and safety in the creation of gene therapies
"EZ width"	the transverse distance of the continuously visible portion of the ellipsoid zone (EZ) measured along the horizontal direction of the retina on optical coherence tomography (OCT) images
"Fast Track Designation"	status assigned by the FDA to a drug or product in clinical trials signifying that the FDA will facilitate and expedite the development and review of the application for the approval of the new drug

"Fc"	Fragment crystallizable, the tail region of an antibody, responsible for effector functions, distinct from the antigen-binding Fab arms
"FDA" or "US FDA"	The United States Food and Drug Administration, a federal agency of the Department of Health and Human Services
"first-line"	the initial, preferred, or standard therapy given for a specific disease or condition, chosen for its high effectiveness and generally lower risk
"FPI"	first patient in, the official date and/or date and time the first participant meets all criteria and is officially accepted into or receives treatment in a clinical trial
"FST"	full-field stimulus threshold, a psychophysical measure of whole-field retinal light sensitivity
"GCP"	good clinical practice, an international ethical and scientific quality standard for designing, conducting, recording and reporting trials that involve the engagement of human participants
"gene therapy"	the use of various genetic altering techniques to treat diseases at their sources
"GMP"	good manufacturing practice, the systems and procedures required to ensure that pharmaceutical products are consistently produced and controlled according to quality standards. In the context of clinical trials, GMP ensures that investigational medicinal products are manufactured in a way that upholds participant safety, product integrity, and regulatory compliance
"GUCY2D"	Guanylate Cyclase 2D, a gene crucial for vision, producing an enzyme in the retina that helps convert light into electrical signals, and mutations in it cause inherited retinal diseases
"HCM"	hypertrophic cardiomyopathy, a genetic condition characterized by the abnormal thickening of the heart muscle, particularly the ventricular walls. This thickening can obstruct blood flow and impair the heart's ability to pump blood effectively, potentially leading to arrhythmias, heart failure, or sudden cardiac death
"HEK293"	human embryonic kidney 293
"IgG1"	Immunoglobulin G1, the most abundant human IgG subclass, known for potent immune activation and therapeutic utility
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China

"intravitreal injection"	a medical procedure in which medication is delivered directly into the vitreous humor, the clear gel-like substance that fills the space between the lens and the retina of the eye. This method of administration allows for targeted treatment of various eye conditions, such as age-related macular degeneration, diabetic retinopathy, and retinal vein occlusion
"investigator-initiated trial" or "IIT"	investigator-initiated trial, a clinical trial in which the investigator conceives the research, develops the protocol
"*in vitro*"	latin for "within the glass", referring to studies that are performed with entities outside their normal biological context
"*in vivo*"	latin for "within the living", referring to studies in which the effects of various entities are tested on whole, living organisms or cells, usually animals, including humans, and plants
"IRD"	inherited retinal disease
"LCA"	Leber congenital amaurosis, a severe form of retinal dystrophy that results in partial or total loss of both cone and rod photoreceptors, leading to congenital blindness, typically inherited in an autosomal recessive manner
"LCA2"	Leber congenital amaurosis type 2, a severe inherited retinal degeneration, which results in severe hypovision early in life
"MLMT"	the Multi-Luminance Mobility Test, a relatively novel method that provides a measure of vision-related activities of daily living, namely ambulatory vision
"MYBPC3"	myosin-binding protein C3, a protein coding gene
"nAMD"	neovascular AMD, a severe form of macular degeneration where abnormal, leaky blood vessels grow under the retina, causing swelling, bleeding, scarring, and rapid central vision loss, making it a major cause of blindness
"NDA"	new drug application
"NEI VFQ-25 Score"	the National Eye Institute Visual Function Questionnaire-25, a standard participant-reported questionnaire assessing vision-related quality of life across 12 domains like near/distance vision, ocular pain, social functioning, and driving, with scores from 0 (worst) to 100 (best), used in clinical trials for eye diseases (cataracts, AMD, glaucoma) to measure how vision problems impact daily life and treatment effectiveness

"NMPA"	the National Medical Products Administration (國家藥品監督管理局), which is in charge of comprehensive supervision on the safety management of food, health and cosmetics and is the competent authority of drug regulation in China, formerly known as China Food and Drug Administration ("**CFDA**") (國家食品藥品監督管理局)
"NPDR"	non-proliferative DR
"OCT"	optical coherence tomography, a non-invasive diagnostic technique that renders an *in vivo* cross-sectional view of the retina
"open-label"	a trial where both the study participants and the healthcare providers know which treatment (experimental drug, existing treatment, or placebo) is being given, which is also called nonblinded
"Orphan Drug Designation"	a status given to certain drugs called orphan drugs, which show promise in the treatment, prevention, or diagnosis of orphan diseases
"PCT"	the Patent Cooperation Treaty, an international patent law treaty, concluded in 1970. It provides a unified procedure for filing patent applications
"PD"	Parkinson's disease
"PDR"	proliferative diabetic retinopathy, the advanced, sight-threatening stage defined by the growth of abnormal, fragile new blood vessels on the retinal, which can lead to severe bleeding and retinal detachment
"PDT"	photodynamic therapy, or ophthalmic photodynamic therapy, which is a minimally invasive treatment method that utilizes specific light to activate a photosensitizer, thereby selectively destroying pathological ocular tissues
"Phase I clinical trial"	a study that tests the safety of a new drug candidate
"Phase II clinical trial"	a study that tests the new drug candidate on a larger group of participants, to gather information about whether and how well it works
"Phase III clinical trial"	a study for a new drug candidate that has already passed Phases I and II, which tests the new drug candidate in larger groups of participants and compares the new drug candidate against an existing treatment or a placebo to see if it works better in practice and if it has important side effects
"PKP2"	the gene encoding Plakophilin-2, a protein crucial for heart muscle cell structure (desmosomes)

"PlGF"	placental growth factor, a key protein and biomarker, primarily used in pregnancy to help diagnose early-onset pre-eclampsia by assessing placental health
"PPV"	pars plana vitrectomy
"protein engineering"	the deliberate modification of amino acids in a protein, typically utilizing the known three-dimensional structure and biochemical mechanisms of the protein, often through techniques such as site-directed mutagenesis to enhance properties like stability and activity
"QA"	quality assurance, the systematic efforts taken to assure that a drug meets with all the quality expectations
"QC"	a process by which a company reviews the quality of all factors involved in the production of a drug
"rAAV"	recombinant adeno-associated virus, a small, non-pathogenic viral vector that has become the leading platform for *in vivo* gene therapy and a modified, gene-carrying version of the AAV
"RP"	retinitis pigmentosa, an inherited retinal disease causing retinal degeneration and a decline in vision
"RPE"	retinal pigment epithelium
"RPE65"	retinal pigment epithelium-specific protein 65 kDa, a crucial enzyme in the visual cycle, essential for regenerating light-sensitive visual pigments in the retina
"Rpgr-KO mice"	Rpgrip1 knockout mice
"RPGR-ORF15"	the Open Reading Frame 15 region of the Retinitis Pigmentosa GTPase Regulator gene
"RP2D"	recommended Phase II dose
"RVO"	retinal vein occlusion
"SAE"	serious adverse event, any medical occurrence in human drug trials that at any dose: results in death; is life-threatening; requires inpatient hospitalization or causes prolongation of existing hospitalization; results in persistent or significant disability/incapacity; may have caused a congenital anomaly/birth defect, or requires intervention to prevent permanent impairment or damage
"SMO(s)"	site management organization
"SUSAR"	suspected unexpected serious adverse reactions
"TEAE"	an adverse medical event occurring during the treatment period

GLOSSARY OF TECHNICAL TERMS

"vascular permeability"	the ability of blood vessels to allow the passage of plasma proteins and other macromolecules into surrounding tissues. It is a process significantly influenced by factors such as vascular endothelial growth factor
"Vector"	a DNA molecule (often plasmid or virus) that is used as a vehicle to carry a particular DNA segment into a host cell as part of a cloning or recombinant DNA technique
"VEGF"	vascular endothelial growth factor, a gene critical for the growth and development of cancer cells. There are three main subtypes of VEGF receptors, including VEGFR-1, VEGFR-2 and VEGFR-3
"VEGF-A"	a biochemical signal protein that promotes angiogenesis throughout the body and in the eye. By decreasing VEGF-A activation of its native receptors, aflibercept reduces subsequent growth of new blood vessels
"VEGF-B"	a growth factor involved in blood vessel support, tissue protection, and neuronal survival, with roles beyond simple blood vessel formation (angiogenesis), acting as a crucial antioxidant to combat oxidative stress in diseases like heart disease, glaucoma, and Parkinson's
"VEGFR"	vascular endothelial growth factor receptor, a family of receptor tyrosine kinases (VEGFR-1, -2, -3) on cell surfaces that bind VEGF, initiating signals for blood vessel growth
"XLRP"	X-linked retinitis pigmentosa

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements relating to our plans, objectives, beliefs, expectations, predictions and intentions, which are not historical facts and may not represent our overall performance for the periods of time to which such statements relate. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks, uncertainties and other factors facing our Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our business strategies and plans to achieve these strategies;
- our ability to complete the development and obtain the relevant requisite regulatory approvals of our products and product candidates;
- our product candidates under development or planning;
- our ability to attract customers and further enhance our brand recognition;
- our future debt levels and capital needs;
- changes to the political and regulatory environment in the industry and markets in which we operate;
- changes in competitive conditions and our ability to compete under these conditions;
- future developments, trends and conditions in the industry and markets in which we operate;
- general economic, political and business conditions in the markets in which we operate;
- effects of the global financial markets and economic crisis;
- our financial conditions and performance;
- our dividend policy, if any; and
- change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends.

In some cases, we use the words "aim", "anticipate", "believe", "can", "continue", "could", "estimate", "expect", "going forward", "intend", "ought to", "may", "might", "plan", "potential", "predict", "project", "seek", "should", "will", "would" and similar expressions to identify forward-looking statements. In particular, we use these forward-looking statements in the sections headed "Business" and "Financial Information" in this document in relation to future events, our future financial, business or other performance and development, the future development of our industry and the future development of the general economy of our key markets.

The forward-looking statements are based on our current plans and estimates and speak only as of the date they were made. We undertake no obligation to update or revise any forward-looking statements in light of new information, future events or otherwise. Forward-looking statements involve inherent risks and uncertainties and are subject to assumptions, some of which are beyond our control. We caution you that a number of important factors could cause actual outcomes to differ, or to differ materially, from those expressed in any forward-looking statements.

Our Directors confirm that the forward-looking statements are made after reasonable care and due consideration. Nonetheless, due to the risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this document might not occur in the way we expect, or at all.

Accordingly, you should not place undue reliance on any forward-looking statements in this document. All forward-looking statements contained in this document are qualified by reference to this cautionary statement.

An [**REDACTED**] *in our Shares involves significant risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an* [**REDACTED**] *in our Shares. The following is a description of what we consider to be our material risks. Any of the following risks could materially and adversely affect our business, financial condition, and results of operations. The* [**REDACTED**] *of our Shares could significantly decrease due to any of these risks, and you may lose all or part of your* [**REDACTED**]. *In particular, we are a biotech company seeking to* [**REDACTED**] *on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules. There are unique challenges, risks and uncertainties associated with* [**REDACTED**] *in companies such as ours, which may cause you to lose all or part of your* [**REDACTED**]. *These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information is given as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in "Forward-looking Statements" in this document.*

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

We depend substantially on the success of our drug candidates, all of which are in discovery stage, preclinical or clinical development.

Our business will depend on the successful development, regulatory approval and commercialization of our drug candidates, all of which are still in discovery stage, preclinical or clinical development, and other new drug candidates that we may identify and develop. Each of our drug candidates will require additional preclinical and/or clinical development, and regulatory approvals potentially in multiple jurisdictions. Substantial investments are required before we generate any revenue from product sales.

We cannot guarantee that we are able to complete clinical development, obtain regulatory approvals, and commercialize our drug candidates in a timely manner, or at all.

As a result, we may not be able to generate sufficient revenue or cash flow to continue our operations, and our financial condition, results of operations and prospects will be materially and adversely harmed.

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.

Clinical development is expensive and can take many years to complete, and its outcome is inherently uncertain. We may encounter unexpected difficulties while executing our drug development plans and our current and future drug candidates are susceptible to the risks of failure inherent at any stage of drug development, including the occurrence of unexpected or unacceptable adverse events or the failure to demonstrate efficacy in clinical trials. Failure can occur at any time during the drug development process, which would result in a material and adverse effect on our business, financial condition and results of operations.

The results of preclinical studies and early clinical trials of our drug candidates may not be predictive of the results of later-stage clinical trials. Drug candidates during later stages of clinical trials may fail to show the desired results in safety and efficacy despite having progressed through preclinical studies and initial clinical trials, and despite the level of scientific rigor in the design of such studies and trials and the adequacy of their execution. In some instances, there can be significant variability in safety and/or efficacy results among different trials of the same drug candidate due to numerous factors, including differences in the size and demographics of the enrolled participants, conditions of the individual participants and their adherence to the treatment regimen and other compounding factors, such as other medications or pre-existing medical conditions. Differences in the number of clinical trial sites and regions involved may also lead to variability between clinical trials.

Many companies in the biopharmaceutical industry have suffered significant setbacks in advanced clinical trials due to a lack of efficacy or adverse safety profiles, notwithstanding

promising results at an earlier stage. The transition from Phase II to Phase III in gene therapy has a historical success rate of less than 40%. We cannot guarantee that the results from our future research and development efforts will be favorable based on currently available clinical and preclinical data, which could result in delays in the completion of clinical trials, regulatory approvals and commencement of commercialization of our drug candidates.

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.

The biopharmaceutical and gene therapy market is constantly evolving, and we must keep pace with new technologies and methodologies to maintain our competitive position. Our research and development expenses were US$20.6 million and US$13.9 million for the years ended December 31, 2024 and 2025, respectively, and US$7.1 million and US$5.3 million for the six months ended June 30, 2025 and 2026, respectively. We cannot assure you that we will be able to develop, improve or adapt to new technologies and methodologies, successfully identify new technological opportunities, develop and bring new or enhanced products to market, or obtain sufficient or any patent or other intellectual property protection for such new or enhanced products in a timely and cost-effective manner. Any failure to do so may render our previous efforts obsolete, which could significantly reduce the competitiveness of our technology platforms and drug candidates, and harm our business and prospects.

If we encounter difficulties enrolling participants in our clinical trials, our clinical development activities could be delayed and result in increased costs and longer development periods or otherwise adversely affected.

The timely completion of clinical trials in accordance with their protocols depends, among other things, on our ability to enroll a sufficient number of participants who remain in the trials until their conclusion. We may not be able to initiate or continue clinical trials for our drug candidates if we are unable to locate and enroll a sufficient number of eligible participants to participate in these trials, or if there are delays in the enrollment of eligible participants as a result of the competitive clinical enrollment environment.

We may experience difficulties in participant enrollment in our clinical trials for a variety of reasons, such as the total size of the relevant patient population, design and eligibility criteria for the clinical trial in question, and perceived risks and benefits of the drug candidate under study.

In addition, some of our competitors have ongoing clinical trials for drug candidates that treat the same indications as our drug candidates, and participants who would otherwise be eligible for our clinical trials may instead enroll in the clinical trials of our competitors' drug candidates, which may further delay our clinical trial enrollments.

Even if we are able to enroll a sufficient number of participants in our clinical trials, delays in participant enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could prevent completion of these trials and adversely affect our ability to advance the development of our drug candidates.

We may rely on third parties to monitor, support and/or conduct clinical trials of our drug candidates.

We may rely on third-party organizations that we do not control, including CROs, hospitals and clinics, to monitor, support, conduct preclinical studies and/or clinical trials of our drug candidates. As a result, we have less control over the quality, timing and cost of these studies and the ability to recruit trial participants than if we conducted these trials wholly by ourselves. If we are unable to maintain or enter into agreements with these third parties on acceptable terms, or if any such engagement is terminated, we may be unable to enroll participants on a timely basis or otherwise conduct our trials in the manner we anticipate.

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

Our relationships with principal investigators, physicians and other industry experts play an important role in our research and development and marketing activities. However, we

cannot assure you that we will be able to maintain or strengthen our clinical collaborations and relationships with principal investigators, physicians and other industry experts, or that our efforts to maintain or strengthen such relationships will lead to the successful development and marketing of new products.

Preliminary and interim data from our clinical trials that we announce or publish from time to time may change as more participant data becomes available and are subject to audit and verification procedures that could result in material changes in the final data.

From time to time, we may publicly disclose preliminary or top-line data from our preclinical studies and clinical trials, which is based on a preliminary analysis of then-available data, whose results, related findings and conclusions are subject to changes following a more comprehensive review of such data. We also make assumptions, estimations, calculations and conclusions as part of our analyses progress, for which we may not necessarily receive or had the opportunity to fully and carefully evaluate all data. As a result, the top-line or preliminary results reported by us may differ from future results of the same studies, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Top-line data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, top-line data should be viewed with caution until the final data are available. From time to time, we may also disclose interim data from our preclinical studies and clinical trials. Interim data from clinical trials that we may complete are subject to the risks that one or more of the clinical outcomes may materially change along with participant enrollment where more participant data become available. Adverse differences between preliminary or interim data and final data could significantly harm our business prospects. Further, disclosure of interim data by us or our competitors could result in volatile prices of our Shares after this [**REDACTED**].

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.

Undesirable side effects caused by our drug candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval. Results of our trials could reveal a high and unacceptable level of severity or prevalence of side effects. In such event, our trials could be suspended or terminated and the regulatory authority may order us to cease further development of, or deny approval of, our drug candidates for any or all targeted indications. We cannot guarantee that undesirable side effects will not occur in clinical trials of our drug candidates. For details of the side effects of our product pipeline as observed during clinical trials, please see "Business — Our Drug Candidates." Side effects could affect participant recruitment or the ability of enrolled participants to complete the trial, and could result in potential product liability claims. Any of these occurrences may harm our reputation, operations, financial condition and prospects significantly.

Current clinical practices with gene therapies have revealed the potential to trigger immune responses including cytokine release syndrome and complement activation, and high-dose systemic administration ($>1\times10^{14}$ vg/kg) is associated with severe hepatotoxicity that may progress to acute liver failure. Such safety risks have not been observed in the clinical trials of any of our drug candidates. However, we cannot guarantee that such risks will not arise in the future.

Additionally, if one or more of our drug candidates receive regulatory approval, and we or others later identify undesirable side effects caused by such products, a number of potentially significant negative consequences could result, such as suspension of our marketing activities, revocation of licenses, liability to patients or participants, and reputation harms. Any of these occurrences may prevent us from achieving or maintaining market acceptance of our particular drug candidate, and significantly harm our business, results of operations and prospects.

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 pose theoretical risks of resulting in permanent and irreversible genomic modifications to the patient. The modification may not proceed as intended, and even if our therapies achieve the intended genomic modification, unintended and irreversible off-target effects and tumorigenesis induced by genome integration may occur, which could lead to SAEs, resulting in unpredictable health problems and an increased risk of cancer. Also, our gene therapies utilize continuous, high-level expression of the transgene, which carries a potential risk of retinal toxicity, and could manifest SAEs such as chronic inflammation. The current technologies do not allow for the precise turning off or downregulation of the transgene's expression. This inability to modulate or halt gene expression in response to toxicity or other adverse events could exacerbate the condition, potentially leading to irreversible results like damage to retinal function and vision loss. We cannot guarantee that long-term follow-up of treated participants will not reveal such irreversible risks. If such unexpected events occur, we may not be able to reverse the genomic modification, and there may be limited effective remedial measures available.

The data and information that we gather in our research and development process could be inaccurate or incomplete, which could harm our business, reputation, financial condition and results of operations.

We collect, aggregate, process, and analyze data and information from our preclinical studies and clinical trials. We also engage in substantial information gathering following the identification of a promising drug candidate. Because data in the healthcare industry are fragmented in origin, inconsistent in format, and often incomplete, the overall quality of data collected or accessed in the healthcare industry is often subject to challenge, the degree or amount of data which is knowingly or unknowingly absent or omitted can be material, and we often discover data issues and errors when monitoring and auditing the quality of our data. If we make mistakes in the capture, input or analysis of these data, our ability to advance the development of our drug candidates may be materially harmed and our business, prospects and reputation may suffer.

The safety and efficacy of our Core Products remain unconfirmed given the limited availability of clinical data pertaining to participants with the targeted indications.

We have two Core Products, namely FT-002 and FT-003. For FT-002, we have completed Phase II clinical trials in China for XLRP and have received clearance from the FDA for Phase II trials in the United States for XLRP. For FT-003, we have completed Phase II clinical trials for nAMD in China, initiated Phase II clinical trials for DME in China, and obtained FDA clearance for Phase II trials in the United States for nAMD and DME. There is a limited number of trial participants. Additionally, data and information from our preclinical studies and clinical trials may not be accurate. See "— Preliminary and interim data from our clinical trials that we announce or publish from time to time may change as more participant data becomes available and are subject to audit and verification procedures that could result in material changes in the final data." for further details. Thus, even though our Core Products have shown favorable safety and efficacy in the current clinical trials, their safety and efficacy have not been fully validated at this time.

The data and information we derive from future investigator-initiated trials may not be accepted by regulatory agencies.

We maintain close collaboration with principal investigators. We have derived and plan to continue to derive results from investigator-initiated trials of our drug candidates to expedite our clinical development activities. There is no assurance that the clinical data from these trials will be accepted or considered by the NMPA, the FDA, or other regulatory agencies. If our IIT clinical data is not accepted by these regulatory agencies, we will need to conduct additional data stripping and correction in our development activities, which may cause delays to our clinical development timeline, research and development cost overruns,

loss of market window opportunities, and may even adversely affect the approval outcome of our product marketing applications, thereby adversely harming our business, financial condition and results of operations.

Regulatory approval processes are time-consuming and may be delayed due to evolving standards and limited familiarity with our rAAV gene therapies. If we are ultimately unable to obtain regulatory approval for our drug candidates, our business will be substantially harmed.

Our business is substantially dependent on our ability to complete development, obtain regulatory approval, and successfully commercialize our drug candidates in a timely manner. We cannot commercialize our drug candidates without obtaining regulatory approval to market each product from the NMPA, the FDA, and other regulatory agencies. The time required to obtain approval from these regulatory agencies is unpredictable but typically takes years following the commencement of preclinical studies and clinical trials and depends upon numerous factors, including the substantial discretion of the regulatory authorities. In particular, our area of focus, rAAV gene therapies, is a relatively novel therapeutic approach with which regulatory agencies may have limited familiarity. In addition, approval policies, regulations or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. One of our Core Products, FT-002, has received Orphan Drug Designation and Fast Track Designation from the FDA, which are expected to streamline the regulatory approval process for FT-002. However, if the FDA revokes either of these designations, we may incur increased time and costs in securing regulatory approvals. Moreover, changes in regulatory requirements and guidance during our clinical trials may occur, which may result in necessary changes to clinical trial protocols, which could increase our costs, delay the timeline for or reduce the likelihood of regulatory approval for our drug candidates. It is possible that none of our existing drug candidates or any drug candidates we may discover and seek to develop in the future will ever obtain regulatory approval, and any such failure could adversely affect our business, financial condition, results of operations and prospects.

Even if we obtain marketing approvals for our drug candidates, the terms of approvals and ongoing regulation of our products may limit how we manufacture and market our products, and compliance with such requirements may involve substantial resources, which could materially impair our ability to generate revenue.

Any of our future approved drug candidates will be subject to ongoing or additional regulatory requirements for manufacturing, labeling, packaging, storage, advertising, promotion, sampling, record-keeping, and submission of safety, efficacy, and other post-market information, including requirements of regulatory authorities in China and other countries.

As a general rule, manufacturers and manufacturers' facilities are required to comply with extensive rules promulgated by the NMPA in China and comparable regulatory authority requirements in other relevant jurisdictions ensuring that quality control and manufacturing procedures conform to cGMP regulations. As a consequence, our operation of our manufacturing facility in Suzhou will be subject to continual review and inspections to assess compliance with cGMP and adherence to commitments made in any new drug application, other marketing application, and previous responses to any inspection observations. Accordingly, we must continue to expend time, money and effort in all areas of regulatory compliance, including manufacturing, production and quality control.

We may not be able to identify and discover novel and suitable drug candidates.

We may fail to identify and discover novel and suitable drug candidates for a number of reasons. For example, with respect to identifying and discovering new drug candidates for in-house development, our research methodology may not be successful in identifying potential drug candidates; those we identify may be shown to have harmful side effects or other characteristics that make them unmarketable or unlikely to receive regulatory approval; or we may face competing products with similar profiles that advance more rapidly during the R&D process, depriving our identified and discovered drug candidates of their novelty.

Research programs to pursue the development of our drug candidates for additional indications and to identify new drug candidates and disease targets require substantial technical, financial and human resources regardless of whether we are ultimately successful. Our research and development efforts may initially show promise in identifying potential indications and/or drug candidates, yet fail to yield results for clinical development for a number of reasons, including: (i) potential drug candidates may, after further study, be shown to have harmful side effects or other characteristics that indicate they are unlikely to be effective products; or (ii) it may take greater human and financial resources to identify additional therapeutic opportunities for our drug candidates or to develop suitable potential drug candidates through internal research programs than we will possess, thereby limiting our ability to diversify and expand our product portfolio.

We may allocate our limited resources to pursue a particular drug candidate or indication and fail to capitalize on drug candidates or indications that may later prove to be more profitable or for which there is a greater likelihood of success.

As we have limited financial and managerial resources, we focus on research programs and drug candidates for specific indications. As a result, we may forgo or delay pursuit of opportunities with other drug candidates or for other indications that later may prove to have greater commercial potential or a greater likelihood of success. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Furthermore, if we do not accurately evaluate the commercial potential or target market for a particular drug candidate, we may relinquish valuable rights to that drug candidate through licensing, collaboration or royalty arrangements in cases where it would have been more advantageous for us to retain sole development and commercialization rights to such drug candidate, or we may allocate internal resources to a drug candidate in a therapeutic area in which it would have been more advantageous to enter into a partnering arrangement, which could materially adversely affect our future growth and prospects.

We face the risk of product cannibalisation arising from our drug products targeting similar indications.

Some of our drug candidates target the same or similar indications. When we commercialize these candidates, if any of these candidates fail to deliver their unique value propositions, they may compete with one another for market share instead of helping us expand our overall market presence. This may cause a material adverse impact on our business prospects, financial condition and results of operations.

If we fail to manage our inventories effectively, our business, financial condition and results of operations may be adversely affected.

As of December 31, 2024 and 2025 and June 30, 2026, we had inventories of US$1.4 million, US$1.2 million and US$0.8 million, respectively. Our inventory turnover days, calculated based on the inventory consumption for R&D purposes instead of cost of goods sold as we have not generated revenue, were 334 days, 623 days and 269 days in 2024 and 2025 and the six months ended June 30, 2026, respectively. Due to the COVID-19, we arranged a one-time bulk procurement prior to our Core Products advancing to Phase II clinical stages. This strategic move was designed to ensure the stability of clinical trial supplies. However, it also resulted in a substantial majority of our inventory balance being over two years. While we have formulated definitive plans for future trial usage and implemented robust inventory management mechanisms, we are unable to completely foresee volatility and fluctuations in inventory consumption throughout clinical trials. We made impairment provisions for inventories of US$108 thousand, US$21 thousand and US$20 thousand as of December 31, 2024 and 2025 and June 30, 2026, respectively, all of which were at a low level. The scheduled inventory consumption for R&D purposes in 2026 is expected to consume most of the inventories reaching their expiration date this year, keeping potential impairments to a minimum. However, if there are any deficiencies arise, we still may be subject to inventory impairments. Any material inventory impairment could have adverse impacts on our business prospects, financial condition and results of operations. For further discussions of our inventories, see also "Financial Information — Discussion of Certain Key Items from the Consolidated Statements of Financial Position — Inventories."

RISKS RELATING TO THE COMMERCIALIZATION OF OUR DRUG CANDIDATES

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.

Gene therapy is a novel treatment and in relatively early commercialization stage. Even if one of our drug candidates receive approvals from the NMPA, the FDA, or other regulatory agencies, the commercial success of any of our drug candidates might be lower than expected and will depend significantly on the broad procurement, adoption and use of the resulting product by physicians and patients for approved indications. The degree and rate of physician and patient adoption of our drug candidates, if approved, will depend on a variety of factors including competitive landscape, pricing or physician preference, and reimbursement by insurers.

In particular, given the high research and development costs, complex manufacturing processes, and specialized technical requirements associated with gene therapies, gene therapy products typically have relatively high prices compared with other treatment options. If the costs of treatment with our drug candidates are too high relative to the willingness to pay on the part of insurance companies, other third-party payers, physicians and patients, market accessibility of our products may be significantly limited. Beyond practical obstacles, high pricing and limited accessibility may also trigger negative public sentiment, which could further adversely affect our reputation and market acceptance of our products.

Even if the costs of treatment with our drug candidates match the market expectations, they may still be reluctant to use our drug candidates due to the lack of long-term treatment outcome data and long-term follow-up required, which results in their concern of long-term safety. Some impacts of gene therapies might be long-term and future manifestation. We are conducting the five-year long-term follow-up in accordance with regulatory requirements to monitor long-term safety. Currently, our drug candidates are still limited by the scarcity of long-term data regarding treatment durability. Furthermore, as newly commercialized products, there is a lack of precedents regarding the potential delayed adverse effects of gene therapies, and information can only be derived from limited clinical data and results. These uncertainties may significantly hinder patient trust and market acceptance.

Some of our drug candidates have also adopted injection methods with a relatively high operational threshold, which may limit the number of qualified hospitals or institutions during commercialization. Insufficient qualifications and restricted cooperation scope may prevent our drug candidates from rapidly reaching a broad patient base, and further adversely impact their commercialization and market acceptance.

We cannot assure you that our drug candidates, if approved, will achieve broad market acceptance among physicians and patients. Any failure by our drug candidates that obtain regulatory approval to achieve market acceptance or commercial success would adversely affect our results of operations.

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 gene therapy industry in which we operate is intensely competitive and subject to rapid and significant technological changes. Our competitors include divisions of large pharmaceutical companies and biotechnology companies of various sizes. Many of our competitors have substantially greater financial, technical, and other resources than we do, such as those with larger research and development staff and established marketing and manufacturing infrastructure. Collaborations, mergers and acquisitions in the biopharmaceutical industry may result in even more resources being concentrated in our competitors. As a result, these companies may be able to advance their drug candidates and obtain regulatory approval from the regulatory authorities more rapidly than we do. For

example, Ixo-vec, one of our peer gene therapies, has reported reduced injection frequency by as high as 95% at Week 26 of its Phase II clinical trial, which is higher than that of our FT-003 at a similar stage. Also, some of our competitors may become more effective in selling and marketing their products. Smaller or early-stage companies may also be significant competitors, particularly through collaborative arrangements with large, established companies.

Competition may increase further as a result of advances in the commercial applicability of technologies and greater availability of capital for investment in the industry. Our competitors may succeed in developing, acquiring, or licensing on an exclusive basis, products that are more effective or less costly than any drug candidate that we may develop, or achieve earlier patent protection, regulatory approval, product commercialization, and market penetration than we do. To compete with an approved product, we must demonstrate compelling advantages in efficacy, safety or other aspects in order to overcome price competition and to be commercially successful. Furthermore, disruptive technologies and medical breakthroughs may further intensify the competition and render our drug candidates uneconomical or obsolete, and we may not be successful in marketing our drug candidates against competitors.

The actual markets for our drug candidates may be smaller than our estimates.

The size of the potential market for our drug candidates is difficult to estimate. Our projections of the number of patients who have the potential to benefit from treatment with our drug candidates are based on our beliefs and estimates. These estimates have been derived from a variety of sources, including scientific literature, surveys of clinics, patient foundations, or market research and may prove to be incorrect. Further, new studies may change the estimated incidence or prevalence of these diseases. The number of patients may turn out to be fewer than expected. As a result, the potentially addressable patient population and market size for our drug candidates may be smaller than our estimates. As a result, even if we obtain market approval for our drug candidates, we may not achieve the anticipated market size and revenue unless such market approval is for the intended lines of therapy or for additional indications.

The potential market for FT-002 may be limited in the future.

FT-002 is one of our Core Products, being investigated to treat XLRP. According to Frost & Sullivan, the XLRP drug market is anticipated to decline after 2034. This market is primarily constrained by two factors: the relatively limited patient population and the one-time treatment nature of gene therapies. Consequently, the potential market for FT-002 may be limited, which could affect our business prospects, financial condition and results of operations.

We do not have experience in launching and marketing drug candidates. If we are unable to maintain sufficient distribution, marketing, and sales capabilities, we may not be able to generate product sales revenue.

We have yet to demonstrate our capabilities in launching and commercializing any of our drug candidates. As a result, our ability to successfully commercialize our drug candidates may involve more inherent risk, additional commercialization efforts, and cost more than it would if we were a company with experience launching and marketing drug candidates.

We have not demonstrated our capability to price products at appropriate levels to balance cost recovery and market acceptance. In particular, some of our products, if approved, would compete with other treatment options that are less costly than gene therapy treatments. If the pricing of our products is perceived to be too high, or if our products are perceived as not offering sufficient value relative to alternative treatment options, our products may receive limited market acceptance. On the other hand, we may not be able to generate sufficient revenue and recover our prior investments if our products are not priced at a sufficient level.

If we are unable or decide not to establish internal sales, marketing and commercial distribution capabilities for any or all of the products we develop, we will likely pursue

collaborative arrangements regarding the sales and marketing of our products. However, we cannot assure you that we will be able to establish or maintain such collaborative arrangements, or, if we are able to do so, that they will have effective sales forces.

We may form or seek collaborations or strategic alliances or enter into licensing arrangements in the future, and we may not realize the benefits of such alliances or licensing arrangements.

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

We face significant competition in seeking appropriate strategic partners and the negotiation process is time-consuming and complex. Moreover, we may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for our drug candidates because they may be deemed to be at a premature stage of development for collaborative effort, and third parties may not view our drug candidates as having the requisite potential to demonstrate safety and efficacy or commercial viability. If and when we collaborate with a third party for development and commercialization of a product candidate, we can expect to relinquish some or all of the control over the future success of that product candidate to the third party.

As a result, we may not be able to realize the benefit of current or future collaborations, strategic partnerships or potential license of products if we are unable to successfully integrate such products with our existing operations and company culture, which could delay our timelines or otherwise adversely affect our business. We also cannot be certain that, following a strategic transaction or license, we will achieve the revenue or specific net income that justifies such transaction. If we are unable to reach agreements with suitable collaborators on a timely basis or acceptable terms, or at all, we may have to curtail the development of a product candidate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization, or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense.

Delays or failures in obtaining, maintaining and renewing regulatory approvals for our manufacturing facility may affect our ability to develop, manufacture and commercialize our drug candidates as we expect.

As of the Latest Practicable Date, we had an in-house commercialization-ready manufacturing facility in Suzhou, Jiangsu province, China. We cannot assure you that we will be able to obtain, maintain and renew all the regulatory approvals for our manufacturing facility in a timely manner, or at all. Any such delay or failure would adversely affect our abilities to develop, manufacture and commercialize our drug candidates.

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.

The manufacturing of gene therapy products is an exacting and complex process, and our business, financial condition and results of operations could be materially and adversely affected if we encounter problems in manufacturing our products. Since our facility in Suzhou, Jiangsu province, China has a relatively short operational history and has not yet engaged in large-scale production of any commercialized drug products, future problems may arise for a variety of reasons, including equipment malfunction, failure to follow Chinese or U.S. protocols and procedures, problems with raw materials, delays related to the reconfiguration and/or expansion of the facility, including changes in manufacturing production sites and limits to manufacturing capacity due to regulatory requirements, physical limitations that could inhibit continuous supply, natural disaster, and environment

factors. In particular, the manufacturing of gene therapy products entails stringent requirements for specialized equipment, professional personnel and high capital expenditure, as well as possible substantial production losses and significant challenges in scalable production. The manufacturing of gene therapy products suffers from low conversion rates and high costs associated with large-scale production. Moreover, the technical difficulties of production create substantial hurdles in maintaining product purity and batch stability. See "Industry Overview — The Gene Therapy Market — Challenges and Entry Barriers to the Gene Therapy Market" for more details.

We may not be able to maintain effective quality control over our drug products.

The quality of our products, including drug candidates we used for research and development purposes, will depend significantly on the effectiveness of our quality control and quality assurance, which in turn depends on factors such as the specific expertise of managerial persons, production processes and the quality and reliability of equipment used. We cannot assure you that our quality control and quality assurance procedures will be effective in consistently preventing and resolving deviations from our quality standards or that our standard operating procedures will be complete or updated at all times.

We may not be successful in achieving commercial-scale manufacturing that provides for an attractive margin.

We cannot assure you that we can successfully scale up our manufacturing volume to support commercialization or at all. Local production of drug products will be subject to standards and requirements by various regulatory authorities, including the FDA, the NMPA or other comparable regulatory agencies to ensure compliance with cGMP. We may underestimate the cost and time required to scale up our manufacturing volume, or overestimate cost reductions from economies of scale that can be realized with our manufacturing processes. We may not be able to successfully manage the cost of our drug candidates to levels that will allow for a margin in line with our expectations and return on investment, if and when those drug candidates are commercialized.

Even if we are able to commercialize any approved drug candidates, the products may become subject to national or other third-party reimbursement practices or unfavorable pricing regulations, which could harm our business.

The regulations that govern regulatory approvals, pricing and reimbursement for new therapeutic products vary widely from country to country. Some countries require approval of the sale price of a drug before it can be marketed. In many countries, the pricing review period begins after marketing or licensing approval is granted. In some non-U.S. markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain regulatory approval for a product in a particular country, but then be subject to price regulations that delay our commercial launch of the product and negatively impact the revenue we are able to generate from the sale of the product in that country. Adverse pricing limitations may hinder our ability to recoup our investment in one or more drug candidates, even if our drug candidates obtain regulatory approval.

Our ability to commercialize any products successfully also will depend in part on the extent to which reimbursement for these products and related treatments will be available from government health administration authorities, private health insurers and other organizations. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. A primary trend in the global healthcare industry is cost containment. Government authorities and these third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications.

We cannot be sure that reimbursement will be available for any product that we commercialize and, if reimbursement is available, what the level of reimbursement will be. Reimbursement may impact the demand for, or the price of, any product for which we obtain

regulatory approval. Obtaining reimbursement for our products may be particularly difficult because of the higher prices often associated with products administered under the supervision of a physician. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any product candidate that we successfully develop.

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

Illegal and/or parallel imports and counterfeit pharmaceutical products may reduce demand for our future approved drug candidates and could have a negative impact on our reputation and business.

The illegal importation of competing products from countries where government price controls or other market dynamics result in lower prices may adversely affect the demand for our future approved drug candidates and, in turn, may adversely affect our sales and profitability in China, the United States and other countries and regions where we commercialize our products in the future. Illegal imports may continue to occur or even increase as the ability of patients and other customers to obtain these lower priced imports continues to grow. In addition, governmental authorities may expand consumers' ability to import lower priced versions of our future approved products or competing products. Cross-border imports from lower-priced markets (which are known as parallel imports) into higher-priced markets could harm sales of our future drug products and exert commercial pressure on pricing within one or more markets. Any future legislation or regulations that increase consumer access to lower priced medicines could have a material adverse effect on our business.

Negative results from off-label use of our future marketed drug products could harm our reputation, product brand, business operations and financial condition and expose us to liability.

Off-label drug use is the prescription of a product for an indication, dosage or in a dosage form that is not in accordance with regulatory approved usage and labeling. While regulatory authorities including the NMPA, the FDA, and other comparable agencies strictly enforce regulations against the promotion of off-label use, physicians may legally prescribe drugs for unapproved uses under certain circumstances. Though a recognized aspect of medical practice, the prescription of our drug products outside their approved indications, patient populations, or dosing parameters could lead to potential risks arising from insufficient safety/efficacy data, regulatory compliance challenges, reimbursement issues, and the need for enhanced monitoring and documentation. Off-label use could also render our products less effective or entirely ineffective and may cause unexpected adverse drug reactions or adverse effects. Any of these occurrences can create negative publicity and materially and adversely affect our business reputation, product brand, business operations and financial conditions. These occurrences may also expose us to liability and cause a delay in the progress of our clinical trials and may ultimately result in failure to obtain regulatory approval for our drug candidates.

RISKS RELATING TO OUR FINANCIAL POSITION AND NEED FOR ADDITIONAL CAPITAL

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.

Our operations to date have focused on establishing our intellectual property portfolio, conducting drug discovery, preclinical studies and clinical trials of our drug candidates, organizing and staffing our operations, business planning and raising capital. We have not yet demonstrated an ability to successfully obtain marketing approvals for, or commercialize, our drug candidates. To date, we have no products approved for commercial sale and have not generated any revenue from product sales. Our limited operating history, particularly in light of the rapidly evolving drug research and development industry in which we operate and the changing regulatory and market environments we encounter, may make it difficult to evaluate our prospects for future performance. Consequently, any predictions about our future success or viability may not be as accurate as they could be if we had a longer operating history. We will encounter risks and difficulties frequently experienced by early-stage companies in rapidly evolving fields as we seek to transition to a company capable of supporting commercial activities. If we do not address these risks and difficulties successfully, our business will suffer.

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

We incurred net losses of US$26.5 million and US$19.5 million for the years ended December 31, 2024 and 2025, respectively, and net losses of US$8.2 million and US$4.7 million for the six months ended June 30, 2025 and 2026, respectively. Our net losses during the Track Record Period were primarily attributable to expenses incurred by our research and development activities, including those in relation to our preclinical studies and clinical trials. Our research and development expenses were US$20.6 million and US$13.9 million for the years ended December 31, 2024 and 2025, respectively. Our research and development expenses were US$7.1 million and US$5.3 million for the six months ended June 30, 2025 and 2026, respectively. See "Financial Information — Description of Major Components of Our Results of Operations" for details. Our ability to generate revenue and achieve profitability depends significantly on our success in advancing these drug candidates into later stages of clinical development, and obtaining regulatory approvals for each drug candidate, which we may not be able to do in a timely manner or at all.

We expect to continue to incur net losses in the foreseeable future, and that these net losses may increase as we carry out certain activities relating to our development, such as scaling up our business to meet the requirements of our R&D activities and potential commercialization. The size of our future net losses will depend, among other factors, on the rate of the future growth of our expenses, our ability to generate revenue and the timing and amount of milestone payments and other payments that we receive from or pay to third parties. If any of our drug candidates fails during clinical trials or does not gain regulatory approval, or, even if approved, fails to achieve market acceptance, our business may not become profitable. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods thereafter. Our prior losses and expected future losses have had, and will continue to have, an adverse effect on our business, financial condition and results of operation.

We had net cash outflow from operating activities during the Track Record Period and may need to obtain additional financing to fund our operations. If we are unable to obtain such financing, we may be unable to complete the development of our major drug candidates.

During the Track Record Period, our operations consumed a substantial amount of cash. We recorded net cash used in operating activities of US$23.1 million, US$16.3 million and US$6.5 million in 2024 and 2025 and the six months ended June 30, 2026, respectively. In addition, we might expect to incur significant development expenses relating to our current drug candidates and future pipeline. Transitioning to becoming a [**REDACTED**] is also expected to incur substantial costs and expenses.

We expect that we will continue to experience net cash outflows from our operating activities for the foreseeable future. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations through public or private equity offerings, debt financing, collaborations, or out-licensing or sale arrangements for our drug candidates or other sources. Although we believe that we have sufficient working capital to fund our operations, if in any case we fail to maintain adequate liquidity on commercially reasonable terms, we could be forced to delay, reduce or terminate our research and development projects or any future commercialization efforts, which could have a material adverse effect on our business, financial condition and results of operations.

We may need to obtain substantial additional financing to fund our operations, and if we fail to do so, we may be unable to complete the development and commercialization of our drug candidates.

During the Track Record Period, we funded our operations primarily through equity and debt financing. We expect our expenses to experience modest increases in connection with our ongoing activities. In addition, if we obtain regulatory approvals for any of our drug candidates, we expect to incur significant commercialization expenses relating to product manufacturing, marketing, sales and distribution and post-approval commitments to continue monitoring the efficacy and safety data of our future products on the market. We may also incur expenses as we create additional infrastructure to support our operations as a [**REDACTED**]. Accordingly, we may need to secure substantial additional funding in connection with our continuing operations through public or private equity offerings, debt financing, collaborations or licensing arrangements or other sources.

In the near future, we expect to fund our operations primarily with existing cash and cash equivalents, and [**REDACTED**] from the [**REDACTED**]. Upon the successful commercialization of one or more of our drug candidates, we expect to fund our operations in part with income generated from sales of our commercialized drug products. Changes in our ability to fund our operations may affect our cash flow and results of operations. If we are unable to raise capital when needed or on acceptable terms, we could be forced to delay, limit, reduce or terminate our research and development programs or any future commercialization efforts.

Our extended cash conversion cycle exerts pressure on our financial position.

Our cash conversion cycle is relatively extended primarily due to our prolonged inventory turnover days. Although we believe this situation is not indicative of our long-term inventory and cash position, the significant tie-up of working capital heightens liquidity risks and the potential for cash flow disruptions. If any liquidity issues or cash flow disruptions arise, they could have adverse impacts on our business prospects, financial condition and results of operations.

We cannot assure that we will continue to receive government grants.

We have historically received various government grants primarily relating to the innovative nature of our business and as compensation for our capital expenditure. We recognized government grants as other income of US$0.5 million and US$0.4 million for the the years ended December 31, 2024 and 2025, respectively, and US$0.3 million and US$1.7 million for the six months ended June 30, 2025 and 2026, respectively. There is no assurance that we could maintain or continue to receive the government grants described above at the historical levels, or at all. Any change, suspension, withdrawal or termination of these government grants to us may have an effect on our business, financial condition and results of operations.

We have granted, and may continue to grant, certain awards under our share incentive plan, which may result in increased share-based compensation expenses.

We have adopted a share incentive plan for the purpose of granting share-based compensation awards to employees, officers, or directors to incentivize their performance and

align their interests with ours. We incurred share-based compensation expenses relating to share options granted under our share incentive plan of US$0.2 million and US$0.5 million for the years ended December 31, 2024 and 2025, respectively, and US$0.2 million and US$0.4 million for the six months ended June 30, 2025 and 2026, respectively. We may continue to grant share-based compensation awards to employees in the future. As a result, our expenses associated with share-based compensation may increase, which may affect our financial condition and results of operations. We may re-evaluate the vesting schedules, [**REDACTED**] period, exercise price or other key terms applicable to the arrangements under our currently effective employee stock option plans from time to time. If we choose to do so, we may experience substantial change in our share-based compensation charges in the reporting periods following this [**REDACTED**].

Fluctuations in exchange rates could result in foreign currency exchange losses.

The Renminbi has fluctuated against the Hong Kong dollar and U.S. dollar, at times significantly and unpredictably. For the years ended December 31, 2024 and 2025, we recorded exchange differences arising on translation of foreign operations, an item under other comprehensive income, of US$0.9 million and US$1.8 million, respectively. For the six months ended June 30, 2025 and 2026, we recorded exchange differences arising on translation of foreign operations of US$0.8 million and US$1.7 million, respectively. There is no assurance that we will continue to incur foreign exchange related income in the future. The value of the Renminbi against the U.S. dollar and other currencies is affected by changes in political and economic conditions and by foreign exchange policies, among other things. We cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against the Hong Kong dollar or U.S. dollar in the future.

The [**REDACTED**] from the [**REDACTED**] will be received in Hong Kong dollars. As a result, any appreciation of the Renminbi against the U.S. dollar, the Hong Kong dollar or any other foreign currencies may result in the decrease in the value of our [**REDACTED**] from the [**REDACTED**]. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. Furthermore, we are also currently required to complete filings with and obtain approvals from the SAFE before converting significant sums of foreign currencies into Renminbi. All of these factors could materially and adversely affect our business, financial condition, results of operations and prospects.

Disruptions in the financial markets and economic conditions could affect our ability to raise capital.

Our business will depend on the successful development, regulatory approval and commercialization of our drug candidates, all of which are still in discovery stage, preclinical or clinical development. Each of our drug candidates will require additional preclinical and/or clinical development, and regulatory approvals potentially in multiple jurisdictions. Substantial investments are required before we generate any revenue from product sales. If we are unable to access funding from [**REDACTED**] due to a financial crisis, a disruption of the credit markets, extreme volatility in security prices, or other financial, economic, social or political conditions that discourage long-term [**REDACTED**], we will be unable to bear the costs necessary to complete the development and approval of some or all of our drug candidates. If we have to downscale or discontinue our operations, our financial condition, results of operations and prospects will be materially and adversely harmed, and you may lose part or all of your [**REDACTED**].

RISKS RELATING TO INTELLECTUAL PROPERTY RIGHTS

We have not yet obtained granted patents relating to our Core Products in all relevant jurisdictions, which may pose risks to uniqueness and competitive advantage of our drug candidates.

We have not yet obtained granted patents relating to our Core Products in all relevant jurisdictions. To date, we have obtained a granted patent relating to one of our Core Products, FT-003, in Japan, and have received notice of allowance for both FT-002 and FT-003 in the

United States. The Directors, based on their best estimates, believe that granted patents relating to both of our Core Products in all relevant jurisdictions are expected to be obtained by end of 2027 according to our consultation with our IP counsel. However, there can be no assurance that patents will be granted within this timeframe, or that the examination procedures will not encounter unexpected delays. If our Core Products fail to secure patent protection prior to commercialization, our drug candidates may be at risk of being imitated by competitors, which could consequently result in the loss of our exclusivity period and market share. Consequently, our significant investments in costs may not be recoverable, which could significantly harm our business, financial condition and results of operation.

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.

We seek to protect the drug candidates and technology that we consider commercially important by filing patent applications in China, the U.S. and other countries. We cannot be certain that patents will be issued or granted with respect to our patent applications that are currently pending, or that patents that may be issued or granted in the future will not later be found to be invalid or unenforceable, be interpreted in a manner that does not adequately protect our drug candidates, or otherwise fail to provide us with any competitive advantage. Patent applications we apply for may not be granted in the end, and we cannot predict whether the patent applications we are currently pursuing and may pursue in the future will be issued as patents in any particular jurisdiction. The coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance. Even if patent applications we own currently or in the future are issued as patents, they may not be issued in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us, otherwise provide us with any competitive advantage or even last until the successful commercialization of our drug candidates. In addition, the patent position of biotechnology companies generally is highly uncertain, involves complex legal and factual questions, and has been a common subject of litigation in recent years. As such, we do not know the degree of future protection that we will have on our drugs and technology, if any. If we are unable to obtain or maintain patent protection with respect to our drug candidates and technologies, our business, financial condition, results of operations and prospects could be materially harmed.

It is also possible that we will fail to identify patentable aspects of our research and development output in time to obtain patent protection. Although we enter into non-disclosure and confidentiality agreements with parties who have access to confidential or patentable aspects of our research and development output, any of these parties may breach such agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to obtain patent protection. In addition, publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the U.S. and other jurisdictions are typically not published until 18 months after filing, or in some cases, not at all. Therefore, we cannot be certain that we were the first to make the inventions claimed in our patents or pending patent applications, or that we were the first to file for patent protection of such inventions.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patent rights may be challenged in the courts or patent offices in China, the U.S. and other countries. We may be subject to a third-party pre-issuance submission of prior art to the patent office in a jurisdiction, or become involved in proceedings in foreign jurisdictions challenging our patent rights or the patent rights of others. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology or drug candidates, and compete directly with us without payment to us, or result in our inability to manufacture or commercialize drug candidates without infringing, misappropriating or otherwise violating third-party patent rights.

Such proceedings also may result in substantial costs and require significant time from our scientists and management, even if the eventual outcome is favorable to us. Consequently,

we do not know whether any of our technology or drug candidates will be protectable or remain protected by valid and enforceable patents. Our competitors or other third parties may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner.

We may enjoy only limited geographical protection with respect to certain patents and may not be able to protect our intellectual property rights throughout the world.

The patent prosecution process is expensive, time-consuming and complex, and we may not be able to file, prosecute, maintain, enforce or license all necessary or desirable patent applications at a reasonable cost or in a timely manner in all desirable territories. As a result, we may not be able to prevent competitors from developing and commercializing competitive products in all such fields and territories.

As we intend to sell our successfully commercialized drugs in various jurisdictions around the world, we are dependent on the laws of a wide range of jurisdictions to protect, maintain and enforce our intellectual property rights throughout the world. We may not obtain adequate intellectual property protection in all jurisdictions where we ultimately intend to sell our products, and as a result of commercial pressures or otherwise, we may significantly expand our business into such jurisdictions without the benefit of clear, enforceable intellectual property protections. The laws of these jurisdictions may also be insufficient to protect our intellectual property rights to the same extent or in the same manner as the laws of the jurisdictions in which we currently have sought intellectual property protections or of the jurisdictions where investors may be located. Changes in either the patent laws or their interpretation in China, the United States or other countries may diminish our ability to protect our inventions, obtain, maintain, defend, and enforce our intellectual property rights, and, more generally, affect the value of our intellectual property or narrow the scope of our patent rights. For instance, the United States has enacted wide-ranging patent reform legislations. United States Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. In addition, the legal systems of certain developing countries do not favor or consistently enforce patents, trade secrets, trademarks and other forms of intellectual property protection, which could make it difficult and time-consuming to stop the infringement, misappropriation or other violation of our intellectual property rights. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and sell or import products made using our inventions in and into our markets of interest. These products may compete with our products, and our existing patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

If our patent terms expire before or soon after our drug candidates are approved, or if competitors successfully challenge our patents, our business may be materially harmed. Lack of protection under the applicable patent linkage and patent term extension laws and regulations could increase the risk of early generic competition.

Patents have a limited duration. Depending on the jurisdiction, various extensions may be available, but the life of a patent, and the protection it affords, is limited. Even if patents covering our drug candidates, their manufacture, or use are obtained, once the patent life has expired, we may be open to competition from competitive medications, including biosimilar medications.

Given the amount of time required for the development, testing and regulatory review of new drug candidates, patents protecting such drug candidates could expire before or shortly after such drug candidates are commercialized. As a result, our patents and patent applications may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

Even if we believe that we are eligible for certain patent term extensions, there can be no assurance that the applicable authorities will agree with our assessment of whether such extensions are available, and such authorities may refuse to grant extensions to our patents, or

may grant more limited extensions than we request. We may not be granted an extension because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents, or otherwise failing to satisfy applicable requirements. Similarly, depending upon the timing, duration and specifics of any FDA marketing approval of any drug candidates we may develop, one or more of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Action of 1984, or Hatch-Waxman Amendments.

Patent protection depends on compliance with various procedural, regulatory and other requirements, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

The CNIPA, the United States Patent and Trademark Office (the "**USPTO**"), and other applicable patent authorities require compliance with a number of procedural, documentary, fee payment, and other similar provisions during the patent application process. Non-compliance events that could result in abandonment or lapse of a patent or patent application include, but not limited to failure to respond to official actions within prescribed time limits, and non-payment of fees and failure to properly legalize and submit formal documents within prescribed time limits. If we fail to maintain the patents and patent applications covering our drug candidates, our competitors might be able to enter the market, which would hurt our competitive position and could impair our ability to successfully commercialize our drug candidates in any indication for which they are approved. In addition, according to the PRC Patent Law and related regulations, we must file the patent license agreements with the CNIPA within three months after the effective date thereof, otherwise we may lose our exclusive right to use our in-licensed patents if the licensor grants a bona fide third party a right to use the patent. Before such filings become effective, we may not be able to protect ourselves against challenges brought by bona fide third parties to whom the licensors may, for any reason, grant a right to use the same patents we have in-licensed.

We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful. Our patent rights relating to our drug candidates could be found invalid or unenforceable if challenged in court or before the United States Patent and Trademark Office or comparable non-U.S. authority.

Litigation relating to patents and other intellectual property rights in the biopharmaceutical and pharmaceutical industries is common, including patent administrative proceedings, patent ownership and patent infringement lawsuits. Third parties could resort to litigation against us or other parties we have agreed to indemnify, which litigation could be based on either existing intellectual property or intellectual property that arises in the future. Some claimants may be able to sustain the costs of complex intellectual property proceedings to a greater degree and for longer periods of time than we could. Despite measures we take to obtain and maintain patent and other intellectual property rights with respect to our drug candidates, our intellectual property rights could be challenged or invalidated. In such instances, we may need to take action to enforce or defend our intellectual property rights. Failure to successfully defend against such claims could result in limitations to our control over the affected patents, including allowing others to utilize our patent rights, which could potentially affect our competitive position and prospects and adversely affect our business operations and financial condition. Although we believe that we have conducted our patent prosecution in accordance with a duty of candor and in good faith, the outcome following legal assertions of invalidity and unenforceability during patent litigation is subject to uncertainty.

In addition, competitors or other third parties may challenge, infringe or misappropriate our patents and other intellectual property rights. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time consuming. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace, and there are numerous grounds upon which a third party can assert invalidity or unenforceability of a patent. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including

lack of novelty, obviousness, or non-enablement. Such proceedings could result in revocation of or amendment to our patents in such a way that they no longer cover and protect our drug candidates. In any infringement proceeding, a court or governmental authority may decide that a patent of ours is not valid or is unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question.

Even if we establish infringement, the court may decide not to grant an injunction against further infringing activity and instead award only monetary damages, which may not be an adequate remedy.

Also, many countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of such patent. If we are forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired, and our business, financial condition, results of operations and prospects may be adversely affected.

If we are sued for infringing, misappropriating, or otherwise violating intellectual property rights of third parties or engaging in unfair competition, such litigation could be costly and time-consuming and could prevent or delay us from developing or commercializing our drug candidates.

The field of gene therapy, including rAAV gene therapy, is competitive, and intellectual property around the technology of gene therapy is complex. As the biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that our drug candidates and commercializing activities may give rise to claims of infringement of the patent rights of others. We cannot guarantee that our drug candidates or the sale or use of our future products do not and will not in the future infringe, misappropriate or otherwise violate third-party patents or other intellectual property rights. Third parties could allege that we are infringing their patent rights or that we have misappropriated their trade secrets, or that we are otherwise violating their intellectual property rights, whether with respect to the manner in which we have conducted our research, or with respect to the use or manufacture of the compounds we have developed or are developing.

It is possible that we failed to identify, or may in the future fail to identify, relevant patents or patent applications held by third parties that cover our drug candidates. It is also possible that we could infringe upon certain patents that we are aware of but do not believe we infringe upon, or that we are aware of and believe we have valid defenses to any claim of patent infringement related thereto. Publication of discoveries in the scientific or patent literature often lags behind actual discoveries. Therefore, we cannot be certain that we were the first to invent, or the first to file patent applications on, our drug candidates or for their uses, or that our drug candidates will not infringe patents that are currently issued or that are issued in the future. Additionally, pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover our products or their use. Generative artificial intelligence resources that are publicly available also present a risk that a company may inadvertently obtain, incorporate or use a third party's intellectual property.

If a third party were to assert claims of patent infringement against us, even if we believe such third-party claims are without merit, a court of competent jurisdiction could hold that these third-party patents are valid, enforceable and infringed, and the holders of any such patents may be able to block our ability to commercialize the applicable product unless we obtained a license under the applicable patents, or until such patents expire or are finally determined to be invalid or unenforceable. Similarly, if any third-party patents were held by a court of competent jurisdiction to cover aspects of our compositions, formulations, or methods of treatment, prevention, or use, the holders of any such patents may be able to block our ability to develop and commercialize the applicable product unless we obtained a license or until such patent expires or is finally determined to be invalid or unenforceable. In

addition, defending such claims would cause us to incur substantial expenses and could cause us to pay substantial damages, if we are found to be infringing a third party's patent rights. These damages potentially include increased damages and attorneys' fees if we are found to have infringed such rights willfully.

In order to avoid or settle potential claims with respect to any patent or other intellectual property rights of third parties, we may choose or be required to seek a license from a third party and be required to pay license fees or royalties or both, which could be substantial. The licensing or acquisition of third-party intellectual property rights is a competitive area, and other companies may pursue strategies to license or acquire third party intellectual property rights that we may consider attractive or necessary. These licenses may not be available on acceptable terms, or at all. Even if we were able to obtain a license, the rights may be non-exclusive, which could result in our competitors gaining access to the same intellectual property. Ultimately, we could be prevented from commercializing a drug candidate, or be forced, by court order or otherwise, to modify or cease some or all aspects of our business operations, if, as a result of actual or threatened patent or other intellectual property claims, we are unable to enter into licenses on acceptable terms. Further, we could be found liable for significant monetary damages as a result of claims of intellectual property infringement.

We may be subject to claims that former employees, collaborators, contractors or other third parties have an interest in our patents or other intellectual property, for example as an inventor or co-inventor. Inventorship disputes may arise from conflicting obligations of consultants or others who are involved in developing drugs and drug candidates. Litigation may be necessary to defend against these and other claims challenging inventorship or our patent rights, trade secrets or other intellectual property. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, intellectual property that is important to our drug candidates and our technology we may develop.

An adverse result in any litigation proceedings could put one or more of our intellectual property rights at risk of being invalidated or interpreted narrowly. Even if successful, litigation may result in substantial costs and distraction of our management and other employees. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments. If the [**REDACTED**], securities analysts or [**REDACTED**] perceive these results to be negative, or perceive that the presence or continuation of these cases creates a level of uncertainty regarding our ability to increase or sustain products sales, it could have a substantial adverse effect on the price of our Shares. There is no assurance that our drug candidates will not be subject to the same risks.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed. We also may be subject to claims that our employees, consultants, or advisers have wrongfully used or disclosed alleged trade secrets of their former employers or claims asserting ownership of what we regard as our own intellectual property.

In addition to our issued patents and pending patent applications, we rely on trade secret and confidential information, including unpatented know-how, technology and other non-public information, to maintain our competitive position and to protect our drug candidates. If we rely on third parties to manufacture or commercialize our current or any future drug candidates, or if we collaborate with third parties for the development of our current or any future drug candidates, we must, at times, share trade secrets with them, which increases the possibility that a competitor will discover them or that our trade secrets will be misappropriated or disclosed. Any of the parties that have access to our trade secrets and confidential information such as our employees, corporate collaborators, outside scientific collaborators, sponsored researchers, CROs, consultants, advisers and other third parties, may breach non-disclosure, confidentiality and similar agreements we entered into with them and disclose our non-public information, and we may not be able to obtain adequate remedies

for such breaches. Moreover, we cannot guarantee that we have entered into such agreements with each party that may have or has had access to our trade secrets or confidential technology and processes.

Despite our efforts to protect our trade secrets, our competitors may discover our trade secrets, either through breach of our agreements with third parties, independent development or publication of information by any third-party collaborators. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time-consuming, and the outcome is unpredictable. If we are unable to prevent unauthorized material disclosure of our intellectual property to third parties, or misappropriation of our intellectual property by third parties, we will not be able to establish or maintain a competitive advantage in our market, which could materially and adversely affect our business, financial condition, and results of operations. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that technology or information to compete with us and our competitive position would be harmed.

Furthermore, many of our employees, consultants, and advisers, including our senior management, were previously employed at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Some of these employees, consultants, and advisers, including members of our senior management, executed intellectual property rights, non-disclosure and non-competition agreements in connection with such previous employment. Although we try to ensure that our employees do not wrongfully use the non-public information or know-how of others in their work for us, we may be subject to claims that we or these employees have used or disclosed intellectual property, including trade secrets or other non-public information, of any such individual's former employer.

Litigation may be necessary to defend against these claims. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs, be a distraction to our management and scientific personnel and have a material adverse effect on our business, financial condition, results of operations and prospects.

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

Our trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks, and may not be registered in all the necessary or desirable jurisdictions and categories in which we intend to sell our future products or provide our future services. At times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names.

If we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively and our business may be adversely affected. In the future, we may license our trademarks and trade names to third parties, such as business partners and collaborators. Though these license agreements may provide guidelines for how our trademarks and trade names may be used, a breach of these agreements or misuse of our trademarks and trade names by our licensees may jeopardize our rights in or diminish the goodwill associated with our trademarks and trade names.

RISKS RELATING TO OUR OPERATIONS

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

Our future success depends heavily upon our continued ability to attract, retain and motivate highly qualified management, clinical and scientific personnel. Although we have formal employment agreements with each of our executive officers, these agreements do not prevent our executives from terminating their employment with us with relatively short notice. We have had senior management departures in the past. If we lose the services of any of these individuals or one or more of our other members of senior management, we may not be able to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new personnel, which could severely disrupt our business and prospects.

In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our discovery, clinical development and commercialization strategy. The loss of the services of our executive officers or other key employees and consultants could impede the achievement of our research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy.

If we fail to effectively manage our anticipated growth or execute on our growth strategies, our business, financial condition, results of operations and prospects could suffer.

We aim to discover, develop and deliver innovative rAAV gene therapies. Pursuing our growth strategies has resulted in, and will continue to result in, substantial demands on capital and other resources. In addition, managing our growth and executing on our growth strategies will require, among other things, our ability to continue to innovate and develop advanced technology in the highly competitive global and Chinese pharmaceutical market, effective coordination and integration of our facilities and teams across different sites, successful hiring and training of personnel, effective cost control, sufficient liquidity, effective and efficient financial and management control, effective quality control, and management of our suppliers to leverage our purchasing power. Any failure to execute on our growth strategies or realize our anticipated growth could adversely affect our business, financial condition, results of operations and prospects.

Our reputation is important to our success. Negative publicity with respect to us, our management, employees, business partners, affiliates, or our industry, may materially and adversely affect our reputation, business, results of operations and prospect.

Our reputation is vulnerable to potential threats that can be difficult or impossible to control, and costly or impossible to remediate. While we will continue to promote our brands to remain competitive, we may not be successful in doing so. In addition, we may engage various third parties, such as CROs and CSOs, to expand our commercialization network and increase market access for our drugs, which can make it increasingly difficult to effectively manage our brand reputation, as we have relatively limited control over these third parties.

Any regulatory inquiries or investigations or other actions against our management, any perceived unethical, fraudulent, or inappropriate business conduct by us or perceived wrongdoing by any key member of our management team or other employees, our business partners or our affiliates, could harm our reputation and materially and adversely affect our business. Regardless of the merits or final outcome of such regulatory inquiries, investigations or actions, our reputation may be substantially damaged, which may impede our ability to attract and retain talent and business partners and grow our business.

If our commercial manufacturing facilities are damaged or destroyed or production at such facilities is otherwise interrupted, our business and prospects would be negatively affected.

Our commercial manufacturing facility is located in Suzhou, Jiangsu Province. We have relied on this facility for the production of rAAV gene therapy products for our clinical trials in China and the U.S., and expect it to support the commercial launch and global distribution of our products upon regulatory approval. Natural disasters or other unanticipated

catastrophic events, as well as changes in governmental planning for the land underlying our facility, could significantly impair our ability to develop and manufacture products and disrupt our business operations. The amount of our insurance coverage may not be sufficient to cover our losses in the event of a significant disruption to any of our production facilities or our business operations. If our facility was damaged or destroyed, or otherwise subject to disruption, it would require substantial lead-time to search for alternative measures to continue our business and operations. In such event, we would be forced to identify alternative premises for relocation. Not only might our facility and equipment be difficult to be replaced on a timely basis, but catastrophic events might destroy inventories stored in the facility. The occurrence of any such an event could significantly disrupt our business and materially reduce our revenue and profitability.

In conducting drug discovery and development, we face potential liabilities, in particular, product liability claims or lawsuits that could cause us to incur substantial liabilities.

We face an inherent risk of product liability as a result of the clinical testing and any future commercialization of our drug candidates inside and outside China. For example, we may be sued if our drug candidates cause or are perceived to cause injury or are found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the drug, negligence, strict liability or a breach of warranties. Claims could also be asserted under applicable consumer protection laws. If we cannot successfully defend ourselves against or obtain indemnification from our collaborators for product liability claims, we may incur substantial liabilities or be required to limit commercialization of our drug candidates. Even successful defense would require significant financial and management resources.

It is possible that our liabilities could exceed our insurance coverage or that our clinical trial insurance will not cover all situations in which a claim against us could be made. We may not be able to maintain insurance coverage at a reasonable cost or obtain insurance coverage that will be adequate to satisfy any liability that may arise. If a successful product liability claim or series of claims is brought against us for uninsured liabilities or in excess of insured liabilities, our assets may not be sufficient to cover such claims and our business operations could be impaired. Should any of these events occur, it could have a material adverse effect on our business, financial condition and results of operations.

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

In line with industry practice in the PRC, we have elected not to maintain certain types of insurances, such as business interruption insurance. Our insurance coverage may be insufficient to cover any claim for product liability, damage to our fixed assets or employee injuries. Any liability or damage to, or caused by, our facilities or our personnel beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources.

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

Despite the implementation of security measures, our information technology systems and those of our CROs, consultants and other service providers are vulnerable to damage from computer viruses, unauthorized access, cyber-attacks, natural disasters, terrorism, war and telecommunication and electrical failures. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our research and development programs. For example, our data may not be backed up in a timely manner and the loss of clinical trial data from ongoing or future clinical trials for any of our drug candidates could result in delays in regulatory approval efforts and significantly increase costs to recover or reproduce the data. To the extent that any disruption or security breach were to result in a loss of or damage to data or applications, or inappropriate disclosure of confidential or non-public information, we could incur liability and the further development of our drug candidates could be delayed.

Changes in international trade policies and political tensions may adversely impact our business and results of operations.

Rising trade and political tensions, as well as changes in relevant government policies could reduce levels of trades, investments, technological exchanges and other economic

activities between China and other countries and regions. Such political tensions and policy changes would have an adverse effect on global economic conditions, the stability of global financial markets, and international trade policies. In particular, tensions between the United States and China in recent years have led to additional or higher tariffs imposed by the United States on products imported from China and restrictions on the sale of certain products into the United States. China has responded by imposing, and proposing to impose, additional or higher tariffs on products imported from the United States, among other measures. We currently import some of our manufacturing equipment and materials from the United States, and increasing trade barriers between China and the United States may make it more difficult for us to obtain necessary equipment and materials, resulting in disruptions, delays, and/or increased costs associated with our manufacturing activities. While we are actively looking for alternative suppliers within China, we cannot assure you that we will be able to secure alternative supplies on a timely basis to fully mitigate the impact of increasing trade barriers, or at all.

While we have not started commercialization of our drug candidates, any rising trade and political tensions or unfavorable government policies on international trade, such as capital controls or tariffs, may affect the competitive position of our drug products. In addition, rising trade and political tensions, heightened government scrutiny or unfavorable government policies may also affect our existing and future relationships with shareholders and business partners, including our suppliers and CROs, the provision of research and development and other services, the supplies of materials and products, the hiring of scientists and other research and development personnel, and import or export of raw materials in relation to drug development, or prevent us from selling our drug products in certain countries. Any failure in confirming and continuing business relationships with our existing partners or any delay in identifying and entering into commercially reasonable business relationship with a new partner could harm our ability to develop, manufacture and distribute our drug candidates as planned or within budget, which could materially adversely affect our business, financial condition and results of operations.

We may be subject to natural disasters, health epidemics, acts of war or terrorism or other factors beyond our control.

Natural disasters, health epidemics, acts of war or terrorism or other factors beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the regions where we conduct our business. Our operations may be under the threat of natural disasters, such as floods, earthquakes, sandstorms, snowstorms, fire or drought, the outbreak of a widespread health epidemic, such as swine flu, avian influenza, severe acute respiratory syndrome, or SARS, Ebola, Zika, COVID-19, other factors beyond our control, such as power, water or fuel shortages, failures, malfunction and breakdown of information management systems, unexpected maintenance or technical problems, or are susceptible to potential wars or terrorist attacks.

RISKS RELATING TO GOVERNMENT REGULATIONS

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.

Gene therapies may be associated with undesirable or unacceptable side effects, and unexpected characteristics. Multiple jurisdictions have expressed interest in further regulating gene therapies and related products, and such regulatory requirements governing gene therapy products have changed frequently and may continue to change in the future. For example, while the development and application of human stem cell and gene diagnosis and therapy technologies (the "**Relevant Businesses**") is still subject to the relevant special administrative measures for foreign investment access in China, in September 2024, the Ministry of Commerce, the National Health Commission and the National Medical Products Administration jointly issued a notice that allowed foreign-invested enterprises to engage in the Relevant Businesses in four Free Trade Zones and/or Ports. We now conduct our gene therapy R&D business within these Free Trade Zones and/or Ports pursuant to the notice. To the extent that there are further changes to the notice or other applicable laws and regulations, we may be required to adjust our business practices which may result in additional costs and/or disruptions to our business operations.

As we advance our potential drug candidates, we will be required to consult with relevant regulatory agencies and committees and comply with applicable requirements and guidelines. If we fail to do so, we may be required to delay or discontinue the development of our drug candidates. These additional processes may result in a review and approval process that is longer than we otherwise would have expected. Delays as a result of an increased or lengthier regulatory approval process or further restrictions on the development of our potential drug candidates can be costly and could negatively impact our ability to complete clinical trials and commercialize our drug candidates in a timely manner, if at all.

Our R&D activities of gene therapy are confined to the entity located within a free trade zone under the current regulatory framework of mainland China.

Under the current regulatory framework, our gene therapy R&D activities are restricted to specific free trade zones in mainland China. We now conduct our gene therapy R&D activities in the Shanghai Free Trade Zone, while we are allowed to engage in the production, sales and marketing of gene therapy drugs outside of free trade zones and collaborate with clinical trial sites, CROs, SMOs and CDMOs outside of free trade zones. Notwithstanding the above, we could face difficulties in trying to hire R&D talents residing in cities outside of free trade zones. In addition, many provinces and cities across mainland China have introduced favorable policies for R&D-focused enterprises incorporated locally, including but not limited to generous government grants, rental concessions, and tax incentives. As our R&D activities are restricted to free trade zones, we are unable to incorporate new entities in these provinces or cities for the purpose of engaging in R&D activities, and cannot take advantage of these benefits.

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

All jurisdictions in which we operate or intend to conduct our business regulate the research, development, manufacturing and commercialization of biopharmaceutical products in great depth and detail. We are required to obtain and maintain certain licenses and permits for conducting our business. The process of obtaining regulatory approvals and compliance with appropriate laws, regulations and guidance requires the expenditure of substantial time and financial resources. If any regulatory authorities consider that we were operating without the requisite approvals, licenses or permits or promulgates new laws and regulations that require additional approvals or licenses or imposes additional restrictions on the operation of any part of our business, it has the power, among other things, to levy fines, confiscate our income, revoke our business licenses, and require us to discontinue our relevant business or impose restrictions on the affected portion of our business. In particular, failure to comply with the applicable requirements at any time during the product development process and approval process, or after approval, may subject an applicant to administrative or judicial sanctions.

We are subject to stringent privacy and cybersecurity laws, information security policies and contractual obligations related to data privacy and security in both the PRC and the U.S.; failure by us or our business partners to adequately protect clinical trial participant data, or other personal or sensitive data could result in reputational damage, regulatory sanctions, fines or other penalties.

On March 17, 2018, the General Office of the State Council promulgated the Measures for the Management of Scientific Data (《科學數據管理辦法》), which provide that enterprises in China must seek governmental approval before any scientific data involving a state secret may be transferred abroad or to foreign parties. Further, any researcher conducting research funded at least in part by the PRC government is required to submit relevant scientific data for management by the entity to which such researcher is affiliated before such data may be published in any foreign academic journal. Given that the term "state secret" is not clearly defined, if and to the extent any data collected or generated in connection with our R&D of drug candidates will be subject to these measures and any subsequent laws as required by the relevant government authorities, there is no assurance that we can always obtain relevant approvals for sending scientific data (such as the results of our preclinical studies or clinical trials conducted within China) abroad or to our foreign partners in China.

In addition, the Regulations of PRC on the Administration of Human Genetic Resources (《中華人民共和國人類遺傳資源管理條例》) (the "**HGR Regulation**") stipulates that

foreign organizations, foreign individuals and the institutions established or actually controlled thereby shall not collect or preserve China's human genetic resources within the PRC, and shall not provide China's human genetic resources abroad. Where a foreign organization or an institution established or actually controlled by a foreign organization or foreign individual needs to use China's human genetic resources to conduct scientific research activities, it shall comply with the applicable laws, administrative regulations and relevant provisions in the PRC, and cooperate with China's scientific research institutions, universities, medical institutions and enterprises provided therein. If we are unable to obtain necessary approvals, complete the filings or comply with the regulatory requirements in a timely manner, or at all, our R&D of drug candidates may be hindered. Further, the Biosecurity Law (《生物安全法》) reaffirms the regulatory requirements stipulated by the HGR Regulation while potentially increasing the administrative sanctions where China's human genetic resources are collected, preserved, exported or used in international cooperation in violation of applicable laws. If the relevant government authorities consider the transmission of our scientific data or usage of human genetic resources to be in violation of the requirements under applicable PRC laws and regulations, we may be subject to fines and other administrative penalties imposed by those government authorities.

The landscape of cybersecurity and data privacy and security laws is constantly evolving. For example, on November 7, 2016, the SCNPC promulgated the Cybersecurity Law (《網絡安全法》). The SCNPC promulgated its Decision on Revising the Cybersecurity Law on October 28, 2025, which will come into effect on January 1, 2026. On June 10, 2021, the SCNPC promulgated the Data Security Law (《數據安全法》). On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law (《個人信息保護法》). Complying with new laws and regulations could substantially increase the costs or require us to change our business practices in a manner materially adverse to our business. Additionally, to the extent we are found by the PRC regulators to be not in compliance with these laws and requirements, we may be subject to fines, regulatory orders to suspend our operations or other regulatory and disciplinary sanctions.

On December 28, 2021, the CAC, together with other relevant administrative departments, jointly promulgated the revised Cybersecurity Review Measures (《網絡安全審查辦法》) with effect from February 15, 2022, according to which, the data processing activities of a network platform operator that affect or may affect national security will be subject to a cybersecurity review. Moreover, when relevant government authorities under the cybersecurity review mechanism identify network products, services, or data processing activities that affect or may affect national security, the Cybersecurity Review Office of the CAC will, upon approval by the Central Cyberspace Affairs Commission, initiate a cybersecurity review. However, there has been no further explanation or interpretation for "affect or may affect national security" under the aforementioned regulation. We cannot rule out the possibility that the relevant government authorities may conduct cybersecurity review on us according to the Cybersecurity Review Measures. If a cybersecurity review for any of our activities is required, we will actively cooperate with the CAC to conduct such cybersecurity review. Any failure to obtain such approval or clearance from the regulatory authorities could materially constrain our liquidity and have a material adverse impact on our business operations and financial results, especially if we need additional capital or financing.

Moreover, the regulatory framework on cross-border transfer of personal information and data worldwide is rapidly evolving and is likely to remain uncertain due to lack of clear explanation and instruction on enforcement. We cannot guarantee if these rules or regulations promulgated will impose additional compliance requirements, including any approval, filing, certification and/or other administrative measures thereunder, and we cannot guarantee that the measures we have taken or will take in the future will always be effective or fully satisfy the relevant regulatory requirements under the relevant laws and regulations, including obtaining such approval, filing and other administrative measures in a timely manner, or at all.

In addition, our presence in the United States also subject us to a variety of U.S. laws and regulations that involve privacy, data protection and personal information, data security, and data retention and deletion. The United States has several federal laws that protect specific types of data, such as the Privacy Act of 1974, the Health Insurance Portability and Accountability Act, and the Health Information Technology for Economic and Clinical Health Act, but the United States does not have a comprehensive federal data protection law

that covers all types of private data. However, more states are passing data privacy laws, and the federal government may also pass comprehensive laws in the future. U.S. federal and state laws and regulations, which in some cases can be enforced by private parties in addition to government entities, are constantly evolving and can be subject to significant change. In such circumstances, we must exercise heightened diligence in protecting, processing and transferring clinical trial participants data, as well as other personal or sensitive data in our daily operation.

Changes in political and economic policies, as well as the interpretation and enforcement of laws, rules and regulations, may affect our business, financial condition, results of operations and prospects.

As a substantial portion of our operations are based in the PRC, our business, financial condition, results of operations and prospects may be affected by economic, political, social and legal developments in China. The Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources; however, we cannot guarantee the extent to which our business operations will be able to benefit from such measures, if at all. In addition, laws, rules and regulations may also be amended from time to time, and the application, interpretation and enforcement of such evolving laws, rules and regulations may affect our business operations. Any of the foregoing may have a material and adverse effect on our business, financial condition, results of operations and prospects.

You may experience difficulties in effecting service of process upon or enforcing foreign judgments against us or our Directors or officers.

Most of our assets are situated in the PRC and most of our directors and officers reside in the PRC. Therefore, there remains the possibility that it may be difficult to effect service of process outside the PRC upon our directors and officers, including with respect to matters arising under applicable securities laws. The PRC does not have treaties providing for the reciprocal recognition and enforcement of civil case judgments of courts with the United States and many other countries. Consequently, you may experience difficulties in enforcing against us or our directors or officers in the PRC any judgments obtained from courts outside of the PRC.

If we fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could have a material adverse effect on the success of our business.

We are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations may involve the use of hazardous materials, including chemicals and biological materials, and may produce hazardous waste products. We may contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties. Our current insurance may not provide adequate coverage against all potential liabilities.

In addition, we may be required to incur substantial costs to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or production efforts. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

Governmental regulations on currency exchange may affect us.

The convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency into and out of China are subject to PRC foreign exchange regulations. Under existing PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made

in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. However, approval from or registration with appropriate governmental authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies.

In July 2014, the SAFE promulgated the SAFE Circular 37. SAFE Circular 37 requires PRC residents (including PRC individuals and PRC corporate entities as well as foreign individuals with a habitual residence in China due to economic interests) to register with SAFE or its local branches in connection with their direct or indirect offshore investment activities. SAFE Circular 37 further requires amendment to the SAFE registrations in the event of any changes with respect to the basic information of the offshore special purpose vehicle, such as changes of the offshore special purpose vehicle's name and operational term, or any significant changes with respect to the PRC individual shareholder, such as the increase or decrease of capital contributions, share transfer or exchange, or mergers or divisions. If our shareholders who are PRC residents fail to make the required registration or to update the previously filed registration, our PRC subsidiaries may be prohibited from distributing their profits or the proceeds from any capital reduction, share transfer or liquidation to us, and we may also be prohibited from making additional capital contributions into our PRC subsidiaries. In February 2015, SAFE promulgated a Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) ("**Notice 13**"), effective from June 2015, and further amended by SAFE on December 30, 2019. Under Notice 13, applications for foreign exchange registration of inbound foreign direct investments and outbound overseas direct investments, including those required under SAFE Circular 37, will be filed with qualified banks instead of SAFE. The qualified banks will directly examine the applications and accept registrations under the supervision of SAFE. We cannot assure you that all our Shareholders will at all times comply with the registration procedures as required under these regulations. The failure or inability of the relevant shareholders to comply with the registration procedures set forth in these regulations may subject us to fines and legal sanctions. Moreover, failure to comply with the various foreign exchange registration requirements described above could result in liability under PRC law for circumventing applicable foreign exchange restrictions.

PRC regulations of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from using the [REDACTED] of the [REDACTED] to make loans or additional capital contributions to our PRC subsidiaries.

Any loans provided by our offshore holding companies to our PRC subsidiaries are subject to PRC regulations and such loans must be registered with the local branch of SAFE. Additionally, if we finance such subsidiary by means of additional capital contributions, these capital contributions must be registered, reported or filed with certain government authorities, including the Ministry of Commerce, the State Administration for Market Regulation and SAFE or their local counterparts. We cannot assure you that we will be able to obtain these government registrations or approvals or to complete registration procedures on a timely basis, if at all, with respect to future loans or capital contributions by us to our subsidiaries or any of their respective subsidiaries. If we fail to obtain such approvals or registrations, our ability to make equity contributions or provide loans to our PRC subsidiaries or to fund their operations may be materially and adversely affected. This may materially and adversely affect our PRC subsidiaries' liquidity, their ability to fund their working capital and expansion projects, and their ability to meet their obligations and commitments. As a result, this may have a material adverse effect on our business, financial condition and results of operations.

We may rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have. Any limitation on the ability of our PRC subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business or financial condition.

We are a holding company incorporated in the Cayman Islands, and we may rely on dividends and other distributions on equity that may be paid by our subsidiaries for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to the holders of our Shares and service any debt we may incur. If any of our

subsidiaries incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us. Under PRC laws and regulations, our PRC subsidiaries may pay dividends only out of their respective accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, our PRC subsidiaries are required to set aside 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to fund certain statutory reserve funds, until the aggregate amount of such a fund reaches 50% of its registered capital. Such reserve funds cannot be distributed to us as dividends.

Any limitation on the ability of our PRC subsidiaries to pay dividends or make other kinds of payments to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends to our investors or other obligations to our suppliers, or otherwise fund and conduct our business.

Failure to comply with PRC regulations regarding the registration requirements for employee share ownership plans or share option plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

Pursuant to applicable rules, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year and participate in any stock incentive plan of an overseas publicly listed company are required to register with SAFE through a domestic qualified agent, which could be the PRC subsidiaries of such overseas-listed company, and complete certain other procedures, unless certain exceptions are available. In addition, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We and our executive officers and other employees who are PRC citizens or non-PRC citizens living in China for a continuous period of not less than one year and have been granted options will be subject to these regulations when our company becomes an overseas-listed company upon the completion of the [**REDACTED**]. Failure to complete SAFE registrations may subject them or us to fines or supervision measures. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our directors, executive officers and employees.

In addition, the State Taxation Administration has issued certain circulars concerning employee share options and restricted shares. Under these circulars, our employees working in China who exercise share options or are granted restricted shares will be subject to PRC individual income tax. Our PRC subsidiary has obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes for those employees who exercise their share options. If our employees fail to pay or we fail to withhold their income taxes according to relevant laws and regulations, we may face sanctions imposed by the tax authorities or other PRC government authorities.

If we fail to complete the CSRC filing and other procedures for future offshore offerings, we may be subject to sanctions imposed by the relevant PRC government authority.

On February 17, 2023, the CSRC promulgated the Overseas Listing Trial Measures and relevant supporting guidelines, which came into effect on March 31, 2023. Under these rules, any domestic company that is deemed to conduct overseas offering and listing activities, including both the [**REDACTED**] and any further capital raising, shall file with the CSRC in accordance with the Overseas Listing Trial Measures. We have obtained the CSRC filing notice for the [**REDACTED**] on [**REDACTED**], and intend to file with the CSRC for any further offshore offerings within the specific time limit as required by the Overseas Listing Trial Measures. However, it is uncertain whether we can or how long it will take us to complete the CSRC filing for future offerings. Any failure to complete the CSRC filing may subject us to sanctions by the CSRC. Furthermore, such failure may adversely affect our ability to finance the development of our business and may have a material adverse effect on our business and financial condition.

Our leased properties may be subject to non-compliances or challenges that could potentially affect our future use of them.

We have leased certain properties in China as our offices and R&D and manufacturing facilities. Pursuant to applicable rules, both lessors and lessees are required to file the lease

agreements for registration and obtain property leasing filing certificates for their leases. As of the Latest Practicable Date, our lease agreements in China had not been registered. Although failure to register does not in itself invalidate the leases, we may be subject to fines if we fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant PRC government authorities. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority. We cannot assure you that we would not be subject to any penalties and/or requests from local authorities to fulfill the registration requirements, which may increase our costs in the future. If any of our leases is terminated or becomes unenforceable as a result of challenges from third parties, we would need to seek alternative properties and incur relocation costs. Any relocation could lead to disruptions to our operations and adversely affect our business, financial conditions and results of operations.

As our leases expire, we may face difficulties renewing them, either on commercially acceptable terms or at all. Our inability to enter into new leases or renew existing leases on terms acceptable to us could materially and adversely affect our business, results of operations or financial condition.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] for our Shares prior to the [REDACTED]. An active [REDACTED] for our Shares may not develop or be sustained, and the [REDACTED] and [REDACTED] of our Shares may be volatile.

Prior to the completion of the [**REDACTED**], there has been no [**REDACTED**] for our Shares. There can be no guarantee that an active [**REDACTED**] for our Shares will develop or be sustained after completion of the [**REDACTED**]. The [**REDACTED**] is the result of negotiations between us and the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]), which may not be indicative of the price at which our Shares will be [**REDACTED**] following the completion of the [**REDACTED**]. The [**REDACTED**] of our Shares may drop below the [**REDACTED**] at any time after completion of the [**REDACTED**].

The actual or perceived sale or availability for sale of substantial amounts of our Shares, especially by our directors, executive officers, and substantial Shareholders, could adversely affect the [REDACTED] of our Shares.

Save for existing Shareholders who are subject to certain [**REDACTED**] periods, our existing Shareholders may dispose of our Shares that they may own now or in the future. Sales of substantial amounts of our Shares in the [**REDACTED**], or the perception that these sales may occur, could materially and adversely affect the prevailing [**REDACTED**] of our Shares.

You will incur immediate and substantial dilution and may experience further dilution in the future.

As the [**REDACTED**] of our Shares is higher than the net tangible book value per share of our Shares immediately prior to the [**REDACTED**], purchasers of our Shares in the [**REDACTED**] will experience an immediate dilution. If we issue additional Shares in the future, purchasers of our Shares in the [**REDACTED**] may experience further dilution in their shareholding percentage.

We cannot assure you that we will declare and distribute any amount of dividends in the future.

We currently intend to retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business. As a result, we have not yet adopted a dividend policy with respect to future dividends. Therefore, you should not rely on an [**REDACTED**] in our Shares as a source for any future dividend income.

We cannot make fundamental changes to our business without the consent of the Stock Exchange.

Without the prior consent of the Stock Exchange, we will not be able to effect any acquisition, disposal or other transaction or arrangement or a series of acquisitions, disposals

or other transactions or arrangements, which would result in a fundamental change in our principal business activities as set forth in this document. As a result, we may be unable to take advantage of certain strategic transactions that we might otherwise choose to pursue in the absence of Chapter 18A. Were any of our competitors that are not listed on the Stock Exchange to take advantage of such opportunities in our place, we may be placed at a competitive disadvantage, which could have a material adverse effect on our business, financial condition and results of operations.

We cannot assure you of the accuracy or completeness of certain industry facts, statistics, and forecasts that were obtained from government publications contained in the document.

Facts, forecasts and statistics in this document relating to the pharmaceutical industry in and outside China are obtained from various sources. We believe that the information originated from appropriate sources and was extracted and reproduced after taking reasonable care. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. However, the information from official government sources has not been independently verified by us, the Joint Sponsors, [**REDACTED**], any of their respective directors, employees, agents or advisers or any other person or party involved in the [**REDACTED**], and no representation is given as to its accuracy. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. Accordingly, the information from official government sources contained herein should not be unduly relied upon. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere.

