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Application Proof of

Exegenesis Bio Inc.

(the "Company")

(Incorporated in the Cayman Islands with limited liability)

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Exegenesis Bio Inc.

(Incorporated in the Cayman Islands with limited liability)

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] Shares (subject to the [REDACTED])**
Number of Hong Kong [REDACTED]	**:**	**[REDACTED] Shares (subject to [REDACTED])**
Number of International [REDACTED]	**:**	**[REDACTED] Shares (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per Share, 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 application in Hong Kong dollars and subject to refund)**
Nominal Value	**:**	**US$0.00001 per Share**
[REDACTED]	**:**	**[●]**

***Sole Sponsor,* [REDACTED]**

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The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be [REDACTED], sold, pledged or transferred within the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The [REDACTED] are being [REDACTED] and sold outside the United States in offshore transactions in reliance on Regulation S.

[REDACTED]

IMPORTANT

[**REDACTED**]

IMPORTANT

[**REDACTED**]

EXPECTED TIMETABLE[1]

[**REDACTED**]

EXPECTED TIMETABLE[1]

[**REDACTED**]

EXPECTED TIMETABLE[1]

[**REDACTED**]

CONTENTS

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Page

EXPECTED TIMETABLE i

CONTENTS iv

SUMMARY 1

DEFINITIONS 14

GLOSSARY OF TECHNICAL TERMS 25

FORWARD-LOOKING STATEMENTS 32

RISK FACTORS 33

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE 63

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED] 66

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED] 69

CORPORATE INFORMATION 72

INDUSTRY OVERVIEW 74

REGULATORY OVERVIEW 96

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE 114

BUSINESS 144

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS 212

CONNECTED TRANSACTIONS 219

DIRECTORS AND SENIOR MANAGEMENT 228

CONTENTS

SUBSTANTIAL SHAREHOLDERS 236

SHARE CAPITAL 238

FINANCIAL INFORMATION 240

FUTURE PLANS AND [REDACTED] 267

[REDACTED] 269

STRUCTURE OF THE [REDACTED] 279

HOW TO APPLY FOR [REDACTED] 286

APPENDIX I – ACCOUNTANT'S REPORT I-1

APPENDIX II – UNAUDITED [REDACTED] FINANCIAL INFORMATION . . II-1

APPENDIX III – SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND COMPANY LAW OF THE CAYMAN ISLANDS III-1

APPENDIX IV – STATUTORY AND GENERAL INFORMATION IV-1

APPENDIX V – DOCUMENTS TO BE DELIVERED TO THE REGISTRAR OF COMPANIES AND ON DISPLAY V-1

SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decided to [**REDACTED**] *in the* [**REDACTED**]. *There are risks associated with any* [**REDACTED**]. *Some of the particular risks in* [**REDACTED**] *in the* [**REDACTED**] *are set out in "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 on the basis that we are unable to meet the requirements under Rule 8.05(1), (2) or (3) of the Listing Rules. There are unique challenges, risks and uncertainties associated with* [**REDACTED**] *in companies such as ours. Our Core Products are the products for the purpose of satisfying the eligibility requirements under Chapter 18A of the Listing Rule and Chapter 2.3 of the Guide for New Listing Applicants, and are in the early stages of clinical development. We may continue to incur substantial costs and expenses in relation to research and development activities for the Core Products, and the Core Products may not be successfully developed or marketed. Your* [**REDACTED**] *decision should be made in light of these considerations.*