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

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [**REDACTED**]. Prior to the publication of this document, there has been press and media coverage regarding us and the [**REDACTED**]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations, and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness, or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it, and you should not rely on such information.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains certain future plans and forward-looking statements about us that are made based on the information currently available to our management. The forward-looking information contained in this document is subject to certain risk and uncertainties. Whether we implement those plans, or whether we can achieve the objectives described in this document, will depend on various factors including the market conditions, our business prospects, actions by our competitors and the global financial situations.

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

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong.

Our headquarters and most of our business operations are based, managed and conducted in the PRC. As (i) our executive Director and senior management play very important roles in our business operation, it is in our best interest for them to be based in the places where our Group has significant operations; and (ii) we only have one executive Director, we consider it practicably difficult and commercially unreasonable for us to arrange for two executive Directors to ordinarily reside in Hong Kong, either by means of relocation of our executive Directors to Hong Kong or appointment of additional executive Directors. Therefore, we do not have, and in the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules, provided that our Company implements the following arrangements:

(a) we have appointed Dr. Xinyan Li (李新燕) and Ms. Yan Lam Chan (陳恩霖) as our authorized representatives pursuant to Rule 3.05 of the Listing Rules. The authorized representatives will act as our principal channel of communication with the Stock Exchange. The authorized representatives will be readily contactable by phone, facsimile (if applicable) and email to promptly deal with enquiries from the Stock Exchange, and will also be available to meet with the Stock Exchange to discuss any matter within a reasonable period of time upon the request of the Stock Exchange;

(b) when the Stock Exchange wishes to contact our Directors on any matter, each of the authorized representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly as and when required. We will also inform the Stock Exchange promptly in respect of any changes in the authorized representatives. We have provided the Stock Exchange with the contact details (i.e. mobile phone number, office phone number (if any), fax number (if any) and/or email address) of all Directors to facilitate communication with the Stock Exchange;

(c) all Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon the request of the Stock Exchange;

(d) we have appointed Alliance Capital Partners Limited as our compliance adviser upon [**REDACTED**] pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the [**REDACTED**] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [**REDACTED**]. Our compliance adviser will serve as the additional channel of communication with the Stock Exchange when the authorized representatives are not available and will have access at all times to our authorized representatives, our Directors and our senior management who will provide such information and assistance as our compliance adviser may need or reasonably request in connection with the performance of its duties as set out in Chapter 3A of the Listing Rules; and

(e) meetings between the Stock Exchange and our Directors could be arranged through our authorized representatives or our compliance adviser, or directly with our Directors within a reasonable time frame.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

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

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

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

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

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

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

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

(d) professional qualifications in other jurisdictions.

Pursuant to paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

(a) whether the issuer has principal business activities primarily outside Hong Kong;

(b) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under paragraph 9 of Chapter 3.10 of the Guide for New Listing Applicants) nor Relevant Experience (as defined under paragraph 9 of Chapter 3.10 of the Guide for New Listing Applicants) as a company secretary; and

(c) why the directors consider the individual to be suitable to act as the issuer's company secretary.

Further, pursuant to paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the "**Waiver Period**") and on the following conditions:

(a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and

(b) the waiver will be revoked if there are material breaches of the Listing Rules by the issuer.

Our Company has appointed Ms. Hui Wang (王慧) ("**Ms. Wang**"), our board secretary, as one of our joint company secretaries. She has considerable experience in finance, investments and auditing, but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the

Listing Rules. Therefore, we have appointed Ms. Yan Lam Chan (陳恩霖) ("**Ms. Chan**"), an associate member of both The Hong Kong Chartered Governance Institute in Hong Kong and The Chartered Governance Institute in the United Kingdom, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Ms. Wang for an initial period of three years from the [**REDACTED**] to enable Ms. Wang to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Given Ms. Chan's professional qualifications and experience, she will be able to explain to both Ms. Wang and us the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Ms. Chan will also assist Ms. Wang in organizing Board meetings and Shareholders' meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. Chan is expected to work closely with Ms. Wang and will maintain regular contact with Ms. Wang, our Directors and the senior management of our Company. In addition, Ms. Wang will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules to enhance her knowledge of the Listing Rules during the three-year period from the [**REDACTED**]. She will also be assisted by our compliance adviser and our legal adviser as to Hong Kong laws on matters in relation to our ongoing compliance with the Listing Rules and the applicable laws and regulations.

Since Ms. Wang does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Ms. Wang may be appointed as a joint company secretary of our Company. The waiver is valid for an initial period of three years from the [**REDACTED**] on the conditions that (a) Ms. Wang must be assisted by Ms. Chan who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (b) the waiver will be revoked immediately if and when Ms. Chan ceases to provide assistance to Ms. Wang as a joint company secretary or if there are material breaches of the Listing Rules by our Company.

Before the expiration of the initial three-year period, the qualifications of Ms. Wang will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will liaise with the Stock Exchange to enable it to assess whether Ms. Wang, having benefited from the assistance of Ms. Chan for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

WAIVER AND EXEMPTION IN RELATION TO THE PRE-[REDACTED] EQUITY INCENTIVE PLAN

The Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance prescribe certain disclosure requirements in relation to the share options granted by our Company (the "**Share Option Disclosure Requirements**"):

(a) Rule 17.02(1)(b) of the Listing Rules stipulates that all material terms of a scheme adopted by our Company prior to the [**REDACTED**] must be clearly set out in this document, and our Company is also required to disclose in this document full details of all outstanding options and awards and their potential dilution effect on the shareholdings upon [**REDACTED**] as well as the impact on the earnings per share arising from the issue of shares in respect of such outstanding options or awards;

(b) Paragraph 27 of Appendix D1A to the Listing Rules requires our Company to set out in this document particulars of any capital of any member of our Group which is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee; and

(c) Paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires our Company to set out in this document, among other things, details of the number, description and amount of any shares in or debentures of our Company which any person has, or is entitled to be given, an option to subscribe for, together with the certain particulars of the option, namely the period during which it is exercisable, the price to be paid for shares or debentures subscribed for under it, the consideration (if any) given or to be given for it or for the right to it and the names and addresses of the persons to whom it was given.

As of the Latest Practicable Date, a total of 16,556,267 options were outstanding and granted to a total of 100 grantees, including a Director, senior management of our Company and other employees, former employees and external consultants of our Group (who are not Directors, senior management or connected persons of our Company), representing approximately [**REDACTED**] of the total issued share capital of our Company immediately upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and the outstanding options granted under the Pre-[**REDACTED**] Equity Incentive Plan are not exercised), on the terms as set out in the paragraph headed "Statutory and General Information — D. Pre-[**REDACTED**] Equity Incentive Plan" in Appendix IV to this document. Subject to the terms and conditions of the Pre-[**REDACTED**] Equity Incentive Plan, our Company may further grant options to eligible participants under the Pre-[**REDACTED**] Equity Incentive Plan prior to the [**REDACTED**].

There were a total of 545,094 outstanding options granted to the external consultants, and a total of 1,379,802 outstanding options granted to the former employees, accounting for approximately [**REDACTED**] and [**REDACTED**] of the Company's total issued share capital upon [**REDACTED**] respectively (assuming the [**REDACTED**] is not exercised and no shares are issued pursuant to the Pre-[**REDACTED**] Equity Incentive Plan).

The former employees that were granted options joined our Group between 2020 and 2024. In accordance with the Pre-[**REDACTED**] Equity Incentive Plan, we granted options to them based on their respective positions, seniority, and experience at the time of the grant. These grants served as incentives to retain talent and reward their contributions to the Company's development, in particular to incentivize and reward their contribution to the Company in each of their roles (in varying levels of seniority and across various departments of the Company including Research & Development, Quality Assurance, Clinical Operations, Supply Chain, Finance, Human Resources and Business Development, working together in advancing the Company's research, operations and product pipeline) and to align their interests with those of the Company. Upon meeting specific vesting conditions, employees who subsequently resigned were entitled to exercise their vested options or forfeit them at their discretion. None of the former employees that hold outstanding share options were key personnel who held senior positions in the Company's R&D, CMC and other key functions. Therefore, the departure of such above-mentioned personnel with outstanding share options have not had and are not expected to have any material impact on the Company's R&D capabilities and operations.

The external consultants that were granted options serve either as members of our committee of expert advisors or business development advisors. These external consultants were engaged for the purpose of providing scientific and industry advice, connecting expert resources, and assisting with business development partnerships. One of these external consultants was engaged for approximately one year, while the other external consultants had engagement terms of three to six years. None of these consultants will provide consultant services to the Company after the [**REDACTED**]. In accordance with the Pre-[**REDACTED**] Equity Incentive Plan, we granted the options to them in recognition of their strategic advice provided to our Company and as an incentive to retain them, as well as in order to incentivize and reward their contribution in the form of providing strategic guidance, scientific expertise and support.

Our Company has applied to (i) the Stock Exchange for a waiver from strict compliance with the requirements under Rule 17.02(1)(b) of and paragraph 27 of Appendix D1A to the Listing Rules, and (ii) the SFC for a certificate of exemption under section 342A of the

Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, on the ground that strict compliance with the Share Option Disclosure Requirements would be unduly burdensome for our Company, and the waiver and the exemption would not prejudice the interest of the [**REDACTED**] for the following reasons:

(a) given that 100 grantees are involved, strict compliance with the Share Option Disclosure Requirements in setting out full details of all the grantees under the Pre-[**REDACTED**] Equity Incentive Plan in this document would be costly and unduly burdensome for our Company in light of a significant increase in cost and time for information compilation and document preparation;

(b) the disclosure of the personal details of each of the grantees, including their names and the number of share options granted to them, may require obtaining consents from all the grantees in order to comply with personal data privacy laws and principles;

(c) full disclosure of details of the grantees (which include their names and positions), as well as the share options granted to each of them, would provide our competitors with compensation details of our employees and facilitate their soliciting activities, which may impact our ability to recruit and retain valuable personnel;

(d) as of the date of this document, save for one grantee who is a Director and four grantees who are senior management of our Company, the remaining 95 grantees are employees, former employees, and external consultants of our Group, all of whom are not connected persons of our Company. Strict compliance with the applicable Share Option Disclosure Requirements to disclose names, addresses and entitlements on an individual basis in this document will require additional pages of disclosures that do not provide any material information to the [**REDACTED**];

(e) the grant and exercise in full of the options under the Pre-[**REDACTED**] Equity Incentive Plan will not cause any material adverse impact on the financial position of our Company;

(f) lack of full compliance with the above disclosure requirements would not prevent our Company from providing its potential [**REDACTED**] with information for them to make an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Company; and

(g) material information relating to the options under the Pre-[**REDACTED**] Equity Incentive Plan will be disclosed in this document, including the total number of Shares subject to the Pre-[**REDACTED**] Equity Incentive Plan, the exercise price per Share, the potential dilution effect on shareholding, and impact on earnings/losses per Share upon full exercise of the options granted under the Pre-[**REDACTED**] Equity Incentive Plan. Our Directors consider that the information that is reasonably necessary for the potential [**REDACTED**] to make an informed assessment of our Company in their [**REDACTED**] decision making process has been included in this document.

The Stock Exchange [has granted] us a waiver from strict compliance with the relevant requirements under the Listing Rules on the conditions that:

(a) full details of the options under the Pre-[**REDACTED**] Equity Incentive Plan granted to each of the Directors and members of senior management of our Company will be disclosed in the paragraph headed "Statutory and General Information — D. Pre-[**REDACTED**] Equity Incentive Plan" in Appendix IV to this document on an individual basis as required under the applicable Share Option Disclosure Requirements;

(b) for the remaining grantees, disclosure is made on an aggregate basis, categorized into bands based on the number of Shares underlying the awards granted to each

individual Grantee, being (a) 200-5,000 Shares, (b) 5,001-10,000 Shares, (c) 10,001-50,000 Shares, (d) 50,001-150,000 Shares, and (e) 150,001-2,000,000 Shares, and for each band, the following disclosures will be made, including (i) the aggregate number of grantees and the number of Shares underlying the options granted to them under the Pre-[**REDACTED**] Equity Incentive Plan, (ii) the consideration paid for the grant of the options under the Pre-[**REDACTED**] Equity Incentive Plan (if any), and (iii) the exercise period and the exercise price for the options granted under the Pre-[**REDACTED**] Equity Incentive Plan;

(c) there will be disclosures in the paragraph headed "Statutory and General Information — D. Pre-[**REDACTED**] Equity Incentive Plan" in Appendix IV to this document for the aggregate number of Shares underlying the options under the Pre-[**REDACTED**] Equity Incentive Plan and the percentage of the total issued share capital of our Company represented by such number of Shares;

(d) the dilutive effect and impact on earnings/losses per Share upon full exercise of the options under the Pre-[**REDACTED**] Equity Incentive Plan will be disclosed in the paragraph headed "Statutory and General Information — D. Pre-[**REDACTED**] Equity Incentive Plan" in Appendix IV to this document;

(e) a summary of the principal terms of the Pre-[**REDACTED**] Equity Incentive Plan will be disclosed in the paragraph headed "Statutory and General Information — D. Pre-[**REDACTED**] Equity Incentive Plan" in Appendix IV to this document;

(f) the particulars of the waiver and the exemption will be disclosed in this document; and

(g) a certificate of exemption under the Companies (Winding Up and Miscellaneous Provisions) Ordinance from the SFC exempting our Company from the disclosure requirements under paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance will be granted.

The SFC [has granted] us a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that:

(a) full details of the options under the Pre-[**REDACTED**] Equity Incentive Plan granted to each of the Directors and members of senior management of our Company will be disclosed in the paragraph headed "Statutory and General Information — D. Pre-[**REDACTED**] Equity Incentive Plan" in Appendix IV to this document on an individual basis as required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

(b) for the remaining grantees, disclosure is made on an aggregate basis, categorized into bands based on the number of Shares underlying the awards granted to each individual Grantee, being (a) 200-5,000 Shares, (b) 5,001-10,000 Shares, (c) 10,001-50,000 Shares, (d) 50,001-150,000 Shares, and (e) 150,001-2,000,000 Shares, and for each band, the following disclosures will be made, including (i) the aggregate number of grantees and the number of Shares underlying the options granted to them under the Pre-[**REDACTED**] Equity Incentive Plan, (ii) the consideration paid for the grant of the options under the Pre-[**REDACTED**] Equity Incentive Plan (if any), and (iii) the exercise period and the exercise price for the options granted under the Pre-[**REDACTED**] Equity Incentive Plan; and

(c) the particulars of the exemption will be disclosed in this document.

For further details of the Pre-[**REDACTED**] Equity Incentive Plan, see "Statutory and General Information — D. Pre-[**REDACTED**] Equity Incentive Plan" in Appendix IV to this document.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

DIRECTORS

Name	Address	Nationality
Executive Director		
Dr. Xinyan Li (李新燕) . . .	413, Lane 1155 Xiuyan Road, Kangqiao Pudong New District Shanghai, China	Chinese
Non-executive Directors		
Dr. David Guowei Wang (王國瑋)	45 Dogwood Dr #106 Nashua, NH 03062 United States of America	American
Dr. Qingsheng Zhu	Room 1701 Building 6, Lane 1999 Xinzha Road Jing'an District Shanghai, China	American
Mr. Diyong Xu (徐荻勇) . .	29 Hathaway Drive Garden City, NY 11530 United States of America	Chinese
Mr. Xiang Qiu (邱翔)	Room 802, Building 2 International Lido City Lane 758, Beijing West Road Jing'an District Shanghai, China	Chinese
Ms. Simin Wu (吳思敏) . . .	Room 801, Building 77 Xibahe Dongli Community Chaoyang District Beijing, China	Chinese
Independent Non-executive Directors		
Mr. Xinwei Liu (劉新偉) . .	Room 1501, Guirenju Building No. 21 Pingyuanli Baizhifang Street, Xicheng District Beijing, China	Chinese
Ms. Yip Betty Ho (何曄) . .	11/F, Flat F, Block 5 Manhattan Hill Kowloon, Hong Kong	Chinese
Mr. Jonathan Chong Wang.	Suite 2601 Pacific Place Apartments Pacific Place, 88 Queensway Hong Kong	Australian

For further information with respect to our Directors, see "Directors and Senior Management" in this document.

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

UBS Securities Hong Kong Limited
52/F Two International Finance Centre
8 Finance Street
Central
Hong Kong

Haitong International Capital Limited
Suites 3001-3006 and 3015-3016
One International Finance Centre
No. 1 Harbour View Street
Central
Hong Kong

[REDACTED]

Legal Advisers to our Company	*As to U.S. laws* **Skadden, Arps, Slate, Meagher & Flom and affiliates** 42/F, Edinburgh Tower The Landmark 15 Queen's Road Central Central Hong Kong *As to Hong Kong laws* **Wilson Sonsini Goodrich & Rosati** Suite 1509, 15/F, Jardine House 1 Connaught Place Central Hong Kong *As to PRC laws* **Zhong Lun Law Firm** 10/11/16/17F, Two IFC 8 Century Avenue Pudong New Area Shanghai PRC *As to Cayman Islands laws* **Harney Westwood & Riegels** 3501, The Center 99 Queen's Road Central Hong Kong
Legal Advisers to the Joint Sponsors and the [REDACTED]	*As to Hong Kong and U.S. laws* **Herbert Smith Freehills Kramer** 23rd Floor, Gloucester Tower 15 Queen's Road Central Hong Kong *As to PRC laws* **Global Law Office** 36th Floor, Shanghai One ICC No. 999 Middle Huai Hai Road Xuhui District Shanghai 200031 PRC
Reporting Accountants and Auditor	**Deloitte Touche Tohmatsu** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 35/F, One Pacific Place 88 Queensway Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** 2504 Wheelock Square 1 717 Nanjing West Road Shanghai 200040 PRC

Compliance Adviser	**Alliance Capital Partners Limited** Unit 03, 7/F, Worldwide House 19 Des Voeux Road Central Central Hong Kong [**REDACTED**]

CORPORATE INFORMATION

Registered Office	Aequitas International Management Ltd. Grand Pavilion Commercial Centre Suite 24, 802 West Bay Road P.O. Box 10281 Grand Cayman KY1-1003 Cayman Islands
Headquarters/Principal Place of Business in China	Unit 1001, Building C Chamtime Plaza Lane 2889, Jinke Road Pudong New District Shanghai, China
Principal Place of Business in Hong Kong	Room 1918, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay, Hong Kong
Company's Website	**www.fronteratherapeutics.com** *(Information contained on this website does not form part of this document)*
Joint Company Secretaries	**Ms. Hui Wang (王慧)** Room 402, Building 21 Lane 1399, Dingxiang Road Pudong New District Shanghai, China **Ms. Yan Lam Chan (陳恩霖)** Room 1918, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorized Representatives	**Dr. Xinyan Li (李新燕)** 413, Lane 1155 Xiuyan Road, Kangqiao Pudong New District Shanghai, China **Ms. Yan Lam Chan (陳恩霖)** Room 1918, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Audit Committee	Ms. Yip Betty Ho (何曄) *(Chairperson)* Mr. Xinwei Liu (劉新偉) Dr. David Guowei Wang (王國瑋)
Nomination Committee	Mr. Xinwei Liu (劉新偉) *(Chairperson)* Dr. Xinyan Li (李新燕) Mr. Jonathan Chong Wang
Remuneration Committee	Mr. Jonathan Chong Wang *(Chairperson)* Ms. Yip Betty Ho (何曄) Dr. Qingsheng Zhu

[**REDACTED**]

Principal Banks

Silicon Valley Bank
3003 Tasman Drive, Santa Clara,
California 95054
U.S.A

Bank of China Suzhou Dushuhu Branch
288 Qiyue Road
Suzhou Industrial Park, Suzhou
Jiangsu, China

China Merchants Bank Shanghai Zhangjiang Sub-Branch
Room 738, Building 3
88 Keyuan Road,
Pudong New District,
Shanghai, China

The information and statistics set out in this section and other sections of this document were extracted from different official government publications, available sources from public market research and other sources from independent suppliers, and from the independent industry report prepared by Frost & Sullivan in connection with the **[REDACTED]** *(the "**Frost & Sullivan Report**"). The information from official government sources has not been independently verified by us, the Joint Sponsors,* **[REDACTED]***, any of their respective directors and advisers, or any other persons or parties involved in the* **[REDACTED]***, and no representation is given as to its accuracy.*

THE GENE THERAPY MARKET

Overview of Gene Therapy

Gene therapy is the use of various genetic altering techniques to treat diseases at their source. Compared with traditional medicines that generally treat symptoms or modulate physiological pathways, gene therapy goes upstream and targets the root genetic defect or blocks the pathogenic mechanism, offering curative potential to inherited diseases with no existing treatment options, and long-lasting benefit with a single treatment for refractory diseases.

While the adoption of gene therapy used to be constrained by its limited application scenarios and high costs, advances in gene therapy in recent years have enabled it to gradually pivot from ultra-rare, monogenic disorders towards more prevalent, large-market indications. Developments in the manufacturing process of gene therapy drugs are also enabling early-movers in the industry to reduce product cost and improve accessibility of gene therapy treatments. While there are already more than a dozen gene therapy products approved by regulators globally, recent developments have created significant opportunities for fast-moving and sophisticated gene therapy companies.

Gene therapy typically utilizes vectors to deliver genetic materials into target cells where they are transcribed and translated into functional proteins. Gene therapy vectors are primarily divided into viral and non-viral vectors. Viral vectors, which account for over 90% of gene therapies with a known delivery method, exploit their natural infection and fusion mechanisms to achieve high transduction efficiency and long-term expression in target cells. In comparison, non-viral vectors offer benefits such as lower immunogenicity and larger cargo capacity, but generally exhibit lower delivery efficiency and shorter duration of expression.

Commonly used viral vectors include adeno-associated viruses ("**AAV**"), adenoviruses, herpes simplex viruses, lentiviruses, and retroviruses. In particular, AAV enjoys advantages including wide host range, long-term *in vivo* expression and low immunogenicity, although it also tends to have low loading capacity. For details, see "— rAAV Gene Therapy Drugs and CMC Platforms — Overview of rAAV Gene Therapy".

Development Pathway and Clinical Application Scenarios

In 2017, Luxturna® became the first FDA-approved rAAV gene therapy for the treatment of IRD associated with biallelic RPE65 mutations. The approval rate for gene therapy drugs accelerated greatly since 2022, mainly driven by the maturation of underlying technologies and a more established regulatory framework. Among the 20 gene therapy drugs approved in the United States since 2015, 18 were approved since 2022.

Currently, approved gene therapy drugs are primarily used for rare diseases. The FDA defines rare diseases as those affecting fewer than 200,000 people in the United States, and the National Health Commission ("**NHC**") of the PRC maintains a list of designated rare diseases based on miscellaneous factors. Among the 20 gene therapy drugs approved in the United States and two gene therapy drugs approved in China since 2015, 19 drugs, or 95%, target rare diseases as defined by the FDA or designated by the NHC. However, there has been a trend for gene therapy research and development to pivot from rare diseases towards more prevalent, large-market indications.

In terms of the therapeutic areas targeted by gene therapy drugs, ophthalmic disease is the most targeted area among all gene therapy drugs under clinical stage development in the

United States and in China. There are 48 and 47 gene therapy drugs under clinical stage development targeting ophthalmic diseases in the United States and China, respectively, representing 22% and 33% of the total number of gene therapy drugs under development. Ophthalmic diseases have received major attention since the eye is an ideal target for gene therapy due to its immune-privileged status, compartmentalization, and accessibility for local delivery. In 2017, Luxturna® was approved in the United States as an rAAV gene therapy for the treatment of RPE65-related IRD, validating gene therapy as a viable treatment option for ophthalmic diseases. Gene therapy drugs currently under development for ophthalmic diseases target not only monogenic IRDs such as Leber congenital amaurosis ("**LCA**") but also high-prevalence, multifactorial refractory diseases like neovascular nAMD, DME and DR.

Gene therapy drugs also offer great potential to other therapeutic areas such as nervous system, cardiovascular and hematologic diseases. With cardiovascular diseases as an example, while traditional drugs are primarily palliative and require lifelong administration, gene therapy may achieve sustained transgene expression over multiple years with a single administration.

Approved Drugs and Drugs under Development

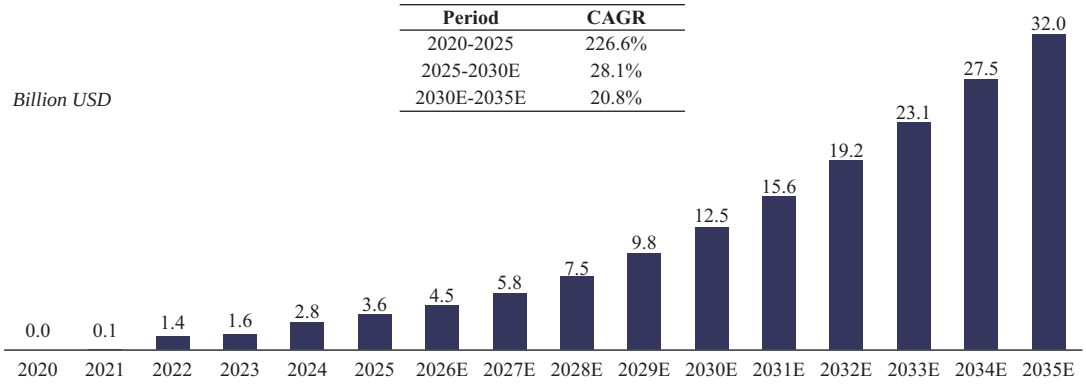
Since 2015 and up to the Latest Practicable Date, the United States has approved 20 gene therapy products, of which 19 were approved since 2022. Since 2015 and up to the Latest Practicable Date, China has approved two gene therapy products. The difference is mainly attributable to differences in regulatory maturity and ecosystem readiness for gene therapy development and commercialization of the two jurisdictions. Recent regulatory changes have raised expectations that more drug candidates will be approved in the near future.

There is currently a robust and diverse development pipeline for gene therapy drugs, including 221 clinical stage candidates in the United States and 142 clinical stage candidates in China as of the Latest Practicable Date.

Gene Therapy Market Size

The global gene therapy market has witnessed rapid growth in the last few years, reaching a market size of USD3.6 billion in 2025. The market has gone through a period of exponential growth from 2020 to 2025 with a CAGR of 226.6%. Going forward, the global market is expected to grow at a CAGR of 28.1% from 2025 to 2030 and reach a market size of USD12.5 billion in 2030. The market is expected to further increase to USD32.0 billion in 2035, with a CAGR of 20.8% from 2030 to 2035. The following diagram illustrates the growth of the global gene therapy market.

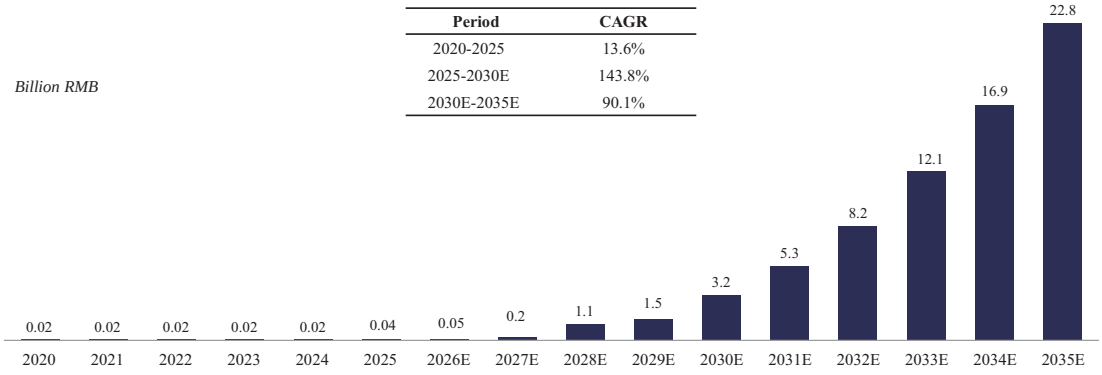
Global Gene Therapy Market, 2020-2035E



Source: Listed Companies' Annual Reports, Frost & Sullivan Report

The gene therapy market in China is also poised for a period of rapid growth. In 2025, the gene therapy market in China remained at a very early stage, with a total market size of approximately RMB0.04 billion. It is expected to grow at a CAGR of 143.8% from 2025 to 2030 and reach a market size of RMB3.2 billion in 2030. The market is expected to further increase to RMB22.8 billion in 2035, with a CAGR of 90.1% from 2030 to 2035. The following diagram illustrates the growth of the China gene therapy market.

Gene Therapy Market in China, 2020-2035E



Source: Listed Companies' Annual Reports, Frost & Sullivan Report

As of the Latest Practicable Date, there are approximately 47 gene therapy drug candidates in clinical development in China for ophthalmic indications, including three candidates in Phase III clinical trials. The increasing number of clinical-stage programs, particularly late-stage assets, reflects accelerating R&D momentum and provides support for the projected strong market growth in China over the forecast period.

Challenges and Entry Barriers to the Gene Therapy Market

The major challenges and entry barriers to the gene therapy market are set forth as follows:

- ***Manufacturing capacity and cost constraints.*** The gene therapy market is confronting a severe manufacturing capacity constraint, driven by the rapid expansion of clinical pipelines and the inherent complexity of production processes.
- ***Regulatory, safety and long-term efficacy uncertainties.*** As a novel therapeutic approach, gene therapy still faces significant uncertainties in both regulatory oversight and clinical implementation. Long-term data regarding treatment durability and potential delayed adverse effects remain insufficient, impacting physicians' willingness to adopt these therapies and patients' confidence in them. Given the long-lasting nature of genetic interventions, their regulatory framework is exceptionally stringent and continuously evolving, demanding extensive preclinical and clinical evidence.
- ***High price and limited market acceptance.*** There is a fundamental tension between research and development costs and market accessibility. Most approved therapies target ultra-rare diseases affecting small patient populations, necessitating high prices to recoup investments. However, healthcare systems and payers struggle to bear such costs, resulting in fragmented reimbursement policies with limited coverage.

Growth Drivers and Future Trends of the Gene Therapy Market

The growth of the gene therapy market is expected to be driven by the following factors:

- ***Innovation in vector delivery technology.*** Innovations in vector delivery systems and the use of gene-editing tools to improve existing gene-therapy methods are

major drivers of the gene therapy market. The iterative upgrading of gene-delivery technologies such as the employment of artificial intelligence is accelerating the innovation and development of rAAV vectors.

- ***Advances in detection technology drive target discovery and screening.*** Improved detection technologies, particularly gene sequencing, have enabled more effective target discovery. In addition, genome breakthroughs have sped up drug screening, creating more pharmaceutical opportunities.
- ***Favorable government policies.*** Supportive government policies have continued to accelerate basic biomedical research and gene therapy development globally. In the U.S., the FDA has issued multiple gene therapy-specific guidances to streamline development and regulatory review, such as "Expedited Programs for Regenerative Medicine Therapies for Serious Conditions", which clarifies expedited pathways for regenerative medicine therapies, and "Chemistry, Manufacturing, and Control Information for Human Gene Therapy INDs", which provides detailed recommendations on CMC requirements to support product quality and consistency for investigational gene therapy products.
- ***Growing investment in research and development and capital support.*** The global gene therapy market is experiencing significant growth thanks largely to the increased research and development investment and capital support.

In China, the growth of the gene therapy market is expected to be further driven by public-private collaborations that promote the development of commercial insurances that cover gene therapy drugs. In December 2025, the National Healthcare Security Administration released the Innovative Drug Directory for Commercial Health Insurances, explicitly extending commercial insurance coverage to drugs with significant clinical value that are not reimbursed under public health insurance schemes such as gene therapy. Drugs listed on the Innovative Drug Directory are expected to supplement public health insurances and receive coverage from commercial health insurances, including the government-supervised, privately-operated Hui Min Bao (惠民保).

The future development of the gene therapy market is likely to witness the following trends:

- ***Expanding application of gene therapy.*** Gene therapy is shifting from rare diseases to more prevalent indications. Early successes in the treatment of rare diseases such as spinal-muscular atrophy and LCA validated the treatment method, but pipelines are now targeting large-market conditions including heart failure, type 2 diabetes, hypertension, chronic pain and Alzheimer's disease.
- ***Increasingly cost-effective platforms for research and development and production.*** Currently, there are two major cell culture platforms for gene therapy: the Bac/Sf9 system and HEK293 system. These platforms are suitable for the production of different types of viral vectors and can meet the requirements of large-scale production through process optimization. Domestic manufacturers, by continuously refining their processes, have been able to reduce costs while steadily increasing viral titers and single-cell yields.
- ***Affordability and accessibility.*** The gene therapy market is expected to experience improving affordability and accessibility, driven by (i) biotech companies' ongoing efforts to enhance the cost-effectiveness of research and development and manufacturing processes, (ii) the government's support for increasingly flexible and diversified payment options, such as the expansion of commercial health insurance coverage and policy-supported reimbursement mechanisms, and (iii) higher patient volume and economies of scale which may allow more patient-friendly pricing.
- ***Enhancing safety profile.*** Future gene therapy development is expected to enhance safety through refined vector designs, reduced immunogenicity, and improved targeting specificity.
- ***Increasingly stringent quality control standards.*** To improve product safety and efficacy when manufacturing at scale, it is crucial to conduct quality research on gene therapy products, establish corresponding manufacturing and quality control methods and standards, carry out systematic non-clinical studies, and evaluate safety risks as well as effectiveness of action mechanisms.

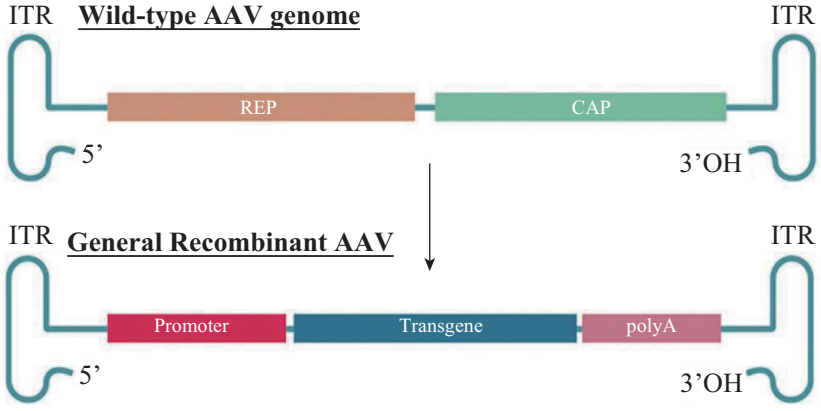
rAAV GENE THERAPY DRUGS AND CMC PLATFORMS

Overview of rAAV Gene Therapy

AAV is a single-stranded DNA virus, and the two ends of its genomic DNA are inverted terminal repeat ("**ITR**") sequences which are required for DNA replication initiation and packaging of recombinant AAV virus particles. Between the ITR sequences lies the viral coding region, which contains two genes, Rep and Cap. Among them, the Rep gene mainly functions in the replication of the viral genome and its integration with the host genome, while the Cap gene mainly functions in the packaging of the viral genome and its secretion from host cells.

For rAAV gene therapy, wild-type AAV genomes are packaged into rAAV and used as vectors in gene therapies. The most widely used packaging method for rAAV relies on the triple transfection of HEK293 cells. This system employs three plasmids: a transfer plasmid carrying the gene of interest flanked by ITRs, a Rep/Cap plasmid providing AAV replication and capsid proteins, and an adenoviral helper plasmid supplying essential viral functions. However, for scalable manufacturing, the Bac/Sf9 system offers a compelling alternative. In this platform, recombinant baculoviruses deliver specially designed insect-promoter-driven Rep and Cap expression cassettes along with the ITR-flanked gene of interest to Sf9 insect cells. This method is particularly advantageous for large-scale production due to its superior scalability, as it utilizes viral infection rather than plasmid transfection, and lower cost, as it utilizes viral expansion instead of large-scale plasmid preparation. For details, see "— CMC Platforms for rAAV Vectors" below.

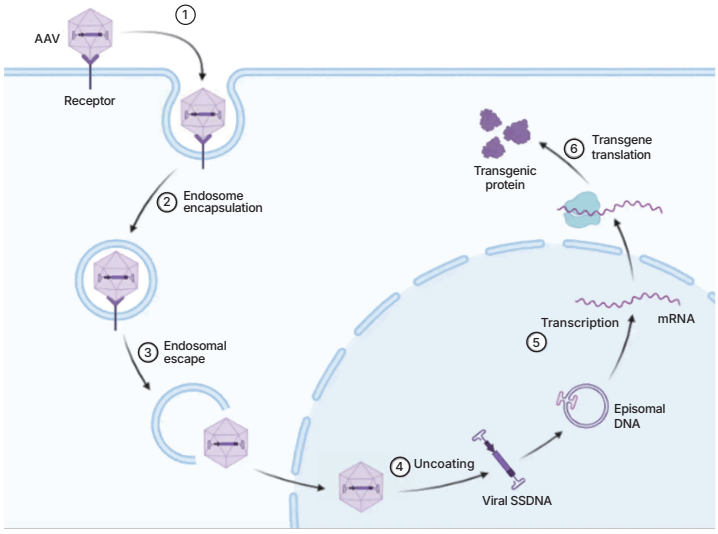
The following chart sets forth the structure of wild-type AAV genomes and general recombinant AAVs.



Source: Literature Review, Frost & Sullivan Report

Compared with other viral vectors, rAAV vector enjoys a number of advantages including being non-pathogenic, enabling efficient and sustained transgene expression, easy manipulation, and low immunogenicity. As a replication-defective DNA virus without autonomous replication ability, AAV can only replicate when other helper viruses simultaneously infect the host. Moreover, it barely integrates into the host genome.

rAAV gene therapy utilizes rAAV vectors to deliver genes of interest into target cells, where they are transcribed and translated into functional proteins. The following diagram illustrates the mechanisms of action of rAAV gene therapies when applied to treat target diseases.



Notes:

(1) Steps 1 through 3: rAAV vectors bind to cell surface receptors and are then internalized by vesicles and transported to the nuclear membrane.

(2) Steps 4 through 6: After detaching from the vesicles, rAAV transports its single-stranded genome into the cell nucleus, where it is converted into DNA, and then the expression of the target protein is completed through transcription and translation.

Source: Literature Review, Frost & Sullivan Report

AAV can be classified into different serotypes based on genetic sequencing and functional characteristics (designated AAV1 through AAV13). Different serotypes may have different tissue tropism, that is, tissue specificity for infection. Therefore, different serotypes may be used for different diseases and targeted tissues to achieve the best effect. For example, specific serotypes can be used to target photoreceptor cells or retinal pigment epithelium, making them ideal for treating ophthalmic diseases.

Approved Drugs and Drugs under Development

As of the Latest Practicable Date, 11 rAAV gene therapy drugs have been approved globally. These drugs generally focus on rare diseases and have high production cost and treatment cost. Eight of the approved drugs were produced with the HEK293 system and three were produced with the Bac/Sf9 system.

The following table sets forth certain details of these rAAV gene therapy drugs.

Drug Name	Company	Vector type	Target	Indication	Regulatory Approval Time	Therapeutic Area	Production System
Alipogene tiparvovec[1]	uniQure Biopharma, Cassie Pharma, Amsterdam Molecular Therapeutics, Xenon Pharma	Adeno-associated virus vector AAV1	LPL	Familial chylomicronemia syndrome	EMA: 2012-10-25 (Withdrawn)	Cardiovascular disease, rare disease	Bac/Sf9
Voretigene neparvovec	Roche / Novartis	Adeno-associated virus vector AAV2	RPE65	Retinal dystrophy caused by biallelic RPE65 mutations	FDA: 2017-12-19 EMA: 2018-11-22 PMDA: 2023-06-26	Ophthalmologic disease, rare disease	HEK293
Onasemnogene abeparvovec	Novartis / Regenxbio	Adeno-associated virus vector AAV9	SMN1	Spinal muscular atrophy	FDA: 2019-05-24 PMDA: 2020-03-19 EMA: 2020-05-18	Musculoskeletal system disorder, neurological disease, rare disease	HEK293
Eladocagene exuparvovec	PTC Therapeutics	Adeno-associated virus vector AAV2	AADC	Aromatic L-amino acid decarboxylase deficiency	EMA: 2022-07-20 FDA: 2024-11-13	Neurological disease, rare disease	HEK293
Valoctocogene Roxaparvovec	BioMarin Pharma	Adeno-associated virus vector AAV5	FVIII	Hemophilia A	EMA: 2022-08-24 FDA: 2023-06-29	Hematologic disease, rare disease	Bac/Sf9
Etranacogene dezaparvovec	uniQure Biopharma / CSL	Adeno-associated virus vector AAV5	FIX	Hemophilia B	FDA: 2022-11-22 EMA: 2023-02-20	Hematologic disease, rare disease	Bac/Sf9
Delandistrogene moxeparvovec	Roche, Sarepta Therapeutics	Adeno-associated virus vector AAVrh74	Microdystrophin	Duchenne muscular dystrophy	FDA: 2023-06-23 PMDA: 2025-05-13	musculoskeletal system disorder, rare disease	HEK293
Fidanacogene elaparvovec	Roche	Adeno-associated virus vector AAVrh74	FIX	Hemophilia B	FDA: 2024-04-26 EMA: 2024-07-25 (Withdrawn)	Hematologic disease, rare disease	HEK293
Dalnacogene Ponparvovec	Belief BioMed; Shanghai Belief-Delivery BioMed	Adeno-associated virus vector AAV	FIX	Hemophilia B	NMPA: 2025-04-08	Hematologic disease, rare disease	HEK293
Iunsotogene parvec-cwha	Regeneron	Adeno-associated virus vector AAV1	OTOF	Severe-to-profound and profound sensorineural hearing loss (any frequency >90 dB HL) associated with molecularly confirmed biallelic variants in the OTOF gene	FDA: 2026-04-23	Otorhinolaryngologic Diseases, rare disease	HEK293
Pariglasgene brecaparvovec	Ultragenyx Pharmaceutica	Adeno-associated virus vector AAV8	G6PC	Glycogen storage disease type Ia (GSDIa)	FDA: 2026-08-19	Metabolic Diseases, rare disease	HEK293

Note:
(1) Alipogene tiparvovec was voluntarily withdrawn in 2017 following its commercial unsustainability, which was driven by an high price and limited market uptake in Europe.
Source: Clinicaltrial.gov, Frost & Sullivan Report

As of the Latest Practicable Date, there are over 250 rAAV gene therapy drugs under development, with five in BLA stage. The development is still concentrated in early clinical exploration: about 53% are in Phase I/II trials, validating safety and preliminary efficacy and dose finding. Stand-alone Phase I studies add another 27%, reflecting a steady influx of first-in-human candidates. Late-stage activity is emerging but remains modest — Phase III projects represent 10% and Phase II 6% of the pipeline, and 3% in Phase II/III.

Rare diseases and ophthalmic diseases constitute a significant portion of the global rAAV gene therapy pipeline. Treatment for rare diseases account for over half of all rAAV gene therapy drugs under development. Meanwhile, in terms of therapeutic areas, ophthalmic disease is the most targeted area, and other promising areas include neuromuscular, cardiovascular and hematologic diseases.

CMC Platforms for rAAV Vectors

The CMC of rAAV vectors present significant challenges to the rAAV gene therapy market. Some of these challenges include:

- ***High manufacturing cost.*** rAAV production remains one of the most expensive manufacturing platforms in the biologics field. Costs are driven by low volumetric productivity, dependence on complex cell-based production systems, high cost of plasmids, and labor-intensive downstream purification steps. In addition, rAAV requires extensive quality testing, which further increases per-batch and per-dose costs.
- ***Batch-to-batch consistency.*** rAAV potency is highly sensitive to the manufacturing process, and small variations in upstream or downstream operations can significantly affect biological activity. Low potency is often driven by factors such as incomplete genome packaging, damaged or oxidized capsids, aggregation, vector genome truncation, and suboptimal transduction efficiency. Variability in potency directly impacts clinical efficacy and may require higher doses, compounding safety risks.
- ***High empty capsid rates.*** Empty capsids inflate the total capsid burden without therapeutic benefit, tipping the immune balance towards neutralizing antibodies

and complement activation. Removing these impurities is essential to secure potency, minimize reactogenicity, and achieve a clean safety profile.

- ***Limited scalability.*** Most traditional rAAV manufacturing platforms are difficult to scale linearly due to limitations in transfection efficiency, oxygen transfer, plasmid mass requirements, and vessel size. The lack of robust, high-yield, industrial-scale processes hinders commercial readiness and drives up cost, lead time, and facility requirements.

Currently, there are two primary manufacturing systems for rAAV vectors. The HEK293 system utilizes plasmid transfection into HEK293 cells, and the Bac/Sf9 system utilizes baculovirus infection of Spodoptera frugiperda insect cells. While the HEK293 system has traditionally been widely used due to its ease of setup and relatively low technical barrier, the Bac/Sf9 system is attracting interest in recent years due to its low manufacturing cost, high batch-to-batch consistency, low empty capsid rates, and high scalability and volumetric yield, all of which are potentially crucial advantages that may help overcome the key challenges to the gene therapy market. In addition, some rAAV gene therapy drugs under development use the HSV/BHK system, although to date there has been no approved rAAV gene therapy drug globally produced with this system.

The following table sets forth a comparison of the two primary manufacturing systems.

Category	Bac/Sf9 System	HEK293 System	Descriptions
Manufacturing Cost	Relatively low	Relatively high	The cost of rAAV manufacturing in Bac/Sf9 is generally lower, driven by inexpensive media and efficient infection-based production. HEK293 production is more expensive due to the need for large quantities of high-quality plasmids, costly transfection reagents, and more demanding mammalian cell culture processes.
Batch-to-Batch Consistency	High	Moderate	Batch-to-batch consistency is a key advantage of the Bac/Sf9 platform. Once the baculovirus master bank is established, production under consistent multiplicity of infection conditions results in minimal variability between batches. In contrast, the HEK293 system, relying on transient transfection, exhibits greater batch-to-batch variation due to inherent differences in transfection efficiency and plasmid quality in each production run.
Empty Capsid Rates	Relatively low	Relatively high	The Bac/Sf9 system generally results in lower empty capsid rates. rAAV from the HEK293 platform had a full/empty capsid ratio of 70.8%, while rAAV from the Bac/Sf9 system had a full/empty capsid ratio of 93.2%, demonstrating a markedly lower empty capsid rate for the Bac/Sf9 system.[(1)]
Scalability	High (100–2000+ L)	Moderate; limited by transfection	The Bac/Sf9 system is highly scalable, with insect cells readily expanding in large stirred-tank bioreactors reaching up to 2,000 liters, making it well suited for large-scale GMP manufacturing. In comparison, the scaling of the HEK293 system is limited by the efficiency and cost of plasmid transfection.
Yield per Liter	High and scalable	Moderate	The Bac/Sf9 system typically achieves high volumetric yields, benefiting from efficient infection and good scalability. HEK293 yields are moderate and more sensitive to transfection efficiency and plasmid quality. In the same head-to-head study discussed above, rAAV from Bac/Sf9 cells had approximately 40-fold higher yields than rAAV from HEK293 cells.[(1)] In addition, publicly available studies have reported that Bac/Sf9 systems may achieve productivity levels of approximately 7×10^4 purified rAAV particles per cell under optimized experimental conditions.
Infectivity	Relatively high	Relatively low	The Bac/Sf9 system typically achieves higher infectivity. rAAV from Bac/Sf9 system had a higher tissue culture infectious dose/viral genome than rAAV from HEK293 platform, indicating better infectivity.[(1)]

Note:

(1) Systematic comparison of rAAV vectors manufactured using large-scale suspension cultures of Bac/Sf9 system and HEK293 platform originates from a head-to-head study in which AAV2.N54-aflibercept vectors were produced under matched upstream/downstream protocols in Bac/Sf9 system and HEK293 platform, at both 2 liters and 50 liters, followed by identical analytics for yield, capsid content and infectivity.

Source: Literature Review (systematic comparison of rAAV vectors manufactured using large-scale suspension cultures of Sf9 and HEK293 cells), Frost & Sullivan Report

THE OPHTHALMIC DRUG MARKET

Overview of Ophthalmic Diseases

Ophthalmic disease refers to a class of disorders that anatomically occur in the eyes. There are more than one hundred recognized ophthalmic diseases. Eye conditions caused by genetic defects are collectively referred to as inherited ophthalmic diseases, which include, among others, retinal degenerations such as XLRP, LCA and others. Ophthalmic diseases can result in an irreversible loss of vision and blindness. In particular, based on an estimate from 2020, the leading causes of blindness in adults aged over 50 years old are, in the order of prevalence, cataracts, glaucoma, undercorrected refractive error, AMD, and diabetic eye diseases (including DR and DME).

Treatment Paradigm

A wide range of treatment options have been developed for ophthalmic diseases. Among them, anti-VEGF therapy is a standard treatment drug for fundus neovascular diseases, which include DME, nAMD, myopic choroidal neovascularization and retinal vein occlusion, as well as retinopathy of prematurity.

VEGF, or vascular endothelial growth factor, is a protein secreted by the endothelial cells, immune cells, epithelial cells or tumor cells that promotes the growth of blood vessels. Fundus neovascular diseases can lead to an overexpression of VEGF protein in cells, which stimulates neoangiogenesis and results in retinopathy and impaired vision. Anti-VEGF drugs inhibit VEGF-guided neoangiogenesis and alleviate disease progression.

Published literature suggests that approximately 20% to 40% of nAMD patients and 30% to 50% of DME patients globally may demonstrate inadequate or suboptimal response to anti-VEGF therapies, and similar unmet needs have also been observed in clinical practice in China.

As of the Latest Practicable Date, a number of anti-VEGF drugs have been approved in China and the United States for the treatment of fundus neovascular diseases. The following chart sets forth a breakdown of approved drugs by targeted indication.

	FDA Approved	NMPA Approved
nAMD	2006—Lucentis® 2011—Eylea® 2019—Beovu® 2022—Vabysmo® 2023—Eylea HD®	2011—Lucentis® 2013—Lumitin® 2018—Eylea® 2024—Vabysmo® 2025—Eylea HD®
DME	2012—Lucentis® 2014—Eylea® 2022—Vabysmo® 2022—Beovu® 2023—Eylea HD®	2018—Lucentis® 2018—Eylea® 2019—Lumitin® 2023—Vabysmo® 2025—Beovu®
mCNV	2017—Lucentis®	2017—Lumitin® 2018—Lucentis®
RVO	2010—Lucentis® 2014—Eylea® 2023—Vabysmo® 2025—Eylea HD®	2018—Lucentis® 2022—Lumitin® 2024—Vabysmo®
DR	2015—Eylea® 2017—Lucentis® 2023—Eylea HD®	2021—Lucentis®\ 2026—Beovu®
ROP	2023—Eylea®	2021—Lucentis®

Source: NMPA, FDA, Frost & Sullivan Report

Unmet Medical Needs

Despite steady advances in the treatment methods for ophthalmic diseases, significant unmet medical needs remain.

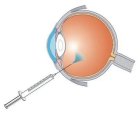
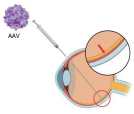
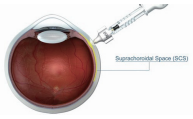
With respect to anti-VEGF therapies, due to the short half-life of anti-VEGF antibodies or proteins, frequent repeated injections are required to maintain therapeutic efficacy. This creates both a high economic burden to patients and the health systems and results in low patient adherence over time subsequently resulting in poor long-term outcomes. In addition, frequent injections also result in increased risk of developing fibrosis, retinal scarring, and geographic atrophy.

More generally, there is an insufficient number of therapies available, as the pathogenesis of certain ophthalmic diseases such as IRDs are not yet fully understood. Challenges remain in ophthalmic drug delivery, as complex delivery methods such as subretinal or intraretinal injections are often beyond the capacity of hospitals in less developed regions. There is limited access to innovative drugs. Finally, there is insufficient drug development for rare diseases, as their limited market size often discourages investment.

rAAV Gene Therapy in Ophthalmic Disease Treatment

In recent years, rAAV gene therapy has emerged as a promising treatment option for certain ophthalmic diseases, particularly fundus neovascular diseases. Compared with other treatment options, rAAV gene therapy possesses several key advantages which may enable it to address existing unmet medical needs.

- ***Higher Safety Profile.*** rAAV vectors have low immunogenicity and are less likely to trigger strong immune responses when introduced into the body. This characteristic significantly reduces the risk of the body's immune system attacking the vector and the introduced gene. Additionally, rAAV is non-pathogenic to humans, does not naturally cause disease, and barely integrate into the host patient's genome.
- ***Stable Gene Expression.*** rAAV vectors can achieve long-term transgene expression in dividing and non-dividing cells. Moreover, rAAV vectors are highly efficient in transducing various cell types in the eye. Therefore, one injection of rAAV gene therapy can provide long-lasting benefits. Engineered serotypes of AAV can target specific ocular tissues, such as retinal pigment epithelium and photoreceptors, which is crucial for effective gene therapy.
- ***Targeted and Efficient Delivery.*** By engineering the viral capsid or using cell-specific promoters, rAAV vectors can deliver genes specifically to certain cell types in the eye. This not only minimizes off-target effects but also enhances therapeutic efficacy by ensuring that the therapeutic gene is expressed only in the desired cells. Furthermore, the relatively small tissue area and accessible nature of the eye allow rAAV vectors to be administered directly with low doses. The retina-blood barrier reduces systemic exposure and the risk of immune responses, making the delivery process more controllable and precise. Currently, depending on the therapeutic purpose, rAAV vectors are mainly delivered through intravitreal injection, subretinal injection, and suprachoroidal injection. The following diagram sets forth a comparison of the main delivery methods for rAAV vectors. Intravitreal injection is relatively non-invasive and has low requirements for the operation environment and the doctor's expertise, but also requires rAAV vectors to be able to penetrate multiple layers of cells.

	Intravitreal Injection	Subretinal Injection	Suprachoroidal Injection
Type of Injection			
Infecting Cell	• Mainly infects ganglion cells and Müller glial cells	• Mainly infects retinal pigment epithelial (RPE) cells and photoreceptor cells	• Mainly infects retinal pigment epithelial (RPE) cells and Photoreceptors (rods and cones)
Advantages	✓ Less invasive ✓ Operation is more convenient, safer, has lower requirements for the doctor's operation, and has high clinical applicability ✓ Fewer postoperative complications	✓ Subretinal injection allows the viral vector to more easily approach RPE cells, and it also results in a relatively reduced immune response.	✓ Minimally invasive, in-office procedure ✓ Broad circumferential coverage ✓ Bypasses inner barriers
Disadvantages	✘ Intravitreal injection requires the viral vector to travel from the vitreous cavity to the RPE cells, moving from the inner retina to the outer retina. rAAV may need to effectively penetrate the entire retina, crossing through multiple layers of cells, hence there is a relatively high requirement for the penetrating ability of the rAAV vector, especially for expressing non-secreted therapeutic proteins.	✘ Some patients might experience thinning of the central retina and vision loss, with decreased retinal thickness observed in certain cases, posing significant safety risks. ✘ Subretinal injection is a special surgery and has a risk of retina detachment. It faces challenges in achieving uniform and precise delivery, with some medication potentially leaking from the retinal incision, making it difficult to deliver the vector volume accurately and evenly.	✘ Immune exposure and inflammation: The suprachoroidal space is outside the blood-retinal barrier, so gene vectors there are exposed to immune surveillance ✘ Rapid choroidal clearance: The choriocapillaris has extremely high blood flow, so vector particles in the SCS can be quickly washed away. This rapid clearance may limit the fraction of vector that penetrates into retina. Much higher dose is needed. ✘ Technical challenges of injection: Delivering into the thin SCS requires precision and a special device.

Source: Literature Review, Frost & Sullivan Report

- ***Increasing Clinical Applications.*** So far, a total of nine rAAV gene therapy drugs have received regulatory approval. For instance, Luxturna® is an rAAV gene therapy that has been approved for treating RPE65-related IRD. Currently, a significant amount of research and clinical trials are ongoing to explore the potential applications of rAAV vectors in ophthalmic diseases.

As a result of the above advantages of rAAV vectors, there have been many high-profile transactions involving rAAV vectors. For example, in October 2025, Eli Lily acquired Adverum Biotechnologies, including its lead product candidate, Ixo-vec, for US$262 million.

Ixo-vec, or ixoberogene soroparvovec and formerly ADVM-022, is an rAAV gene therapy candidate in Phase III clinical trials targeting nAMD. In November 2025, Eli Lily obtained the worldwide exclusive rights to MeiraGTx Holdings' AAV-AIPL1, an rAAV gene therapy candidate for LCA4, with an upfront payment of US$75 million and total milestone payments of US$475 million. Also in October 2025, Otsuka Pharmaceutical entered into a license agreement with 4D Molecular Therapeutics to obtain exclusive rights in Asia-Pacific for 4D-150, an rAAV gene therapy in Phase III clinical trials targeting nAMD and DME, for US$471 million. Meanwhile, AbbVie is progressing its development of sura-vec, or surabgene lomparvovec and formerly ABBV-RGX-314, an rAAV gene therapy for nAMD and DR, towards Phase III clinical trials, after entering into a collaboration and licensing agreement for the candidate in 2021 with an upfront payment of US$370 million and total milestone payment of up to US$1.38 billion.

Growth Drivers of the Ophthalmic Drug Market

The growth of the ophthalmic drug market is expected to be driven by the following factors:

- ***Enlarging Patient Pool.*** nAMD represents a substantial disease burden, with patient numbers reaching 21.6 million in 2025 globally. DR driven by the growing prevalence of diabetes affects an even larger population, with 127.7 million patients worldwide in 2025. The rising prevalence of nAMD and DR, largely attributable to population aging and metabolic disease trends, has led to a continued increase in disability-adjusted life years. As a result, demand for effective and durable ophthalmic treatments is expected to grow in the coming years.
- ***Broader Therapeutic Indications.*** Although Luxturna® remains the only globally marketed ophthalmic gene therapy to date approved for RPE65-related IRD, a growing pipeline is rapidly emerging. In China, 47 ophthalmic gene therapy candidates are currently in clinical development, with over 20 targeting chronic retinal diseases such as AMD and DME rather than rare inherited conditions. This expanding pipeline underscores the transition of gene therapy toward broader therapeutic indications, supporting continued growth of the ophthalmic drug market.
- ***Favorable global regulatory environment.*** In the United States, the FDA has issued disease-specific and modality-focused guidance for ophthalmic drug development, including recommendations for nAMD, while regulatory mechanisms such as treatment INDs and expanded access programs have facilitated the development and availability of innovative therapies. In parallel, China has strengthened national eye health policies under the 14th Five-Year National Eye Health Plan, focusing on expanded ophthalmic healthcare capacity and improved disease screening and treatment coverage. Together with increasing regulatory clarity on quality, safety, and efficacy requirements, these measures have supported sustained investment and the long-term expansion of the global ophthalmic drug market.

The Ophthalmic Drug Market Size

The global ophthalmic pharmaceutical market maintained a smooth and steady growth in the past 5 years, increasing to USD44.1 billion in 2025 from USD33.5 billion in 2020 with a CAGR of 5.7%. The global ophthalmic pharmaceutical market is estimated to approach USD49.4 billion by 2030 and USD65.5 billion by 2035, representing a CAGR of 2.3% from 2025 to 2030 and a CAGR of 5.8% from 2030 to 2035.

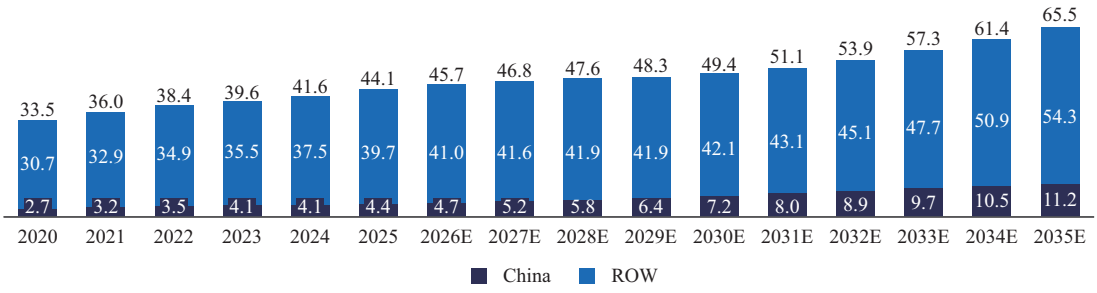
In comparison, the China ophthalmic drug market has grown at a faster pace and is projected to keep up its momentum. Consistent with worldwide trends, an increasing number of ophthalmic drugs with new and user-friendly formulations and dosing schedules have been in development. In addition, benefiting from drug registration reforms, an increasing number of innovative drugs are expected to enter the Chinese market at an expedited pace. Moreover, with the fast-growing innovation capabilities of domestic developers, the development efforts

on drugs with innovative targets is expected to increase. In China, the ophthalmic pharmaceutical market reached USD4.4 billion in 2025 from USD2.7 billion in 2020, with a CAGR of 10.0%. The ophthalmic pharmaceutical market in China is expected to maintain a high-speed growth and reach USD7.2 billion by 2030 and USD11.2 billion by 2035, with a CAGR of 10.5% from 2025 to 2030 and 9.3% from 2030 to 2035.

The following diagram illustrates the growth of the global and China ophthalmic drug market.

Global and China Ophthalmic Pharmaceutical Market Size, 2020-2035E

CAGR	China	ROW	Global
2020-2025	10.0%	5.2%	5.7%
2025-2030E	10.5%	1.2%	2.3%
2030E-2035E	9.3%	5.2%	5.8%



Currently, there are no approved rAAV-based gene therapy products for the same indications as the Company's Core Products.

The RPGR-associated XLRP Market

RP is a form of IRD. It is characterized by primary degeneration of rod photoreceptors, followed by secondary loss of cones, leading to progressive night blindness and visual field constriction, usually resulting in legal and often complete blindness.

RPs generally consist of autosomal dominant RP, XLRP, and autosomal recessive, with XLRP being the most severe subtype and accounting for approximately 5% to 15% of all RPs. Among XLRPs, mutations in the RPGR gene are the most common causes, with RPGR-associated XLRP representing over 70% of XLRPs. XLRP is an inherited retinal dystrophy primarily caused by pathogenic mutations in X-linked genes, leading to progressive photoreceptor degeneration. Clinically, XLRP typically presents with progressive night blindness and peripheral visual field loss, which may gradually worsen to severe visual impairment. Common ocular findings include bone-spicule-like pigment deposits in the fundus and attenuation of retinal vessels, accompanied by abnormal electroretinography ("**ERG**") responses with reduced or nonrecordable rod signals. Diagnosis is generally supported by a combination of ophthalmic examinations and functional assessments, including fundus examination, optical coherence tomography ("**OCT**"), ERG, visual field testing, and confirmatory genetic testing to identify disease-causing variants.

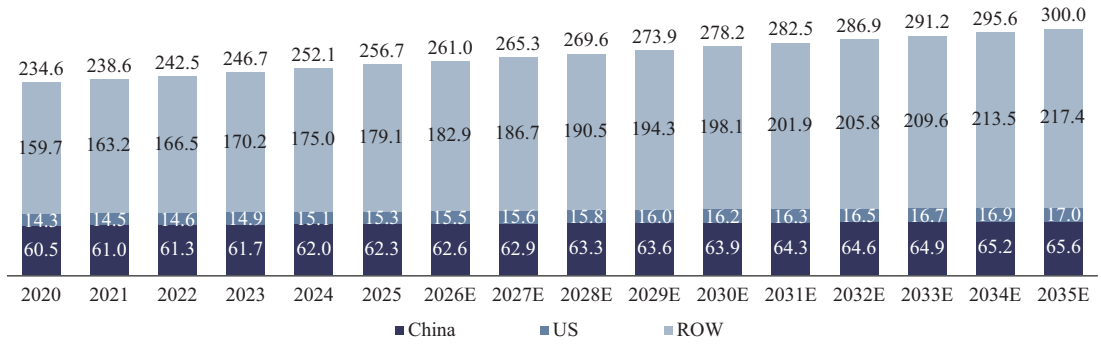
Based on publicly available epidemiology studies and clinical practice patterns, the diagnosis rates are estimated at approximately 70% for XLRP.

The number of XLRP patients globally reached 256.7 thousand in 2025 and is forecasted to reach 300.0 thousand in 2035. The global incidence of XLRP in 2025, which measures the number of new cases that develop in the time period, was 4.6 thousand and is expected to be 4.4 thousand in 2035. In China, the number of XLRP patients was 62.3 thousand in 2025, which is expected to grow to 65.6 thousand in 2035. The incidence of XLRP in China was 0.3 thousand in 2025 and is expected to be 0.4 thousand in 2035. In the United States, the number of XLRP patients was 15.3 thousand in 2025, which is expected to grow to

17.0 thousand in 2035. The incidence of nAMD in the US was 45.7 thousand in 2025 and is expected to increase to 57.4 thousand in 2035. The following chart sets forth certain additional details regarding the global prevalence of XLRP.

Global Prevalence of XLRP, 2020-2035E

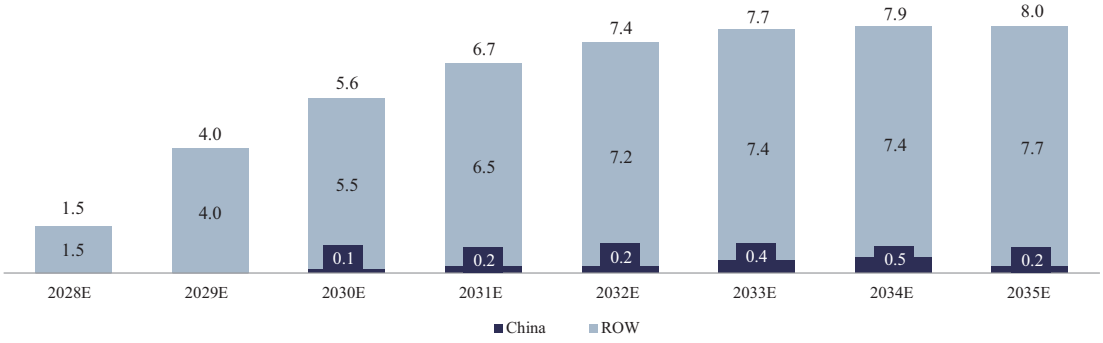
Period	CAGR			
	China	US	ROW	Total
2020-2025	0.6%	1.3%	2.3%	1.8%
2025-2030E	0.5%	1.1%	2.0%	1.6%
2030E-2035E	0.5%	1.1%	1.9%	1.5%



Source: Frost & Sullivan Report

Global XLRP Drug Market, 2028-2035E

Period	CAGR		
	China	ROW	Global
2028E-2030E	–	88.6%	91.0%
2030E-2035E	10.3%	7.2%	7.3%



Note: Given that gene therapy is currently the only therapeutic approach for XLRP, current market projections focus on gene therapies. Pricing assumptions are benchmarked with reference to the price of Luxturna, the only approved gene therapy for ophthalmic indications. Assumptions regarding the timing of product launch are based on estimated average clinical development timelines by stage.

Source: Frost & Sullivan Report

The first XLRP treatment drug is expected to be approved in 2028. The global XLRP drug market is expected to grow from USD 1.5 billion in 2028 to USD 5.6 billion by 2030, representing a CAGR of 91.0% from 2028 to 2030. The market is expected to reach to USD 8.0 billion in 2035, representing a CAGR of 7.3% from 2030 to 2035.

The first XLRP treatment drug is expected to be approved in 2030 in China. The China XLRP drug market is expected to be valued at USD 0.1 billion in 2030 and to grow to USD 0.2 billion by 2035, representing a CAGR of 10.3% from 2030 to 2035.

The general growth of the XLRP drug market globally and in China is primarily driven by the expected commercialization of gene therapy candidates during the forecast period. Currently, all XLRP pipeline products under development globally, including FT-002, are gene therapies, and therefore the XLRP drug market is essentially a gene therapy market. The market size is expected to be relatively large, primarily attributable to the high pricing of gene therapies, with pricing assumptions benchmarked against Luxturna, the only approved ophthalmic gene therapy globally, which is priced at approximately USD850,000 per treatment. The assumption for pricing in China is lower than that in the U.S., primarily due to the overall lower pricing level of innovative drugs in the Chinese market. However, given the relatively high pricing of gene therapies, the China XLRP drug market is still expected to remain substantial. In addition, except for the Company's product candidate FT-002, The only other XLRP product in clinical development globally is currently in Phase II/III clinical stage, which is expected to potentially commercialize from around 2028 to 2030. As such, the XLRP market is expected to experience a relatively high CAGR during 2028 to 2030, driven by the rapid ramp-up in gene therapy penetration from a low base following initial commercialization and the gradual penetration of emerging therapies. Furthermore, the outpatient visit rate of XLRP patients is projected to gradually increase from approximately 80% in 2020 to around 90% in 2035. In addition, the diagnosis rate of XLRP is projected to gradually increase from approximately 70% in 2020 to around 85% in 2035, primarily driven by increasing disease awareness, improving diagnostic accessibility. In addition to pricing-related assumptions, the increasing healthcare-seeking and diagnosis rates are also expected to support the future growth of the XLRP drug market.

Following the significant growth in the forecast period, the market growth rate is expected to moderately decelerate, as gene therapies are generally one-time treatments and the pool of treatable patients is expected to gradually decrease after the initial wave of diagnosed patients receives treatment. In particular, while the global XLRP drug market is projected to sustain steady growth through 2035 before the expected deceleration becomes evident, which is driven by the broader patient population across multiple jurisdictions and continued adoption of gene therapies, the China XLRP drug market is expected to experience a decline as early as in 2034. This projected contraction is primarily attributable to the relatively limited addressable patient population for XLRP in China as compared to the global market, and the one-time treatment paradigm of gene therapies. Based on current market penetration assumptions, most of the treatable patient population in China is expected to have already received treatment by 2034, leaving only a relatively small number of remaining eligible patients. As such, the long-term commercial sustainability of XLRP therapies in China will depend on factors such as pricing and reimbursement policies, patient access initiatives, and the successful expansion into global markets with larger patient populations.

The current treatment paradigm for RPGR-associated XLRP remains extremely limited, and there are currently no approved therapies worldwide specifically indicated for RPGR-associated XLRP. China's latest clinical guidelines also emphasize that there is currently no therapy capable of curing or halting the progression of RPs. Patients are counseled to avoid intense light, limit visual fatigue, and maintain regular sleep and healthy dietary habits to modestly slow disease progression. There is an urgent need to develop innovative and effective disease-modifying strategies to address RPs, particularly its most severe subtype, XLRP.

As of the Latest Practicable Date, no gene therapy drug for XLRP has been approved globally and there were three drugs in development for XLRP, all of which are rAAV-based gene therapy drugs. The following table illustrates the competitive landscape of rAAV gene therapy drugs for XLRP treatment as of the Latest Practicable Date.

Drug Name	Company	Target	Vector type	Clinical Stage	First Posted Date	Country	Manufacturing System
Botaretigene sparoparvovec[1]	MeiraGTx	RPGR	AAV5	Phase III	2020-12-17	US, UK, Spain, etc.	HEK293
Laruparetigene zosaparvovec (laru-zova, AGTC-501)	Beacon Therapeutics	RPGR	AAV2	Phase II/III	2021-04-20	UK, US, Australia	HSV/BHK[2]
FT-002	**Frontera Therapeutics**	**RPGR**	**AAV**	**Phase II**	**2024-10-15[3]**	**China**	**Bac/Sf9**
				Phase II IND Approval	**2024-09-23**	**U.S.**	

Notes:

(1) Botaretigene sparoparvovec was originally licensed to J&J in 2019 and was sold to them in 2023 for up to $415M; it was reacquired by MeiraGTx in 2026 for $25M after its Phase 3 trial missed the primary endpoint. As of the Latest Practicable Date, MeiraGTx plans regulatory filings in the US, EU, UK and Japan in 2026, targeting a 2027 launch.

(2) As of the Latest Practicable Date, in the field of rAAV gene therapy, the HSV/BHK system has not been validated with any drug approval globally.

(3) FT-002 has completed both Phase I and Phase II clinical trials. The first posted date disclosed herein refers to the date on which the first participant in the Phase II trial signed the informed consent form.

Source: Clinicaltrial.gov, CDE, Frost & Sullivan Analysis

The nAMD Market

AMD, a degenerative retinal disease that causes progressive loss of central vision, is the leading cause of irreversible blindness in aged people. The disease affects the central area in the ocular posterior segment, known as the macula lutea, which is essential for the vision of fine details and image resolution.

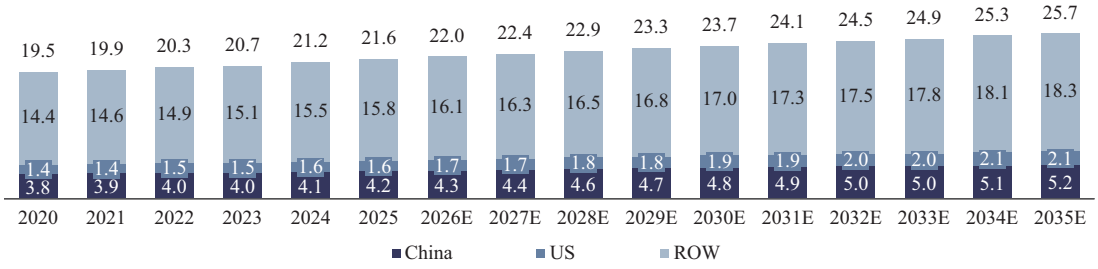
AMD can be categorized as either dry AMD or neovascular AMD, also known as wet AMD or nAMD. Neovascular age-related macular degeneration ("nAMD") is primarily driven by abnormal choroidal neovascularization, in which newly formed fragile blood vessels grow beneath or into the macula and subsequently leak fluid and/or blood, resulting in macular edema, hemorrhage, scarring, and potentially irreversible central vision loss. Clinically, patients commonly experience progressive blurring of central vision, metamorphopsia, central scotoma, reduced contrast sensitivity, and increased difficulty seeing in dim light, which can substantially impair daily activities such as reading and face recognition. The development and progression of nAMD are associated with a combination of aging, genetic susceptibility, and environmental or lifestyle risk factors, with smoking and cardiovascular risk factors frequently cited as key contributors. Diagnosis is typically established through fundus examination and multimodal retinal imaging (e.g., OCT and fluorescein angiography) to confirm macular neovascularization and associated fluid or hemorrhage. While nAMD only accounts for approximately 10% to 20% of AMD cases, it is responsible for approximately 80% to 90% of all vision loss attributable to AMDs.

Based on publicly available information relating to epidemiology studies and clinical practice patterns, the diagnosis rates are estimated at approximately 90% for nAMD.

The number of patients with nAMD globally reached 21.6 million in 2025, and is expected to reach 25.7 million in 2035. The global incidence of nAMD was 0.4 million in 2025 and is expected to remain at 0.4 million in 2035. In China, the number of nAMD patients was 4.2 million in 2025, which is expected to grow to 5.2 million in 2035. The incidence of nAMD in China was 0.1 million in 2025 and is expected to remain at 0.1 million in 2035. In the United States, the number of nAMD patients was 1.6 million in 2025, which is expected to grow to 2.1 million in 2035. The incidence of nAMD in the US was 45.7 thousand in 2025 and is expected to increase to 57.4 thousand in 2035. The following charts set forth certain additional details regarding the global prevalence of nAMD.

Global Prevalence of nAMD, 2020-2035E

Period	CAGR			
	China	US	ROW	Total
2020-2025	2.0%	3.2%	2.0%	2.1%
2025-2030E	2.7%	2.8%	1.5%	1.8%
2030E-2035E	1.6%	2.8%	1.5%	1.6%

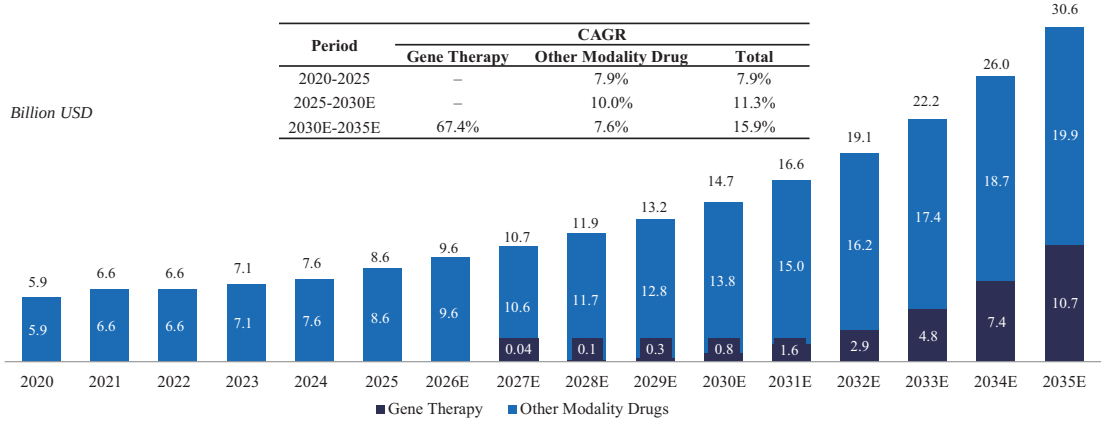


Source: Frost & Sullivan Report

The following charts illustrate the anticipated growth of the nAMD treatment drug market by jurisdiction and by treatment options.

Global nAMD Treatment Drug Market, 2020-2035E

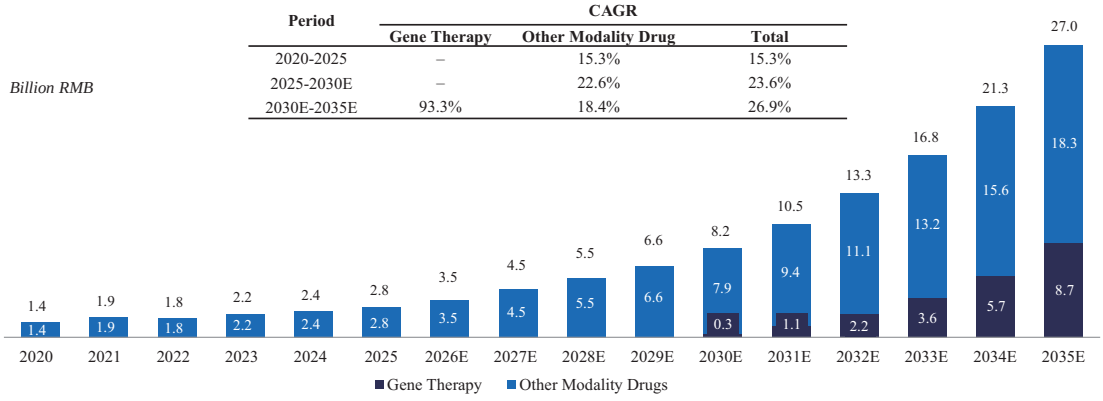
Period	CAGR		
	Gene Therapy	Other Modality Drug	Total
2020-2025	–	7.9%	7.9%
2025-2030E	–	10.0%	11.3%
2030E-2035E	67.4%	7.6%	15.9%



Source: Annual Reports of Listed Medical Companies, NMPA, CDE, FDA, Frost & Sullivan Analysis

China nAMD Treatment Drug Market, 2020-2035E

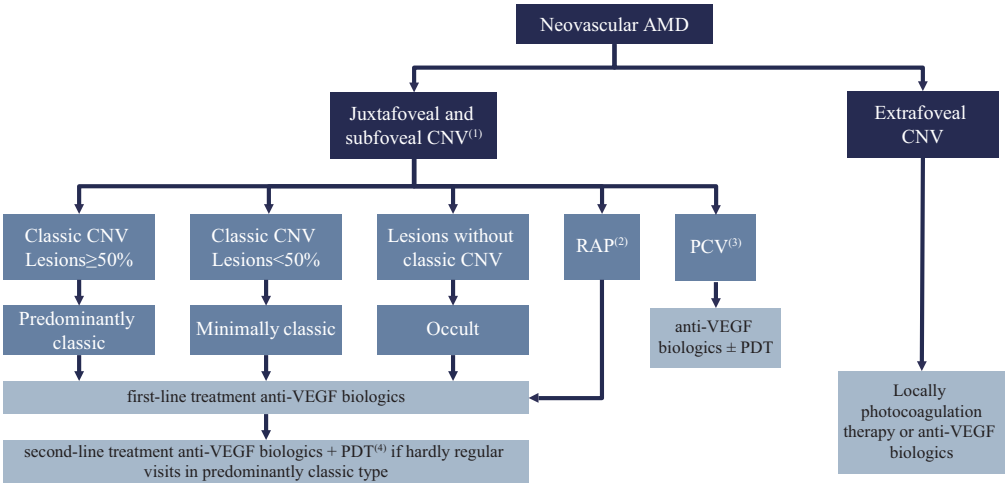
Period	CAGR		
	Gene Therapy	Other Modality Drug	Total
2020-2025	–	15.3%	15.3%
2025-2030E	–	22.6%	23.6%
2030E-2035E	93.3%	18.4%	26.9%



Source: Annual Reports of Listed Medical Companies, NMPA, CDE, Frost & Sullivan Analysis

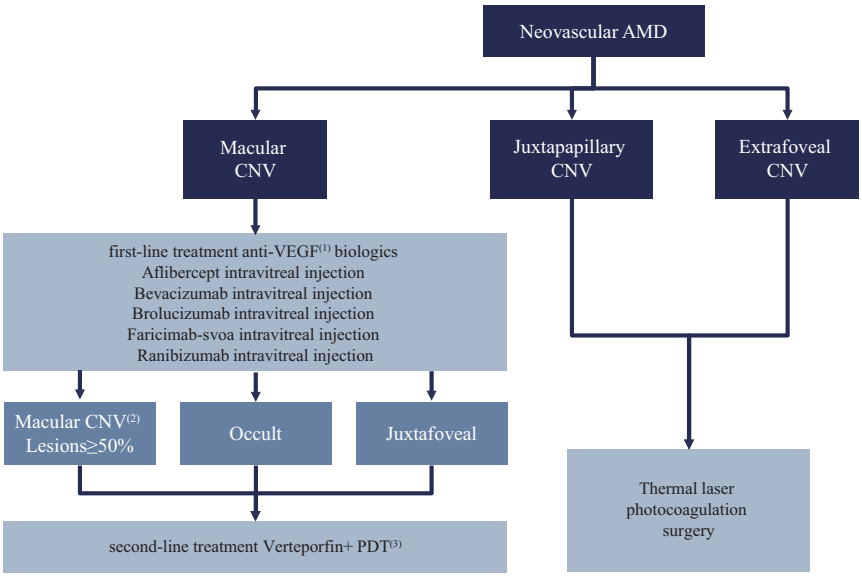
The current treatment paradigm for nAMD in both China and the United States primarily relies on intravitreal anti-VEGF therapies as the standard first-line treatment. In China, verteporfin-based photodynamic therapy ("**PDT**") may also be used in combination with anti-VEGF therapies in certain subtypes of nAMD, such as polypoidal choroidal vasculopathy ("**PCV**"), while local photocoagulation therapy may be considered for selected extrafoveal lesions. In the United States, verteporfin with PDT and thermal laser photocoagulation may also be used in selected patients, particularly those with specific lesion subtypes or extrafoveal choroidal neovascularization ("**CNV**"), although these treatment approaches are currently less commonly adopted in clinical practice. The charts below set forth the treatment paradigm for nAMD in China and the United States.

Treatment Paradigm for nAMD in China



Notes:
(1) CNV: choroidal neovascularization.
(2) RAP: retinal angiomatous proliferation.
(3) PCV: polypoidal choroidal vasculopathy.
(4) PDT: photodynamic therapy.
Source: Literature Review, Frost & Sullivan Report

Treatment Paradigm for nAMD in the United States



Notes:
(1) VEGF: vascular endothelial growth factor.
(2) CNV: choroidal neovascularization.
(3) PDT: photodynamic therapy.
Source: Literature Review, Frost & Sullivan Report

Anti-VEGF therapies have demonstrated efficacy in suppressing pathological neovascularization and reducing retinal fluid, and have therefore become the primary standard of care for the treatment of nAMD. However, these existing treatment options have significant limitations, including poor patient compliance and high treatment burden. As discussed above, anti-VEGF treatment manages the symptoms of nAMD but does not alter the underlying disease course, thus requiring lifelong intervention. nAMD patients have to receive nine intravitreal anti-VEGF injections in the first year alone and continue at three to six injections annually. This frequent injection need creates a long-term logistical burden on patients as well as caregivers, and results in poor patient compliance. There is also a significant economic cost. 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 basis, 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. The following table illustrates the competitive landscape for approved drugs for nAMD treatment as of the Latest Practicable Date.

Route of Administration	Drug Name	Company	Target	First Approved Date	Country	Modality	Dosage	Strength	Price	Annual Cost Per Patient	2025 Annual Sales (USD Million)
Intravitreal	Ranibizumab (Lucentis®)	Roche; Genentech	VEGFA	2006-06-30	US	Monospecific antibody	0.5 mg once monthly for at least 3 initial doses, followed by reduced-frequency dosing (approximately 4–5 injections over the subsequent 9 months)	US: 0.05ml:0.3mg China: 0.2ml:2mg	USD1,150.8 RMB3,673.5	USD8,056–9,206 RMB25,714–29,388	712.8
				2007-01-22	EMA						
				2011-12-31	China						
				2025-10-20	Korea						
	Conbercept (Lumitin®)	Chengdu Kanghong Pharmaceutical Group	VEGF	2013-11-29	China	Monospecific antibody	0.5 mg, administered monthly for the first 3 months, followed by fixed every 3-month dosing	China: 0.2ml:2mg	RMB3,452.8	RMB20,717	347.1
				2024-06-18	Myanmar						
				2026-08-20	Guyana						
	Pegaptanib (Macugen®)	Gilead Sciences	VEGFA	2008-07-16	Japan	Monospecific antibody	0.3 mg, once every six weeks	N/A	N/A	N/A	N/A
	Aflibercept (Eylea® /Eylea HD®)	Regeneron Pharmaceuticals	VEGF	2011-11-18	US	Monospecific antibody	Eylea®: 2 mg, administered monthly for the first 3 months, followed by dosing every 2 months Eylea HD®: 8mg, administered monthly for the first 3 doses, followed by dosing every 8 to 16 weeks	Eylea®: US: 0.05ml:2mg China: 0.1ml:4mg Eylea HD®: US: 0.07ml:8mg	Eylea®: USD 1,962.1 RMB 2,935.3 Eylea HD®: USD 2,755.6	Eylea®: USD 13,734 RMB 20,547 Eylea HD®: USD13,778–22,045	11,875.1
				2012-09-28	Japan						
				2012-11-21	EMA						
				2018-05-08	China						
				2024-04-05	Korea						
	Faricimab (Vabysmo®)	Roche; Genentech	ANGPT2, VEGFA	2022-01-28	US	Bispecific antibody	6 mg every 4 weeks for the first 4 doses, followed by individualized dosing intervals (every 8–16 weeks) based on OCT and visual acuity assessments	US: 0.05ml:6mg China: 0.05ml:6mg	USD2,357.7 RMB3,608.0	USD14,146–18,861 RMB21,648–28,864	4,937.7
				2022-03-28	Japan						
				2022-06-01	Canada						
				2022-09-19	EMA						
				2023-01-20	Korea						
				2023-12-26	China						
	Brolucizumab (BEOVU®)	Novartis	VEGFA	2019-10-07	US	Monospecific antibody	0.05 mL per injection, Initial treatment consists of three injections every 4 weeks, followed by dosing every 8–12 weeks	US: 0.05ml:6mg China:0.165 mL:19.8 mg	USD2,083.7 RMB6,500.0	USD12,502–14,586 RMB39,000–45,500	N/A
				2020-02-13	EMA						
				2020-03-12	Canada						
				2020-03-25	Japan						
				2025-10-20	Korea						
Intravenous	Verteporfin (Visudyne®)	Novartis	YAP; TEAD	2000-07-27	EMA	Other photodynamic therapies	6 mg/m², intravenous infusion over 10 min, followed by laser activation; repeated every 3 months	N/A	N/A	N/A	N/A

Note: Strength, price, annual cost per patient and annual sales of certain products are not available in the relevant companies' annual reports or other public filings, hence it is listed as N/A. Annual sales data for Pegaptanib, Brolucizumab and Verteporfin are not publicly available in the relevant company's annual report or other public filings and are therefore presented as N/A. Drugs such as Ranibizumab, Aflibercept, Faricimab, Brolucizumab and Conbercept have each been approved for multiple indications; accordingly, as indication-specific sales and prescription-level data are generally not publicly disclosed, annual sales attributable solely to nAMD are not publicly available. Prices shown in USD and RMB refer to the corresponding prices in the United States and China, respectively.

Source: Prescribing Information, Clinicaltrial.gov, CDE, Frost & Sullivan Analysis

Gene therapy represents a promising approach to address the above limitations by enabling the continuous, endogenous production of anti-angiogenic proteins, potentially offering a one-time, durable treatment solution. As of the Latest Practicable Date, there are over 80 drug candidates in clinical trials for the treatment of nAMD globally, including 24 rAAV-based gene therapy candidates, among which nine are administered via intravitreal injection. Besides gene therapy candidates, there are also other therapeutic modalities under development for nAMD, including antibodies, peptides, intraocular implant, small molecules and RNA-based therapies. In China, there are over 30 drug candidates in clinical development for nAMD, including 17 rAAV-based gene therapy candidates. The following table illustrates the competitive landscape of rAAV gene therapy drugs for nAMD treatment as of the Latest Practicable Date.

Route of Administration	Drug Name	Company	Target	Vector Type	Phase	First Posted Date	Country	Manufacturing System
Intravitreal	Ixoberogene soroparvovec (Ixo-vec, ADVM-022)	Eli Lilly /Adverum	VEGF	AAV2.7m8	Phase III	2025/3/4	US	Bac /Sf9
	zunibergene rocparvovec (4D-150)	4D Molecular Therapeutics	VEGFA; VEGFB; VEGFC; PLGF	AAV vector R100	Phase III	2025/3/7	US, Canada	HEK293
	SKG0106	Skyline Therapeutics	VEGFA	AAV	Phase I/II	2023/8/14	China, US	NA
	FT-003	**Frontera Therapeutics**	**VEGF**	AAV	**Phase II** **Phase II IND Approval**	**2024/9/26[1]** **2024/11/11**	**China** **US**	**Bac /Sf9**
	XMVA09	Starrygene Therapeutics Company Limited	ANGPT2, VEGF	AAV	Phase I/II	2024/4/12	China	NA
	ABI-110	Avirmax Biopharma	VEGF	AAV2.N54	Phase I/II	2024/8/12	US	Bac/Sf9
	GZ402663	Sanofi	VEGF	AAV2	Phase I/II	2024/10/28	US	NA
	IVB-103	Innovec Biotherapeutics	-	AAV	Phase I/II	2024/11/29	China	NA
	EXG202	Hangzhou Jiayin Biotechnology Co., Ltd	ANGPT2, VEGF	AAV	Phase I/II	2025/9/18	China	NA
	LX111	Innostellar Biotherapeutics	VEGF	AAV	Phase I	2025/7/8	China	NA
Subretinal	Surabgene lomparvovec (Sura-vec, ABBV-RGX-314)	Abbvie / Regenxbio	AAV8-VEGF	AAV8	Phase III	2022/6/7	US, UK, Japan, etc.	HEK293
	LX102	Innostellar Biotherapeutics	VEGF	AAV	Phase III	2025/12/29	China	NA
	JWK001	Chengdu Gene Vector Biotechnology	VEGF	AAV	Phase II	2026/8/20	China	NA
	KH631	Chengdu Kanghong Pharmaceutical Group Co.,Ltd.	VEGF	AAV	Phase I/II Phase I	2023/1/5 2022/12/10	China US	NA
	EXG102-031	Hangzhou Jiayin Biotechnology Co., Ltd	ANGPT2, VEGFA, VEGFC	AAV	Phase I/II Phase I	2023/10/12 2023/6/6	China US	NA
	NG101	Reyon Pharmaceutical, NeuracleGenetics	VEGF	AAV	Phase I/II	2023/8/9	US, Canada	NA
	RRG001	Shanghai RefreshgeneTherapeutics	VEGF	AAV	Phase I/II	2023/11/21	China	NA
	NGGT007	Next Generation Gene Therapeutics	CYP4V2	AAV	Phase I/II	2025/1/16	China	NA
	CRG-B191	Shanghai Keruike Pharmaceutical Technology	VEGF	AAV	Phase I/II	2025/11/6	China	NA
	HG202	Huida Gene Therapeutics Co., Ltd.	VEGF	AAV	Phase I	2023/9/4	China	NA
	RGL-2201	Shanghai Regenelead Therapies Co., Ltd.	VEGF	AAV	Phase I	2025/3/3	China	NA
Suprachoroidal	AL-001	Beijing Anlong Biopharmaceutical Co., Ltd	VEGF	AAV	Phase II	2025/2/17	China	Bac/Sf9
	KH658	Chengdu Kanghong Pharmaceutical Group	VEGF	AAV	Phase I/II	2024/6/13	China	NA

* "NA" indicates that the manufacturing system of the corresponding product has not been publicly disclosed.

Note:

(1) FT-003 has completed both Phase I and Phase II clinical trials. The first posted date disclosed herein refers to the date on which the first participant in the Phase II trial signed the informed consent form.

Source: Clinicaltrial.gov, CDE, Frost & Sullivan Report

The DME Market

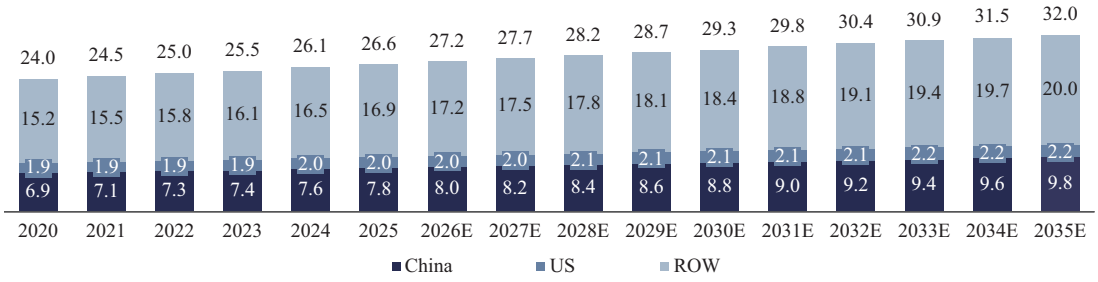
Diabetic macular edema ("**DME**") is a common vision-threatening complication of diabetic retinopathy, characterized by breakdown of the blood-retinal barrier and subsequent leakage of intraretinal fluid and/or exudation into the macular area, leading to retinal thickening and impaired central vision. The pathogenesis of DME is closely associated with diabetes-driven microvascular damage and inflammation, with VEGF playing a key role in increasing vascular permeability and promoting edema formation. Clinically, patients typically present with blurred or fluctuating central vision, reduced visual acuity, and difficulty with near-vision tasks such as reading, which may progressively worsen if left untreated. 5.5% of people with diabetes have DME, representing a meaningful disease burden given the increasing prevalence of diabetes worldwide. Diagnosis is typically confirmed by retinal examination supported by OCT to assess macular thickening and intraretinal fluid, with fluorescein angiography used when clinically indicated to evaluate vascular leakage.

Based on publicly available information relating to epidemiology studies and clinical practice patterns, the diagnosis rates are estimated at approximately 40% for DME.

The number of patients with DME globally reached 26.6 million in 2025, and is expected to reach 32.0 million in 2035. In China, the number of DME patients was 7.8 million in 2025, which is expected to grow to 9.8 million in 2035. In the United States, the number of DME patients was 2.0 million in 2025, which is expected to grow to 2.2 million in 2035. The global incidence of DME was 0.5 million in 2025 and is expected to remain at 0.5 million in 2035. The incidence of DME in China was 0.2 million in 2025 and is expected to remain at 0.2 million in 2035. The incidence of DME in the US was 22.4 thousand in 2025 and is expected to be 20.6 thousand in 2035. The following charts set forth certain additional details regarding the global prevalence of DME.

Global Prevalence of DME, 2020-2035E

Period	CAGR			
	China	US	ROW	Total
2020-2025	2.5%	1.2%	2.1%	2.1%
2025-2030E	2.3%	1.1%	1.8%	1.9%
2030E-2035E	2.4%	1.0%	1.6%	1.8%

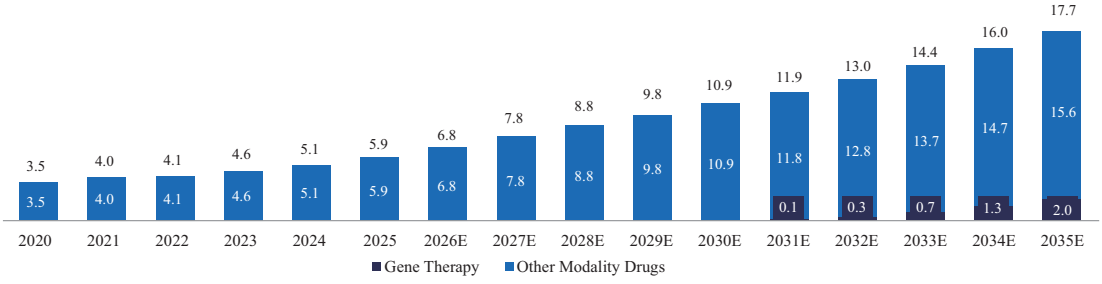


Source: Frost & Sullivan Report

The following charts illustrate the anticipated growth of the DME treatment drug market by jurisdiction and by treatment options.

Global DME Treatment Drug Market, 2020-2035E

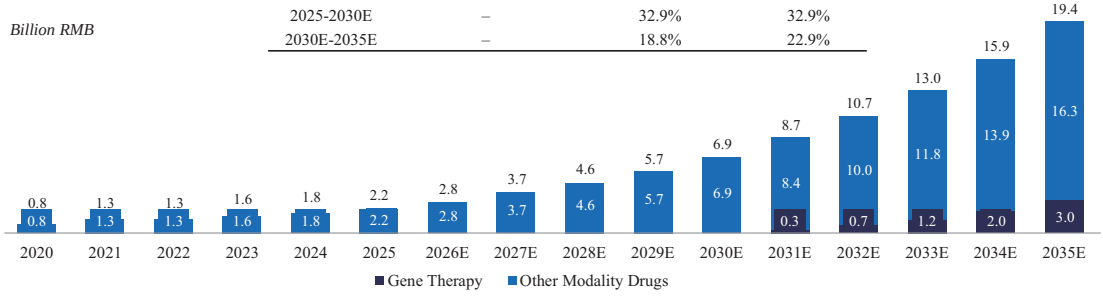
Period	CAGR		
	Gene Therapy	Other Modality Drug	Total
2020-2025	–	10.9%	10.9%
2025-2030E	–	12.9%	12.9%
2030E-2035E	–	7.6%	10.2%



Source: Annual Reports of Listed Medical Companies, NMPA, CDE, FDA, Frost & Sullivan Analysis

China DME Treatment Drug Market, 2020-2035E

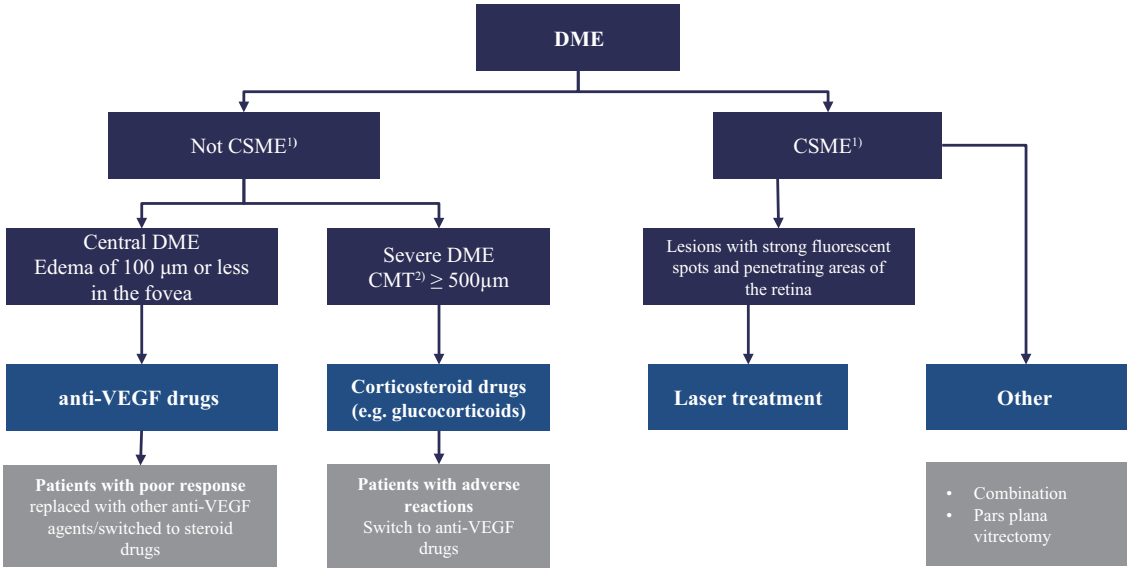
Period	CAGR		
	Gene Therapy	Other Modality Drug	Total
2020-2025	–	21.5%	21.5%
2025-2030E	–	32.9%	32.9%
2030E-2035E	–	18.8%	22.9%



Source: Annual Reports of Listed Medical Companies, NMPA, CDE, Frost & Sullivan Analysis

As for the DME drug market in China, the significant market growth is primarily driven by the strong commercial performance, as well as the expected commercialization of multiple pipeline products during the forecast period. Currently, there are five approved DME drugs in China, all of which are anti-VEGF therapies. Major approved anti-VEGF drugs, including Conbercept, Aflibercept and Ranibizumab, achieved substantial sales growth during 2020-2024, collectively driving a significant CAGR in the DME market in China. In addition, there are numerous pipeline products under development for DME, including various modalities other than gene therapies, such as antibodies, small molecules, peptides and RNA-based therapies, most of which are expected to potentially commercialize during the forecast period. Accordingly, the DME drug market in China is expected to maintain relatively high growth during the forecast period.

Anti-VEGF drugs are currently the recommended therapy and recommended pharmacological therapy for DME treatment as they can improve visual acuity and retinal thickness. However, they are subject to the downsides associated with their limited duration of action, including high treatment burden, poor patient compliance and unsatisfactory long-term outcomes, which may include suboptimal visual improvement and disease recurrence. Patients with DME are typically treated based on the severity and location of retinal swelling. Anti-VEGF drugs are currently the main first-line treatment for most patients, as they can reduce retinal swelling and improve vision. For patients with inadequate treatment response or more severe disease conditions, corticosteroids, laser treatment or surgical procedures may also be considered. The chart below sets forth the treatment paradigm for DME.



Notes:

(1) CSME: clinically significant DME, the highest grade lesion type in the clinical diagnosis and treatment of the macula;

(2) CMT: Central macular thickness

Source: Guidelines for Clinical Diagnosis and Treatment in China, Frost & Sullivan Analysis

The following table illustrates the competitive landscape for approved drugs for DME treatment as of the Latest Practicable Date.

Route of Administration	Drug Name	Company	Target	First Approved Date	Country	Modality	Dosage	Strength	Price	Annual Cost Per Patient	2025 Annual Sales (USD Million)
Intravitreal	Ranibizumab (Lucentis®)	Roche; Genentech	VEGFA	2010-10-22	EMA	Monospecific antibody	0.5 mg once monthly for at least 3 initial doses, followed by individualized dosing intervals based on disease activity	US: 0.05ml:0.3mg China: 0.2ml:2mg	USD1,150.8 RMB3,673.5	USD8,056–9,206 RMB25,714–29,388	712.8
				2012-08-10	US						
				2014-02-21	Japan						
				2018-11-13	China						
				2025-10-20	Korea						
	Aflibercept (Eylea®/ Eylea HD®)	Regeneron Pharmaceuticals	VEGF	2014-07-29	US	Monospecific antibody	Eylea®: 2 mg, monthly for the first 5 months, followed by injections every 2 months thereafter. Eylea HD®: 8 mg every 4 weeks for the first 3 doses, followed by every 8 to 16 weeks	Eylea®: US: 0.05ml:2mg China: 0.1ml:4mg Eylea HD®: US: 0.07ml:8mg	Eylea®: USD1,962.1 RMB2,935.3 Eylea HD®: USD2,755.6	Eylea®: USD15,697 RMB23,482 Eylea HD®: USD13,778–22,045	11,875.1
				2014-08-11	EMA						
				2014-11-18	Japan						
				2018-02-02	China						
				2024-04-05	Korea						
	Conbercept (Lumitin®)	Chengdu Kanghong Pharmaceutical Group	VEGF	2019-05-17	China	Monospecific antibody	0.5 mg, once monthly for the first 3 months, followed by once every 3 months	China: 0.2ml:2mg	RMB3,452.8	RMB20,717	347.1
				2026-08-20	Guyana						
	Faricimab (Vabysmo®)	Roche; Genentech	ANGPT2, VEGFA	2022-01-28	US	Bispecific antibody	6 mg every 4 weeks for at least 4 doses, followed by individualized dosing intervals or every-8-week dosing based on clinical response	US: 0.05ml:6mg China: 0.05ml:6mg	USD2,357.7 RMB3,608.0	USD14,146–18,862 RMB21,648–28,864	4,937.7
				2022-03-28	Japan						
				2022-06-01	Canada						
				2022-09-19	EMA						
				2023-01-20	Korea						
				2023-12-13	China						
	Brolucizumab (BEOVU®)	Novartis	VEGFA	2022-03-31	EMA	Monospecific antibody	0.05 mL per injection, Initial treatment consists of three injections every 4 weeks, followed by dosing every 8–12 weeks	US: 0.05ml:6mg China: 0.165mL:19.8mg	USD2,083.7 RMB6,500.0	USD12,502–14,586 RMB39,000–45,500	N/A
				2022-06-01	US						
				2022-06-20	Japan						
				2025-05-27	China						
				2025-10-20	Korea						

Note: Annual sales data for Brolucizumab are not publicly available in the relevant company's annual report or other public filings and are therefore presented as N/A. Drugs such as Ranibizumab, Aflibercept, Faricimab, Brolucizumab and Conbercept have each been approved for multiple indications; accordingly, as indication-specific sales and prescription-level data are generally not publicly disclosed, annual sales attributable solely to DME are not publicly available. Prices shown in USD and RMB refer to the corresponding prices in the United States and China, respectively.

Source: Prescribing Information, Clinicaltrial.gov, CDE, Frost & Sullivan Analysis

Similar to nAMD, rAAV gene therapy is a promising solution for DME treatment given its ability to accomplish long-lasting results through a single injection and substantially improves upon the deficiencies of standard anti-VEGF therapy. As of the Latest Practicable Date, there are 20 drug candidates in clinical trials for DME in China and over 50 globally. Among these, six rAAV-based gene therapy candidates for the treatment of DME are currently under clinical development worldwide. Besides gene therapy candidates, there are also other therapeutic modalities under development for DME, including antibodies, peptides, intraocular implant, small molecules and polypeptide therapies. The following table illustrates the competitive landscape of rAAV gene therapy drugs for DME treatment as of the Latest Practicable Date.

Route of Administration	Drug Name	Company	Target	Vector type	Phase	First Posted Date	Country	Manufacturing System
Intravitreal	zunibergene rocparvovec (4D-150)	4D Molecular Therapeutics	VEGFA, VEGFB, VEGFC, PLGF	AAV vector R100	Phase II	2023-07-05	US, Puerto Rico	HEK293
	FT-003	**Frontera Therapeutics**	**VEGF**	**AAV**	**Phase II**	**2024-10-22[1]**	**China**	**Bac/Sf9**
					Phase II IND Approval	**2024-12-25**	**US**	
	SKG0106	Skyline Therapeutics	VEGFA	AAV	Phase I	2024-02-01	China	NA
	LX111	Innostellar Biotherapeutics	VEGF	AAV	Phase I	2026-01-23	China	NA
Suprachoroidal	Surabgene lomparvovec (Sura-vec, ABBV-RGX-314)	Abbvie / Regenxbio	VEGF	AAV8	Phase II/III	2026-05-18	US, Puerto Rico	HEK293
	KH658	Chengdu Kanghong Pharmaceutical Group	VEGF	AAV	Phase II	2026-07-07	China	NA

* "NA" indicates that the manufacturing system of the corresponding product has not been publicly disclosed.

Note:

(1) The first posted date disclosed herein refers to the date on which the first participant in the Phase II trial signed the informed consent form.

Source: Clinicaltrial.gov, CDE, Frost & Sullivan Report

The DR Market

DR is a microvascular and neurodegenerative complication of diabetes mellitus, characterized by pericyte loss, basement membrane thickening, microaneurysm formation, neovascularization, and blood–retinal barrier disruption. Diabetes affects approximately 14% of the global population, and DR occurs in roughly 27% of diabetic patients, according to generally accepted and relatively stable epidemiological prevalence assumptions for diabetes and diabetic retinopathy. DR is typically diagnosed through ophthalmic examinations supported by dilated fundus assessment and retinal imaging modalities (e.g., fundus photography), with OCT and fluorescein angiography used where clinically indicated to evaluate macular involvement and retinal vascular abnormalities. DR progresses through distinct stages, primarily categorized as non-proliferative DR ("**NPDR**") and proliferative DR ("**PDR**"). NPDR represents the earlier, non-sight-threatening stage, characterized by weakened retinal blood vessels that may leak, causing swelling or edema. In contrast, PDR is the advanced, sight-threatening stage defined by the growth of abnormal, fragile new blood vessels on the retinal which can lead to severe bleeding and retinal detachment.

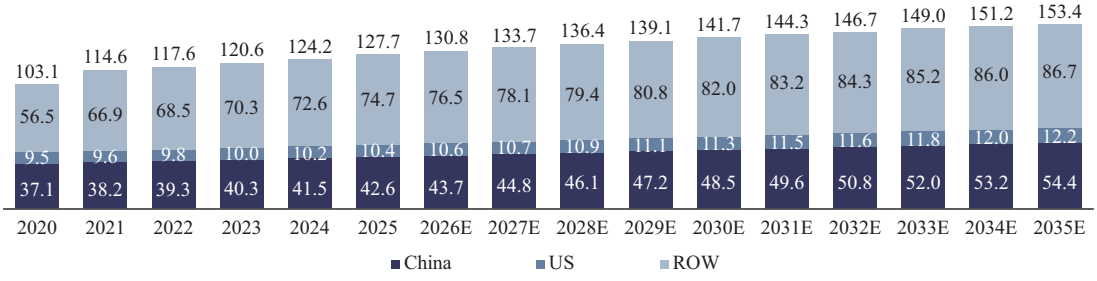
Based on publicly available information relating to epidemiology studies and clinical practice patterns, the diagnosis rates are estimated at approximately 11% for DR.

The number of patients with DR globally reached 127.7 million in 2025, and is expected to reach 153.4 million in 2035. In China, the number of patients with DR was 42.6 million in 2025, and is expected to reach 54.4 million in 2035. In the United States, the number of patients with DR was 10.4 million in 2025, and is forecasted to reach 12.2 million in 2035. The global incidence of DR was 3.5 million in 2025 and is expected to be 2.2 million in 2035. The incidence of DR in China was 1.1 million in 2025 and is expected to be 1.2 million in 2035. The incidence of DR in the US was 0.2 million in 2025 and is expected to remain at 0.2 million in 2035. The following chart sets forth certain additional details regarding the prevalence of DR globally.

Global Prevalence of DR, 2020-2035E

Period	CAGR			
	China	US	ROW	Total
2020-2025	2.8%	1.8%	5.7%	4.4%
2025-2030E	2.6%	1.7%	1.9%	2.1%
2030E-2035E	2.4%	1.6%	1.1%	1.6%

Million

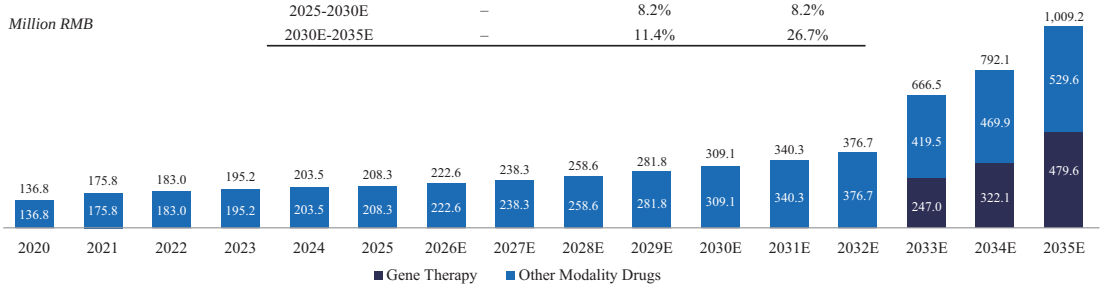


Source: Frost & Sullivan Report

China DR Treatment Drug Market, 2020-2035E

Period	CAGR		
	Gene Therapy	Other Modality Drug	Total
2020-2025	–	8.8%	8.8%
2025-2030E	–	8.2%	8.2%
2030E-2035E	–	11.4%	26.7%

Million RMB



Source: Frost & Sullivan Report

While NPDR is generally managed with close observation and control of blood glucose, blood pressure and lipids, PDR requires more targeted treatment methods, including panretinal photocoagulation ("**PRP**"), the core and standard treatment for high-risk PDR, pars plana vitrectomy ("**PPV**"), and anti-VEGF therapy. DR treatment is generally determined based on disease severity and the presence of retinal edema or abnormal blood vessel growth. In early-stage DR, treatment mainly focuses on controlling blood glucose, blood pressure and blood lipid levels to slow disease progression. For more advanced stages, laser treatment and anti-VEGF therapies are commonly used to reduce abnormal blood vessel growth and prevent vision loss. The table below summarizes the general treatment paradigm for DR.

Disease Features	First-Line Recommendation	Second-Line/Alternative Options
NPDR	• **Systemic Management:** Strict control of blood glucose, blood pressure, and lipids.	• **Close Observation:** For mild/moderate NPDR without macular edema.
PDR	• **PRP:** The core, standard treatment for high-risk PDR.	• **PPV:** For sight-threatening complications such as non-clearing vitreous hemorrhage or tractional retinal detachment. • **Anti-VEGF Therapy:** Used for active neovascularization, vitreous hemorrhage, or as pre-operative adjunct.

Source: Literature Review, Frost & Sullivan Report

There are significant medical needs that remain unmet by existing treatment options. Neither PRP, PPV nor anti-VEGF therapy offers a cure for DR. Patients require long-term, in many cases lifelong, treatment and monitoring. Frequent intravitreal injections and follow-ups impose significant time, financial and psychological burdens, resulting in undertreatment and suboptimal outcomes in the long run. In addition, PRP, the standard treatment for PDR, works by ablating hypoxic retinal tissue to inhibit neovascularization. This is a destructive approach that often leads to irreversible side effects such as peripheral visual field loss and impaired night vision.

As of the Latest Practicable Date, there were three approved drugs for DR treatment globally and 20 drugs for DR treatment under clinical development globally, including three rAAV gene therapy drugs while other pipeline products include various modalities such as antibodies, traditional Chinese medicine, peptides and small molecule therapies. The following table summarizes the competitive landscape of approved drugs for DR treatment globally.

Route of Administration	Brand Name	Drug Name	Company	Target	Modality	First Approved Date	Dosage	Strength	Price	Annual Treatment Cost	2025 Annual Sales (USD Million)
Intravitreal	Lucentis®	Ranibizumab	Roche; Genentech	VEGFA	Monospecific antibody	US : 2017-04-15 China: 2021-08-12 Korea : 2025-10-20	0.3 mg (0.05 mL of 6 mg/mL solution) is recommended to be administered by intravitreal injection once a month (approximately 28 days).	US: 0.05ml:0.3mg China: 0.2ml:2mg	USD 1,150.8 RMB 3,673.5	USD 14,960	712.8
	Eylea® Eylea HD®	Aflibercept	Regeneron/ Bayer/ Santen	VEGF	Monospecific antibody	US : 2015-03-25	Eylea®:2 mg administered by injection every 4 weeks (approximately every 28 days) for the first 5 injections followed by 2 mg via injection once every 8 weeks Eylea HD®: 8 administered by injection every 4 weeks (approximately every 28 days +/- 7 days) for the first three doses, followed by 8 mg injection once every 8 to 12 weeks, +/- 1 week.	Eylea®: US: 0.05ml:2mg China: 0.1ml:4mg Eylea HD®: US: 0.07ml:8mg	Eylea®: USD 1,962.1 RMB 2,935.3 Eylea HD®: USD 2,755.6	Eylea: USD17,659 Eylea HD: USD19,289-22,045	11,875.1
	BEOVU®	Brolucizumab	Novartis	VEGFA	Monospecific antibody	Japan: 2025-11-20 China: 2026-06-10	N/A	N/A	N/A	N/A	N/A

Note: As this drug was approved in late 2025, publicly available information regarding its dosage, strength and pricing for the DR indication has not yet been disclosed in Japan; therefore, such information is presented as "N/A" herein. Annual sales data for Brolucizumab is not publicly available in the relevant company's annual report or other public filings and are therefore presented as N/A. Ranibizumab, Aflibercept and Brolucizumab have each been approved for multiple indications; accordingly, as indication-specific sales and prescription-level data are generally not publicly disclosed, annual sales attributable solely to DR are not publicly available.

Source: Prescribing Information, Clinicaltrial.gov, CDE, Frost & Sullivan Analysis

The following table summarizes the competitive landscape of pipeline gene therapy drugs for DR treatment globally.

Route of Administration	Drug Name	Company	Target	Vector Type	Phase	Country	First Posted Date	Manufacturing System
Subretinal	Surabgene lomparvovec (Sura-vec, ABBV-RGX-314)	Clearside Biomedical	VEGF	AAV8	Phase II/III	US, Puerto Rico	2026/5/18	NA
	RRG001	Shanghai Refreshgene Therapeutics	VEGF	AAV	Phase I	China	2024/5/14	NA
Suprachoroidal	AL-001	Beijing Anlong Biopharmaceutical Co., Ltd	VEGF	AAV	Phase II	China	2026/5/19	Bac/Sf9

Note:

* "NA" indicates that the manufacturing system of the corresponding product has not been publicly disclosed.

Source: Clinicaltrial.gov, CDE, Frost & Sullivan Analysis

The RPE65-related IRD Market

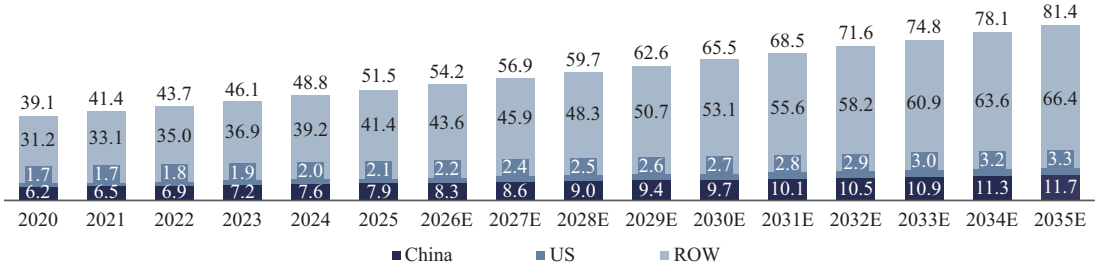
RPE65-related IRD is an autosomal recessive retinal dystrophy caused by biallelic pathogenic variants in the RPE65 gene. LCA is a form of IRD, meaning a group of heterogeneous disorders caused by gene mutations primarily affecting retinal photoreceptors. LCA is characterized by severe visual impairment from birth or the first few months of life, roving eye movements or nystagmus, poor pupillary light responses, oculodigital sign, and undetectable or severely abnormal full-field electroretinogram. The primary pathogenic genes of LCA include CEP290, GUCY2D, and RPE65, among others. Like LCA, RP is also a form of IRD and refers to a group of rare eye diseases that are characterized by the gradual breakdown of cells in the retina, causing progressive vision loss. RP can be caused by mutations in the RPE65 gene, among other factors.

Based on publicly available information relating to epidemiology studies and clinical practice patterns, the diagnosis rates are estimated at approximately 70% for RPE65-related IRD.

The number of patients with RPE65-related IRD globally had reached 51.5 thousand in 2025, and is expected to reach 81.4 thousand in 2035. The number of patients with RPE65-related IRD in China had reached 7.9 thousand in 2025, and is expected to reach 11.7 thousand in 2035. The number of RPE65-related IRD patients in the US reached 2.1 thousand in 2025, and is forecasted to reach 3.3 thousand in 2035. The global incidence of RPE65 related IRD was 2.7 thousand in 2025 and is expected to be 3.3 thousand in 2035. The incidence of RPE65 related IRD in China was 0.3 thousand in 2025 and is expected to be 0.4 thousand in 2035. The incidence of RPE65 related IRD in the US was 0.1 thousand in 2025 and is expected to be 0.1 thousand in 2035.

Global Prevalence of RPE65-related IRD, 2020-2035E

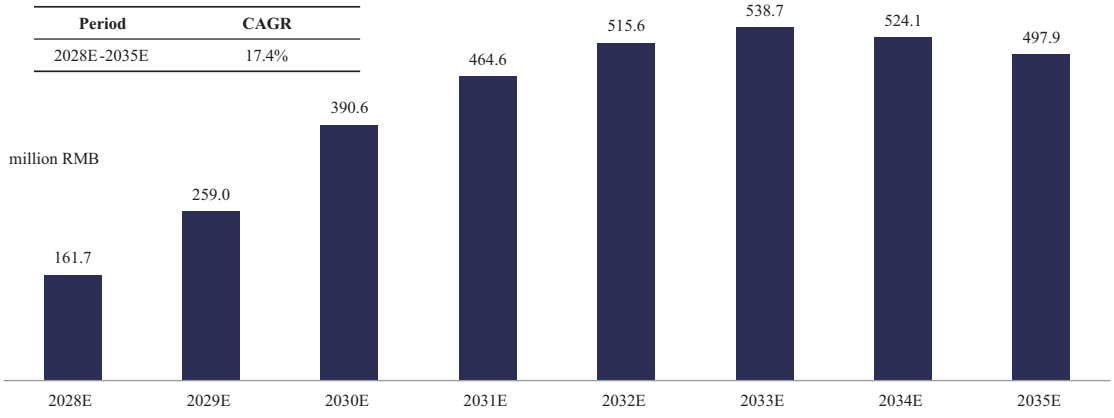
Period	CAGR			
	China	US	ROW	Total
2020-2025	4.9%	5.3%	5.8%	5.7%
2025-2030E	4.2%	4.6%	4.1%	4.9%
2030E-2035E	3.8%	4.1%	4.6%	4.4%



Source: Frost & Sullivan Report

Global RPE65-related IRD Treatment Drug Market, 2028E-2035E

Period	CAGR
2028E-2035E	17.4%



Source: Literature review, Frost & Sullivan Analysis

There is currently no universally established standard pharmacological treatment for RPE65-related IRD. Conventional therapies primarily focus on supportive care and temporary improvement of visual function, but generally do not address the underlying genetic defects and may have limited durability. Luxturna, an rAAV-based gene therapy, is currently the only approved drug globally for specifically RPE65-related IRD indication. Gene therapy has emerged as a promising treatment approach for RPE65-related IRD by targeting the root cause of the disease through gene replacement. The chart below summarizes the general treatment paradigm for RPE65-related IRD.

For RPE65-related IRD, the only approved gene therapy, Luxturna®, is priced at approximately US$850,000 per treatment and has not yet been approved in China.

As of the Latest Practicable Date, there was one rAAV gene therapy drug approved for RPE65-related LCA/RP treatment globally, and four rAAV gene therapy drugs in the clinical development stage for RPE65-related LCA/RP treatment globally. The following tables illustrate the competitive landscape of rAAV gene therapy drugs for RPE65-related LCA/RP treatment as of the Latest Practicable Date. Currently, therapies under development for RPE65-related IRD are all gene therapies.

Approved Drug

Brand Name	Drug Name	Company	Vector Type	Manufacturing System	Target	First Approved Date	Country	Route of Administration	Strength	Price	Annual sales in 2025 (million USD)
LUXTURNA®	Voretigene neparvovec	Roche	AAV2	HEK293	RPE65	2017-12-19	US	Subretinal	0.5 ml	850,000 USD	46.6
						2018-11-22	Europe				
						2023-06-01	Japan				

Source: Clinicaltrial.gov, CDE, Frost & Sullivan Report

Drugs under Development

Route of Administration	Drug Name	Company	Target	Vector type	Phase	First Posted Date	Country	Manufacturing System
Subretinal	LX101	Innostellar Biotherapeutics	RPE65	AAV2	Phase III	2024-10-10	China	NA
	FT-001	**Frontera Therapeutics**	**RPE65**	**AAV**	**Phase III IND Approval**	**2025-09-26**	**China**	**Bac/Sf9**
					Phase I IND Approval	**2022-07-19**	**US**	
	HG-004	HuidaGene Therapeutics Co., Ltd.	RPE65	AAV9	Phase I/II	2023-06-18	China, US	NA

Note:
* "NA" indicates that the manufacturing system of the corresponding product has not been publicly disclosed; the first posted date for FT-001 disclosed herein refers to the date on which the company obtained the IND approval.

Source: Clinicaltrial.gov, CDE, Frost & Sullivan Report

THE CARDIOVASCULAR DRUG MARKET

Overview of Cardiovascular Diseases

Cardiovascular disease is a group of diseases affecting the patients' heart and blood vessels. Its signs and symptoms include chest pain, shortness of breath, dizziness, fatigue, and palpitation, among others. Typical indications include arrhythmia, coronary artery diseases, heart failures, peripheral artery diseases, congenital heart diseases, and deep vein thrombosis.

rAAV Gene Therapy in Cardiovascular Disease Treatment

Current drugs for congenital cardiovascular diseases, including ACE inhibitors, β-blockers, mineralocorticoid antagonists, as well as devices, are palliative in nature and do not correct the underlying genetic defect. As a result, they require long-term patient compliance. Gene therapy, on the other hand, offers curative potential to cardiovascular diseases and has received increasing attention.

Within gene therapy, rAAV gene therapy benefits from numerous advantages including targeted and efficient delivery and stable gene expression. Certain serotypes of AAV, especially AAV8 and AAV9, exhibit a natural tropism for cardiomyocytes, meaning they can efficiently cross the vascular endothelium and specifically transduce cardiomyocytes after injections via the vein. In addition, as cardiomyocytes are terminally differentiated cells that rarely divide, rAAV vectors, with their genomes existing as circular episomes within the cell

nucleus, can continuously express therapeutic proteins throughout the target cell's life cycle, with minimal dilutions due to cell division.

rAAV Gene Therapy Drugs under Development

As of the Latest Practicable Date, there were currently 17 rAAV gene therapy drugs for cardiovascular disease treatment under clinical development globally. The following table illustrates the competitive landscape of rAAV gene therapy drugs for cardiovascular disease treatment as of the Latest Practicable Date.

Drug Name	Company	Target	Indication	Country	Phase	First Posted Date
SRD-001	Eiger BioPharmaceuticals; Celladon; Medera; Sardocor	ATP2A2	Cardiac failure	Europe	Phase II	2007-09-26
			Duchenne Muscular Dystrophy Associated Cardiomyopathy	US	Phase I	2024-01-25
RGX 501	Regenxbio	LDLR	Homozygous familial hypercholesterolemia	US, Netherlands, Canada	Phase II	2019-09-06
AB-1002	Bayer AG; Asklepios Bio Pharmaceutical	PP1	Cardiac failure	US, Europe	Phase II	2022-10-28
LX2006	Adverum Biotechnologies; Lexeo Therapeutics	FXN	Cardiomyopathy Associated With Friedreich's Ataxia	US	Phase II	2026-07-22
TN-201	Tenaya Therapeutics	MYBPC3	Hypertrophic cardiomyopathy	US	Phase I/II	2023-05-01
LX2020	Lexeo Therapeutics; Stelios Therapeutics	PKP2	Arrhythmogenic cardiomyopathy	US	Phase I/II	2023-10-31
TN-401	Tenaya Therapeutics	PKP2	Arrhythmogenic Right Ventricular Cardiomyopathy	US	Phase I/II	2024-01-29
ALXN2350	AstraZeneca	BAG3	Dilated cardiomyopathy	US	Phase I/II	2025-10-16
AFTX-201	Affinia Therapeutics	BAG3	Dilated cardiomyopathy	Unknown	Phase I/II	2026-02-23
NVC-001	Nuevocor	LMNA	Dilated cardiomyopathy (DCM)	US	Phase I/II	2026-06-16
GC304	Beijing Jinlan Gene	LPL	Hyperlipidemia	China	Phase I	2023-05-16
RP-A601	Rocket Pharmaceuticals; Renovacor	PKP2	Arrhythmogenic cardiomyopathy	US	Phase I	2023-06-02
NGGT006	Next Generation Gene Therapeutics	LDLR	Hyperlipidemia	China	Phase I	2023-11-09
NXL001	NeuExcell Therapeutics	NEUROD1	Ischemic Stroke	China	Phase I	2025-01-07
YAP-101	Medley Therapeutics	SAV1	Cardiac failure	US	Phase I	2025-02-18
RP-A701	Rocket Pharmaceuticals; Renovacor	BAG3	Dilated cardiomyopathy	US	Phase I	2025-08-22
SGT-501	Solid Biosciences	CASQ2	Catecholaminergic polymorphic ventricular tachycardia	US	Phase I	2025-08-29

Source: clinicaltrials.gov, Frost & Sullivan Report

Growth Drivers and Future Trend of the Cardiovascular Drug Market

The growth of the cardiovascular drug market is expected to be driven by the following factors:

- ***Global Disease Burden and Unmet Medical Needs.*** Cardiovascular diseases are the leading cause of death globally and impose a substantial disease burden worldwide, highlighting significant unmet medical needs. The number of cardiovascular disease deaths globally has increased markedly over recent decades, rising from approximately 13.1 million deaths in 1990 to around 19.2 million deaths in 2023. Despite the widespread use of established therapies, this sustained and growing disease burden underscores a persistent lack of effective treatment options, particularly for advanced and progressive cardiac conditions.
- ***Favorable government policies.*** In the United States, the FDA has taken disease-specific actions to support innovation in cardiovascular therapies, including issuing draft guidance on *Treatment for Heart Failure: Endpoints for Drug Development*, which allows improvements in symptoms or physical function to support regulatory approval and encourages the use of biomarkers and hospitalization outcomes in clinical trial design. In parallel, China has made sustained strategic investments under the "Healthy China 2030" initiative, adopting the *Cardiovascular and Cerebrovascular Disease Prevention and Treatment Action Implementation Plan (2023–2030)* to systematically reduce disease incidence and mortality.

A defining future trend in the cardiovascular drug market is expected to be the paradigm shift from the lifelong management of refractory symptoms towards curative or disease-modifying genetic therapies. A prime example is the development of gene therapy for HCM caused by mutations in the MYBPC3 gene, a common genetic form of heart disease. Current standard care - β-blockers, implantable defibrillators, and surgery - only manages complications without correcting the underlying shortage of functional proteins. Pioneering gene therapies in development aim to introduce a functional copy of the MYBPC3 gene via a single intravenous infusion of a cardiotropic viral vector such as an rAAV vector, thereby treating HCM caused by mutations in the MYBPC3 gene.

The Cardiovascular Drug Market Size

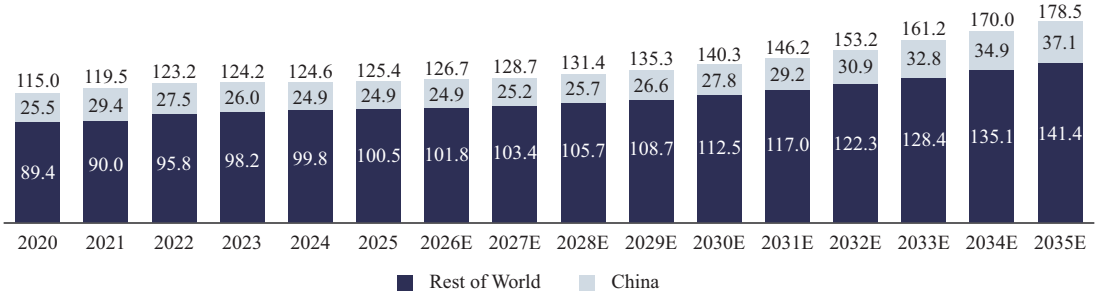
The global cardiovascular drug market grew moderately, increasing from USD115.0 billion in 2020 to USD125.4 billion in 2025, representing a CAGR of 1.7%. The market is expected to reach USD140.3 billion by 2030, with a CAGR of 2.3% from 2025 to 2030. From 2030 to 2035, the market is expected to expand rapidly, reaching USD178.5 billion by 2035, with a CAGR of 4.9%.

The cardiovascular drug market in China is expected to increase slightly from USD24.9 billion in 2025 to USD27.8 billion in 2030, representing a CAGR of 2.2%. From 2030 to 2035, the market is expected to expand rapidly, reaching USD37.1 billion by 2035, with a CAGR of 6.0%. The market size showed a slight decline from 2021 to 2025, primarily because centralized volume-based procurement (VBP) expanded coverage across almost all major cardiovascular small-molecule drugs.

The following diagram illustrates the growth of the global and China cardiovascular drug market.

Global Cardiovascular Drugs Market, 2020-2035E

CAGR	China	ROW	Global
2020-2025	-0.5%	2.4%	1.7%
2025-2030E	2.2%	2.3%	2.3%
2030E-2035E	6.0%	4.7%	4.9%



Source: Frost & Sullivan Report

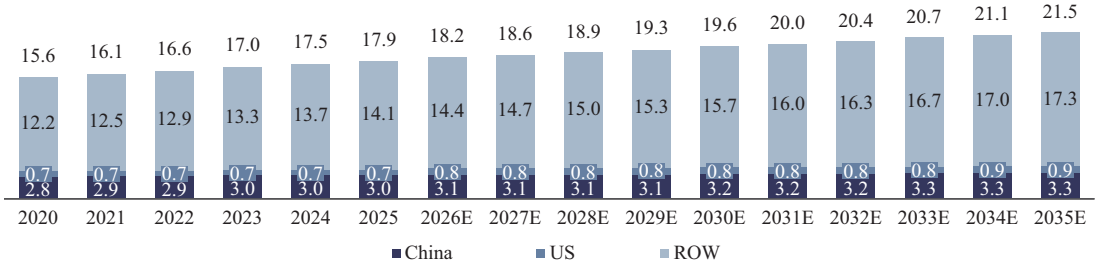
The HCM Market

HCM is a form of myocardial hypertrophy, usually left-ventricular, that is often due to sarcomere-gene variants. Its symptoms include exertional dyspnea, chest pain, palpitations, fatigue, and presyncope or syncope, among others.

The number of patients with HCM globally reached 17.9 million in 2025, and is expected to reach 21.5 million in 2035. In China, the number of HCM patients was 3.0 million in 2025, which is expected to grow to 3.3 million in 2035. In the United States, the number of HCM patients was 0.7 million in 2025, which is expected to grow to 0.9 million in 2035. The following charts set forth certain additional details regarding the global prevalence of HCM.

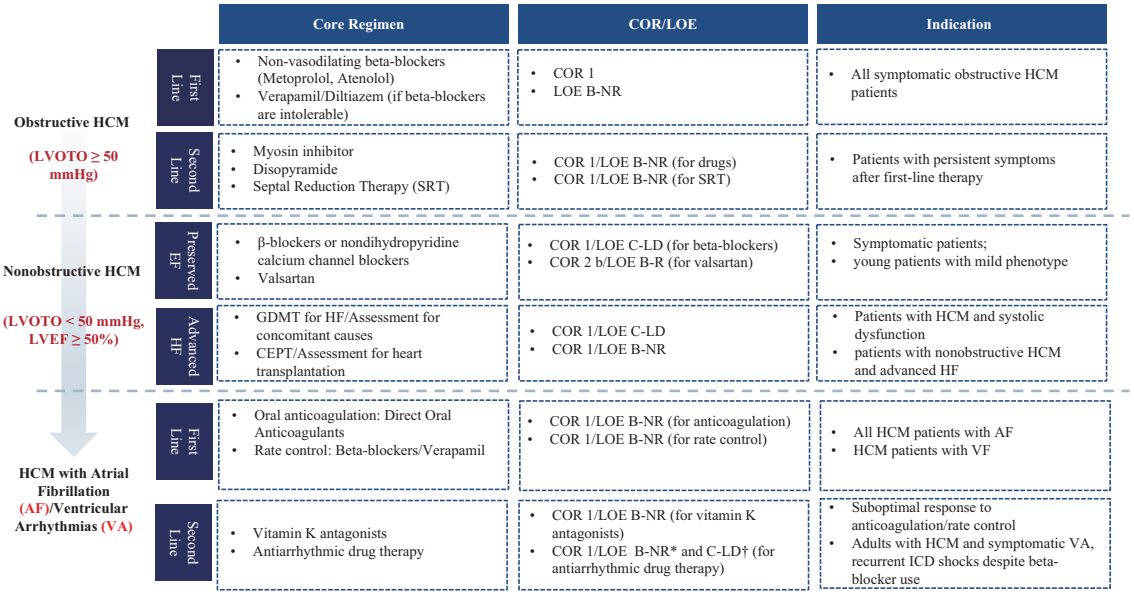
Global Prevalence of HCM, 2020-2035E

Period	CAGR			
	China	US	ROW	Total
2020-2025	1.5%	2.3%	3.0%	2.7%
2025-2030E	0.9%	1.5%	2.2%	1.9%
2030E-2035E	0.9%	1.5%	2.0%	1.8%



Source: Frost & Sullivan Report

The recommended treatments for HCM are phenotype-based, meaning that therapies vary for obstructive HCM, non-obstructive HCM, and HCM with atrial fibrillation or ventricular arrhythmias. The chart below sets forth the treatment paradigm for HCM in the United States.



Source: Literature Review, Frost & Sullivan Report

Currently, only two drugs have been approved for the treatment of hypertrophic cardiomyopathy (HCM), both of which are chemical drugs. Given the limitations of existing treatment options, namely that they blunt symptoms and slow disease progression but do not correct the underlying defect, gene therapy has a potential to become a disruptive treatment method for HCM. Clinical development of rAAV gene therapy drugs for HCM is ongoing but

relatively new. As of the Latest Practicable Date, only one rAAV gene therapy candidate for HCM treatment has entered clinical development globally. Its details, together with details of other gene therapy candidates with IND approvals, are set forth in the table below.

Route of Administration	Drug Name	Company	Modality	Target	Phase	Country	First Posted Date
Intravenous	TN-201	Tenaya Therapeutics	Gene Therapy	MYBPC3	Phase I/II	US	2023-05-01
	FT-017	**Frontera Therapeutics**	**Gene Therapy**	**MYBPC3**	**Phase I/II IND Approval**	**China, US**	**2025-04-28**
Intracoronary	KHN921	Chengdu Kanghong Pharmaceutical	Gene Therapy	MYBPC3	IND Approval	US	2026-04-20
					IND Approval	China	2026-07-23

Source: Clinicaltrial.gov, CDE, Frost & Sullivan Report

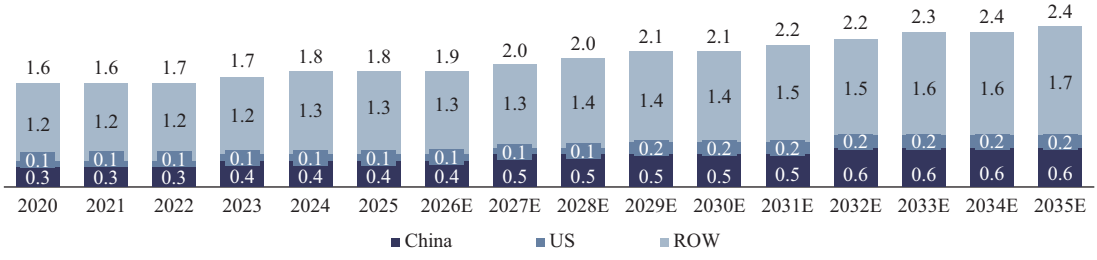
The Arrhythmogenic Right Ventricular Cardiomyopathy ("ARVC") Market

ARVC is a genetically determined heart muscle disease characterized by progressively fibrofatty replacement of the right ventricular myocardium. Patients may be asymptomatic, but symptomatic patients usually first present with ventricular tachycardia or ventricular fibrillation. Both symptomatic and asymptomatic individuals may experience sudden death. ARVC is responsible for approximately 10% of sudden deaths in young adults.

The number of patients with ARVC globally reached 1.8 million in 2025, and is expected to reach 2.4 million in 2035. The number of patients with ARVC in China was 0.4 million in 2025, and is expected to reach 0.6 million in 2035. The number of patients with ARVC in the United States was 0.10 million in 2025, and is expected to reach 0.2 million in 2035. The following charts set forth certain additional details regarding the global prevalence of ARVC.

Global Prevalence of ARVC, 2020-2035E

Period	CAGR			
	China	US	ROW	Total
2020-2025	8.3%	7.2%	1.6%	3.3%
2025-2030E	4.7%	4.5%	2.2%	3.0%
2030E-2035E	2.4%	2.5%	2.8%	2.7%



Source: Frost & Sullivan Report

There is currently no approved drug for ARVC. The management of ARVC primarily rests on the off-label use of β-blockers, amiodarone or sotalol to curb arrhythmia, retard remodeling and prevent sudden death. As of the Latest Practicable Date, there were three rAAV gene therapy drugs for ARVC under clinical development globally.

SOURCE OF INFORMATION

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

The market projections in the Frost & Sullivan Report were based on the following key assumptions: (i) the overall social, economic and political environment globally and in China is expected to remain stable during the forecast period; (ii) the economic and industrial development globally and in China is likely to maintain a steady growth trend over the next decade; (iii) related key industry drivers are likely to continue driving the growth of the market during the forecast period; and (iv) there is no extreme force majeure or industry regulation in which the market may be affected dramatically or fundamentally. The reliability of the Frost & Sullivan Report may be affected by the accuracy of the foregoing key assumptions.

The Directors have exercised reasonable care in selecting and identifying the named information sources, in compiling, extracting and reproducing the information, and in ensuring that there is no material omission of the information.

We are subject to a variety of PRC laws, rules and regulations affecting many aspects of our business. This section sets out a summary of the major relevant laws, regulations, rules and policies which may have material impact on our business and operations.

REGULATIONS RELATING TO DRUGS IN CHINA

Drug Administration Laws and Regulations

The PRC Drug Administration Law (《中華人民共和國藥品管理法》) (the "**Drug Administration Law**") last amended on August 26, 2019, and the Implementing Measures of the PRC Drug Administration Law (《中華人民共和國藥品管理法實施條例》) (the "**Drug Administration Law Implementing Measures**") last amended on January 16, 2026 and effective from May 15, 2026 have together laid down the legal framework for the administration of drugs, including the research, development, manufacturing and business operation of new drugs, and administer the pharmaceutical manufacturing enterprises, pharmaceutical trading enterprises, and medicinal preparations of medical institutions, and the development, research, manufacturing, distribution, packaging, pricing and advertisements of drugs. The primary regulation governing clinical trial applications, marketing authorization, and post-approval amendment and re-registration is the Administrative Measures for Drug Registration (《藥品註冊管理辦法》). Its latest version was promulgated by the State Administration for Market Regulation of the PRC on January 22, 2020, and became effective on July 1, 2020.

Non-Clinical Research and Animal Testing

The SAMR requires preclinical data to support registration applications for imported and domestic drugs. According to the Administrative Measures for Drug Registration, non-clinical drug safety studies shall comply with the Good Laboratory Practice for Non-clinical Laboratory Studies (《藥物非臨床研究質量管理規範》) (the "**GLP**"). The GLP was initially issued by the CFDA on August 6, 2003 to improve the quality of non-clinical research, and the good laboratory practice. Its latest version was promulgated on July 27, 2017, and has been implemented since September 1, 2017. Pursuant to the Measures for Administration of Certification of the Good Laboratory Practice for Nonclinical Laboratory Studies (《藥物非臨床研究質量管理規範認證管理辦法》) promulgated by the National Medical Products Administration ("**NMPA**") on January 19, 2023, the NMPA is responsible for the certification of non-clinical research institutions nationwide, while the local provincial medical products administrative authorities is in charge of the daily supervision of non-clinical research institution. The NMPA decides whether an institution is qualified for undertaking non-clinical pharmaceutical research by evaluating such institution's organizational administration, research personnel, equipment and facilities, and the operation and administration of non-clinical pharmaceutical projects. A GLP Certificate will be issued by the NMPA if all the relevant requirements are satisfied.

Pursuant to the Administrative Regulations on Experimental Animals (《實驗動物管理條例》) last amended on March 1, 2017 by the State Council, the Administrative Measures on Good Practice of Experimental Animals (《實驗動物質量管理辦法》) jointly issued by the State Science and Technology Commission and the State Bureau of Quality and Technical Supervision on December 11, 1997, and the Administrative Measures on the Certificate for Experimental Animals (Trial) (《實驗動物許可證管理辦法(試行)》) issued by the Ministry of Science and Technology and other regulatory authorities on December 5, 2001, using and breeding experimental animals shall be subject to certain rules, and performing experiments on animals requires a Certificate for Use of Experimental Animals. Any entity without such certification must engage a qualified third party to conduct such non-clinical activities regulated under relevant laws and regulations.

Approval and Reform for Clinical Trials of New Drugs

Pursuant to the Drug Administration Law, the Drug Administration Law Implementing Measures and the Administrative Measures for Drug Registration, new drug registration applications are subject to clinical trials. The Center for Drug Evaluation (the "**CDE**"), an institution under the NMPA, is responsible for the applications for clinical trials of new drugs.

The NMPA has taken certain measures to improve the efficiency for approving clinical trial applications, and enhanced the extent of supervising and implementation of the Good Clinical Practice for Drug Trials (《藥物臨床試驗質量管理規範》) (the "**PRC GCP**"), to ensure the completeness of the data. The PRC GCP was initially issued by the CFDA on August 6, 2003. Its latest version was issued by the NMPA and the National Health Commission ("**NHC**"), which took effect from July 1, 2020. The PRC GCP was further revised in May 2026, with such revisions taking effect on September 1, 2026.

The Opinions of the State Council on the Reform of Evaluation and Approval System for Drugs and Medical Devices (《國務院關於改革藥品醫療器械審評審批制度的意見》) issued by the State Council on August 9, 2015, established a reform framework of the evaluation and approval system for drugs and medical devices, and indicated the tasks of enhancing the standards of approval for, among others, drug registration, accelerating the evaluation and approval process for innovative drugs, and improving the approval for clinical trials of drugs.

The Announcement of the CFDA on Several Policies on the Evaluation and Approval of Drug Registration (《國家食品藥品監督管理總局關於藥品註冊審評審批若干政策的公告》) issued by the CFDA on November 11, 2015, further simplified the approval process of drugs that the IND of new drugs are subject to one-off umbrella approval instead of declaration, evaluation and approval by stages.

On October 8, 2017, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council jointly issued the Opinions on Deepening the Reform of the Evaluation and Approval System and Encouraging Innovation of Drugs and Medical Devices (《關於深化審評審批制度改革鼓勵藥品醫療器械創新的意見》), aiming to simplify the clinical trial procedures and shorten the time. For new drugs and medical devices urgently needed in clinical practice and drugs and medical devices used for the treatment of rare diseases, the evaluation and approval procedures for marketing shall be accelerated.

According to the Announcement of the NMPA on Adjusting the Evaluation and Approval Procedures for Clinical Trials of Drugs (《國家藥品監督管理局關於調整藥物臨床試驗審評審批程序的公告》) issued by the NMPA on July 24, 2018, which took effect therefrom, within 60 days from the acceptance of the IND and relevant fees paid up, if the applicant has not received any negative or questioning opinion from the CDE, the applicant may conduct the clinical trials for drugs pursuant to the protocol submitted.

The Priority Evaluation and Approval Procedures for Marketing Approvals of Drugs (Trial) (《藥品上市許可優先審評審批工作程序(試行)》) issued by the NMPA on July 7, 2020, further indicated that a fast track IND or drug registration pathway will be available to the innovative drugs.

Clinical Trial Registration of Drugs

According to the Administrative Measures for Drug Registration, upon obtaining the approval of IND, the applicant shall, prior to conducting the clinical trials of the drugs, register the information in relation to the clinical trial protocol on the registration and information publication platform for clinical trials of drugs.

Pursuant to the Announcement on the Drug Clinical Trial Information Platform (《關於藥物臨床試驗信息平台的公告》) issued by the CFDA on September 6, 2013, for all the clinical trials approved by the CFDA and conducted in the PRC, the applicants shall log in the registration and information publication platform for clinical trials of drugs to register, and publish the information of, the clinical trials. The applicant shall complete the pre-registration of the trials within one month after obtaining the approval for the IND, so as to obtain the unique registration number for the trial, and complete the registration of follow-up information before the enrollment of the first subject. If the applicant fails to complete the first submission and publication within one year after obtaining the approval for the IND, the applicant shall submit an explanation; if the applicant fails to complete the first submission and publication within three years after obtaining the approval for the IND, the approval for the IND will expire automatically.

Phases of Clinical Trials and Communication with the CDE

According to the Administrative Measures for Drug Registration, based on the drug's characteristics and the purpose of research, clinical trials of drugs consist of Phase I, II, III and IV clinical trials, as well as the bioequivalence trials, which include clinical pharmacological research, exploratory clinical trials, confirmatory clinical trials and post-marketing research.

Clinical Trials shall be conducted in accordance with the provisions of the PRC GCP, including the preparation for clinical trials, clinical trial protocols, responsibilities of sponsors and investigators, and protection of subjects.

According to the Announcement of the NMPA on Adjusting the Evaluation and Approval Procedures for Clinical Trials of Drugs (《關於調整藥物臨床試驗審評審批程序的公告》), where the clinical trials of a new drug has been approved, upon the completion of Phase I and II clinical trials and prior to Phase III clinical trials, the applicant shall apply to the CDE for a communication session, to discuss with the CDE the key technical issues including the design of Phase III clinical trials.

Pursuant to the Administrative Measures for Communication on Drug Development and Technical Reviews (《藥物研發與技術審評溝通交流管理辦法》) issued by the CDE on December 10, 2020 and amended in March, 2026, during the research and development, and application for registration stages of innovative drugs, the applicants may propose communication sessions with the CDE. The forms of communication can be face-to-face conference, video conference, telephone conference or written reply. The communication sessions are classified into three types. Type I sessions are held to address the key safety issues in the clinical trials of drugs and the key technical issues in the research and development of breakthrough therapeutic drugs. Type II sessions are held during the key research and development stages of drugs, mainly including the sessions held prior to the application of IND, the sessions held upon completion of Phase II clinical trials and prior to commencement of Phase III clinical trials of new drugs, the sessions held prior to application for marketing approvals of new drugs, and the risk evaluation and control sessions. Type III sessions are those sessions not falling into the categories of Type I or II sessions.

Filings and Approvals for Human genetic Resources International Cooperation

According to the Administrative Regulations of the PRC on Human Genetic Resources (《中華人民共和國人類遺傳資源管理條例》) issued by the State Council on May 28, 2019 and amended on March 10, 2024, and the Service Guidance, Scope and Procedures of Filing and Prior Reporting for Human Genetic Resources Administrative Licensing Items (人類遺傳資源行政許可事項服務指南、備案以及事先報告範圍和程序) issued by the NHC on March 20, 2025, any research using human genetic resources of China that involves a foreign entity sponsor shall fall within the scope of international cooperation. The cooperating PRC organization must submit an application for approval to the NHC via the official online system.

Pursuant to the Administrative Regulations on Human Genetic Resources of the PRC (《中華人民共和國人類遺傳資源管理條例》), in order to obtain marketing approvals for the relevant drugs and medical devices in the PRC, no approval is required in the event international cooperating clinical trials are conducted at clinical institutions using the human genetic resources of the PRC but not involving the exit of human genetic resource materials. However, the cooperating parties shall file with the competent health department of the State Council the type, quantity and purpose of the human genetic resources intended to be used prior to conducting clinical trials.

On October 17, 2020, the Standing Committee of the National People's Congress (the "**SCNPC**") promulgated the Biosecurity Law of the PRC (《中華人民共和國生物安全法》) (the "**Biosecurity Law**") which was later amended on April 26, 2024 and effective since then, establishing a comprehensive legislative framework on the current regulations in the areas including epidemic control of human, animal and plant infectious diseases, security of

biotechnology research, development and application, biosafety management of pathogenic microbiology laboratories, security management of human genetic resources and biological resources, countermeasures against microbial resistance and prevention of bioterrorism and threat of biological weapons. According to the Biosecurity Law, the high-risk and medium-risk biotechnology research and development activities shall be carried out by legal entities lawfully established in the PRC, and shall be approved or filed; the establishment of a pathogenic microbiology laboratory shall be lawfully approved or filed; (i) collecting human genetic resources of important genetic families or specific areas in the PRC, or collecting human genetic resources of which the types and quantities are subject to provisions of the competent health department of the State Council, (ii) preserving human genetic resources of the PRC, (iii) using human genetic resources of the PRC to carry out international scientific research cooperation, or (iv) transporting, mailing or exiting human genetic resource materials of the PRC, shall be approved by the competent health department of the State Council.

On May 26, 2023, the Ministry of Science and Technology issued the Implementing Rules of the Administrative Regulations on Human Genetic Resources (《人類遺傳資源管理條例實施細則》) (the "**Human Genetic Resources Implementing Rules**"), which became effective on July 1, 2023, further clarifying the requirements for administrative licensing, record -filing and security review in respect of the collection, preservation, use, and outbound supply of Chinese human genetic resources, and detail the issues concerning relevant supervision, inspection and administrative penalties.

New Drug Application, Approval and Registration

According to the Administrative Measures for Drug Registration, upon completion of pharmacological and toxicological studies, clinical trials and other research supporting the marketing registration of drugs, determination of quality standards, completion of validation of commercial-scale production processes, and preparation for acceptance of verification and inspection for drug registration, the applicant may apply for the New Drug Approval (the "**NDA**"). The NMPA shall evaluate the application pursuant to applicable laws and regulations. The applicant must obtain the NDA before the drugs can be manufactured and sold in the PRC. If (i) a drug is used for the treatment of severe life-threatening diseases currently lacking effective treatment and the data of clinical trials of the drug can prove the efficacy and forecast the clinical value of the drug; (ii) a drug which is urgently needed for public health and the data of clinical trials of the drug can show the efficacy and forecast the clinical value of the drug; or (iii) a vaccine which is urgently needed to deal with major public health emergencies or deemed to be urgently needed by the NHC, and by assessment the benefit of the vaccine outweighs the risk, the applicant may apply for the conditional NDA during the clinical trials of the drug or vaccine.

According to the Administrative Provisions on Special Examination and Approval of New Drug Registration (《新藥註冊特殊審批管理規定》) issued by the CFDA on January 7, 2009 and effective therefrom, the special examination and approval by the CFDA for new drug registration applications applies when (i) the effective constituent extracted from, among others, plants, animals or minerals or the preparations thereof have never been marketed in the PRC, or the medicinal materials are newly discovered or the preparations thereof; (ii) the chemical raw medicines or the preparations thereof, or the biological products have not been approved for marketing either in the PRC or aboard; (iii) the new drugs are for the treatment of such diseases as AIDS, malignant tumors or rare diseases with distinctive clinical treatment advantages; or (iv) the new drugs are for the treatment of the diseases currently lacking effective treatment. Under the circumstances of (i) or (ii), the drug registration applicant (the "**Applicant**") may apply for the special examination and approval when submitting the application for clinical trials of the new drug; while, under the circumstances of (iii) or (iv), the Applicant may only apply for the special examination and approval when applying for production. The CFDA shall, based on the application of the Applicant, give priority to those registration applications which are determined in compliance with the aforementioned conditions after examination during the registration process, and enhance the communication with the Applicant.

According to the Announcement on Registration Classification of Biological Products and the Requirements for Application Materials (《關於發佈生物製品註冊分類及申報資料要

求的通告》) issued by the NMPA on June 29, 2020 and the Registration Categories of Biological Products and the Requirements for Application Materials (《生物製品註冊分類及申報資料要求》) were implemented from July 1, 2020 and October 1, 2020 respectively, which require the registration categories of a drug shall be established at the time of filing a marketing application and further clarify the materials demand of biological products, biological products for precaution and biological therapeutic preparations.

On November 11, 2015, the CFDA issued the Circular on Several Policies of the Review and Approval of Drug Registrations (《關於藥品註冊審評審批若干政策的公告》), which provided fast-track clinical trial approvals and drug registration pathways for the following new drug applications: (i) registration of innovative drugs for the prevention or treatment of HIV, malignant tumors (cancers), severe infectious diseases and rare diseases; (ii) registration of pediatric drugs; (iii) registration of geriatric drugs for the treatment of diseases specially or commonly contracted by the senior population; (iv) registration of drugs listed in national major science and technology projects or national key research and development plan; (v) registration of innovative drugs using advanced technology or innovative treatment methods, or having distinctive clinical benefits; (vi) registration of foreign innovative drugs to be manufactured locally in China; (vii) concurrent applications for the clinical trials of new drugs which have been already approved in the United States or the European Union, or concurrent drug registration applications for drugs which are in the process of applying for marketing approvals and have passed onsite inspections by the competent review and approval authorities of drugs of the United States or the European Union, and are manufactured with the same production line in the PRC; and (viii) clinical trial applications for drugs with urgent clinical need and patent expiry within three years, and applications for manufacturing approvals of drugs with urgent clinical need and patent expiry within one year.

In addition, on May 17, 2018, the NMPA and the NHC jointly issued the Circular on Issues Concerning Optimizing the Review and Approval of Drug Registrations (《關於優化藥品註冊審評審批有關事宜的公告》), which further simplified and accelerated the drug review and approval process.

On July 7, 2020, the NMPA issued the Review Procedures for Breakthrough Therapy Designation (Trial) (《突破性治療藥物評審工作程序(試行)》), which provided that during the clinical trials of drugs, for innovative drugs or improved new drugs for the prevention or treatment of severe life-threatening or life-quality-affecting diseases currently lacking effective prevention or treatment method or having obvious clinical advantages compared to the existing treatment method shown by sufficient evidence, the applicant may apply for the application of the procedures for breakthrough therapeutics during Phase I or II clinical trials, and usually no later than the Phase III clinical trials.

Drug Manufacturing License

Pursuant to the Drug Administration Law, a drug manufacturer must obtain a drug manufacturing license from the provincial medical products administration authority before manufacturing drugs. Prior to granting drug manufacturing licenses, the relevant governmental authorities shall inspect the applicant's production facilities and decide whether the sanitary conditions, quality assurance system, management structure and equipment of such facilities have met the required standards. Each drug manufacturing license will be valid for five years and the manufacturer is required to apply for renewal of the license within six months prior to the expiration date and the authorities shall reassess such application of renewal in accordance with the current legal and regulatory requirements.

Drug Operation

According to the Drug Administration Law, a drug operator shall obtain a drug operation license from the provincial drug administration department before conducting the drug wholesaling or from the county's drug administration department before conducting the drug sale. On November 17, 2017, the CFDA issued the Administrative Measures for Drug Operation Licenses (《藥品經營許可證管理辦法》), which was repealed by Measures for Quality Supervision and Management of Drug Operation and Use (《藥品經營和使用質量監

督管理辦法》), issued by the SAMR on September 27, 2023 and effective on January 1, 2024, which further clarify the procedure, renewal, supervision and inspection of the drug operation licenses.

Good Manufacturing Practice ("GMP")

The Guidelines on Good Manufacturing Practices (《藥品生產質量管理規範》) last revised by the Ministry of Science and Technology and the Ministry of Health (the "**MOH**") on January 17, 2011, which took effect on March 1, 2011 provided the basic standards for drug production, including production facilities, qualification of management personnel, production plant and facilities, documentation, material packaging and labeling, testing, production management, sales and return of products, and complaints of customers.

On December 30, 2015, the CFDA issued the Notice on Effectively Implementing the Good Manufacturing Practice (《關於切實做好實施藥品生產質量管理規範有關工作的通知》), which provided that those drug manufacturers that failed to obtain the GMP certificates shall not be granted the drug manufacturing license.

On November 29, 2019, the NMPA issued the Announcement on Matters relating to the Implementation of the Drug Administration Law of the PRC (《關於貫徹實施〈中華人民共和國藥品管理法〉有關事項的公告》), which confirmed that the GMP certification would be canceled from December 1, 2019, and no application for GMP certification would be accepted and no GMP certificate would be granted. However, according to the Drug Administrative Law, drug manufacturers shall still comply with the GMP, establish and improve the GMP system, and ensure the whole drug production process consistently in compliance with statutory requirements.

On May 24, 2021, the NMPA issued the Administrative Measures for Drug Inspection (Trial) (《藥品檢查管理辦法(試行)》) which became effective on the same day, and was amended on July 19, 2023 by the NMPA, which repealed the Administrative Measures for the Certification of Good Manufacturing Practice. The Administrative Measures for Drug Inspection (Trial) provided that onsite inspections shall be conducted pursuant to the GMP on a drug manufacturer applying for the drug manufacturing license for the first time, while for the drug manufacturers applying for the renewal of drug manufacturing licenses, the review shall be conducted based on the risk management principles, in combination with the drug manufacturers' compliance with the laws and regulations of drug administration, and the operation of the GMP and quality management system, and inspections on the drug manufacturers' conformity to the GMP may be conducted where necessary.

According to the Announcement on Strengthening the Supervision and Administration of Entrusted Drug Production (《關於加強藥品受託生產監督管理工作的公告》), issued by the NMPA on December 30, 2025, where the entrusted manufacture of sterile drugs is contemplated, in principle, at least one party (either the marketing authorization holder or the entrusted manufacturer) shall have over three years of commercial manufacturing experience with sterile drugs in the same dosage form. However, such entrusted manufacture may also be permitted where either the holder or the entrusted manufacturer has over three years of development or manufacturing experience with sterile drugs in the same dosage form, and any of the following circumstances applies: (i) the drugs fall into the category of innovative drugs, improved new drugs, national shortage drugs, clinically urgent drugs, drugs urgently needed for response to public health emergencies, or drugs for rare diseases; (ii) the entrusted manufacture is conducted between enterprises under the same group that implement a unified quality management system; (iii) the entrusted manufacturer uses information technology to record data covering the entire process of material management, drug production and testing, and is capable of electronic data exchange with the marketing authorization holder; or (iv) the entrusted manufacturer has been mainly involved in the development and clinical trial drug production of the sterile drugs to be manufactured under entrustment.

Administrative Protection and Monitoring Periods for New Drugs

According to the Drug Administration Law Implementing Measures, to protect public health, the NMPA may provide for administrative monitoring periods of up to five years for

new drugs approved to be manufactured, to consistently monitor the safety of such new drugs. During the monitoring period of a new drug, the NMPA will not approve any other enterprises' applications to manufacture or import a similar new drug.

REGULATIONS RELATING TO PRODUCT LIABILITY

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated on February 22, 1993 and last amended on December 29, 2018 by SCNPC, Seller shall be responsible for the repair, replacement or return of the product sold if (i) the product sold does not possess the properties for use that it should possess, and no prior and clear indication is given of such a situation; (ii) the product sold does not conform to the applied product standard as carried on the product or its packaging; or (iii) the product sold does not conform to the quality indicated by such means as a product description or physical sample. If a consumer incurs losses as a result of purchased product, the seller shall compensate for such losses.

Pursuant to the PRC Civil Code (《中華人民共和國民法典》) promulgated by the NPC on May 28, 2020 and coming into effect on January 1, 2021, where a patient suffers damage due to defects in drugs, he may seek compensation from the drug marketing authorization holder or also from the medical institution. Where the patient seeks compensation from the medical institution, the medical institution, after it has made the compensation, shall have the right to recover the compensation from the liable drug marketing authorization holder.

REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Trademarks

Trademarks are protected by the Trademark Law of the PRC (《中華人民共和國商標法》) which was promulgated on August 23, 1982 and last amended on June 26, 2026 and will take effect on January 1, 2027 as well as the Implementation Regulation of the PRC Trademark Law (《中華人民共和國商標法實施條例》) adopted by the State Council on August 3, 2002 and revised on April 29, 2014. In the PRC, registered trademarks include commodity trademarks, service trademarks, collective marks and certification marks. The Trademark Office of National Intellectual Property Administration handles trademark registrations and grants a term of 10 years to registered trademarks, renewable every 10 years where a registered trademark needs to be used after the expiration of its validity term. Pursuant to the Trademark Law of the PRC, as amended on June 26, 2026, the departments responsible for trademark enforcement shall be authorized to investigate and penalize infringements of the exclusive right to use registered trademarks in accordance with law; if any such infringement is suspected of constituting a criminal offence, such departments shall promptly refer the case to the public security organs for handling in accordance with law.

Patents

According to the Patent Law of the PRC (《中華人民共和國專利法》) (the "**Patent Law**"), promulgated by the SCNPC on March 12, 1984 and last amended on October 17, 2020 and came into effect on June 1, 2021 and the Implementing Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), promulgated by the China Patent Bureau Council on January 19, 1985, and last amended on December 11, 2023 by the State Council and came into effect on January 20, 2024, the term "invention-creations" refers to inventions, utility models and designs. The duration of patent right for inventions shall be twenty years, the duration of patent right for utility models shall be ten years and the duration of patent right for designs shall be fifteen years, counted from the date of filing.

REGULATIONS ON EMPLOYMENT AND SOCIAL SECURITY

Labor Laws

The Labor Law of the PRC (《中華人民共和國勞動法》), which was promulgated by the SCNPC on July 5, 1994, came into effect on January 1, 1995, and was amended on August 27,

2009 and December 29, 2018, provides that an employer shall develop and improve its rules and regulations to safeguard the rights of its workers. Labor safety and health facilities must comply with relevant national standards.

The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), which was promulgated by the SCNPC on June 29, 2007, came into effect on January 1, 2008, and was amended on December 28, 2012, and came into effect on July 1, 2013, and the Implementation Regulations on Labor Contract Law (《中華人民共和國勞動合同法實施條例》) which was promulgated and came into effect on September 18, 2008 by the State Council, regulate the relations of employer and the employee, and contain specific provisions involving the terms of the labor contract.

Social Security and Housing Funds

According to the Provisional Regulations on the Collection and Payment of Social Insurance Premium (《社會保險費徵繳暫行條例》), the Regulations on Work Injury Insurance (《工傷保險條例》), the Regulations on Unemployment Insurance (《失業保險條例》) and the Trial Measures on Employee Maternity Insurance of Enterprises (《企業職工生育保險試行辦法》), enterprises in China must provide benefit plans for their employees, which include basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and medical insurance. An enterprise must provide social insurance by processing social insurance registration with local social insurance agencies and must pay or withhold relevant social insurance premiums for or on behalf of employees.

The PRC Law on Social Insurance (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on October 28, 2010 and came into effect on July 1, 2011, and was amended on December 29, 2018 regulates basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and medical insurance, and has elaborated in detail the legal obligations and liabilities of employers who do not comply with relevant laws and regulations on social insurance.

On July 31, 2025, the PRC Supreme People's Court promulgated the Supreme People's Court's Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the "**New Judicial Interpretation**"), which took effect on September 1, 2025. According to the Article 19 of the New Judicial Interpretation, if an employer and an employee agree or the employee undertakes that social insurance contributions need not to be paid, the court shall deem such agreement or undertaking invalid. Where an employer fails to pay social insurance premiums in accordance with the law, and the employee requests to terminate the employment contract pursuant to Article 38(1)(iii) of the PRC Labor Contract Law, and for the employer to pay economic compensation pursuant to Article 38(3) of the PRC Labor Contract Law (《中華人民共和國勞動合同法》), the people' court shall uphold such requests in accordance with the law. As of the Latest Practicable Date, (i) there were no shortfalls in contribution to social insurance and housing provident funds for our employees; and (ii) no labor disputes or legal proceedings concerning social insurance or housing provident fund contributions had been raised against us. Based on the foregoing, our Directors and our PRC Legal Advisor are of the view that the implementation of the New Judicial Interpretation is not expected to have material adverse impact on our business, results of operations, or financial condition.

The Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), which was promulgated on April 3, 1999 and came into effective on the same date, and was amended on March 24, 2002 and March 24, 2019, stipulates that housing provident fund contributions paid by an individual employee and housing provident fund contributions paid by his or her employer shall all belong to the individual employee.

REGULATIONS ON TAXATION

Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the "**EIT Law**"), which was promulgated by the NPC on March 16, 2007, came into

effect on January 1, 2008 and last amended by the SCNPC on December 29, 2018, and the Implementation Regulations on the EIT Law (《中華人民共和國企業所得税法實施條例》), which was promulgated by the State Council on December 6, 2007 and came into effect on January 1, 2008, and last amended by the State Council on December 6, 2024 and came into effect on January 20, 2025, a uniform income tax rate of 25% will be applied to domestic enterprises, foreign-invested enterprises and foreign enterprises that have established production and operation facilities in China. These enterprises are classified as either resident enterprises or non-resident enterprises. Resident enterprises refer to enterprises that are established in accordance with PRC laws, or that are established in accordance with the laws of foreign countries but whose actual or de facto control is administered from within the PRC. Non-resident enterprises refer to enterprises that are set up in accordance with the laws of foreign countries and whose actual administration is conducted outside the PRC, but who (whether or not through the establishment of institutions in the PRC) derive income from the PRC. Under the EIT Law and relevant implementing regulations, a uniform corporate income tax rate of 25% is applicable. However, if non-resident enterprises have not established institutions or places in the PRC, or if they have established institutions or places in the PRC but there is no actual relationship between the relevant income derived in the PRC and the institutions or places set up by them, enterprise income tax is set at the rate of 10%.

Value-added Tax ("VAT")

According to the Notice of the Ministry of Finance and the State Administration of Taxation on Overall Implementation of the Pilot Program of Replacing Business Tax with Value-added Tax (《財政部、國家税務總局關於全面推開營業税改徵增值税試點的通知》), which was promulgated by the Ministry of Finance (the "**MOF**") and the State Taxation Administration (the "**STA**") on March 23, 2016 and came into effective on May 1, 2016, last amended on March 20, 2019 and became effective on April 1, 2019, all business taxpayers in the consumer service industry shall pay value-added tax instead of business tax from May 1, 2016. If the taxpayer of the pilot project has already enjoyed tax incentives of business tax according to relevant policies and regulations before the application of the pilot collection of value-added tax in lieu of business tax, he/she may, in the remaining period of tax incentives, enjoy tax incentives of value-added tax in accordance with the relevant provisions. Medical services provided by medical institutions shall be exempted from value-added tax.

According to the Notice of the Ministry of Finance and the State Administration of Taxation on Adjusting Value-added Tax Rates (《財政部、國家税務總局關於調整增值税税率的通知》) issued on April 4, 2018 and became effective on May 1, 2018, the value-added tax rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively.

According to the Notice on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值税改革有關政策的公告》) issued on March 20, 2019 and became effective on April 1, 2019, which was partially abolished on August 22, 2025, the value-added tax rate was reduced to 13% and 9%, respectively.

On December 25, 2024, the SCNPC promulgated the Value-added Tax Law of the PRC (《中華人民共和國增值税法》), which became effective on January 1, 2026, replacing the Provisional Regulations on Value-added Tax of the PRC and its Detailed Implementing Rules, which were concurrently repealed.

REGULATIONS ON FOREIGN EXCHANGE

Foreign Exchange Regulation

On January 29, 1996, the State Council promulgated the Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) which became effective on April 1, 1996 and was amended on January 14, 1997 and August 5, 2008. Foreign exchange payments under current account items shall be made using self-owned foreign currency or foreign currency purchased from financial institutions engaging in conversion and sale of foreign currencies by presenting the valid document. Domestic entities and domestic

individuals making overseas direct investments or engaging in issuance and trading of overseas securities and derivatives shall process registration formalities pursuant to the provisions of the foreign exchange control department of the State Council.

On November 19, 2012, the State Administration of Foreign Exchange of the PRC (the "**SAFE**") issued the Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment (《關於進一步改進和調整直接投資外匯管理政策的通知》), or the SAFE Circular 59, which came into effect on December 17, 2012 and was revised on May 4, 2015, October 10, 2018 and partially abolished on December 30, 2019. According to the SAFE Circular 59, the opening of various special purpose foreign exchange accounts, the reinvestment of RMB proceeds derived by foreign investors in the PRC, and remittance of foreign exchange profits and dividends by a foreign-invested enterprise to its foreign shareholders no longer require the approval or verification of SAFE. Later, the SAFE promulgated the Circular on Further Simplifying and Improving Foreign Exchange Administration Policies in Respect of Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) in February 2015, which was partially abolished in December 2019, prescribed that the bank instead of SAFE can directly handle the foreign exchange registration and approval under foreign direct investment while SAFE and its branches indirectly supervise the foreign exchange registration and approval under foreign direct investment through the bank.

On May 10, 2013, the SAFE issued the Administrative Provisions on Foreign Exchange in Domestic Direct Investment by Foreign Investors (《外國投資者境內直接投資外匯管理規定》), or the SAFE Circular 21, which became effective on May 13, 2013, amended on October 10, 2018 and partially abolished on December 30, 2019. The SAFE Circular 21 specifies that the administration by SAFE or its local branches over direct investment by foreign investors in the PRC must be conducted by way of registration and banks must process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches.

According to the Notice of the State Administration of Foreign Exchange on Reforming the Management Mode of Foreign Exchange Capital Settlement of Foreign Investment Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》), or the SAFE Circular 19 promulgated on March 30, 2015, coming effective on June 1, 2015 and partially abolished on December 30, 2019 and March 23, 2023, foreign-invested enterprises could settle their foreign exchange capital on a discretionary basis according to the actual needs of their business operations. Whilst, foreign-invested enterprises are prohibited to use the foreign exchange capital settled in RMB (a) for any expenditures beyond the business scope of the foreign-invested enterprises or forbidden by laws and regulations; (b) for direct or indirect securities investment; (c) to provide entrusted loans (unless permitted in the business scope), repay loans between enterprises (including advances by third parties) or repay RMB bank loans that have been on-lent to a third party; and (d) to purchase real estates not for self-use purposes (save for real estate enterprises).

On June 9, 2016, SAFE issued the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), or the SAFE Circular 16, which came into effect on the same day and partially amended on December 4, 2023 and effective since then. The SAFE Circular 16 provides that discretionary foreign exchange settlement applies to foreign exchange capital, foreign debt offering proceeds and remitted foreign listing proceeds, and the corresponding RMB capital converted from foreign exchange may be used to extend loans to related parties or repay inter-company loans (including advances by third parties).

On October 23, 2019, SAFE promulgated the Notice on Further Facilitating Cross-Board Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》), which became effective on the same date (except for Article 8.2, which became effective on January 1, 2020), and partially amended on December 4, 2023 and effective since then. The notice canceled restrictions on domestic equity investments made with capital funds by non-investing foreign-funded enterprises. Eligible enterprises in the pilot area are also

allowed to use revenues under capital accounts, such as capital funds, foreign debts and overseas listing revenues for domestic payments without providing materials to the bank in advance for authenticity verification on an item-by-item basis, while the use of funds should be true, in compliance with applicable rules and conforming to the current capital revenue management regulations.

According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《關於優化外匯管理支持涉外業務發展的通知》) issued by the SAFE on April 10, 2020, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits and the income under capital accounts of overseas listing, without submitting the evidentiary materials concerning authenticity of such capital for banks in advance, provided that their capital use is authentic and in compliance with administrative regulations on the use of income under capital accounts. The bank in charge shall conduct post spot checking in accordance with the relevant requirements.

REGULATIONS ON THE COMPANIES AND FOREIGN INVESTMENT IN CHINA

The Company Law and Regulations

The Company Law of the PRC (《中華人民共和國公司法》) (the "**Company Law**"), which was last amended by the SCNPC on December 29, 2023 and became effective on July 1, 2024, provides for the establishment, corporate structure and corporate management of companies, which also applies to foreign-invested enterprises in PRC.

Regulations Relating to Foreign Investment

On March 15, 2019, the NPC promulgated the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**"), which took effect on January 1, 2020. Since then, the Foreign Investment Law has become the fundamental law regulating foreign-invested enterprises wholly or partially invested by foreign investors. According to the Foreign Investment Law, foreign investment refers to any investment activity directly or indirectly carried out by foreign natural persons, enterprises or other organizations (the "**foreign investors**") within the territory of the PRC, including the following circumstances: (i) a foreign investor establishes a foreign-funded enterprise within the territory of the PRC, either alone or together with any other investor; (ii) a foreign investor acquires shares, equities, property shares or any other similar rights and interests of a PRC enterprise; (iii) a foreign investor invests in any new project within the territory of the PRC, either alone or together with any other investor; or (iv) a foreign investor invests in any other way as stipulated under the laws or administrative regulations or provided by the State Council. The organization form and structure, and the operating rules of foreign-funded enterprises are subject to the provisions of the Company Law, the Partnership Enterprise Law of the PRC and other applicable laws.

REGULATIONS RELATING TO THE ACCESS OF FOREIGN INVESTMENT

On December 15, 2025, the MOFCOM and the National Development and Reform Commission of the PRC ("**NDRC**") jointly released the Catalog of Industries for Encouraging Foreign Investment (2025 Version) (《鼓勵外商投資產業目錄》(2025年版)), which became effective on February 1, 2026 and replaced the previous version. This Catalog aims to encourage and guide foreign investors to invest in specific industries and fields, including manufacturing of new types of drugs by employing bioengineering technology.

The Special Administrative Measures for Access of Foreign Investment (Negative List) (《外商投資准入特別管理措施(負面清單)》, the "**Negative List**") was firstly issued by the NDRC and the MOFCOM on June 28, 2018, and last amended and promulgated on September 6, 2024. The Negative List sets forth the prohibited or restricted industries or economic activities for foreign investment in China, including that the investment in the development and application of human stem cells, genetic diagnosis and treatment technologies are prohibited.

The Administration 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 Expanding Opening-up Administration**") was jointly issued by the MOFCOM, NHC and NMPA on September 7, 2024 and took effect on the same day. Pursuant to the Expanding Opening-up Administration, foreign invested enterprises in the China (Beijing) Pilot Free Trade Zone, the China (Shanghai) Pilot Free Trade Zone, the China (Guangdong) Pilot Free Trade Zone and the Hainan Free Trade Port are allowed to engage in the technology development and application of human stem cells and gene diagnosis and treatment for the registration, marketing and production of products.

REGULATIONS ON OVERSEAS LISTING

The CSRC promulgated the Overseas Listing Trial Measures and five relevant guidelines on February 17, 2023, which took effect on March 31, 2023.

According to the Overseas Listing Trial Measures, the PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information. According to the Overseas Listing Trial Measures, initial public offerings or listings in overseas markets shall be filed with the CSRC within three working days after the relevant application is submitted overseas.

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "**Provision on Confidentiality**"), which took effect on March 31, 2023. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listing subjects, documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing. Domestic enterprises providing accounting archives or copies thereof to entities and individuals concerned such as securities companies, securities service institutions and overseas regulatory authorities shall perform the corresponding procedures pursuant to the relevant provisions of the State. The working papers formed within the territory of the PRC by the securities companies and securities service institutions that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and those that need to leave the PRC shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

REGULATIONS ON CYBERSECURITY AND DATA EXPORTATION SECURITY

On December 28, 2021, the Cyberspace Administration of China (the "**CAC**"), jointly with 12 other governmental authorities, promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "**Measures for Cybersecurity Review**"), which became effective on February 15, 2022, provides that critical information infrastructure operators that purchase network products and services and data processing operators engaging in data processing activities that affect or may affect national security must be subject to the cybersecurity review.

On July 7, 2022, the CAC issued the Measures on the Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》) (the "**Security Assessment Measures**"), which took effect on September 1, 2022. The Security Assessment Measures generally apply to data processors that provide abroad important data or personal information that was collected or produced through operations within the PRC. Companies that are subject to the Security Assessment Measures need to conduct data mapping on cross-border data transfers, prepare the self-assessment and submission, as well as implement data classification and apply controls on cross-border data transfers.

In March 2024, the CAC issued the Provisions on Promoting and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》), which required security assessment for the following types of cross-border data transfers, (i) for critical information infrastructure operators, the outbound transfer of personal information or important data, and (ii) for data processors that are not critical information infrastructure operators, the outbound transfer of important data or the cumulative outbound transfer within one calendar year of the personal information of over one million people or the sensitive personal information of over 10,000 people. These provisions also stipulated that, when data processors that are not critical information infrastructure operators engage in the cumulative outbound transfer within one calendar year of the personal information of over 100,000 people but less than one million people or the sensitive personal information of less than 10,000 people, the data processors must enter into a standard contract for cross-border transfer of personal information with the data recipient or obtain a certification for the protection of personal information. Furthermore, these provisions clarified that data processors do not need to treat any data as "important data" the outbound transfer of which requires security assessments, if government authorities have not declared or notified them that the data are "important data".

REGULATIONS ON STOCK INCENTIVE PLANS

On February 15, 2012, SAFE promulgated the Notice on Foreign Exchange Administration of PRC Residents Participating in Share Incentive Plans of Offshore Listed Companies (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》), or the Stock Option Rules. According to the Stock Option Rules, individuals participating in any stock incentive plan of any overseas publicly listed company who are Chinese citizens or foreign citizens who reside in mainland China for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE or its local branches and complete certain other procedures through a domestic qualified agent, which could be a Chinese subsidiary of such overseas listed company, and complete certain other procedures. The participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of stock options, the purchase, and sale of corresponding stocks or interests, and fund transfers. In addition, the agent in mainland China is required to further amend the SAFE registration concerning the stock incentive plan if there is any material change to the stock incentive plan, the mainland Chinese agent or the overseas entrusted institution, or other material changes. Under the Circular of the State Administration of Taxation on Issues Concerning Individual Income Tax concerning Equity Incentives (《國家税務總局關於股權激勵有關個人所得税問題的通知》) promulgated by the STA and effective on August 24, 2009, and partially abolished on May 1, 2011, listed companies and their domestic organizations shall, according to the individual income tax calculation methods for "wage and salary income" and stock option income, lawfully withhold and pay individual income tax on such income.