OVERVIEW

We are a biopharmaceutical company focused on discovering and developing gene therapies for neurological and ophthalmic diseases. Our pipeline also includes oligonucleotide-based therapeutics. Established in 2019, we have built a pipeline of nine product candidates with our fully integrated in-house R&D platform. Through this platform, we have internally developed two core products (EXG102-031 and EXG001-307 for SMA Type 1) and one key product (EXG202). EXG102-031 is a product candidate for the treatment of Wet Age Related Macular Degeneration (wAMD) and EXG001-307 (SMA Type 1) is a product candidate for the treatment of Spinal Muscular Atrophy (SMA) Type 1. EXG202 is a product candidate for the treatment of fundus neovascularization diseases, including wAMD, diabetic macular edema (DME) and retinal vein occlusion (RVO). For EXG102-031, we have conducted two clinical trials in China and the United States. In China, all subjects completed the 52-week follow-up for Phase IIa trial in May 2026. The Phase IIb/III trial is expected to commence in the second half of 2026. In the United States, Phase I clinical trial has been completed and the clinical database has been locked since March 20, 2026. For EXG001-307 (SMA Type 1), we have completed the entire Phase I/II clinical trial in SMA Type 1 patients. We plan to initiate the discussion with the regulatory authority for the pivotal Phase III trial design in the second half of 2026. EXG202 is currently being evaluated in two ongoing clinical trials in the United States and China. In the United States, we obtained the IND approval from FDA in July 2025 and we plan to bypass the U.S.-based Phase I study and directly proceed to a Phase II trial by leveraging Phase I data generated in China. In China, we obtained the approval from NMPA in August 2025 to initiate a combined Phase I/II clinical study. The Phase IIa clinical trial was initiated in March 2026 and the Phase IIb clinical trial is expected to occur in the second half of 2026.

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.

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

The following chart shows the pipeline of product candidates we have under development. All drug candidates listed in this pipeline chart were discovered internally by our research and development team:

	Product	Indications	Target	Route of Administration	Monotherapy or combination therapy	Trial Locations	Line of Treatment	Self-developed, Acquired, or Licensed-in	Development Stage	Expected Upcoming Milestone	Jurisdictions
									IND & IND Preparation / Phase I / Phase II / Phase III		
Ophthalmology	★ EXG102-031	wAMD	VEGF/PlGF/ Ang2	SubR	Monotherapy	China, USA	Aflibercept, Bevacizumab, Brolucizumab, Faricimab-svoa, Ranibizumab, Conbercept	Self-developed	FDA and NMPA	2026H2 Phase IIb/III start	China, USA
Ophthalmology	☆ EXG202	wAMD	VEGF/PlGF/ Ang2	IVT	Monotherapy	China	Aflibercept, Bevacizumab, Brolucizumab, Faricimab-svoa, Ranibizumab, Conbercept	Self-developed	FDA and NMPA	2026H2 Phase IIb start	China, USA
Ophthalmology	☆ EXG202	DME	VEGF/PlGF/ Ang2	IVT	Monotherapy	China	Aflibercept, Bevacizumab, Brolucizumab, Faricimab-svoa, Ranibizumab, Conbercept	Self-developed		2027H1 Phase II start	China, USA
Ophthalmology	☆ EXG202	RVO	VEGF/PlGF/ Ang2	IVT	Monotherapy	China	Aflibercept, Bevacizumab, Brolucizumab, Faricimab-svoa, Ranibizumab, Conbercept	Self-developed		2027H2 Phase II start	China, USA
Ophthalmology	EXG113	dry AMD	Complement factors	IVT	Monotherapy	China	Pegcetacoplan and Avacincaptad pegol	Self-developed		IND submission TBD	China, USA
Neurology	★ EXG001-307	SMA Type 1	SMN1	IV	Monotherapy	China	Nusinersen, Onasemnogene abeparvovec (Zolgensma®, ITVISMA®), Risdiplam	Self-developed	NMPA	2026H2 Phase III regulatory alignment	China, USA, Europe, Japan
Neurology	EXG112	Chronic Pain	Nav 1.7	IT	Monotherapy	China	NSAIDs, acetaminophen, anticonvulsants, opioids	Self-developed		2027H1 IIT start 2028H1 IND submission	China, USA
Neurology	EXG115	Alzheimer's Disease	Tau	IV or SubQ	Monotherapy	China	Aricept, Exelon, Razadyne, Namenda, Leqembi and Kisunla	Self-developed		IND submission TBD	China, USA
Neurology	EXG116	Rett Syndrome	MECP2	IV or IT	Monotherapy	China	Trofinetide	Self-developed		2028H2 IIT	China, USA
Others	EXG110	Fabry Disease	GLA	IV	Monotherapy	China	Fabrazyme, Galafold, Elfabrio	Self-developed	NMPA	2028H2 Phase I completion	China, USA
Others	EXG111	DMD	Dystrophin	IV	Monotherapy	China	Emflaza, Agamree, Exondys 51, Vyondys 53, Viltepso, Amondys 45, Elevidys	Self-developed		2029H2 IND submission	China, USA

★ Core Products ☆ Key Product

SMA: Spinal Muscular Atrophy; wAMD: wet Age-related Macular Degeneration; DME: Diabetic Macular Edema; RVO: Retinal Vein Occlusion; DMD: Duchenne Muscular Dystrophy; IT: Intrathecal Injection; IV: Intravenous Injection; IVT: Intravitreal Injection; SubR: Subretinal Injection; IIT: Investigator Initiated Trial; IND: Investigational New Drug; SubQ: Subcutaneous Injection

Notes:

(1) EXG202 for DME/RVO plans to engage with the NMPA to progress directly to Phase II, supported by wAMD data.

(2) VEGF includes VEGF-A, -B, -C and -D

(3) Abbreviations: H1 = first half; H2 = second half; TBD = to be determined

OUR PIPELINE PRODUCT CANDIDATES

Core Products

EXG102-031

wAMD is a severe form of age-related macular degeneration (AMD), an eye disease that causes severe visual impairment or even blindness in the elderly. There are about 21.6 million wAMD patients globally and 4.0 million wAMD patients in China in 2025. Current therapies require repeated dosing, and in real-world clinical practice, adherence to these intensive regimens is suboptimal. Besides, existing therapies do not provide comprehensive suppression of all key angiogenic pathways (VEGF A/B, VEGF-C/D, PlGF, and Ang2), which may allow compensatory upregulation, contributing to persistent or recurrent exudation and reduced therapeutic durability. By supporting sustained intraocular expression following a single subretinal administration, EXG102-031 provides durable control of neovascular growth, vascular leakage and retinal edema while substantially reducing reliance on frequent intravitreal anti-VEGF injections and associated real-world treatment burdens.

EXG102-031 received IND approval from the FDA in January 2023 and from the NMPA in June 2023. We are conducting a Phase I/II clinical trial of EXG102-031 in China and separate Phase I and Phase II clinical trials in the United States to evaluate its safety, tolerability and preliminary efficacy in patients with wAMD. In the United States, the Phase I clinical trial was completed in March 2026. As of the Latest Practicable Date, EXG102-031 has demonstrated excellent safety and significant efficacy in clinical studies. For details, see "Business — Our Product Pipeline — EXG102-031-Core Product Candidate — Competitive Advantage" in this document.

EXG001-307 (SMA Type 1)

SMA Type 1 is a rare, severe, and life-threatening neuromuscular disorder caused by insufficient levels of survival motor neuron (SMN) protein and is one of the most common fatal genetic diseases in infants and young children, with an estimated incidence of one in 6,000 to 10,000 live births. There are about 176.9 thousand SMA patients globally and 41.0 thousand SMA patients in China in 2025. As of the Latest Practicable Date, available disease-modifying therapies (DMTs) for SMA fall into three main categories: adeno-associated virus (AAV)-based gene therapy, antisense oligonucleotide (ASO), and small-molecule therapies. These traditional treatments are limited by insufficient treatment adherence, limited neuronal SMN targeting or high treatment costs.

EXG001-307 (SMA Type 1), a differentiated product candidate for the treatment of SMA Type 1, a rare disease with relatively limited patient population and prevalence rate, is designed to lower the risk of systemic exposure and improve overall safety while maintaining efficacy in restoring physiologically balanced expression of SMN in motor neurons across the central nervous system, which are the key limitations of currently available gene therapies for SMA. EXG001-307 (SMA Type 1) incorporates a neuron-preferential promoter intended to achieve targeted expression of the SMN gene within the central nervous system while reducing expression in peripheral tissues such as the liver and heart. This design aims to lower the risk of systemic exposure and improve overall safety while maintaining efficacy in restoring physiologically balanced expression of SMN in motor neurons across the central nervous system. EXG001-307 (SMA Type 1) is designed as a single-dose intravenous therapy to provide durable SMN restoration in motor neurons, reducing the need for repeated procedures or lifelong administration. EXG001-307 (SMA Type 1) received IND approval from the NMPA for the treatment of SMA Type 1 in June 2022. We have completed a Phase I/II clinical trial of EXG001-307 (SMA Type 1) through IV administration in China to evaluate its safety, tolerability, and preliminary efficacy in patients with SMA Type 1. Clinically, EXG001-307 (SMA Type 1) has demonstrated a tolerable safety profile and a significant efficacy compared with the reported data of approved SMA therapies. For details, see "Business — Our Product Pipeline — EXG001-307 (SMA Type 1) — Our Core Product Candidate — Competitive Advantage" in this document.