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:

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:

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.

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(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 "— 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

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,

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

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,

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.

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.

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%
Starr 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.

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**]

	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.]

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), Brii Biosciences Limited (騰盛博藥生物科技有限公司) (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.

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

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

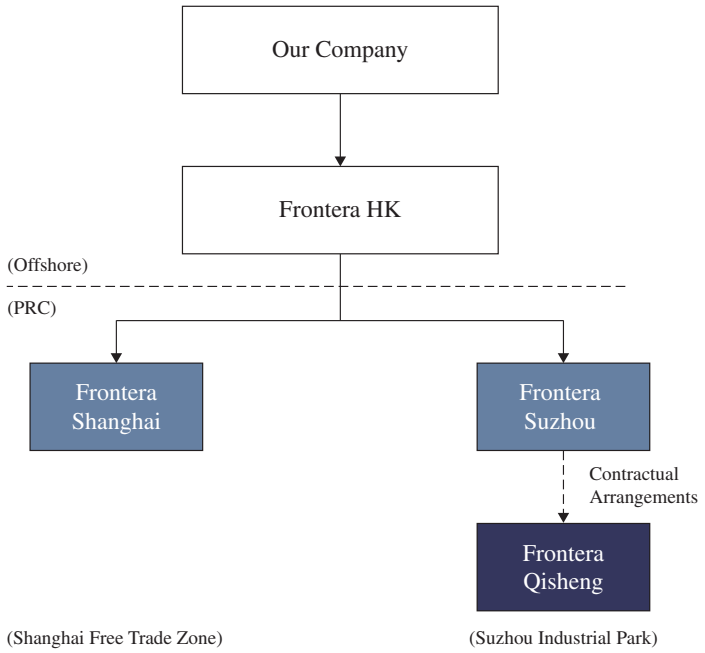
Commencing in September 2020 and up to December 2025, because we conducted the business of gene therapy R&D, which would fall into"development and application of human stem cell and gene diagnosis and therapy technologies"(the "**Relevant Businesses**"), a business subject to the then effective Special 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

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**").

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:

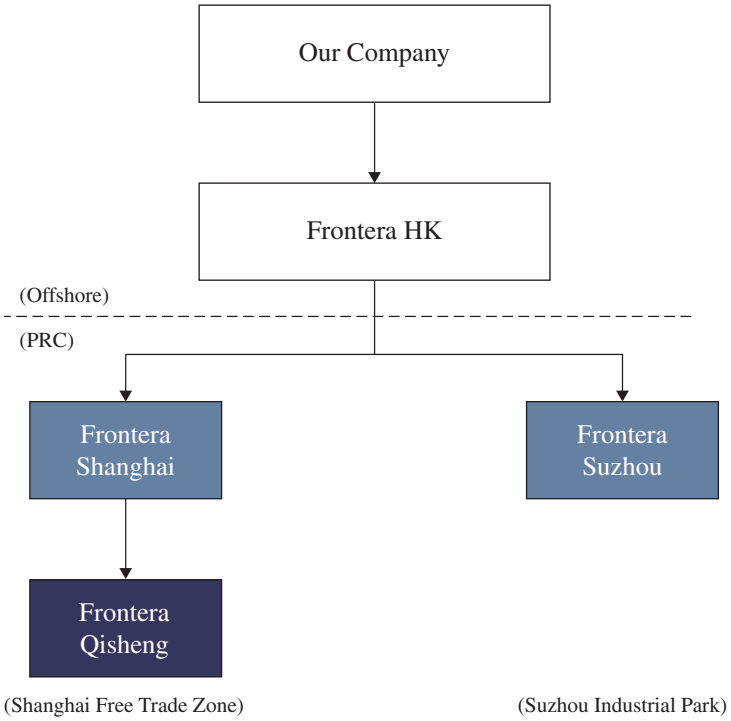
(i) after the Relocation, the description of "preclinical and clinical gene therapy R&D" was retained in the scope of business of Frontera Qisheng as set out in its updated business license, and according to Company's consultations with the officers of the Administration of Market Regulation of Shanghai 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

(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

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

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):

	As of Latest Practicable Date [(1)]						As of the [REDACTED][(2)]		
Name of Shareholders	**Ordinary Shares**	**Series A preferred Shares**	**Series B-1 Preferred Shares**	**Series B-2 Preferred Shares**	**Aggregate number of Shares**	**Approximate ownership percentage in the total issued share capital of our Company[(1)]**	**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.

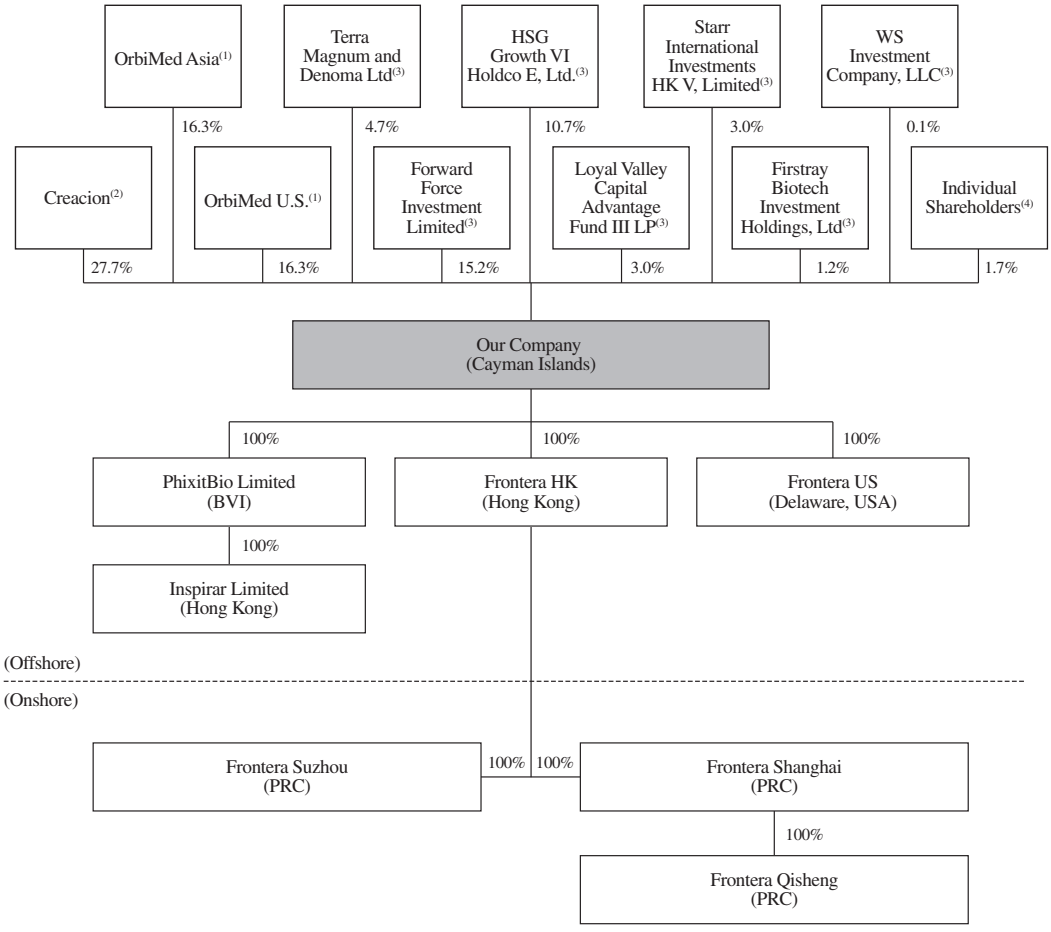
(3) Including 15 individuals who are early contributors to the Company, or former employees or external consultants of our Company that were granted options and exercised the options under the Pre-[**REDACTED**] Equity Incentive Plan. For details and principal terms of the Pre-[**REDACTED**] Equity Incentive 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.

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 Aisa 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.

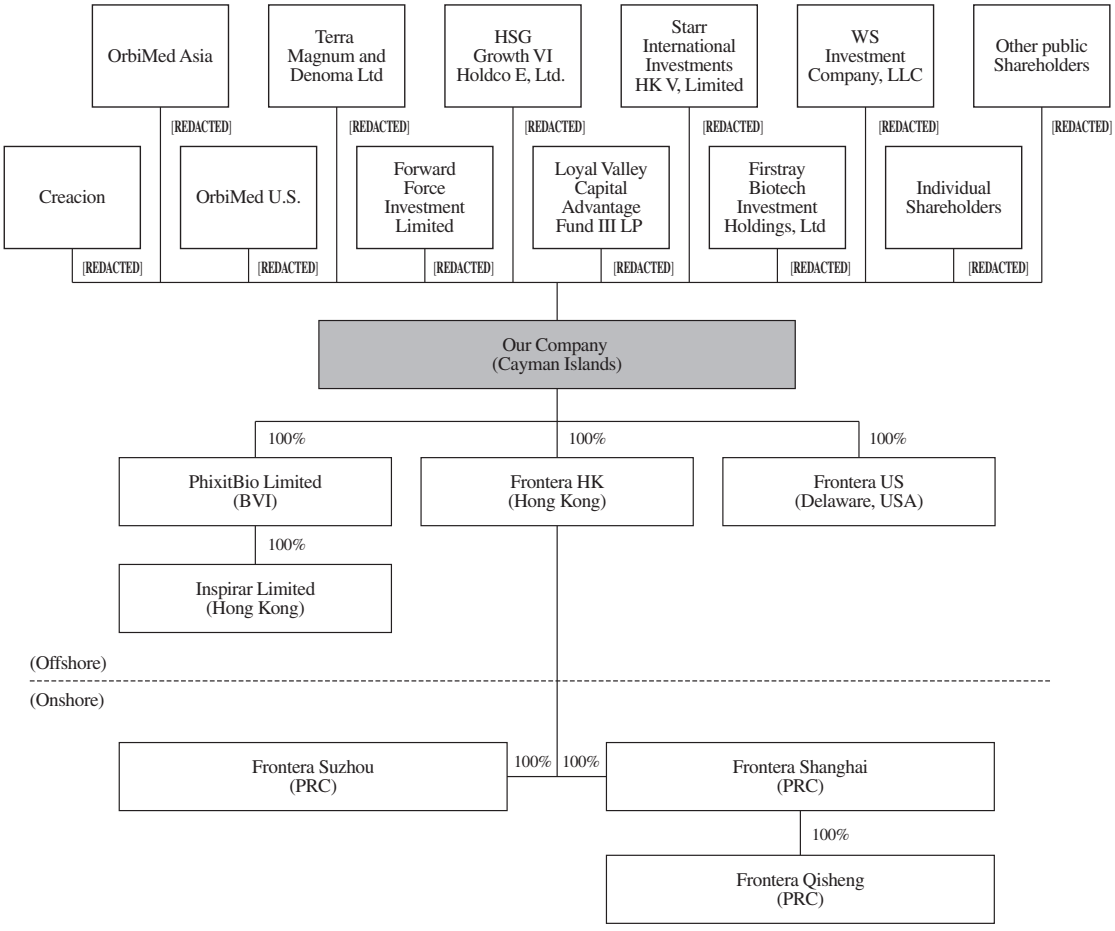
(2) Creacion is subject to certain [**REDACTED**] restrictions applicable to the Pre-[**REDACTED**] Investors. For details, see "— Pre-[**REDACTED**] Investments — Principal terms of the Pre-[**REDACTED**] Investments" in this section.

(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.

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.

OVERVIEW

We are a clinical-stage gene therapy company, dedicated to delivering safe, effective and affordable gene therapy treatments to patients worldwide. Our mission is to advance gene therapies that address significant unmet medical needs, particularly large-market or currently untreatable diseases, to provide durable clinical benefits from a single administration. Our pipeline includes multiple valuable assets supported by clinical data that enable advancement into pivotal studies, particularly in ophthalmic diseases. We are also expanding into cardiovascular and neurological indications. Our engineered capsid and optimized payload design, supported by our advanced manufacturing process, help reduce immunogenicity and offer the potential for a better safety profile and durable therapeutic effect. To our knowledge, we are among the few gene therapy-focused biotech companies globally, and the first in China, to establish commercial-scale Baculovirus/Spodoptera frugiperda Sf9 insect cell ("**Bac/Sf9**")-based rAAV manufacturing, which provides a meaningful cost advantage for future commercialization.

Gene therapy has the potential to change the way patients are treated by correcting the underlying genetic defect that is the cause of their disease or blocking the pathogenic mechanism. Gene therapy as a treatment method is relatively new but well validated, with more than a dozen gene therapy products approved by regulators globally. The gene therapy industry is shifting from rare diseases to more prevalent, large-market indications. Meanwhile, ophthalmic diseases — owing to the localized delivery options, immune-privileged environment, and unmet-medical needs — have emerged as a promising area. Large-market ophthalmic diseases such as neovascular age-related macular degeneration ("**nAMD**") and diabetic macular edema ("**DME**") offer great potential for gene therapy.

Since our inception in 2019, we have been dedicated to the in-house development of recombinant adeno-associated virus ("**rAAV**") gene therapies. We have developed a differentiated and clinically advanced pipeline. Our Core Products, which are in advanced stages of clinical development for treating XLRP, nAMD and DME, have demonstrated clear advantages in efficacy and/or safety in clinical studies, with great potential to address global unmet medical needs at an affordable price.

We are one of the few gene therapy companies worldwide with an end-to-end integrated operational system, combining scientific insights with executional excellence to achieve efficient pipeline progression. Our Boston center is responsible for drug discovery and early-stage research, our Shanghai center leads Investigational New Drug ("**IND**")-enabling studies and clinical trials, and our Suzhou center meets our manufacturing needs. Our multi-disciplinary team integrates deep expertise across scientific, translational, clinical, and manufacturing disciplines in gene therapy. This expertise enables precise indication selection, well-designed clinical study plans, and efficient participant recruitment. We believe that the greater efficiency of clinical development and cost-effectiveness of manufacturing in China will constitute key competitive advantages for us in the development and potential commercialization of our therapies globally.

We built our rAAV gene therapy R&D platform, EXACTE™, to enable the selection of drug candidates with better tissue tropism, high transduction efficiency, long-term effectiveness and a strong safety profile. EXACTE™ focuses on three key aspects of gene therapy R&D: capsid engineering, payload engineering, and target tissue screening. We engineer capsid variants to have better transduction and tissue tropism and optimize baculovirus rep/cap vector design to improve rAAV production quality and capsid potency. Our payload engineering optimizes the genetic payload for each drug candidate to achieve higher and more sustained therapeutic protein levels, improved safety, and reduced risk of immune-related side effects. Our target tissue screening integrates comprehensive *in vitro* and *in vivo* screening systems to evaluate the efficacy, safety, and toxicity of candidate constructs at the preclinical stage.

We are the only gene therapy biotech company in China to establish commercial scale Bac/Sf9-based rAAV manufacturing. Our AAVANCE™ manufacturing platform enables cost-efficient, scalable production of our gene therapy products with low empty capsid rate and high product quality. We have attained exceptionally low empty capsid rates below 1%, significantly better than the industry norm of close to 30%. Low empty capsid rates are a key milestone because empty capsids negatively impact both safety and effectiveness, increasing the overall viral load without contributing to clinical efficiency. These capabilities allow us to deliver revolutionary and affordable rAAV gene therapy solutions with high potency, efficiency, and safety — three key factors for the success of gene therapy products.

Our Pipeline

Our pipeline currently includes two Core Products and one Key Product as well as three other preclinical and early-stage gene therapies for the treatment of ophthalmic and cardiovascular diseases. We have developed all of these therapies in-house and we hold the global intellectual property rights to all of them.

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

Therapeutic area	Product	Target	Route of administration	Indication	Clinical stage: Pre-clinical	Clinical stage: Phase 1	Clinical stage: Phase 2	Clinical stage: Phase 3	Regulatory designation	Regulatory authorities	Latest milestone	Near-term milestones	Commercial rights	Intended commercialization jurisdictions[2]
Ophthalmic Diseases	★ FT-002	RPGR	Subretinal	XLRP	Ph 2 completed	U.S. Ph 2 IND approved[1]			FDA Orphan Drug Designation and Fast Track Designation	NMPA, FDA	China Ph 2 completed in Aug-26	Commence China Ph 3 by 2Q2027	Global	China; Ex-China (develop in-house or through partnership)
	★ FT-003	VEGF	Intravitreal	nAMD	Ph 2 completed	U.S. Ph 2 IND approved[1]			FDA RMAT Designation	NMPA, FDA	China Ph 2 completed in Jul-26 Ph 2 IND approved by FDA in Nov-24	Commence China Ph 3 by 1Q2027	Global	China; Ex-China (develop in-house or through partnership)
				DME	Ph 2 enrollment completed	U.S. Ph 2 IND approved[1]					China Ph 2 enrollment completed in Jan-26 Ph 2 IND approved by FDA in Dec-24	Commence China Ph 3 by 3Q2027		
				DR	Ph 2 IND approved						Ph 2 IND approved by NMPA in Mar-25			
	◆ FT-001	RPE65	Subretinal	RPE65-related IRDs	Ph 2 completed; Ph 3 IND approved				CDE Breakthrough Therapy Designation	NMPA, FDA	China Ph 2 completed in Feb-25; Ph 3 IND approved by CDE in Sep-25		Global	China; Ex-China (develop in-house or through partnership)
	FT-023	Undisclosed	Intravitreal	nAMD/DME/ DR						N/A			Global	Global
Cardiovascular Diseases	FT-017	MYBPC3	Intravenous	HCM	Ph 1/2 IND approved Ph 1/2 IND approved					NMPA, FDA	IND approval obtained from both NMPA and FDA in Apr-25	Commence China Ph 1 by 4Q2027	Global	China; Ex-China (develop in-house or through partnership)
	FT-018	PKP2	Intravenous	ARVC						N/A			Global	Global

★ Core products ◆ Key product China progress US progress

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

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

Leveraging our EXACTE™ and AAVANCE™ technology platforms, we have built a differentiated and competitive pipeline with leading positions in terms of clinical advancement in China. With robust clinical data validating our technology platforms, we have expanded our pipeline further to cardiovascular and neurological indications. We have multiple pipeline assets that have demonstrated strong competitive advantages, and we hold full global rights to all of our drug candidates.

We have two Core Products and one Key Product:

- Our Core Product FT-002 is a drug candidate for the treatment of X-linked retinitis pigmentosa ("**XLRP**"). XLRP is one of the most common and severe forms of inherited retinal diseases ("**IRD**"), typically presenting before the age of 10 and progressing to legal blindness before the age of 50. Currently there are no approved treatments for XLRP globally. 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 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.
- 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. In 2025, there were 4.2 million nAMD patients and 7.8 million DME patients in China, and 1.6 million nAMD patients and 2.0 million DME patients in the United States. Current treatments for nAMD and DME involve frequent intravitreal injections of anti-VEGF antibodies, which are burdensome, unpleasant, and over time expensive. Multiple injections also entail a higher risk of side effects and complications. The result is low patient compliance with poor long-term outcomes. FT-003 has the potential to reduce the treatment burden to a single shot administered in an outpatient clinic. We have completed Phase II clinical trials of FT-003 for nAMD in China, initiated Phase II clinical trials of FT-003 for DME in China, and obtained FDA clearance for Phase II trials in the United States for both nAMD and DME. FT-003 with respect to nAMD was granted regenerative medicine advanced therapy (RMAT) designation by the FDA in July 2026. 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 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.
- Our Key Product FT-001 is a drug candidate for treating IRD caused by biallelic mutations in the RPE65 gene. It is our drug candidate at the most advanced stage of clinical development, and its robust clinical results provided early validation for our technology platforms. RPE65-related IRD is characterized by a progressive and irreversible decline in vision that results in blindness. Conventional management may slow but cannot halt disease progression, while

the only approved gene therapy treatment is expensive and has not been approved in China. 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.

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.

AAVANCE™, our Bac/Sf9 manufacturing platform enabling safe, scalable and cost-efficient manufacturing with high product quality

Two of the greatest challenges in the gene therapy industry are safety and cost. We believe that our AAVANCE™ manufacturing platform will enable us to overcome both of these challenges. We have established one of the only GMP-compliant, Bac/Sf9 cell-based viral culture gene therapy production infrastructures in China. As shown in the table below, Bac/Sf9-based production has significant advantages in manufacturing cost, batch-to-batch consistency, empty capsid rates, scalability and yield compared with HEK293, the other commonly used production method. We are able to achieve empty capsids rate of less than 1%, significantly enhancing product safety by minimizing process-related impurities. Empty capsids are considered critical impurities in rAAV gene therapy, as their presence increases the total capsid dosing and potentially elevates the risk of immune response. We have already implemented product processes for six programs that satisfy U.S. and Chinese requirements for clinical-trial product quality.

Category	Bac/Sf9	HEK293	Descriptions
Manufacturing Cost . .	Relatively low	Relatively high	The cost of rAAV manufacturing in Bac/Sf9 is generally lower, driven by inexpensive media and efficient infection-based production. HEK293 production is more expensive due to the need for large quantities of high-quality plasmids, costly transfection reagents, and more demanding mammalian cell culture processes.

Category	Bac/Sf9	HEK293	Descriptions
Batch-to-Batch Consistency	High	Moderate	Batch-to-batch consistency is a key advantage of the Bac/Sf9 platform. Once the baculovirus master bank is established, production under consistent multiplicity of infection conditions results in minimal variability between batches. In contrast, the HEK293 system, relying on transient transfection, exhibits greater batch-to-batch variation due to inherent differences in transfection efficiency and plasmid quality in each production run.
Empty Capsid Rates	Relatively low	Relatively high	The Bac/Sf9 system generally results in lower empty capsid rates. rAAV from the HEK293 platform had a full/empty capsid ratio of 70.8%, while rAAV from the Bac/Sf9 system had a full/empty capsid ratio of 93.2%, demonstrating a markedly lower empty capsid rate for the Bac/Sf9 system.(1)
Scalability	High (100–2000+ L)	Moderate; limited by transfection	The Bac/Sf9 system is highly scalable, with insect cells readily expanding in large stirred-tank bioreactors reaching 2,000 liter volumes, making it well suited for large-scale GMP manufacturing. In comparison, the scaling of the HEK293 system is limited by the efficiency and cost of plasmid transfection.
Yield	High and scalable	Moderate	The Bac/Sf9 system typically achieves high volumetric yields, benefiting from efficient infection and good scalability. HEK293 yields are moderate and more sensitive to transfection efficiency and plasmid quality. In the same head-to-head study discussed above, rAAV from Bac/Sf9 cells had approximately 40-fold higher yields than rAAV from HEK293 cells.(1) In addition, publicly available studies have reported that Bac/Sf9 systems may achieve productivity levels of approximately 7×10^4 purified rAAV particles per cell under optimized experimental conditions.
Infectivity	Relatively high	Relatively low	The Bac/Sf9 system typically achieves higher infectivity. rAAV from Bac/Sf9 system had a higher tissue culture infectious dose/viral genome than rAAV from HEK293 platform, indicating better infectivity.(1)

Note:

(1) Systematic comparison of rAAV vectors manufactured using large-scale suspension cultures of Bac/Sf9 system and HEK293 platform originates from a head-to-head study in which AAV2.N54-aflibercept vectors were produced under matched upstream/downstream protocols in Bac/Sf9 system and HEK293 platform, at both 2 liters and 50 liters, followed by identical analytics for yield, capsid content and infectivity.

Source: Literature Review (systematic comparison of rAAV vectors manufactured using large-scale suspension cultures of Sf9 and HEK293 cells), Frost & Sullivan Report

Our AAVANCE™ manufacturing platform enables high-quality gene therapy production at scale, with exceptional efficiency and cost advantages. AAVANCE™ boasts an industry-leading GMP-compliant production capacity of 500L. Currently, laboratory-scale rAAV production typically achieves yields in the range of 10^{12}–10^{14} vector genome ("**vg**") per litre; in comparison, our bioreactors achieve upstream production yields of more than 10^{15} vg/L, which places us among the industry leaders in this respect, according to Frost & Sullivan. Our high-yield, high-purity production also facilitates process stability and enables

us to reach downstream purification yields of 50%. We have sufficient capacity to support clinical development and initial commercialization, and Bac/Sf9-based production is more accessible and requires lower media and infrastructure costs to grow as compared to other commonly used methods, which facilitates further expansion when and as needed. Our rAAV drug products are manufactured using an advanced aseptic preparation isolator filling system, and we have also established a robust and fully integrated quality control and assurance system with in-house testing capability, ensuring that we maintain a high level of product consistency and quality. With the above, we are able to accomplish a significantly lowered cost of developing gene therapy drugs, which supports lower pricing and higher accessibility. By our estimate, we are able to achieve a level of total cost per batch of FT-001 that is as much as 90% lower compared to the only gene therapy treatment option approved in the United States and Europe for the target disease of FT-001. Together, these factors enable faster development, lower manufacturing costs, and reduced patient treatment costs, providing a sustainable competitive edge in both clinical and commercial settings.

Strong translational medicine and clinical operation capabilities leveraging strengths in China and the United States

We have full-spectrum translational medicine capabilities bridging fundamental scientific research with clinical development. We have formed a dedicated team of experts in clinical sciences, led by Dr. Xinyan Li, overseeing clinical trial strategy, supporting clinical trials with scientific evidence, and providing medical interpretation of clinical trial results. These capabilities enable swift conversion from scientific discovery to clinical programs.

We capitalize on the strengths of global hubs of biotechnological research in both the United States and China while maintaining a unified global R&D strategy and leveraging the greater efficiency and cost-effectiveness of clinical trials in China. Our Boston center is responsible for drug discovery and early-stage research, including capsid screening and viral vector construction and optimization. Our Shanghai center handles translational medicine and clinical trials, including IND-enabling studies, IND applications and the clinical trials themselves. Our Suzhou center fulfills the manufacturing needs of our non-clinical and clinical trials while preparing for commercial-scale production.

Our clinical operation capabilities progress early-stage innovation and preclinical studies into clinical trials with minimal delays. Leveraging our established relationships with leading hospitals and research institutions, we have been able to achieve efficient site activation and protocol deployment. This infrastructure supports faster participant enrollment and higher data throughput, which are critical for accelerating development timelines. It has taken us as little as 11 months to advance a drug candidate from concept stage to IND approval. Since our inception, we have successfully advanced three drug candidates to Phase II clinical trials.

EXACTE™, our rAAV gene therapy R&D platform supporting product development with global intellectual property protection

Our R&D platform, EXACTE™, is our integrated system to enhance the accuracy, efficiency, and safety profile of therapeutic gene delivery. EXACTE™ is designed to accelerate the development of gene therapies through precision engineering and targeted delivery. Supported by an integrated *in vitro* and *in vivo* screening system, EXACTE™ enables the selection of drug candidates with optimal tissue tropism, high transduction efficiency, durable expression, and a strong safety profile with a competitive cost structure.

EXACTE™ focuses on three key aspects of gene therapy R&D:

- *Capsid engineering:* With our rAAV capsid technology, we are able to refine the tropism of rAAV capsids to accurately target specific tissues and cell types, minimizing off-target effects and improving therapeutic outcomes, as well as improve compatibility with our Bac/Sf9 production system to achieve enhanced vector potency and production quality.
- *Payload engineering:* We employ sophisticated strategies to tailor transgene constructs, including codon sequencing to boost transgene expression and

regulatory element refinement including enhancers, promoters, and introns to improve transcription and translation efficiency.

- *Candidate screening:* We have implemented a robust framework to select lead constructs for further development, including specially designed assays to evaluate performance and transgene expressions, *in vitro* and *in vivo* models for efficacy screening, and comprehensive toxicity evaluations for de-risk candidate selection.

Deep expertise in gene therapy across research, translational, clinical, and manufacturing disciplines

Our management team comprises leaders with rich industry experience and strong scientific expertise in cell and gene therapy, including the research, translational, clinical, and manufacturing aspects of operating a clinical stage gene therapy enterprise. We believe that the breadth, depth and diversity of experience within our management team is a core strength of our company.

Dr. Xinyan Li, our chief executive officer and chief medical officer, has over 25 years of expertise in innovative drug development, including cell and gene therapy. In the course of her career, Dr. Li has advanced multiple therapies from preclinical to clinical stages, with a focus on biologics and cell therapy. Her leadership has been pivotal in securing regulatory approvals in both China and the United States. Prior to her move to industry, Dr. Li spent five years practicing internal medicine and a decade teaching and conducting scientific research at medical schools, including conducting research on gene and cell therapy as a visiting scholar at the Faculty of Medicine of the University of Montpellier in France. She has also served as a principal investigator for several national research projects.

Dr. Zhongdong Shi, our senior vice president and head of R&D, brings over a decade of innovation and leadership in cell and gene therapy research and development. Dr. Shi's work has led to over 10 IND approvals in the US and China, and he has authored over 30 publications and holds more than 10 patents. Dr. Shi was a co-developer of the iCRISPR platform and investigated human developmental diseases using pluripotent stem cells, and he has extensive expertise in developing gene therapy, stem cell therapy, and CAR-T and iPSC-NK therapies.

In addition, we have built a comprehensive, efficient and long-serving internal team, with experience covering all key stages of the R&D cycle. Our head of manufacturing, Peng Yang, has 16 years of experience in biotech, chiefly in process development; he oversees our chemistry, manufacturing and controls ("**CMC**") functions, including process development, transfer and scale-up, clinical sample production, registration application and project management. Our senior director of translational medicine, Dr. Chao Ren, has 12 years of experience in biotech since completing her PhD, in a variety of areas including management of preclinical pipeline projects, research, preclinical pharmacology, pharmacokinetics and safety evaluations; she is in charge of our translational medicine operations, including non-clinical efficacy and toxicology, clinical pharmacology, and clinical biosample analysis. Our senior director of clinical operations, Minghui Xue, has 15 years of experience in biotech, specializing in the management of clinical trials; he is in charge of clinical research project management. Our senior director of quality control, Dr. Aiqun Li, has 15 years of experience at leading biotechnology companies and research institutions.

STRATEGIES

Accelerate the clinical development of our mid- to late-stage ophthalmic drug pipeline

We intend to advance FT-002 and FT-003 through clinical development and seek approval for commercialization as expeditiously as possible.

We have completed Phase II clinical trials for FT-002 in China. We anticipate initiating Phase III by the second quarter of 2027. We will also continue pursuing development and approval for FT-002 in the United States, leveraging its Orphan Drug Designation and Fast Track Designation status. The FDA has approved Phase II clinical trials for FT-002 in the United States.

We are advancing FT-003 for both nAMD and DME indications. We have completed Phase II clinical trials for nAMD in China and anticipate initiating Phase III by the first quarter of 2027. We have also completed Phase II participant recruitment for DME in China and expect to initiate Phase III by the third quarter of 2027. In addition, we are considering seeking collaboration partners for overseas trials for FT-003 and other pipeline products. The FDA has approved Phase II clinical trials in both nAMD and DME for FT-003 in the United States.

Continue to enhance our CMC and manufacturing capacities to support eventual commercialization

In light of the progress of FT-002 and FT-003 through clinical development, we will further optimize our production processes, verify our testing methods, and conduct process validation in preparation for commercial-scale manufacturing. We will continue to enhance our AAVANCE™ technology with process automation to maintain high purity and lower per-dose manufacturing cost and may consider opportunities to license out our AAVANCE™ manufacturing technology to partners as an additional revenue stream. We will upgrade our facilities as necessary whether in terms of hardware, software or personnel to ensure compliance with evolving quality standards as well as procedural onsite inspections from regulatory bodies prior to receiving market approval. We will also continue to reinforce our robust quality control system, benchmarking it against the highest international standards adopted by pharmaceutical multinational corporations, to achieve patient safety and regulatory compliance.

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

We intend to further strengthen the capabilities of our EXACTE™ platform in a variety of aspects including capsid design, payload optimization and lead drug candidate screening. Some examples might include further developing capsids for better intravitreal injection and for better cardiovascular targeting while de-targeting other tissues, as well as further engineering the recombinant baculovirus genome to improve our recombinant baculovirus genome stability. We plan to leverage our EXACTE™ platform to further advance the preclinical and early-stage assets in our pipeline for ophthalmic and cardiovascular diseases. In addition, we aim to leverage our gene therapy know-how to expand to other therapeutic areas and indications in order to enlarge our target market and benefit a larger patient population.

Implement tailored commercialization approaches for different indications to fully achieve commercial and clinical benefits

We plan to adopt a flexible commercialization strategy in China, combining an in-house sales force with professional partners to achieve optimal market penetration. For products addressing rare diseases, we aim to establish an in-house sales team and capitalize on collaboration with third parties. We would also consider how to utilize favorable policies, such as within selected industry Pilot Zones in China 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.

Continue to carry out our global strategy by pursuing overseas clinical development and commercialization through collaborations and partnerships

We intend to adhere to our global operation strategy through both clinical development and commercialization, to reach a larger addressable market and benefit patients worldwide with our solutions. On the commercialization front, we will seek to explore strategic partnerships to achieve swift entrance into overseas markets. These efforts might include out-licensing agreements to allow global biopharma partners to conduct clinical studies on our pipeline assets and commercialize approved products in overseas jurisdictions to expand

our addressable market. We will also evaluate opportunities to collaborate with global pharmaceutical companies to leverage our platform and expand our portfolio for the global market.

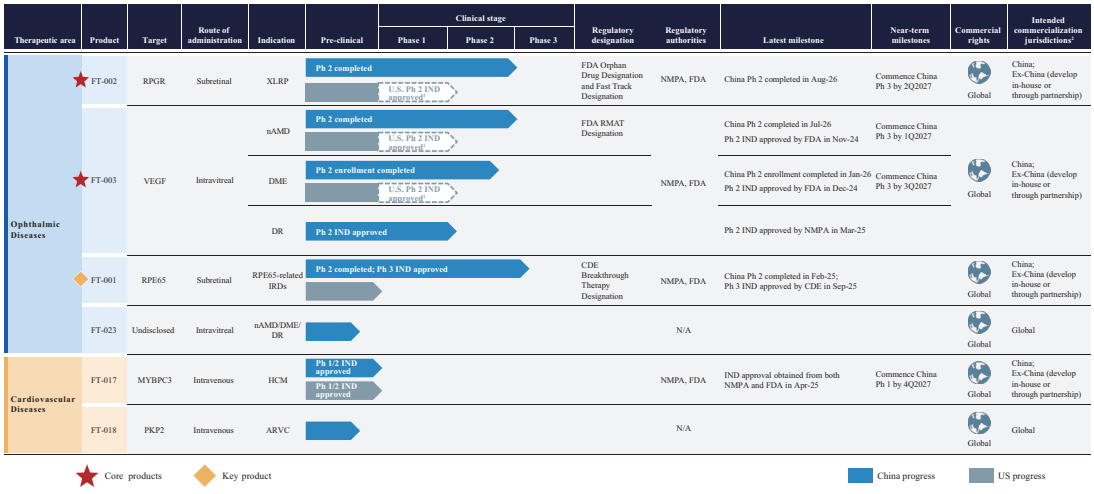
Cultivate and retain talent to transform human capital into the catalyst for sustained innovation and shareholder value creation

Over the next few years, we intend to expand our existing team across R&D, clinical science, medical and regulatory functions. We will continue to attract and retain globally competitive talent while embedding systematic training, performance evaluation and leadership development programs. As our clinical drug candidates advance towards approval, we also intend to build an in-house sales team to support commercialization needs after market launch.

Pipeline Overview

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 XLRP, and FT-003, a drug candidate being investigated to treat nAMD and DME through intravitreal injections; (ii) one Key Product, namely FT-001, a gene therapy drug candidate for treating IRD caused by biallelic mutations in the RPE65 gene; and (iii) three other preclinical and early-stage gene therapy drug candidates for the treatment of ophthalmic and cardiovascular diseases.

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



Pipeline Strategies

Our pipeline strategies are designed to address primarily large-market or currently untreatable diseases with effective, safe, and affordable rAAV gene therapy solutions. Unlike traditional gene therapy companies that generally focus on inherited or rare diseases, we are committed to developing drug candidates for large-market indications. For inherited diseases, our focus is on those that currently lack effective treatments.

- **Strategic Focus on Large-market or Currently Untreatable Diseases:** Ophthalmic diseases — owing to the localized delivery options, immune-privileged environment, and unmet medical needs — have emerged as a promising area for gene therapy. We are targeting nAMD and DME — refractory conditions that collectively affect millions worldwide and are leading causes of vision loss, representing a large market potential. For inherited diseases, we are advancing a therapy for XLRP, a major cause of middle-age blindness for which no treatment is currently available. Building on our experience in ophthalmic diseases, we are

also expanding into cardiovascular diseases, targeting diseases such as HCM and ARVC, all of which have significant unmet needs and large market potential.

- **Approaches:** We aim to develop gene therapies that are safe, effective, and convenient for patients at an affordable cost. Our innovation in AAV capsid selection and genetic payload design emphasizes safety and effectiveness. FT-003, our Core Product for nAMD and DME, offers the convenience of a one-time intravitreal injection and has shown sustained improvements in visual acuity and retinal structure, together with a markedly reduced treatment burden compared with the current standard-of-care anti-VEGF therapy over three years. FT-002, our Core Product for XLRP, has demonstrated sustained improvements in visual function, retinal structure, and vision-related quality of life over two years till the latest data cut-off date. FT-002 has been granted Orphan Drug Designation and Fast Track Designation by the FDA, and FT-003 has been granted the RMAT designation by the FDA.
- **Commitment to Affordable Therapies:** We are dedicated to improving access to gene therapy through competitive production costs and affordable pricing. To our knowledge, we are among the few gene therapy-focused biotech companies globally, and the first in China, to establish commercial-scale Bac/Sf9-based rAAV manufacturing, which provides a meaningful cost advantage for future commercialization. For example, FT-001 achieves as much as a 90% reduction in direct production cost, by our estimate, compared to the only gene therapy treatment option approved in the United States and Europe for the target disease of FT-001. This significant cost advantage enables us to deliver more affordable gene therapies and expand market accessibility.
- **Emphasis on Product Quality and Safety:** Our EXACTE™ R&D platform integrates vector designs and advanced *in vitro* and *in vivo* screenings to select candidates with optimal tissue tropism, high transduction efficiency, and durable expression. Meanwhile, our AAVANCE™ manufacturing platform achieves industry-leading yields with upstream yield of more than 10^{15} vg/L, while laboratory-scale rAAV production typically achieves yields in the range of 10^{12}–10^{14} vg/L. Our system also accomplishes exceptionally low empty capsid rates of less than 1%, whereas the industry norm is close to 30%.
- **Operational Excellence and Global Accessibility:** Our footprint spanning China and the United States enables precise indication selection, well-designed clinical programs, and efficient participant recruitment. It has taken us as little as 11 months to advance a drug candidate from lead identification to IND approval, demonstrating our highly efficient execution capabilities and cross-regional collaboration. We are the first Chinese rAAV gene therapy company using a Bac/Sf9 system to obtain IND approval from the FDA for a Phase II clinical trial based on CMC, preclinical, and Phase I clinical data generated in China, according to Frost & Sullivan. We retain full global rights to our pipeline, allowing us to pursue direct commercialization or strategic partnerships to maximize global market potential.

As there are various risks specific to gene therapies, relating to the irreversible nature of gene therapies, unintended side effects, and risks of delayed adverse events, we take the safety of our product candidates seriously and strictly abide by applicable regulatory requirements relating to the clinical development of gene therapies. As further discussed below, our Core Products and Key Product have demonstrated favorable safety and tolerability profile based on the latest available clinical data, and we conduct up to five years of long-term follow-up to monitor long-term safety profiles of our drug candidates.

As of the Latest Practicable Date, the five-year long-term follow-up period for our drug candidates has not impacted, and is not expected to impact, its development, registration or commercialization. Based on our current development plans and disclosed program timelines, such long-term follow-up is being conducted in parallel with our ordinary course research and development activities and is not a prerequisite to advancement to the next stage of development. For AAV gene therapy products, the required five-year long-term follow-up comprises a one-year clinical trial observation period after dosing and an additional four years of follow-up. In accordance with the Technical Guidelines for Long-term Follow-up Clinical Research of Gene Therapy Products (Trial) (《基因治療產品長期隨訪臨床研究技術指

導原則(試行)》) issued by the CDE of the NMPA pursuant to Announcement No. 50 of 2021, which contemplates that subjects receiving gene therapy products may not have completed the full long-term follow-up period at the time of marketing approval and that continued long-term safety monitoring may be conducted after approval, a BLA may be submitted upon completion of the one-year clinical trial observation period on the basis of the efficacy and safety data generated during that period. This is also consistent with the approval pathway observed for certain gene therapy products in China and overseas jurisdictions. Accordingly, the subsequent long-term follow-up period does not affect, and is not expected to affect, the regulatory review or commercialization process for our drug candidates.

OUR DRUG CANDIDATES

FT-002, an rAAV gene therapy for XLRP, our Core Product

Overview

FT-002 is a gene therapy drug candidate and is currently the only clinical-stage rAAV gene therapy being developed for XLRP in China. XLRP is one of the most severe forms of IRD primarily caused by mutations in the RPGR gene. The disease is characterized by progressive and irreversible vision loss, typically presenting before the age of 10 and progressing to legal blindness before the age of 50. There are currently no approved therapies available for XLRP worldwide.

We have completed Phase I clinical trials in China in August 2024 and Phase II clinical trials in China in August 2026. In the United States, FT-002 was granted Orphan Drug Designation in January 2024, we received clearance for Phase II clinical trials in September 2024, and FT-002 was granted Fast Track Designation in October 2024.

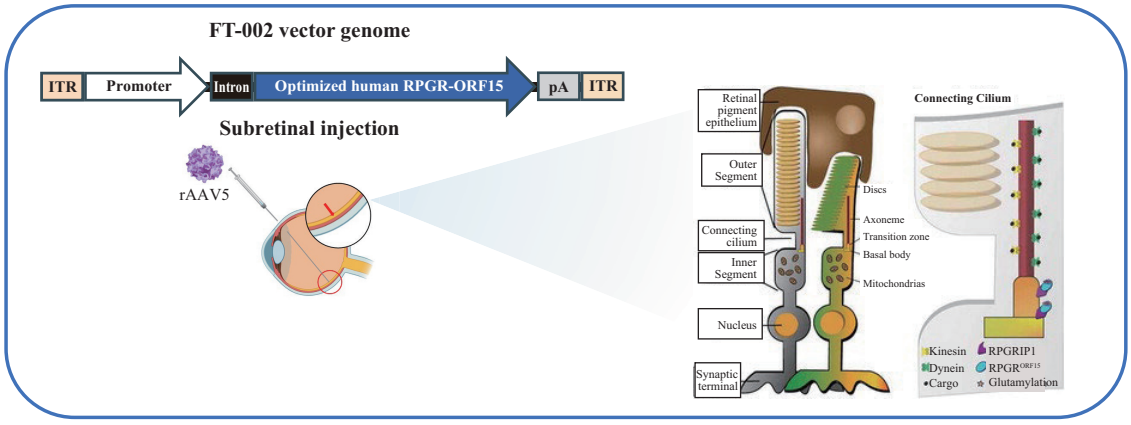
Drug Design and Mechanism of Action

The retinitis pigmentosa GTPase regulator ("**RPGR**") gene encodes the RPGR protein, which plays a key role in the transport of proteins within the connecting cilium of photoreceptor cells — specialized cells in the retina responsible for capturing light and initiating vision. The connecting cilium acts as a bridge between the inner and outer segments of photoreceptors, facilitating the movement of essential proteins and materials required for photoreceptor survival and function. Mutations in the RPGR gene, especially in the ORF15 region, disrupt this transport process, leading to the mislocalization of critical visual proteins, degeneration of photoreceptor cells, and progressive vision loss.

FT-002 aims to rescue the functional and/or structural loss of the photoreceptor cells due to the RPGR gene mutations by delivering a functional copy of the RPGR-ORF15 gene, enabling the production of functional RPGR protein, and thereby correcting the cellular transport defects that lead to retinal degeneration and vision loss in XLRP patients. This approach represents a promising strategy for treating a currently untreatable blindness-causing genetic disease. Specifically, FT-002 utilizes a recombinant adeno-associated virus serotype 5 ("**rAAV5**") as a delivery vehicle, or "vector." This vector is engineered to carry a codon-optimized, full-length human RPGR-ORF15 gene. Codon optimization is a process that modifies the genetic code to enhance the efficiency and stability of gene expression in human cells, ensuring that the therapeutic protein is produced at sufficient levels.

FT-002 is administered via a single subretinal injection — a targeted delivery directly beneath the retina. This approach allows the rAAV5 vector to efficiently transduce the photoreceptor cells. Once inside the cell, the vector delivers the full-length RPGR-ORF15 gene to the cell nucleus, where it is transcribed and translated into the RPGR protein. The newly produced RPGR protein restores the normal function of connecting cilium in photoreceptor cells. Specifically, it re-establishes the proper transport of proteins and other molecules between the inner and outer segments of the photoreceptors. This helps to maintain the structural integrity and function of these cells, preventing further degeneration and potentially improving or stabilizing visual function.

The following diagram illustrates the mechanism of action of FT-002:



Note: ITR = inverted terminal repeats; pA = polyadenylation signal.
Source: Literature Review

Market Opportunities and Competition

XLRP is one of the most severe and prevalent subtypes of IRD, a group of progressive, irreversible retinal degenerative disorders caused by genetic mutations. According to Frost & Sullivan, IRD collectively affects 5 to 10 million patients worldwide. Retinitis pigmentosa ("**RP**") is the most common IRD, with over 1.5 million patients globally. RP can be inherited in autosomal recessive, autosomal dominant, or X-linked patterns, with XLRP accounting for approximately 5% to 15% of all RP cases and representing a major cause of mid-age blindness.

XLRP typically has early onset and rapid progression, leading to severe vision loss or blindness by middle age. Symptoms appear around the age of 10, leading to narrow visual fields and early nyctalopia and typically progressing to legal blindness before the age of 50. There are 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 is currently the only clinical-stage XLRP gene therapy product in China and one of the most advanced globally. FT-002 has received Orphan Drug Designation and Fast Track Designation from the FDA, underscoring its global innovation and clinical value. We believe FT-002 is well positioned to capture significant market share both in China and internationally. As genetic diagnostics and patient identification improve, the addressable market is expected to expand further. FT-002's potential success would mark a milestone for gene therapy in XLRP and the broader IRD field.

As of the Latest Practicable Date, there are three rAAV gene therapy drug candidates in the process of clinical development for the treatment of XLRP globally, FT-002 and laru-zova. The following chart illustrates the global competitive landscape of FT-002 as of the Latest Practicable Date, according to Frost & Sullivan:

Drug Name	Company	Target	Vector type	Clinical Stage	First Posted Date	Country	Manufacturing System
Botaretigene sparoparvovec[1]	MeiraGTx	RPGR	AAV5	Phase III	2020-12-17	US, UK, Spain, etc.	HEK293
Laruparetigene zosaparvovec (laru-zova, AGTC-501)	Beacon Therapeutics	RPGR	AAV2	Phase II/III	2021-04-20	UK, US, Australia	HSV/BHK[2]
FT-002	**Frontera Therapeutics**	**RPGR**	**AAV**	**Phase II**	**2024-10-15[3]**	**China**	**Bac/Sf9**
				Phase II IND Approval	**2024-09-23**	**U.S.**	

Notes:

(1) Botaretigene sparoparvovec was originally licensed to J&J in 2019 and was sold to them in 2023 for up to $415M; it was reacquired by MeiraGTx in 2026 for $25M after its Phase 3 trial missed the primary endpoint. As of the Latest Practicable Date, MeiraGTx plans regulatory filings in the US, EU, UK and Japan in 2026, targeting a 2027 launch.

(2) As of the Latest Practicable Date, in the field of rAAV gene therapy, the HSV/BHK system has not been validated with any drug approval globally.

(3) FT-002 has completed both Phase I and Phase II clinical trials. The first posted date disclosed herein refers to the date on which the first participant in the Phase II trial signed the informed consent form.

Source: Clinicaltrial.gov, CDE, Frost & Sullivan Analysis

Key Advantages

FT-002 would be a significant advance in the treatment of XLRP. As the first and only clinical-stage rAAV gene therapy for XLRP in China — and one of the most advanced globally — FT-002 is well positioned to address this severe, inherited condition that is currently untreatable.

- **Only Clinical-Stage rAAV Gene Therapy for XLRP in China.** FT-002 is the first and only clinical-stage rAAV gene therapy product for XLRP in China, and among the most advanced globally. It has received Orphan Drug Designation and Fast Track Designation from the FDA, underscoring its global innovation and clinical value. If approved, FT-002 would address a significant unmet medical need for XLRP patients, for whom no approved therapies currently exist.
- **Drug Design for Efficacy and Safety.** FT-002 is engineered to deliver a full-length, codon-optimized human RPGR-ORF15 gene, which is essential for restoring the function of photoreceptor cells in XLRP patients. The use of a codon-optimized sequence ensures efficient and stable gene expression, maximizing the production of functional RPGR protein and supporting long-term restoration of visual function. The gene is packaged within an AAV5 capsid, selected for its strong tropism for photoreceptor cells, enabling highly efficient and targeted gene delivery to the retina. The gene expression cassette incorporates a carefully selected promoter, an intron, and polyadenylation elements to drive robust and sustained transgene expression. CpG motif optimization is also included to minimize immunogenicity, enhancing the overall safety profile of the therapy. Subretinal administration further ensures that the therapeutic gene reaches the appropriate retinal layers for optimal effect and avoids off-target toxicity.
- **Demonstrated Clinical Efficacy and Long-Term Benefit.** Collectively, clinical data from our investigator-initiated trials and Phase I/II clinical trials consistently demonstrate that FT-002 provides clinically meaningful and sustained improvements in visual acuity, retinal sensitivity, and quality of life, with a favorable safety profile in both adult and pediatric XLRP participants. These results underscore the potential of FT-002 to deliver long-term clinical benefit for XLRP patients.
  - In the Phase I clinical trial, adult participants in the high-dose group of FT-002 experienced meaningful gains in both best corrected visual acuity ("**BCVA**") and retinal sensitivity over one year. These improvements were accompanied by positive changes in participant-reported quality of life, as measured by standardized questionnaires. Imaging studies further supported these findings, revealing preservation or restoration of retinal structure, suggesting a slowing of disease progression.
  - In the Phase II clinical trial, for up to the longest follow-up of 12 months, all pediatric participants demonstrated marked improvements in low luminance visual acuity ("**LLVA**") and microperimetry, indicating enhanced visual acuity and retinal function.
- **Favorable Safety Profile and Attractive Cost Efficiency.** Preclinical and clinical studies have demonstrated a comparable safety and tolerability profile of FT-002 compared with the only other gene therapy candidate for XLRP under clinical development globally, with no DLT or FT-002-related SAEs observed. We manufacture FT-002 using a Bac/Sf9 system, which enables low empty capsid rates and a highly competitive reduction in production costs, supporting broader patient access and commercial viability.

- **High Probability of Success and Global Commercial Potential.** With its design, robust preclinical and clinical data, FT-002 is well positioned for early commercialization in China and internationally. The therapy's safety and efficacy, combined with its cost-effective manufacturing, supports its potential to capture significant market share and benefit patients with XLRP worldwide.

Summary of Clinical Trial Data

Investigator Initiated Trial

We worked with Prof. Ruifang Sui at the Peking Union Medical College Hospital and Prof. Gezhi Xu at the Eye & Ent Hospital of Fudan University, respectively, for the investigator-initiated trial of FT-002. We collaborated with the hospitals as they had applicable clinical research qualifications, leading experts in the field, and access to a large patient pool.

Based on the terms of our collaboration agreement, we are responsible for supplying the drugs required and bearing all expenses associated with the investigator-initiated trial, which were funded by our working capital. During the Track Record Period, we incurred a total of US$0.4 million in professional services expenses associated with the trial and expect to incur an additional US$0.2 million. The investigator was primarily responsible for designing the trial protocol and its execution. There is no explicit confidentiality provision in our collaboration agreement.

We had five patent applications for FT-002, including one of the patent applications in the United States that received a notice of allowance in May 2026, which cover all known key features and/or characteristics of FT-002, and have not received any material concerns or inquiries from relevant competent authorities relating to the applications. The investigators have not filed, and have confirmed in writing that they will not file, any patent applications relating to FT-002. Based on advice from our IP counsel, we are of the view that (i) as we have filed the FT-002 composition of matter patent in a complete form more than 18 months before the investigator-initiated trial began, and FT-002 was not modified during the investigator-initiated trial, the investigator-initiated trial (and the investigator's participation therein) should not affect our FT-002 patent; and (ii) even if the investigators are to file a patent application relating to FT-002 contrary to their written confirmation, such application will be rejected by the patent offices as the Company has commenced clinical trials on FT-002 which have been published in the public domain. We did not rely on the results of the investigator-initiated trial for obtaining the IND approval for FT-002 from NMPA, since the investigator-initiated trial was concluded in November 2024 and we, as the sole sponsor, submitted the IND application for FT-002 in August 2023 and obtained approval in November 2023. We solely own all patent applications in connection with FT-002 filed by us, and have not out-licensed such pending patents to a third party. We are of the view that there are no valid third party patents enforceable against us in connection with FT-002. Thus, we believe we have full and independent rights to conduct R&D and commercialization of FT-002.

Trial design. The investigator initiated trial of FT-002 was an open-label, dose-escalation trial in adult males aged 18 to 45 years with RPGR mutation-associated XLRP. A total of 18 participants were evenly enrolled. Three dose cohorts were established, including (i) low-dose group: 5×10^{10} vg/eye; (ii) medium dose group: 1.0×10^{11} vg/eye; and (iii) high-dose group: 2.0×10^{11} vg/eye.

Trial objectives. The primary objective was to evaluate the safety, tolerability and efficacy at a single subretinal injection of FT-002 in participants with XLRP.

Trial status. The IIT study was initiated in February 2023 and completed its 52-week follow-up in November 2024. All participants are undergoing five years of long-term follow-up.

Safety and Efficacy data. Up to the longest follow-up of three years, there were no observed DLT, FT-002 related SAEs, RPE atrophy, or macular thinning. Most TEAEs related ocular inflammation were related to the surgical procedure, and were controllable through topical use of steroids. In addition, the IIT data demonstrated improvements in retinal function and vision-related quality of life, with stable visual acuity.

Phase I Clinical Trial

Trial design. The dose escalation Phase I clinical trial of FT-002 was an open-label study in adult male participants aged 18 to 45 years with RPGR mutation-associated XLRP. The trial enrolled a total of seven participants, with each participant receiving a single subretinal injection of FT-002 in one eye. Three dose cohorts were established, including (i) low-dose group: 0.33×10^{11} vg/eye, which enrolled one participant; (ii) medium-dose group: 1.0×10^{11} vg/eye, which enrolled three participants; and (iii) high-dose group: 2.0×10^{11} vg/eye, which enrolled three participants.

Key inclusion criteria for the trial include but are not limited to (i) male participants aged 18 to 45 years old, (ii) clinically diagnosed with XLRP, (iii) confirmed mutations of the RPGR gene based on genetic tests, (iv) BCVA of no lower than 34 letters and no more than 78 letters for the follow eye, and BCVA of no less lower than 19 letters for the fellow eye, and (v) a detectable sub-foveal ellipsoid zone assessed by OCT or residual visual field within 30° by static perimetry in the study eye. Key exclusions criteria for the trial include but are not limited to (i) participants have other retinal diseases such as IRD which may affect the assessment of trial results, (ii) participants had relevant treatment record and/or allergies, including recent eye surgeries, other gene therapy treatments, or allergies to materials used in the trial, and (iii) participants have systemic risks such as high blood pressure.

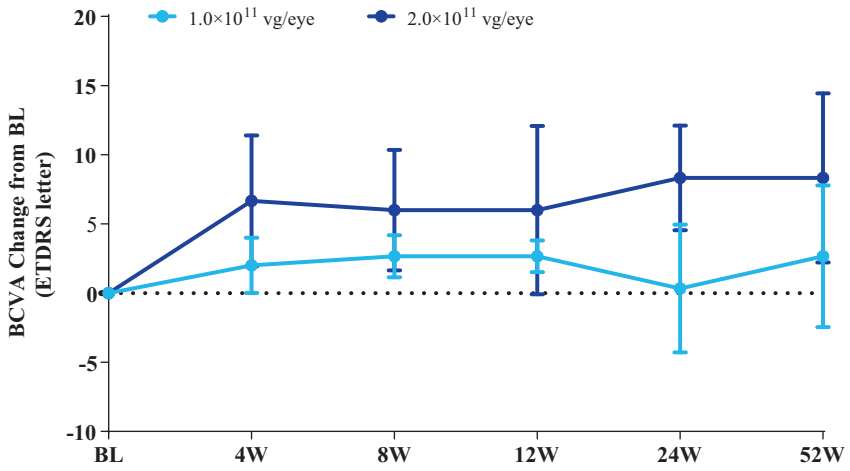
After receiving FT-002, all participants completed 28 days of observation to determine DLT, and, according to the requirement and authorization of the CDE-approved trial protocol, an independent data monitoring committee ("**iDMC**") meeting, comprising of a group of independent experts, was held to review the safety and tolerability data of all participants to confirm the initiation of the Phase II dose-expansion study. Meanwhile, all seven participants were expected to complete 52 weeks of follow-up unless they withdrew early, and entered the long-term follow-up period until 5 years after injection to evaluate the long-term safety and efficacy.

Trial objectives. The objective was to evaluate the safety, tolerability and preliminary efficacy of a single subretinal injection of FT-002 in participants with XLRP. Primary endpoints relate to safety and tolerability, and include DLT within 28 days and incidents of AEs and SAEs. Secondary endpoints relate to efficacy, including changes in BCVA from baseline, and immunogenicity and AAV shedding, within 52 weeks.

Trial status. The clinical trial was initiated in April 2024 and was completed in August 2024 following the completion of 28-day observation. The iDMC meeting then evaluated the primary endpoints, which are the only prerequisites for the initiation of Phase II clinical trials, and confirmed this initiation. No communication with the CDE is required to confirm whether the primary or secondary endpoints were met until we propose to initiate the Phase III clinical trials. Furthermore, 52-week follow-up was completed in September 2025, in which the results have met our trial objectives regarding secondary endpoints. All participants are undergoing five years of long-term follow-up.

Efficacy data. The results of the Phase I clinical trial indicated that participants receiving high-dose FT-002 demonstrated sustained improvements in visual acuity, retinal function and structure, as well as vision-related quality of life. In the high-dose group, the BCVA improvement was 8.3 ± 6.11 letters, with 33.3% of participants gained more than 15 letters. Improvements in BCVA of no less than 5 letters is deemed the minimal clinically important difference, and improvements of no less than 15 letters is deemed to clinically significantly improve vision. The high dose group's improvements in BCVA, especially sustained over 52 weeks, indicate that FT-002 restores or preserves central vision. As illustrated in the diagram below, participants receiving high-dose FT-002 experienced

sustained improvements in BCVA. No meaningful improvement in BCVA were observed for the low-dose and medium-dose groups.



Source: Company data

For comparison, BCVA changes were also evaluated for the non-treated fellow eye, which generally experienced less significant improvements from baseline during the observation and follow-up period.

At Week 52, the change from baseline in vision-related quality of life (NEI VFQ-25 score) in the high-dose group was an increase of 14.139 ± 9.560 points. For the low and medium-dose groups, changes from baseline was an increase of 9.3494 points and a decrease of 3.977 ± 9.770 points, respectively. The NEI VDQ-25 score refers to scoring on a standard participant-reported questionnaire assessing vision-related quality of life across 12 domains, with scores from 0 to 100. An improvement of 6 points or above is statistically significant and represents changes that are very likely tangible to the participants and positively contribute to their quality of life. In this case, the increase of 14.139 ± 9.560 points for the high-dose group demonstrates significant clinical value of FT-002.

Importantly, OCT results showed that, in the high-dose group, the mean ellipsoid zone ("**EZ**") width in the study eye increased by 0.022 ± 0.146 mm from baseline at Week 52. For the low and medium-dose groups, changes from baseline was a decrease of 0.096 mm and a decrease of 0.136 ± 0.068 mm, respectively. Compared with an average EZ width decrease of 0.173 to 0.289 mm per year in natural history studies of XLRP, an increase in EZ width after FT-002 treatment for the high-dose group suggests preservation or restoration of retinal structure, indicating the slow down or reverse the disease progression.

Safety data. The results of the Phase I clinical trial indicated that the overall safety and tolerability of FT-002 was favorable. No DLTs or FT-002-related SAEs were observed. Three participants (including two in the medium-dose group and one in the high-dose group) reported FT-002-related ocular TEAEs in the severity of Grade 2, including vitritis and iritis, which were resolved after treatment with steroid eye drops. One participant in the medium-dose group experienced SAE in the severity of Grade 3, which was an anal abscess, and was assessed to be unrelated to FT-002 and surgical procedure. There was no adverse event that led to patient withdrawal or study discontinuation.

With respect to AAV shedding within 52 weeks, transient and low levels of FT-002 vector genomic DNA were detected in the peripheral blood, urine and tears from both eyes of the participants, while no significant or sustained AAV shedding was observed.

Phase II Clinical Trial

Trial design. The dose expansion Phase II clinical trial of FT-002 was a single-dose, open-label clinical trial targeting (i) pediatric participants aged 8 to 17 years and (ii) adult

participants, with RPGR mutation-associated XLRP. Each enrolled participant received a one-time subretinal injection of FT-002 in a single eye. The recommended Phase II dose (RP2D) of 2.0×10^{11} vg per eye was determined based on the safety and efficacy data from the Phase I clinical trial.

Key inclusion criteria for the trial include but are not limited to (i) participants must be either pediatric participants aged 8 to 17 years old or adult participants aged 18 to 40 years old, (ii) clinically diagnosed with XLRP, (iii) confirmed mutations of the RPGR gene based on genetic tests, and (iv) BCVA of no lower than 34 letters and no more than 78 letters. Key exclusions criteria for the trial are generally the same as the criteria for the Phase I clinical trial.

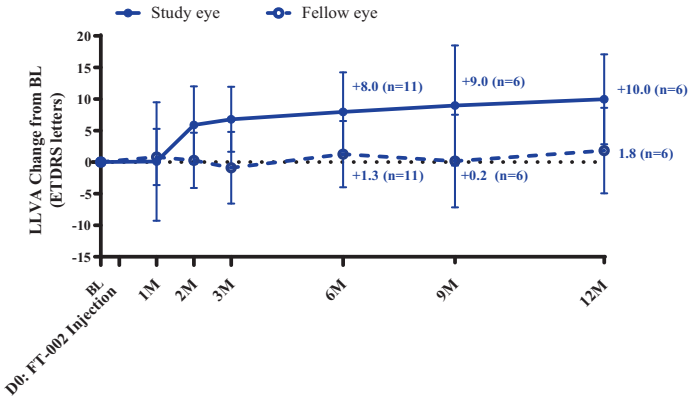
After receiving FT-002, the 6 pediatric participants completed 52-weeks of follow-up and the 5 adult participants completed 24-weeks of follow-up to assess the safety, efficacy and immunogenicity of FT-002. Participants have entered long-term follow-ups up to 5 years after completing the Week-52 visit, which will be conducted every 6 month, to evaluate the long-term safety and efficacy of FT-002.

Trial objectives. The primary objective was to evaluate the safety, tolerability and efficacy of a single subretinal injection of FT-002 at RP2D in both pediatric and adult XLRP participants. Primary endpoints relate to efficacy, and include changes in low luminance visual acuity ("**LLVA**") from baseline. Secondary endpoints relate to efficacy, including changes in BCVA from baseline, safety, immunogenicity and AAV shedding.

Our trial protocols previously listed changes in mean retinal sensitivity (MS) from baseline as a primary endpoint, and changes in LLVA from baseline as a secondary endpoints. In July 2026, to align with the efficacy endpoints of other XLRP-targeting gene therapy drugs in advanced clinical stages, we amended our trial protocols to remove changes in MS from baseline as a primary endpoint and added changes in LLVA from baseline as a primary endpoint. This amendment was reviewed and approved by an ethics committee, comprising of independent industry experts, which is responsible for reviewing any amendment to the pre-approved trial protocol.

Trial status. This Phase II clinical trial was initiated in February 2025, and completed the enrollment of six pediatric participants in July 2025 and five adult participants in March 2026. In August 2026, the Phase II clinical trial was completed as the six pediatric participants have completed 52 weeks of follow-up and the five adult participants have completed 24 weeks of follow-up. All endpoints have been assessed and are expected to be submitted to the CDE for evaluation in the third quarter of 2026. We expect to obtain a no-objection confirmation from the CDE in the fourth quarter of 2026 and initiate Phase III clinical trial by the second quarter of 2027.

Efficacy data. Based on 24-week follow-up data for both of the adult and pediatric cohorts and 52-week follow-up data for the pediatric cohort and: (i) for both of the adult and pediatric cohorts, the study eye of each adult participant demonstrated an improvement in LLVA, with an average increase of 8.0 letters from baseline at Week 24, compared to an average increase of 1.3 letters in the fellow eye and (ii) for the pediatric cohort, the study eye of each pediatric participant demonstrated a sustained improvement in LLVA, with an average increase of 10.0 letters from baseline at Week 52, compared to an average increase of 1.8 letters in the fellow eye. LLVA measures cone function under low luminance (2.0 log filter). In XLRP, LLVA is a critical measure of visual function, and a gain of more than 10 letters is considered to be clinically significant. The following diagram illustrates LLVA changes from baseline for both the study eye and fellow eye.



Source: Company data

Safety data. Based on 52-week follow-up data for the pediatric cohort and 24-week follow-up data for the adult cohort, all participants demonstrated good tolerability and safety. No ocular SAEs, SUSARs or FT-002 related ocular inflammations were reported. There was also no Grade 3 or above AEs. There was no adverse event that led to patient withdrawal or study discontinuation. Importantly, compared to adult participants, the 6 pediatric participants did not experience any new safety signals over the extended 52-week follow-up period. The incidence and severity of FT-002-related adverse events in both age groups were comparable to those observed in prior studies.

With respect to AAV shedding in pediatric participants, transient and low levels of FT-002 vector genomic DNA were detected in the peripheral blood, urine and tears from both eyes, while no significant or sustained AAV shedding was observed.

Material Communications and Next Steps

We received IND approval from the NMPA in November 2023, which covered both a dose escalation Phase I and a dose expansion Phase II clinical trial as two distinct segments. We did not receive comments from the NMPA to our clinical trial plans before receiving the IND approval. Pursuant to the IND approval, we initiated and completed the Phase I clinical trial in April 2024 and August 2024, respectively, according to the trial design, and initiated the Phase II clinical trial in February 2025.

Taking into account the industry practice as advised by Frost & Sullivan, the dose escalation Phase I clinical trial constituted a completed clinical trial with its main purpose aligning with the overall purpose of a conventional Phase I clinical trial, which is typically to assess safety and determine the dosage for Phase II clinical trial. On November 11, 2015, the CFDA issued the Announcement on Certain Policies for Drug Registration, Evaluation and Approval (the "**Announcement for Drug Approval**") (關於藥品註冊審評審批若干政策的公告), which regulates that an umbrella approval would be issued by the NMPA for multiple phases of a new drug clinical trial, instead of approvals phase by phase, based on the above and FT-002 clinical trial protocols submitted to the CDE, our PRC Legal Advisor is of the view that we are not required to obtain additional regulatory approval from the NMPA for commencing the dose expansion Phase II clinical trial in China. In December 2025, we consulted the Yangtze River Delta Center of the CDE (國家藥品監督管理局藥品審評檢查長三角分中心) regarding the commencement of our Phase II clinical trial after completion of the Phase I clinical trial. We reached a representative of the Yangtze River Delta Center from their official consultation hotline, which, as confirmed by our PRC Legal Adviser, (i) is an official channel for consultation with the CDE on the matters regarding drug evaluation, including the application for drug clinical trials, and (ii) as such hotline is the official channel for consultation with the CDE, the representative who received the call is the qualified person to respond to public inquiries. According to Frost & Sullivan, it is also customary for companies in China to seek the CDE's official views through the CDE's official consultation hotline. We informed the representative of details of our clinical trials including the fact that

our IND covered both a Phase I and a Phase II clinical trial and that the clinical trials do not have components outside of China. Based on our explanations, the representative confirmed that we are not required to obtain additional regulatory approval from the NMPA for commencing the Phase II clinical trial in China and expressed no objection for us to commence the Phase II clinical trial of FT-002.

In January and October 2024, FT-002 was granted Orphan Drug Designation and Fast Track Designation by the FDA, respectively. In September 2024, the FDA has approved the Phase II clinical trial for FT-002 in the United States, making us the first Chinese rAAV gene therapy company using a Bac/Sf9 system to obtain IND approval from the FDA for a Phase II clinical trial. Our application materials for the Phase II clinical trial included CMC, preclinical, and Phase I clinical data generated in China, as well as proposed Phase II clinical trial plan in the U.S. Before granting its IND approval, the FDA raised comments primarily regarding the enrolled participants, follow-up approaches, and efficacy endpoints, and we made corresponding changes to the Phase II trial plan accordingly. The FDA's approval for the Phase II clinical trial despite the absence of a completed Phase I clinical trial in the United States was based on CMC, preclinical, and Phase I clinical data generated in China. The scope of the IND approval from the FDA covered the Phase II study to investigate efficacy and safety of subretinal injection of FT-002 in participants with RPGR-associated XLRP.

To date, the NMPA and the FDA have not raised any objections or material concerns with respect to the development of FT-002.

The Phase II clinical trial of FT-002 initially targeted pediatric participants aged 8 to 17 years with RPGR mutation-associated XLRP. In September 2025, we made a submission to the CDE to discuss Phase III clinical trial plans of FT-002, which included our then available Phase II clinical trial results, and received feedback in December 2025 that recommended (i) completing 52 weeks of follow-up for the pediatric participants before evaluating the initiation of the Phase III trial and (ii) considering the applicability of the clinical trial results of pediatric participants with respect to the proposed enrollment of adult participants in the Phase III trial. Following such recommendations, we voluntarily amended the Phase II clinical trial protocol, with the CDE's agreement, to include an additional three to six adult participants. As of the Latest Practicable Date, we have completed Phase II clinical trials for FT-002 in China, with a total of six pediatric participants who have completed 52 weeks of follow-up and five adult participants who have completed 24 weeks of follow-up. All endpoints have been assessed and the results are expected to be submitted to the CDE for evaluation in the third quarter of 2026. We expect to obtain a no-objection confirmation from the CDE in the fourth quarter of 2026 and initiate Phase III clinical trial by the second quarter of 2027. Save for the communications discussed above, we have not received any comments from the CDE in relation to the clinical trial results of FT-002.

We will also continue pursuing development and approval for FT-002 in the United States, leveraging its Orphan Drug Designation and Fast Track Designation status. We currently expect to pursue further clinical development in the U.S. leveraging clinical data from China and in collaboration with local CROs at appropriate times. We intend to submit an application for the FDA's regenerative medicine advanced therapy (RMAT) designation for FT-002 in the fourth quarter of 2026 and seek a pre-Phase III meeting by the first quarter of 2027. Subject to applicable regulatory approvals, we intend to commence Phase III clinical trial of FT-002 in the United States by the end of 2027. We believe we have sufficient R&D capability in the U.S. to progress the clinical development of FT-002 through collaboration with local CROs. We will flexibly adjust our resource allocation between progressing the clinical trials in China and the United States, as well as the desired pace of clinical development, based on the local regulatory and market environment in these jurisdictions, the competitive landscape, and the abundance of our own resources. In doing so, we fully intend to take advantage of the FDA approval for Phase II clinical trials in the United States and the Orphan Drug Designation and Fast Track Designation status of FT-002 to unlock the greatest market potential and maximize value to stakeholders.

FT-002 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

FT-003, an rAAV gene therapy for nAMD and DME, our Core Product

Overview

FT-003 is an intravitreal rAAV gene therapy drug candidate being investigated for nAMD and DME. These retinal vascular diseases are among the leading causes of vision loss and blindness worldwide, particularly affecting the elderly and individuals with diabetes. Current standard-of-care therapies for nAMD and DME rely on frequent intravitreal injections of anti-VEGF agents, which impose a substantial, cumulative treatment burden on patients and healthcare systems, often resulting in suboptimal compliance and poor long-term outcomes.

FT-003 is the most advanced intravitreal gene therapy for nAMD in China in terms of clinical development progress, according to Frost & Sullivan. We have developed FT-003 in-house based on our own intellectual property.

Drug Design and Mechanism of Action

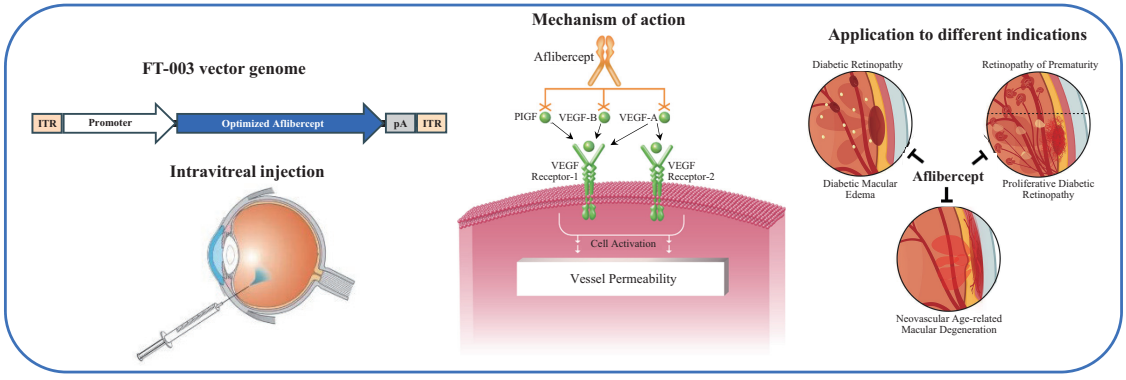
FT-003 utilizes an rAAV2m capsid that is administered via intravitreal injection. Unlike many other rAAV vectors, the rAAV2m capsid in FT-003 is specifically designed to efficiently penetrate the inner limiting membrane of the retina. This targeted vector design enables broad and deep transduction across multiple retinal cell layers.

The capsid carries a codon-optimized gene encoding aflibercept, a fusion protein comprising the extracellular domains of human VEGF receptors 1 and 2 ("**VEGFR1**" and "**VEGFR2**") fused to the Fc portion of human IgG1. Upon administration, FT-003 enables the robust and sustained expression of aflibercept, which is driven by an optimized ubiquitous promoter and regulatory element.

Aflibercept acts as a soluble decoy receptor, binding with high affinity to vascular endothelial growth factor A and B ("**VEGF-A**" and "**VEGF-B**"), and placental growth factor ("**PlGF**"). By sequestering these pro-angiogenic factors, aflibercept effectively blocks their interaction with endogenous VEGF receptors on vascular endothelial cells. This inhibition disrupts the VEGF and PlGF signaling pathways, thereby suppressing pathological neovascularization, reducing vascular permeability, and preventing vascular leakage within the retina.

Through this mechanism, FT-003 addresses the underlying molecular drivers of nAMD and DME, providing a long-acting, one-time gene therapy solution that has the potential to significantly improve visual outcomes, reduce the need for frequent anti-VEGF injections, and alleviate the treatment burden for patients with these sight-threatening retinal diseases.

The following diagrams illustrate the vector genome and injection method of FT-003 on the left side, the mechanism of action of FT-003 in the middle, and the application of FT-003 to different indications on the right side:



Note: ITR = inverted terminal repeats; pA = polyadenylation signal.
Source: Literature Review

Market Opportunities and Competition

nAMD and DME represent two of the leading causes of vision loss and blindness among the elderly worldwide. The prevalence of these conditions is rising in parallel with aging populations and increasing rates of diabetes, creating a substantial and growing patient pool in both China and international markets. 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.

There is a clear and urgent unmet need for long-acting therapies that can provide durable disease control with fewer interventions. Therapies that can reduce the frequency of injections or offer a one-time treatment solution are expected to deliver higher clinical and economic value, improve patient quality of life, and reduce the overall burden on healthcare systems.

The market potential for therapies in nAMD and DME is substantial. In China and the United States, the patient populations for nAMD and DME are forecasted to continue growing steadily. The global ophthalmic anti-VEGF drug market was US$17.9 billion in 2025 and is expected to reach US$41.8 billion in 2035, according to Frost & Sullivan. The positive market outlook is further supported by the increasing adoption of advanced therapies and the willingness of payers to support treatments that offer increased durability and reduced treatment burden.

As of the Latest Practicable Date, there are 24 rAAV gene therapy drug candidates in clinical stage for the treatment of nAMD. FT-003 is the most advanced intravitreal gene therapy for nAMD in China in terms of clinical development progress. The following chart illustrates the global competitive landscape of FT-003 for nAMD as of the Latest Practicable Date, according to Frost & Sullivan:

Route of Administration	Drug Name	Company	Target	Vector Type	Phase	First Posted Date	Country	Manufacturing System
Intravitreal	Ixoberogene soroparvovec (Ixo-vec, ADVM-022)	Eli Lilly /Adverum	VEGF	AAV2.7m8	Phase III	2025/3/4	US	Bac /Sf9
	zunibergene rocparvovec (4D-150)	4D Molecular Therapeutics	VEGFA; VEGFB; VEGFC; PLGF	AAV vector R100	Phase III	2025/3/7	US, Canada	HEK293
	SKG0106	Skyline Therapeutics	VEGFA	AAV	Phase I/II	2023/8/14	China, US	NA
	FT-003	**Frontera Therapeutics**	**VEGF**	AAV	**Phase II** **Phase II IND Approval**	**2024/9/26[1]** **2024/11/11**	**China** **US**	**Bac /Sf9**
	XMVA09	Starrygene Therapeutics Company Limited	ANGPT2, VEGF	AAV	Phase I/II	2024/4/12	China	NA
	ABI-110	Avirmax Biopharma	VEGF	AAV2.N54	Phase I/II	2024/8/12	US	Bac/Sf9
	GZ402663	Sanofi	VEGF	AAV2	Phase I/II	2024/10/28	US	NA
	IVB-103	Innovec Biotherapeutics	-	AAV	Phase I/II	2024/11/29	China	NA
	EXG202	Hangzhou Jiayin Biotechnology Co., Ltd	ANGPT2, VEGF	AAV	Phase I/II	2025/9/18	China	NA
	LX111	Innostellar Biotherapeutics	VEGF	AAV	Phase I	2025/7/8	China	NA
Subretinal	Surabgene lomparvovec (Sura-vec, ABBV-RGX-314)	Abbvie / Regenxbio	AAV8-VEGF	AAV8	Phase III	2022/6/7	US, UK, Japan, etc.	HEK293
	LX102	Innostellar Biotherapeutics	VEGF	AAV	Phase III	2025/12/29	China	NA
	JWK001	Chengdu Gene Vector Biotechnology	VEGF	AAV	Phase II	2026/8/20	China	NA
	KH631	Chengdu Kanghong Pharmaceutical Group Co.,Ltd.	VEGF	AAV	Phase I/II Phase I	2023/1/5 2022/12/10	China US	NA
	EXG102-031	Hangzhou Jiayin Biotechnology Co., Ltd	ANGPT2, VEGFA, VEGFC	AAV	Phase I/II Phase I	2023/10/12 2023/6/6	China US	NA
	NG101	Reyon Pharmaceutical, NeuracleGenetics	VEGF	AAV	Phase I/II	2023/8/9	US, Canada	NA
	RRG001	Shanghai RefreshgeneTherapeutics	VEGF	AAV	Phase I/II	2023/11/21	China	NA
	NGGT007	Next Generation Gene Therapeutics	CYP4V2	AAV	Phase I/II	2025/1/16	China	NA
	CRG-B191	Shanghai Keruike Pharmaceutical Technology	VEGF	AAV	Phase I/II	2025/11/6	China	NA
	HG202	Huida Gene Therapeutics Co., Ltd.	VEGF	AAV	Phase I	2023/9/4	China	NA
	RGL-2201	Shanghai Regenelead Therapies Co., Ltd.	VEGF	AAV	Phase I	2025/3/3	China	NA
Suprachoroidal	AL-001	Beijing Anlong Biopharmaceutical Co., Ltd	VEGF	AAV	Phase II	2025/2/17	China	Bac/Sf9
	KH658	Chengdu Kanghong Pharmaceutical Group	VEGF	AAV	Phase I/II	2024/6/13	China	NA

Note:

* "NA" indicates that the manufacturing system of the corresponding product has not been publicly disclosed.

(1) FT-003 has completed both Phase I and Phase II clinical trials. The first posted date disclosed herein refers to the date on which the first participant in the Phase II trial signed the informed consent form.

Source: Clinicaltrial.gov, CDE, Frost & Sullivan Report

The following chart illustrates the global competitive landscape of FT-003 for DME as of the Latest Practicable Date, according to Frost & Sullivan:

Route of Administration	Drug Name	Company	Target	Vector type	Phase	First Posted Date	Country	Manufacturing System
Intravitreal	zunibergene rocparvovec (4D-150)	4D Molecular Therapeutics	VEGFA, VEGFB, VEGFC, PLGF	AAV vector R100	Phase II	2023-07-05	US, Puerto Rico	HEK293
	FT-003	**Frontera Therapeutics**	**VEGF**	**AAV**	**Phase II** **Phase II IND Approval**	**2024-10-22[1]** **2024-12-25**	**China** **US**	**Bac/Sf9**
	SKG0106	Skyline Therapeutics	VEGFA	AAV	Phase I	2024-02-01	China	NA
	LX111	Innostellar Biotherapeutics	VEGF	AAV	Phase I	2026-01-23	China	NA
Suprachoroidal	Surabgene lomparvovec (Sura-vec, ABBV-RGX-314)	Abbvie / Regenxbio	VEGF	AAV8	Phase II/III	2026-05-18	US, Puerto Rico	HEK293
	KH658	Chengdu Kanghong Pharmaceutical Group	VEGF	AAV	Phase II	2026-07-07	China	NA

Note:

* "NA" indicates that the manufacturing system of the corresponding product has not been publicly disclosed.

(1) The first posted date disclosed herein refers to the date on which the first participant in the Phase II trial signed the informed consent form.

Source: Clinicaltrial.gov, CDE, Frost & Sullivan Report

Key Advantages

FT-003 combines validated molecular targeting, vector and gene design, robust and durable clinical efficacy, a favorable safety profile, and industry-leading manufacturing efficiency.

- **Potential with Long-Term Disease Control, Significant Reduction in Treatment Burden, and Favorable Safety Profile.** Clinical data from Phase I and Phase II clinical trials demonstrate that FT-003 may have comparable efficacy and safety profile compared to notable competitors such as Ixo-vec and 4D-150 for nAMD (based on their latest publicly available trial results, not head-to-head comparisons).

nAMD

o FT-003 has demonstrated sustained improvements in both BCVA and CST through 52 weeks after administration in the Phase II clinical trial, with the high-dose cohort demonstrating performance comparable to that of the aflibercept control group at Week 52. In the Phase II clinical trial, a single intravitreal injection of high-dose FT-003 resulted in a LS mean BCVA increase of 10.4 letters and a LS mean CST reduction of 73 μm at Week 52, with 79% of participants not requiring any subsequent anti-VEGF injections and 89% receiving no more than one injection.

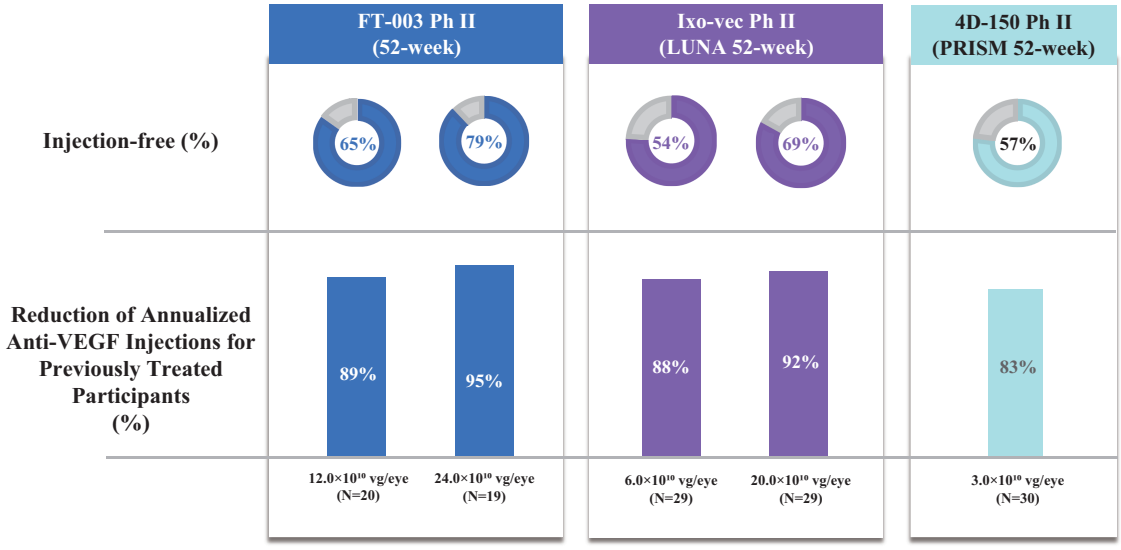
o Our Phase II clinical trial indicated that FT-003 may have a comparable efficacy and safety profile compared to the latest publicly available clinical trial results of notable gene therapy competitors, such as Ixo-vec and 4D-150, based on a non-head-to-head comparison.

Product (Clinical phase)	FT-003 (Phase II at Week 52)	Ixo-vec (Phase II LUNA at Week 52)	4D-150 (Phase II PRISM at Week 52)
BCVA change from BL (ETDRS letters)	+6.2 (12.0 × 10^{10} vg/eye, N=20) +10.4 (24.0 × 10^{10} vg/eye, N=19)	+2.1 (6.0 × 10^{10} vg/eye, N=28) +1.8 (2.0 × 10^{11} vg/eye, N=29)	+2.2 (3.0 × 10^{10} vg/eye, N=30)
CST change from BL (μm)	-81 (12.0 × 10^{10} vg/eye, N=20) -73 (24.0 × 10^{10} vg/eye, N=19)	-10.2 (6.0 × 10^{10} vg/eye, N=30) -21.9 (2.0 × 10^{11} vg /eye, N=30)	+11.0 (3.0 × 10^{10} vg/eye, N=30)

Note: The BCVA and CST data for FT-003 and Ixo-vec are presented as LS means, while those for 4D-150 are presented as mean ± standard deviation. The data for Ixo-vec and 4D-150 are presented in the metrics and formats publicly disclosed by the respective companies. Clinical data are not from head-to-head clinical trials, thus not directly comparable.

Source: Company Data, Literature Review

o The annualized rate of anti-VEGF rescue injections also demonstrated significant reductions following FT-003 injection. The rate was reduced by 79% in the Phase I clinical trial, with 7 out of 11 participants (63.6%) requiring no additional injections during the entire year. As illustrated below, at Week 52 of the Phase II clinical trial, 65% and 79% of the low- and high-dose groups for FT-003 achieved injection-free status, which is comparable with peer products at similar times of their Phase II clinical trial. Reductions in injection frequency were 89% and 95% for the low- and high-dose groups for FT-003, compared with 88% and 92% for Ixo-vec and 83% for 4D-150.



Note: Clinical data are not from head-to-head clinical trials, thus not directly comparable.
Source: Company Data, Literature Review

DME

- The need for anti-VEGF therapy was reduced by 67% in the Phase I clinical trial, with two out of nine Phase I participants requiring no anti-VEGF therapy injections over 52 weeks after administration.
- In the IIT study and Phase I clinical trial, FT-003 exhibited generally comparable efficacy to the performance of a notable gene therapy candidate, 4D-150, based on its latest publicly available clinical trial results. The following table sets forth a non-head-to-head comparison of FT003 and 4D-150.

Product (Clinical phase)	FT-003 (IIT & Phase I)	4D-150 (Phase II SPECTRA)
Mean BCVA change from baseline at Week 52 (ETDRS letters)	+2.7 (2.0 × 10^{10} vg/eye, N=3) +7.3 (24.0 × 10^{10} vg/eye, N=3) +11.7 (12.0 × 10^{10} vg/eye, N=3) +7.3 (24.0 × 10^{10} vg/eye, N=3)	+9.2 (5.0 × 10^{9} vg/eye & 1.0 × 10^{10} vg/eye, N=11) +6.4 (3.0 × 10^{10} vg/eye, N=9)
Mean CST change from baseline at Week 52 (μm)	-170 (2.0 × 10^{10} vg/eye, N=3) -225 (6.0 × 10^{10} vg/eye, N=3) -214 (12.0 × 10^{10} vg/eye, N=3) -192 (24.0 × 10^{10} vg/eye, N=3)	-140 (5.0 × 10^{9} vg/eye & 1.0 × 10^{10} vg/eye, N=11) -131 (3.0 × 10^{10} vg/eye, N=9)

Note: Clinical data are not from head-to-head clinical trials, thus not directly comparable.
Source: Company Data, Literature Review

- **One-Time, Long-Acting Therapy with Attractive Commercial and Patient Value Proposition:** By offering a single-administration, long-acting solution, FT-003 has the potential to transform the standard of care for nAMD and DME, improving patient quality of life and reducing the overall burden on healthcare systems. In addition, FT-003 is produced using our AAVANCE™ manufacturing platform, which enables large-scale, GMP-compliant production with high yields, low empty capsid rates, and a highly competitive production cost.

- **Convenient and Widely Adopted Administration.** FT-003 is administered via a single intravitreal injection, a minimally invasive procedure that can be performed quickly and safely in a standard outpatient setting without the need for specialized surgical equipment or highly technical expertise. This ease of administration supports broad clinical adoption and enhances patient access, distinguishing intravitreal injection from other delivery methods such as subretinal and suprachoroidal injections. For a comparison of the major injection methods, see "Industry Overview."

- **Fully Validated Target and Optimized Gene Design.** FT-003 encodes aflibercept, a well-established anti-VEGF fusion protein, ensuring a high probability of clinical success by targeting a validated molecular pathway in retinal vascular diseases. The engineered rAAV2m capsid enables efficient transduction of retinal cells via intravitreal injection, while codon optimization and regulatory element refinement ensure robust and sustained aflibercept expression.

Summary of Clinical Trial Data for nAMD

Investigator Initiated Trial

We worked with Prof. Xiaorong Li at the Tianjin Medical University Eye Hospital for the investigator-initiated trial of FT-003 for nAMD. We collaborated with the hospital as it had applicable clinical research qualifications, leading experts in the field, and access to a large patient pool.