Key Product

EXG202

Fundus neovascularization disease refers to a group of eye disorders that affect vision due to pathological changes in the back of the eye caused by abnormal neovascular growth. Major fundus neovascularization diseases include wAMD, DME, and RVO. There are about 85.1 million fundus neovascularization disease patients globally and 20.2 million fundus neovascularization disease patients in China in 2025. Overall, limitations of anti-VEGF therapies in terms of durability, pathway breadth, injection frequency, long-term safety and incomplete anatomical response underscore an important need for new therapeutic modalities capable of multi-pathway suppression with fewer interventions. Wild-type AAV capsids demonstrate poor inner limiting membrane (ILM) penetration and restricted retinal distribution, resulting in variable or suboptimal transgene expression. The EXG202 capsid, developed through our proprietary *AAVarta* AI-assisted evolution platform, is engineered for enhanced traversal of the ILM to achieve deeper and broader retinal transduction. In addition to the superior capsid, the expressed transgene product from EXG202 enables coordinated inhibition of all key angiogenic pathways, thereby limiting compensatory mechanisms. For details, see "Business — Our Product Pipeline — EXG202 — Key Product Candidate — Competitive Advantage" in this document.

EXG202 is currently being evaluated in two ongoing clinical trials in the United States and China. In the United States, we obtained the IND approval from FDA in July 2025 and we plan to bypass the U.S.-based Phase I study and directly proceed to a Phase II trial by leveraging Phase I data generated in China. In China, we obtained the approval from NMPA in August 2025. The Phase IIa clinical trial was initiated in March 2026 and the Phase IIb clinical trial is expected to occur in the second half of 2026. In parallel with the IND trial, we are conducting an investigator-initiated trial (IIT) of EXG202 to obtain early insights into safety, tolerability and biological activity following intravitreal administration in patients with wAMD. As of the Latest Practicable Date, EXG202 has demonstrated excellent safety and preliminary efficacy in clinical studies.

Other Drug Candidates

Our pipeline also includes six other gene therapy drug candidates and oligonucleotide-based drug candidates. Aside from EXG110, all of these drug candidates are still in the IND or IND preparation stage. For details, see "Business — Our Product Pipeline" in this document.

OUR COMPETITIVE STRENGTHS

We believe the following strengths have contributed to our success and will continue to differentiate us from our competitors: (i) The first and only ophthalmic gene therapy in the world targeting all key angiogenic pathways (VEGF A/B, VEGF-C/D, PlGF, and Ang2); (ii) An innovator in SMA gene therapy, with differentiated product candidate in the world; (iii) AI-assisted, clinically validated vector design enabling well-performing gene therapy candidates; (iv) Developing oligonucleotide therapeutics for highly prevalent diseases; (v) Solid manufacturing process in the gene therapy industry; and (vi) Capable and experienced senior management team.

OUR BUSINESS STRATEGIES

To achieve our goals, we intend to pursue the following business strategies: (i) Advance differentiated therapies with global development pathways; (ii) Accelerate platform-driven expansion and into highly prevalent diseases; (iii) Deliver superior safety, durability, and patient convenience; (iv) Build scalable, high-quality, and cost-efficient manufacturing process; and (v) Drive commercial readiness and enable global market access.

OUR PLATFORMS

We have established a dual technology platform consisting of *AAVarta* and *SODA* that covers the two core aspects of gene therapy: "precise delivery" and "gene regulation". Precise and efficient delivery is fundamental to the success of any therapeutic and is particularly critical in gene therapy, where clinical efficacy is largely determined by vector performance. We have developed a proprietary, AI-assisted platform, AAVarta, designed to discover and optimize gene delivery vectors to address the limitations of wild-type AAV capsids, which often lack sufficient efficiency and selectivity for disease-relevant organs and tissues.

The *SODA* platform is a validated gene-silencing design and optimization engine dedicated to the development of oligonucleotide-based therapeutics and modulatory gene therapy. It systematically advances candidates from rational design through preclinical validation, enabling efficient translation toward clinical development.

Collectively, the *AAVarta* and *SODA* platforms operate in close collaboration, synergizing expertise across gene therapy vector design, oligonucleotide engineering, and sequence optimization for efficient *in vivo* delivery. Together, they form the integrated technological backbone for a new generation of therapies, combining efficacy, safety, and versatility across both modalities.

RESEARCH & DEVELOPMENT PERSONNEL

Our R&D personnel are primarily based in Hangzhou and Guangzhou, China. The Hangzhou team focuses on the research and development of oligonucleotide-based therapeutics (including ASO, siRNA, and the AOC platform). The Guangzhou team is mainly dedicated to the clinical development and application of gene therapy products. The Hangzhou and Guangzhou teams collaborate closely in areas such as target selection, animal model development, preclinical research, and CMC process development. For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, our research and development expenses were RMB145.0 million, RMB103.9 million, RMB57.4 million and RMB53.4 million, respectively, representing 87.3%, 85.3%, 87.2% and 76.7% of our total operating expenses for the corresponding periods.

For the years ended December 31, 2024 and 2025 and six months ended June 30, 2025 and 2026, R&D expenses incurred for EXG102-031, one of our Core Products, were RMB30.9 million, RMB26.5 million, RMB15.5 million and RMB16.8 million, respectively, accounting for 21.3%, 25.5%, 27.1% and 31.5% of our total R&D expenses for the corresponding periods. Although our total R&D expenses in 2025 were lower than in 2024, primarily due to decreases in share-based payment, salaries and benefits and depreciation, the trial and testing expenses of EXG102-031 increased by approximately RMB1.6 million for the year ended December 31, 2025 compared with the same period in 2024 mainly because there were more cumulative patient visits in 2025 than in 2024. The R&D expenses for EXG102-031 increased from RMB15.5 million for the six months ended June 30, 2025 to RMB16.8 million for the six months ended June 30, 2026, primarily due to higher labor costs as a result of the grant of ESOP in April 2026.

For the years ended December 31, 2024 and 2025 and six months ended June 30, 2025 and 2026, R&D expenses incurred for EXG001-307 (SMA Type 1), the other Core Product, were RMB42.7 million, RMB30.4 million, RMB16.9 million and RMB11.4 million, respectively, accounting for 29.5%, 29.3%, 29.5% and 21.3% of our total R&D expenses for the corresponding periods. The R&D expenses for EXG001-307 decreased from RMB42.7 million in 2024 to RMB30.4 million in 2025 reflecting differences in clinical development stages and ad hoc manufacturing needs. In 2024, approximately 80% of the main study visits of the patients were completed, corresponding to higher clinical costs in 2024. As of November 30, 2025, the remaining 20% of main study visits had been finished. Since clinical expenses are accrued based on patient visit progress, as such clinical expenditures for this program in 2025 decreased compared with 2024. In addition to the clinical expenses, in 2024, we commissioned a new batch of clinical products and recognized related expenses of RMB5.2 million in that year, because previously manufactured clinical supply for the purpose of IND submission had been depleted. As a result, R&D expenses for EXG001-307 for the

years ended December 31, 2025 decreased compared to the same period in 2024. The R&D expense for EXG001-307 decreased from RMB16.9 million for the six months ended June 30, 2025 to RMB11.4 million for the six months ended June 30, 2026, primarily due to reduced labor costs as only follow-up work for a limited number of patients remained in the first half of 2026.