Based on the terms of our collaboration agreement, we are responsible for designing the trial protocol upon consultation with the investigator, supplying the drugs required and bearing all expenses associated with the investigator-initiated trial, which were funded by our working capital. During the Track Record Period, we incurred a total of US$0.2 million in professional services expenses associated with the trial and expect to incur an additional US$0.1 million. The investigator was primarily responsible for executing the trial plan. We have exclusive rights and ownership over all clinical trial data, IPs, know-hows, technologies, and other material aspects over FT-003 with respect to nAMD arising from the investigator-initiated trial. The investigator has not filed any patent applications relating to FT-003 with respect to nAMD. There is no explicit confidentiality provision in our collaboration agreement.

We did not rely on the results of the investigator-initiated trial for obtaining the IND approval for FT-003 for nAMD from NMPA, since the investigator-initiated trial was concluded in May 2025 and we, as the sole sponsor, submitted the IND application for FT-003 for nAMD, which did not reference any data from the investigator-initiated trial, in February 2023 and obtained approval in April 2023. We solely own all patent applications in connection with FT-003 for nAMD filed by us, and have not out-licensed such pending patents to a third party. We are of the view that there are no valid third party patents enforceable against us in connection with FT-003 for nAMD. Thus, we have full and independent rights to conduct R&D and commercialization of FT-003 for nAMD.

Trial design. The investigator initiated trial of FT-003 was an open-label, dose-escalation trial in participants with nAMD. Two dose groups were set up: (i) low dose group (6.0×10^{10} vg/eye), which enrolled three participants; and (ii) medium dose group (12.0×10^{10} vg/eye) which enrolled one participant. Each participant received a single intravitreal injection of FT-003 at a volume of 50 μL.

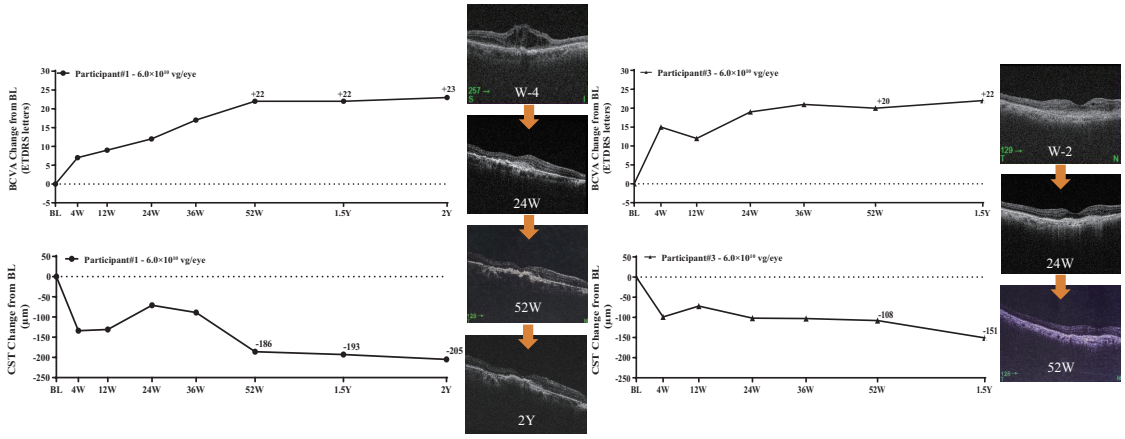
Trial objectives. The primary objective was to evaluate the safety, tolerability, and preliminary efficacy of FT-003 administered via intravitreal injection in participants with nAMD.

Trial status. The IIT study was initiated in December 2022 and completed its two-year follow-up in May 2025. All participants are undergoing five years of long-term follow-up.

Efficacy data. The efficacy results indicated FT-003 may offer sustained visual and anatomical benefits while reducing treatment burden in nAMD patients. A single intravitreal injection of FT-003 in four participants with nAMD resulted in improvements in BCVA and reductions in CST over a three years follow-up period.

Notably, in the low-dose group, two participants who received FT-003 maintained stable and improved BCVA over three years of follow-up, with retinal structure remaining normal as assessed by OCT imaging. Importantly, these participants did not require any additional anti-VEGF therapy during the observation period, and aflibercept was still

detectable in the aqueous humor at the end of follow-up. This suggests that FT-003 effectively transduced retinal cells and enabled sustained, stable expression of aflibercept, providing ongoing therapeutic benefit and disease control for nAMD patients.



Source: Company Data

Safety data. The clinical results indicated that the overall tolerability and safety profile of FT-003 were favorable. No DLTs or SAEs related to FT-003 were observed. The only adverse events reported were intraocular inflammatory reactions commonly associated with rAAV gene therapy products and intravitreal injections. No new or unexpected safety risks were identified during the study period.

Phase I Clinical Trial

Trial design. The dose escalation Phase I clinical trial was an open-label, multicenter, and non-randomized study. The trial enrolled a total of 11 participants, with each participant receiving a single intravitreal injection of FT-003 in one eye. Three dose cohorts were established: (i) low dose group: 6.0×10^{10} vg/eye, which enrolled three participants; (ii) medium dose group: 12.0×10^{10} vg/eye, which enrolled four participants; and (iii) high dose group: 24.0×10^{10} vg/eye, which enrolled four participants.

Key inclusion criteria for the trial include but are not limited to (i) male and female participants aged 50 to 80 years old, (ii) clinically diagnosed with nAMD, (iii) BCVA of no lower than 24 letters and no more than 73 letters for the study eye, and BCVA of no lower than 19 letters for the fellow eye, (iv) received anti-VEGF treatment in the previous six months prior to screening, and (v) has demonstrated a clinical response to anti-VEGF treatment prior to enrollment. Key exclusions criteria for the trial include but are not limited to (i) choroidal neovascularization due to causes other than AMD in the study eye, (ii) had relevant treatment record and/or allergies, including recent eye surgeries, other gene therapy treatment, or allergies to materials used in the trial, (iii) has systemic risks such as stroke, and (iv) anti-AAV2m neutralizing antibody titer is larger than 1:1,000.

After receiving FT-003, all participants completed 12 weeks of observation, and, according to the requirement and authorization of the CDE-approved trial protocol, an iDMC meeting, comprising of a group of independent experts, was hold to review the safety and tolerability data of all participants and confirm the initiation of the Phase II dose-expansion study. Meanwhile, all participants were expected to complete 52 weeks of follow-up. Participants who completed the Week 52 visit or withdrew early entered the long-term follow-up period until five years after injection.

Trial objectives. The primary objectives were to evaluate the safety, tolerability and efficacy of a single intravitreal injection of FT-003 in nAMD patients. Primary endpoints relate to safety and tolerability within 12 weeks of injection, and include DLT within 28 days and incidents of AEs and SAEs. Secondary endpoints relate to safety and tolerability within

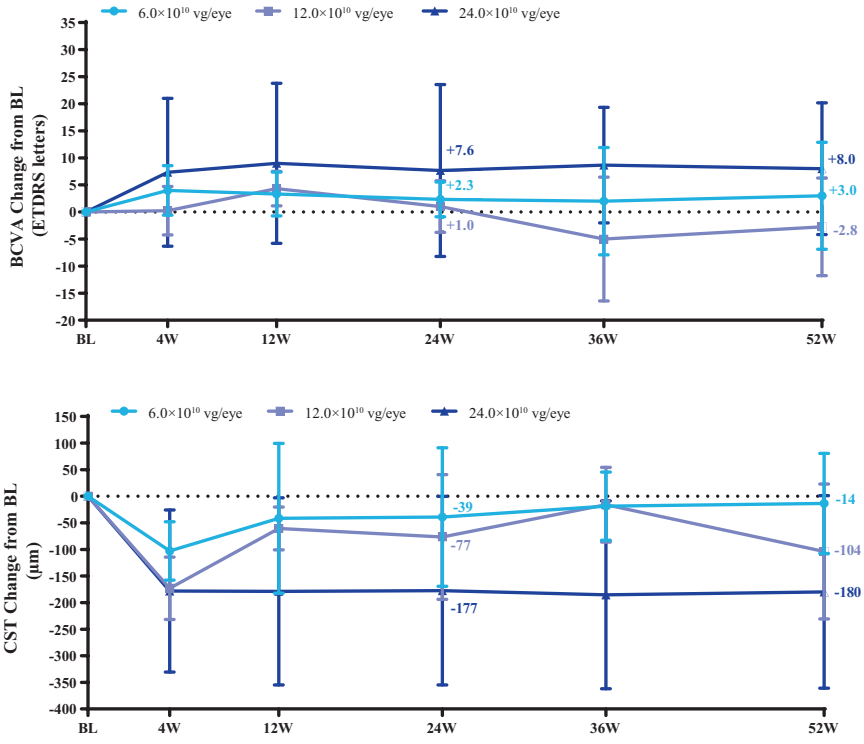
52 weeks of injection, efficacy within 12 and 52 weeks of injection, including changes in BCVA from baseline, immunogenicity and AAV shedding.

Trial status. The clinical trial was initiated in August 2023, and completed in August 2024. The primary endpoints, which are 12-week safety and tolerability data and the only prerequisites for the initiation of Phase II clinical trials, were evaluated by the iDMC which confirmed the initiation of Phase II in August 2024. No communication with the CDE is required to confirm whether the primary or secondary endpoints were met until we propose to initiate the Phase III clinical trials. Secondary endpoints, which are safety, efficacy, immunogenicity and AAV shedding data within 52 weeks post FT-003 injection, were assessed in September 2025 and have met our trial objectives. All participants are undergoing five years of long-term follow-up.

Efficacy data. The clinical data illustrate that FT-003 has the potential to deliver long-lasting clinical benefits for nAMD patients, including meaningful gains in visual acuity, anatomical improvements in the retina, and a dramatic reduction in the burden of ongoing anti-VEGF therapy. Following FT-003's injection, therapeutic levels of aflibercept were detectable in aqueous humor for up to 52 weeks in all three dose groups, indicating sustained aflibercept expression mediated pharmacological effect.

Particularly, the high dose group exhibited the most pronounced efficacy. At Week 52, participants in this group achieved a mean BCVA improvement of 8 letters and a mean CST reduction of 180 μm, with 33% of participants achieving a BCVA improvement of more than 15 letters. BCVA measures the participant's visual functions, and CST, or central subfield thickness, is an objective, quantifiable measure of retinal thickness in the central part of the macula, providing biological evidence on participants' retinal structure. Both parameters are internationally recognized parameters used for the evaluation of product candidates for the treatment of nAMD and DME in the world. Improvements in BCVA of no less than 5 letters is deemed the minimal clinically important difference, and improvements of no less than 15 letters is deemed to significantly improve vision. The high dose group's improvements in BCVA, especially sustained over 52 weeks, indicate ability to restore or preserve central vision. Meanwhile, a reduction in CST of no less than 50μm is deemed clinically meaningful. The high dose group's 180 μm reductions in CST reflect FT-003's ability to restore retinal structure. These results indicate that FT-003 can provide sustained improvements in both visual function and retinal structure.

The following diagram sets forth changes in BCVA and CST from baseline for each of the dosage cohort up to 52 weeks after injection. The low dose and medium dose groups generally had less significant improvements in BCVA and CST.



Source: Company Data

No comparison against the fellow eye was done since the fellow eye may not be diagnosed with nAMD, and even in cases of nAMD, the medical and treatment history and the baseline characteristics (e.g. BCVA and CST) may be different with the study eye. In addition, we did not restrict treatment of the fellow eye during the study.

Among all the participants, the annualized anti-VEGF injection rate was reduced by 79%. Annualized anti-VEGF injection rate is also an internationally recognized parameter for the evaluation of similar gene therapy products in the world, and is calculated as the percentage difference between the number of pre- and post-treatment annualized anti-VEGF injection. Notably, among the three high-dose participants who have completed 52-week follow-up, none required any anti-VEGF rescue injections during the entire year, representing a decrease in annualized anti-VEGF injection rate of 100%. For the low and medium-dose groups, annualized anti-VEGF injection rate decreased by 32% and 75%, respectively. The results indicate a substantial decrease in the need for additional anti-VEGF therapy and, consequently, a potential improvement in patient compliance and quality of life. However, no marked and consistent reduction of CNV area and leakage area were measured among the three dose groups at Week 52.

Safety data. FT-003 demonstrated a favorable safety profile and was well-tolerated across all tested dose levels in participants up to 1 year follow-up. All participants received only light steroid prophylaxis, and the overall tolerability was excellent. Trace to mild intraocular inflammation was observed in a few participants, all of which were effectively managed and controlled with standard steroid treatment, and did not result in any serious complications. No DLTs or SAEs related to FT-003 were reported throughout the study. Aside from the above-mentioned ocular inflammatory events, no new or unexpected safety risks were identified. Although humoral immune responses against AAV (neutralizing antibody) were detected in 2 participants in the low-dose group, no specific cellular immune responses

were observed in any participants, and therefore no correlation between the safety of FT-003 and immune responses has been identified to date. Furthermore, during long-term follow-up, no participants experienced FT-003-related decreases in intraocular pressure, and no other significant ocular or systemic safety issues were observed. No Grade 3 or above AEs were observed throughout the study. There was no adverse event that led to patient withdrawal or study discontinuation.

With respect to AAV shedding, transient and low levels of FT-003 vector genomic DNA were detected in the peripheral blood, urine and tears from both eyes of 11 participants, while no significant or sustained AAV shedding was observed.

Phase II Clinical Trial

Trial design. The dose expansion Phase II clinical trial was a randomized, aflibercept positive control, single-blind, multicenter study. Based on safety and efficacy data from participants for at least 12 weeks in the Phase I clinical trial, the iDMC recommended doses of 12.0×10^{10} vg/eye and 24.0×10^{10} vg/eye of FT-003 for initiating the Phase II study. Therefore, three cohorts were established in a 1:1:1 ratio: (i) low dose group: 12.0×10^{10} vg/eye; (ii) high dose group: 24.0×10^{10} vg/eye; and (iii) aflibercept group: 2 mg Q8W. A total of 62 participants has been enrolled into these three groups, with low dose, high dose and aflibercept groups comprising 20, 19 and 22 participants, respectively.

Except for enrolling both naive and pre-treated participants, key inclusion and exclusion criteria for the trial are the same as the inclusion and exclusion criteria for the Phase I clinical trial.

After receiving FT-003, all participants completed 52 weeks of follow-up to assess its safety, efficacy, pharmacokinetics and immunogenicity. Participants have entered long term follow-ups up to 5 years after completing the Week-52 visit or withdrawing early.

Trial objectives. The primary objective of this Phase II clinical trial was to evaluate the efficacy and safety of FT-003 in improving visual function BCVA as measured by the change from baseline following a single intravitreal injection in nAMD patients. Primary endpoints relate to efficacy within 24 weeks of injection, and include changes in BCVA from baseline. Secondary endpoints relate to efficacy (e.g. changes in BCVA and CST from baseline) and safety (e.g. incidents of AEs and SAEs), immunogenicity and AAV shedding within 52 weeks of injection.

Trial status. This Phase II clinical trial was initiated in October 2024, and completed the participants enrollment in July 2025. In July 2026, the Phase II clinical trial was completed as, except for one participant who was not administered the drug due to withdrawal of informed consent, all participants have completed 52 weeks of follow-up based on recommendations of the CDE (for details of our communication with the CDE, please see "— Material Communications and Next Steps"). All endpoints have been assessed and are expected to be submitted to the CDE for evaluation in the third quarter of 2026. We expect to obtain a no-objection confirmation from the CDE in the fourth quarter of 2026 and initiate Phase III clinical trial by the first quarter of 2027.

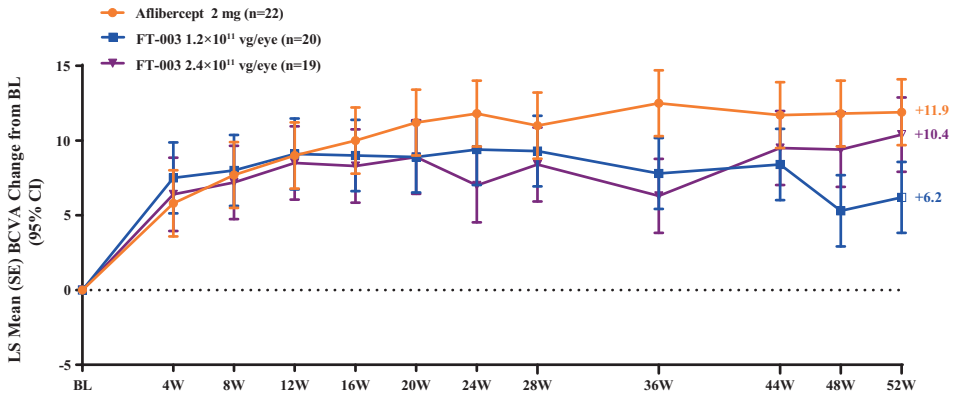
Efficacy data. Available clinical data from the completed 52-week follow-up demonstrate that FT-003 has the potential to deliver sustained and clinically meaningful benefits for nAMD patients, including meaningful gains in visual acuity, anatomical improvements in the retina, and a dramatic reduction in the burden of ongoing anti-VEGF therapy.

At Week 52, the least squares mean changes (LS Mean, 95%CI) from baseline in BCVA of the low-dose and high-dose groups were 6.2 and 10.4 letters, and the LS Mean from baseline in BCVA of the aflibercept control group was 11.9 letters. The differences between the treatment groups and control group are statistically insignificant, with p-values of 0.0815 and 0.6641, respectively. Notably, the high-dose cohort exceeded the aflibercept control group at Week 52, with 38.9% of participants achieving BCVA gains of 15 letters or more, compared

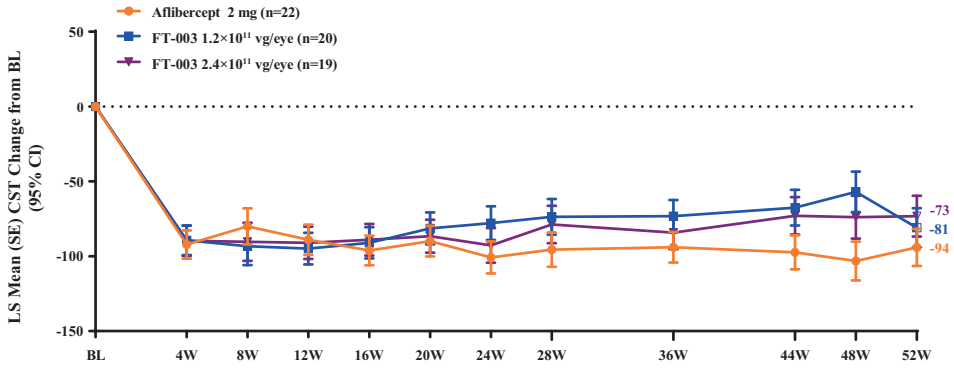
to 31.8% in the aflibercept group. In addition, the low-dose and high-dose cohorts saw mean reductions in CST from baseline, with LS Mean of -81 μm and -73 μm, respectively, whereas the aflibercept control group saw reductions from baseline of -94 μm. The differences between the treatment groups and control group are statistically insignificant, with p-values of 0.4687 and 0.2607, respectively.

The following diagram sets forth changes in BCVA and CST from baseline for each of the dosage cohort up to 52 weeks after injection.

Mean BCVA Change from BL over time



Mean CST Change from BL over time



Source: Company Data

In terms of the need for ongoing anti-VEGF therapy at week 52, 65% and 79% of the participants in the low-dose and high-dose cohorts, respectively, did not receive any subsequent aflibercept treatment, and 80% and 89% received no more than one injection. The mean cumulative number of aflibercept injections was 0.32 and 0.65 for the low-dose and high-dose cohorts, respectively, compared to 6.0 for the aflibercept control group, representing reductions of approximately 95% and 89%, respectively.

Safety data. Available clinical data have demonstrated a favorable safety and tolerability profile of FT-003 for nAMD. To date, there were no TEAEs leading to death or trial discontinuation, no suspected unexpected serious adverse reactions, no SAEs related to FT-003, and no new AAV-related safety risk signals.

With respect to AAV shedding, vector genomic DNA was tested negative in peripheral blood at Week-4 and in tears from both eyes in Week-24, indicating that FT-003 is primarily distributed in ocular tissues with limited systemic exposure and potential environmental shedding following intravitreal injection. No significant or sustained AAV shedding was observed.

Summary of Clinical Trial Data for DME

Investigator Initiated Trial

We worked with Prof. Xiaorong Li at the Tianjin Medical University Eye Hospital for the investigator-initiated trial of FT-003 for DME. We collaborated with the hospital as it had applicable clinical research qualifications, leading experts in the field, and access to a large patient pool.

Based on the terms of our collaboration agreement, we are responsible for designing the trial protocol upon consultation with the investigator, supplying the drugs required and bearing all expenses associated with the investigator-initiated trial, which were funded by our working capital. During the Track Record Period, we incurred a total of US$0.2 million in professional services expenses associated with the trial and expect to incur an additional US$0.1 million. The investigator was primarily responsible for executing the trial plan. We have exclusive rights and ownership over all clinical trial data, IPs, know-hows, technologies, and other material aspects over FT-003 with respect to DME arising from the investigator-initiated trial. The investigator has not filed any patent applications relating to FT-003 with respect to DME. There is no explicit confidentiality provision in our collaboration agreement.

We did not rely on the results of the investigator-initiated trial for obtaining the IND approval for FT-003 for DME from NMPA, since the investigator-initiated trial was concluded in July 2025 and we, as the sole sponsor, submitted the IND application for FT-003 for DME, which did not reference any data from the investigator-initiated trial, in May 2023 and obtained approval in August 2023. We solely own all patent applications in connection with FT-003 for DME filed by us, and have not out-licensed such pending patents to a third party. We are of the view that there are no valid third party patents enforceable against us in connection with FT-003 for DME. Thus, we believe we have full and independent rights to conduct R&D and commercialization of FT-003 for DME.

Trial design. The investigator initiated trial was initially designed as an open-label, dose-escalation study in participants with DME. The trial enrolled a total of 3 participants who received 2.0×10^{10} vg/eye in a single intravitreal injection of FT-003 at a volume of 50 μL.

Trial objectives. The primary objective was to evaluate the safety and tolerability of FT-003.

Trial status. The IIT study was initiated in May 2023 and completed its two-year follow-up in July 2025. All participants are undergoing five years of long-term follow-up.

Efficacy data. The preliminary efficacy results indicated FT-003 may offer sustained visual and anatomical benefits. A single intravitreal injection of FT-003 in three DME participants resulted in improvements in BCVA and reductions in CST over two years.

Importantly, the average annualized rate of anti-VEGF injections among these participants decreased by 86% compared to the pre-treatment period, demonstrating that FT-003 may substantially reduce the need for additional anti-VEGF interventions in most treated participants.

Safety data. Overall, FT-003 demonstrated a favorable safety profile in this cohort, with no DLTs, no treatment-related SAEs, and no intraocular inflammation observed.

Phase I Clinical Trial

Trial design. The dose escalation Phase I clinical trial was an open-label, multicenter, study. The trial enrolled a total of nine participants, with each participant receiving a single intravitreal injection of FT-003 in one eye. Three dose cohorts are established: (i) low dose group: 6.0×10^{10} vg/eye; (ii) medium dose group: 12.0×10^{10} vg/eye; and (iii) high dose group: 24.0×10^{10} vg/eye. A total of nine participants has been enrolled and randomly assigned in a 1:1:1 ratio into these three groups, with each group comprising three participants.

Key inclusion criteria for the trial include but are not limited to (i) male and female participants aged 18 to 74 years old, (ii) clinically diagnosed with DME for the study eye, (iii) BCVA of no lower than 24 letters and no more than 73 letters for the study eye, and BCVA of no lower than 19 letters for the fellow eye, and (iv) has demonstrated a clinical response to anti-VEGF treatment in the study eye prior to enrollment. Key exclusions criteria for the trial include but are not limited to (i) diabetic retinopathy severity scale of no lower than 65 before enrollment, (ii) study eye has ophthalmic diseases other than DME, (iii) had relevant treatment record and/or allergies, including recent eye surgeries, other gene therapy treatment, or allergies to materials used in the trial, and (iv) anti-AAV2m neutralizing antibody titer is greater than 1:640.

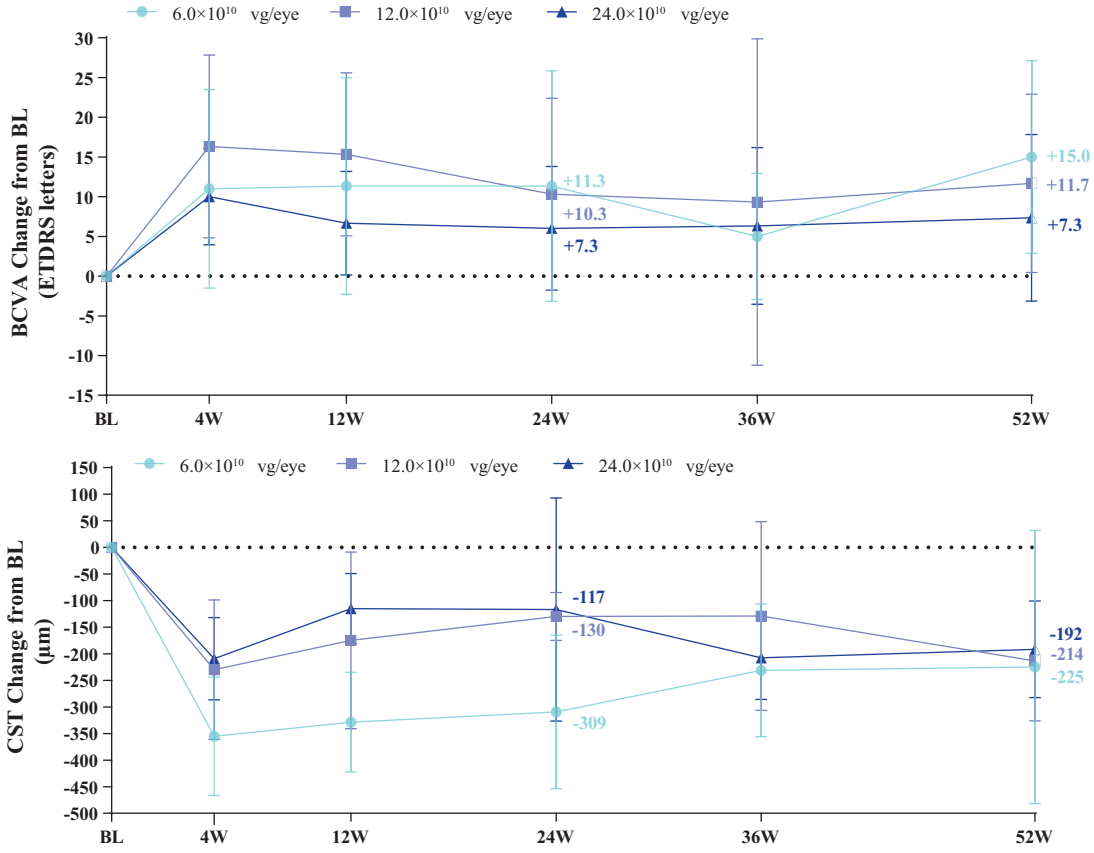
After receiving FT-003, all participants completed 12 weeks of observation, and, according to the requirement and authorization of the CDE-approved trial protocol, an iDMC meeting, comprising of a group of independent experts, was hold to review the safety and tolerability data of all participants and confirm the initiation of the Phase II dose-expansion study. Meanwhile, all participants were expected to complete 52 weeks of follow-up. Participants who completed the Week 52 visit or withdrew early entered the long-term follow-up period until 5 years after FT-003 injection.

Trial objectives. Primary endpoints relate to safety and tolerability within 12 weeks and 52 weeks of injection, and include DLT within 28 days and incidents of AEs and SAEs. Secondary endpoints relate to efficacy within 12 and 52 weeks of injection, including changes in BCVA from baseline, immunogenicity and AAV shedding.

Trial status. The Phase I clinical trial was initiated in December 2023 and completed in October 2024. The iDMC meeting then evaluated the primary endpoints, which are the only prerequisites for the initiation of Phase II clinical trials, and confirmed this initiation. No communication with the CDE is required to confirm whether the primary or secondary endpoints were met until we propose to initiate the Phase III clinical trials. Furthermore, 52-week follow-up was completed in September 2025, in which the results have met our trial objectives regarding secondary endpoints. All participants are undergoing five years of long-term follow-up.

Efficacy data. The clinical data illustrated that FT-003 has the potential to deliver long-lasting clinical benefits for DME patients, including meaningful gains in visual acuity, anatomical improvements in the retina, and a dramatic reduction in the burden of ongoing anti-VEGF therapy.

In particular, compared with baseline, the mean BCVA increased by 11 letters, with 44.4% of participants achieving BCVA gain of more than 15 letters, and the mean CST decreased by 210 μm across three dose groups at Week 52. The following diagram illustrates changes in BCVA and CST among the three cohort groups up to 52 weeks after injection.



Source: Company data

No comparison against the fellow eye was done since the fellow eye may not be diagnosed with DME, and even in cases of DME, the medical and treatment history and the baseline characteristics (e.g. BCVA and CST) may be different with the study eye. In addition, we did not restrict treatment of the fellow eye during the study.

Importantly, the treatment burden was substantially alleviated, with a 76% reduction in the frequency of anti-VEGF injections at Week 52 post-administration, compared to the projected number of on-label aflibercept 2 mg Q8W injections.

Safety data. FT-003 has demonstrated a favorable safety profile and was well-tolerated across all tested dose levels in participants with DME, with the longest follow-up extending to 2 years. All participants received only light steroid prophylaxis, and the overall tolerability of FT-003 was excellent. Trace to mild intraocular inflammation was observed in some participants; however, these events were effectively managed and controlled with standard steroid treatment. Importantly, no DLTs or SAEs related to FT-003 were reported throughout the study period. The safety events observed were consistent with those commonly associated with rAAV gene therapy products and intravitreal injection procedures, such as mild intraocular inflammation, and no new or unexpected safety risks were identified. No Grade 3 or above AEs were observed throughout the study. There was no adverse event that led to patient withdrawal or study discontinuation.

These results support the continued clinical development of FT-003 as a promising therapeutic option for patients with DME.

With respect to AAV shedding, transient and low levels of FT-003 vector genomic DNA were detected in the peripheral blood, urine, tears from both eyes and/or nasal secretions of all participants, while no significant or sustained AAV shedding was observed.

Ongoing Phase II Clinical Trial

Trial design. The dose expansion Phase II clinical trial is a randomized, single-blind, multicenter study. Three dose cohorts are established an in 1:1:1 ratio: (i) low dose group: 6.0×10^{10} vg/eye; (ii) medium dose group: 12.0×10^{10} vg/eye; and (iii) high dose group: 24.0×10^{10} vg/eye. A total of 60 participants have been enrolled as of the Latest Practicable Date.

Key inclusion and exclusion criteria for the trial are the same as the inclusion and exclusion criteria for the Phase I clinical trial.

After receiving FT-003, all participants are expected to complete 52 weeks of follow-up to assess its safety, efficacy, pharmacokinetics and immunogenicity. Participants will also enter the long term follow-ups up to 5 years after completing the Week-52 visit or withdrawing early.

Trial objectives. Primary endpoint is related to efficacy within 24 weeks of injection, including changes in BCVA from baseline. Secondary endpoints are related to efficacy (e.g. changes in BCVA and CST from baseline), safety (e.g. incidents of AEs and SAEs), immunogenicity and AAV shedding within 52 weeks of injection.

Trial status. This Phase II clinical trial was initiated in November 2024, and enrollment of the last participant was completed in January 2026. As we have engaged in communications with the CDE with respect to FT-003 for nAMD, where the CDE recommended completing 52 weeks of follow-up before evaluating the initiation of the Phase III trial, we intend to voluntarily follow the same approach with FT-003 for DME. That is, we expect to submit an end-of-Phase II meeting request to discuss Phase III plans with the CDE after 52 weeks of follow-up are completed. We expect to obtain a no-objection confirmation from the CDE in the first quarter of 2027 and initiate Phase III clinical trial in the third quarter of 2027.

Material Communications and Next Steps

We received IND approval of nAMD from the NMPA in April 2023, which covered both a dose escalation Phase I and a dose expansion Phase II clinical trial as two distinct segments. We did not receive comments from the NMPA to our clinical trial plans before receiving the IND approval. Pursuant to the IND approval, we initiated and completed the Phase I clinical trial in August 2023 and August 2024 according to the trial design, and initiated the Phase II clinical trial in October 2024.

We received IND approval of DME from the NMPA in August 2023, which covered both a dose escalation Phase I and a dose expansion Phase II clinical trial as two distinct segments. We did not receive comments from the NMPA to our clinical trial plans before receiving the IND approval. Pursuant to the IND approval, we initiated and completed the Phase I clinical trial in December 2023 and October 2024 according to the trial design, and initiated the Phase II clinical trial in November 2024.

Taking into account the industry practice as advised by Frost & Sullivan, the dose escalation Phase I clinical trials for both nAMD and DME constituted a completed clinical trial with its main purpose aligning with the overall purpose of a conventional Phase I clinical trial, which is typically to assess safety and determine the dosage for Phase II clinical trial. Based on the provisions set forth in the Announcement for Drug Approval and FT-003 clinical trial protocols submitted to the CDE, our PRC Legal Advisor is of the view that we are not required to obtain additional regulatory approval from the NMPA for commencing the dose expansion Phase II clinical trials for both nAMD and DME in China. In December 2025, we consulted the Yangtze River Delta Center of the CDE (國家藥品監督管理局藥品審評檢查長三角分中心) regarding the commencement of our Phase II clinical trial after completion of the Phase I clinical trial. We reached a representative of the Yangtze River Delta Center from

their official consultation hotline, which, as confirmed by our PRC Legal Adviser, (i) is an official channel for consultation with CDE on the matters regarding drug evaluation, including the application for drug clinical trials, and (ii) as such hotline is the official channel for consultation with the CDE, the representative who received the call is the qualified person to respond to public inquiries. According to Frost & Sullivan, it is also customary for companies in China to seek the CDE's official views through the CDE's official consultation hotline. We informed the representative of details of our clinical trials including the fact that our IND covered both a Phase I and a Phase II clinical trial and that the clinical trials do not have components outside of China. Based on our explanations, the representative confirmed that we are not required to obtain additional regulatory approval from the NMPA for commencing the Phase II clinical trial in China and expressed no objection for us to commence the Phase II clinical trials of FT-003.

In November and December 2024, the FDA approved Phase II clinical trials of FT-003 for nAMD and DME, respectively, in the United States. Our application materials for the Phase II clinical trial included CMC, preclinical, and Phase I clinical data generated in China, as well as proposed Phase II clinical trial plans in the U.S.. Before granting its IND approval, the FDA raised comments primarily regarding (i) for nAMD, languages in the informed consent, classification of adverse events, participant inclusion criteria, and compliance with GCP, and (ii) for DME, languages in the informed consent. We made corresponding changes to the Phase II trial plans accordingly. The FDA's approvals for the Phase II clinical trial despite the absence of completed Phase I clinical trials in the United States were based on CMC, preclinical, and Phase I clinical data generated in China. The scope of the IND approval from the FDA covered (i) the Phase II study to evaluate the efficacy, safety and tolerability of a single intravitreal injection of FT-003 in participants with nAMD, and (ii) the Phase II study to evaluate the efficacy, safety and tolerability of a single intravitreal injection of FT-003 in participants with DME. Following FDA IND clearance for FT-003 for nAMD and DME, we do not currently plan to conduct Phase II clinical trials for nAMD and DME in the United States. Instead, we currently plan to complete the ongoing Phase II clinical trials for FT-003 for nAMD and DME in China and use the clinical data from the China studies to support our interactions with the FDA and our applications to proceed to Phase III clinical trials in the United States.

Additionally, in March 2025, we received the IND approval for the Phase II clinical trial of FT-003 for the treatment of DR from the NMPA. We directly applied for and received approval for Phase II clinical trials of FT-003 for DR, without having conducted Phase I clinical trials, because DME is the main cause of vision loss in DR patients and we had completed Phase I clinical trials of FT-003 for DME by then. Notwithstanding such approval, we do not currently plan to commence a Phase II clinical trial of FT-003 for DR in China. Based on the registration experience for anti-VEGF therapies for DR, we believe that it would be more efficient to complete the Phase III clinical trial of FT-003 for DME first and then submit a supplemental application for the Phase III clinical trial of FT-003 for DR.

To date, the NMPA and the FDA have not raised any objections or material concerns with respect to the development of FT-003. Based on the CDE-approved trial protocols of FT-003 for nAMD, after 24 weeks of follow-up have been completed and primary endpoints became available, we made a submission to the CDE to discuss Phase III clinical trial plans which included our then available Phase II clinical trial results. In July 2026, we received feedback that recommended completing 52 weeks of follow-up before evaluating the initiation of the Phase III trial. Following such recommendations, we have completed 52 weeks of follow-up for all participants. All endpoints have been assessed and the results are expected to be submitted to the CDE for evaluation in the third quarter of 2026. Save for the communications discussed above we have not received any comments from the CDE in relation to the clinical trial results of FT-003.

We are advancing FT-003 for both nAMD and DME indications. We anticipate initiating the Phase III clinical trial for nAMD in China by the first quarter of 2027 and initiating the Phase III clinical trial for DME in China by the third quarter of 2027.

We also expect to progress the clinical development of FT-003 in the United States at appropriate times. We intend to pursue further clinical development in the U.S. leveraging

clinical data from China and in collaboration with local CROs. We submitted a Type C meeting request to the FDA on July 6, 2026 to discuss the Phase III clinical development plan and proposed regulatory approval pathway in the United States, and intend to seek a pre-Phase III meeting by the first quarter of 2027. In July 2026, FT-003 has been granted regenerative medicine advanced therapy (RMAT) designation by the FDA for the treatment of nAMD. We intend to submit an application for the FDA's RMAT designation for FT-003 with respect to DME in the fourth quarter of 2026 and intend to seek a pre-Phase III meeting by the second quarter of 2027. Subject to applicable regulatory approvals, we intend to commence Phase III clinical trial of FT-003 for nAMD and DME in the United States by the end of 2027. We believe we have sufficient R&D capability in the U.S. to progress the clinical development of FT-003 through collaboration with local CROs. The amount of resources we dedicate to such development and the related timeline will depend on our management's judgment of the latest regulatory and market conditions, the competitive landscape, and our internal readiness. We may consider collaborating with local partners for the commercialization of FT-003 in the United States.

FT-003 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

FT-001, a rAAV gene therapy for RPE65-related IRD, our Key Product

Overview

FT-001 is a gene therapy drug candidate for the treatment of IRD caused by biallelic mutations in the RPE65 gene, including Leber congenital amaurosis Type 2 ("**LCA2**") and RP. These conditions are generally characterized by a progressive and irreversible decline in vision that results in blindness. Currently, treatment options remain severely limited. Luxturna® is the only gene therapy treatment option for RPE65-related IRD approved in the United States and Europe, and no gene therapy option has been approved in China.

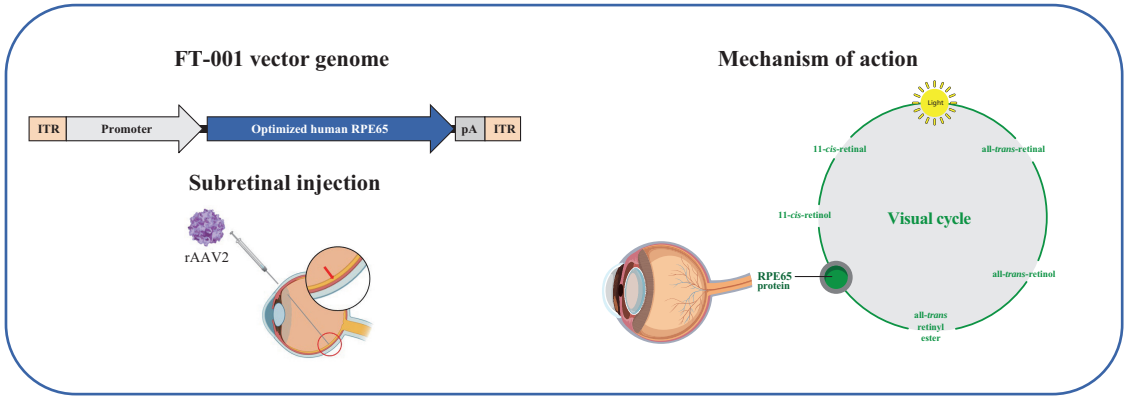
FT-001 is our drug candidate at the most advanced stage of clinical development, and its robust clinical results provided early validation for our technology platforms. FT-001 received the Breakthrough Therapy designation from the CDE of the NMPA in June 2025. We have completed Phase I/II clinical trials in China in February 2025 and our Phase III clinical trial plan has been approved by the CDE of the NMPA in September 2025.

Drug Design and Mechanism of Action

Visual perception results from the biological conversion of light energy to electrical signaling by retinal photoreceptors in the eye. This biochemical process requires the consumption and regeneration of 11-cis-retinal, a derivative of Vitamin A, as a part of the visual cycle. One of the enzymes involved in the regeneration of 11-cis-retinal is an all-trans-retinyl isomerase, a 65 kDa protein expressed in the retinal pigment epithelium (the "**RPE65 protein**"). Biallelic mutations in the RPE65 gene encoding such RPE65 proteins impair the regeneration of 11-cis-retinal, and ultimately lead to the progressive degeneration of photoreceptors and loss of vision.

The therapeutic strategy of FT-001 centers on introducing a functional, codon-optimized human RPE65 gene into the retinal pigment epithelium. This is achieved using an rAAV vector with efficient cellular transduction for sustained gene expression. The genetic payload is packaged within an optimized expression cassette to ensure high-level and durable production of the functional RPE65 protein, which facilitates the regeneration of 11-cis-retinal that are necessary for both rod and cone-mediated vision. FT-001 is administered through a one-time subretinal injection, which places the viral vector directly into the retinal pigment epithelial cells.

The following diagram illustrates the mechanism of action of FT-001:



Note: ITR = inverted terminal repeats; pA = polyadenylation signal.
Source: Literature Review

Market Opportunities and Competition

RPE65-related IRD represents a significant segment within the global IRD patient population. According to *Worldwide Carrier Frequency and Genetic Prevalence of Autosomal Recessive Inherited Retinal Diseases (2020)*, IRD collectively affects 5 to 10 million patients worldwide, with RP being the most common form and LCA representing the most severe early-onset condition. RPE65-related IRDs cause progressive vision loss that begins with night blindness in childhood and typically advances to complete blindness by early adulthood. 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 is positioned as a potential candidate to address this gap. Building upon the proven mechanism of action established by Luxturna®, FT-001 incorporates several key innovations including a manufacturing process that significantly reduces production costs. This breakthrough would significantly enhance treatment accessibility and commercial viability.

The following charts illustrates the global competitive landscape of FT-001 as of the Latest Practicable Date, according to Frost & Sullivan:

Approved Drug

Brand Name	Drug Name	Company	Vector Type	Manufacturing System	Target	First Approved Date	Country	Route of Administration	Strength	Price	Annual sales in 2025 (million USD)
LUXTURNA®	Voretigene neparvovec	Roche	AAV2	HEK293	RPE65	2017-12-19	US	Subretinal	0.5 ml	850,000 USD	46.6
						2018-11-22	Europe				
						2023-06-01	Japan				

Source: CDE, Frost & Sullivan Report

Drugs under Development

Route of Administration	Drug Name	Company	Target	Vector type	Phase	First Posted Date	Country	Manufacturing System
Subretinal	LX101	Innostellar Biotherapeutics	RPE65	AAV2	Phase III	2024-10-10	China	NA
	FT-001	**Frontera Therapeutics**	**RPE65**	**AAV**	**Phase III IND Approval**	**2025-09-26**	**China**	**Bac/Sf9**
					Phase I IND Approval	**2022-07-19**	**US**	
	HG-004	HuidaGene Therapeutics Co., Ltd.	RPE65	AAV9	Phase I/II	2023-06-18	China, US	NA

Source: Clinicaltrial.gov, CDE, Frost & Sullivan Report

Key Advantages

FT-001 has exhibited potential with the following key advantages:

- **Optimized Vector Design for High and Durable Efficacy.** FT-001 utilizes an rAAV vector engineered with a highly efficient expression cassette. This includes a codon-optimized and CpG-reduced human RPE65 gene and an optimized promotor and intron working in concert to drive robust, high-level and sustained transgene expression.
- **Comparable or Efficacy to Existing Therapy.** In Phase I/II clinical trials, FT-001 exhibited clinical benefits that are comparable to those achieved with Luxturna® based on a non-head-to-head comparison. In particular, FT-001 demonstrated similar or better improvements in key efficacy endpoints, such as the Mobility Test ("**MT**") and full-field stimulus threshold ("**FST**"), which are established measures of functional vision and retinal sensitivity, respectively.
- **Significantly Improved Accessibility**. Due to our cost-efficient manufacturing system, by our estimate, FT-001 achieves a reduction in direct production cost by as much as 90% compared to the only gene therapy treatment option approved in the United States and Europe for the target disease of FT-001. This overcomes a major barrier to patient access, enabling a commercially viable and sustainable treatment that can be accessed by a broad patient population in China and globally.

Summary of Clinical Trial Data

Phase I Clinical Trial

Trial design. The Phase I clinical trial of FT-001 was an open-label, dose-escalation study conducted in participants aged 8 to 45 years with biallelic RPE65 mediated IRD. Three dose cohorts were established: (i) low-dose group: 1.5×10^{10} vg/eye, (ii) medium-dose group: 7.5×10^{10} vg/eye, and (iii) high-dose group: 1.5×10^{11} vg/eye, with participants receiving a single subretinal injection of FT-001 in one eye. A total of nine participants has been enrolled and randomly assigned in a 1:1:1 ratio into these three groups, with each group comprising three participants.

Key inclusion criteria for the trial include but are not limited to (i) male and female participants aged 8 to 45 years old, (ii) clinically diagnosed with LCA2 or RP caused by confirmed biallelic RPE65 mutations, and (iii) both eyes' vision were below 20/60. Key exclusions criteria for the trial include but are not limited to (i) participants have other interfering ocular diseases that may affect the study results, (ii) participants have other retinal degenerative diseases, (iii) participants had relevant treatment record and/or allergies, including recent eye surgeries, other clinical trials, or allergies to materials used in the trial, and (iv) anti-AAV2 neutralizing antibody titer greater than 1:1,000.

After receiving FT-001, the last participant completed 8 weeks of observation, and, according to the CDE-approved trial protocol, an iDMC meeting was hold to review the

safety and tolerability data of all participants and confirm the initiation of the Phase II dose-expansion study. Meanwhile, all participants were required to complete 52 weeks of follow-up. Participants who completed the Week 52 visit or withdrew early entered the long-term follow-up period until 5 years after FT-001 injection.

Trial objectives. The primary objectives were to evaluate the safety, tolerability, and preliminary efficacy of FT-001. Primary endpoints relate to safety and tolerability within 28 days of injection, including DLT and incidents of AEs and SAEs. Secondary endpoints relate to preliminary efficacy (e.g. MT changes from baseline), immunogenicity and AAV shedding within 12 weeks.

Trial status. The clinical trial was initiated in January 2023 and completed in October 2023. The iDMC meeting then evaluated the primary endpoints, which are the only prerequisites for the initiation of Phase II clinical trials, confirmed this initiation. Furthermore, secondary endpoints were assessed in December 2023 and met our trial objectives. All participants are undergoing five years of long-term follow-up.

Safety data. The results of the Phase I clinical trial demonstrate a favorable safety and tolerability profile of FT-001. No DLTs were observed. Majority of TEAEs were related to the surgical procedure of subretinal injection such as conjunctival congestion, conjunctival hemorrhage, lens opacity and anterior chamber cells, and have been resolved without intervention or using topical steroid. No RPE atrophy or pigmentation was reported in all participants through the long-term follow-up. Three participants (one in the low-dose group and two in the high-dose group) reported AEs in the severity of Grade 3 or above, including retinal detachment, visual deterioration and ear swelling. Among them, only retinal detachment observed in the low-dose group was assessed to be related to FT-001. There was no adverse event that led to patient withdrawal or study discontinuation.

With respect to AAV shedding within 12 weeks, no AAV shedding was detected in the peripheral blood of participants following FT-001 administration. Transient, low concentrations of vector genomic DNA were detected in the tears of the study eye and/or fellow eye of the majority of participants, but no sustained AAV shedding was observed.

Phase II Clinical Trial

Trial design. The Phase II clinical trial of FT-001 was an open-label, dose-expansion study conducted in participants aged 8 to 45 years with biallelic RPE65 mediated IRD. In the Phase II trial, five eligible participants from the Phase I trial received a subsequent injection of the high dose (i.e. 1.5×10^{11} vg/eye) in their contralateral eye.

Key inclusion criteria for the trial include but are not limited to (i) having participated in the Phase I clinical trial, and (ii) confirmed to have sufficient functional retinal cells. Key exclusion criteria for the trial are the same as the exclusion criteria for the Phase I clinical trial.

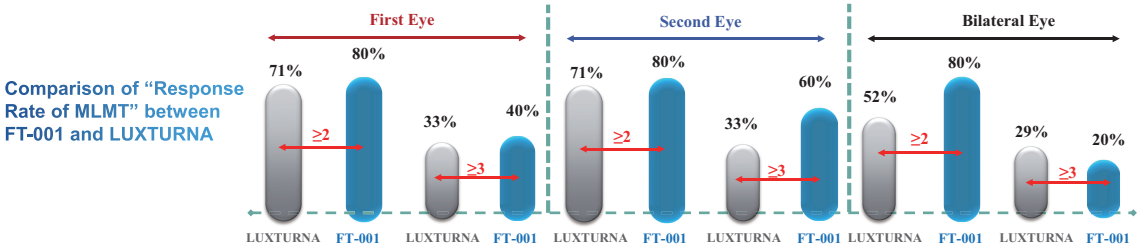
After receiving FT-001, all participants completed 52 weeks of follow-up to assess the safety, efficacy, immunogenicity and AAV shedding of FT-001. Participants have entered the long-term follow-ups up to 5 years after completing the Week-52 visit or withdrawing early.

Trial objectives. The primary objectives were to evaluate the safety, tolerability, and efficacy of FT-001. Primary endpoints relate to efficacy (changes in MT from baseline) at Week 52 and safety within 52 weeks of injection. Secondary endpoints relate to efficacy, immunogenicity and AAV shedding within 52 weeks.

Trial status. The Phase II clinical trial was initiated in December 2023 and completed in February 2025. Following trial completion, all endpoints met our trial objectives. All participants are undergoing five years of long-term follow-up.

Efficacy data. The results of the Phase II clinical trial indicate robust and clinically meaningful efficacy.

The following diagram provides a non-head-to-head comparison between the combined Phase I/II clinical trial results of FT-001 and Luxturna in "response rate", a measure of the percentage of participants who see at least two light levels of improvements from baseline in the multi-luminance mobility test ("**MT**") at Week 52.



Note: Clinical data are not from head-to-head clinical trials, thus not directly comparable.
Source: Company Data, Literature Review

Safety data. The results of the Phase II clinical trial demonstrate a favorable safety and tolerability profile of FT-001. No DLTs were observed. No Grade 3 or above AEs were observed throughout the study. There was no adverse event that led to patient withdrawal or study discontinuation.

With respect to AAV shedding within 52 weeks, no AAV shedding was detected in the peripheral blood of participants following FT-001 administration. Transient, low concentrations of vector genomic DNA were detected in the tears of the injected eye and/or non-injected eye of the majority of participants, but no sustained AAV shedding was observed.

Material Communications and Next Steps

FT-001 received Breakthrough Therapy designation from the CDE of the NMPA in June 2025. We have completed Phase I/II clinical trials in China in February 2025 and our Phase III clinical trial plan has been approved by the CDE in September 2025. We have not confirmed the timeline by which we will continue the clinical development of FT-001 in China and expect to flexibly adjust our timeline based on the amount of resources at our disposal, the clinical progress of other drug candidates, and other external factors. We have not confirmed specific plans to further develop FT-001 in the near term primarily because we allocated resources to prioritize the clinical development of our Core Products which we expect to provide better returns on our investment: the prevalence and total addressable markets of the targeted indications of our Core Products are more significant than those of RPE65-related IRD, and there is already an approved gene therapy product treating RPE65-related IRD. For the avoidance of doubt, our decision is not attributable to any safety or efficacy results of FT-001, and the development of FT-001 has not had any material adverse impact on our operation and business prospect or the clinical development of our other gene therapy candidates.

We expect to consider business development opportunities to facilitate the roll-out of FT-001 going forward. We may also consider how to utilize favorable policies, such as within selected industry Pilot Zones in China where certain treatments are allowed before NMPA approval.

FT-001 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

Other Candidate for Ophthalmic Diseases

FT-023

FT-023 is a gene therapy candidate in the preclinical stage for treating nAMD, DME and DR. FT-023 is administered through intravitreal injections and focuses on multiple

biological pathways including VEGF inhibition as well as two additional complementary therapeutic mechanisms. Compared with anti-VEGF therapies, FT-023 is expected to have broader and more sustained efficacy on nAMD and DME patients.

Published literature suggests that approximately 20% to 40% of nAMD patients and 30% to 50% of DME patients globally may demonstrate inadequate or suboptimal response to anti-VEGF therapies, and similar unmet needs have also been observed in clinical practice in China. With a mechanism of action that differs from that of FT-003 and targets two additional biological pathways, FT-023 has the potential to become an effective cure to these nAMD and DME patients. We expect to enroll participants with different characteristics for the clinical trials of FT-023 and FT-003, and evaluate their efficacy and safety independently. While FT-003 is intended to target patients who response adequately to anti-VEGF therapy and to provide a durable, low-burden therapy alternative to repeated anti-VEGF injections, FT-023 is intended to target patients with inadequate or suboptimal responses to anti-VEGF therapy. As we deliberately differentiated the target patient segment of FT-023 and FT-003, we do not expect the two product candidates to have material cannibalization with each other.

To date, pre-clinical pharmacological evaluation results from acute or chronic retinal neovascularization rabbit models demonstrated that FT-023 drug candidates, when compared to the positive control aflibercept, exhibited sustained inhibition of vascular leakage. These findings suggest that FT-023 not only blocks VEGF pathway but may also restore the retinal vasculature integrity and decrease the retinal vascular inflammation, thereby achieving inhibition of neovascularization and suppression of edema.

Other Candidates for Cardiovascular Diseases

For cardiovascular diseases, our pipeline includes gene therapies for HCM caused by mutations in the MYBPC3 gene and ARVC caused by mutations in the PKP2 gene, both of which are severe, genetically driven conditions with limited treatment options and significant unmet need.

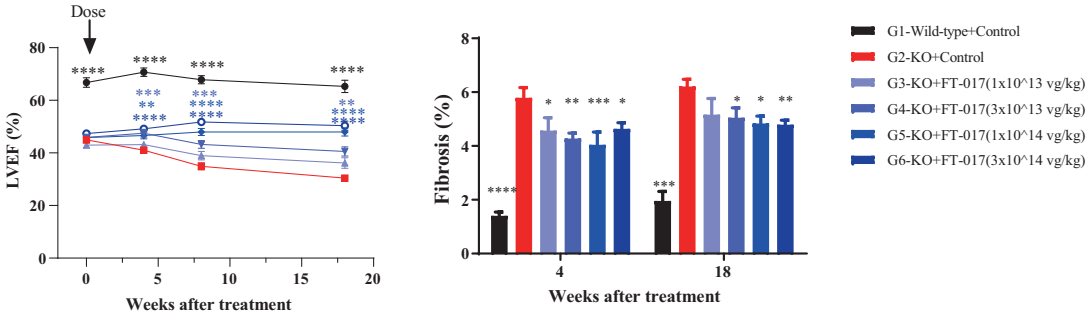
FT-017

FT-017 is an rAAV gene therapy candidate developed for the treatment of HCM caused by mutations in the MYBPC3 gene. HCM is a prevalent hereditary cardiovascular disorder characterized by abnormal thickening of the ventricular walls, most notably the left ventricle, and is associated with a heightened risk of atrial fibrillation, stroke, heart failure, and sudden cardiac death. The global burden of HCM is significant, with 17.9 million patients worldwide, including 3 million in China in 2025. Among HCM patients, HCM caused by mutations in the MYBPC3 gene is recognized as one of the most common genetic causes of HCM, with 7.7 million patients worldwide, including approximately 1.2 million in China in 2025. Despite the availability of symptomatic treatments and surgical interventions, there are currently no approved therapies that directly address the underlying genetic cause of MYBPC3-mutant HCM, representing a substantial unmet medical need.

FT-017 is designed with a cardiac-specific promoter to ensure targeted expression of a codon-optimized human MYBPC3 gene encoding cardiac myosin binding protein C ("**cMyBP-C**"), exclusively in cardiomyocytes, thereby minimizing off-target effects in non-cardiac tissues such as the liver and skeletal muscle. The therapy is administered via intravenous injection, enabling systemic delivery and efficient transduction of heart tissue. This targeted approach is intended to restore the expression of cMyBP-C, a critical component for normal cardiac muscle contraction and structure.

Preclinical studies have demonstrated that FT-017 can enable expression of cMyBP-C protein in the heart, leading to improvements in cardiac function and structure. InMYBPC3-knockout mouse models, FT-017 administration resulted in marked increases in left ventricular ejection fraction ("**LVEF**"), reduction of cardiac fibrosis, and normalization of heart morphology. These therapeutic effects were observed in neonatal, juvenile, and adult mice, underscoring the potential of FT-017 to benefit a broad spectrum of HCM patients. Importantly, tissue-specific expression was confirmed, with minimal to no detectable

transgene expression in non-cardiac tissues, supporting a favorable safety profile. Toxicology studies in non-human primates ("**NHPs**") further corroborated the safety of FT-017, with no hepatotoxicity, thrombotic microangiopathy ("**TMA**"), cardiotoxicity, or neurotoxicity observed.



Data are presented as mean ± SEM. Week 4/8/18: N=8~24
(*P<0.05, **P<0.01, ***P<0.001, ****P<0.0001 vs. G2 Model+Vehicle, Two-way ANOVA and Dunnett's test)

Source: Company Data

FT-017 has achieved key regulatory milestones, having received IND clearance from both the NMPA and the FDA in April 2025. It is the first rAAV gene therapy for MYBPC3-mutant HCM to enter clinical trials in China, positioning FT-017 at the forefront of innovation in the field of genetic cardiomyopathies.

Based on our current development plan, we expect to commence the Phase I clinical trial of FT-017 in China in the fourth quarter of 2027 and to begin Phase II clinical trial of FT-017 in China in the fourth quarter of 2028. We currently expect to commence the Phase I clinical trial in the United States in the fourth quarter of 2027.

FT-018

FT-018 is a preclinical-stage, rAAV gene therapy candidate for treating ARVC caused by mutations in the PKP2 gene. ARVC is an inherited myocardial disease that significantly increases the risk of arrhythmic sudden cardiac death, particularly in young individuals and athletes. The disease is characterized by progressive loss of cardiac muscle, fibrofatty replacement, ventricular arrhythmias, and heart failure. The global burden of ARVC is significant, with 1.8 million patients worldwide in 2025, including approximately 0.4 million in China. Mutations in the PKP2 gene are the most common genetic cause of ARVC, yet there are currently no approved therapies that address the underlying molecular defect, highlighting a critical unmet need. It is estimated that there are 541.9 thousand patients with ARVC caused by mutations in the PKP2 gene worldwide in 2025, including over 164.4 thousand in China.

FT-018 employs an optimized and sophisticated vector design to deliver a functional PKP2 gene specifically to cardiac muscle tissue. The gene cassette is engineered to ensure robust and durable expression of PKP2 protein in the heart, thereby restoring normal cell-cell adhesion, contractile function, and electrical stability of the myocardium. By targeting the root cause of ARVC, FT-018 aims to halt or reverse disease progression, prevent further tissue fibrosis, and improve overall cardiac function.

Preclinical studies in PKP2 conditional knockout ("**cKO**") mouse models have demonstrated that FT-018 treatment can lead to restoration of cardiac structure and function. Administration of FT-018 resulted in robust cardiac-specific expression of PKP2, reduction of myocardial fibrosis, normalization of heart failure biomarkers, and a marked increase in survival rates among treated animals. Histological analyses confirmed improved heart morphology and reduced pathological remodeling. In addition, toxicology studies in wild-type mice have shown that FT-018 is well-tolerated, with no significant safety concerns

observed following systemic administration. The following diagrams illustrate the heart structure of a wild-type control model, the heart structure of a control model 4 weeks after PKP2 knockout, and the heart structure of a model that received FT-018 4 weeks after PKP2 knockout, showing significant improvement in heart structure and reduction in fibrosis.



wild-type/ control | **cKO/ control** | **cKO/ FT-018**

Source: Company Data

FT-018's vector design and compelling preclinical efficacy and safety data support its potential as a gene therapy for PKP2-associated ARVC. The program is advancing through preclinical development, with the goal of initiating clinical studies to address the substantial unmet needs of patients with this life-threatening cardiovascular disorder.

Other Early-stage Drug Candidates

In addition to our drug candidates discussed above, we are leveraging the proven versatility of our EXACTE™ R&D and AAVANCE™ manufacturing platforms to explore the development of other drug candidates targeting ophthalmic, cardiovascular, neurological and hematological diseases, which are currently in preclinical or early clinical stages. This approach underscores the broad applicability and extendibility of our platforms, enabling us to address other categories of diseases beyond our initial focus areas. Below we set forth two examples of these early-stage drug candidates.

FT-019

FT-019 is an early-stage drug candidate designed to address an undisclosed slow degenerative ophthalmic indication characterized by substantial unmet medical need and the absence of curative treatment options. It is administered through subretinal injections. Our strategy combines modulation of multiple disease pathways to achieve greater therapeutic efficacy.

FT-022

FT-022 is an early-stage drug candidate designed to address Parkinson's disease, a progressive neurological condition characterized by the gradual loss of specific neurons critical for motor function. Current therapies provide only symptomatic relief and do not address the underlying disease mechanisms. Our gene therapy approach is designed to simultaneously modulate multiple key disease pathways to restore neuronal function and slow degeneration. The route of administration for FT-022 is yet to be confirmed. If successful, it has the potential to deliver durable therapeutic benefits.

OUR TECHNOLOGY PLATFORMS

The EXACTE™ R&D Platform

Overview

EXACTE™ is our in-house developed rAAV gene therapy R&D platform. EXACTE™ integrates advanced technologies and methodologies from vector design and engineering to

candidate selection and preclinical validation. As of the Latest Practicable Date, all six of our in-house developed rAAV gene therapy candidates in our product pipeline have been identified and selected through our EXACTE™ R&D platform.

Key Features

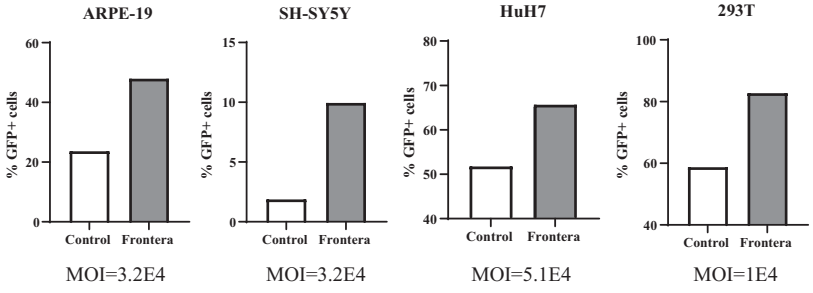
Capsid Engineering

EXACTE™ employs a rational design and mutagenesis approach to engineer AAV capsid variants with improved tissue tropism and transduction efficiency. Tissue tropism refers to the ability of the rAAV vector to selectively target and transduce specific tissues or cell types, which is critical for maximizing therapeutic efficacy and minimizing off-target effects or unwanted distribution or transduction in non-target tissues. Transduction efficiency describes how effectively the rAAV vector delivers its genetic payload into the target cells, directly impacting the potency of the gene therapy.

EXACTE™ also incorporates baculovirus rep/cap vector design which is specifically designed for compatibility with our Bac/Sf9-based AAVANCE™ manufacturing platform. This enables the production of rAAV vectors with higher biological activity and improved particle integrity.

The design of baculovirus rep/cap vectors we have achieved through EXACTE™ has led to significant improvements in the production and functional quality of rAAV vectors using the Bac/Sf9-based rAAV gene therapy production infrastructure. Specifically, our rep/cap vector design has resulted in a more favorable ratio of AAV capsid proteins VP1, VP2, and VP3, which are critical for the structural integrity and infectivity of the viral vector. *In vitro* studies demonstrate that these AAV2 vectors exhibit higher infection efficiency across a variety of cell types. This means that, for a given dose, a greater proportion of target cells are successfully transduced, leading to more robust gene expression. The enhanced transduction efficiency illustrates the performance of the optimized AAV2 vectors compared to those produced with the control design.

Transduction efficiency comparison



Source: Company Data

Payload Engineering

EXACTE™ utilizes sophisticated strategies to optimize the genetic payload for each therapeutic candidate:

- **Codon optimization** is performed to maximize the expression of the therapeutic gene in the target tissue, ensuring that the delivered gene is efficiently translated into the desired protein.
- **CpG motif reduction** is carefully managed to lower the risk of immune responses against the AAV genome. CpG motifs are short DNA sequences that can trigger innate immune activation; reducing their frequency helps minimize immunogenicity and potential adverse reactions.

- **Regulatory elements** — including promoters, introns, and polyadenylation signals — are systematically selected and engineered to achieve either broad or tissue-specific expression profiles, as required by the therapeutic indication. This allows for precise control over where and how much of the therapeutic protein is produced in the body.
- **Protein engineering** is also applied to enhance the function or activity of the expressed therapeutic protein, further improving the clinical potential and durability of gene therapy.

These strategies collectively contribute to higher and more sustained therapeutic protein levels, improved safety, and reduced risk of immune-related side effects.

Candidate Screening

EXACTE™ integrates comprehensive *in vitro* and *in vivo* screening systems to evaluate the distribution, efficacy, safety, and toxicity of candidate constructs at the preclinical stage. This robust screening framework enables the identification of lead drug candidates with optimal therapeutic profiles and de-risked safety characteristics, thereby enhancing the likelihood of successful translation into clinical development. The platform's screening capabilities support rapid iteration and data-driven decision-making, allowing for efficient progression from discovery to IND-enabling studies. By employing high-throughput and systematic screening, EXACTE™ accelerates the selection of the most promising candidates, reduces development timelines, and increases the probability of clinical and commercial success.

The AAVANCE™ Manufacturing Platform

Overview

We built the in-house developed AAVANCE™ manufacturing platform to enable scalable, high-quality and low-cost production of rAAV gene therapy products. As the only company in China with in-house, clinical-stage, Bac/Sf9-based large-scale GMP manufacturing capabilities, we have established a robust infrastructure that supports the entire development continuum — from preclinical research through commercial-scale production. As of the Latest Practicable Date, all six of our in-house developed rAAV gene therapy candidates in our product pipeline have relied on our AAVANCE™ manufacturing platform for the production of gene therapy drug products and related materials for clinical trial use.

Bac/Sf9-based production requires considerable know-how and upfront investment to implement, which we believe constitutes a significant barrier to entry for potential competitors, particularly for those who have already implemented a different production system.

Key personnel who contributed to the development of the AAVANCE™ manufacturing platform include Peng Yang, our head of manufacturing, Aiqun Li, our head of quality control, and certain former employees including Hongxiang Lu, Ting Yang and Yiling Fang. Peng Yang and Aiqun Li have been responsible for our manufacturing activities, including continuous optimization of the manufacturing platform, since they joined us in 2021. In addition, we previously had a U.S.-based process development and analytical development team which worked on the early development of the AAVANCE™ manufacturing platform. Key members of this team include Hongxiang Lu, our former senior vice president who was responsible for overall management of the daily operations of our process development and analytical development team, Ting Yang, our former senior director who was responsible for upstream and downstream process development, and Yiling Fang, our former senior director who was responsible for analytical method development and sample testing during process development. The above three individuals left our Company between late 2024 and early 2025, and their departure did not have a material adverse effect on our R&D or manufacturing capabilities, as (i) we have already developed sophisticated and commercial-ready manufacturing methods of our products under the leadership of our head

of manufacturing, Peng Yang, and head of quality control, Aiqun Li, (ii) the former employees' responsibilities were naturally absorbed by other team members including Peng Yang and Aiqun Li, and (iii) the former employees were subject to IP assignment provisions assigning all of their rights over the relevant patents to us.

Key Features

Versatility and Safety

We have developed a rhabdovirus-free Bac/Sf9 cell line, verified through rigorous screening and molecular testing, to ensure the safety and reliability of our production system. This feature reduces the risk of rhabdovirus contamination, a known challenge in insect cell-based manufacturing, and underpins the safety profile of our gene therapy products. The AAVANCE™ platform is validated for the production of multiple AAV serotypes (including AAV2, AAV5, AAV8 and AAV9) and their variants, supporting a broad and diverse pipeline of gene therapy candidates. AAVANCE™ has already demonstrated its ability to support the development of multiple gene therapy candidates across diverse therapeutic areas, as reflected in our expanding pipeline. AAVANCE™ has facilitated the rapid progression of candidates from preclinical to late clinical stages. These achievements provide evidence of the platform's versatility and its capacity to meet both clinical and commercial demands.

Critically, we have attained empty capsid rates below 1%, compared to an industry norm of close to 30% according to Frost & Sullivan. High empty capsid rates are undesirable because they can reduce the overall potency of the gene therapy product by diluting the proportion of active therapeutic vectors and increase the risk of immune responses. By minimizing empty capsid rates, AAVANCE™ ensures that a greater proportion of the manufactured rAAV particles are fully functional, which enhances both the safety and efficacy of the final gene therapy product and supports more cost-effective large-scale production.

Large-Scale Production and Significant Cost Advantages

Our AAVANCE™ manufacturing platform enables high-quality gene therapy production at scale, with exceptional efficiency and cost advantages. AAVANCE™ boasts an industry-leading GMP-compliant production capacity of 200L for intraocular products and 500L for systemically administered products. After accumulating extensive technological expertise, we have demonstrated one-step scale-up from 2L to 500L without loss in yield or quality.

Currently, laboratory-scale rAAV production typically achieves yields in the range of 10^{12}–10^{14} vg/L; in comparison, our bioreactors achieve upstream production yields of more than 10^{15} vg/L, which places us among the industry leaders in this respect, according to Frost & Sullivan. Our high-yield, high-purity production also facilitates process stability and enables us to reach downstream purification yields of 50%. We manufacture rAAV vectors in either 200L bioreactors for the treatment of ophthalmic diseases or 500L bioreactors for the treatment of cardiovascular diseases. For each batch, the upstream process typically produces 2.0×10^{14} vg/L to 1.0×10^{15} vg/L of culture. After downstream purification, with an overall 30%–50% recovery, each batch yields approximately 1.6×10^{16} to 2.5×10^{17} vg in total. After formulation and fill-finish, one batch typically provides approximately 1,200 to 60,000 filled vials (the exact number depends on the program-specific fill volume and output). We have sufficient capacity to support clinical development and initial commercialization, and Bac/Sf9-based production is more accessible and requires lower media and infrastructure costs to grow as compared to other commonly used methods, which facilitates further expansion when and as needed.

Our cost advantage in developing gene therapy drugs supports lower pricing and higher accessibility. FT-001 achieves a reduction in direct production cost by as much as 90%, by our estimate, compared to the only rAAV gene therapy product approved in the United States and Europe for the target disease of FT-001.

Commercial Readiness and Regulatory Success

Our manufacturing facility in Suzhou is fully GMP-compliant and was designed to meet the regulatory requirements of the FDA, EMA, and NMPA. The facility is equipped to

support all stages from pilot-scale to GMP commercial production, ensuring consistent product quality and regulatory readiness. We have implemented an integrated QA/QC system that covers the entire manufacturing process, enabling us to maintain a high level of product consistency and quality.

We have already implemented product processes for six programs that satisfy U.S. and Chinese requirements for clinical-trial product quality. Our manufacturing track record demonstrates the robustness and reliability of AAVANCE™, with 10 GMP-compliant batches successfully produced and released at 200L and 500L scale, achieving a 100% success rate.

RESEARCH AND DEVELOPMENT

Overview

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 developed all of our product candidates in-house and we hold the global intellectual property rights to all of them. We solely own all patent applications in connection with our two Core Products filed by us, and have not out-licensed such pending patents to a third party. We are of the view that there are no valid third party patents enforceable against us in connection with any of our two Core Products. Thus, we have full and independent rights to conduct R&D and commercialization of our two Core Products.

To date, we have obtained 12 IND approvals from the NMPA and FDA, making us one of the Chinese rAAV gene therapy development companies with the highest number of IND approvals, according to Frost & Sullivan. Since our inception, we have successfully advanced three drug candidates through clinical development, with one candidate having obtained approval to enter Phase III clinical trials and two candidates having completed Phase II clinical trials, further underscoring our strong track record in drug development. These achievements demonstrate our highly efficient execution capabilities and our ability to collaborate effectively across regions.

In-licensed Methodology

The research and development of rAAV gene therapies generally consist of the development of (i) capsids and (ii) genes of interest within the capsids. We independently developed both the capsids and the genes of interest for all of our product candidates. For FT-001 and FT-002, we licensed a commoditized methodology from a third party, Virovek Inc., relating to the efficient and large-scale manufacturing of AAV capsids, which is independent of the drug candidates' design, structure or sequence. The resulting capsids produced by the licensor's patented methodology are not subject to any further patents held by the licensor or other parties, while we own pending patents to FT-001 and FT-002 which consist of the capsids and the genes of interests solely designed and developed by the Company as a whole.

Virovek Inc. is an independent, U.S.-based biotech company which provides similar licenses to multiple other companies globally. The scope of the license is not specific to any indications and is effective worldwide. As the in-license arrangement relates to a methodology instead of a product, there is no development stage applicable to the in-licensed methodology and we have not and do not expect to invest in the R&D of the in-licensed methodology. Our know-how and intellectual properties relating to FT-001 and FT-002 are owned by us and not based on the licensed methodology or subject to any license agreement. Our pending patents for FT-001 and FT-002 do not reference the licensed methodology. We licensed this third-party methodology, which is a commoditized methodology readily available from multiple vendors including a large number of CDMOs in the rAAV industry, because we were at the very early stages of development and believed it was more efficient for us to focus on other, more substantive components of rAAV gene therapy development. Our subsequent development of our own capsids production methodology, which was used in our other Core Product, FT-003, and other product candidates, also confirmed our ability to not rely on the licensed methodology.

In terms of key rights and obligations of us and the licensor, our payment obligations include (i) a one-off, upfront payment which has been settled, (ii) annual license fees that vary based on the clinical development status of the relevant product, (iii) royalties that equal 1% of net sales of the relevant product for 10 years after the product's commercial sale, or, if later, until the expiration of the licensor's relevant patent right, subject to a reduction of 0.5% of net sales in countries where there is no relevant patent right, and (iv) certain milestone payments linked to the initiation of Phase I and Phase III clinical trials as well as the filing of NDAs in the range of US$25,000 to US$100,000. Accordingly, during the Track Record Period, we paid a total of US$25,000 to the licensor in connection with this license. We will owe additional fees to the licensor after the commercialization of FT-001 and FT-002, including milestone payments and royalty fees as stated above. We may terminate this agreement at any time with 90 days' advance written notice, whereas the licensor can only terminate the agreement for cause. The license agreement is governed under the laws of the Commonwealth of Massachusetts and disputes may be brought in state and federal courts located in Massachusetts.

We do not believe that this license has or will have any material effect on our business operations or our ability to commercialize our drug candidates for the following reasons: (i) we are the sole inventor of the operative components of FT-001 and FT-002 (the design and optimization of the capsids and genes of interests) as discussed above; (ii) the in-licensed methodology is a commoditized methodology provided to us on a non-exclusive basis, and is widely available in the market through a number of gene therapy CDMOs; (iii) for FT-003 and subsequent products in our pipeline, we do not use this in-licensed methodology and instead use our own methodology which is a substitute for the in-licensed methodology; (iv) the amount of fees we paid the licensor is a minute portion of our overall research cost during the Track Record Period; and (v) we are the sole sponsor and sole marketing authorization holder of our Core Products and Key Product, and there is no Joint Steering Committee arrangement in the in-license arrangement which would allow any third party to influence the use of the methodology — we are therefore solely in charge of the clinical development and marketing of FT-001 and FT-002.

R&D Expenses

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 one of our Core Products 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 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 one of our Core Products 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."

R&D Team

As of June 30, 2026, our in-house R&D team consisted of 37 members across China and the United States, 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. Our R&D team consists of our drug discovery team, preclinical and translational medicine team, clinical development team, and CMC team. In addition, we collaborate with external research partners, such as CROs.

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 over 20 years of experience 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 for 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."

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 an inventor of our material patents and the sole developer of EXACTE™, our R&D platform.

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. Together with Dr. Li and Dr. Shi, the aforementioned employees are the key R&D personnel of the Company during the Track Record Period and up to the Latest Practicable Date (the "**Key R&D Personnel**"). During the Track Record Period and up to the Latest Practicable Date, all Key R&D Personnel who led the discovery and development of our Core Products, FT-002 and FT-003, remained employed by us. They have been extensively involved in developing our Core Products from their inception and in guiding the development of the Core Products through to IND approval and clinical trial execution.

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. Around the time Dr. Dai joined us and before Dr. Falb joined, Dr. Li and our R&D team had already substantially completed the viral vector construction and screening for our Core Products, and commenced preclinical studies on efficacy and safety shortly thereafter. During their time with us, both Dr. Dai and Dr. Falb were based in the United States and were primarily responsible for providing leadership and managerial oversight in drug discovery and early-stage pre-clinical research, consistent with our focus in the United States at the time on drug discovery. Specifically, they were involved in initial early-stage decisions such as selecting the initial technology pathways and formulating R&D strategies together with others including our then chief medical officer, Dr. Xinyan Li. As our then chief executive officer, Dr. Dai was responsible for and contributed to managing our overall development, coordinating internal and external resources, facilitating communication between our China and U.S. teams, and overseeing our finances. As our then chief scientific officer, Dr. Falb was responsible for and contributed to facilitating the preclinical efficacy and safety studies of our Core Products which had been initiated before he joined us. Meanwhile, specific drug discovery work, such as early vector construction and design, gene-of-interest design, and the design and establishment of early preclinical studies, was led and completed by Dr. Li and Dr. Shi. The design and establishment of our EXACTE™ rAAV gene therapy R&D platform was carried out and implemented by Dr. Shi. The manufacturing and production aspects of our development have been led by Dr. Li since the inception of our manufacturing capabilities. 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 departure, Dr. Xinyan Li and Dr. Zhongdong Shi, who had been performing relevant managerial, scientific and pre-clinical development functions in conjunction with Dr. Dai and Dr. Falb prior to their departure, naturally absorbed their responsibilities. The Phase I clinical trials for our Core Products were initiated in April 2024 for FT-002, August 2023 for FT-003 for nAMD and December 2023 for FT-003 for DME, all after the departure of Dr. Dai and around the time of Dr. Falb's departure. Neither Dr. Dai nor Dr. Falb is an inventor of any of our patents. As a result of our strategic adjustment and re-balancing of focus, our US personnel is primarily focused on preclinical research while clinical-stage development is primarily conducted in China. 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.

In addition, as listed in "Appendix IV. Statutory and General Information — B. Further Information About Our Business — 2. Intellectual Property Rights — (c) Patents," both Wei Zhao and Sebastian Aguirre Kozlouski were our former consultants and co-inventors of FT-001 with Dr. Shi. Zhao is also a co-inventor of FT-002 and FT-003 with Dr. Shi. In the early stages of our Company (e.g., 2019 and early 2020), we engaged external consultants to progress early-stage R&D preparations. Both Zhao and Kozlouski were engaged as external consultants in such capacity. While both Zhao and Kozlouski made early contributions, Dr. Shi led the overall development of FT-001, FT-002 and FT-003. Zhao is listed as a co-inventor for the above products as he participated in the early-stage research, project initiation and CRO selection related to the relevant products; Kozlouski is listed as a co-inventor for FT-001

as he participated in the project initiation of FT-001. Both Zhao and Kozlouski have executed IP assignment agreements assigning their rights over relevant patents to us. Zhao and Kozlouski have not been involved in the development of our drug candidates since April 2021 and March 2020, respectively, and our continued success in the development of our Core Products and Key Product since then confirms our independent R&D capabilities. During Zhao's time at the Company, he also served as a partner for Creacion, one of our Founding Shareholders. Save for the above, neither Zhao nor Kozlouski had any other relationship with the Company, our directors, senior management and/or substantial shareholders.

R&D Centers

We capitalize on the strengths of global hubs of biotechnological research in both the United States and China while maintaining a unified global R&D strategy and leveraging the greater efficiency and cost-effectiveness of clinical trials in China.

Our Boston center is responsible for drug discovery and early-stage research, including capsid screening and viral vector construction and optimization. Our Shanghai center handles preclinical study and clinical trials, including investigator initiated trials, IND applications and the clinical trials themselves. Our Suzhou center fulfills the manufacturing needs of our preclinical and clinical trials while preparing for commercial-scale production. This division of focus allows each team to contribute its strengths to the overall development process while ensuring executional efficiency through the entire workstream.

Up to mid 2024, our Boston center consisted of a few different functions, including vector research and early development, bioanalytical, *in vivo* pharmacology, and CMC related process development and analytical development. In line with the clinical progress of our Core Products in 2024, we strategically shifted our focus from preclinical studies towards later stage drug development. Accordingly, we restructured our team in Boston for a leaner team with greater organizational efficiency. The above mentioned functions were consolidated into a single R&D team with expertise across research, discovery, *in vivo* pharmacology, bioanalytical assay development and early process development. As of December 31, 2024 and 2025 and June 30, 2026, we had 8, 5 and 4 employees in the Boston center, respectively. The restructuring did not have a material adverse effect on our business operations or R&D capabilities, as further discussed below. In addition, in September 2025, we relocated our laboratory in Boston to a new, smaller location in Watertown, Massachusetts, a nearby city, and disposed certain obsolete equipment through a local agent handling laboratory and biotech equipment sales in line with our shift in focus and push towards greater efficiency. We engaged this agent by comparing fee quotes from a few alternatives, and the agent sold the equipment to customers whose identities were not revealed to us. We recorded related losses of US$3.6 million as "losses on disposal of property and equipment", an item under "other gains and losses." The relocation did not have a material adverse impact on our business operations and financial performance.

Despite the reduction in team size and relocation of laboratory, our Boston center, now consisting of multidisciplinary experts, continues to excel at research and drug discovery. For example, after the restructuring in mid 2024, our Boston center has accomplished key milestones including initiating two new early programs, FT-019 and FT-023, establishing capsid discovery capabilities that have produced AAV2 variants for intravitreal delivery, and filing three new patent applications. As for the development of our existing product candidates in the U.S., particularly the clinical trials and registrations of our Core Products, we intend to collaborate with local CROs who assist in site management, patient recruitment, drug candidate management, pharmacovigilance, data management, and registration, among others. Drug candidates used in such clinical trials will be manufactured by our China-based facility. Our Boston center will continue to focus on early-stage R&D activities, including vector construction and screening, GOI optimization, early process and analytical development, patent applications and facilitation of IND applications, all of which have been completed with respect to our Core Products. During the Track Record Period, we did not have operations or key facilities in the United States outside of the Boston region as discussed above.

R&D Process

We have established a comprehensive in-house R&D system that governs all critical aspects of rAAV gene therapy discovery and development.

Drug Discovery

Prior to initiating a gene therapy R&D program, our multidisciplinary team of scientists leverages deep expertise in molecular genetics, biology and clinical medicine, as well as the advise from patent lawyers, to identify and prioritize genetic targets with high therapeutic potential. For each selected target, we conduct a thorough assessment of disease prevalence, unmet medical need, scientific rationale, patent landscape, competitive environment, and potential development risks. This comprehensive evaluation positions our programs for clinical and commercial success.

Upon determination of the target indication, we employ our EXACTE™ R&D technology platform to design and engineer gene therapy candidates. This process includes rational capsid engineering to optimize tissue tropism and transduction efficiency, as well as payload engineering to achieve robust and sustained transgene expression.

Translational Medicine and Preclinical Research

Our translational medicine team bridges the gap between preclinical research and clinical application, supporting the design of robust clinical programs and providing scientific interpretation of preclinical and early clinical data. Their interdisciplinary research encompasses a wide range of studies from pharmacokinetics, pharmacodynamics, safety and biomarker development, to quantitative and clinical pharmacology. Our translational medicine team plays a key role in improving the success rates, time-efficiency and cost-effectiveness of our clinical trials.

During the preclinical stage, we conduct comprehensive pharmacology, pharmacokinetics, biodistribution, and toxicology studies, both *in vitro* and *in vivo*, to evaluate the safety and efficacy of our gene therapy candidates. We further assess immunogenicity, biodistribution, and long-term functional outcomes in relevant disease models. Only those candidates demonstrating strong preclinical profiles and a clear path to clinical translation are advanced into IND-enabling studies and subsequent clinical development. This integrated and iterative approach enables us to efficiently discover and develop gene therapies that address significant unmet medical needs.

Clinical Development

During clinical trials, we maintain close collaboration with leading hospitals, research institutions, and principal investigators to ensure adherence to study protocols and good clinical practice ("**GCP**") guidelines. Our clinical operations team is responsible for site management, participant recruitment, and data management, enabling high-quality and timely execution of clinical studies. We select trial sites and investigators based on their expertise, resources, and access to relevant patient populations.

The clinical development team manages all stages of clinical trials, including clinical trial design, implementation, drug supply, and the collection and analysis of trial data. Each of our clinical development programs is led by a program leader who (i) formulates a clinical development plan, (ii) designs the trial protocol, (iii) bears responsibility for pharmacovigilance, and (iv) oversees the trial execution, all with support from other team members. We employ an adaptive clinical trial design strategy to achieve efficiency in product development processes and potentially accelerate approvals for our drug candidates.

CMC

Our CMC team constitutes an integrated part of our R&D functions. CMC performs vital roles including scale-up, optimization, characterization and validation, control method development and validation, and technology transfer and assessment. Our CMC team provides preclinical and clinical support throughout the product development process.

Our CMC capabilities include preclinical and clinical support and commercial manufacturing.

Regulatory Affairs

Our regulatory affairs team is responsible for the regulatory approval process of our drug candidates, including developing registration strategies, assembling application dossiers for INDs, addressing inquiries from regulatory authorities, and monitoring ongoing R&D projects to ensure compliance with regulations. Our regulatory team members are deeply familiar with regulatory processes of relevant governmental agencies, such as the NMPA and the FDA.

Collaboration with CROs

We perform core functions such as designing clinical development strategies and protocols in-house, and exercise control and oversight over key functions of medical and clinical trial management, including data source validation and analysis of clinical results. In the preclinical stage, we use CROs to conduct *in vivo* preclinical animal studies. In the clinical stage, we use CROs for the OCT image review, biological sample testing and statistical analysis of clinical data. Previously, we used CRO for clinical management for the Phase I clinical trial of FT-001 in China. We also used the same CRO for clinical management of two IITs for FT-002 and FT-003 respectively in China.

We select our CROs weighing various factors, such as their qualifications, academic and professional experience, industry reputation, and the scope, depth, and quality of their service and product offerings. Given our arrangements with CROs are generally project-based and non-exclusive, and comparable service providers are readily available in the market, our collaboration with CROs does not constitute undue reliance on CROs. We also place a high value on our CROs' ability to facilitate optimal site selection, timely participant recruitment, and efficient conduct of complex preclinical and clinical trials. We supervise these CROs to ensure that they perform their duties to us in a manner that complies with our protocols and applicable laws and that protects the integrity of the data resulting from our trials and studies.

Generally, we enter into a master service agreement with a CRO under which we execute a separate work order for each preclinical or clinical research project, or we enter into a research and development contract with a CRO for an individual project. Below is a summary of the key terms for CRO engagement:

- **Services.** The CRO provides us with services related to a preclinical or clinical research project as specified in the agreement or a work order.
- **Term.** The CRO is required to complete the preclinical or clinical research project within the prescribed time limit.
- **Payments.** We are required to make payments to the CRO in accordance with the payment schedule agreed to by the parties.
- **Intellectual property rights.** We own all intellectual property rights arising from the preclinical or clinical research project.
- **Risk allocation.** Each party should indemnify the other party for losses caused by its fault or gross negligence. If the research fails due to unresolvable technical difficulties or otherwise due to circumstances beyond a party's control, the parties should negotiate how to allocate the losses resulting from such failure.

During the Track Record Period, we collaborated with a total of 20 CROs. For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, we engaged the services of 15, 14 and 7 CROs, respectively, incurring related research and development expenses of US$3.0 million, US$2.4 million and US$0.7 million for the same periods, respectively. During the Track Record Period, none of our CROs and consultants, including their directors, shareholders and senior management, had any past or present relationship with us or our subsidiaries, shareholders, directors or senior management, or any of their respective associate.

MANUFACTURING

GMP-compliant, Commercial-ready Suzhou Manufacturing Facility

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, which commenced operations in February 2022. Our Suzhou facility was purpose-built to meet 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.

During the Track Record Period, our manufacturing facility had an aggregate production capacity of 3×10^{18} vg, calculated on the basis of drug substance production at 200L and 500L scales, with capacity to support up to 12 batches per year, including 10 batches at 200L and 2 batches at 500L, applying an upstream expression level of 1×10^{15} vg/L and a downstream purification yield of 40%. After formulation and fill-finish, one batch typically provides approximately 1,200 to 60,000 filled vials (the exact number depends on the program-specific fill volume and output). For more details about our production capacity, please see "— Our Technology Platforms — The AAVANCE™ Manufacturing Platform — Key Features — Large-Scale Production and Significant Cost Advantages."

During the Track Record Period, we produced (i) 4.4×10^{17} vg of FT-017 at our manufacturing facility calculated based on 2,209 vials produced, each containing 5mL at a concentration of 4×10^{13} vg/mL, and (ii) one batch of FT-003 production, with 3.5 L of drug substance at a concentration of 1.1×10^{13} vg/mL, representing a total viral yield of 3.86×10^{16} vg, representing a utilization rate of approximately 16%. The relatively low utilization rate was primarily due to our production planning being driven by the development stage and clinical demand of our drug candidates. Prior to the Track Record Period, we produced three batches each of FT-002 and FT-003 in 2022 and 2023 to support their IND filings, IITs, Phase I clinical trial and Phase II clinical trial use. As the finished drug products for FT-002 and FT-003 generally have a shelf life of three years, such batches were sufficient to support their clinical trials during the Track Record Period and no additional production of FT-002 was arranged. We produced one batch of FT-003 during the Track Record Period to prepare for its planned Phase III clinical trials, and two batches of FT-017 to support their IND filings and Phase I and Phase II clinical trial use. We currently expect to gradually commence Phase III clinical trial production for FT-002 in the second half of 2026 and 2027.

Our Suzhou manufacturing facility utilizes our AAVANCE™ manufacturing platform, which is based on a 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. See "— Our Technology Platforms — The AAVANCE™ Manufacturing Platform."

Our Suzhou manufacturing facility is well positioned to support the rapid scale-up and commercial production of our lead gene therapy candidates, including FT-002 and FT-003, as well as other pipeline products. The facility was designed and constructed in accordance with China and U.S. GMP guidance, and the equipment and instruments used at the facility were sourced from leading industry suppliers and are subject to routine maintenance, calibration and validation to maintain good operating condition. We have also established an organizational structure, staffing configuration and quality management system suitable for AAV manufacturing. Our key manufacturing and quality personnel, who joined us primarily before 2022, have remained stable and have accumulated extensive experience in AAV manufacturing and testing. Our quality management system was established with reference to the GMP requirements of the EU, the U.S. and China and covers GMP management throughout the lifecycle of pharmaceutical products, supported by a quality team with extensive GMP compliance management experience and familiarity with China and U.S. GMP requirements. As at the Latest Practicable Date, our manufacturing facility has a maximum annual production capacity of 1.2×10^{18} vg. Based on the foregoing, we believe our current production capacity is sufficient to support the clinical development and initial commercialization for these candidates, taking into account factors such as the estimated addressable patient populations, anticipated market penetration, the competitive landscape, the clinical profiles of the relevant candidates, and the expected timing of regulatory approvals and commercial launch.

Quality Management

Our Suzhou facility is fully integrated with a comprehensive quality management system, supporting end-to-end quality assurance and control throughout the manufacturing

lifecycle. GMP-compliant operations have enabled us to successfully produce and release 10 clinical and commercial-scale batches with a 100% success rate. The facility's robust analytical platform supports release testing, stability studies, and regulatory submissions for global markets.

We maintain a comprehensive quality management system which is developed and continuously refined to meet the stringent regulations and guidelines in China and the United States. We closely monitor the evolving cGMP standards and regulatory changes in these key markets, updating our internal procedures accordingly. Our quality management procedures span all key stages of the gene therapy development process.

We carry out our R&D activities in compliance with detailed quality control and quality assurance procedures to comply with relevant regulatory requirements and our internal standards. We conduct rigorous qualifications and selection of raw material suppliers and ensure raw materials are tested and verified before entering the manufacturing process. We provide training for our quality and research and development teams to keep them updated on the latest quality standards and regulatory requirements.

Collaboration with CDMO

In the past, we engaged a CDMO to support our drug development process for FT-001, prior to the commissioning of our Suzhou manufacturing facility in February 2022. This collaboration commenced in June 2021 and the contracted manufacturing concluded in September 2025 when we completed the three-year stability analysis for FT-001. During this period, we entered into service agreements with the CDMO specifying the scope of stability analysis services and relevant quality standards, delivery timelines, and payment terms. We were entitled to conduct on-site audits and inspections to ensure compliance with cGMP and regulatory requirements. Remedies for non-conforming products included replacement of the affected batches and compensation for direct losses. We retained all intellectual property rights related to our products arising from the outsourced manufacturing process.

Since February 2022, following the commissioning of our GMP-compliant Suzhou manufacturing facility, we have established a fully integrated in-house rAAV production system encompassing manufacturing, quality control, quality assurance, and supply chain management. All subsequent production for our drug development has been conducted internally at our own facility.

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.

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 product.

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.

We seek to avoid cannibalization across our gene therapy pipeline by ensuring each product candidate is deliberately differentiated in indication, target patient segment and intended clinical role. We also apply disciplined portfolio governance to prioritise indications, and adjust, reposition or deprioritise programmes if meaningful overlap emerges, so that candidates are complementary rather than directly substitutable.

SUPPLIERS

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.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disputes with our suppliers, difficulties in the procurement of raw materials or services, disruptions to our operations due to a shortage of or delay in supply of raw materials or services, or significant fluctuations in raw material and/or service prices.

Our purchases from our five largest suppliers in aggregate accounted for 33.1%, 40.8% and 38.3% of our total purchases for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, respectively. Our purchases from our largest supplier alone accounted for 10.1%, 12.8% and 13.7% of our total purchases for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, respectively.

Rank	Supplier	Background	Main Products/ Services Provided	Purchase Amount (US$ in thousand)	Percentage of Total Purchase (%)	Business Relationship Since
For the Year Ended December 31, 2024						
1	Supplier A	A property leasing and management company, based in the United States	Office space and laboratory facilities	1,180	10.1	2021
2	Supplier B	A property leasing and management company, based in China, and its affiliates	Office space and manufacturing facilities	986	8.5	2021
3	Supplier C	New drug research and development company, based in China	Preclinical study services for FT-017	771	6.6	2024

Rank	Supplier	Background	Main Products/ Services Provided	Purchase Amount (US$ in thousand)	Percentage of Total Purchase (%)	Business Relationship Since
4	Supplier D	A CRO company, based in China	CRO services for FT-002 and FT-003	547	4.7	2024
5	Supplier E	A CRO company, based in the United States	CRO services	372	3.2	2021
Total				**3,856**	**33.1**	
For the Year Ended December 31, 2025						
1	Supplier A	A property leasing and management company, based in the United States	Office space and laboratory facilities	1, 296	12.8	2021
2	Supplier B	A property leasing and management company, based in China, and its affiliates	Office space and manufacturing facilities	792	7.8	2021
3	Supplier F	An international law firm, based in the United States	Legal services	767	7.6	2019
4	Supplier G	A CRO company, based in China	CRO services for FT-002 and FT-003	692	6.8	2023
5	Supplier D	A CRO company, based in China	CRO services for FT-002 and FT-003	590	5.8	2024
Total				**4,137**	**40.8**	
For the Six Months Ended June 30, 2026						
1	Supplier B	A property leasing and management company, based in China, and its affiliates	Office space and manufacturing facilities	467	13.7	2021
2	Supplier D	A CRO company, based in China	CRO services for FT-002 and FT-003	361	10.6	2024
3	Supplier F	An international law firm, based in the United States	Legal services	228	6.7	2019
4	Supplier H	A SMO company, based in China	SMO services	127	3.7	2022
5	Supplier I	A property leasing and management company, based in the United States	Office space and laboratory facilities	124	3.6	2025
Total				**1,307**	**38.3**	

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 after completion of the [**REDACTED**] has any interest in any of our five largest suppliers in each year during the Track Record Period.

EMPLOYEES

As of June 30, 2026, we had 54 employees, including 50 in China and 4 in the United States. The following table sets forth the number of our employees by function as of the same date.

Function	Number of Employees
CMC and manufacturing	24
Research and development	18
Management and administrative	12
Total	**54**

We recruit our employees primarily through online platforms, recruiting websites and headhunter referral. We conduct induction programs and periodic professional training for our employees.

We enter into individual employment contracts with our employees covering matters such as salaries, bonuses, employee benefits, confidentiality obligations, non-competition clauses, work product and intellectual property assignment clause and grounds for termination. The remuneration package of our employees includes salary and bonus, which are generally determined by their qualifications, performance review, and seniority. We also offer share incentives and promotion opportunities to motivate our employees.

We have not established a labor union. During the Track Record Period and up to the Latest Practicable Date, we did not experience any labor disputes or strikes that may have a material and adverse effect on our business, financial condition or results of operations.

On July 31, 2025, the PRC Supreme People's Court promulgated the Supreme People's Court's Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the "**New Judicial Interpretation**"), which took effect on September 1, 2025. According to the Article 19 of the New Judicial Interpretation, if an employer and an employee agree or the employee undertakes that social insurance contributions need not to be paid, the court shall deem such agreement or undertaking invalid. Where an employer fails to pay social insurance premiums in accordance with the law, and the employee requests to terminate the employment contract and for the employer to pay economic compensation pursuant to Article 38(3) of the PRC Labor Contract Law (《中華人民共和國勞動合同法》), the people' court shall uphold such requests in accordance with the law. As of the Latest Practicable Date, (i) there were no shortfalls in contribution to social insurance and housing provident funds for our employees; and (ii) no labor disputes or legal proceedings concerning social insurance or housing provident fund contributions had been raised against us. Based on the foregoing, our Directors and our PRC Legal Adviser are of the view that the implementation of the New Judicial Interpretation is not expected to have material adverse impact on our business, results of operations, or financial condition.

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, which typically takes about 5 years to be processed once examination starts, 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. Regarding obtaining granted patents relating to the Core Products, the Directors believe, after consulting the Company's IP counsel, that granted

patents are expected to be obtained by the end of 2027 and that material difficulties are not expected beyond those that may be reasonably expected as part of normal patent office examination procedures to obtain granted patents before the expected commercialization of the Core Products.

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 grant 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.

These patent applications cover all known key features and/or characteristics of the Core Products. Taking into account the freedom-to-operate searches and analyses we conducted in relation to our Core Products (as discussed below) and the fact that we have not received any material concerns or inquiries from relevant competent authorities relating to the patent applications, we believe that there are no known difficulties or legal impediments to obtain approval for the patents covering the Core Products. For implications if we fail to obtain these patents, see "Risk Factors — Risks Relating to Intellectual Property Rights — If we are unable to obtain adequate patent and other intellectual property protection for our drug candidates throughout the world, of 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."

For more details, please see "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights — (c) Patents."

A freedom-to-operate searches and analyses ("**FTO Analysis**") has been conducted in China and the U.S. in relation to our Core Products.

The key aspect of FT-002 is a viral expression vector comprising codon-optimized nucleic acid sequence encoding RPGR polypeptide for treating X linked retinitis pigmentosa; and the key aspect of FT-003 is a viral expression vector comprising codon-optimized nucleic acid sequence encoding Aflibercept and modified AAV2 capsid with 10 amino acid insertion, for treating age-related macular degeneration.

As such, with respect to the FTO Analysis, searches were focused on whether there are any freedom-to-operate ("**FTO**") issues on (i) codon-optimized sequences encoding drugs, (ii) inserted amino acid sequences in the AAV2 capsid sequence, and whether there are any broad roadblocks in AAV-based gene therapy to treat disease indications of interest.

In order to evaluate FTO issues on codon-optimized sequences encoding drugs, nucleic acid sequence searches for codon-optimized constructs were conducted. In order to evaluate FTO issues on inserted amino acid sequences in the AAV2 capsid sequence, amino acid sequence search for 10 inserted amino acid sequence was conducted. In order to evaluate FTO issues on the disease treatment itself, searches using disease names as keywords were conducted. No valid claims of third party patents in the U.S. and the PRC that are infringed by FT-002 or FT-003 have been identified.

The Company believes that these searches are sufficient to capture all material aspects of the patent protection relevant to the Core Products.

Based on the FTO Analysis, our Directors are of the view that there are no valid and enforceable patents of any third party in China and the U.S. covering the amino acid sequences or indications currently under development of our Core Products and we have not infringed any valid and enforceable patents or other IP rights of any third parties.

We have engaged IP counsel to oversee comprehensive planning and development of our intellectual property portfolio, with the objective of mitigating IP-related risks. As of 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.

During the Track Record Period and up to the Latest Practicable Date, we were not involved in any legal, arbitral or administrative proceedings in respect of, and we have not received any written notice of, any material claims of infringement or misappropriation of any third party intellectual property rights which may have a material adverse effect on our business, financial condition and results of operations. As of the Latest Practicable Date, we are not aware of any objection or claim from other market players in respect of similar technologies or features underlying their patent applications targeting similar indications which may have a material adverse effect on our business, financial condition and results of operations.

COMPETITION

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.

We operate in the gene therapy segment of the biopharmaceutical market that primarily addresses ophthalmic and cardiovascular diseases. There are other companies working to develop therapies in these fields. These companies include divisions of large pharmaceutical companies and biotechnology companies of various sizes. Many of the companies we are competing against or with which we may compete in the future have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved drugs than we do. Mergers and acquisitions in the pharmaceutical and biopharmaceutical industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and participant registration for clinical trials, as well as in acquiring technologies or products complementary to, or necessary for, our research and development.

SOCIAL, HEALTH, WORK SAFETY AND ENVIRONMENTAL MATTERS

We are subject to various health, work safety and environmental laws and regulations and our operations are regularly inspected by local government authorities. During the Track Record Period and up to the Latest Practicable Date, we had been in compliance with health, work safety and environmental laws and regulations applicable to our operations in all material respects and had not been subject to any material claims, fines or other penalties due to non-compliance with health, work safety or environmental regulations that would materially and adversely affect our business, financial condition or results of operations.

Governance on ESG Matters

We have built a series of policies and procedures to contribute to social, health, work safety and environmental matters. Going forward, it is our objective to proactively identify

and assess the actual and potential environmental, social and governance ("**ESG**") risks that may impact our business, strategy and financial performance, and integrate considerations of ESG issues into our business, strategic and financial planning, in compliance with the recommendations made by the Environmental, Social and Governance Reporting Guide in Appendix C2 to the Listing Rules.

Our Board is responsible for monitoring and enhancing compliance with ESG laws and regulations. Our ESG Review committee regularly reports to the board on ESG matters, and the Board makes decisions regarding our policies and practices in alignment with ESG requirements. The Board will continue to monitor, evaluate, and address ESG issues, overseeing the implementation of policies that promote ESG practices.

Environmental Protection

We strive to conduct our operations in a manner that safeguards the environment associated with our operations.

Wastes

We have established waste management procedures to ensure compliance with relevant waste disposal regulations and to minimize environmental impact. These include maintaining a hazardous waste ledger, completing and executing transfer documentation, and contracting with qualified institutions for hazardous waste disposal.

Greenhouse gas emission

Our greenhouse gas emissions consist of Scope 1, Scope 2 and Scope 3 emissions. In response to the national carbon neutrality target, we are committed to actively reducing the greenhouse gas emissions produced in our operations.

	For the year ended December 31,		For the six months ended June 30,
	2024	2025	2026
Greenhouse gas emissions			
Scope 1 greenhouse gas (tons of CO_2 equivalent)	–	368.6	–
Scope 2 greenhouse gas (tons of CO_2 equivalent)	4,524.0	3,444.0	2,408.5
Scope 3 greenhouse gas (tons of CO_2 equivalent)	351.8	201.8	30.8
Total carbon emission (tons of CO_2 equivalent)	4,876.0	4,014.0	2,439.3
Total carbon emission intensity (ton per RMB1 million research and development expenses)	32.9	40.0	67.5

To further reduce our greenhouse gas emissions, we plan to implement low-carbon optimizations in laboratory facility maintenance, business travel, and office space selection areas. We target a 1.0% decrease in GHG emission intensity by the end of 2027, compared against the intensity levels in 2025.

Management of Environmental Protection Matters

We conduct environmental impact assessments to monitor emission levels. The following table sets forth the indicators related to our energy consumption and waste production during the Track Record Period.

	For the year ended December 31,		For the six months ended June 30,
	2024	2025	2026
Energy consumption:			
Electricity (MWh)	3,449.4	2,302.7	1,292.2
Total direct energy (MWh)	1,626.0	848.5	–
Total indirect energy (MWh)	3,449.4	2,302.7	1,292.2
Total energy consumption (MWh)	5,075.4	3,151.2	1,292.2
Energy intensity (MWh per RMB1 million research and development expenses)	34.3	31.4	35.8
Water (tons)	8,648.0	6,358.0	3,875.0
Waste:			
Hazardous waste (tons)	45.0	40.0	15.8

As our business grows and our candidates move closer to commercialization, we anticipate an increase in resource consumption and emissions. Nonetheless, we are dedicated to implementing a variety of measures to optimize resource use and reduce emissions. Simultaneously, we strive to cultivate a corporate culture that prioritizes environmental protection and work closely with our business partners to establish an eco-friendly ecosystem. Our commitment includes enhancing the environmental performance across our entire value chain, which encompasses office operations, supplier selection, laboratory activities, and manufacturing activities. In addition, we have implemented centralized production scheduling to optimize energy efficiency. During non-production hours, air conditioning systems in production areas are turned off to minimize power consumption. We aim to achieve a 1% reduction in energy intensity by the end of 2027, compared to the level in 2025.

Participant Data Protection and Prevention of Data Manipulation

We are committed to the protection of trial participant information in compliance with the applicable laws, regulations and industry standards.

We have designed strict data protection policies to ensure that the collection, use, storage, and processing of clinical data comply with applicable laws and prevalent industry practices, including our detailed data management plan for each clinical project. The collection of personal data is primarily performed by investigators in our clinical trials and operations. Participants enrolled in the clinical trials are anonymized with assigned subject numbers, and any datasets transferred to us are only associated with the subject numbers, not the actual identities of patients. As a result, we have no access to patients' personally identifiable information, such as their names, identity numbers, phone numbers or home addresses. Furthermore, we require that all internal employees, as well as hospitals and third-party contractors such as CROs involved in our clinical trials adhere to strict confidentiality requirements. We conduct trainings to ensure compliance with these standards, thus reinforcing our dedication to maintaining the highest levels of data security and patient confidentiality. This comprehensive approach not only meets regulatory expectations but also fosters trust among participants and stakeholders involved in our clinical trial process.

During the Track Record Period and up to the Latest Practicable Date, we had complied with all applicable laws and regulations on data privacy and security in all material respects, and our PRC Legal Adviser is of the view that during the Track Record Period and up to the Latest Practicable Date, we had complied with applicable PRC laws and regulations in relation to cross border data transfer in all material respects.

Our contracts with R&D employees contain confidentiality clauses, adding an extra layer of security for the confidential information. Additionally, we generally require CROs to keep all documents, data, records, and information provided by us or generated during the contract strictly confidential.

Manufacturing and Quality Management

We strive to align our manufacturing and quality management practices with ESG standards. We prioritize partnerships with suppliers who demonstrate strong environmental practices in their raw material sourcing and production processes. Meanwhile, we maintain a comprehensive quality management system which is developed and continuously refined to meet the stringent regulations and guidelines in China, the United States, and Europe. See also "— Manufacturing — Quality Management."

Management of Third-Party Relationships

We maintain strict compliance standards in our third-party engagements through a robust internal policy framework. Our procurement management system establishes clear protocols for supplier interactions, with specific anti-bribery and anti-corruption provisions. For healthcare professionals, we follow detailed guidelines that govern all professional engagements. Our Anti-fraud and Whistleblower Mechanism Policy and Anti-Corruption Policy provide additional safeguards against corruption and bribery, while our third-party contracts incorporate specific compliance requirements.

Work Safety

We strive to provide a safe and healthy working environment for our employees. To achieve this, we have established stringent safety protocols. These protocols are reinforced by regular safety training initiatives that equip our employees with the necessary awareness and technical expertise to perform their duties safely and efficiently. We have specific protocols in place for managing emergency matters. Regular meetings and periodic inspections are conducted to ensure continuous adherence to our safety standards. Through these efforts, we maintain a secure and productive working environment that supports the well-being of our employees and the success of our enterprise. During the Track Record Period and up to the Latest Practicable Date, we did not have any major workplace accidents.

Workplace Diversity

We are dedicated to fostering an inclusive and open workplace that values equality. Our recruitment practices are strictly merit-based, ensuring that all employees are provided with equal opportunities regardless of gender, age, race, religion, or any other social or personal attributes. As of June 30, 2026, we had a total of 54 employees, of whom 35 employees were female, representing around two-thirds of our total employees. We are committed to maintaining a fair and transparent employee management system and continuously strive to enhance the gender and age diversity of our workforce.

Animal Welfare

We typically engage CROs to conduct animal studies, and the CROs we engaged have obtained certification from the Association for Assessment and Accreditation of Laboratory Animal Care. This certification promotes compliance with key regulations regarding animal welfare, including the humane treatment of all animals, the promotion of psychological well-being, access to adequate veterinary care, ethical reviews of research protocols, proper training for personnel involved in animal care, and ongoing compliance monitoring to uphold high standards of animal welfare throughout the research process.

PROPERTIES

We have a presence in Shanghai and Suzhou in China, as well as in Boston in the United States. As of the Latest Practicable Date, we did not own any properties and we leased a number of properties with an aggregate gross floor area of approximately 4,833.5 square meters in Shanghai, Suzhou, and Boston for various functions.

The following table sets forth the details of our leased properties as of the Latest Practicable Date:

Location	Usage	GFA (Square meters)	Expiry Date
Shanghai, China	Office and R&D	569.6	February 28, 2027
Suzhou, China	Office and manufacturing site	3,862.0	May 19, 2027
Suzhou, China	Equipment and facilities room	309.0	January 19, 2028
Watertown, MA, USA	Laboratory	92.9	September 30, 2026

Pursuant to the applicable PRC laws and regulations, property lease agreements in China shall be registered with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC. As of the Latest Practicable Date, our lease agreements in China had not been registered. See "Risk Factors — Risks Relating to Government Regulations — Our leased properties may be subject to non-compliances or challenges that could potentially affect our future use of them" for details.

We do not have any property interest with a carrying amount of 15% or more of our consolidated total assets as of June 30, 2021. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 38(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all of our Group's interests in land or buildings.

INSURANCE

We maintain insurance policies that are required under applicable laws and regulations as well as based on our assessment of our operational needs and industry practice. Our existing insurance policies cover adverse events in our clinical trials, production facilities and equipment, and we have supplementary commercial insurance plans for our senior management and employees. In line with industry practice, we have elected not to maintain certain types of insurances, such as business interruption insurance. We believe our existing insurance coverage is adequate for our present operations and in line with industry practice. See also "Risk Factors — Risks Relating to Our Operations — We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources."

PERMITS, LICENSES AND REGULATORY APPROVALS

During the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite permits, licenses, and regulatory approvals the relevant government authorities that are material for our business operations in the PRC. As of the Latest Practicable Date, no material unexpected or adverse changes have occurred for any regulatory approval for our Core Products since its date of issue.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

During the Track Record Period and up to the Latest Practicable Date, we had not been a party to any actual or threatened material legal or administrative proceedings, and our Directors had not been involved in any such proceedings. However, we may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business.

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had complied with all relevant laws and regulations applicable to us in all material respects concerning our operations. For more information about the laws and regulations applicable to us, please see "Regulations."

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

We recognize that risk management is critical to our long term development and success. Key operational risks faced by us include changes in the general market conditions and the regulatory environment of the PRC and global biopharmaceutical markets, our ability to develop, manufacture and commercialize our drug candidates, and our ability to compete with other biopharmaceutical and gene therapy companies.

To address these challenges, we have adopted a consolidated set of risk management policies which set out a risk management framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an ongoing basis. Our senior management, and ultimately our Directors, supervise the implementation of our risk management policies. Risks identified by management will be analyzed on the basis of likelihood and impact, and will be properly followed up and mitigated and rectified by our Group and reported to our Directors.

To monitor the ongoing implementation of risk management policies and corporate governance measures after the [**REDACTED**], we have adopted or will continue to adopt, among other things, the following risk management measures:

- Our Directors/audit committee oversees and manages the overall risks associated with our business operations;
- Our Director, chief executive officer, and chief medical officer, Dr. Xinyan Li, is responsible for (i) formulating and updating our risk management policy and target; (ii) reviewing and approving major risk management issues of our company; (iii) promulgating risk management measures; (iv) providing guidance on our risk management approach to the relevant departments in our company; (v) reviewing the relevant departments' reporting on key risks and providing feedbacks; (vi) supervising the implementation of our risk management measures by the relevant departments; (vii) ensuring that the appropriate structure, processes and competences are in place across our company; and (viii) reporting to our audit committee on our material risks; and
- The relevant departments in our Company, including but not limited to the finance department and the human resources department, are responsible for implementing our risk management policy and carrying out our day-to-day risk management practice.

We consider that our Directors and members of our senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control.

Internal Control

Our Board is responsible for establishing our internal control system and reviewing its effectiveness. We have engaged an independent internal control consultant (the "**Internal Control Consultant**") to perform certain agreed-upon procedures (the "**Internal Control Review**"), in connection with the internal control of our Company and our major operating subsidiaries and to report factual findings on our Group's entity-level controls and internal controls of various processes, including financial reporting and disclosure controls, human resources and payroll management, general controls of IT system, taxation management, procurement management, and other procedures of our operations. The Internal Control Consultant performed the Internal Control Review in November 2025 and follow up review in December. The main issues identified during the Internal Control Review in relation to the review scope include that information disclosure management policy and related party transaction management policy need to be established according to the latest Listing Rules. We had thereafter adopted the recommended internal control measures and rectified the internal control findings identified. As of the Latest Practicable Date, there were no material outstanding issues relating to our Group's internal control based on the follow up review.

During the Track Record Period, we regularly reviewed and enhanced our internal control system. Below is a summary of the internal control policies, measures and procedures we have implemented or plan to implement:

- We have adopted various measures and procedures regarding each aspect of our business operation, such as related party transaction, risk management, protection of intellectual property, environmental protection and occupational health and safety.
- We provide various training programs to keep our employees updated of relevant laws, regulations and policies.
- Our Directors, who are responsible for monitoring the corporate governance of our Group, with help from our legal advisers, will also periodically review our compliance status with all relevant laws and regulations after the [**REDACTED**].
- We have established an audit committee which (i) makes recommendations to our Directors on the appointment and removal of external auditors; and (ii) reviews the financial statements and renders advice in respect of financial reporting as well as oversees internal control procedures of our Group.
- We have engaged Alliance Capital Partners Limited as our compliance adviser to provide advice to our Directors and management team until the end of the first fiscal year after the [**REDACTED**] regarding matters relating to the Listing Rules.
- We have engaged a PRC law firm to advise us on and keep us abreast with PRC laws and regulations after the [**REDACTED**].
- We maintain strict anti-corruption policies and we believe we will therefore be less affected by the increasingly stringent measures taken by the PRC government to correct corruptive practices in the pharmaceutical industry.

During the Track Record Period, we have regularly reviewed and enhanced our internal control system. We consider that our Directors and members of our senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control.

You should read the following discussion and analysis in conjunction with our consolidated financial information and the related notes thereto included in the Accountants' Report in Appendix I to this document. Our consolidated financial information has been prepared in accordance with IFRS accounting standards.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions, and expected future developments, as well as other factors that we believe are appropriate under the circumstances. However, our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this document. For further details, see "Forward-Looking Statements."

For the purposes of this section, unless the context otherwise requires, references to 2024 and 2025 refer to our financial years ended December 31 of such years.

OVERVIEW

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.

We expect to incur significant expenses for at least the next several years as we continue to advance our preclinical research and clinical development plans, and to prepare for the commercialization of our drug candidates. Subsequent to the [**REDACTED**], our financial performance may fluctuate from period to period due to, among other factors, the development status of our drug candidates, the regulatory approval timeline, and the level of commercial success of our drug candidates after approval.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our Ability to Successfully Develop and Commercialize Our Drug Candidates

The success of our business and results of operation relies on our ability to advance our drug development programs, demonstrate satisfactory safety and efficacy in clinical trials, obtain necessary regulatory approvals, and launch our products in our target markets as planned. In the event of successful commercialization of one or more of our drug candidates, our business and results of operations will depend on the market acceptance and sales of those drugs. These products may require significant marketing efforts before we generate any revenue from product sales. If they fail to achieve a sufficient degree of market acceptance, we may not be able to generate revenue as expected.

Operating Expenses

Our business and results of operations are significantly affected by our cost structure, which primarily consisted of research and development expenses and general and administrative expenses during the Track Record Period.

Research and development activities are critical to our business. Our current research and development activities mainly relate to product discovery, preclinical studies and clinical trials of our drug candidates. For the years ended December 31, 2024 and 2025, our research and development expenses were US$20.6 million and US$13.9 million, respectively. For the six months ended June 30, 2025 and 2026, our research and development expenses were US$7.1 million and US$5.3 million, respectively. We expect our research and development expenses to increase in the foreseeable future as we advance our drug candidates.

Our general and administrative expenses consist of salaries and related benefit costs for employees engaged in managerial and administrative positions or involved in general corporate functions, professional service expenses, depreciation and amortization expenses, and others. For the years ended December 31, 2024 and 2025, our general and administrative expenses were US$7.0 million and US$5.1 million, respectively. For the six months ended June 30, 2025 and 2026, our general and administrative expenses were US$2.7 million and US$2.4 million, respectively. We anticipate increasing compliance, accounting, and investor and public relations expenses associated with being a [**REDACTED**]. Save for the above, we expect our general and administrative expenses to remain stable in the near future.

Funding for Our Operations

During the Track Record Period, we funded our operations primarily through equity and debt financing. Going forward, with the continuing expansion of our business and our drug pipeline, we may require further funding through public or private offerings, debt financing, collaborations, and licensing arrangements or other sources. In the event of successful commercialization of one or more of our drug candidates, we expect to fund our operations in part with revenue generated from sales of our products. Any fluctuation in our ability to fund our operations will impact our cash flow and our results of operations.

BASIS OF PRESENTATION

Our historical financial information has been prepared in accordance with IFRS Accounting Standards.

Our historical financial information has been prepared on the historical cost basis except for fair value through profit or loss ("**FVTPL**"). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, we take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the historical financial information is determined on the above basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value in use in IAS 36.

Our historical financial information has been prepared on a going concern basis as our Directors have, as of the date of this document, a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future.

MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and results of operations. Our management continually evaluates such estimates, assumptions and judgments based on past experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. There has not been any material deviation between our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

For a detailed discussion of material accounting policies, estimates, assumptions and judgments, please refer to the notes of the Accountants' Report in Appendix I to this document.

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

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 year 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
	(US$ in thousands)			
			(Unaudited)	
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 costs	(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	**(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	**(25,594)**	**(21,304)**	**(9,035)**	**(6,435)**

Research and Development Expenses

Our research and development expenses consist of (i) staff costs, representing salaries and related benefit costs for research and development personnel, (ii) cost of purchase, representing expenses for procuring materials and consumables used in the course of our research and development activities, (iii) professional services expenses, representing the cost of engaging professional service providers for preclinical and clinical support and CMC services, (iv) depreciation and amortization expenses, and (v) others, including maintenance, transportation and travel expenses.

The following table breaks down our research and development expenses for the periods indicated.

	For the Year Ended December 31,				For the Six Months Ended June 30,			
	2024		2025		2025		2026	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(US$ in thousands, except percentages)							
					(Unaudited)			
Research and development expenses								
Staff costs	7,644	37.1	4,173	30.0	2,271	31.9	1,768	33.3
Cost of purchase	2,918	14.2	1,263	9.1	645	9.1	951	17.9
Professional services expenses	5,212	25.3	4,901	35.1	2,345	33.0	1,338	25.2
Depreciation and amortization expenses	3,286	16.0	2,196	15.8	1,228	17.3	765	14.4
Others	1,516	7.4	1,392	10.0	627	8.7	483	9.2
Total	**20,576**	**100.0**	**13,925**	**100.0**	**7,116**	**100.0**	**5,305**	**100.0**

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 and the six months ended June 30, 2026, we recorded research and development expenses incurred in the United States of US$8.4 million, US$5.1 million and US$1.1 million, respectively, representing a combined 36.5% of our total research and development expenses in the Track Record Period. Our research and development activities in the United States primarily include target discovery and validation, candidate drug screening, and early-stage *in vitro* and *in vivo* studies. Our research and development expenses in the United States are primarily consist of (i) staff costs, (ii) cost of purchase, (iii) professional service fees, (iv) depreciation and amortization expenses, (v) office expenses, and (vi) others.

During the Track Record Period, the majority of our research and development expenses incurred in the United States were invested in FT-017, FT-018, FT-019, and FT-023. In detail, US$8.5 million, representing 58.6% of the total US$14.5 million, was spent on the aforementioned research and development activities for the four drug products. Following these investments, FT-017 has obtained an IND approval for the Phase I clinical trial, FT-018 has achieved drug candidate designation, FT-023 has completed gene of interest ("**GOI**") screening and is expected to achieve drug candidate designation shortly, and FT-019 is currently in the early-stage research and discovery phase. Our research and development activities in the United States also provide critical support for our Core Products, FT-002 and FT-003, which are expected to initiate Phase III clinical trials in the second and first quarters of 2027, respectively. During the Track Record Period, US$1.4 million, representing 9.5% of the total US$14.5 million, was invested in supporting these two drug products.

Research and Development Expenses for Core Products

During the Track Record Period, US$4.9 million of our research and development expenses was attributable to FT-002, of which US$4.5 million was incurred in mainland China and US$0.4 million was incurred in the United States; US$13.3 million of our research and development expenses was attributable to FT-003, of which US$12.3 million was incurred in mainland China and US$1.0 million was incurred in the United States; and US$21.6 million of our research and development expenses was attributable to all other drug candidates, of which US$8.5 million was incurred in mainland China and US$13.1 million was incurred in the United States.

The following table sets forth the research and development expenses attributable to the Core Products by development stage for the periods indicated.

	For the Year Ended December 31,		For the Six Months Ended June 30,	
	2024	2025	2025	2026
	US$	*US$*	*US$*	*US$*
		(US$ in thousands)		
			(Unaudited)	
Research and development expenses attributable to FT-002				
Pre-clinical costs	127	96	53	221
Clinical costs	1,622	1,243	463	551
Others[(1)]	432	394	104	219
Subtotal	**2,181**	**1,733**	**620**	**991**
Research and development expenses attributable to FT-003				
Pre-clinical costs	328	572	244	72
Clinical costs	3,139	4,681	2,124	2,670
Others[(1)]	564	745	440	483
Subtotal	**4,031**	**5,998**	**2,808**	**3,225**
Total	**6,212**	**7,731**	**3,428**	**4,216**

Note:
(1) Includes depreciation and amortization expenses, travel expenses and others.

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 one of our Core Products 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.

Our research and development expenses attributable to FT-002 decreased from 2024 to 2025, primarily because we conducted more clinical trials in-house instead of relying on CROs. In 2023, we initiated and completed the dosing of the IIT study of FT-002, which enrolled a total of 18 patients. In 2024 and 2025, as a part of the Phase I and Phase II clinical trials of FT-002, a total of 13 patients (including 7 from Phase I and 6 in Phase II) received treatment. Our research and development expenses attributable to FT-002 increased from the six months ended June 30, 2025 to the six months ended June 30, 2026, primarily because the staff costs increased due to the optimization of manufacturing processes and the development of QC methods for Phase III drug production in clinical trials of FT-002.

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 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 one of our Core Products 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.

Our research and development expenses attributable to FT-003 increased from 2024 to 2025, primarily due to the expansion of the clinical trials due to increased participant enrollment. Our research and development expenses attributable to FT-003 increased from the six months ended June 30, 2025 to the six months ended June 30, 2026, primarily because the staff costs and material costs increased due to the optimization of manufacturing processes and the development of QC methods for Phase III drug production in clinical trials of FT-003.

For the years ended December 31, 2024 and 2025, we recorded research and development expenses attributable to our Core Products of US$6.2 million and US$7.7 million, respectively, representing 22.5% and 40.6% of our total operating expenses, respectively. Our research and development expenses attributable to our Core Products as a percentage of our total operating expenses increased from 2024 to 2025, as (i) we incurred more research and development expenses attributable to our Core Products primarily due to the increased expenses attributable to FT-003 as explained above, and (ii) we incurred less general and administrative expenses due to the staff costs as we reduced our team size in line with the change in focus.

For the six months ended June 30, 2025 and 2026, we recorded research and development expenses attributable to our Core Products of US$3.4 million and US$4.2 million, respectively, representing 34.9% and 54.5% of our total operating expenses. Our research and development expenses attributable to our Core Products as a percentage of our total operating expenses increased from the six months ended June 30, 2025 to the six months ended June 30 2026, as (i) we incurred more research and development expenses attributable to our Core Products as explained above, and (ii) we incurred less general and administrative expenses due to the depreciation and amortisation expenses as we disposed fit-outs and furniture in connection with the relocation of our U.S. office.

Research and Development Expenses for Other Products

The following table sets forth the research and development expenses attributable to each drug product in addition to Core Products by jurisdiction for the periods indicated.

	For the Year Ended December 31,						For the Six Months Ended June 30,					
	2024			2025			2025			2026		
	U.S.	China	Total	U.S.	China	Total	U.S.	China	Total	U.S.	China	Total
	(US$ in thousands)											
							(Unaudited)					
Drug Candidates												
FT-001	228	799	1,027	160	614	774	97	592	689	37	58	95
FT-017	2,302	5,083	7,385	167	437	604	155	408	563	74	68	142
FT-018	1,505	65	1,570	80	7	87	70	3	73	21	–	21
FT-023	518	–	518	2,711	658	3,369	1,821	–	1,821	215	135	350
Other pipelines[(1)]	2,120	480	2,600	606	61	667	289	53	342	5	18	23
Total	**6,673**	**6,427**	**13,100**	**3,724**	**1,777**	**5,501**	**2,432**	**1,056**	**3,488**	**352**	**279**	**631**

Note:

(1) Includes FT-019, FT-022 and other undisclosed pipelines which are still in the stage of pre-clinical studies.

General and Administrative Expenses

Our general and administrative expenses consist of (i) staff costs, representing salaries and related benefit costs for general and administrative personnel, (ii) professional service expenses, representing the cost of engaging professional service providers for consulting, auditing, legal, recruiting and IT services, (iii) depreciation and amortization expenses, (iv) office expenses, and (v) others.

The following table breaks down our general and administrative expenses for the periods indicated.

	For the Year Ended December 31,				For the Six Months Ended June 30,			
	2024		2025		2025		2026	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(US$ in thousands, except percentages)							
					(Unaudited)			
General and Administrative Expenses								
Staff costs	3,386	48.5	2,812	54.8	1,497	55.3	1,487	61.2
Professional services expenses	874	12.5	701	13.6	390	14.4	352	14.5
Depreciation and amortization expenses	1,812	25.9	910	17.7	586	21.6	209	8.6
Office expenses	254	3.6	214	4.2	93	3.4	193	7.9
Others	663	9.5	498	9.7	142	5.3	189	7.8
Total	**6,989**	**100.0**	**5,135**	**100.0**	**2,708**	**100.0**	**2,430**	**100.0**

Other Income

Our other income consists of (i) government grants, mainly subsidies granted by PRC or the U.S. governments as incentives for our research and development and operating activities, and (ii) bank interest income.

The following table breaks down our other income for the periods indicated.

	For the Year Ended December 31,				For the Six Months Ended June 30,			
	2024		2025		2025		2026	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(US$ in thousands, except percentages)							
					(Unaudited)			
Other income								
Government grants	547	88.7	434	88.9	345	92.2	1,651	97.0
Bank interest income	70	11.3	54	11.1	29	7.8	51	3.0
Total	**617**	**100.0**	**488**	**100.0**	**374**	**100.0**	**1,702**	**100.0**

Finance Cost

Our finance cost consists of (i) interest expenses on lease liabilities, mainly in relation to the leasehold office premises, (ii) interest expenses on borrowings, and (iii) interest expenses on provisions.

The following table breaks down our finance costs for the periods indicated.

	For the Year Ended December 31,				For the Six Months Ended June 30,			
	2024		2025		2025		2026	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(US$ in thousands, except percentages)				*(Unaudited)*			
Finance cost								
Interest expenses on lease liabilities	448	49.5	326	42.5	216	49.0	12	5.0
Interest expenses on borrowings	445	49.2	431	56.1	220	49.9	223	92.5
Interest expenses on provisions	12	1.3	11	1.4	5	1.1	6	2.5
Total	**905**	**100.0**	**768**	**100.0**	**441**	**100.0**	**241**	**100.0**

Other Gains and Losses

Our other gains and losses consist of (i) gains from changes in fair value of financial assets at FVTPL, representing gains from cash management products, (ii) net foreign exchange losses and gains, (iii) losses or gains on early termination of a lease, (iv) losses on disposal of property and equipment, and (v) others.

The following table breaks down our other gains and losses for the periods indicated.

	For the Year Ended December 31,				For the Six Months Ended June 30,			
	2024		2025		2025		2026	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(US$ in thousands, except percentages)				*(Unaudited)*			
Other gains and losses								
Gains from changes in fair value of financial assets at FVTPL	2,682	193.1	1,502	60.9	848	50.4	357	16.0
Net foreign exchange gains/(losses)	(1,585)	(114.1)	2,250	91.3	1,189	70.6	1,844	82.6
Gains on early termination of a lease	–	–	3,063	124.3	–	–	–	–
Gains/(losses) on disposal of property and equipment	–	–	(3,496)	(141.8)	(334)	(19.8)	33	1.5
Others	292	21.0	(854)	(34.7)	(19)	(1.2)	(1)	*
Total	**1,389**	**100.0**	**2,465**	**100.0**	**1,684**	**100.0**	**2,233**	**100.0**

Note:

* Less than 0.1.

Taxation

Cayman Islands

Under the current laws of the Cayman Islands, our Company is not subject to tax on income or capital gains.

Hong Kong

Under the current Hong Kong Inland Revenue Ordinance, our subsidiary in Hong Kong is subject to Hong Kong profit tax on its taxable income generated from operations in Hong Kong at two-tiered profit tax rates, 8.25% for first HK$2 million of assessable profits and 16.5% for assessable profits above HK$2 million. Additionally, payments of dividends by the subsidiary incorporated in Hong Kong to the Company are not subject to any Hong Kong withholding tax. No provision for Hong Kong profits tax has been provided for at the rate of 16.5% as our subsidiaries in Hong Kong had no estimated assessable profit during the Track Record Period.

Mainland China

Pursuant to the Enterprise Income Tax Law and Implementation Regulations of the Law of the PRC, the applicable tax rate of our mainland China subsidiaries was 25% during the Track Record Period. No provision for mainland China tax has been provided for as our mainland China subsidiaries had no estimated assessable profit during the Track Record Period.

United States

Frontera US, our U.S. subsidiary, is subject to federal income tax at a rate of 21% and the Commonwealth of Massachusetts profit tax at a rate of 8%. No provision for U.S. income tax has been provided for as our U.S. subsidiary had no estimated assessable profit during the Track Record Period.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Research and development expenses

Our research and development expenses decreased by 25.4% from US$7.1 million in the six months ended June 30, 2025 to US$5.3 million in the same period in 2026, primarily attributable to (i) a decrease in professional services expenses of US$1.0 million, as our Core Products have entered the follow-up period of Phase II clinical trials and main expenses were already settled at the earlier stage, (ii) a decrease in staff costs of US$0.5 million, mainly due to the reduction in the size of our U.S. team, and (iii) a decrease in depreciation and amortization expenses of US$0.5 million, as we terminated the lease for the original U.S. laboratory due to relocation.

General and administrative expenses

Our general and administrative expenses decreased by 10.3% from US$2.7 million in the six months ended June 30, 2025 to US$2.4 million in the same period in 2026, primarily due to a decrease in depreciation and amortisation expenses of US$0.4 million, as our deferred expenses have been fully amortized due to the disposal of fit-outs and furniture in connection with the relocation of our U.S. office.

Other income

Our other income increased by 355.1% from US$0.4 million in the six months ended June 30, 2025 to US$1.7 million in the same period in 2026, primarily due to an increase in government grants of US$1.3 million.

Finance cost

Our finance cost decreased by 45.4% from US$0.4 million in the six months ended June 30, 2025 to US$0.2 million in the same period in 2026, primarily due to a decrease in interest expenses on lease liabilities of US$0.2 million.

Other gains and losses

Our other gains and losses increased by 32.6% from US$1.7 million in the six months ended June 30, 2025 to US$2.2 million in the same period in 2026, primarily due to we recorded net foreign exchange gains of US$1.8 million in the six months ended June 30, 2026, as compared to net foreign exchange gains of US$1.2 million in the same period in 2025.

Loss for the period

As a result of the foregoing, our loss for the period decreased by 42.2% from US$8.2 million in the six months ended June 30, 2025 to US$4.7 million in the same period in 2026.

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Research and development expenses

Our research and development expenses decreased by 32.3% from US$20.6 million in 2024 to US$13.9 million in 2025, primarily attributable to a change in our development focus from preclinical studies to early-stage clinical trials which involved limited participant enrollment. In particular, the decrease consists of (i) a decrease in staff costs of US$3.5 million, as we reduced our team size in line with the change in focus, (ii) a decrease in cost of purchase of US$1.7 million, as we engaged in less preclinical studies, (iii) a decrease in depreciation and amortization expenses of US$1.1 million, as the leasehold improvement associated with our Suzhou manufacturing facility, some of which were allocated under research and development expenses, were fully amortized by the middle of 2024, and (iv) a decrease in professional services expenses of US$0.3 million, as we conducted more clinical trials in-house instead of relying on CROs.

General and administrative expenses

Our general and administrative expenses decreased by 26.5% from US$7.0 million in 2024 to US$5.1 million in 2025, primarily due to (i) a decrease in staff cost of US$0.6 million, as we reduced our team size in line with the change in focus, and (ii) a decrease in depreciation and amortization expenses of US$0.9 million, as the leasehold improvement associated with our Suzhou manufacturing facility, some of which were allocated under general and administrative expenses, were fully amortized by the middle of 2024, and the disposal of fit-outs and furniture in connection with the relocation of our U.S. office.

Other income

Our other income decreased by 20.9% from US$0.6 million in 2024 to US$0.5 million in 2025, primarily due to a decrease in government grants of US$0.1 million.

Finance cost

Our finance cost decreased by 15.1% from US$0.9 million in 2024 to US$0.8 million in 2025, primarily due to a decrease in interest expenses on lease liabilities of US$0.1 million.

Other gains and losses

Our other gains and losses increased by 77.5% from US$1.4 million in 2024 to US$2.5 million in 2025, primarily because (i) we recorded gains on early termination of a lease of US$3.1 million, and (ii) we recorded net foreign exchange gains of US$2.3 million in 2025.

Loss for the year

As a result of the foregoing, our loss for the year decreased by 26.2% from US$26.5 million in 2024 to US$19.5 million in 2025.

DISCUSSION OF CERTAIN KEY ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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
		(US$ in thousands)	
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**

Our net assets decreased from US$51.0 million as of December 31, 2024 to US$30.2 million as of December 31, 2025. The decrease was mainly due to our loss of US$19.5 million for the year ended December 31, 2025. Our net assets further decreased to US$24.2 million as of June 30, 2026. The decrease was mainly due to our loss of US$4.7 million for the six months ended June 30, 2026.

The following table sets forth our current assets and current liabilities as of the dates indicated.

	As of December 31,		As of June 30,	As of July 31,
	2024	2025	2026	2026
				(Unaudited)
		(US$ in thousands)		
Current assets:				
Prepayments and other receivables	1,908	2,164	2,065	2,166
Financial assets at FVTPL	39,096	25,225	16,560	16,615
Inventories	1,362	1,161	772	762
Cash and cash equivalents	12,807	11,285	16,973	15,331
Total current assets	**55,173**	**39,835**	**36,370**	**34,874**
Current liabilities:				
Trade payables	314	343	205	210
Other payables and accruals	2,078	4,377	2,991	3,106
Borrowings	1,383	2,133	6,591	7,378
Lease liabilities	649	437	331	296
Total current liabilities	**4,424**	**7,290**	**10,118**	**10,990**
Net current assets	**50,749**	**32,545**	**26,252**	**23,884**

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.

Property and Equipment

Our property and equipment consist of (i) experimental equipment, (ii) electronic equipment, (iii) furniture and equipment, (iv) leasehold improvement, and (v) construction in progress.

The following table sets forth our property and equipment as of the dates indicated.

	As of December 31,		As of June 30,
	2024	2025	2026
	(US$ in thousands)		
Property and equipment			
Experimental equipment	7,725	5,313	4,716
Electronic equipment	24	26	24
Furniture and equipment	154	13	9
Leasehold improvement	3,319	47	46
Construction in progress	6	4	4
Total	**11,228**	**5,403**	**4,799**

Our property and equipment decreased from US$11.2 million as of December 31, 2024 to US$5.4 million as of December 31, 2025, primarily attributable to a decrease in our leasehold improvement of US$3.3 million mainly due to certain disposal, and a decrease in our experimental equipment of US$2.4 million mainly due to depreciation. Our property and equipment further decreased to US$4.8 million as of June 30, 2026, primarily due to a decrease in our experimental equipment of US$0.6 million mainly due to depreciation.

Intangible Assets

Our intangible assets primarily consist of our software systems. Our intangible assets decreased from US$32 thousand as of December 31, 2024 to nil as of December 31, 2025, primarily due to amortization. Our intangible assets increased to US$38 thousand as of June 30, 2026, primarily due to the purchase of financial system database.

Right-of-Use Assets

Our right-of-use assets primarily consist of plant and office premises. Our right-of-use assets decreased from US$4.1 million as of December 31, 2024 to US$0.7 million as of December 31, 2025, because we renewed our leases for office premises in Shanghai and our manufacturing facility in Suzhou, and we terminated the lease for the original U.S. laboratory due to relocation. Our right-of-use assets further decreased to US$0.4 million as of June 30, 2026, primarily due to amortization.

Restricted Bank Balances

Our restricted bank balances primarily consist of amounts pledged to a bank against banking facilities granted by the bank that were used to support our leasing of a U.S. laboratory. Our restricted bank balances decreased from US$0.3 million as of December 31, 2024 to nil as of December 31, 2025, as we terminated the lease for the original U.S. laboratory due to relocation and settled the related bank guarantee. Our restricted bank balances remained nil as of June 30, 2026.

Prepayments and Other Receivables

Our prepayments and other receivables consist of (i) value-added tax recoverable, (ii) prepayments for research and development, (iii) prepaid expenses, including prepaid rental and insurance expenses, (iv) rental deposits, and (v) other receivables.

The following table sets forth our prepayments and other receivables as of the dates indicated.

	As of December 31,		As of June 30,
	2024	2025	2026
	(US$ in thousands)		
Prepayments and other receivables			
Value-added tax recoverable	654	986	1,168
Prepayments for research and development	1,786	1,474	1,260
Prepaid expenses	77	122	209
Rental deposits	164	182	180
Deferred issue costs	–	437	555
Other receivables	–	98	19
	2,681	3,299	3,391
Less: Deposits classified as non-current asset	(119)	(149)	(158)
Less: Value-added tax recoverable classified as non-current assets	(654)	(986)	(1,168)
Balance classified as current assets	**1,908**	**2,164**	**2,065**

Our prepayments and other receivables increased from US$2.7 million as of December 31, 2024 to US$3.3 million as of December 31, 2025. The increase was mainly due to an increase in value-added tax recoverable of US$0.3 million and an incurrence of deferred issue costs of US$0.4 million. Our prepayments and other receivables increased from US$3.3 million as of December 31, 2025 to US$3.4 million as of June 30, 2026. The increase was mainly due to an increase in value-added tax recoverable of US$0.2 million, partially offset by a decrease in prepayments for research and development of US$0.2 million. As we have not generated revenue, our value-added tax recoverable related to the input value-added tax we paid for research materials and other goods and services which are expected to offset output value-added tax incurred afterwards. We are able to carry the value-added tax recoverable forward for an infinite period of time. The increase in prepayments for research and development is in line with the progress of our clinical trials.

As of July 31, 2026, US$72 thousand, or 2.1%, of our prepayments and other receivables as of June 30, 2026 had been settled.

Financial Assets at FVTPL

Our financial assets at FVTPL represent cash management products that we purchased to better utilize our idle cash. These assets are managed by reputable financial institutions and the underlying investments consist of low-risk instruments including time deposits, money market ETFs and cash. Our financial assets at FVTPL decreased from US$39.1 million as of December 31, 2024 to US$25.2 million as of December 31, 2025, as we reduced our holdings of the cash management products. Our financial assets at FVTPL further decreased to US$16.6 million as of June 30, 2026, as we reduced our holdings of the cash management products.

We adopt a prudent short-term investment strategy focused on preserving capital and maintaining liquidity. We utilize idle funds to invest in low-risk, high-liquidity portfolio investments such as time deposits and structured financial products offered by commercial banks. We have established a management team of experienced staff with extensive expertise in treasury management, financial analysis and risk assessment. Our investment-related items,

including but not limited to financial budgets and wealth management plans, are all formulated by our investment management team, and could only be executed upon the Board's prior approval. Our such investments in financial assets at FVTPL after the [**REDACTED**] will be subject to the compliance requirements pursuant to Chapter 14 of the Main Board Rules.

Inventories

Our inventories primarily consist of materials for our research and development activities. Our inventories decreased from US$1.4 million as of December 31, 2024 to US$1.2 million as of December 31, 2025, and further decreased to US$0.8 million as of June 30, 2026, primarily because we maintained excess inventories during COVID-19 and gradually consumed the excess inventories.

Due to COVID-19, we arranged a one-time bulk procurement prior to our Core Products advancing to Phase II clinical stages. This strategic move was designed to ensure the stability of clinical trial supplies within a specific period. While this led to most of our inventory being over two years old, this was a one-off event and does not reflect our long-term procurement and inventory management strategy.

We have clear plans for inventory utilization. We have formulated specific future production plans for our core products FT-002 and FT-003. In light of their impending entry into Phase III clinical trials, we expect to schedule one production batch each for FT-002 and FT-003 within the next 12 months. Furthermore, the majority of our inventories consist of general-purpose materials, with a relatively small proportion comprising dedicated materials for specific projects or drug products. Consequently, most of our inventories can be applied to the production of multiple drug products or the further development of manufacturing processes, thereby mitigating the risk of material impairment caused by production scheduling issues.

Currently and moving forward, we will continue to enforce strict approval controls over procurement requirements. We conduct monthly reviews of inventory levels and expiration dates, adopting a strategy of precise, small-batch purchasing to meet our needs. Furthermore, by substituting imported materials with domestic alternatives, we have successfully shortened lead times and effectively reduced procurement costs. These comprehensive measures are designed to optimize our cash conversion cycle from multiple dimensions.

The following table sets forth an aging analysis of our inventories as of the dates indicated.

	As of December 31,		As of June 30,
	2024	**2025**	**2026**
		(US$ in thousand)	
Within 1 year	228	231	274
1 year to 2 years	144	120	28
Over 2 years	1,134	853	525
Total	**1,506**	**1,204**	**827**

The following table sets forth the shelf-life analysis of our inventories as of June 30, 2026.

	Expire before	Expire in the Year Ended December 31		Expire after	
	2026	2027	2028	2029	Total
		(US$ in thousands)			
Consumables	221	298	30	53	602
Packing materials	72	28	51	–	151
Raw materials and excipients	8	45	16	5	74
Total	**301**	**371**	**97**	**58**	**827**

The following table sets forth a summary of our inventory turnover days for the periods indicated:

	For the Year Ended December 31,		For the Six Months Ended June 30,
	2024	2025	2026
Inventory turnover days[(1)]	334	623	269

Note:

(1) Inventory turnover days were calculated based on the arithmetic mean of opening and closing balance of inventories for the relevant period, divided by our inventory consumption for R&D purposes for the same period and multiplied by 365 days for a one-year period or by 180 days for a six-month period, as applicable.

Our inventory turnover days increased from 334 days in 2024 to 623 days in 2025. The increase was primarily because the inventory consumption for R&D purposes decreased in 2025, which was attributable to the clinical development stage that we were in. We generally consume more inventory at the beginning of clinical trials, and the Phase II clinical trials for our Core Products began before 2025. Our inventory turnover days decreased from 623 days in 2025 to 269 days for the six months ended June 30, 2026, primarily because the absolute level of inventories decreased as we consumed excess inventories. In the first half of 2026, we consumed inventories of US$685 thousand, amounting to approximately 59% of inventories for our research and development and production activities.

As of December 31, 2024 and 2025 and June 30, 2026, we recorded provisions for inventory impairment of US$108 thousand, US$21 thousand, and US$20 thousand, respectively. The impairment assessment took into account the subsequent utilisation by each drug candidate, the pace of clinical trials, expiration constraints and future demand forecasts, and was conducted to fairly reflect the future utility value of the inventories. We believe these provisions are sufficient and do not believe they represent material impairment issues.

As of July 31, 2026, US$32 thousand, or 4.1%, of our inventories as of June 30, 2026 had been utilized.

Cash and cash equivalents

Our cash and cash equivalents decreased from US$12.8 million as of December 31, 2024 to US$11.3 million as of December 31, 2025, primarily due to the cash requirements of our operations. Our cash and cash equivalents increased to US$17.0 million as of June 30, 2026, primarily due to the incurrence of new borrowings and the receipt of government grants.

Trade Payables

Our trade payables primarily include outsourced research and development expenses and procurement costs of research materials. Our trade payables remained stable at US$0.3

million as of December 31, 2024 and 2025. Our trade payables decreased to US$0.2 million as of June 30, 2026, as our fees payable to patent lawyers reduced in the first half of 2026.

The following table sets forth the aging analysis of our trade payables as of the dates indicated.

	As of December 31,		As of June 30,
	2024	2025	2026
	(US$ in thousands)		
Trade payables			
Within 30 days	249	229	160
31 days to 60 days	14	112	4
61 days to 180 days	51	2	–
181 days to 365 days	–	–	41
Total	**314**	**343**	**205**

As of July 31, 2026, US$151 thousand, or 73.7%, of our trade payables as of June 30, 2026 had been settled.

Other Payables and Accruals

Our other payables and accruals consist of (i) accrued research and development expenses, (ii) accrued legal and professional fees, which are mainly fees for executive search services and legal consulting services, (iii) payroll payables, which are mainly for accrued social insurance and housing provident fund, as well as unpaid annual bonuses, (iv) other tax payables, which are mainly for accrued individual income tax, (v) payables on the purchase of property and equipment, and (vi) others.

The following table sets forth our other payables and accruals as of the dates indicated.

	As of December 31,		As of June 30,
	2024	2025	2026
	(US$ in thousands)		
Other payables and accruals			
Accrued research and development expenses	664	1,314	1,443
Accrued legal and professional fees	361	155	176
Payroll payables	970	1,076	559
Other tax payables	66	18	26
Accrued [**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Accrued issue cost	–	259	108
Others	17	6	2
Total	**2,078**	**4,377**	**2,991**

Our other payables and accruals increased from US$2.1 million as of December 31, 2024 to US$4.4 million as of December 31, 2025. The increase was mainly due to (i) an incurrence of accrued [**REDACTED**] of [**REDACTED**], and (ii) an increase in accrued research and development expenses of US$0.7 million in line with the progress of our research and development. Our other payables and accruals decreased to US$3.0 million as of June 30, 2026. The decrease was mainly related to (i) a decrease in accrued [**REDACTED**] of [**REDACTED**], and (ii) a decrease in payroll payables of US$0.5 million.

As of July 31, 2026, US$0.3 million, or 9.6%, of our other payables and accruals as of June 30, 2026 had been settled.

Borrowings

Our borrowings consist of short-term and long-term bank loans. Our borrowings increased from US$10.8 million as of December 31, 2024 to US$11.2 million as of December 31, 2025, primarily due to the cash requirements of our operations. Our borrowings increased to US$14.9 million as of June 30, 2026, primarily due to the cash requirements of our operations.

Lease Liabilities

As of December 31, 2024 and 2025, our lease liabilities, which are premises we leased for office space and manufacturing, decreased from US$7.1 million to US$0.5 million, respectively, because we renewed our leases for office premises in Shanghai and our manufacturing facility in Suzhou, and we terminated the lease for the original U.S. laboratory due to relocation. Our lease liabilities decreased to US$0.3 million as of June 30, 2026, as we remitted lease payments on a scheduled basis.

Provision

Our provisions primarily consist of provisions accrued for reinstatement costs required by certain leasehold premises upon termination. Our provisions remained stable at US$0.4 million as of December 31, 2024 and 2025 and June 30 2026.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period and up to the Latest Practicable Date, we funded our cash requirements principally from equity and debt financings.

We had cash and cash equivalents of US$12.8 million and US$11.3 million as of December 31, 2024 and 2025, respectively, and US$17.0 million as of June 30 2026. Our cash and cash equivalents consist of bank deposits. We still have some wealth management products that we can redeem to fund our research and development and operation. After the [**REDACTED**], we intend to finance our future capital requirements through the net [**REDACTED**] from the [**REDACTED**] and other future equity or debt financings. We currently do not anticipate any changes to the availability of financing to fund our operations in the near future.

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**], and (iii) if we take into account all of the estimated net [**REDACTED**] from the [**REDACTED**], [**REDACTED**]. We expect to raise our next round of financing no earlier than six months after the completion of the [**REDACTED**].

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
	(US$ in thousands)			
			(Unaudited)	
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**

Net cash used in operating activities

In the six months ended June 30, 2026, net cash used in operating activities was US$6.5 million. The difference between net cash used in operating activities and the loss before tax of US$4.7 million was the result of certain non-cash and non-operating items, which primarily consist of unrealized foreign exchange losses of US$1.9 million, partially offset by depreciation of property and equipment of US$0.7 million. The amount was further adjusted for movements in working capital, which primarily consist of a decrease in other payables and accruals of US$1.3 million.

In order to improve the net operating cash outflows, we have been proactively enhancing capital efficiency through two key initiatives. First, we strategically manage other payables and accruals to defer cash outflows for operating expenses, thereby retaining funds and strengthening overall liquidity. Second, we optimize inventory procurement by implementing dynamic management strategies and rigorous purchase reviews. These sustainable measures are expected to help sharpen our purchasing precision, effectively curbing unnecessary cash outflows and ensuring robust control over net operating cash outflows. We will continue to implement them in our operations in the future.

In 2025, net cash used in operating activities was US$16.3 million. The difference between net cash used in operating activities and loss before tax of US$19.5 million was the result of certain non-cash and non-operating items, which primarily consist of (i) losses on disposal of property and equipment of US$3.5 million, and (ii) depreciation of property and equipment of US$2.3 million, partially offset by gains on early termination of a lease of US$3.1 million. The amount was further adjusted for movements in working capital, which primarily consisted of an increase in other payables and accruals of US$2.0 million.

In 2024, net cash used in operating activities was US$23.1 million. The difference between net cash used in operating activities and the loss before tax of US$26.5 million was the result of certain non-cash and non-operating items, which primarily consist of (i) depreciation of property and equipment of US$4.1 million, and (ii) unrealized foreign exchange losses of US$1.6 million, partially offset by net gains on fair value changes of financial assets measured at FVTPL of US$2.7 million. The amount was further adjusted for movements in working capital, which primarily consisted of (i) a decrease in other payables and accruals of US$1.9 million, and (ii) a decrease in trade payables of US$0.6 million, partially offset by a decrease in inventories of US$1.3 million.

Net cash from investing activities

In the six months ended June 30, 2026, net cash from investing activities was US$9.2 million, primarily attributable to proceeds from disposal of financial assets measured at FVTPL of US$9.0 million.

In 2025, net cash from investing activities was US$15.6 million, primarily attributable to proceeds from disposal of financial assets measured at FVTPL of US$15.4 million.

In 2024, net cash from investing activities was US$24.4 million, primarily attributable to proceeds from disposal of financial assets measured at FVTPL of US$24.8 million, partially offset by purchase of property and equipment of US$0.4 million.

Net cash used in financing activities

In the six months ended June 30, 2026, net cash from financing activities was US$2.6 million, primarily attributable to proceeds from borrowings of US$4.4 million, partially offset by repayment of borrowings of US$1.1 million.

In 2025, net cash used in financing activities was US$1.7 million, primarily attributable to (i) repayment of borrowings of US$1.6 million, and (ii) payment for lease liabilities of US$1.1 million, partially offset by proceeds from borrowings of US$1.6 million.

In 2024, net cash used in financing activities was US$1.7 million, primarily attributable to (i) payment for lease liabilities of US$1.9 million, (ii) payment for repurchase of ordinary shares of US$0.7 million, and (iii) bank interest paid of US$0.4 million, partially offset by proceeds from borrowings of US$1.4 million.

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

INDEBTEDNESS

The following table sets forth the breakdown of our indebtedness as of the dates indicated.

	As of December 31,		As of June 30,	As of July 31,
	2024	2025	2026	2026
				(Unaudited)
	(US$ in thousands)			
Current				
Borrowings	1,383	2,133	6,591	7,378
Lease liabilities	649	437	331	296
Non-current				
Borrowings	9,406	9,070	8,280	7,223
Lease liabilities	6,410	107	7	6
Total	**17,848**	**11,747**	**15,209**	**14,903**

As of July 31, 2026, all committed banking facilities granted by the banks to us have been utilized. For details of our borrowings and lease liabilities, please refer to "— Discussion of Certain Key Items from the Consolidated Statements of Financial Position — Borrowings" and "— Discussion of Certain Key Items from the Consolidated Statements of Financial Position — Lease Liabilities". There were no material changes from July 31, 2026 up to the Latest Practicable Date.

Contingent Liabilities or Guarantees

During the Track Record Period and up to the Latest Practicable Date, we did not have any material contingent liabilities or guarantees.

No Other Outstanding Indebtedness

Except as disclosed above, as of June 30, 2026, being the latest practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities.

We are not subject to any material covenants or undertakings relating to our outstanding debts, guarantees, pledges over key assets, or other contingent obligations. There was no breach of covenants during the Track Record Period and up to the Latest Practicable Date. Furthermore, we have not experienced any difficulty in obtaining additional debt or equity financing.

CAPITAL EXPENDITURES

Our capital expenditures are primarily incurred for the purchase of equipment. Our capital expenditures were US$0.4 million and US$40 thousand in 2024 and 2025, respectively, and were US$23 thousand and US$27 thousand in the six months ended June 30, 2025 and 2026, respectively.

We intend to fund our future capital expenditures with our existing cash balance and proceeds from the [**REDACTED**]. See the section headed "Future Plans and Use of [**REDACTED**]" for more details. We may reallocate the funds to be utilized on capital expenditure and long-term investments based on our ongoing business needs.

CONTRACTUAL OBLIGATIONS

Capital Commitments

Our capital commitments during the Track Record Period related to capital expenditures in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements. Our capital commitments decreased from US$21 thousand as of December 31, 2024 to nil as of December 31, 2025, and remained nil as of June 30, 2026.

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.

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.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as shareholders' equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or product development services with us.

RELATED PARTY TRANSACTIONS

We did not have any material related party transactions during the Track Record Period. See note 34 in the Accountants' Report set out in Appendix I of this document for details on our transactions with related parties during the Track Record Period.

FINANCIAL RISK DISCLOSURE

We are exposed to a variety of financial risks, including market risks (such as currency risk and interest rate risk), credit risk and liquidity risk. We manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner. See note 32 to the Accountants' Report in Appendix I to this document for a detailed description of our financial risk management.

Currency Risk

We are exposed to foreign currency risks due to certain cash and cash equivalents we hold that are denominated in RMB instead of functional currency of respective group entities, the U.S. dollar. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. For further details in relation to currency risks, see note 32(b) to the Accountants' Report in Appendix I to this document.

Interest Rate Risk

We are exposed to fair value interest rate risk in relation to time deposits, borrowings, lease liabilities and cash flow interest rate risk in relation to the cash and cash equivalents due to the fluctuation of the prevailing market interest rates during the Track Record Period.

We currently do not have any interest rate hedging policy in relation to fair value and cash flow interest rate risks. Our management monitors our exposure on an ongoing basis and will consider hedging interest rate risk should the need arise. Our cash flow interest rate risk is mainly sensitive to the fluctuation of interest rate arising from our cash and cash equivalents.

Credit Risk and Impairment Assessment

Credit risk refers to the risk that our counterparties default on their contractual obligations resulting in our financial losses. Our credit risk exposures are primarily attributable to other receivables, cash and cash equivalents and restricted bank balances. We do not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets. For further details in relation to credit risk and impairment assessment, see Note 32(b) to the Accountants' Report in Appendix I to this document.

Liquidity Risk

In the management of our liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance our operations and mitigate the effects of fluctuations in cash flows. For further details in relation to liquidity risk, see note 32(b) to the Accountants' Report in Appendix I to this document.

DIVIDEND POLICY

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.

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.

DISTRIBUTABLE RESERVES

As of June 30, 2026, our Company did not have any distributable reserves available for distribution to our shareholders.

[**REDACTED**]

[**REDACTED**]

NO MATERIAL ADVERSE CHANGE

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.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

AUTHORIZED AND ISSUED SHARE CAPITAL

The following is a description of the authorized and issued share capital of our Company in issue and to be issued as fully paid or credited as fully paid prior to and immediately following completion of the [**REDACTED**]:

Authorized Share Capital

Description of Shares	Number of Shares	Aggregate nominal value of Shares
		(US$)
ordinary shares with a par value of US$0.0001 each (assuming all preferred shares of our Company have been converted into Shares on a one-to-one basis)	500,000,000	50,000

Issued Share Capital

Assuming the* [REDACTED] *is not exercised

Description of Shares	Number of Shares	Aggregate nominal value of Shares
		(US$)
Shares in issue as of the date of this document	115,138,527	115,138,527
Shares to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	[**REDACTED**]	[**REDACTED**]

Assuming the* [REDACTED] *is fully exercised

Description of Shares	Number of Shares	Aggregate nominal value of Shares
		(US$)
Shares in issue as of the date of this document	115,138,527	115,138,527
Shares to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	[**REDACTED**]	[**REDACTED**]

The above tables assume that the [**REDACTED**] becomes unconditional and the Shares are issued pursuant to the [**REDACTED**], and do not take into account (i) any Shares which may be issued under the Pre-[**REDACTED**] Equity Incentive Plan and (ii) any Shares which may be issued or repurchased by our Company pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described below.

RANKING

The [**REDACTED**] are Shares in the share capital of our Company and rank equally with all Shares currently in issue or to be issued (including the ordinary shares of our Company to be converted from the preferred shares of our Company upon completion of the [**REDACTED**]) and, in particular, will rank equally for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this document.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the Cayman Companies Act and the terms of the Articles of Association, our Company may from time to time by ordinary resolution of Shareholders: (i) increase its share capital; (ii) consolidate and divide its share capital into shares of larger amount; (iii) subdivide its shares into shares of smaller amount; (iv) cancel any Shares which have not been taken or agreed to be taken; (v) make provision for the allotment and issue of shares which do not carry any voting rights; (vi) change the currency of denomination of its share capital; and/or (vii) reduce its share premium account in any manner authorised, and subject to any conditions prescribed by law. In addition, our Company may, subject to the provisions of the Cayman Companies Act, reduce its share capital or capital redemption reserve by its Shareholders passing a special resolution. For further details, see Appendix III to this document.

PRE-[REDACTED] EQUITY INCENTIVE PLAN

Our Company adopted the Pre-[**REDACTED**] Equity Incentive Plan. For further details, see "Statutory and General Information — D. Pre-[**REDACTED**] Equity Incentive Plan" in Appendix IV to this document.

GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES

Subject to the [**REDACTED**] becoming unconditional, our Directors have been granted general unconditional mandates to issue and repurchase our Shares. For further details of the general mandates, see "Statutory and General Information — A. Further Information about Our Group — 4. Resolutions of Our Shareholders" and "Statutory and General Information — A. Further Information about Our Group — 5. Repurchase of Our Own Securities" in Appendix IV to this document.

So far as our Directors are aware, 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), the following persons will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group:

		As of the Latest Practicable Date[1]		Immediately following completion of the [REDACTED][2]	
Name of Shareholder	**Capacity/ Nature of interest**	**Number of Shares held**	**Approximate percentage of shareholding in the total issued share capital of our Company**	**Number of Shares held**	**Approximate percentage of shareholding in the total issued share capital of our Company**
			(%)		*(%)*
OrbiMed Advisors LLC	Interest in a controlled corporation[4][5]	37,516,778	32.6	[**REDACTED**]	[**REDACTED**]
OrbiMed Asia Partners III, L.P.	Beneficial interest	18,758,389	16.3	[**REDACTED**]	[**REDACTED**]
OrbiMed Asia GP III, L.P	Interest in a controlled corporation[3]	18,758,389	16.3	[**REDACTED**]	[**REDACTED**]
OrbiMed Advisors III Limited	Interest in a controlled corporation[3]	18,758,389	16.3	[**REDACTED**]	[**REDACTED**]
OrbiMed Private Investments VII, LP	Beneficial interest	18,758,389	16.3	[**REDACTED**]	[**REDACTED**]
OrbiMed Capital GP VII LLC	Interest in a controlled corporation[4]	18,758,389	16.3	[**REDACTED**]	[**REDACTED**]
Montar Capital, LLC	Beneficial interest	31,907,829	27.7	[**REDACTED**]	[**REDACTED**]
Creacion Ventures I, L.P.	Interest in a controlled corporation[6]	31,907,829	27.7	[**REDACTED**]	[**REDACTED**]
Creacion Ventures GP I, LLC	Interest in a controlled corporation[6]	31,907,829	27.7	[**REDACTED**]	[**REDACTED**]
Dr. Wei Li	Interest in a controlled corporation[6]	31,907,829	27.7	[**REDACTED**]	[**REDACTED**]
Dr. Qingsheng Zhu	Interest in a controlled corporation[6]	31,907,829	27.7	[**REDACTED**]	[**REDACTED**]
Forward Force Investment Limited	Beneficial interest	17,527,962	15.2	[**REDACTED**]	[**REDACTED**]
Boyu Capital Growth Fund I, Pte. Ltd.	Interest in a controlled corporation[7]	17,527,962	15.2	[**REDACTED**]	[**REDACTED**]
Boyu Capital Growth Fund I, L.P.	Interest in a controlled corporation[7]	17,527,962	15.2	[**REDACTED**]	[**REDACTED**]
Boyu Capital Growth GP I, Ltd..	Interest in a controlled corporation[7]	17,527,962	15.2	[**REDACTED**]	[**REDACTED**]
Boyu Group, LLC	Interest in a controlled corporation[7]	17,527,962	15.2	[**REDACTED**]	[**REDACTED**]
Mr. Xiaomeng Tong	Interest in a controlled corporation[7]	17,527,962	15.2	[**REDACTED**]	[**REDACTED**]
HSG Growth VI Holdco E, Ltd..	Beneficial interest	12,269,573	10.7	[**REDACTED**]	[**REDACTED**]
HongShan Capital Growth Fund VI, L.P.	Interest in a controlled corporation[8]	12,269,573	10.7	[**REDACTED**]	[**REDACTED**]
HSG Growth VI Management, L.P.	Interest in a controlled corporation[8]	12,269,573	10.7	[**REDACTED**]	[**REDACTED**]
HSG Holding Limited	Interest in a controlled corporation[8]	12,269,573	10.7	[**REDACTED**]	[**REDACTED**]
SNP China Enterprises Limited	Interest in a controlled corporation[8]	12,269,573	10.7	[**REDACTED**]	[**REDACTED**]
Mr. Neil Nanpeng Shen	Interest in a controlled corporation[8]	12,269,573	10.7	[**REDACTED**]	[**REDACTED**]

Notes:

(1) The number of Shares held assuming that all of the preferred Shares have been converted into the Shares on a one-to-one basis.

(2) The calculation is based on the total number of [**REDACTED**] Shares in issue 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).

(3) 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. Accordingly, OrbiMed Asia GP III, L.P. and OrbiMed Advisors III Limited are deemed to be interested in the Shares held by OrbiMed Asia under the SFO.

(4) 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. Accordingly, OrbiMed Capital GP VII LLC and OrbiMed Advisors LLC are deemed to be interested in the Shares held by OrbiMed U.S. under the SFO.

(5) 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 and OrbiMed Advisors LLC is deemed to be interested in the Shares held by OrbiMed Asia and OrbiMed U.S. under the SFO.

(6) As of the Latest Practicable Date, Creacion Ventures GP I, LLC is the manager of Montar Capital, LLC ("**Creacion**"). Creacion Ventures I, L.P. holds 90.8% limited partnership interest in Montar Capital, LLC. Creacion Ventures GP I, LLC is held as to 50% by Dr. Wei Li and 50% by Dr. Qingsheng Zhu. Accordingly, Dr. Wei Li, Dr. Qingsheng Zhu, Creacion Ventures GP I, LLC and Creacion Ventures I, L.P. are deemed to be interested in the Shares held by Montar Capital, LLC under the SFO.

(7) As of the Latest Practicable Date, Forward Force Investment Limited is wholly owned by 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., which is in turn wholly owned by Boyu Group, LLC, which is in turn ultimately controlled by Mr. Xiaomeng Tong. Accordingly, Boyu Capital Growth Fund I, Pte. Ltd., Boyu Capital Growth Fund I, L.P., Boyu Capital Growth GP I, Ltd., Boyu Group, LLC and Mr. Xiaomeng Tong are deemed to be interested in the Shares held by Forward Force Investment Limited under the SFO.

(8) As of the Latest Practicable Date, HSG Growth VI Holdco E, Ltd. is wholly owned by HongShan Capital Growth Fund VI, L.P., the general partner of which is HSG Growth VI Management, L.P., whose general partner is in turn 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. Accordingly, HongShan Capital Growth Fund VI, L.P., HSG Growth VI Management, L.P., HSG Holding Limited, SNP China Enterprises Limited and Mr. Neil Nanpeng Shen are deemed to be interested in the Shares held by HSG Growth VI Holdco E, Ltd. under the SFO.

Save as disclosed herein, our Directors are not aware of any persons who will, 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), without taking into account the [**REDACTED**] that may be taken up under the [**REDACTED**], have any interests or short positions in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group.

BOARD OF DIRECTORS

Our Board comprises nine Directors, including one executive Director, five non-executive Directors and three independent non-executive Directors. Pursuant to the Articles of Association, our Directors serve a term of three years and may be re-elected for successive re-appointments. Our Board is responsible and has general powers for the management and conduct of our business.

The table below sets forth certain information in respect of the members of the Board.

Name	Age	Position/Title	Date of appointment as a Director	Date of joining our Group	Roles and responsibilities
Executive Director					
Dr. Xinyan Li (李新燕)	61	Executive Director, chief executive officer, and chief medical officer	October 2020	September 2020	Shaping the Company's overall development strategy and providing guidance across its key business segments of preclinical study, translational medicine, clinical development, manufacturing and regulatory affairs; providing operational and managerial leadership to ensure the Group's long-term success
Non-executive Directors					
Dr. David Guowei Wang (王國瑋)	64	Non-executive Director	September 2019	September 2019	Providing strategic guidance and oversight to our Group
Dr. Qingsheng Zhu	63	Chairperson of our Board, non-executive Director	September 2019	September 2019	Providing strategic guidance and oversight to our Group
Mr. Diyong Xu (徐荻勇)	44	Non-executive Director	September 2025	September 2025	Providing strategic guidance and oversight to our Group
Mr. Xiang Qiu (邱翔)	36	Non-executive Director	November 2025	November 2025	Providing strategic guidance and oversight to our Group
Ms. Simin Wu (吳思敏)	40	Non-executive Director	January 2026	January 2026	Providing strategic guidance and oversight to our Group
Independent non-executive Directors					
Mr. Xinwei Liu (劉新偉)	44	Independent non-executive Director	[Date of this document]	[Date of this document]	Supervising and providing independent judgment to the Board of Directors
Ms. Yip Betty Ho (何曄)	58	Independent non-executive Director	[Date of this document]	[Date of this document]	Supervising and providing independent judgment to the Board of Directors
Mr. Jonathan Chong Wang	44	Independent non-executive Director	[Date of this document]	[Date of this document]	Supervising and providing independent judgment to the Board of Directors

The following sets forth the biographies of our Directors:

Executive Directors

Dr. Xinyan Li (李新燕), aged 61, is our executive Director, chief executive officer and chief medical officer of our Company. She was appointed as a Director in October 2020 and re-designated as an executive Director in December 2025. Dr. Li also served as an executive director of Frontera Shanghai since January 2024, an executive director and general manager of Frontera Suzhou since January 2024, and a director of Frontera Qisheng since January

2021, a director of Frontera HK since August 2021 and a director of Frontera US since December 2022, all of which are our subsidiaries. As a core leader of the Company, Dr. Li is responsible for shaping the Company's overall development strategy and providing guidance cross its key business segments of preclinical study, translational medicine, clinical development, manufacturing and regulatory affairs. Dr. Li also provides operational and managerial leadership to ensure the Group's long-term success.

As the Company's President from September 2020 to May 2023, Dr. Li built the China team from the ground up, covering preclinical, clinical, translational medicine, manufacturing, and regulatory affairs. She formulated the company's project R&D plans and regulatory pathways, and successfully led the Series B financing round of the Company. As the Company's chief medical officer, she has overseen the advancement of our clinical pipeline, including multiple rAAV therapeutics progressing into clinical trials in China, evidenced by 7 INDs including 4 drug candidates entering into Phase II. She is deeply involved in regulatory strategies and R&D planning, successfully driving key projects from preclinical studies to clinical trials. She has also led the establishment of our GMP manufacturing facility in Suzhou and an advanced research and development center in Boston, positioning the Company as a pioneer in gene therapy innovation. Dr. Li has been deeply committed to team building and talent development, fostering a culture of collaboration and innovation to support the Company's continued growth.

Dr. Li has 5 years of clinical practice experience, over 10 years of experience in immunology and biotechnology R&D, and dedicated more than 25 years to engagement in innovative drug research and development. She brings extensive experience overseeing global drug development through its full life cycle. Having spent over 16 years from August 2001 to February 2017 at Zensun (Shanghai) Sci. and Tech. Co., Ltd. (上海澤生科技開發股份有限公司), a company listed on the National Equities Exchange and Quotations (NEEQ) (stock code: 871392), Dr. Li accumulated vast experience and played a leading role in driving its various drug candidates through end-to-end phases of research, preclinical and clinical development, regulatory filings and manufacturing. Dr. Li led the development of a globally innovative biologic product for the treatment of chronic heart failure. After a brief stint as the chief medical officer at KPC Pharmaceuticals, Inc (昆藥集團股份有限公司) from February 2017 to November 2018, a company listed on the Shanghai Stock Exchange (stock code: 600422SH), where she oversaw medical strategy and pipeline planning and facilitated the execution of clinical programs, Dr. Li served as senior vice president from October 2018 to September 2020 at CARsgen Life Sciences Co., Ltd. (愷興生命科技(上海)有限公司), a company wholly owned by CARsgen Therapeutics Holdings Limited (科濟藥業控股有限公司), a company listed on the Stock Exchange (stock code: 2171) ("**CARsgen**"). Whilst in CARsgen, 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) 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. At a more technical level, while CARsgen's CAR-T cell technology technology platform is based on ex vivo lentiviral transduction of T cells, our AAV gene therapy involves ex vivo transduction of insect cells using AAV vectors, which relates to many similar principles and knowledge. Dr. Li formulated the development plan for our core programs back in November 2020, and has consistently led the formulation and execution of our R&D strategy since then. Additionally, during Dr. Li's tenure at CARSgen, CARsgen achieved several regulatory milestones, including receiving the FDA Orphan Drug Designation and EMA Orphan Medicinal Product Designation for CT053 for the treatment of multiple myeloma, as well as the FDA Orphan Drug Designation for CT041 for gastric and gastroesophageal junction cancer. Dr. Li played a critical role in supporting these regulatory processes and advancing the clinical development of these groundbreaking therapies.

Dr. Li obtained her bachelor's degree in medicine from Shihezi University School of Medicine (石河子大學醫學院) in China in July 1987, a master's degree in medicine from Soochow University (蘇州大學) in China in July 1995, and a doctor's degree in internal medicine from Soochow University (蘇州大學) in China in June 2000. Her academic training, coupled with her deep expertise in immunology and internal medicine, underpins her scientific rigor and strategic leadership in the biopharmaceutical industry. From 1998 to 1999, Dr. Li worked as a visiting scholar at the Faculty of Medicine of the University of Montpellier in France, conducting research on gene and cell therapy.

Dr. Li has earned multiple prestigious awards for her impactful scientific research in Jiangsu province and Shanghai that honor her contributions to medical research and innovation. Dr. Li has leveraged more than ten years of scientific research background, including experience in gene and cell therapy research at the University of Montpellier, as well as over 25 years of innovative drug research and development experience and a solid foundation in clinical medicine, which serve as a deep foundation for her work in rAAV based gene therapies with the Group.

Non-executive Directors

Dr. David Guowei Wang (王國瑋), aged 64, is our non-executive Director. He is primarily responsible for providing strategic guidance and oversight to our Group. He was appointed as a Director in September 2019 and re-designated as a non-executive Director in December 2025.

Dr. Wang has over 20 years of experience in the medical industry. Dr. Wang is a partner and senior managing director of Asia at OrbiMed, a global investment firm with a focus on healthcare industry, where he has worked since August 2011. From April 2006 to July 2011, he served as managing director at WI Harper Group. Dr. Wang has served as a director of Sichuan Biokin Pharmaceutical Co., Ltd (四川百利天恒藥業股份有限公司) (a company listed on Shanghai Stock Exchange, stock code: 688506) since September 2017. He has also been a non-executive director of Laekna, Inc. (來凱醫藥有限公司) (a company listed on the Stock Exchange, stock code: 2105) since May 2022. Further, since February 2016, he has been a non-executive director of AK Medical Holdings Limited (愛康醫療控股有限公司) (a company listed on the Stock Exchange, stock code: 1789), and since December 2017, he has been a non-executive director of Gaush Meditech Ltd (高視醫療科技有限公司) (a company listed on the Stock Exchange, stock code: 2407).

Dr. Wang was a director of Gracell Biotechnologies Inc. (a company previously listed on the NASDAQ Global Market, ticker symbol before it was acquired and delisted: GRCL) from March 2020 to February 2024 and a director of Sinovac Biotech Ltd. (科興控股生物技術有限公司) (a company listed on the NASDAQ, ticker symbol: SVA) from January 2025 to June 2025.

Dr. Wang received his bachelor's degree in medicine from Beijing Medical University (北京醫科大學) (currently known as Peking University Health Science Center (北京大學醫學部)) in China in July 1986. He received his Doctor of Philosophy degree in developmental biology from California Institute of Technology in the United States in June 1995.

Dr. Qingsheng Zhu, aged 63, is the chairperson of our Board and a non-executive Director. He has served as a Director of our Group since September 2019 and was re-designated as a non-executive Director in December 2025. He is primarily responsible for providing strategic guidance and oversight to our Group.

Dr. Zhu has over 35 years of experience in academia, biotechnology, and investment management. From May 2004 to April 2007, he worked as a partner at Novitas Capital, focusing on investment activities. Between May 2007 and July 2009, he was the chairman and president of Action Medical, Inc, responsible for overall management. From December 2009 to May 2018, he served as the president of Suzhou Reake Aerosol Pharmaceutical Co., Ltd. (蘇州睿克氣霧醫藥有限公司), where he oversaw the company's operations and growth. From August 2018 to April 2020, he was a managing partner at Chongkai Venture Capital Consulting (Shanghai) Co., Ltd. (崇凱創業投資諮詢(上海)有限公司), where he focused on investment management. Since May 2020, he has been the founding partner of Hongxun Enterprise Consulting (Shanghai) Co., Ltd. (泓潯企業諮詢(上海)有限公司), where he provides strategic leadership.

Dr. Zhu obtained a doctoral degree in Philosophy from Oxford Brookes University in the United Kingdom in September 1992. He also obtained a degree of Master of Business Administration from the University of Minnesota in the United States in May 2003.

Mr. Diyong Xu (徐荻勇), aged 44, is our non-executive Director. He is primarily responsible for providing strategic guidance and oversight to our Group. He was appointed as a Director in September 2025 and re-designated as a non-executive Director in December 2025.

Mr. Xu has extensive experience in the healthcare investment industry. Mr. Xu is currently a partner at OrbiMed Advisors LLC, an investment firm, where he has had roles of increasing responsibility since August 2012. Prior to joining OrbiMed, Mr. Xu worked at Lazard Freres & Co. in its Healthcare Investment Banking Group, where he was primarily responsible for advising healthcare clients on mergers and acquisitions, capital raises, and strategic initiatives.

Mr. Xu has been a director of Q32 Bio, Inc., a company listed on the NASDAQ (ticker symbol: QTTB) since August 2020. He has also been serving as a director of OnCusp Therapeutics, Inc. and Pinnacle Medicines since December 2023 and April 2024, respectively.

Mr. Xu obtained a master's degree in management science and engineering from Stanford University in the United States and a master's degree in molecular and cellular biology from Dartmouth College in the United States in June 2010 and November 2008, respectively. He received a bachelor's degree in biology from Zhejiang University (浙江大學) in China in June 2004.

Mr. Xiang Qiu (邱翔), aged 36, is our non-executive Director. He is primarily responsible for providing strategic guidance and oversight to our Group. He was appointed as a Director of the Group in November 2025 and was re-designated as a non-executive Director in December 2025.

Mr. Qiu has over 13 years of experience in investment management. He joined Boyu in July 2012, where he currently serves as managing director. Mr. Qiu has been serving as a director of Shenzhen Edge Medical Co., Ltd. (深圳市精鋒醫療科技股份有限公司) (a company listed on the Stock Exchange, stock code: 2675) since October 2021 and was re-designated as non-executive Director in January 2022. He is also a non-executive director of Wecare Probiotics Co., Ltd. (微康益生菌(蘇州)股份有限公司) and was appointed as a director in January 2026. He has been serving as a non-executive director of New Century Healthcare Holding Co. Limited (新世紀醫療控股有限公司) (a company listed on the Stock Exchange, stock code: 1518) since July 2026. He also currently serves as a director of CorrectSequence Therapeutics (正序(上海)生物科技有限公司).

Mr. Qiu obtained a bachelor's degree in economics from Peking University (北京大學) in Beijing in July 2012.

Ms. Simin Wu (吳思敏), aged 40, is our non-executive Director. She is primarily responsible for providing strategic guidance and oversight to our Group. She was appointed as our non-executive Director effective in January 2026.

Ms. Wu has over 13 years of experience in legal practice. Since October 2015, she has worked at HongShan (紅杉中國).

Ms. Wu obtained a bachelor's degree in law from Peking University (北京大學) in China in June 2008. She further obtained a master's degree in law from Peking University (北京大學) in China in June 2010. She passed the National Judicial Examination of China (國家司法考試) in November 2008.

Independent non-executive Directors

Mr. Xinwei Liu (劉新偉), aged 44, is our independent non-executive Director with effect from the [date of this document]. He is primarily responsible for supervising and providing independent judgment to the Board of Directors.

Mr. Liu has around 12 years of experience in the medical industry. Mr. Liu is currently an executive director and the chief executive officer of Gaush Meditech Ltd, a company listed on the Stock Exchange (stock code: 2407) ("**Gaush**"). He joined as the board secretary of Gaush Medical Corporation in May 2016 and served as the chief financial officer of Gaush from December 2018 to January 2023. He has also served as a director of Gaush since November 2019 and was re-designated as an executive Director in November 2021. Mr. Liu

served as the co-chief executive officer of Gaush from January 2023 to March 2024 and was appointed as the chief executive officer on March 25, 2024, in which position he currently serves.

Mr. Liu received his master's degree in business administration from Tsinghua University (清華大學) in July 2013. He received his bachelor's degree in information engineering from Zhejiang University (浙江大學) in June 2004. Mr. Liu holds a legal professional qualification (法律職業資格) certificate issued by the Ministry of Justice of the PRC in March 2013 and became a non-practising member of the Beijing Institute of Certified Public Accountants (北京註冊會計師協會) in April 2017.

Ms. Ho Yip Betty (何曄), aged 58, is our independent non-executive Director with effect from the [date of this document]. She is primarily responsible for supervising and providing independent judgment to the Board of Directors.

Ms. Ho has extensive experience in public companies across a wide range of industries including Biotech, eCommerce, TMT and manufacturing, among others. Ms. Ho served as an independent non-executive director of CStone Pharmaceuticals, listed on the Stock Exchange (stock code: 2616) from December 2024 to October 2025. Prior to that, Ms. Ho served as chief strategy officer at DHgate Holdings Limited, a company principally engaged in cross-border e-commerce in China from March 2020 to March 2024.

Ms. Ho served as chief financial officer and director of Phoenix New Media Limited, a company listed on the New York Stock Exchange (ticker symbol: FENG), from October 2013 to November 2019 and from November 2017 to November 2019, respectively. Ms. Ho served as chief financial officer at A8 New Media Group Limited (formerly known as A8 Digital Music Holdings Limited), a company formerly listed on the Stock Exchange (stock code: 800), from July 2007 to January 2011. Ms. Ho was appointed as a director of the board of A8 New Media Group Limited from July 2007 to January 2011 and was redesignated as non-executive director of the board January 2011 to May 2011.

Prior to that, Ms. Ho was vice president of corporate development at Lorenzo Jewelry Limited, a wholly-owned subsidiary of LJ International, Inc., listed on the NASDAQ (ticker symbol: JADE), from 2001 to 2007.

Ms. Ho obtained her bachelor's degree in commerce from the University of Toronto in Canada in June 1993. Ms. Ho has been a member of the American Institute of Certified Public Accountants since September 1997.

Mr. Jonathan Chong Wang, aged 44, is our independent non-executive Director with effect from the [date of this document]. He is primarily responsible for supervising and providing independent judgment to the Board of Directors.

Mr. Wang serves as the Chief Executive Officer and a director of Pinnacle Medicines. Prior to joining Pinnacle Medicines, Mr. Wang joined Zai Lab (listed on the Stock Exchange with stock code 9688 and on the NASDAQ with stock ticker ZLAB) in May 2014 and subsequently as its Strategic Advisor. Prior to this role, he served as the Chief Business Officer of Zai Lab, being responsible for BD, strategy and alliance management. He also played a significant role in the company's financing and investor relation efforts. Prior to joining Zai Lab, he was an investment professional at OrbiMed, where he was responsible for China healthcare investment and portfolio management.

Mr. Wang received a Master of Business Administration degree from Wharton Business School in Pennsylvania, the United States in May 2010.

SENIOR MANAGEMENT

The following table sets out information regarding the members of senior management of our Company.

Name	Age	Position/Title	Date of appointment as a senior management member	Date of joining our Group	Roles and responsibilities
Dr. Xinyan Li (李新燕)	61	Executive Director, chief executive officer, and chief medical officer	October 2020	September 2020	Shaping the Company's overall development strategy and providing guidance across its key business segments of preclinical study, translational medicine, clinical development, manufacturing and regulatory affairs; providing operational and managerial leadership to ensure the Group's long-term success
Dr. Zhongdong Shi (施中東)	48	Senior vice president and head of research and development	April 2020	April 2020	Leading the Group's research and development strategy and activities, establishing pipeline programs, and driving IP strategy
Ms. Wenjuan Jia (賈文娟)	51	Senior vice president and head of finance	April 2021	April 2021	Overseeing financial operations, including accounting, reporting, taxation, corporate compliance, budgeting, capital management, employee incentive plan administration, and financial matters
Ms. Hui Wang (王慧)	37	Board secretary and joint company secretary	November 2025	November 2025	Overseeing the Company's financing and capital market activities, investor and public relations, coordinating company secretary and corporate governance matters, information disclosure, regulatory affairs
Mr. Peng Yang (楊鵬)	42	Head of manufacturing	March 2021	March 2021	Leading process development and clinical GMP production; and supporting regulatory filings and project management for pipeline programs

The following sets forth the biographies of our senior management:

Dr. Xinyan Li (李新燕), aged 61, is our executive Director, chief executive officer and chief medical officer of our Company. See "— Executive Directors" above for details of her biography.

Dr. Zhongdong Shi (施中東), aged 48, is our senior vice president since November 2025 and head of research and development since April 2020. He also served as the senior vice president of Frontera US, our subsidiary, since November 2025. Dr. Shi has been leading the pipeline program development as the head of research and development at Frontera US, our subsidiary, since April 2020. He is primarily responsible for leading the Group's research and development strategy and activities, establishing pipeline programs, and driving IP strategy.

Dr. Shi has over 15 years of experience in biomedical research and therapeutic development. From December 2010 to October 2016, he worked as a research fellow and associate at Memorial Sloan Kettering Cancer Center, New York City, U.S., where he focused on academic training and research in gene editing and stem cell therapy. He also previously served as a Scientist from August 2016 to April 2018 at InVitro Cell Research LLC, a company

based in New Jersey, U.S., primarily engaged in stem cell therapy research and development. He also previously was the director of research and development from April 2018 to July 2019 at Gracell Biotechnologies (亘喜生物) which is currently a member of the AstraZeneca Group), a global clinical-stage biopharmaceutical company dedicated to discovering and developing innovative cell therapies headquartered in China, where he developed allogeneic CAR-T therapies. Additionally, Dr. Shi was a principal scientist in research and development from July 2019 to April 2020 at Simcere Innovation, Inc. in Massachusetts, U.S., where he worked on developing CAR-T and iPSC-NK therapies.

Dr. Shi obtained his bachelor's degree in biochemical engineering from Tianjin University (天津大學), China, in July 1999. He further obtained a master's degree in biochemical engineering from Tianjin University (天津大學) in March 2002. He earned his PhD in engineering from the City University of New York Graduate Center, in the U.S., in September 2010.

Ms. Wenjuan Jia (賈文娟), aged 51, is our senior vice president and head of finance at Frontera HK and Frontera Qisheng, our subsidiaries, since April 2025 and April 2021, respectively. She is primarily responsible for overseeing financial operations, including accounting, reporting, taxation, corporate compliance, budgeting, capital management, and employee incentive plan administration and financial matters since April 2021 when she joined the company.

Ms. Jia has over 20 years of experience in finance and accounting. She started her career as an auditor at PricewaterhouseCoopers Zhongtian LLP (普華永道中天會計師事務所) in Shanghai in July 2001. From July 2002 to April 2005, she served as a senior insurance management officer in the finance department at Taiping Life Insurance Company Limited (太平人壽保險有限公司) and later as the accounting supervisor of the Shanghai Branch. From May 2005 to February 2009, she was the Financial Director at Shanghai Zensun Sci-Tech Development Co., Ltd. (上海澤生科技開發有限公司), responsible for financial management, mergers and acquisitions, and external fundraising. Between August 2009 and August 2012, she worked as the financial leader of Integrated Logistics for Greater China in Agility Logistics (Shanghai) Limited. (上海亞致力物流有限公司). From May 2012 to November 2013, she was the Finance Director at CDP Group (CDP 集團). From July 2019 to June 2020, she served as Vice President of Finance at Panix WD (泛鼎集團), where she oversaw the global financial reporting systems, managed credit financing, and supported Series A fundraising of the group.

Ms. Jia obtained a bachelor's degree in English from Shanghai Jiao Tong University (上海交通大學) in China in July 1998. She further earned a bachelor's degree in international accounting from the same university in July 1999 and a master's degree in linguistics and applied linguistics from Shanghai Jiao Tong University (上海交通大學) in January 2001. She acquired the Fellow Chartered Certified Accountant (FCCA) qualification from the Association of Chartered Certified Accountants in February 2005.

Ms. Hui Wang (王慧), aged 37, is our board secretary since November 2025 and our joint company secretary since December 2025. She is primarily responsible for overseeing the Company's financing and capital market activities, investor and public relations, coordinating company secretary and corporate governance matters, information disclosure, and regulatory affairs.

Ms. Wang has over 10 years experience in capital markets, investment banking, and auditing. From October 2014 to January 2021, she worked as an audit manager at Deloitte Touche Tohmatsu Certified Public Accountants LLP, Beijing Branch and Dallas Branch (德勤華永會計師事務所(特殊普通合夥)北京分所及達拉斯分所), where she was responsible for auditing financial statements and evaluating internal controls for public and private companies. From January 2021 to November 2025, she served as vice president in the Investment Banking Division of China International Capital Corporation Limited (中國國際金融股份有限公司), where she assisted enterprises in equity financing, including of IPO in both mainland China and Hong Kong stock market.

Ms. Wang obtained a bachelor's degree in accounting from Wuhan University of Technology (武漢理工大學) in Wuhan, China, in June 2012. She later earned a master's degree in accounting from the University of International Business and Economics (對外經濟貿易大學) in Beijing, China, in June 2014. Ms. Wang is also a non-practicing member of Certified Public Accountant (CPA), certified by The Chinese Institute of Certified Public Accountants in 2017, and a licensed sponsor representative, certified by the Securities Association of China in May 2024.

Mr. PENG Yang (楊鵬), aged 42, has been serving as our head of manufacturing since March 2021. He is primarily responsible for leading process development and clinical GMP production, and supporting regulatory filings and project management for pipeline programs.

Mr. Yang has over 14 years of experience in biopharmaceutical development and manufacturing. From July 2009 to June 2011, he worked at Qilu Pharmaceutical Co., Ltd. (齊魯製藥有限公司) as a genetic engineering process technician, where he participated in commercial production of recombinant proteins. From June 2011 to October 2015, he worked at Shandong Boan Biotechnology Co., Ltd. (山東博安生物技術有限公司) as the Upstream Lead for Antibody Pilot Production, where he was responsible for process transfer, clinical sample production, and supporting IND filings of antibody drugs. Between October 2015 and May 2020, he was the Director of Process Development at Jiangsu Mabwell New Drug R&D Co., Ltd. (江蘇邁威新藥研發有限公司), a subsidiary of Mabwell (Shanghai) Bioscience Co., Ltd. (邁威(上海)生物科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 68806), where he was responsible for overseeing process development and GMP clinical production for antibody drugs and recombinant proteins. From May 2020 to February 2021, he worked as the Antibody Process Development Manager at Shanghai Kunheng Biotech Co., Ltd. (上海昆恒醫藥科技有限公司), managing antibody drug development projects.

Mr. Yang obtained a bachelor's degree in biotechnology from Shandong Agricultural University (山東農業大學) in Tai'an, China, in July 2006. He later earned a master's degree in fermentation engineering from Nanjing Tech University (南京工業大學) in Nanjing, China, in July 2009.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant Cayman Island laws and regulations and the Corporate Governance Code as set out in the Appendix C1 to the Listing Rules, our Company has formed three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee.

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules, paragraph C.4 and paragraph D.3 of Part 2 of the Corporate Governance Code. The Audit Committee consists of three Directors, namely Ms. Yip Betty Ho, Mr. Xinwei Liu and Dr. David Guowei Wang. Ms. Yip Betty Ho has the accounting and related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules, and she serves as the chairperson of the Audit Committee. The primary duties of the Audit Committee include, but are not limited to, the following:

- proposing the appointment or change of external auditors to our Board, and monitoring the independence of external auditors and evaluating their performance;
- guiding internal audit work;
- examining the financial information of our Company, reviewing financial reports and statements of our Company and giving comments on relevant matters;
- assessing the effectiveness of internal control;
- coordinating the communication among management, internal audit department, related departments and external audit agency; and
- dealing with other matters that are authorized by the Board or involved in relevant laws and regulations.

Remuneration Committee

We have established a Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of Part 2 of the Corporate Governance Code. The Remuneration Committee consists of three Directors, namely Mr. Jonathan Chong Wang, Ms. Yip Betty Ho and Dr. Qingsheng Zhu. Mr. Jonathan Chong Wang serves as the chairperson of the Remuneration Committee. The primary duties of the Remuneration Committee include, but are not limited to, the following:

- formulating individual remuneration plans for Directors and members of the senior management in accordance with the terms of reference of the job

responsibilities, the importance of their positions as well as the remuneration benchmarks for the relevant positions in other comparable companies;
- examining the criteria of performance evaluation of Directors and the senior management of our Company, and conducting annual performance evaluation;
- supervising the implementation of the remuneration plan of the Company;
- reviewing and/or approving matters relating to any share schemes under Chapter 17 of the Listing Rules; and
- dealing with other matters that are authorized by the Board.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of Part 2 of the Corporate Governance Code. The Nomination Committee consists of three Directors, namely Dr. Xinyan Li, Mr. Jonathan Chong Wang and Mr. Xinwei Liu. Mr. Xinwei Liu serves as the chairperson of the Nomination Committee. The primary duties of the Nomination Committee include, but are not limited to, the following:

- making recommendations to our Board with regards to the size and composition of our Board based on our Company's business operation, asset scale and equity structure;
- researching and developing standards and procedures for the election of our Board members, general managers and members of the senior management, and making recommendations to our Board;
- conducting extensive search and providing to our Board suitable candidates for Directors, general managers and other members of the senior management;
- examining our Board candidates, general manager and members of the senior management and making recommendations to our Board;
- assessing and reviewing the independence of independent non-executive Directors; and
- dealing with other matters that are authorized by our Board.

GENERAL

Save as otherwise disclosed in this document, none of our Directors or senior management members of our Company holds and has held any other directorships in public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date and as of the Latest Practicable Date.

None of our Directors or senior management members of our Company has any relationship with any Directors, senior management members or substantial shareholders of our Company.

Save as disclosed in this section, to the best knowledge, information and belief of our Directors having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules as of the Latest Practicable Date.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in December 2025, and (ii) understands his or her obligations as a director of a [**REDACTED**] under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

COMPETITION

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business and requires disclosure under Rule 8.10 of the Listing Rules. From time to time our non-executive Directors may serve on the boards of both private and public companies within the broader healthcare and biopharmaceutical industries. However, as these non-executive Directors are not members of our executive management team, we do not believe that their interests in such companies as directors would render us incapable of carrying on our business independently from the other companies in which these non-executive Directors may hold directorships from time to time.

INTERESTS OF DIRECTORS AND SENIOR MANAGEMENT

Save as may be disclosed above, as of the Latest Practicable Date, none of our Directors or senior management were related to other Directors or senior management of our Company. Save as disclosed in the sections headed "Substantial Shareholders" and "Appendix IV — Statutory and General Information — Further Information about Our Directors, Senior Management and Substantial Shareholders — Interests and short positions of our Directors and chief executive in the share capital our Company and its associated corporations following completion of the [**REDACTED**]," as of the Latest Practicable Date, none of our Directors held any interest in the securities within the meaning of Part XV of the SFO.

FURTHER INFORMATION ABOUT OUR DIRECTOR

Incidents relating to Aumed

In June and August 2017, the National Equities Exchange and Quotations ("**NEEQ**") in the PRC issued a regulatory opinion letter against Aumed Group Corporation (北京奧美達科技股份有限公司) ("**Aumed**") and its then board secretary (being Mr. Xinwei Liu, who was the board secretary of Aumed from August 2016 to October 2017). The regulatory opinion letter was issued in respect of certain non-compliances of NEEQ information disclosure requirements arising from (i) delay in publication of certain material information and (ii) failure to publish the 2016 annual report.

Our PRC Legal Adviser is of the view that the regulatory measures imposed by NEEQ (being a regulatory opinion letter) (i) are self-supervisory measure implemented by NEEQ, and do not constitute disciplinary measure or public sanction by NEEQ or administrative penalties or breaches of PRC laws or regulations that indicates culpability; and (ii) would not result in Mr. Xinwei Liu being disqualified from acting as directors of companies incorporated in the PRC.

Mr. Liu is currently an executive director and the chief executive officer of Gaush Meditech Ltd, a company listed on the Stock Exchange (stock code: 2407). Mr. Xinwei Liu confirmed that the delisting of Aumed was for strategic planning and business development considerations, and the dissolution of Aumed was voluntary and by shareholders' resolution as a business decision. Mr. Xinwei Liu further confirmed that Aumed was solvent immediately prior to its cessation of business, delisting and dissolution and there were no other regulatory investigations or measures against Aumed, any of its directors, or Mr. Xinwei Liu.

CORPORATE GOVERNANCE CODE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the [**REDACTED**].

BOARD DIVERSITY POLICY

We are committed to promoting the culture of diversity in the Company. We have strived to promote diversity to the extent practicable by taking into consideration a number of factors in our corporate governance structure.

We have adopted the board diversity policy (the "**Board Diversity Policy**") which sets out the objective and approach to achieve and maintain diversity of our Board in order to enhance the effectiveness of our Board. Pursuant to the board diversity policy, we seek to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural background, educational background, industry experience and professional experience. The ultimate selection of Board candidates will be based on merit and potential contribution to our Board having due regard to the benefits of diversity on the Board and also the specific needs of the Company without focusing on a single diversity aspect. Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development as well as knowledge and experience in areas such as medicine and pharmaceutical research. They obtained degrees in various areas including, among others, medicine, biology, business administration, economics, and accounting. Furthermore, our Board has a diverse age and gender representation. Our Board currently comprises two female Directors and seven male Directors, ranging from 36 years old to 64 years old. Pursuant to the Board Diversity Policy, we aim to maintain at least 20% female representation in the Board and the current composition of the Board satisfies this target gender ratio. We will implement policies to ensure gender diversity when recruiting staff to develop a pipeline of female senior management and potential successors to the Board. We will strive to enhance our female representation and achieve appropriate balance of gender diversity with reference to the stakeholders' expectation and international and local recommended best practices. Furthermore, we will implement comprehensive programs aimed at identifying and training our female staff who display leadership and potential, with the goal of promoting them to the senior management or the Board.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After the [**REDACTED**], our Nomination Committee will review the Board Diversity Policy from time to time, develop and review measurable objectives for implementing the policy, and monitor the progress on achieving these measurable objectives to ensure its continued effectiveness. We will disclose in our corporate governance report about the implementation of the board diversity policy on an annual basis.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors received their remuneration in the form of fees, salaries, allowances and benefits in kind, performance related bonuses, and share-based payment expenses.

The aggregate amount of remuneration (including salaries, bonuses, allowances and benefits in kind, share-based payment expenses, discretionary bonus and bonus based on performance) that was paid by our Group to our Directors for each of the two years ended December 31, 2024 and 2025 was US$0.9 million and US$1.0 million, respectively. Please refer to Note 11 of the Accountants' Report in Appendix I to this document on the Directors' and chief executive's remuneration for the Track Record Period.

The aggregate amount of remuneration (including salaries, allowances and benefits in kind, contributions to pension scheme, discretionary bonus and bonus based on performance) paid to our five highest paid individuals (except for the Directors) for the two years ended December 31, 2024 and 2025 was US$1.4 million and US$1.4 million, respectively.

During the Track Record Period, (i) no amount was paid to, or receivable by, our Directors or the five highest paid individuals as an inducement to join, or upon joining our Group, (ii) no compensation was paid to, or receivable by, our Directors or past Directors or the five highest paid individuals for the loss of office as director of any member of our Group or any other office in connection with the management of the affairs of any member of our Group, and (iii) none of our Directors waived or agreed to waive any emoluments. Our Directors' remuneration is determined with reference to the relevant Director's experience and qualifications, level of responsibility, performance and the time devoted to our business, and the prevailing market conditions.

It is estimated that remuneration and benefits in kind equivalent to approximately 1.0 million in aggregate will be paid and granted to our Directors by us in respect of the financial year ending December 31, 2026 under arrangements in force as at the date of this Document.

Except as disclosed in this document, no Director has been paid in cash or shares or otherwise by any person either to induce him/her to become, or to qualify him/her as a Director, or otherwise for service rendered by him/her in connection with the promotion or formation of us.

PRE-[REDACTED] EQUITY INCENTIVE PLAN

We adopted the Pre-[**REDACTED**] Equity Incentive Plan, details of which are set forth in "Statutory and General Information — Pre-[**REDACTED**] Equity Incentive Plan" in Appendix IV to this document.

JOINT COMPANY SECRETARIES

Ms. Hui Wang (王慧), aged 37, is our board secretary and joint company secretary, See "— Senior Management" above for details of her biography.

Ms. Yan Lam Chan (陳恩霖), was appointed as the joint company secretary of the Group in December 2025. Ms. Chan is an assistant manager of corporate secretarial services at Tricor Services Limited. Ms. Chan has over six years of experience in professional corporate secretarial, corporate governance, and compliance services to Hong Kong-listed companies, multinational corporations, private companies, and offshore companies.

Ms. Chan obtained a bachelor's degree in commerce (with honors) in accountancy from Hong Kong Baptist University in Hong Kong in November 2018. She obtained a master's degree in corporate governance from Hong Kong Metropolitan University (香港都會大學), formerly known as The Open University of Hong Kong (香港公開大學) in November 2020. Ms. Chan is a chartered secretary, a chartered governance professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

COMPLIANCE ADVISER

We have appointed Alliance Capital Partners Limited as our Compliance Adviser pursuant to Rules 3A.19 and 3A.23 of the Listing Rules. The Compliance Adviser will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Adviser will advise our Company in certain circumstances including:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues, sales or transfers of treasury shares and share repurchases;
- where we propose to apply the [**REDACTED**] of the [**REDACTED**] in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate or other information in this document; and
- where the Stock Exchange makes an inquiry of us in respect of unusual price movement or trading volume or other issues under Rule 13.10 of the Listing Rules.

The term of appointment of the compliance adviser will commence on the [**REDACTED**] and end on the date on which the Company publish its annual report in respect of its financial results for the first full financial year commencing after the [**REDACTED**].

As of the Latest Practicable Date, the OrbiMed Entities were interested in approximately 32.6% of the total issued share capital of our Company.

As of the Latest Practicable Date, the general partner of OrbiMed Asia is OrbiMed Asia GP III, L.P., with OrbiMed Advisors III Limited acting as its general partner, and the general partner of 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 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, OrbiMed Asia and OrbiMed U.S. are under common control of OrbiMed Advisors LLC. The interests of the OrbiMed Entities are aggregated for the purpose of this document. For more details, please see "History, Reorganization and Corporate Structure — Information about our Shareholders — Founding Shareholders".

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), the OrbiMed Entities will hold in aggregate approximately [**REDACTED**] of the total share capital of our Company. Accordingly, the OrbiMed Entities are considered as our Single Largest Group of Shareholders.

As investors in the healthcare industry, the OrbiMed Entities have a track record of incubating companies focusing on various fields within the global healthcare industry. The incorporation of the Company was strategically driven by the Founding Shareholders' (being OrbiMed Entities and Creacion) 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.

For details of the shareholding of our Single Largest Group of Shareholders immediately prior to and following the completion of the [**REDACTED**], please refer to the section headed "History, Reorganization and Corporate Structure" in this document.

CLEAR DELINEATION OF BUSINESS

The OrbiMed Entities are investment funds with an in-depth focus on healthcare and extensive coverage across China and the United States. As of the Latest Practicable Date, the OrbiMed Entities and their affiliates have vast portfolios of companies, including, among others, Laekna, Inc. (a company listed on the Stock Exchange, stock code: 2105), Janux Therapeutics, Inc. (a company listed on the NASDAQ Stock Exchange, ticker: JANX), Disc Medicine, Inc. (a company listed on the NASDAQ Stock Exchange, ticker: IRON), VISEN Pharmaceuticals (a company listed on the Stock Exchange, stock code: 2561) and Gaush Meditech Ltd (a company listed on the Stock Exchange, stock code: 2407). The OrbiMed Entities do not hold controlling interests in the companies in their portfolios that competes or is likely to compete, either directly or indirectly, with our Group's business, other than the interest in our Company.

We are a clinical-stage gene therapy company dedicated to the in-house development of rAAV gene therapies. Our pipeline targets ophthalmic and cardiovascular diseases in particular.

INDEPENDENCE FROM OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Our Directors consider that we are capable of carrying on our business independently from our Single Largest Group of Shareholders and their close associates after the [**REDACTED**], taking into consideration the factors below.

Management Independence

Our business is managed and conducted by our Board as a whole and our senior management. Our Board consists of nine Directors, including one executive Director, five non-executive Directors and three independent non-executive Directors. For more details, please see "Directors and Senior Management" in this document. We are able to carry on our business independently from our Single Largest Group of Shareholders from a management perspective, on the basis of the following:

(a) the board representatives appointed by our Single Largest Group of Shareholders (being Dr. David Guowei Wang and Mr. Diyong Xu) are non-executive Directors

and are responsible for supervising the management of our Board, but are not involved in the day-to-day management or operations of our business. Therefore, their positions in the Single Largest Group of Shareholders or their close associates will not affect the day-to-day management of our business;

(b) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;

(c) our daily management and operations are carried out by our senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group. For details of the industry experience of our senior management team, see "Directors and Senior Management";

(d) none of the other three non-executive Directors, our executive Director and senior management team holds any directorships or management positions in, or represents interests of, our Single Largest Group of Shareholders;

(e) we have three independent non-executive Directors who (i) account for one-third of the Board; (ii) do not and will not hold any directorships or management positions in our Single Largest Group of Shareholders; and (iii) possess requisite industry knowledge and experience and are qualified to provide independent, sound and professional advice to our Company, and certain matters of our Company must always be referred to the independent non-executive Directors for review;

(f) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she shall be required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions; and

(g) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Single Largest Group of Shareholders which would support our independent management. For details, see "— Corporate Governance."

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Group independently from our Single Largest Group of Shareholders and their close associates after the [**REDACTED**].

Operational Independence

We do not rely on our Single Largest Group of Shareholders and their close associates for any of our functions. We have full rights to make all decisions on, and to carry out, our own business operations independently. 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 our Single Largest Group of Shareholders, after the R&D strategy and commercialization strategy is independently formulated by the Company. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from our Single Largest Group of Shareholders and their close associates.

Our Company, through our subsidiaries, holds the licenses and qualifications necessary to carry on our current business, and has sufficient capital, facilities, technology and employees to operate the business independently.

Based on the above, our Directors believe that we are able to operate independently of our Single Largest Group of Shareholders and their close associates.

Financial Independence

Our Group has an independent financial management system. We make finance related decisions according to our own business needs and neither our Single Largest Group of Shareholders nor their close associates intervene with our use of funds. In addition, we have also established an independent finance department and have implemented sound and independent audit, accounting and financial management systems.

As of the Latest Practicable Date, there were no outstanding loans or guarantees provided by, or granted to, our Single Largest Group of Shareholders or their respective close associates.

Our Directors believe that, upon [**REDACTED**], our Company will be able to obtain further financing, if necessary, upon market terms and conditions without relying on financial assistance or credit support from our Single Largest Group of Shareholders or their close associates. During the Track Record Period and as of the Latest Practicable Date, we had also received a series of Pre-[**REDACTED**] Investments from third party investors independently. For details of the Pre-[**REDACTED**] Investments, see "History, Reorganization and Corporate Structure."

Based on the above, our Company considers there is no financial dependence on our Single Largest Group of Shareholders or their close associates.

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C 1 to the Listing Rules (the "**Corporate Governance Code**"), which sets out principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Single Largest Group of Shareholders:

(a) where a Shareholders' meeting is to be held for considering proposed transactions in which our Single Largest Group of Shareholders or any of their respective associates has a material interest, our Single Largest Group of Shareholders will not vote on the resolutions;

(b) our Company has established internal control mechanisms to identify connected transactions. Upon the [**REDACTED**], if our Company enters into connected transactions with a substantial shareholder or any of his/its associates, our Company will comply with the applicable Listing Rules;

(c) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between the Group and our Single Largest Group of Shareholders (the "**Annual Review**") and provide impartial and professional advice to protect the interests of our minority Shareholders;

(d) our Single Largest Group of Shareholders will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the Annual Review;

(e) our Company will disclose decisions (with basis) on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements;

(f) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expenses; and

(g) we have appointed Alliance Capital Partners Limited as our Compliance Advisor to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Single Largest Group of Shareholders, and to protect minority Shareholders' interests after the [**REDACTED**].

FUTURE PLANS AND PROSPECTS

See "Business — Our Strategies" for a description of our future plans.

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**] and [**REDACTED**] and other estimated [**REDACTED**] 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. In particular,**
  - o [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used to fund the continuing research and development of FT-002 in China, including trial costs, research and development personnel expenses and manufacturing expenses. See "Business — Our Drug Candidates — FT-002 — Material Communications and Next Steps". In particular,
    - (1) [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used to fund the Phase III clinical trial in China, in which 48 participants are planned to be enrolled, compared with 7 and 6 participants enrolled in the Phase I and Phase II clinical trials, respectively;
    - (2) [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used for manufacturing and other expenses related to the clinical trials of FT-002; and
    - (3) [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used to fund the long-term follow-ups for the completed trials; and
  - o [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used to fund the continuing research and development of FT-003 for nAMD, DME and DR in China. See "Business — Our Drug Candidates — FT-003 — Material Communications and Next Steps". In particular,
    - (1) [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be allocated for nAMD, including trial costs, research and development personnel expenses and manufacturing expenses for the long-term follow-ups for the completed trials, and for future Phase III clinical trials in China. Specifically:
      - (i) [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used to fund the Phase III clinical trial in China, in which approximately 600 participants are planned to be enrolled, compared with 11 and 61 participants enrolled in the Phase I and Phase II clinical trials for nAMD, respectively;
      - (ii) [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used to fund the long-term follow-ups for the completed trials; and
      - (iii) [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used for manufacturing and other expenses related to the clinical trials of FT-003 for nAMD; and

(2) [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be allocated for DME, including trial cost, research and development personnel expenses and manufacturing expenses for the ongoing Phase II clinical trial, which was initiated in November 2024, and for future Phase III clinical trials in China. Specifically:

(i) [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used to fund the Phase III clinical trial in China, in which approximately 600 participants are planned to be enrolled, compared with 9 and 60 participants enrolled in the Phase I and Phase II clinical trials for DME, respectively;

(ii) [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used to fund the ongoing Phase II clinical trial initiated in November 2024 and long-term follow-ups for the completed trials; and

(iii) [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used for manufacturing and other expenses related to the clinical trials of FT-003 for DME; and

(3) [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be allocated for DR, including trial costs and research and development personnel expenses for future Phase III clinical trials in China.

According to the current clinical development plans, we expect to complete the Phase III clinical trials for FT-002 by 2028, and for FT-003 in treating nAMD and DME by 2029 and 2030, respectively. With the current allocation of net [**REDACTED**], we will be able to: (i) complete the Phase III clinical trials for FT-002 and FT-003 in treating nAMD, and (ii) substantially complete the Phase III clinical trial for FT-003 in treating DME.

- **[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. We plan to commence recruitment for a sales and marketing position in 2026 and plan to establish an in-house sales team by end of 2027 to get prepared for the commercial launch of FT-002 and FT-003. We also plan to conduct various marketing activities by our sales team to enhance our sales coverage with relevant hospitals, key opinion leaders and patient populations for FT-002 and FT-003.**
- **[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. In particular,**
  - [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used to fund the preclinical studies and future Phase I/II clinical trial costs for FT-023 for the treatment of nAMD, DME and DR in China;
  - [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used to fund the IND preparation and filing cost, other preclinical study costs, and the future Phase I clinical trial costs for FT-017 for the treatment of HCM in China; and
  - [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used to advance other early-stage pipeline programs and cover other research and development related costs in China and the United States.
- **[REDACTED] of the net [REDACTED], or approximately [REDACTED], will be used for investing in our manufacturing 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 the recruitment of additional production-related personnel. We expect to establish a GMP-compliant production capacity of 2,000L by 2030. In particular,

- o [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used for facilities and equipment required for the enhancement of the Company's production facilities, including but not limited to a fully automated filling line, a 2,000L bioreactor, chromatography systems, other production equipment, as well as costs associated with partial modifications to the production plant and upgrades of QA and QC systems; and
- o [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used to fund expenses related to the recruitment of additional production personnel. In preparation for the BLA of FT-002 and FT-003, as well as future commercial launch of more product candidates including FT-017, we plan to hire more manufacturing staff in our Suzhou manufacturing facility from 2026 onwards.

- **[REDACTED] of the net [REDACTED], or approximately [REDACTED], will be used for working capital and other general corporate purposes.**

In the event that the [**REDACTED**] is fixed at the high or low end of the indicative [**REDACTED**] range, the net [**REDACTED**] of the [**REDACTED**] will increase or decrease by approximately [**REDACTED**].

The additional net [**REDACTED**] that we would receive if the [**REDACTED**] were exercised in full would be (i) [**REDACTED**] (assuming an [**REDACTED**] of [**REDACTED**] per [**REDACTED**], being the high end of the [**REDACTED**] range), (ii) [**REDACTED**] (assuming an [**REDACTED**] of [**REDACTED**] per [**REDACTED**], being the mid-point of the [**REDACTED**] range) and (iii) [**REDACTED**] (assuming an [**REDACTED**] of [**REDACTED**] per [**REDACTED**], being the low end of the [**REDACTED**] range).

To the extent that the net [**REDACTED**] from the [**REDACTED**] (including the net [**REDACTED**] from the exercise of the [**REDACTED**]) are either more or less than expected, we may adjust our allocation of the net [**REDACTED**] for the above purposes on a pro rata basis.

To the extent that the net [**REDACTED**] of the [**REDACTED**] are not immediately required for the above purposes or if we are unable to put into effect any part of our development plan as intended, we may hold such funds in bank deposits at authorized financial institutions and licensed banks. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The following is the text of a report set out on pages I-1 to I-[42], received from the Company's reporting accountants, [Deloitte Touche Tohmatsu], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

[To insert the firm's letterhead]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF FRONTERA THERAPEUTICS AND UBS SECURITIES HONG KONG LIMITED AND HAITONG INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of Frontera Therapeutics (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-[4] to I-[42], which comprises the consolidated statements of financial position of the Group as at December 31, 2024 and 2025 and June 30, 2026, the statements of financial position of the Company as at December 31, 2024 and 2025 and June 30, 2026, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the two years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 (the "**Track Record Period**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-4 to I-[42] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [date] (the "**Document**") in connection with the [**REDACTED**] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 3 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 3 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's and the Company's financial position as at December 31, 2024 and 2025 and June 30, 2026 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 3 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended June 30, 2025 and other explanatory information (the "**Stub Period Comparative Financial Information**"). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 3 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing ("**HKSAs**") and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 3 to Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparation of the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 12 to the Historical Financial Information which states that no dividend was declared or paid by the Company in respect of the Track Record Period.

[Deloitte Touche Tohmatsu]
Certified Public Accountants
Hong Kong
[Date]

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with accounting policies which conform with IFRS Accounting Standards issued by International Accounting Standards Board (the "**IASB**") and were audited by us in accordance with HKSAs issued by the HKICPA ("**Underlying Financial Statements**").

The Historical Financial Information is presented in United States Dollars ("**USD**") and all values are rounded to the nearest thousand (USD'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended December 31,		Six months ended June 30,	
		2024	2025	2025	2026
		USD'000	*USD'000*	*USD'000 (unaudited)*	*USD'000*
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	*6*	617	488	374	1,702
Finance costs	*7*	(905)	(768)	(441)	(241)
Other gains and losses	*8*	1,389	2,465	1,684	2,233
Loss before tax	*10*	(26,464)	(19,528)	(8,207)	(4,744)
Income tax expense	*9*	–	–	–	–
Loss for the year/period		**(26,464)**	**(19,528)**	**(8,207)**	**(4,744)**
Other comprehensive income (expense)					
Item that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation		870	(1,776)	(828)	(1,691)
Total comprehensive expense for the year/period		**(25,594)**	**(21,304)**	**(9,035)**	**(6,435)**
Loss per share					
– Basic and diluted (USD)	*13*	(1.05)	(0.82)	(0.34)	(0.20)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at December 31, 2024	As at December 31, 2025	As at June 30, 2026
		USD'000	*USD'000*	*USD'000*
Non-current Assets				
Property and equipment	*15*	11,228	5,403	4,799
Intangible assets	*14*	32	–	38
Right-of-use assets	*16*	4,139	666	427
Restricted bank balances	*21*	329	–	–
Prepayments and other receivables	*17*	773	1,135	1,326
		16,501	7,204	6,590
Current Assets				
Inventories	*18*	1,362	1,161	772
Prepayments and other receivables	*17*	1,908	2,164	2,065
Financial assets at fair value through profit or loss ("**FVTPL**")	*19*	39,096	25,225	16,560
Cash and cash equivalents	*21*	12,807	11,285	16,973
		55,173	39,835	36,370
Current Liabilities				
Trade payables	*22*	314	343	205
Other payables and accruals	*23*	2,078	4,377	2,991
Borrowings	*25*	1,383	2,133	6,591
Lease liabilities	*24*	649	437	331
		4,424	7,290	10,118
Net Current Assets		**50,749**	**32,545**	**26,252**
Total Assets Less Current Liabilities		**67,250**	**39,749**	**32,842**
Non-current Liabilities				
Borrowings	*25*	9,406	9,070	8,280
Lease liabilities	*24*	6,410	107	7
Provision	*26*	422	381	399
		16,238	9,558	8,686
Net Assets		**51,012**	**30,191**	**24,156**
Capital and Reserves				
Share capital	*27*	12	12	12
Reserves		51,000	30,179	24,144
Total Equity		**51,012**	**30,191**	**24,156**

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at December 31, 2024	As at December 31, 2025	As at June 30, 2026
		USD'000	*USD'000*	*USD'000*
Non-current Assets				
Investments in subsidiaries	*36*	23,519	16,691	15,498
Amounts due from subsidiaries	*20*	54,088	50,925	49,466
		77,607	67,616	64,964
Current Assets				
Prepayments and other receivables	*17*	–	437	555
Cash and cash equivalents	*21*	48	48	43
		48	485	598
Current Liabilities				
Other payables and accruals	*23*	4	1,593	654
Amounts due to subsidiaries	*20*	15,000	13,212	13,610
		15,004	14,805	14,264
Net Current Liabilities		**(14,956)**	**(14,320)**	**(13,666)**
Total Assets Less Current Liabilities		**62,651**	**53,296**	**51,298**
Net Assets		**62,651**	**53,296**	**51,298**
Capital and Reserves				
Share capital	*27*	12	12	12
Reserves	*35*	62,639	53,284	51,286
Total Equity		**62,651**	**53,296**	**51,298**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Ordinary share capital	Preferred share capital	Share premium	Share-based payment reserve	Translation reserve	Accumulated losses	Total
	USD'000	*USD'000 (Note 27)*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
At January 1, 2024	2	10	195,965	1,729	1,487	(122,119)	77,074
Loss and total comprehensive income (expense) for the year	–	–	–	–	870	(26,464)	(25,594)
Exercise of share options granted	–*	–	9	–	–	–	9
Repurchase of ordinary shares *(Note 27)*	–*	–	(720)	–	–	–	(720)
Recognition of equity-settled share-based payments *(Note 28)*	–	–	–	243	–	–	243
At December 31, 2024	2	10	195,254	1,972	2,357	(148,583)	51,012
Loss and total comprehensive expense for the year	–	–	–	–	(1,776)	(19,528)	(21,304)
Recognition of equity-settled share-based payments *(Note 28)*	–	–	–	483	–	–	483
At December 31, 2025	2	10	195,254	2,455	581	(168,111)	30,191
At December 31, 2025	2	10	195,254	2,455	581	(168,111)	30,191
Loss and total comprehensive expense for the period	–	–	–	–	(1,691)	(4,744)	(6,435)
Recognition of equity-settled share-based payments *(Note 28)*	–	–	–	400	–	–	400
At June 30, 2026	2	10	195,254	2,855	(1,110)	(172,855)	24,156
For the six months ended June 30, 2025 (unaudited)							
At January 1, 2025	2	10	195,254	1,972	2,357	(148,583)	51,012
Loss and total comprehensive expense for the period	–	–	–	–	(828)	(8,207)	(9,035)
Recognition of equity-settled share-based payments *(Note 28)*	–	–	–	212	–	–	212
At June 30, 2025 (unaudited)	2	10	195,254	2,184	1,529	(156,790)	42,189

* *Amount is less than USD1,000.*

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	USD'000	*USD'000*	*USD'000 (unaudited)*	*USD'000*
OPERATING ACTIVITIES				
Loss before tax	(26,464)	(19,528)	(8,207)	(4,744)
Adjustments for:				
Interest income	(70)	(54)	(29)	(51)
Gains on early termination of a lease	–	(3,063)	–	–
Losses (gains) on disposal of property and equipment	–	3,496	334	(33)
Depreciation of property and equipment	4,110	2,293	1,353	715
Depreciation of right-of-use assets	824	781	450	254
Amortization of intangible assets	164	32	11	5
Finance costs	905	768	441	241
Gains on fair value changes of financial assets measured at FVTPL	(2,682)	(1,502)	(848)	(357)
Share-based payment expenses	243	483	212	400
Unrealized foreign exchange losses (gains)	1,585	(2,250)	(954)	(1,881)
Operating cash flows before movements in working capital	(21,385)	(18,544)	(7,237)	(5,451)
(Increase) decrease in prepayments and other receivables	(597)	(65)	634	(7)
Decrease in inventories	1,343	201	272	389
(Decrease) increase in trade payables	(588)	29	638	(138)
(Decrease) increase in other payables and accruals	(1,879)	2,040	(1,221)	(1,305)
NET CASH USED IN OPERATING ACTIVITIES	**(23,106)**	**(16,339)**	**(6,914)**	**(6,512)**
INVESTING ACTIVITIES				
Interest received	70	54	29	51
Proceeds from disposal of financial assets measured at FVTPL	24,770	15,373	7,409	9,022
Proceeds from disposal of property and equipment	4	210	–	202
Payment for rental deposits	(49)	(36)	–	–
Refund of rental deposits	–	18	–	7
Purchase of property and equipment	(358)	(40)	(23)	(27)
Purchase of intangible assets	–	–	(1)	(42)
NET CASH FROM INVESTING ACTIVITIES	**24,437**	**15,579**	**7,414**	**9,213**
FINANCING ACTIVITIES				
Proceeds from borrowings	1,370	1,610	908	4,405
Repayment of borrowings	–	(1,610)	(908)	(1,094)
Proceeds from the exercise of share options	9	–	–	–
Payment for repurchase of ordinary shares	(720)	–	–	–
Payment for lease liabilities	(1,924)	(1,101)	(653)	(232)
Issue costs paid	–	(178)	–	(269)
Bank interest paid	(427)	(431)	(222)	(206)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	**(1,692)**	**(1,710)**	**(875)**	**2,604**
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(361)**	**(2,470)**	**(375)**	**5,305**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR/PERIOD	**13,528**	**12,807**	**12,807**	**11,285**
Effect of foreign exchange rate changes	(360)	948	153	383
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD	**12,807**	**11,285**	**12,585**	**16,973**

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Frontera Therapeutics (the "**Company**") was incorporated in the Cayman Islands on September 17, 2019 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The respective address of the registered office and the principal place of business of the Company are set out in the section headed ("**Corporate Information**") to the document.

The Company directly holds 100% equity interest in Frontera Therapeutics (HK) Limited ("**Frontera HK**"), FTGEN Corp (formerly known as "Frontera Therapeutics, Inc.") ("**Frontera US**") and PhixitBio Limited ("**Frontera BVI**"). Frontera BVI owns 100% of the equity interest of Inspirar Limited ("**Inspirar**"). Frontera HK owns 100% of the equity interest of Frontera Therapeutics Company Ltd. ("**Frontera Shanghai**") and Frontera Therapeutics (Suzhou) Co., Ltd. (the "**WFOE**" or "**Frontera Suzhou**"). The WFOE controls the Shanghai Frontera Qisheng Therapeutics Co., Ltd. (formerly known as "Frontera Biotechnology (Suzhou) Co., Ltd.") ("**Frontera Qisheng**") till November 11, 2025 through a set of contractual agreements including powers of attorney, exclusive business cooperation agreement, exclusive option agreement and share pledge agreement, due to the restrictions of foreign investments on research and development of gene therapy under the People's Republic of China (the "**PRC**") laws and regulations. At November 11, 2025, the contractual agreements were terminated and the owners of the Frontera Qisheng transferred the entire equity interests of Frontera Qisheng to Frontera Shanghai. Upon completion of the transfer, the Group directly holds the entire equity interests of Frontera Qisheng. Details of the contractual arrangements are set out in Note 3 to the Historical Financial Information.

The Group is mainly engaged in the business of research and development, production, registration and commercialization of pharmaceutical and biological products.

The functional currency of the Company is USD. The presentation currency of the Historical Financial Information is USD.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

New and amendments to IFRS Accounting Standards in issue but not yet effective

For the purpose of preparing the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with IFRS Accounting Standards, which are effective for the accounting period beginning on January 1, 2026, throughout the Track Record Period.

At the date of this report, the following new and amendments to IFRS Accounting Standards have been issued but are not yet effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[2]
Amendments to IAS 28	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
IFRS 18	Presentation and Disclosure in Financial Statements[2]
IFRS 20	Regulatory Assets and Regulatory Liabilities[3]

[1] Effective for annual periods beginning on or after a date to be determined.

[2] Effective for annual periods beginning on or after January 1, 2027.

[3] Effective for annual periods beginning on or after January 1, 2029.

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of these new and amendments to IFRS Accounting Standards will have no material impact on the Group's financial position and performance in foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provides disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. The application of the new standard is expected to affect

the presentation of the statement of profit or loss and other comprehensive income and disclosures in the future financial statements, but no impact on the Group's financial positions and performance.

3. BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL INFORMATION AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of the Historical Financial Information

The Historical Financial Information has been prepared based on the accounting policies which conform with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

No statutory financial statements of the Company have been prepared since its date of incorporation as it is incorporated in the jurisdiction where there are no statutory audit requirements.

Going concern

The directors of the Company have, [at the date of this report], a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Historical Financial Information.

3.2 Material accounting policy information

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and the entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins with the Company obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

When necessary, adjustments are made to the Historical Financial Information of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

During the Track Record Period, the WFOE has adopted a set of contractual agreements with the individual shareholders of Frontera Qisheng (the "**Structured Arrangements**") to obtain their entire economic benefits. The Structured Arrangements are irrevocable and enable the WFOE to:

- exercise effective financial and operational control over Frontera Qisheng;
- exercise equity holders' voting rights of Frontera Qisheng;
- receive substantially all economic returns generated by Frontera Qisheng in consideration for the business support, technical and consulting services provided by the Group;
- obtain an irrevocable and exclusive right to purchase the entire equity interest in Suzhou Frontera from the individual shareholders to the extent permitted by of PRC law at nominal consideration; and
- obtain a pledge over the entire equity interest of Frontera Qisheng from the individual shareholders as collateral security for all of Frontera Qisheng due to the Group and to secure performance of individual shareholders' obligations under the Structured Arrangements.

As a result of Structured Arrangements, the WFOE has the rights to exercise power over Frontera Qisheng, the right to receive variable returns from its involvement in Frontera Qisheng, and the ability to affect those returns through its power over the Frontera Qisheng, and is therefore considered to control Frontera Qisheng. Consequently, the WFOE regards Frontera Qisheng as a controlled entity and consolidated the assets, liabilities, and results of operations of the Frontera Qisheng in the consolidated financial information of the Group throughout the Track Record Period.

At November 11, 2025, the Structured Arrangements were terminated and the owners of the Frontera Qisheng transferred the entire equity interests of Frontera Qisheng to Frontera Shanghai. Upon completion of the transfer, the Group owns the entire equity interests of Frontera Qisheng.

Investments in subsidiaries

The Company accounts for investments in subsidiaries using the equity method. Under the equity method, investments in subsidiaries are initially recognized in the statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiaries. When the Company's share of losses of a subsidiary exceeds the Company's interest in that subsidiary, the Company discontinues recognising its share of further losses.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term employee benefits

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognized for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting date, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

When shares options granted are vested, the amount previously recognized in the share-based payment reserve will continue to be held in share-based payments reserve. When share options are exercised, the amount previously recognised in share-based payments reserve will continue to be held in share-based payments reserve. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve will continue to be held in share-based payments reserve.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

Foreign currencies

In preparing the Historical Financial Information of the Group, transactions in currency other than the Group's functional currency (foreign currency) are recognized at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognized in profit or loss in the period in which they arise.

For the purpose of presenting the Historical Financial Information, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in translation reserve.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as a deduction from the carrying amount of the relevant asset in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

Current tax

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognizes the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognized a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

Current tax and deferred tax for the year/period

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Property and equipment

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purchases. Property and equipment are stated in the consolidated statement of financial position at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation is recognized so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives which are disclosed in Note 14. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets — research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Impairment on property and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax

discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials. Cost is calculated using the weighted average cost method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Financial instruments

Financial assets and financial liabilities are recognized in the Group's consolidated statements of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets the Group held are subsequently measured at FVTPL.

(i) Amortized cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or fair value through other comprehensive income ("**FVTOCI**") or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. The net gain or loss recognized in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets and other items subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit losses ("**ECL**") model on financial assets (including other receivables, cash and cash equivalents and restricted bank balances), and other items which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment is done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognized lifetime ECL for trade receivables and contract assets.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognized lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event (see (ii) above);
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount through a loss allowance account.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the "other gains and losses" line item as part of the net foreign exchange gains or losses;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the "other gains and losses" line item as part of the fair value gains of losses of the financial assets.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase or issue of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method.

Financial liabilities measured subsequently at amortized cost

Financial liabilities including trade payables, other payables and borrowings are subsequently measured at amortized cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCE OF ESTIMATION UNCERTAINTIES

In applying the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the Historical Financial Information.

Research and development expenses

Development expenses incurred on the Group's drug product pipelines are capitalized and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, the Group's intention to complete and the Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Research and development expenses which do not meet these criteria are expensed when incurred. The management of the Group assesses the development progress of each of the product pipelines and determine whether the criteria are met for capitalization. During the Track Record Period, all the research and development expenses are expensed when incurred.

Key source of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the coming twelve months, are described below.

Deferred tax assets

As at December 31, 2024 and 2025 and June 30, 2026, no deferred tax asset in relation to unused tax losses amounted to USD165,864,000, USD185,594,000 and USD200,317,000, respectively and deductible temporary differences accounted to USD1,475,000, USD2,658,000 and USD2,025,000, respectively, has been recognized in the Group's consolidated statements of financial position due to the unpredictability of future profit streams. The realizability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a recognition of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a recognition takes place.

Impairment of property and equipment and right-of-use assets

Property and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

At the end of each reporting period, the Group reviews the carrying amounts of its property and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss.

As at December 31, 2024 and 2025 and June 30, 2026, no indication of impairment for property and equipment and right-of-use assets are identified by the Group, given that (i) such assets of the Group were neither obsolete nor physically damaged, and (ii) the Group's operations and pipelines were making progress as planned.

5. SEGMENT INFORMATION

For the purpose of resource allocation and assessment of performance, the chief executive officer of the Company, being the chief operating decision makers, focus and review on the overall results and financial position of the Group as a whole. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

Geographical information

As at December 31, 2024 and 2025 and June 30, 2026, non-current assets of USD8,366,000, USD292,000 and USD80,000 are located in the U.S., respectively, comprising property and equipment and right-of-use assets. The remaining non-current assets are all located in the PRC.

The Group has not generated any revenue during the Track Record Period.

6. OTHER INCOME

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	USD'000	*USD'000*	*USD'000 (unaudited)*	*USD'000*
Government grants *(Note)*	547	434	345	1,651
Bank interest income	70	54	29	51
	617	488	374	1,702

Note: Government grants mainly include subsidies granted by the PRC or the U.S. government authorities to group entities as incentives for the Group's operating activities.

7. FINANCE COSTS

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	USD'000	*USD'000*	*USD'000 (unaudited)*	*USD'000*
Interest expenses on lease liabilities	448	326	216	12
Interest expenses on borrowings	445	431	220	223
Interest expenses on provisions	12	11	5	6
	905	768	441	241

8. OTHER GAINS AND LOSSES

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	USD'000	*USD'000*	*USD'000 (unaudited)*	*USD'000*
Gains from changes in fair value of financial assets at FVTPL	2,682	1,502	848	357
Net foreign exchange (losses)/gains	(1,585)	2,250	1,189	1,844
Gains on early termination of a lease	–	3,063	–	–
(Losses) gains on disposal of property and equipment	–	(3,496)	(334)	33
Others	292	(854)	(19)	(1)
	1,389	2,465	1,684	2,233

9. INCOME TAX EXPENSE

The Group does not have any enterprise income tax ("**EIT**") expenses during the Track Record Period.

Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and British Virgin Islands.

No provision for taxation in Hong Kong has been made as no income arises in, or derived from, Hong Kong.

Frontera US is mainly operated in State of Massachusetts, which is subject to Federal Tax at a rate of 21% and State of Massachusetts Profits Tax at a rate of 8%. No provision for taxation in the U.S. has been made as Frontera US has not generated any taxable income from sources both within and outside the U.S. during the period.

Pursuant to the Enterprise Income Tax Law and Implementation Regulations of the Law of the PRC, the applicable tax rate of the PRC subsidiaries is 25% for the Track Record Period.

The income tax expense for the Track Record Period can be reconciled to the loss before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	USD'000	*USD'000*	*USD'000 (unaudited)*	*USD'000*
Loss before tax	(26,464)	(19,528)	(8,207)	(4,744)
Tax expense calculated at PRC EIT rate of 25%	(6,616)	(4,882)	(2,052)	(1,186)
Tax effect of expenses that are not deductible for tax purpose	111	745	92	302
Tax effect of super deduction for research and development expenses	(1,030)	(510)	(262)	(216)
Tax effect of tax losses not recognized	7,953	4,740	2,362	1,368
Tax effect of deductible temporary differences not recognized	253	282	163	–
Utilization of previously unrecognized deductible temporary differences	–	–	–	(179)
Tax effect of income not taxable for tax purpose	(671)	(375)	(303)	(89)
Income tax expense	–	–	–	–

At December 31, 2024 and 2025 and June 30, 2026, the Group has unrecognized tax losses of approximately USD165,864,000, USD185,594,000 and USD200,317,000, respectively. At December 31, 2024 and 2025 and June 30, 2026, the Group has deductible temporary differences of approximately USD1,475,000, USD2,658,000 and USD2,025,000, respectively. No deferred tax asset has been recognized in respect of the tax losses or temporary differences due to the unpredictability of future profit streams.

The unrecognized tax losses will be carried forward and expire in years as follows:

	As at December 31,		As at June 30,
	2024	2025	2026
	USD'000	*USD'000*	*USD'000*
2025	277	–	–
2026	6,029	6,067	6,287
2027	24,111	24,265	25,143
2028	17,788	17,901	18,549
2029	15,756	16,137	16,636
2030	–	9,742	10,749
2031	–	–	5,873
Indefinite	101,903	111,482	117,080
	165,864	185,594	200,317

10. LOSS BEFORE TAX

Loss before tax for the year/period has been arrived at after charging:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	USD'000	*USD'000*	*USD'000 (unaudited)*	*USD'000*
Auditor's remuneration	84	143	-	80
Directors' emoluments *(Note 11)*	886	1,008	459	553
Other staff costs:				
– Salaries, bonus and other benefits	9,643	5,411	3,013	2,301
– Retirement benefit scheme contributions	468	414	204	189
– Share-based payment expenses	33	152	92	212
	10,144	5,977	3,309	2,702
Analysed as:				
Charged in research and development expenses	7,644	4,173	2,271	1,768
Charged in general and administrative expenses	3,386	2,812	1,497	1,487
	11,030	6,985	3,768	3,255
Depreciation of property and equipment	4,110	2,293	1,353	715
Depreciation of right-of-use assets	824	781	450	254
Amortization of intangible assets	164	32	11	5
Total depreciation and amortization	5,098	3,106	1,814	974
Analysed as:				
Charged in research and development expenses	3,286	2,196	1,228	765
Charged in general and administrative expenses	1,812	910	586	209
	5,098	3,106	1,814	974
Cost of inventories recognized in research and development expenses	2,918	1,311	693	685

11. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

Details of the emoluments paid or payable to the individuals who were appointed as directors and the chief executive officer of the Company during the Track Record Period are as follows:

(a) Executive and non-executive directors

	Date of appointment	Director fee	Salaries and other benefits	Retirement benefit scheme	Share-based payments	Discretionary bonus	Total
		USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
For the year ended December 31, 2024							
Executive director:							
Dr. Xinyan Li *(Note i)*	October 2020	–	471	2	210	203	886
Non-executive directors:							
Qingsheng Zhu *(Note ii)*	September 2019	–	–	–	–	–	–
Guowei Wang *(Note ii)*	September 2019	–	–	–	–	–	–
Wei Li *(Note ii)*	September 2019	–	–	–	–	–	–
Carl Lee Gordon *(Note ii)*	September 2019	–	–	–	–	–	–
Yanling Cao *(Note iii)*	April 2021	–	–	–	–	–	–
Jiang Han *(Note iv)*	May 2021	–	–	–	–	–	–
		–	–	–	–	–	–

	Date of appointment	Director fee	Salaries and other benefits	Retirement benefit scheme	Share-based payments	Discretionary bonus	Total
		USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
For the year ended December 31, 2025							
Executive director:							
Dr. Xinyan Li *(Note i)*	October 2020	–	471	2	163	188	824
Non-executive directors:							
Qingsheng Zhu *(Note ii)*	September 2019	–	–	–	–	–	–
Guowei Wang *(Note ii)*	September 2019	–	–	–	–	–	–
Wei Li *(Note ii)*	September 2019	–	–	–	–	–	–
Carl Lee Gordon *(Note ii)*	September 2019	–	–	–	–	–	–
Yanling Cao *(Note iii)*	April 2021	–	–	–	–	–	–
Jiang Han *(Note iv)*	May 2021	–	–	–	–	–	–
Diyong Xu *(Note v)*	September 2025	–	–	–	–	–	–
		–	–	–	–	–	–
Independent non-executive director:							
Robert Joseph Smith *(Note vi)*	May 2025	15	–	–	169	–	184

	Date of appointment	Director fee	Salaries and other benefits	Retirement benefit scheme	Share-based payments	Discretionary bonus	Total
		USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
For the six months ended June 30, 2025 (unaudited)							
Executive director:							
Dr. Xinyan Li *(Note i)*	October 2020	–	233	1	97	101	432
Non-executive directors:							
Qingsheng Zhu *(Note ii)*	September 2019	–	–	–	–	–	–
Guowei Wang *(Note ii)*	September 2019	–	–	–	–	–	–
Wei Li *(Note ii)*	September 2019	–	–	–	–	–	–
Carl Lee Gordon *(Note ii)*	September 2019	–	–	–	–	–	–
Yanling Cao *(Note iii)*	April 2021	–	–	–	–	–	–
Jiang Han *(Note iv)*	May 2021	–	–	–	–	–	–
		–	–	–	–	–	–
Independent non-executive director:							
Robert Joseph Smith *(Note vi)*	May 2025	4	–	–	23	–	27

	Date of appointment	Director fee	Salaries and other benefits	Retirement benefit scheme	Share-based payments	Discretionary bonus	Total
		USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
For the six months ended June 30, 2026							
Executive director:							
Dr. Xinyan Li *(Note i)*	October 2020	–	247	1	34	102	384
Non-executive directors:							
Qingsheng Zhu *(Note ii)*	September 2019	–	–	–	–	–	–
Guowei Wang *(Note ii)*	September 2019	–	–	–	–	–	–
Wei Li *(Note ii)*	September 2019	–	–	–	–	–	–
Jiang Han *(Note iv)*	May 2021	–	–	–	–	–	–
Diyong Xu *(Note v)*	September 2025	–	–	–	–	–	–
		–	–	–	–	–	–
Independent non-executive director:							
Robert Joseph Smith *(Note vi)*	May 2025	15	–	–	154	–	169

Notes:

i. Dr. Xinyan Li was appointed as an executive director with effect from October 2020, and she was appointed as the chief executive officer of the Company with effect from May 2023.

ii. Qingsheng Zhu, Guowei Wang, Wei Li, and Carl Lee Gordon were appointed as non-executive directors with effect from September 2019. Carl Lee Gordon resigned as a director with effect from September 2025.

iii. Yanling Cao was appointed as a non-executive director on April 2021, and resigned as a director with effect from November 2025.

iv. Jiang Han was appointed as a non-executive director with effect from May 2021.

v. Diyong Xu was appointed as a non-executive director with effect from September 2025.

vi. Robert Joseph Smith was appointed as an independent non-executive director with effect from May 2025.

The executive directors' and chief executive's emoluments shown above were paid for their services in connection with the management of the affairs the Company and/or the Group during the Track Record Period. The independent non-executive director's emoluments shown above were paid for his services as independent director of the Company during the Track Record Period.

During the Track Record Period, none of the directors of the Company waived or agreed to waive any emoluments and no emoluments were paid by the Group to any of the directors of the Company as an inducement of join or upon joining the Group or for the loss of office.

During the Track Record Period, certain directors were granted share options, in respect of their services to the Group, details are set out in Note 28 to the Historical Financial Information.

(b) Five highest paid employees

The five highest paid individuals of the Group included one, one, one and one director of the Company for the year ended December 31, 2024 and 2025 and the six months ended June 30, 2025 (unaudited) and 2026. Details of director's remuneration are set out above. Details of the remunerations for the Track Record Period of these highest paid individuals except for the directors of the Company are as follows:

	Year ended December 31,		Six months ended June 30,	
	2024	**2025**	**2025**	**2026**
	USD'000	*USD'000*	*USD'000 (unaudited)*	*USD'000*
Salaries and other allowances	1,151	891	488	398
Discretionary bonus	256	322	92	95
Retirement benefits schemes contributions	35	49	24	19
Share-based payment expenses	7	93	42	204
Total	**1,449**	**1,355**	**646**	**716**

The emoluments of the five highest paid employees are within the following bands:

	Year ended December 31,		Six months ended June 30,	
	2024	**2025**	**2025**	**2026**
			(unaudited)	
HKD500,000 to HKD1,000,000	–	–	1	1
HKD1,000,001 to HKD1,500,000	–	1	1	1
HKD1,500,001 to HKD2,000,000	–	–	2	2
HKD2,000,001 to HKD2,500,000	1	1	–	–
HKD2,500,001 to HKD3,000,000	2	1	–	–
HKD3,000,001 to HKD3,500,000	–	1	1	1
HKD3,500,001 to HKD4,000,000	1	–	–	–
HKD6,000,001 to HKD6,500,000	–	1	–	–
HKD6,500,001 to HKD7,000,000	1	–	–	–
Total	5	5	5	5

12. DIVIDEND

No dividend was declared or paid by the Company in respect of the Track Record Period.

13. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	USD'000	*USD'000*	*USD'000 (unaudited)*	*USD'000*
Loss for the year/period attributable to owners of the Company	(26,464)	(19,528)	(8,207)	(4,744)

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
			(unaudited)	
Weighted average number of ordinary shares in issue	25,161,232	23,943,882	23,943,882	23,943,882

The computation of diluted loss per share for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 (unaudited) and 2026, respectively, has not considered share options granted under the share incentive plan (Note 28), and the conversion of preferred shares as their inclusion would be anti-dilutive.

14. INTANGIBLE ASSETS

The Group

	Software
	USD'000
Cost	
At January 1, 2024	444
Exchange adjustments	(12)
At December 31, 2024	432
Exchange adjustments	16
At December 31, 2025	448
Additions	42
Exchange adjustments	15
At June 30, 2026	505
Amortization	
At January 1, 2024	(246)
Provided for the year	(164)
Exchange adjustments	10
At December 31, 2024	(400)
Provided for the year	(32)
Exchange adjustments	(16)
At December 31, 2025	(448)
Provided for the period	(5)
Exchange adjustments	(14)
At June 30, 2026	(467)
Carrying amount	
At December 31, 2024	32
At December 31, 2025	–*
At June 30, 2026	38

* *Amount is less than US$1,000.*

The intangible assets are amortized on a straight-line basis over their estimated useful lives of 3 years.

15. PROPERTY AND EQUIPMENT

The Group

	Experimental equipment	Electronic equipment	Furniture and equipment	Leasehold improvement	Construction in progress	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
Cost						
At January 1, 2024	13,921	561	462	12,881	7	27,832
Additions	–	–	–	24	295	319
Transfer from construction in progress	297	–	–	–	(297)	–
Disposal	–	(117)	–	–	–	(117)
Exchange rate adjustments	(277)	(7)	(4)	(283)	1	(570)
At December 31, 2024	13,941	437	458	12,622	6	27,464
Additions	17	3	–	11	9	40
Transfer from construction in progress	2	9	–	–	(11)	–
Disposal	(3,050)	(184)	(351)	(4,610)	–	(8,195)
Exchange rate adjustments	347	8	4	336	–*	695
At December 31, 2025	11,257	273	111	8,359	4	20,004
Additions	–	–	–	9	18	27
Transfer from construction in progress	17	–	1	–	(18)	–
Disposal	(490)	–	–	–	–	(490)
Exchange rate adjustments	289	7	4	268	–*	568
At June 30, 2026	11,073	280	116	8,636	4	20,109
Accumulated depreciation						
At January 1, 2024	(4,200)	(409)	(212)	(7,714)	–	(12,535)
Provided for the year	(2,087)	(122)	(94)	(1,807)	–	(4,110)
Eliminated on disposals	–	113	–	–	–	113
Exchange rate adjustments	71	5	2	218	–	296
At December 31, 2024	(6,216)	(413)	(304)	(9,303)	–	(16,236)
Provided for the year	(1,908)	(11)	(63)	(311)	–	(2,293)
Eliminated on disposals	2,307	184	272	1,628	–	4,391
Exchange rate adjustments	(127)	(7)	(3)	(326)	–	(463)
At December 31, 2025	(5,944)	(247)	(98)	(8,312)	–	(14,601)
Provided for the period	(695)	(2)	(5)	(13)	–	(715)
Eliminated on disposals	417	–	–	–	–	417
Exchange rate adjustments	(135)	(7)	(4)	(265)	–	(411)
At June 30, 2026	(6,357)	(256)	(107)	(8,590)	–	(15,310)
Carrying amount						
At December 31, 2024	7,725	24	154	3,319	6	11,228
At December 31, 2025	5,313	26	13	47	4	5,403
At June 30, 2026	4,716	24	9	46	4	4,799

* *Amount is less than US$1,000.*

The above items of equipment are depreciated using the straight-line method after taking into account of their estimated residual values over the following estimated useful lives:

Experimental equipment	3-10 years
Electronic equipment	3 years
Furniture and equipment	3-5 years
Leasehold improvement	Shorter of the relevant lease terms or 10 years

16. RIGHT-OF-USE ASSETS

The Group

	Plant and office premises
	USD'000
CARRYING AMOUNT:	
At January 1, 2024	3,535
Additions	1,470
Depreciation charge for the year	(824)
Exchange rate adjustments	(42)
At December 31, 2024	4,139
Additions	36
Decrease	(2,771)
Depreciation charge for the year	(781)
Exchange rate adjustments	43
At December 31, 2025	666
Depreciation charge for the period	(254)
Exchange rate adjustments	15
At June 30, 2026	427

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	USD'000	*USD'000*	*USD'000 (unaudited)*	*USD'000*
Expenses relating to short-term leases	9	56	16	132
Total cash outflow for leases	1,933	1,157	669	364

During the Track Record Period, the Group leases various properties for its operations. Lease contracts are entered into for fixed terms of 1 to 12 years. The Group's obligations are secured by the rental deposits for such leases. The Group determines the lease period to be the non-cancellable period based on the contractual terms of the contract.

In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, lease liabilities amounting to USD7,059,000, USD544,000 and USD338,000 are recognized with related right-of-use assets of USD4,139,000, USD666,000 and USD427,000, respectively, as at December 31, 2024 and 2025 and June 30, 2026. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

17. PREPAYMENTS AND OTHER RECEIVABLES

The Group

	As at December 31,		As at June 30,
	2024	2025	2026
	USD'000	*USD'000*	*USD'000*
Prepayments for research and development	1,786	1,474	1,260
Value added tax recoverable	654	986	1,168
Rental deposits	164	182	180
Prepaid expenses	77	122	209
Deferred issue costs	–	437	555
Other receivables	–	98	19
	2,681	3,299	3,391
Less: Deposits classified as non-current assets	(119)	(149)	(158)
Less: Value added tax recoverable classified as non-current assets	(654)	(986)	(1,168)
Balance classified as current assets	1,908	2,164	2,065

The Company

	As at December 31,		As at June 30,
	2024	2025	2026
	USD'000	*USD'000*	*USD'000*
Deferred issue costs	–	437	555

18. INVENTORIES

The Group

	As at December 31,		As at June 30,
	2024	2025	2026
	USD'000	*USD'000*	*USD'000*
Raw materials and consumables	1,506	1,204	827
Less: provision	144	43	55
	1,362	1,161	772

19. FINANCIAL ASSETS AT FVTPL

The Group

	As at December 31,		As at June 30,
	2024	2025	2026
	USD'000	*USD'000*	*USD'000*
Wealth management products	39,096	25,225	16,560

These assets were managed by reputable financial institution and underlying investments are low risk instruments including time deposits, money market ETF, and cash, etc.

20. AMOUNTS DUE FROM SUBSIDIARIES/AMOUNTS DUE TO SUBSIDIARIES

The Company

The amounts due from subsidiaries and the amounts due to subsidiaries are non-trade, unsecured, interest-free and repayable on demand.

21. CASH AND CASH EQUIVALENTS / RESTRICTED BANK BALANCES

The Group

The bank balances and restricted bank balances carry interest at market rate from 0.005% to 1.10%, 0.005% to 1.08% and 0.001% to 3.55% per annum as at December 31, 2024 and 2025 and June 30, 2026, respectively. Restricted bank balances amounting to USD329,000 as at December 31, 2024 were pledged to a bank against banking facilities granted by the bank.

The Company

The bank balances carry interest at market rate from 0.01% to 0.20%, 0.01% to 0.20% and 0.01% to 0.19% per annum as at December 31, 2024 and 2025 and June 30, 2026, respectively.

Bank balances that are denominated in currencies other than functional currencies of the relevant group entities are set out below:

	As at December 31,		As at June 30,
	2024	2025	2026
	USD'000	*USD'000*	*USD'000*
Renminbi ("**RMB**")	1,251	1,300	1,342
Hong Kong Dollars ("**HKD**")	1	2	3
	1,252	1,302	1,345

22. TRADE PAYABLES

The Group

	As at December 31,		As at June 30,
	2024	2025	2026
	USD'000	*USD'000*	*USD'000*
Trade payables	314	343	205

The average credit period on purchases of goods/services of the Group is 30 to 60 days.

The following is an aging analysis of trade payables of the Group, presented based on earlier of the date of goods and services received and the invoice dates at the end of each year:

	As at December 31,		As at June 30,
	2024	2025	2026
	USD'000	*USD'000*	*USD'000*
0-30 days	249	229	160
31-60 days	14	112	4
61-180 days	51	2	–
181-365 days	–	–	41
	314	343	205

23. OTHER PAYABLES AND ACCRUALS

The Group

	As at December 31,		As at June 30,
	2024	2025	2026
	USD'000	*USD'000*	*USD'000*
Accrued research and development expenses	664	1,314	1,443
Accrued [**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Accrued issue costs	–	259	108
Accrued legal and professional fees	361	155	176
Payroll payables	970	1,076	559
Other tax payables	66	18	26
Others	17	6	2
	2,078	4,377	2,991

The Company

	As at December 31,		As at June 30,
	2024	2025	2026
	USD'000	*USD'000*	*USD'000*
Accrued [**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Accrued issue costs	–	259	108
Accrued legal and professional fees	4	–	12
	4	1,593	654

24. LEASE LIABILITIES

The Group

	As at December 31,		As at June 30,
	2024	2025	2026
	USD'000	*USD'000*	*USD'000*
Lease liabilities payable:			
Within one year	649	437	331
Within a period of more than one year but not exceeding two years	592	106	7
Within a period of more than two years but not exceeding five years	2,106	1	–
Within a period of more than five years	3,712	–	–
	7,059	544	338
Less: Amount due for settlement with 12 months shown under current liabilities	(649)	(437)	(331)
Amount due for settlement after 12 months shown under non-current liabilities	6,410	107	7

As at December 31, 2024 and 2025 and June 30, 2026, the weighted average incremental borrowing rates applied to lease liabilities are 6.20%, 5.23% and 5.23%, respectively.

25. BORROWINGS

The Group

	As at December 31,		As at June 30,
	2024	2025	2026
	USD'000	*USD'000*	*USD'000*
Unsecured and unguaranteed	–	–	735
Unsecured and guaranteed	10,789	11,203	14,136
	10,789	11,203	14,871

	As at December 31,		As at June 30,
	2024	2025	2026
	USD'000	*USD'000*	*USD'000*
Carrying amount repayable			
Within one year	1,383	2,133	6,591
Within a period of more than one year but not exceeding two years	672	2,093	2,520
Within a period of more than two years but not exceeding five years	8,734	6,977	5,760
	10,789	11,203	14,871

On July 28, 2021, Frontera Suzhou entered into a loan agreement for a specific research and development project with a PRC bank which provided a loan facility amounting to RMB140,000,000 (equivalent to USD19,180,000). The bank borrowings are guaranteed by Frontera Shanghai and Frontera Qisheng, both wholly owned subsidiaries of the Group. As at December 31, 2024 and 2025 and June 30, 2026, Frontera Suzhou has withdrawn RMB68,654,000, RMB68,654,000 and RMB68,654,000 (equivalent to USD9,406,000, USD9,768,000 and USD10,080,000), respectively. The interest rate on this loan is reset annually based on the 5-year Loan Prime Rate plus 30 basis points.

As at December 31, 2024 and 2025 and June 30, 2026, the short-term bank borrowings of Frontera Shanghai are RMB10,000,000, RMB10,000,000 and RMB15,000,000, equivalent to USD1,371,000, USD1,424,000 and USD2,204,000, respectively. As at June 30, 2026, RMB10,000,000 (equivalent to USD1,470,000) of the bank borrowings are guaranteed by Frontera Suzhou, a wholly owned subsidiary of the Group, while the remaining RMB5,000,000 (equivalent to USD735,000) are unguaranteed.

As at June 30, 2026, the short-term bank borrowing of Frontera Qisheng is RMB20,000,000, equivalent to USD2,938,000. The bank borrowings are guaranteed by Frontera Shanghai, a wholly owned subsidiary of the Group.

The exposure of the Group's borrowings are as follows:

	As at December 31,		As at June 30,
	2024	2025	2026
	USD'000	*USD'000*	*USD'000*
Floating rate borrowings	9,418	9,779	10,463
Fixed-rate borrowings	1,371	1,424	4,408
	10,789	11,203	14,871

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	As at December 31,		As at June 30,
	2024	2025	2026
Effective interest rate:			
Floating rate borrowings	4.15%	3.80%	2.50%-3.80%
Fixed-rate borrowings	3.00%	2.83%	2.40%-2.80%

26. PROVISION

The Group

	Restoration provision
	USD'000
At January 1, 2024	410
Interest accrual	9
Exchange rate adjustments	3
At December 31, 2024	422
Interest accrual	11
Exchange rate adjustments	(52)
At December 31, 2025	381
Interest accrual	6
Exchange rate adjustments	12
At June 30, 2026	399

The Group has entered several lease contracts with the lessors which the restoration term required the Group to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to the condition at the expiration of the leases and bear the costs thereof.

27. SHARE CAPITAL

The Group and the Company

The Company was incorporated and registered as an exempted company in the Cayman Islands on September 17, 2019 with an authorized share capital of US$50,000 divided into 500,000,000 shares.

	Number of shares	Share Capital
		USD'000
Ordinary shares		
Ordinary shares of US$0.0001 each		
Authorized		
At January 1, 2024, December 31, 2024 and 2025 and June 30, 2026	500,000,000	50

	Number of shares	Share capital
		USD'000
Issued and fully paid		
Ordinary shares		
At January 1, 2024	25,533,882	2
Exercise of share options granted *(Note 28)*	210,000	–*
Repurchase and cancellation of ordinary shares	(1,800,000)	–*
At December 31, 2024 and 2025 and June 30, 2026	23,943,882	2
Preferred shares		
At January 1, 2024, December 31, 2024 and 2025 and June 30, 2026	91,194,645	10
Total shares		
At December 31, 2024	115,138,527	12
At December 31, 2025	115,138,527	12
At June 30, 2026	115,138,527	12

* *Amount is less than US $1,000.*

Ordinary shares

On September 17, 2019, the Company's shareholders subscribed for 20,000,000 ordinary shares with par value of USD0.0001 each for an aggregate consideration of USD2,000, of which USD1,000 was unpaid and 10,000,000 ordinary shares were subsequently cancelled by the Company on April 28, 2020.

On April 28, 2020 and May 25, 2020, the Company's shareholders subscribed for 10,000,000 and 3,475,000 shares with par value of USD0.0001 each for an aggregate consideration of USD1,000 and USD347.50.

During the year ended December 31, 2022, 250,102 options under the equity incentive plan were exercised, with 13,478 shares subscribed at USD0.01 per share and 236,624 shares subscribed at USD0.34 per share.

During the years ended December 31, 2023 and 2024, 1,808,780 and 210,000 options, respectively, were exercised under the equity incentive plan. In 2023, the exercises resulted in the subscription of 2,312 shares at USD0.01 per share and 1,806,468 shares at USD0.34 per share. In 2024, the exercises resulted in the subscription of 200,000 shares at USD0.01 per share and 10,000 shares at USD0.61 per share.

On September 28, 2024, the Company repurchased and cancelled 1,800,000 ordinary shares from a former senior management for a total consideration of USD720,000.

Preferred shares

During the period from October 2019 to April 2020, the Company entered into share purchase agreements (the "**Agreements**") with certain ordinary shareholders and issued convertible loan notes amounting to USD500,000 and USD4,500,000 with an interest rate of 4% per annum. However, no interest shall accrue on the outstanding principal amount if the entire principal amount has been converted into preferred shares of the Company on or before the maturity date.

On October 9, 2020, the total of USD5,000,000 convertible loan notes were converted into series A preferred shares at the issue price of USD1 each for series A preferred shares. On the same day, the Company issued additional 12,500,000 series A preferred shares to certain investors with par value of USD0.0001 each for an aggregate consideration of USD12,500,000.

On January 15, 2021 and May 6, 2021, the Company further issued 17,500,000 series A and 36,196,541 series B-1 preferred shares with par value of USD0.0001 each to certain investors with a total consideration of USD17,500,000 and USD80,150,000, respectively.

On July 15, 2022, the Company further issued 19,998,104 series B-2 preferred shares with par value of USD0.0001 each to certain investors with a total consideration of USD80,150,000.

The key terms of series A, B-1 and B-2 preferred shares (collectively referred as the "**Preferred Shares**") are as follows:

(a) Dividend rights

Each holder of the series B preferred shares shall be entitled to receive, pari passu with each other holder of the series B preferred shares, prior and in preference to, and satisfied before, any distribution to the holders of any series A preferred shares and ordinary shares, and any other class or series of shares, out of any funds legally available therefor, when, as and if declared by the board, such amount of cumulative dividends and other distributions equal to the distribution that such holder would have received if such series B preferred share had been converted into ordinary shares immediately prior to such distribution. If there are any funds remaining available for distribution after the dividends with respect to the series B preferred shares have been paid in full pursuant, with respect to each series A preferred share, each holder of the series A preferred shares shall be entitled to receive, prior and in preference to, and satisfied before, any distribution to the holders of any ordinary shares, and any other class or series of shares, out of any funds legally available therefor, when, as and if declared by the board, such amount of cumulative dividends and other distributions equal to the distribution that such holder would have received if such series A preferred share had been converted into ordinary shares immediately prior to such distribution. No dividends have been declared or paid during the Track Record Period and [up to the date of this report].

(b) Conversion feature

Any preferred share may be convertible, at the option of the holder thereof, at any time after the date of issuance of such shares, without the payment of any additional consideration, into the number of fully paid and non-assessable ordinary shares based on the then-effective conversion price resulting in an initial conversion ratio for the Preferred Shares of 1:1.

Such initial conversion price shall be subject to adjustment, including but not limited to dividends, share splits and combinations, capital reorganization or reclassification, and adjustment upon issuance of new securities for consideration per shares less than conversion price.

Each preferred share shall automatically be converted into ordinary shares at the then respective effective conversion price upon the closing of a qualified [**REDACTED**] or the written consent of the

holders of at least a majority of the voting power of the then outstanding Preferred Shares of that class or series (voting together as a single class and calculated on an as-converted basis).

(c) Liquidation preferences

In the event of any liquidation, dissolution or winding up of the Company, or the cessation of the business of the Group or of a substantial portion of the business of the Group, whether voluntary or involuntary, all assets and surplus funds of the Company legally available for distribution to the shareholders shall be distributed to the shareholders of the Company in the sequence as follows:

(1) series B preferred shares

(2) series A preferred shares

(3) ordinary shares

(d) Voting rights

The holder of any ordinary shares issued and outstanding shall have one vote for each ordinary share held by such holder, and the holder of any Preferred Shares shall be entitled to the number of votes equal to the number of ordinary shares into which such Preferred Shares could be converted at the record date for determination of the members entitled to vote on such matters, or, if no such record date is established, at the date such vote is taken or any written consent of members is solicited, such votes to be counted together with all other shares of the Company having general voting power and not counted separately as a class.

28. SHARE-BASED PAYMENT TRANSACTIONS

To promote the success of the Company and the interests of its shareholders and to attract, motivate, retain and reward certain officers, employees, directors and other eligible persons, the Company adopted an equity incentive plan on August 28, 2020, under which, the share options can be issued by the Company. The share options shall be vested in one of the four schedules: (i) 1/4 of the share options to vest on the one-year anniversary of the vesting commencement date and an additional 1/48 of the share options upon each successive monthly anniversary (or if there is non-corresponding day, on the last day of such month) for the next 36 months following such one-year anniversary; or (ii) 1/8 of share options to vest on each successive three-month anniversary (or if there is no corresponding day, on the last day of such month) for 24 months; or (iii) 1/2 of the share options to vest on the one-year anniversary of the vesting commencement date and an additional 1/24 of the share options upon each successive monthly anniversary (or if there is non-corresponding day, on the last day of such month) for the next 12 months following such one-year anniversary; or (iv) tranches arrangement with (i) above and with the successful completion of an [**REDACTED**] of the Company. All the share options shall expire not more than 10 years after their dates of grant.

Details of the share options outstanding throughout the Track Record Period separated by directors and senior management of the Company and other employees are as follows:

	As at December 31,				As at June 30,	
	2024		2025		2026	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
		USD		*USD*		*USD*
Directors and senior management:						
Outstanding at beginning of the year/period	5,955,000	0.32	6,915,000	0.34	10,950,307	0.36
Granted during the year/period	960,000	0.47	4,035,307	0.40	–	–
Outstanding at the end of the year/period	6,915,000	0.34	10,950,307	0.36	10,950,307	0.36
Exercisable at the end of the year/period	6,007,083	0.28	7,054,583	0.38	7,566,171	0.39

	As at December 31,				As at June 30,	
	2024		2025		2026	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
		USD		*USD*		*USD*
Other Employees:						
Outstanding at beginning of the year/period	4,369,459	0.30	2,515,846	0.32	3,805,088	0.34
Granted during the year/period	1,531,700	0.59	3,670,193	0.40	–	–
Exercised during the year/period	(210,000)	0.04	–	–	–	–
Forfeited during the year/period	(3,175,313)	0.44	(2,380,951)	0.42	(113,150)	0.35
Outstanding at the end of the year/period	2,515,846	0.32	3,805,088	0.34	3,691,938	0.33
Exercisable at the end of the year/period	1,592,045	0.25	3,280,943	0.33	3,377,610	0.34

Binomial option pricing model was used to determine the fair value of the options granted. Key assumptions are required to be determined by the directors of the Company with best estimate. The inputs into the Black-Scholes model during the Track Record Period are as follows:

	Year ended December 31,	
	2024	2025
Grant date ordinary share fair value	USD0.40	USD1.75
Grant date option fair value	USD0.17-0.24	USD1.44-1.60
Exercise price	USD0.40-0.61	USD0.40
Expected volatility	69.87%	72.26%-72.55%
Expected life	10 years	10 years
Risk-free rate	3.89%	4.08%-4.45%
Expected dividend yields	0.00%	0.00%
Discount rate	13.00%	13.00%

The Company used the discounted cash flow model to determine the underlying share value. The directors of the Company estimated the risk-free interest rate based on the yield of the United States Treasury Bonds with a maturity life close to the option life of the share option. Volatility was estimated at grant date based on average of historical volatilities of the comparable companies with length commensurable to the time to maturity of the share options. Dividend yield is based on management estimation at the grant date.

The fair value of the share options was valued by directors of the Company with reference to valuation reports prepared by an independent qualified professional valuer, Anderson Management Consulting (Shanghai) Co. Limited ("**Anderson Management**"). The address of Anderson Management is 36/F, Citi Square, No. 859 North Sichuan Road, Hong Kou district, Shanghai, the PRC.

The Group recognized total expenses of USD243,000, USD483,000, USD212,000 and USD400,000 related to equity-settled share-based payment transactions for the years ended 2024 and 2025 and the six months ended June 30, 2025 (unaudited) and 2026, respectively.

5,064,179 options were granted subject to the condition that the Company successfully completes its [**REDACTED**]. As at June 30, 2026, no expenses have been recognized for these granted options as there is uncertainty on the satisfaction of the performance condition.

29. RETIREMENT BENEFITS PLAN

The subsidiary in the U.S. maintains multiple qualified contributory savings plans as allowed under section 401(k) of the Internal Revenue Code in the U.S.. These plans are defined contribution plans covering substantially all its qualifying employees and provide for voluntary contributions by employees, subject to certain limits. The contributions are made by both the employees and the employer. The employees' contributions are primarily based on specified dollar amounts or percentages of employee compensation. The only obligation of the subsidiary in the U.S. with respect to the retirement benefits plans is to make the specified contributions under the plans.

The employees of the Company's subsidiaries in the PRC are members of the state-sponsored retirement benefit scheme organized by the relevant local government authority in the PRC. The subsidiaries are required to contribute, based on a certain percentage of the payroll costs of its employees, to the retirement benefit scheme and has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions.

The total expense recognized in profit or loss of USD470,000, USD416,000, USD205,000 and USD190,000 represents contributions payable to these plans by the Group at rates specified in the rules of the plans for the years ended 2024 and 2025 and the six months ended June 30, 2025 (unaudited) and 2026, respectively. As at December 31, 2024 and 2025 and June 30, 2026, contributions of USD128,000, USD21,000 and USD22,000, respectively, due in respect of the current reporting year had not been paid over to the plans.

30. CAPITAL COMMITMENTS

Capital expenditure in respect of the acquisition of property and equipment contracted for but not provided in the Historical Financial Information.

	As at December 31,		As at June 30,
	2024	2025	2026
	USD'000	*USD'000*	*USD'000*
Arising from acquisition of property and equipment	21	–	–

31. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes lease liabilities and the borrowings disclosed in notes 24 and 25 respectively, net of cash and cash equivalents and equity of the Group, comprising issued share capital, and other reserves.

The management of the Group reviews the capital structure on a semi-annual basis. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through new share issues as well as the issue of new debt or the redemption of existing debt.

32. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group

	As at December 31,		As at June 30,
	2024	2025	2026
	USD'000	*USD'000*	*USD'000*
Financial assets			
Financial assets at FVTPL	39,096	25,225	16,560
Amortized cost	13,300	11,565	17,172
	52,396	36,790	33,732
Financial liabilities			
Amortized cost	12,145	14,829	17,482

The Company

	As at December 31,		As at June 30,
	2024	2025	2026
	USD'000	*USD'000*	*USD'000*
Financial assets			
Amortized cost	54,136	50,973	49,509
Financial liabilities			
Amortized cost	15,000	13,212	13,610

(b) Financial risk management objectives and policies

The Group's major financial assets and liabilities include other receivables, cash and cash equivalents, restricted bank balances, financial assets at FVTPL, trade payables, other payables and borrowings. Details of these financial assets and liabilities are disclosed in respective notes.

The risks associated with these financial assets and liabilities include market risks (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risks

The Group's activities expose it primarily to currency risk and interest rate risk. There has been no change in the Group's exposure to these risks or the manner in which it manages and measures the risks.

(i) Currency risk

Certain bank balances are denominated in foreign currency of respective group entities which are exposed to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets at the end of each year are mainly as follows:

	As at December 31,		As at June 30,
	2024	2025	2026
	USD'000	*USD'000*	*USD'000*
Assets			
RMB	1,251	1,300	1,342
HKD	1	2	3
	1,252	1,302	1,345

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in foreign currencies against respective entities' functional currencies, with which the Group may have a material exposure. 5% represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis uses outstanding foreign currency denominated monetary items as a base and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rates. A positive/negative number below indicates a decrease/increase in loss where foreign currencies strengthen 5% against functional currencies. For a 5% weakening of foreign currencies against functional currencies, there would be an equal and opposite impact on loss for the year.

	As at December 31,		As at June 30,
	2024	2025	2026
	USD'000	*USD'000*	*USD'000*
Impact on profit or loss	63	65	67

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to lease liabilities and cash flow interest rate risk in relation to the bank balances and borrowings due to the fluctuation of the prevailing market interest rates during the Track Record Period.

The Group currently does not have any interest rate hedging policy in relation to fair value and cash flow interest rate risks. The management of the Group monitors the Group's exposure on ongoing basis and will consider hedging interest rate risk should the need arise. The Group's cash flow interest rate risk is mainly sensitive to the fluctuation of interest rate arising from the Group's borrowings.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended 31 December 2024 and 2025 and the six months ended June 30, 2026 would increase/decrease by USD10,000, USD11,000 and USD7,000, respectively. This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to other receivables, cash, bank balances and restricted bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Other receivables

For other receivables, the management of the Group make periodic assessment on the recoverability of other receivables based on quantitative and qualitative information that is reasonable and supportive forward-looking information. During the Track Record Period, the Group assessed the ECL for other receivables was insignificant and thus no loss allowance was recognized.

Cash and cash equivalents and restricted bank balances

The credit risk on cash and cash equivalents and restricted bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit-rating agencies. During the Track Record Period, based on the average loss rates, the 12m ECL on cash and cash equivalents and restricted bank balances was considered to be insignificant and therefore no loss allowance was recognized.

Amounts due from subsidiaries

The credit risk on amounts due from subsidiaries is limited because the counterparties are related parties. During the Track Record Period, the Group assessed the ECL for amounts due from subsidiaries was insignificant and thus no loss allowance was recognized.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	12m ECL
Watch list . . .	Debtor frequently repays after due dates but settle in full	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – not credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

Liquidity risk

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Liquidity tables

	Weighted average effective interest rate	Within 1 year or on demand	1-2 years	2-5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	%	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
As at December 31, 2024							
Trade payables . .	–	314	–	–	–	314	314
Other payables . .	–	1,042	–	–	–	1,042	1,042
Borrowings	4.35	1,801	1,100	9,350	–	12,251	10,789
Lease liabilities . .	6.20	986	841	2,993	4,272	9,092	7,059
		4,143	1,941	12,343	4,272	22,699	19,204
As at December 31, 2025							
Trade payables . .	–	343	–	–	–	343	343
Other payables . .	–	3,283	–	–	–	3,283	3,283
Borrowings	3.70	2,412	2,409	7,297	–	12,118	11,203
Lease liabilities . .	5.23	456	107	1	–	564	544
		6,494	2,516	7,298	–	16,308	15,373
As at June 30, 2026							
Trade payables . .	–	205	–	–	–	205	205
Other payables . .	–	2,406	–	–	–	2,406	2,406
Borrowings	3.35	6,998	2,779	5,902	–	15,679	14,871
Lease liabilities . .	5.23	338	7	–	–	345	338
		9,947	2,786	5,902	–	18,635	17,820

(c) Fair value measurements of financial instruments

The management of the Group considers that the carrying amount of the Group's financial assets and financial liabilities recorded at amortized cost in the Historical Financial Information approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

The Group's financial assets at FVTPL measured at fair value at December 31, 2024 and 2025 and June 30, 2026 are grouped under Level 2 hierarchy. The fair values are estimated based on the net asset values of the products.

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities	Borrowings	Other payables	Total
	USD'000 (Note 24)	*USD'000 (Note 25)*	*USD'000*	*USD'000*
At January 1, 2024	6,711	9,707	–	16,418
Financing cash flows	(1,924)	943	–	(981)
Non-cash changes:				
New leases entered	1,470	–	–	1,470
Interest expenses	448	445	–	893
Exchange rate adjustments	354	(306)	–	48
At December 31, 2024	7,059	10,789	–	17,848
Financing cash flows	(1,101)	(431)	(178)	(1,710)
Non-cash changes:				
New leases entered	36	–	–	36
Settled by restricted cash	(329)	–	–	(329)
Early termination	(5,834)	–	–	(5,834)
Interest expenses	326	431	–	757
Accrued issue costs	–	–	437	437
Exchange rate adjustments	387	414	–	801
At December 31, 2025	544	11,203	259	12,006
Financing cash flows	(232)	3,105	(269)	2,604
Non-cash changes:				
Interest expenses	12	223	–	235
Accrued issue costs	–	–	118	118
Exchange rate adjustments	14	340	–	354
At June 30, 2026	338	14,871	108	15,317
At December 31, 2024	7,059	10,789	–	17,848
Financing cash flows	(653)	(222)	–	(875)
Non-cash changes:				
New leases entered	36	–	–	36
Interest expenses	216	220	–	436
Exchange rate adjustments	14	212	–	226
At June 30, 2025 (unaudited)	6,672	10,999	–	17,671

34. RELATED PARTY TRANSACTIONS

Save for disclosed in Note 20 of the Historical Financial Information, which is the balances with the related parties of the Company, the Group has the following transactions with the related parties during the Track Record Period.

(a) Compensation of key management personnel

The remuneration of the directors and senior management during the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 (unaudited) and 2026 as follows:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	USD'000	*USD'000*	*USD'000 (unaudited)*	*USD'000*
Salaries, bonus and other allowances	1,402	1,443	718	858
Retirement benefits scheme contributions	30	34	16	20
Share-based payment expenses	250	447	162	392
	1,682	1,924	896	1,270

35. RESERVES OF THE COMPANY

	Share premium	Share-based payment reserve	Translation reserve	Accumulated losses	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*
At January 1, 2024	195,965	1,729	1,487	(122,119)	77,062
Loss and total comprehensive expense for the year	–	–	(1,487)	(12,468)	(13,955)
Exercise of share options granted	9	–	–	–	9
Repurchase of ordinary shares *(Note 27)*	(720)	–	–	–	(720)
Recognition of equity-settled share-based payments *(Note 28)*	–	243	–	–	243
At December 31, 2024	195,254	1,972	–	(134,587)	62,639
Loss and total comprehensive expense for the year	–	–	–	(9,838)	(9,838)
Recognition of equity-settled share-based payments *(Note 28)*	–	483	–	–	483
At December 31, 2025	195,254	2,455	–	(144,425)	53,284
Loss and total comprehensive expense for the period	–	–	–	(2,398)	(2,398)
Recognition of equity-settled share-based payments *(Note 28)*	–	400	–	–	400
At June 30, 2026	195,254	2,855	–	(146,823)	51,286

36. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

(a) Investments in subsidiaries

	As at December 31,		As at June 30,
	2024	2025	2026
	USD'000	*USD'000*	*USD'000*
Cost of investments in subsidiaries	157,651	157,651	157,651
Share of losses and other comprehensive expenses	(134,132)	(140,960)	(142,153)
	23,519	16,691	15,498

(b) Detail information of subsidiaries of the Group

As at December 31, 2024 and 2025 and June 30, 2026 , and as at the date of this report, the Company has direct and indirect equity interests in the following subsidiaries:

Name of subsidiaries	Place/country and date of establishment/ incorporation	Issued and fully paid share capital/ registered capital				Equity interest attributable to the Group				Principal activities
		as at December 31,		As at June 30,	as at the date of this report	as at December 31,		As at June 30,	as at the date of this report	
		2024	2025	2026		2024	2025	2026		
Directly held										
Frontera BVI *(Note ii)*	BVI, March 11, 2020	Issued capital of USD1 and paid-in capital of nil	Issued capital of USD1 and paid-in capital of nil	Issued capital of USD1 and paid-in capital of nil	[Issued capital of USD1 and paid-in capital of nil]	100%	100%	100%	[100%]	Investment holding company
Frontera HK *(Note i)*	Hong Kong, October 2, 2019	Issued and paid-in capital of HKD1	Issued and paid-in capital of HKD1	Issued and paid-in capital of HKD1	[Issued and paid-in capital of HKD1]	100%	100%	100%	[100%]	Investment holding company
Frontera US *(Note ii)*	Delaware, USA, December 18, 2019	Issued and paid-in capital of USD1	Issued and paid-in capital of USD1	Issued and paid-in capital of USD1	[Issued and paid-in capital of USD1]	100%	100%	100%	[100%]	Research and development of biological science
Indirectly held										
Inspirar *(Note ii)*	Hong Kong, April 9, 2019	Issued capital of HKD1 and paid-in capital of nil	Issued capital of HKD1 and paid-in capital of nil	Issued capital of HKD1 and paid-in capital of nil	[Issued capital of HKD1 and paid-in capital of nil]	100%	100%	100%	[100%]	Investment holding company
The WFOE *(Note iii)*	Suzhou, PRC, September 16, 2020	Registered and paid-up capital of USD10,000,000	Registered and paid-up capital of USD10,000,000	Registered and paid-up capital of USD10,000,000	[Registered and paid-up capital of USD10,000,000]	100%	100%	100%	[100%]	Research and development of biological science
Frontera Shanghai *(Note iii)*	Shanghai, PRC, June 5, 2020	Registered and paid-up capital of USD5,000,000	Registered and paid-up capital of USD5,000,000	Registered and paid-up capital of USD5,000,000	[Registered and paid-up capital of USD5,000,000]	100%	100%	100%	[100%]	Research and development of biological science
Suzhou Frontera *(Note iii)*	Suzhou, PRC, August 19, 2020	Registered capital of RMB40,000,000 and paid-up capital of RMB10,000,000	Registered capital of RMB40,000,000 and paid-up capital of RMB10,000,000	Registered capital of RMB40,000,000 and paid-up capital of RMB10,000,000	[Registered capital of RMB40,000,000 and paid-up capital of RMB10,000,000]	100%	100%	100%	[100%]	Research and development of biological science

All of the subsidiaries adopted December 31 as financial year end.

None of the subsidiaries has issued any debt securities as at December 31, 2024 and 2025 and June 30, 2026.

Notes:

i. The statutory financial statements of Frontera HK for each of the years ended December 31, 2024 and 2025 were prepared in accordance with the HKFRS Accounting Standards issued by the HKICPA and were audited by us.

ii. No statutory financial statements have been prepared for these subsidiaries, as there is no statutory audit requirement.

iii. The statutory financial statements of these subsidiaries for each of the years ended December 31, 2024 and 2025 were prepared in accordance with Chinese Accounting Standards for Business Enterprises and were audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP.

37. SUBSEQUENT EVENTS

[As at the date of this report, there was no material subsequent event undertaken by the Group after June 30, 2026.]

38. [SUBSEQUENT FINANCIAL STATEMENTS

[No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared by the Company or any of the companies comprising the Group in respect of any period subsequent to June 30, 2026 and up to the date of this report.]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

Set out below is a summary of certain provisions of the constitution of the Company and certain aspects of the company laws of the Cayman Islands.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 17 September 2019 under the Companies Act. The Company's constitutional documents consist of the Memorandum of Association and the Articles of Association.

1. MEMORANDUM OF ASSOCIATION

The Memorandum provides, *inter alia*, that the liability of the members of the Company is limited, that the objects for which the Company is established are unrestricted (and therefore include acting as an investment holding company) and that the Company shall have full power and authority to carry out any object not prohibited by the Companies Act or any other law of the Cayman Islands.

2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on [●] and will become effective on the [**REDACTED**]. A summary of certain provisions of the Articles is set out below.

2.1 Shares

(a) Classes of Shares

The share capital of the Company consists of a single class of ordinary shares.

(b) Variation of Rights of Existing Shares or Classes of Shares

If at any time the share capital of the Company is divided into different classes of Shares, all or any of the rights attached to any class of Shares for the time being issued (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of at least three-fourths of the issued Shares of that class, or with the approval of a resolution passed by at least three-fourths of the votes cast by the holders of the Shares of that class present and voting in person (whether physically or by virtual attendance with the use of technology) or by proxy at a separate meeting of such holders. The provisions of the Articles relating to general meetings shall apply *mutatis mutandis* to every such separate meeting, except that the necessary quorum shall be two persons together holding (or, in the case of a member being a corporation, by its duly authorised representative), or representing by proxy, at least one-third of the issued Shares of that class. Every holder of Shares of the class shall be entitled on a poll to one vote for every such Share held by him, and any holder of Shares of the class present in person (whether physically or by virtual attendance with the use of technology), or by proxy may demand a poll.

For the purposes of a separate class meeting, the Board may treat two or more classes of Shares as forming one class of Shares if the Board considers that such classes of Shares would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate classes of Shares.

Any rights conferred upon the holders of Shares of any class shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

(c) Alteration of Capital

The Company may by ordinary resolution:

(i) increase its share capital by the creation of new Shares of such amount and with such rights, priorities and privileges attached to such Shares as it may determine;

(ii) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares. On any consolidation of fully paid Shares and division into Shares of a larger amount, the Board may settle any difficulty which may arise as it thinks expedient and, in particular (but without prejudice to the generality of the foregoing), may as between the holders of Shares to be consolidated determine which particular Shares are to be consolidated into a consolidated Share, and if it shall happen that any person shall become entitled to fractions of a consolidated Share or Shares, such fractions may be sold by some person appointed by the Board for that purpose and the person so appointed may transfer the Shares so sold to the purchaser(s) thereof and the validity of such transfer shall not be questioned, and the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated Share or Shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;

(iii) sub-divide its Shares or any of them into Shares of an amount smaller than that fixed by the Memorandum; and

(iv) cancel any Shares which, as at the date of passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.

The Company may by special resolution reduce its share capital or any undistributable reserve, subject to the provisions of the Companies Act.

(d) Transfer of Shares

Subject to the terms of the Articles, any member of the Company may transfer all or any of his Shares by an instrument of transfer. If the Shares in question were issued in conjunction with rights, options, warrants or units issued pursuant to the Articles on terms that one cannot be transferred without the other, the Board shall refuse to register the transfer of any such Share without evidence satisfactory to it of the like transfer of such right, option, warrant or unit.

Subject to the Articles and the requirements of the Stock Exchange, all transfers of Shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve and may be under hand or, if the transferor or transferee is a recognised clearing house or its nominee(s), under hand or by machine imprinted signature, or by such other manner of execution as the Board may approve from time to time.

Execution of the instrument of transfer shall be by or on behalf of the transferor and the transferee, provided that the Board may dispense with the execution of the instrument of transfer by the transferor or transferee or accept mechanically executed transfers. The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the register of members of the Company in respect of that Share.

Subject to the provisions of the Companies Act, if the Board considers it necessary or appropriate, the Company may establish and maintain a branch register or registers of members at such location or locations within or outside the Cayman Islands as the Board thinks fit. The Board may, in its absolute discretion, at any time transfer any Share on the principal register to any branch register or any Share on any branch register to the principal register or any other branch register.

The Board may, in its absolute discretion, decline to register a transfer of any Share (not being a fully paid Share) to a person of whom it does not approve or on which the Company has a lien, or a transfer of any Share issued under any share option scheme upon which a restriction on transfer subsists or a transfer of any Share to more than four joint holders. It may also decline to recognise any instrument of transfer if the proposed transfer does not comply with the Articles or any requirements of the Listing Rules.

The Board may decline to recognise any instrument of transfer unless a certain fee, up to such maximum sum as the Stock Exchange may determine to be payable, is paid to the Company, the instrument of transfer is properly stamped (if applicable), is in respect of only one class of Share and is lodged at the relevant registration office or the place at which the principal register is located accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require is provided to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The register of members may, subject to the Listing Rules and the relevant section of the Companies Ordinance, be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine (or such longer period as the members of the Company may by ordinary resolution determine, provided that such period shall not be extended beyond 60 days in any year).

Fully paid Shares shall be free from any restriction on transfer (except when permitted by the Stock Exchange) and shall also be free from all liens.

(e) Redemption of Shares

Subject to the provisions of the Companies Act, the Listing Rules and any rights conferred on the holders of any Shares or attaching to any class of Shares, the Company may issue Shares that are to be redeemed or are liable to be redeemed at the option of the members or the Company. The redemption of such Shares shall be effected in such manner and upon such other terms as the Company may by special resolution determine before the issue of such Shares.

(f) Power of the Company to Purchase its own Shares

Subject to the Companies Act, or any other law or so far as not prohibited by any law and subject to any rights conferred on the holders of any class of Shares, the Company shall have the power to purchase or otherwise acquire all or any of its own Shares (which includes redeemable Shares), provided that the manner and terms of purchase have first been authorised by ordinary resolution and that any such purchase shall only be made in accordance with the relevant code, rules or regulations issued from time to time by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong from time to time in force.

(g) Power of any Subsidiary of the Company to own Shares in the Company

There are no provisions in the Articles relating to the ownership of Shares in the Company by a subsidiary.

(h) Calls on Shares and Forfeiture of Shares

Subject to the terms of allotment and issue of any Shares (if any), the Board may, from time to time, make such calls as it thinks fit upon the members in respect of any monies unpaid on the Shares held by them (whether in respect of par value or share premium). A member who is the subject of the call shall (subject to receiving at least 14 clear days' notice specifying the time or times for payment) pay to the Company at the time or times so specified the amount called on his Shares. A call may be made payable either in one sum or by instalments, and shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed. The joint holders of a Share shall be severally as well as jointly liable for the payment of all calls and instalments due in respect of such Share.

If a call remains unpaid after it has become due and payable, the member from whom the sum is due shall pay interest on the unpaid amount at such rate as the Board shall determine (together with any expenses incurred by the Company as a result of such non-payment) from the day it became due and payable until it is paid, but the Board may waive payment of such interest or expenses in whole or in part.

If a member fails to pay any call or instalment of a call after it has become due and payable, the Board may, for so long as any part of the call or instalment remains unpaid, give to such member not less than 14 clear days' notice requiring payment of the unpaid amount together with any interest which may have accrued and which may still accrue up to the date of payment (together with any expenses incurred by the Company as a result of such non-payment). The notice shall specify a further day on or before which the payment required by the notice is to be made. The notice shall also state that, in the event of non-payment at or before the appointed time, the Shares in respect of which the call was made will be liable to be forfeited.

If such notice is not complied with, any Share in respect of which the notice was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Board. Such forfeiture shall include all dividends, other distributions and other monies payable in respect of the forfeited Share and not paid before the forfeiture.

A person whose Shares have been forfeited shall cease to be a member in respect of the forfeited Shares, shall surrender to the Company for cancellation the certificate(s) for the Shares forfeited and shall remain liable to pay to the Company all monies which, as at the date of forfeiture, were payable by him to the Company in respect of the Shares together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until the date of payment as the Board may determine and any expenses incurred by the Company as a result of such non-payment.

2.2 Directors

(a) Appointment, Retirement and Removal

The Company may by ordinary resolution of the members elect any person to be a Director. The Board may also appoint any person to be a Director at any time, either to fill a casual vacancy or as an additional Director subject to any maximum number fixed by the members in general meeting or the Articles. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

There is no shareholding qualification for Directors nor is there any specified age limit for Directors.

The members may by ordinary resolution remove any Director (including a managing or executive Director) before the expiration of his term of office, notwithstanding anything in the Articles or any agreement between the Company and such Director, and may by ordinary resolution elect another person in his stead. Nothing shall be taken as depriving a Director so removed of any compensation or damages payable to such Director in respect of the termination of his appointment as Director or of any other appointment or office as a result of the termination of his appointment as Director.

The office of a Director shall be vacated if:

(i) the Director gives notice in writing to the Company that he resigns from his office as Director;

(ii) the Director is absent, without being represented by proxy or an alternate Director appointed by him, for a continuous period of 12 months without special leave of absence from the Board, and the Board passes a resolution that he has by reason of such absence vacated his office;

(iii) the Director becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;

(iv) the Director dies or an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Board resolves that his office be vacated;

(v) the Director is prohibited from being or ceases to be a Director by operation of law;

(vi) the Director has been required by the Stock Exchange to cease to be a Director or no longer qualifies to be a Director pursuant to the Listing Rules; or

(vii) the Director is removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office.

At each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation. If the number of Directors is not a multiple of three, then the number nearest to but not less than one-third shall be the number of retiring Directors, provided that every Director shall be subject to retirement by rotation at least once every three years. The Directors to retire at each annual general meeting shall be those who have been in office longest since their last re-election or appointment and, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

(b) Power to Allot and Issue Shares and other Securities

Subject to the provisions of the Companies Act, the Memorandum and Articles and, where applicable, the Listing Rules, and without prejudice to any rights or restrictions for the time being attached to any Shares, the Board may allot, issue, grant options over or otherwise dispose of Shares with or without preferred, deferred or other rights or restrictions, whether with regard to dividend, voting, return of capital or otherwise, to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, provided that no Shares shall be issued at a discount to their par value.

The Company may issue rights, options, warrants or convertible securities or securities of a similar nature conferring the right upon the holders thereof to subscribe for, purchase or receive any class of Shares or other securities in the Company on such terms as the Board may from time to time determine.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of Shares, to make, or make available, any such allotment, offer, option or Shares to members or others whose registered addresses are in any particular territory or territories where, in the absence of a registration statement or other special formalities, this is or may, in the opinion of the Board, be unlawful or impracticable. However, no member affected as a result of the foregoing shall be, or be deemed to be, a separate class of members for any purpose whatsoever.

(c) Power to Dispose of the Assets of the Company or any of its Subsidiaries

Subject to the provisions of the Companies Act and the Memorandum and Articles, the Board may exercise all powers and do all acts and things which may be exercised or done by the Company to dispose of the assets of the Company or any of its subsidiaries. No alteration to the Memorandum or Articles shall invalidate any prior act of the Board which would have been valid if such alteration or direction had not been made or given.

(d) Borrowing Powers

The Board may exercise all the powers of the Company to raise or borrow money, secure the payment of any sum or sums of money for the purposes of the Company, mortgage or charge all or any part of its undertaking, property and uncalled capital of the Company, and, subject to the Companies Act, issue debentures, debenture stock, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(e) Remuneration

A Director shall be entitled to receive such sums as shall from time to time be determined by the Board or the Company in general meetings. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them in connection with attendance at meetings of the Board or committees of the Board, or general meetings of the Company or separate meetings of the holders of any class of Shares or debentures of the Company, or otherwise in connection with the business of the Company and the discharge of their duties as Directors, and/or to receive fixed allowances in respect thereof as may be determined by the Board.

The Board or the Company in general meetings may also approve additional remuneration to any Director for any services which in the opinion of the Board or the Company in general meetings go beyond such Director's ordinary routine work as a Director.

(f) Compensation or Payments for Loss of Office

There are no provisions in the Articles relating to compensation or payment for loss of office.

(g) Loans to Directors

There are no provisions in the Articles relating to making of loans to Directors.

(h) Disclosure of Interest in Contracts with the Company or any of its Subsidiaries

With the exception of the office of auditor of the Company, a Director may hold any other office or place of profit with the Company in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration for that other office or place of profit, in whatever form, in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director, officer or member of any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration or other benefits received by him as a director, officer or member of such other company.

No person shall be disqualified from the office of Director or alternate Director or prevented by such office from contracting with the Company, nor shall any such contract or any other contract or transaction entered into by or on behalf of the Company in which any Director or alternate Director is in any way interested be or be liable to be avoided, nor shall any Director or alternate Director so contracting or being so interested be liable to account to the Company for any profit realised by or arising in connection with any such contract or transaction by reason of such Director or alternate Director holding such office or of the fiduciary relationship established by it, provided that the nature of interest of any Director or alternate Director in any such contract or transaction shall be disclosed by such Director or alternate Director at or prior to the consideration and vote thereon.

A Director shall not vote on (or be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement or other proposal in which he or any of his close associate(s) has a material interest, and if he shall do so his vote shall not be counted and he shall not be counted in the quorum for such resolution. This prohibition shall not apply to any of the following matters:

(i) the giving of any security or indemnity to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;

(ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(iii) any proposal concerning an offer of Shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries, including the adoption, modification or operation of (A) any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit or (B) any pension fund or retirement, death or disability benefits scheme which relates to the Director, his close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his close associate(s) any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(v) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of Shares, debentures or other securities of the Company by virtue only of his/their interest in those Shares, debentures or other securities.

2.3 Proceedings of the Board

The Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. Unless otherwise determined, two Directors shall be a quorum. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

2.4 Alterations to the Constitutional Documents and the Company's Name

The Memorandum and Articles may only be altered or amended, and the name of the Company may only be changed, by special resolution of the Company.

2.5 Meetings of Members

(a) Special and Ordinary resolutions

A special resolution must be passed by a majority of not less than two-thirds (other than in relation to any resolution approving changes to the Company's constitutional documents or a voluntary winding up of the Company, in which case a special resolution must be passed by a majority of not less than three-fourths) of the voting rights held by such members as, being entitled so to do, vote in person (whether physically or by virtual attendance with the use of technology), or by proxy or, in the case of any members which is a corporation, by its duly authorised representative(s) or by proxy, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given. A special resolution may also be approved in writing by all the members entitled to vote at a general meeting in one or more instruments each signed by one or more of such members.

An ordinary resolution, in contrast, is a resolution passed by a simple majority of the voting rights held by such members as, being entitled to do so, vote in person (whether physically or by virtual attendance with the use of technology), or by proxy or, in the case of any member which is a corporation, by its duly authorised representative(s) or by proxy, at a general meeting. An ordinary resolution may also be approved in writing by all the members entitled to vote at a general meeting in one or more instruments each signed by one or more of such members.

The provisions of special resolutions and ordinary resolutions shall apply *mutatis mutandis* to any resolutions passed by the holders of any class of shares.

(b) Voting Rights and Right to Demand a Poll

Subject to any rights, restrictions or privileges as to voting for the time being attached to any class or classes of Shares, at any general meeting: (a) on a poll every member present in person (whether physically or by virtual attendance with the use of technology), or, in the case of a member being a corporation, by its duly authorised representative or by proxy shall have one vote for every Share and (b) on a show of hands every member who is present in person (whether physically or by virtual attendance with the use of technology), or, in the case of a member being a corporation, by its duly authorised representative or by proxy shall have one vote. For the avoidance of doubt, votes may be cast by members by electronic means, if such means are provided.

In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy shall be accepted to the exclusion of the votes of the other join holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members of the Company.

No person shall be counted in a quorum or be entitled to vote at any general meeting unless he is registered as a member on the record date for such meeting, nor unless all calls or other monies then payable by him in respect of the relevant Shares have been paid.

At any general meeting a resolution put to the vote of the meeting shall be decided by way of poll save that the chairman of the meeting may, pursuant to the Listing Rules, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands (whether physically or by virtual attendance with the use of technology).

Any corporation or other non-natural person which is a member of the Company may in accordance with its constitutional documents, or in the absence of such provision by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members, and the person so authorised shall be entitled to exercise the same powers as the corporation or other non-natural person could exercise as if it were a natural person member of the Company.

If a recognised clearing house or its nominee(s) is a member of the Company, it may appoint proxies or authorise such person or persons as it thinks fit to act as its representative(s), who enjoy rights equivalent to the rights of other members, at any meeting of the Company (including but not limited to general meetings and creditors meetings) or at any meeting of any class of members of the Company, provided that if more than one person is so authorised, the authorisation shall specify the number and class of Shares in respect of which each such person is so authorised. A person so authorised shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house or its nominee(s) as if such person were a natural person member of the Company, including the right to speak and vote individually on a show of hands or on a poll (whether physically or by virtual attendance with the use of technology).

All members of the Company (including a member which is a recognised clearing house (or its nominee(s))) shall have the right to (i) speak at a general meeting and (ii) and vote at a general meeting (whether physically or by virtual attendance with the use of technology), except where a member is required by the Listing Rules to abstain from voting to approve the matter under consideration. Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

(c) Annual General Meetings and Extraordinary General Meetings

The Company must hold a general meeting as its annual general meeting in each financial year. Such meeting shall be specified as such in the notices calling it, and must be held within six months after the end of the Company's financial year. A meeting of the members or any class thereof may be held by telephone, tele-conferencing or other electronic means, provided that all participants are able to communicate contemporaneously with one another, and participation in a meeting in such manner shall constitute presence at such meetings.

The Board may convene an extraordinary general meeting whenever it thinks fit. In addition, one or more members holding, as at the date of deposit of the requisition, in aggregate not less than one-tenth of the voting rights (on a one vote per Share basis) in the share capital of the Company may make a requisition to convene an extraordinary general meeting and/or add resolutions to the agenda of a meeting. Such requisition, which must state the objects and the resolutions to be added to the agenda of the meeting and must be signed by the requisitionists, shall be deposited at the principal place of business of the Company in Hong Kong or, in the event the Company ceases to have such a principal place of business, the registered office of the Company. If the Board does not within 21 days from the date of deposit of such requisition duly proceed to convene a general meeting to be held within the following 21 days, the requisitionists or any of them representing more than one-half of the total voting rights of all the requisitionists may themselves convene a general meeting, but any such meeting so convened shall be held no later than the day falling three months after the expiration of the said 21-day period. A general meeting convened by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by the Board, and all reasonable expenses incurred by the requisitionists shall be reimbursed to the requisitionists by the Company.

(d) Notices of Meetings and Business to be Conducted

An annual general meeting of the Company shall be called by at least 21 days' notice in writing, and any other general meeting of the Company shall be called by at least 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the date, time, place and agenda of the meeting, the particulars of the resolution(s) to be considered at the meeting, the general nature of the business to be considered at the meeting and details for members to attend the meeting virtually with the use of technology (if applicable).

Except where otherwise expressly stated, any notice or document (including a share certificate) to be given or issued under the Articles shall be in writing, and may be served by the Company on any member personally, by post to such member's registered address, (to the extent permitted by the Listing Rules and all applicable laws and regulations) by electronic means or (in the case of a notice) by advertisement published in the manner prescribed under the Listing Rules.

Notwithstanding that a meeting of the Company is called by shorter notice than as specified above, if permitted by the Listing Rules, such meeting may be deemed to have been duly called if it is so agreed:

(i) in the case of an annual general meeting, by all members of the Company entitled to attend and vote thereat; and

(ii) in the case of an extraordinary general meeting, by a majority in number of the members having a right to attend and vote at the meeting holding not less than 95% of the total voting rights held by such members.

If, after the notice of a general meeting has been sent but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Board in its absolute discretion consider that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time and place specified in the notice calling such meeting, it may change or postpone the meeting to another date, time and place.

The Board also has the power to provide in every notice calling a general meeting that in the event of a gale warning, a black rainstorm warning or extreme conditions is/are in force at any time on the day of the general meeting (unless such warning is cancelled at least a minimum period of time prior to the general meeting as the Board may specify in the relevant notice), the meeting shall be postponed without further notice to be reconvened on a later date.

Where a general meeting is postponed:

(A) the Company shall endeavour to cause a notice of such postponement, which shall set out the reason for the postponement in accordance with the Listing Rules, to be placed on the Company's website and published on the Stock Exchange's website as soon as practicable, provided that failure to place or publish such notice shall not affect the automatic postponement of a general meeting due to a gale warning, a black rainstorm warning or extreme conditions being in force on the day of the general meeting;

(B) the Board shall determine the date, time, place and details for members to attend virtually with the use of technology for the reconvened meeting and at least seven clear days' notice shall be given for the reconvened meeting. Such notice shall specify the date, time and place at which the postponed meeting will be reconvened, details for members to attend such postponed meeting virtually with the use of technology (if applicable) and the date and time by which proxies shall be submitted in order to be valid at such reconvened meeting (provided that any proxy submitted for the original meeting shall continue to be valid for the reconvened meeting unless revoked or replaced by a new proxy); and

(C) only the business set out in the notice of the original meeting shall be considered at the reconvened meeting, and notice given for the reconvened meeting does not need to specify the business to be considered at the reconvened meeting, nor shall any accompanying documents be required to be recirculated. Where any new business is to be considered at such reconvened meeting, the Company shall give a fresh notice for such reconvened meeting in accordance with the Articles.

(e) Quorum for Meetings and Separate Class Meetings

No business shall be considered at any general meeting unless a quorum is present when the meeting proceeds to business, and continues to be present until the conclusion of the meeting.

The quorum for a general meeting shall be two members present in person (whether physically or by virtual attendance with the use of technology), or in the case of a member being a corporation, by its duly authorised representative or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to approve the variation of class rights, the necessary quorum shall be two persons holding or representing by proxy not less than one-third of the issued Shares of that class.

(f) Proxies

Any member of the Company (including a member which is a recognised clearing house (or its nominee(s))) entitled to attend and vote at a meeting of the Company is entitled to appoint another person (being a natural person) as his proxy to attend and vote in his place. A member who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is a natural

person and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise as if it were a natural person member present in person (whether physically or by virtual attendance with the use of technology) at any general meeting. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

The instrument appointing a proxy shall be in writing and executed under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation or other non-natural person, either under its seal or under the hand of a duly authorised representative. The appointor should be allowed to send the instrument appointing a proxy by electronic means.

The Board shall, in the notice convening any meeting or adjourned meeting, or in an instrument of proxy sent out by the Company, specify the manner by which the instrument appointing a proxy shall be sent by electronic means (if such means are provided) or deposited and the place and time (being no later than the time appointed for the commencement of the meeting or adjourned meeting to which the instrument of proxy relates) at which such instrument shall be deposited.

Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form that complies with the Listing Rules as the Board may from time to time approve. Any form issued to a member for appointing a proxy to attend and vote at a general meeting at which any business is to be considered shall be such as to enable the member, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise the discretion of the proxy in respect of) each resolution dealing with any such business.

2.6 Accounts and Audit

The Board shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions in accordance with the Companies Act.

The books of accounts of the Company shall be kept at the principal place of business of the Company in Hong Kong or, subject to the provisions of the Companies Act, at such other place or places as the Board thinks fit and shall always be open to inspection by any Director. No member (not being a Director) or other person shall have any right to inspect any account, book or document of the Company except as conferred by the Companies Act or ordered by a court of competent jurisdiction or as authorised by the Board or the Company in general meeting.

The Board shall cause to be prepared and laid before the Company at every annual general meeting a profit and loss account for the period since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up, a Directors' report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an auditors' report on such accounts and such other reports and accounts as may be required by law and the Listing Rules.

The members shall at each annual general meeting appoint auditor(s) to hold office by ordinary resolution of the members until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board. The auditors' remuneration shall be fixed by the members at the annual general meeting at which they are appointed by ordinary resolution of the members or in any other manner as specified in such ordinary resolution. The members may, at any general meeting convened and held in accordance with the Articles, remove the auditors by ordinary resolution at any time before the expiration of the term of office and shall, by ordinary resolution, at that meeting appoint new auditors in their place for the remainder of the term.

The accounts of the Company shall be prepared and audited based on the generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Stock Exchange.

2.7 Dividends and other Methods of Distribution

Subject to the Companies Act and the Articles, the Company may by ordinary resolution resolve to declare dividends and other distributions on Shares in issue in any currency and authorise payment of the dividends or distributions out of the funds of the Company lawfully available therefor, provided that (i) no dividends shall exceed the amount recommended by the Board, and (ii) no dividends or distributions shall be paid except out of the realised or unrealised profits of the Company, out of the share premium account or as otherwise permitted by law.

The Board may from time to time pay to the members of the Company such interim dividends as appear to the Board to be justified by the financial conditions and the profits of the Company. In addition, the Board may from time to time declare and pay special dividends on Shares of such amounts and on such dates as it thinks fit.

Except as otherwise provided by the rights attached to any Shares, all dividends and other distributions shall be paid according to the amounts paid up on the Shares that a member holds during the period in respect of which the dividends and distributions are paid. No amount paid up on a Share in advance of calls shall for this purpose be treated as paid up on the Share.

The Board may deduct from any dividends or other distributions payable to any member of the Company all sums of money (if any) then payable by him to the Company on account of calls or otherwise. The Board may retain any dividends or distributions payable on or in respect of a Share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

No dividends or other distributions payable by the Company on or in respect of any Share shall carry interest against the Company.

Where the Board or the Company in general meeting has resolved that a dividend should be paid or declared, the Board may further resolve:

(a) that such dividend be satisfied in whole or in part in the form of an allotment of Shares credited as fully paid on the basis that the Shares so allotted shall be of the same class as the class already held by the allottee, provided that the members entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or

(b) that the members entitled to such dividend will be entitled to elect to receive an allotment of Shares credited as fully paid in lieu of the whole or such part of the dividend as the Board may think fit on the basis that the Shares so allotted shall be of the same class as the class already held by the allottee.

Upon the recommendation of the Board, the Company may by ordinary resolution resolve in respect of any one particular dividend of the Company determine that notwithstanding the foregoing, a dividend may be satisfied wholly in the form of an allotment of Shares credited as fully paid without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividends, distributions or other monies payable in cash in respect of Shares may be paid by wire transfer to the holder of such Shares or by cheque or warrant sent by post to the registered address of such holder, or in the case of joint holders, to the registered address of the holder who is first named on the register of members of the Company, or to such person and to such address as the holder or joint holders may in writing direct. Any one of two or

more joint holders may give effectual receipts for any dividends, distributions or other monies payable in respect of the Shares held by them as joint holders.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied in whole or in part by the distribution of specific assets of any kind.

Any dividends or other distributions which remain unclaimed for six years from the date on which such dividends or distributions become payable shall be forfeited and shall revert to the Company.

2.8 Inspection of Corporate Records

For so long as any part of the share capital of the Company is [**REDACTED**] on the Stock Exchange, any member may inspect any register of members of the Company maintained in Hong Kong (except when the register of members is closed in accordance with the Companies Ordinance) without charge and require the provision to him of copies or extracts of such register in all respects as if the Company were incorporated under and were subject to the Companies Ordinance.

2.9 Rights of Minorities in relation to Fraud or Oppression

There are no provisions in the Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of the Company under the Cayman Islands laws, as summarised in paragraph 3.6 below.

2.10 Procedures on Liquidation

Subject to the Companies Act, the members of the Company may by special resolution resolve to wind up the Company voluntarily or by the court.

Subject to any rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of Shares:

(a) if the assets available for distribution among the members of the Company are more than sufficient to repay the whole of the Company's paid up capital at the commencement of the winding up, the surplus shall be distributed *pari passu* among such members in proportion to the amount paid up on the Shares held by them at the commencement of the winding up; and

(b) if the assets available for distribution among the members of the Company are insufficient to repay the whole of the Company's paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or ought to be paid up, on the Shares held by them at the commencement of the winding up.

If the Company is wound up (whether the liquidation is voluntary or compelled by the court), the liquidator may, with the approval of a special resolution and any other approval required by the Companies Act, divide among the members in kind the whole or any part of the assets of the Company, whether the assets consist of property of one kind or different kinds, and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be so divided and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like approval, vest any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator thinks fit, provided that no member shall be compelled to accept any shares or other property upon which there is a liability.

3. COMPANY LAWS OF THE CAYMAN ISLANDS

The Company was incorporated in the Cayman Islands as an exempted company on 17 September 2019 subject to the Companies Act. Certain provisions of the company laws of the Cayman Islands are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the company laws of the Cayman Islands, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

3.1 Company Operations

An exempted company such as the Company must conduct its operations mainly outside the Cayman Islands. An exempted company is also required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

3.2 Share Capital

Under the Companies Act, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account, to be called the share premium account. At the option of a company, these provisions may not apply to premium on shares of that company allotted pursuant to any arrangements in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation, the following:

(a) paying distributions or dividends to members;

(b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;

(c) any manner provided in section 37 of the Companies Act;

(d) writing-off the preliminary expenses of the company; and

(e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

Notwithstanding the foregoing, no distribution or dividend may be paid to members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

Subject to confirmation by the court, a company limited by shares or a company limited by guarantee and having a share capital may, if authorised to do so by its articles of association, by special resolution reduce its share capital in any way.

3.3 Financial Assistance to Purchase Shares of a Company or its Holding Company

There are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore, a company may provide financial assistance provided the directors of the company, when proposing to grant such financial assistance, discharge their duties of care and act in good faith, for a proper purpose and in the interests of the company. Such assistance should be on an arm's-length basis.

3.4 Purchase of Shares and Warrants by a Company and its Subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a member and, for the avoidance of doubt, it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares; an ordinary resolution of the company approving the manner and terms of the purchase will be required if the articles of association do not authorise the manner and terms of such purchase. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, a company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. In addition, a payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless, immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares that have been purchased or redeemed by a company or surrendered to the company shall not be treated as cancelled but shall be classified as treasury shares if held in compliance with the requirements of section 37A(1) of the Companies Act. Any such shares shall continue to be classified as treasury shares until such shares are either cancelled or transferred pursuant to the Companies Act.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under the Cayman Islands laws that a company's memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy, sell and deal in personal property of all kinds.

A subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

3.5 Dividends and Distributions

Subject to a solvency test, as prescribed in the Companies Act, and the provisions, if any, of the company's memorandum and articles of association, a company may pay dividends and distributions out of its share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits.

For so long as a company holds treasury shares, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made, in respect of a treasury share.

3.6 Protection of Minorities and Shareholders' Suits

It can be expected that the Cayman Islands courts will ordinarily follow English case law precedents (particularly the rule in the case of *Foss vs. Harbottle* and the exceptions to that rule) which permit a minority member to commence a representative action against or derivative actions in the name of the company to challenge acts which are ultra vires, illegal, fraudulent (and performed by those in control of the company) against the minority, or represent an irregularity in the passing of a resolution which requires a qualified (or special) majority which has not been obtained.

Where a company (not being a bank) is one which has a share capital divided into shares, the court may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine the affairs of the company and, at the direction of the court, to report on such affairs. In addition, any member of a company may petition the court, which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

In general, claims against a company by its members must be based on the general laws of contract or tort applicable in the Cayman Islands or be based on potential violation of their individual rights as members as established by a company's memorandum and articles of association.

3.7 Disposal of Assets

There are no specific restrictions on the power of directors to dispose of assets of a company, however, the directors are expected to exercise certain duties of care, diligence and skill to the standard that a reasonably prudent person would exercise in comparable circumstances, in addition to fiduciary duties to act in good faith, for proper purpose and in the best interests of the company under English common law (which the Cayman Islands courts will ordinarily follow).

3.8 Accounting and Auditing Requirements

A company must cause proper records of accounts to be kept with respect to: (i) all sums of money received and expended by it; (ii) all sales and purchases of goods by it; and (iii) its assets and liabilities.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

If a company keeps its books of account at any place other than at its registered office or any other place within the Cayman Islands, it shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2021 Revision) of the Cayman Islands, make available, in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

3.9 Exchange Control

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

3.10 Taxation

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments.

3.11 Stamp Duty on Transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

3.12 Loans to Directors

There is no express provision prohibiting the making of loans by a company to any of its directors. However, the company's articles of association may provide for the prohibition of such loans under specific circumstances.

3.13 Inspection of Corporate Records

The members of a company have no general right to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

3.14 Register of Members

A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as the company may determine from time to time. There is no requirement for an exempted company to make any returns of members to the Registrar of Companies in the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of member, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2021 Revision) of the Cayman Islands.

3.15 Register of Directors and Officers

Pursuant to the Companies Act, the Company is required to maintain at its registered office a register of directors, alternate directors and officers. The Registrar of Companies shall make available the list of the names of the current directors of the Company (and, where applicable, the current alternate directors of the Company) for inspection by any person upon payment of a fee by such person. A copy of the register of directors and officers must be filed with the Registrar of Companies in the Cayman Islands, and any change must be notified to the Registrar of Companies within 30 days of any change in such directors or officers, including a change of the name of such directors or officers.

3.16 Winding up

A Cayman Islands company may be wound up by: (i) an order of the court; (ii) voluntarily by its members; or (iii) under the supervision of the court.

The court has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

A voluntary winding up of a company (other than a limited duration company, for which specific rules apply) occurs where the company resolves by special resolution that it be wound up voluntarily or where the company in general meeting resolves that it be wound up voluntarily because it is unable to pay its debt as they fall due. In the case of a voluntary winding up, the company is obliged to cease to carry on its business from the commencement of its winding up except so far as it may be beneficial for its winding up. Upon appointment of a voluntary liquidator, all the powers of the directors cease, except so far as the company in general meeting or the liquidator sanctions their continuance.

In the case of a members' voluntary winding up of a company, one or more liquidators are appointed for the purpose of winding up the affairs of the company and distributing its assets.

As soon as the affairs of a company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and the property of the company disposed of, and call a general meeting of the company for the purposes of laying before it the account and giving an explanation of that account.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the court for an order for the continuation of the winding up under the supervision of the court, on the grounds that: (i) the company is or is likely to become insolvent; or (ii) the supervision of the court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors. A supervision order takes effect for all purposes as if it was an order that the company be wound up by the court except that a commenced voluntary winding up and the prior actions of the voluntary liquidator shall be valid and binding upon the company and its official liquidator.

For the purpose of conducting the proceedings in winding up a company and assisting the court, one or more persons may be appointed to be called an official liquidator(s).The court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one person is appointed to such office, the court shall declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the court.

3.17 Mergers and Consolidations

The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorised by (a) a special resolution of each constituent company and (b) such other authorisation, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting members have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

3.18 Mergers and Consolidations involving a Foreign Company

Where the merger or consolidation involves a foreign company, the procedure is similar, save that with respect to the foreign company, the directors of the Cayman Islands exempted company are required to make a declaration to the effect that, having made due enquiry, they are of the opinion that the requirements set out below have been met: (i) that the merger or consolidation is permitted or not prohibited by the constitutional documents of the foreign company and by the laws of the jurisdiction in which the foreign company is incorporated, and that those laws and any requirements of those constitutional documents have been or will be complied with; (ii) that no petition or other similar proceeding has been filed and remains outstanding or order made or resolution adopted to wind up or liquidate the foreign company in any jurisdictions; (iii) that no receiver, trustee, administrator or other similar person has been appointed in any jurisdiction and is acting in respect of the foreign company, its affairs or its property or any part thereof; and (iv) that no scheme, order, compromise or other similar arrangement has been entered into or made in any jurisdiction whereby the rights of creditors of the foreign company are and continue to be suspended or restricted.

Where the surviving company is the Cayman Islands exempted company, the directors of the Cayman Islands exempted company are further required to make a declaration to the effect that, having made due enquiry, they are of the opinion that the requirements set out below have been met: (i) that the foreign company is able to pay its debts as they fall due and that the merger or consolidated is bona fide and not intended to defraud unsecured creditors of the foreign company; (ii) that in respect of the transfer of any security interest granted by the foreign company to the surviving or consolidated company (a) consent or approval to the transfer has been obtained, released or waived; (b) the transfer is permitted by and has been approved in accordance with the constitutional documents of the foreign company; and (c) the laws of the jurisdiction of the foreign company with respect to the transfer have been or will be complied with; (iii) that the foreign company will, upon the merger or consolidation becoming effective, cease to be incorporated, registered or exist under the laws of the relevant foreign jurisdiction; and (iv) that there is no other reason why it would be against the public interest to permit the merger or consolidation.

3.19 Reconstructions and Amalgamations

Reconstructions and amalgamations may be approved by (i) 75% in value of the members or class of members or (ii) a majority in number representing 75% in value of the creditors or class of creditors, in each case depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the Grand Court of the Cayman Islands. Whilst a dissenting member has the right to express to the court his view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, it can be expected that the court would approve the transaction if it is satisfied that (i) the company is not proposing to act illegally or beyond the scope of our corporate authority and the statutory provisions as to majority vote have been complied with, (ii) the members have been fairly represented at the meeting in question, (iii) the transaction is such as a businessman would reasonable approve and (iv) the transaction is not one that would more properly be sanctioned under some other provisions of the Companies Act or that would amount to a "fraud on the minority".

If the transaction is approved, no dissenting member would have any rights comparable to the appraisal rights (namely the right to receive payment in cash for the judicially determined value of his shares), which may be available to dissenting members of corporations in other jurisdictions.

3.20 Takeovers

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may, at any time within two months after the expiration of that four-month period, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the Cayman Islands courts within one month of the notice objecting to the transfer. The burden is on the dissenting member to show that the court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority members.

3.21 Indemnification

The Cayman Islands laws do not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, save to the extent any such provision may be held by the court to be contrary to public policy, for example, where a provision purports to provide indemnification against the consequences of committing a crime.

3.22 Economic Substance

The Cayman Islands enacted the International Tax Co-operation (Economic Substance) Act (2024 Revision) together with the Guidance Notes published by the Cayman Islands Tax Information Authority from time to time. If a company is considered to be a "relevant entity" and is conducting one or more of the nine "relevant activities", then such company will be required to comply with the economic substance requirements in relation to the relevant activity from 1 July 2019. All companies whether a relevant entity or not is required to file an annual report with the Registrar of Companies of the Cayman Islands confirming whether or not it is carrying on any relevant activities.

4. GENERAL

Harney Westwood & Riegels, the Company's legal adviser on Cayman Islands laws, has sent to the Company a letter of advice summarising the aspects of the Companies Act set out in section 3 above. This letter, together with copies of the Companies Act, the Memorandum and the Articles, is on display on the websites of the Stock Exchange and the Company as referred to in the paragraph headed "Documents Delivered to the Registrar of Companies and Available on Display" in Appendix V. Any person wishing to have a detailed summary of the Companies Act or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of Our Company

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Cayman Companies Act on September 17, 2019. Our registered office address is at Aequitas International Management Ltd., Suite 24, Grand Pavilion Commercial Centre, 802 West Bay Road, P.O. Box 10281, Grand Cayman KY1-1003, Cayman Islands. As our Company is incorporated in the Cayman Islands, our operation is subject to the relevant laws and regulations of the Cayman Islands, the Articles and the Memorandum. A summary of the relevant laws and regulations of the Cayman Islands and of our constitution is set out in Appendix III to this document.

Our Company was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on January 7, 2026. Our principal place of business in Hong Kong is at Room 1918, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. Ms. Yan Lam Chan (陳恩霖) has been appointed as our authorized representative for the acceptance of service of process and notices in Hong Kong. The address of service of process is Room 1918, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

As of the date of this document, our Company's headquarters are located at Unit 1001, Building C, Chamtime Plaza, Lane 2889, Jinke Road, Pudong New District, Shanghai.

2. Changes in the Share Capital of Our Company

Save as disclosed above, there has been no alternation in our share capital within the two years immediately preceding the date of this document.

3. Changes in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries is set out in note 36 to the Accountants' Report as set out in Appendix I to this document.

The following sets out the changes in the share capital of our principal subsidiaries within the two years immediately preceding the date of this document:

Frontera Qisheng

On August 19, 2020, Frontera Qisheng was incorporated in the PRC as a limited liability company with an initial registered share capital of RMB5.0 million and controlled by our Group through Historical Contractual Arrangements. The registered share capital was increased to RMB7.5 million and further to RMB40.0 million in 2022. In June 2025, the registered share capital was decreased from RMB40 million to RMB10.0 million.

Save as disclosed above, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this document.

4. Resolution of Our Shareholders

Written resolutions of our Shareholders were passed on [●] pursuant to which, among others:

(a) subject to the conditions of the [**REDACTED**] stated in the paragraph headed "Structure of the [**REDACTED**] — Conditions of the [**REDACTED**]" in this document being fulfilled or waived by the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]):

(i) the [**REDACTED**] (including the [**REDACTED**]) be approved, and the proposed allotment and issue of the Shares under the [**REDACTED**] were approved, and our Directors were authorized to determine the [**REDACTED**] for, and to allot and issue the Shares under the [**REDACTED**];

(ii) a general unconditional mandate be given to our Directors to exercise all powers of our Company to (i) allot, issue and deal with Shares or securities convertible into Shares and to make or grant offers, agreements or options (including any warrants, bonds, notes and debentures conferring any rights to subscribe for or otherwise receive Shares), and (ii) sell and/or transfer Shares out of treasury that are held as treasury shares, which might require Shares to be allotted, issued, dealt with, sold and/or transferred out of treasury, otherwise than by way of the [**REDACTED**], rights issue, pursuant to the exercise of any subscription rights attaching to any warrants which may be allotted and issued by our Company from time to time, or allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Memorandum and the Articles of Association on a specific authority granted by our Shareholders at general meetings, provided that such number of Shares shall not exceed 20% of the aggregate nominal value of the Shares in issue immediately following completion of the [**REDACTED**] (excluding (i) any Shares which may be issued pursuant to the exercise of the [**REDACTED**], (ii) any additional Shares which may be issued under the Pre-[**REDACTED**] Equity Incentive Plan and (iii) any treasury shares);

(iii) a general unconditional mandate (the "**Repurchase Mandate**") be given to our Directors to exercise all powers of our Company to repurchase Shares on the Stock Exchange or on any other stock exchange on which the Shares may be [**REDACTED**] and which is recognized by the SFC and the Stock Exchange for this purpose, provided that such number of Shares shall not exceed 10% of the aggregate nominal value of the Shares in issue immediately following completion of the [**REDACTED**] (excluding (i) any Shares which may be issued pursuant to the exercise of the [**REDACTED**], (ii) any additional Shares which may be issued under the Pre-[**REDACTED**] Equity Incentive Plan and (iii) any treasury shares);

(iv) the general unconditional mandate as mentioned in paragraph (ii) above be extended by the addition to the aggregate nominal value of the Shares which may be allotted, issued, dealt with, sold and/or transferred out of treasury or agreed to be allotted, issued, dealt with, sold and/or transferred out of treasury by our Directors pursuant to such general unconditional mandate of an amount representing the aggregate nominal value of the Shares repurchased by our Company pursuant to the Repurchase Mandate up to 10% of the aggregate nominal value of the Shares in issue immediately following completion of the [**REDACTED**] (excluding (i) any Shares which may be issued pursuant to the exercise of the [**REDACTED**], (ii) any additional Shares which may be issued under the Pre-[**REDACTED**] Equity Incentive Plan and (iii) any treasury shares); and

(v) the conversion of all of the authorized issued and unissued Preferred Shares into Shares on [a one-to-one basis] by re-designation and re-classification, each having the rights and restrictions as set out in the Memorandum and Articles, be approved with effect upon completion of the [**REDACTED**]; and

(b) the Memorandum and the Articles be conditionally approved and adopted with effect from the [**REDACTED**].

Each of the general mandates referred to in paragraphs (a)(ii), (a)(iii) and (a)(iv) above will remain in effect until whichever is the earliest of:

- the conclusion of the next annual general meeting of our Company (unless otherwise renewed by an ordinary resolution of our Shareholders at a general meeting, either unconditionally or subject to conditions);
- the expiration of the period within which the next annual general meeting of our Company is required to be held by any applicable law or the Articles; or
- the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders at a general meeting.

5. Repurchase of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this document concerning the repurchase of our own securities.

(a) Provision of the Listing Rules

The Listing Rules permit companies with a primary [**REDACTED**] on the Stock Exchange to repurchase their own securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

(i) Shareholders' Approval

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company with a primary [**REDACTED**] on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders at a general meeting, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to a resolution passed by our Shareholders on [●], the Repurchase Mandate was given to our Directors authorizing them to exercise all powers of our Company to repurchase Shares on the Stock Exchange or on any other stock exchange on which the securities of our Company may be [**REDACTED**] and which is recognized by the SFC and the Stock Exchange for this purpose, with a total nominal value up to 10% of the aggregate nominal value of our Shares in issue immediately following completion of the [**REDACTED**] (excluding (i) any Shares which may be issued pursuant to the exercise of the [**REDACTED**], (ii) any additional Shares which may be issued under the Pre-[**REDACTED**] Equity Incentive Plan and (iii) any treasury shares), with such mandate to expire at the earliest of (i) the conclusion of the next annual general meeting of our Company (unless otherwise renewed by an ordinary resolution of our Shareholders at a general meeting, either unconditionally or subject to conditions), (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or any other applicable laws to be held, and (iii) the date when it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting.

(ii) Source of Funds

Repurchases must be funded out of funds legally available for such purpose in accordance with the Memorandum and the Articles and the applicable laws and regulations of Hong Kong and the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. As a matter of Cayman Islands laws, any repurchases by our Company may be made out of profits or out of the proceeds of a new issue of shares made for the purpose of the repurchase or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Articles of Association and subject to the Cayman Companies Act. Any premium payable on the repurchase over the par value of the shares to be purchased must have been provided for out of profits or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Articles of Association and subject to the Cayman Companies Act.

(iii) Trading Restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to 10% of the aggregate number of shares in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a listed company from repurchasing its securities if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(iv) Status of Repurchased Shares

The [**REDACTED**] of all purchased securities (whether on the Stock Exchange or otherwise) is automatically canceled and the relevant certificates must be canceled and destroyed. Under the laws of the Cayman Islands, unless our Directors resolve to hold the shares purchased by our Company as treasury shares prior to the purchase, shares purchased by our Company shall be treated as canceled and the amount of our Company's issued share capital shall be diminished by the nominal value of those shares. However, the purchase of shares will not be taken as reducing the amount of the authorized share capital under the laws of the Cayman Islands.

(v) Suspension of Repurchase

A listed company may not make any repurchase of securities after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period

(whether or not required under the Listing Rules); and (b) the deadline for a listed company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcement, the listed company may not repurchase its shares on the Stock Exchange, other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

(vi) Reporting Requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day on which a listed company makes a purchase of its shares. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including the number of securities purchased each month (whether on the Stock Exchange or otherwise), the purchase price per share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate price paid.

(vii) Core Connected Persons

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a "core connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or a close associate of any of them and a core connected person shall not knowingly sell its securities to the company.

(b) Reasons for Repurchases

Our Directors believe that it is in the best interests of our Company and Shareholders for our Directors to have a general authority from the Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share, and will only be made where our Directors believe that such repurchases will benefit our Company and Shareholders.

(c) Funding of Repurchases

Repurchase of the Shares must be funded out of funds legally available for such purpose in accordance with the Memorandum and the Articles of Association and the applicable laws and regulations of Hong Kong and the Cayman Islands. Our Directors may not repurchase the Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, our Directors may make repurchases with profits of our Company or out of the proceeds of a new issuance of shares made for the purpose of the repurchase or, if authorized by the Articles of Association and subject to the Cayman Companies Act, out of capital and, in the case of any premium payable on the repurchase, out of profits of our Company or from sums standing to the credit of the share premium account of our Company or, if authorized by the Articles of Association and subject to Cayman Companies Act, out of capital.

In the event that the Repurchase Mandate is exercised in full, there might be a material adverse impact on the working capital or gearing position of our Company, as compared with the position as of September 30, 2025 as disclosed in the Accountants' Report. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital of our Company or its gearing levels which, in the opinion of our Directors, are from time to time appropriate for our Company.

(d) General

Our Company did not hold any treasury shares as of the Latest Practicable Date and will not hold any treasury shares immediately upon [**REDACTED**]. To the best knowledge of our Directors, neither the explanatory statement contained in this section nor the Repurchase Mandate has any unusual features.

A full exercise of the Repurchase Mandate, on the basis of [●] Shares in issue immediately following completion of the [**REDACTED**] (without taking into account (i) any Shares which may be issued pursuant to the exercise of the [**REDACTED**], (ii) any additional Shares which may be issued under the Pre-[**REDACTED**] Equity Incentive Plan and (iii) any treasury shares), could accordingly result in up to [●] Shares being repurchased by our Company during the period prior to the earliest of:

(i) the conclusion of the next annual general meeting of our Company (unless otherwise renewed by an ordinary resolution of our Shareholders at a general meeting, either unconditionally or subject to conditions);

(ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or any other applicable laws to be held; or

(iii) the date when it is varied or revoked by an ordinary resolution of the Shareholders at a general meeting.

None of our Directors and, to the best of their knowledge having made all reasonable enquiries, their respective close associates currently intends to sell any Shares to our Company.

Our Directors will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws in the Cayman Islands.

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Codes. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Codes. Save as aforesaid, our Directors are not aware of any consequence which would arise under the Takeovers Codes as a consequence of any repurchase pursuant to the Repurchase Mandate.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than such minimum percentage as prescribed by the Stock Exchange could only be implemented if the Stock Exchange agrees to waive the requirements under the Listing Rules regarding the public shareholding as referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances.

No core connected person of our Company has notified our Company that he/she/it has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contract

The following contract (not being a contract entered into in the ordinary course of business) was entered into by members of our Group within the two years immediately preceding the date of this document which is or may be material:

(a) [**REDACTED**].

2. Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be material to our business:

No.	Trademark	Registered Owner	Place of Registration
1		Frontera Shanghai	PRC, Hong Kong

(b) Domain Name

As of the Latest Practicable Date, we had registered the following domain names which we consider to be material to our business:

Domain Name	Registered Owner	Registration Date
fronteratherapeutics.com	Frontera Shanghai	August 30, 2019
fronteratherapeutics.cn	Frontera Shanghai	July 7, 2021

(c) Patents

The following table summarizes the details of the material granted patent and patent applications in connection with our Core Products, other drug candidates, and our technology platforms.

Related Product or Technology Platform	Patent Application	Patent Applicant/ Patent Owner	Jurisdiction	Inventor(s) and relationship to our Company	Patent Status	Effective Filing Date	Patent Expiry Date
FT-001	Compositions and methods for the treatment of ocular diseases	Frontera US	China, the United States	Zhongdong Shi: employee; Sebastian Aguirre Kozlouski: a former consultant; Wei Zhao: a former consultant	Pending	July 20, 2021	N/A
FT-002	Compositions and methods for the treatment of eye diseases	Frontera US	China, the United States, Europe, Japan	Zhongdong Shi: employee; Wei Zhao: a former consultant	Pending	July 20, 2021	N/A
			the United States		Notice of Allowance Received on May 29, 2026		N/A

Related Product or Technology Platform	Patent Application	Patent Applicant/ Patent Owner	Jurisdiction	Inventor(s) and relationship to our Company	Patent Status	Effective Filing Date	Patent Expiry Date
FT-003 . . .	Composition and method for treating eye diseases	Frontera US	China (including Hong Kong), the United States, Europe, Canada, and Australia	Zhongdong Shi: employee; Wei Zhao: a former consultant	Pending	July 20, 2021	N/A
			Japan		Granted on April 7, 2026		July 20, 2041
			the United States		Notice of Allowance Received on June 16, 2026		N/A
FT-017 . . .	Compositions and methods for the treatment of heart disease	Frontera US	the United States, Europe, China, Japan, Korea, Australia, Canada	Zhongdong Shi: employee	Pending	January 27, 2025	N/A
FT-018 . . .	Nucleic acids and uses thereof for plakophilin 2 (PKP2) gene therapy	Frontera US	PCT	Zhongdong Shi: employee; Hong Duan: employee	Pending	September 1, 2025	N/A
FT-023 . . .	Compositions and methods for treating angiogenesis-related diseases or disorders	Frontera US	PCT	Zhongdong Shi: employee; Hong Duan: employee; Hongbin Xu: employee; Xinyan Li: employee	Pending	August 6, 2025	N/A
EXACTE™ platform . .	Recombinant adeno-associated virus with modified capsid polypeptides	Frontera US	PCT (provisional)	Zhongdong Shi: employee; Xinyan Li: employee	Pending	September 30, 2025	N/A
AAVANCE™ platform . .	Methods for purification of adeno associated virus particles by anion exchange chromatography	Frontera US	PCT	Ting Yang, Jeffrey Kan, Chinmay Patkar, Yiling Fang, Hongxiang Lu; All were former employees participating in progress development in the United States when the IP was generated	Pending	March 21, 2025	N/A
AAVANCE™ platform . .	Methods for generating rhabdovirus-free cell line	Frontera US	PCT	Yingyu Zhang, Michelle Martin, Brendan Leung, Christopher Casey, Yiling Fang, Ting Yang, Hongxiang Lu; All were former employees participating in progress development in the United States when the IP was generated	Pending	May 7, 2025	N/A

For a discussion of the details of the material patents and patent applications in connection with our products and product candidates, see "Business — Intellectual Property" in this document.

Save as aforesaid, as of the Latest Practicable Date, there was no other trade or service mark, patent, intellectual or industrial property right which was material in relation to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

(a) Interests and short positions of our Directors and chief executive in the share capital of our Company and its associated corporations following completion of the [**REDACTED**]

Save as disclosed below, immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no Shares are issued under the Pre-[**REDACTED**] Equity Incentive Plan), so far as our Directors are aware, none of our Directors and chief executive has any interest or short positions in our Shares, underlying Shares or debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

Name	Position	Capacity/Nature of Interest	Number of Shares held[(1)]	Approximate percentage of shareholding in the total issued share capital of our Company[(3)]
Xinyan Li (李新燕) .	Executive Director, chief executive officer, and chief medical officer	Beneficial owner	8,468,843[(1)]	[**REDACTED**]
Qingsheng Zhu. . . .	Non-executive Director, Chairman of the Board	Interest in a controlled corporation	31,907,829[(2)]	[**REDACTED**]
Zhongdong Shi (施中東)	Senior vice president and head of research and development	Beneficial owner	1,160,121[(1)]	[**REDACTED**]
Wenjuan Jia (賈文娟)	Senior vice president and head of finance	Beneficial owner	880,504[(1)]	[**REDACTED**]
Hui Wang (王慧) . .	Board secretary and joint company secretary	Beneficial owner	987,396[(1)]	[**REDACTED**]
Peng Yang (楊鵬) . .	Head of manufacturing	Beneficial owner	426,349[(1)]	[**REDACTED**]

Notes:

(1) The Shares each of the individuals beneficially holds represent the maximum number of Shares which he or she is entitled to receive pursuant to the exercise of options granted to him or her under the Pre-[**REDACTED**] Equity Incentive Plan, subject to the terms and conditions of these options.

(2) As of the Latest Practicable Date, Creacion Ventures GP I, LLC is the manager of Montar Capital, LLC ("**Creacion**"). Creacion Ventures I, L.P. holds 90.8% limited partnership interest in Montar Capital, LLC. Creacion Ventures GP I, LLC is held as to 50% by Dr. Wei Li and 50% by Dr. Qingsheng Zhu. Accordingly, Dr. Qingsheng Zhu is deemed to be interested in the Shares held by Montar Capital, LLC under the SFO. For further details, see "Substantial Shareholders".

(3) Assuming the [**REDACTED**] is not exercised and the outstanding options granted under the Pre-[**REDACTED**] Equity Incentive Plan are not exercised.

Interests and short positions discloseable under Divisions 2 and 3 of Part XV of the SFO

For the information on the persons who will, immediately following the completion of the [**REDACTED**], have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, see "Substantial Shareholders" in this document.

Further, as of the Latest Practicable Date, our Directors are not aware of any other persons who would, immediately following the completion of the [**REDACTED**], be directly or indirectly interested in 10% or more of the issued voting shares of any member of our Group (other than our Company).

2. Particulars of Directors' Service Contracts and Appointment Letters

(a) Executive Directors and Non-executive Directors

Each of our executive Directors and non-executive Directors has entered into a service contract with us under which the initial term of their service contracts shall be three years commencing from the date of their appointment until terminated in accordance with the terms and conditions of the service contract or by either party giving to the other party not less than one month's prior notice in writing.

(b) Independent Non-executive Directors

Each of our independent non-executive Directors has entered into an appointment letter with us for an initial term of three years from the [**REDACTED**] until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other party not less than one month's prior notice in writing.

3. Remuneration of Directors

Save as disclosed in the section headed "Directors and Senior Management" and note 11 to the Accountants' Report as set out in Appendix I to this document, for the two financial years ended December 31, 2025 and the six months ended June 30, 2026, none of our Directors received other remunerations of benefits in kind from us.

4. Disclaimers

Save as disclosed in this section and the sections headed "History, Development and Corporate Structure" and "Substantial Shareholders" in this document:

(i) there is no existing or proposed service contract (excluding any contract expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between our Directors and any member of our Group;

(ii) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole;

(iii) taking no account of any Shares which may be taken up under the [**REDACTED**], so far as is known to any Director or chief executive of our Company, no other person (other than a Director or chief executive of our Company) will, immediately following completion of the [**REDACTED**], have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group; and

(iv) none of our Directors and the chief executive of our Company has any interests or short positions in the Shares, underlying Shares or debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Stock Exchange.

D. PRE-[REDACTED] EQUITY INCENTIVE PLAN

In recognition of the contributions of our employees and consultants, and to incentivize them to further promote our development, our Company adopted and approved the Pre-[**REDACTED**] Equity Incentive Plan on August 28, 2020. The Pre-[**REDACTED**] Equity Incentive Plan is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve the grant of options to subscribe for Shares or other types of awards by our Company after the [**REDACTED**].

The following is a summary of the principal terms of the Pre-[**REDACTED**] Equity Incentive Plan.

1. Purpose of the Plan

The purpose of this Plan is to promote the success of the Company and the interests of its shareholders by providing a means through which the Company may grant equity-based incentives to attract, motivate, retain and reward certain officers, employees, directors and other eligible persons and to further link the interests of Award recipients with those of the Company's shareholders generally.

2. Duration

Our Board may suspend or terminate the Pre-[**REDACTED**] Equity Incentive Plan at any time. Unless terminated by the Board, the Pre-[**REDACTED**] Equity Incentive Plan shall be automatically terminated at the close of business on the day before the 10th anniversary of the Effective Date, namely August 28, 2030. No awards may be granted under the Pre-[**REDACTED**] Equity Incentive Plan when the Pre-[**REDACTED**] Equity Incentive Plan is suspended or terminated.

3. Administration

Our Board shall administer the Pre-[**REDACTED**] Equity Incentive Plan, and may delegate administration of the same to a committee or committees in accordance with the terms of the Pre-[**REDACTED**] Equity Incentive Plan.

4. Eligibility

Our employees, Directors and consultants (including any persons who are engaged by our Company or its affiliates to render consulting or advisory services and are compensated for such services) are eligible to receive awards under the Pre-[**REDACTED**] Equity Incentive Plan.

5. Maximum number of Shares underlying share awards

The maximum number of Shares underlying share awards granted or to be granted under the Pre-[**REDACTED**] Equity Incentive Plan shall not exceed 17,028,500 Shares, subject to any adjustments approved by our Company.

6. Share Award Agreements

Each grantee under the Pre-[**REDACTED**] Equity Incentive Plan will enter into a share award agreement with our Company setting out the terms and conditions of the relevant grant, which shall be subject to the terms and conditions of the Pre-[**REDACTED**] Equity Incentive Plan.

7. Types of awards

The Pre-[**REDACTED**] Equity Incentive Plan consists of two separate equity programs: (i) the option and share appreciation rights grant program (the "**Option and SAR Grant Program**"), and (ii) the share award program. Overall, it provides for the grant of (a) options, (b) share appreciation rights ("**SAR**"), (c) Ordinary Share Award ("**OSA**"), (d) Restricted Share Unit awards ("**RSU**"), and (e) other share-based awards.

Options and SAR

(i) **Term**: No option or SAR will be exercisable after the expiration of ten years after the date of its grant or such shorter period as specified in the share award agreement.

(ii) **Exercise price:** The Administrator will determine the base price per share of the Ordinary Shares covered by each SAR at the time of the grant of the SAR, which base price will be set forth in the applicable Award Agreement and will not be less than 100% (in the case of a Nonqualified Option) or 110% (in the case of an Incentive Stock Option) of the Fair Market Value of an Ordinary Share on the date of grant of the SAR.

(iii) **Transferability**: All Awards are non-transferable and will not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge, subject to exceptions such as transfers to the Company, transfers by gift or domestic relations order to one or more family members of the participant, as well as other circumstances set out in the terms of the Pre-[**REDACTED**] Equity Incentive Plan.

(iv) **Vesting**: The total number of Shares subject to an option or share appreciation right may vest and become exercisable in periodic installments that may or may not be equal.

(v) **Termination of continuous service without cause or the disability or death of grantee:** If a grantee's continuous service terminates (other than for cause), or in the event of the grantee's disability or death, the grantee, the grantee's estate, or such other person entitled to exercise the option (as applicable) may exercise the grantee's options or share appreciation rights within the applicable timeframe as set forth in the Pre-[**REDACTED**] Equity Incentive Plan and the relevant share award agreement.

Ordinary share award

(i) **Consideration**: the Administrator will determine the purchase price per share of the Ordinary Shares covered by each Ordinary Share Award at the time of grant of the Award. In no case will such purchase price be less than the par value of the Ordinary Shares.

(ii) **Vesting**: Shares awarded may be subject to forfeiture to the Company in accordance with a vesting schedule to be determined by our Board.

(iii) **Transferability**: All Awards are non-transferable and will not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge, subject to exceptions such as transfers to the Company, transfers by gift or domestic relations order to one or more family members of the participant, as well as other circumstances set out in the terms of the Pre-[**REDACTED**] Equity Incentive Plan.

(iv) **Termination of continuous service:** If a grantee's continuous service terminates, our Company may receive through a forfeiture condition or a repurchase right, any or all of the Shares held by the grantee as of the date of such termination pursuant to the terms of the relevant share award agreement.

Restricted share unit award

(i) **Consideration**: At the time of the grant of a restricted share unit award, our Board will determine the consideration, if any, to be paid by the grantee upon delivery of each Share subject to the award.

(ii) **Vesting**: At the time of the grant of a restricted share unit award, our Board may impose such restrictions on or conditions to the vesting of the restricted share unit award as it, at its sole discretion, deems appropriate.

(iii) **Transferability**: All Awards are non-transferable and will not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge, subject to exceptions such as transfers to the Company, transfers by gift or domestic relations order to one or more family members of the participant, as well as other circumstances set out in the terms of the Pre-[**REDACTED**] Equity Incentive Plan.

(iv) **Termination of continuous service:** Except as otherwise provided in the relevant share award agreement, the portion of the award that has not vested will be forfeited upon the grantee's termination of continuous service.

Other share awards

Subject to the provisions of the Pre-[**REDACTED**] Equity Incentive Plan, our Board will have the sole and complete authority to determine the persons to whom and the time at which such other share awards will be granted, the number of Shares (or the cash equivalent thereof) to be granted and all other terms and conditions of such other share awards.

8. Adjustments

In the event of a capitalization adjustment, our Board will appropriately and proportionately adjust (i) the class(es) and maximum number of securities subject to the Pre-[**REDACTED**] Equity Incentive Plan, (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of the awards granted (where applicable), and (iii) the class(es) and number of securities and the price per share subject to outstanding awards.

9. Change in control

Awards may be subject to additional acceleration of vesting and exercisability upon or after a change in control of our Company as may be provided for in the share award agreements for such awards or as may be provided for in any other written agreements between our Company (or its affiliates) and grantees.

10. Amendments to the Pre-[REDACTED] Equity Incentive Plan

Our Board has the power to amend the Pre-[**REDACTED**] Equity Incentive Plan in any respect as our Board deems necessary or advisable, subject to the limitations of any applicable laws and any other limitations as specified under the Pre-[**REDACTED**] Equity Incentive Plan.

11. Outstanding grants

As of the Latest Practicable Date, a total of 16,556,267 options were outstanding and granted to a total of 100 grantees, representing approximately [**REDACTED**] of our

Company's issued share capital immediately after completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no Shares are issued under the Pre-[**REDACTED**] Equity Incentive Plan), no further shares will be issued under the Pre-[**REDACTED**] Equity Incentive Plan. Among the options that were granted and outstanding, our directors and senior management hold options to subscribe for an aggregate of 10,555,213 Shares, and our other employees, former employees and external consultants hold options to subscribe for an aggregate of 4,200,182 Shares. The Company does not intend to grant more options under the Equity Incentive Plan between the date of document registration and the [**REDACTED**].

The table below shows the details of outstanding options granted to our Directors and senior management under the Pre-[**REDACTED**] Equity Incentive Plan that are outstanding as of the Latest Practicable Date.

Name	Positions held within our Group/relationship with our Group	Dates of grant	Number of Shares under outstanding options granted	Vesting period	Exercise expiration date	Exercise price (US$)	Approximate percentage of the total issued share capital of our Company immediately upon completion of the [REDACTED][(3)] (%)
Xinyan Li (李新燕) . .	Executive Director, chief executive officer, and chief medical officer	December 1, 2020	1,750,000	Note 1	December 1, 2030	0.01	[REDACTED]
		August 5, 2021	2,450,000	Note 1	August 5, 2031	0.34	[REDACTED]
		November 8, 2023	1,300,000	Note 1	November 8, 2033	0.61	[REDACTED]
		August 15, 2024	600,000	Note 2	August 15, 2034	0.40	[REDACTED]
		November 12, 2025	1,900,843	Note 1	November 12, 2035	0.40	[REDACTED]
		August 20, 2026	468,000	Note 1	August 20, 2036	0.40	[REDACTED]
			8,468,843				[REDACTED]
Zhongdong Shi (施中東) . .	Senior vice president and head of research and development	August 28, 2020	50,000	Note 1	August 28, 2030	0.01	[REDACTED]
		August 12, 2021	50,000	Note 1	August 12, 2031	0.34	[REDACTED]
		December 7, 2022	30,000	Note 1	December 7, 2032	0.61	[REDACTED]
		February 1, 2024	70,000	Note 1	February 1, 2034	0.61	[REDACTED]
		August 15, 2024	10,000	Note 2	August 15, 2034	0.40	[REDACTED]
		February 12, 2025	100,000	Note 1	February 12, 2035	0.40	[REDACTED]
		November 12, 2025	526,121	Note 1	November 12, 2035	0.40	[REDACTED]
		August 20, 2026	324,000	Note 1	August 20, 2036	0.40	[REDACTED]
			1,160,121				[REDACTED]
Wenjuan Jia (賈文娟) . .	Senior vice president and head of finance	August 12, 2021	175,000	Note 1	August 12, 2031	0.34	[REDACTED]
		December 7, 2022	100,000	Note 1	December 7, 2032	0.61	[REDACTED]
		February 1, 2024	200,000	Note 1	February 1, 2034	0.61	[REDACTED]
		August 15, 2024	20,000	Note 2	August. 15, 2034	0.40	[REDACTED]
		November 12, 2025	313,504	Note 1	November 12, 2035	0.40	[REDACTED]
		August 20, 2026	72,000	Note 1	August 20, 2036	0.40	[REDACTED]
			880,504				[REDACTED]
Hui Wang (王慧) . . .	Board secretary and Joint Company Secretary	November 12, 2025	663,396	Note 1	November 12, 2035	0.40	[REDACTED]
		August 20, 2026	324,000	Note 1	August 20, 2036	0.40	[REDACTED]
			987,396				[REDACTED]
Peng Yang (楊鵬) . . .	Head of manufacturing	August 12, 2021	30,000	Note 1	August 12, 2021	0.34	[REDACTED]
		December 7, 2022	20,000	Note 1	December 7, 2032	0.61	[REDACTED]
		February 1st, 2024	50,000	Note 1	February 1, 2034	0.61	[REDACTED]
		August 15, 2024	10,000	Note 2	August 15, 2034	0.40	[REDACTED]
		November 12, 2025	136,349	Note 1	November 12, 2035	0.40	[REDACTED]
		August 20, 2026	180,000	Note 1	August 20, 2036	0.40	[REDACTED]
			426,349				[REDACTED]
Total:			**11,923,213**				[REDACTED]

Note:

(1) 25% of the Shares under outstanding options on the one-year of the vesting commencement date as stipulated under the relevant share award agreements and an additional 1/48th of the Shares under the outstanding options upon each successive monthly anniversary (or if there is no corresponding day, on the last day of such month) for the next 36 months following such one-year anniversary, subject generally to the Participant continuing to be an employee of the Company through each such date.

(2) 50% the Shares under outstanding options granted shall vest on the first anniversary of the vesting commencement date as stipulated under the relevant share award agreements, and an additional

1/24th of Shares under the outstanding options upon each successive monthly anniversary (or if there is no corresponding day, on the last day of such month) for the next 12 months following such one-year anniversary, subject generally to the participant continuing to be an employee of the Company through each such date.

(3) Without taking into account any Shares which may be issued pursuant to the exercise of the [**REDACTED**] and any Shares which may be issued pursuant to the exercise of the options granted under the Pre-[**REDACTED**] Equity Incentive Plan.

Other grantees include of 95 individuals, 88 of whom are employees or former employees that is not a Director or senior management of our Company, and seven of whom are our external consultants. There were a total of 545,094 outstanding options granted to the external consultants, and a total of 1,379,802 outstanding options granted to the former employees, accounting for approximately [**REDACTED**] and [**REDACTED**] of the Company's total issued share capital upon [**REDACTED**] respectively (assuming the [**REDACTED**] is not exercised and no shares are issued pursuant to the Pre-[**REDACTED**] Equity Incentive Plan).

The former employees that were granted options joined our Group between 2020 and 2024. In accordance with the Pre-[**REDACTED**] Equity Incentive Plan, we granted options to them based on their respective positions, seniority, and experience at the time of the grant. These grants served as incentives to retain talent and reward their contributions to the Company's development, in particular to incentivize and reward their contribution to the Company in each of their roles (in varying levels of seniority and across various departments of the Company including Research & Development, Quality Assurance, Clinical Operations, Supply Chain, Finance, Human Resources and Business Development, working together in advancing the Company's research, operations and product pipeline) and to align their interests with those of the Company. Upon meeting specific vesting conditions, employees who subsequently resigned were entitled to exercise their vested options or forfeit them at their discretion. None of the former employees that hold outstanding share options were key personnel who held senior positions in the Company's R&D, CMC and other key functions. Therefore, the departure of such above-mentioned personnel with outstanding share options have not had and are not expected to have any material impact on the Company's R&D capabilities and operations.

Below are the particulars of the outstanding options granted to the current employees (which are not our Directors or senior management) and former employees under the Pre-[**REDACTED**] Equity Incentive Plan as of the Latest Practicable Date:

Employees	**Number of Grantees**	**Dates of grant**	**Number of Shares under outstanding options granted**	**Vesting period**	**Exercise expiration date**	**Exercise price**	**Approximate percentage of the total issued share capital of our Company immediately upon completion of the [REDACTED]**
						(US$)	
Current employees	45	August 28, 2020 to December 18, 2025	[2,708,158]	Note 1 or Note 2	Commencing on the vesting date and ending on the earlier of (i) expiration date as set out in each option agreement or (ii) termination of the option under the terms of each option agreement	0.01, 0.34, 0.40, or 0.61	**[REDACTED]**
Former employees	43	August 28, 2020 to August 15, 2024	[1,379,802]	Note 1 or Note 2			**[REDACTED]**
Total	**88**		**[4,087,960]**				**[REDACTED]**

Notes:

(1) 25% of the Shares under outstanding options on the one-year of the vesting commencement date as stipulated under the relevant share award agreements and an additional 1/48th of the Shares under the outstanding options upon each successive monthly anniversary (or if there is no corresponding day, on the last day of such month) for the next 36 months following such one-year anniversary, subject generally to the Participant continuing to be an employee of the Company through each such date.

(2) 50% the Shares under outstanding options granted shall vest on the first anniversary of the vesting commencement date as stipulated under the relevant share award agreements, and an additional 1/24th of Shares under the outstanding options upon each successive monthly anniversary (or if there is no corresponding day, on the last day of such month) for the next 12 months following such one-year anniversary, subject generally to the participant continuing to be an employee of the Company through each such date.

The external consultants that were granted options serve either as members of our committee of expert advisors or business development advisors. These external consultants were engaged for the purpose of providing scientific and industry advice, connecting expert resources, and assisting with business development partnerships. One of these external consultants was engaged for approximately one year, while the other external consultants had engagement terms of three to six years. None of these consultants will provide consultant services to the Company after the [**REDACTED**]. In accordance with the Pre-[**REDACTED**] Equity Incentive Plan, we granted the options to them in recognition of their strategic advice provided to our Company and as an incentive to retain them, as well as in order to incentivize and reward their contribution in the form of providing strategic guidance, scientific expertise and support.

Below are the particulars of the outstanding options granted to the external consultants under the Pre-[**REDACTED**] Equity Incentive Plan as of the Latest Practicable Date:

Name	Contribution to the Group	Engagement period	Dates of grant	Number of Shares under outstanding options granted	Vesting period	Exercise expiration date	Exercise price	Approximate percentage of the total issued share capital of our Company immediately upon completion of the [REDACTED]
							(US$)	
Mark Kay	Serving on the Company's scientific advisory board, providing scientific and industry advice, and connecting expert resources.	July 3, 2020–April 10, 2026	August 28, 2020	10,000	Note 2	N/A	0.01	[REDACTED]
George Church		July 10, 2020–March 7, 2025	August 28, 2020	10,000	Note 2	August 28, 2030	0.01	[REDACTED]
John Fraser Wright		August 1, 2020–April 10, 2026	August 28, 2020	10,000	Note 2	N/A	0.01	[REDACTED]
Xandra Breakefield		August 8, 2020–March 7, 2025	August 28, 2020	10,000	Note 2	N/A	0.01	[REDACTED]
Jean Bennett		October 7, 2020–August 14, 2025	August 28, 2020	10,000	Note 2	August 28, 2030	0.01	[REDACTED]
Glenn Pierce		October 1, 2022–April 10, 2026	August 2, 2022	100,000	Note 2	August 28, 2030	0.61	[REDACTED]
Robert Joseph Smith	Serving as the Company's business development advisor and assisting with business development partnerships.	April 10, 2025–August 31, 2026	May 15, 2025	395,094	Note 1	May 15, 2035	0.40	[REDACTED]
Total				**545,094**				[REDACTED]

Notes:

(1) 25% of the Shares under outstanding options on the one-year of the vesting commencement date as stipulated under the relevant share award agreements and an additional 1/48th of the Shares under the outstanding options upon each successive monthly anniversary (or if there is no corresponding day, on the last day of such month) for the next 36 months following such one-year anniversary, subject generally to the Participant continuing to be an employee of the Company through each such date.

(2) 50% the Shares under outstanding options granted shall vest on the first anniversary of the vesting commencement date as stipulated under the relevant share award agreements, and an additional 1/24th of Shares under the outstanding options upon each successive monthly anniversary (or if there is no corresponding day, on the last day of such month) for the next 12 months following such one-year anniversary, subject generally to the participant continuing to be an employee of the Company through each such date.

Below are the particulars of the outstanding options granted to grantees that are not our Directors or senior management under the Pre-**[REDACTED]** Equity Incentive Plan as of the Latest Practicable Date:

Band	Number of grantees	Date of grant	Vesting period	Exercise expiration date[3]	Number of Shares under outstanding options granted	Approximate percentage of the total issued share capital of our Company immediately upon completion of the [REDACTED][3]
200-5,000	32	August 28, 2020 to November 12, 2025	Note 1 or Note 2	Commencing on the vesting date and ending on the earlier of (i) expiration date as set out in each option agreement or (ii) termination of the option under the terms of each option agreement	73,436	[REDACTED]
5,001-10,000	20	August 28, 2020 to November 12, 2025	Note 1 or Note 2		165,553	[REDACTED]
10,001-50,000	21	August 28, 2020 to November 12, 2025	Note 1 or Note 2		448,869	[REDACTED]
50,001-150,000	16	August 12, 2021 to November 12, 2025	Note 1 or Note 2		1,306,818	[REDACTED]
150,001-2,000,000	6	August 28, 2020 to November 12, 2025	Note 1 or Note 2		2,205,506	[REDACTED]
Total	**95**				**4,200,182**	[REDACTED]

Note:

(1) 25% of the Shares under outstanding options on the one-year of the vesting commencement date as stipulated under the relevant share award agreements and an additional 1/48th of the Shares under the outstanding options upon each successive monthly anniversary (or if there is no corresponding day, on the last day of such month) for the next 36 months following such one-year anniversary, subject generally to the Participant continuing to be an employee of the Company through each such date

(2) 50% the Shares under outstanding options granted shall vest on the first anniversary of the vesting commencement date as stipulated under the relevant share award agreements, and an additional 1/24th of Shares under the outstanding options upon each successive monthly anniversary (or if there is no corresponding day, on the last day of such month) for the next 12 months following such one-year anniversary, subject generally to the participant continuing to be an employee of the Company through each such date.

(3) Without taking into account any Shares which may be issued pursuant to the exercise of the [**REDACTED**] and any Shares which may be issued pursuant to the exercise of the options granted under the Pre-[**REDACTED**] Equity Incentive Plan.

12. Dilution effect and impact on loss per Share

Subject to any adjustment as set out under the Pre-[**REDACTED**] Equity Incentive Plan in the event of any capitalization of capital reserve, bonus shares issue, share subdivision, share split, rights issue or share reduction of our Company that may take place after the [**REDACTED**], the total number of Shares to be issued pursuant to the exercise of the outstanding options granted under the Pre-[**REDACTED**] Equity Incentive Plan shall be no more than 16,556,267 Shares, representing approximately [**REDACTED**] of the total issued share capital of our Company immediately upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no Shares are issued under the 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**]. There is no consequential impact on the loss per share for the six months ended June 30, 2026 as the options would not be included in the calculation of diluted loss per Share due to anti-dilution.

E. OTHER INFORMATION

1. Litigation

As of the Latest Practicable Date, we were not involved in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened against any member of our Group, which would have a material adverse effect on our Group's results of operations or financial condition, taken as a whole.

2. Preliminary Expenses

As of the Latest Practicable Date, we have not incurred any material preliminary expense.

3. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

4. Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Stock Exchange for the [**REDACTED**] of, and permission to deal in, (i) the Shares in issue (including the Shares to be converted from the Preferred Shares upon completion of the [**REDACTED**]), (ii) the Shares to be issued pursuant to the [**REDACTED**] (including any Shares which may be issued pursuant to the exercise of the [**REDACTED**]), and (iii) the Shares which may be issued under the Pre-[**REDACTED**] Equity Incentive Plan.

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules. The Joint Sponsors will receive a fee of US$1,000,000 for acting as sponsors to our Company in connection with the [**REDACTED**].

5. Qualification of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions and /or advice in this document are as follows:

Name	Qualification
UBS Securities Hong Kong Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities under the SFO
Haitong International Capital Limited	A licensed corporation to conduct Type 6 (advising on corporate finance) regulated activities as defined under the SFO
Zhong Lun Law Firm	Legal adviser to our Company as to PRC laws
Harney Westwood & Riegels	Legal adviser to our Company as to Cayman Islands laws
Deloitte Touche Tohmatsu	Certified Public Accountants and Registered Public Interest Entity Auditors
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

6. Consents

Each of the experts as referred to in the paragraph headed "— E. Other Information — 5. Qualification of Experts" in this appendix has given and has not withdrawn its respective written consents to the issue of this document with the inclusion of certificates, letters, opinions or reports and the references to its name included herein in the form and context in which it respectively included.

7. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the financial or trading position of our Group since June 30, 2026 (being the date to which the latest audited financial statements of our Group were made up).

8. Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

9. Miscellaneous

Save as otherwise disclosed in this document:

(i) none of our Directors or experts referred to in the paragraph headed "— E. Other Information — 5. Qualification of Experts" in this appendix has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group.

(ii) none of the experts referred to in the paragraph headed "— E. Other Information – 5. Qualification of Experts" in this appendix has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group;

(iii) within the two years immediately preceding the date of this document, no share or loan capital or debenture of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be issued as fully or partly paid either for cash or for a consideration other than cash;

(iv) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(v) we do not have any promoters. No cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the [**REDACTED**] and the related transactions described in this document within the two years immediately preceding the date of this document;

(vi) no commission, discount, brokerage or other special term has been granted or agreed to be granted within the two years immediately preceding the date of this document in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;

(vii) within the two years preceding the date of this document, no commission has been paid or is payable (except commissions to sub-underwriters) for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any Shares in our Company;

(viii) there is no founder, management or deferred share in our Company or any of our subsidiaries;

(ix) our Company has no outstanding convertible debt securities or debentures;

(x) there is no arrangement under which future dividends are waived or agreed to be waived;

(xi) no member of our Group is presently listed on any stock exchange or traded on any trading system, and no listing or permission to deal is being or proposed to be sought; and

(xii) there is no restriction affecting the remittance of profits or repatriation of capital of our Company into Hong Kong from outside Hong Kong.

10. Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

(i) a copy of each of the material contracts referred to in the paragraph headed "Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts" in Appendix IV to this document; and

(ii) the written consents referred to in the paragraph headed "Statutory and General Information — E. Other Information — 6. Consents" in Appendix IV to this document.

DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.fronteratherapeutics.com** during a period of 14 days from the date of this document:

(a) the Memorandum of Association and the Articles of Association;

(b) the Accountants' Report from Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this document;

(c) the audited consolidated financial statements of our Group for the two financial years ended 2024 and 2025;

(d) the report from Deloitte on the unaudited [**REDACTED**] financial information of our Group, the text of which is set out in Appendix II to this document;

(e) the PRC legal opinion issued by Zhong Lun Law Firm, our PRC Legal Adviser, in respect of certain general corporate matters and property interests of our Group under PRC laws;

(f) the letter of advice prepared by Harney Westwood & Riegels, our legal adviser as to Cayman Islands laws, summarizing certain aspects of the Cayman Islands company law referred to in Appendix III to this document;

(g) the industry report prepared by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.;

(h) the material contracts referred to in the paragraph headed "Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts" in Appendix IV to this document;

(i) the service contracts and the appointment letters referred to in the paragraph headed "Statutory and General Information — C. Further Information about Our Directors — 2. Particulars of Directors' Service Contracts and Appointment Letters" in Appendix IV this document;

(j) the written consents referred to in the paragraph headed "Statutory and General Information — E. Other Information — 6. Consents" in Appendix IV to this document;

(k) the Pre-[**REDACTED**] Equity Incentive Plan; and

(l) the Cayman Companies Act.