COMMERCIALIZATION

We plan to launch our Core Products EXG102-031 and EXG001-307 (SMA Type 1) and our Key Product EXG202 in 2032, 2030 and 2032, respectively. We will employ a strategic marketing model to increase our market penetration, to promote our products and to achieve geographical and channel coverage. For details, see "Business — Commercialization".

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we (i) owned six issued patents in China and one issued patent in Macao, and (ii) filed ten published patent applications in China, 16 published PCT patent applications that are currently active, and 14 published patent applications in the U.S. and other jurisdictions relating to certain of our product candidates and platform technologies. See "Business—Intellectual Property" for details of the material granted patents and filed patent applications by our Company in connection with our clinical and preclinical product candidates.

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period and up to the Latest Practicable Date, we had no commercialized products and therefore no sale of products to customers. In 2025, we generated revenue from providing research and development services for an overseas customer, Customer A, which is a multinational pharmaceutical company. The customer engaged us to provide rAAV with our proprietary vectors to test the effect of our vectors on its product efficacy. For further details, please refer to "Financial Information — Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Revenue" in this document. 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, and (iv) professional service providers. Our purchases from our five largest suppliers amounted to RMB30.4 million for 2024, RMB14.9 million for 2025 and RMB8.3 million for the six months ended June 30, 2026, representing 61.0%, 45.7% and 51.0% of our total purchases for the respective periods. Our purchases from our largest supplier alone accounted for 29.4%, 22.7% and 29.2% of our total purchases for 2024, 2025 and the six months ended June 30, 2026, respectively. Except for Hangzhou CoJourney, all of our five largest suppliers during the Track Record Period were Independent Third Parties. Save for Dr. Wu, Dr. Ye and Ms. Wang, each of whom is indirectly interested in the equity of Jiaxing CoJourney, none of our Directors, their respective associates nor any shareholder who, to the knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, has any interest in any of our five largest suppliers during the Track Record Period. For details, see "Relationship with Controlling Shareholders — Other Business or Interest of Controlling Shareholders" in this document.

SUMMARY OF FINANCIAL INFORMATION

The summary of financial information should be read together with our audited consolidated financial information for the years ended and as of December 31, 2024 and 2025 and the six months ended and as of June 30, 2026 set out in Appendix I to this document, including the accompanying notes and the information set forth in "Financial Information" in this document.

Summary of Consolidated Statements of Profit or Loss

	Year ended December 31,		Six months ended June 30,	
	2024	**2025**	**2025**	**2026**
	(RMB'000)	*(RMB'000)*	*(RMB'000) (unaudited)*	*(RMB'000)*
Revenue	–	1,299	–	–
Cost of sales	–	(1,169)	–	–
Gross profit	–	130	–	–
Other income	61,709	13,398	5,892	2,909
Impairment losses under expected credit loss model ("**ECL**"), net of reversal	(2,301)	(99)	(138)	162
Other gains and losses	2,965	(859)	233	(1,882)
Fair value change of financial liabilities at fair value through profit or loss ("**FVTPL**") and convertible loan notes	(105,195)	(706,791)	(21,196)	(304,456)
Administrative expenses	(21,151)	(17,831)	(8,455)	(16,175)
[**REDACTED**] expenses	–	(6,707)	–	(7,529)
Research and development expenses	(144,967)	(103,863)	(57,373)	(53,370)
Other expenses	(8,667)	(3,155)	(1,375)	(815)
Finance costs	(2,197)	(1,125)	(906)	(63)
Loss before tax	(219,804)	(826,902)	(83,318)	(381,219)
Income tax expense	–	–	–	–
Loss for the year	**(219,804)**	**(826,902)**	**(83,318)**	**(381,219)**

Our loss for the year increased from RMB219.8 million for 2024 to RMB826.9 million for 2025 primarily due to the significant increase of RMB601.6 million in fair value change of financial liabilities at fair value through profit or loss and convertible loan notes. Our loss increased from RMB83.3 million for the six months ended June 30, 2025 to RMB381.2 million for the six months ended June 30, 2026, primarily due to the significant increase of RMB283.3 million in fair value change of financial liabilities at fair value through profit or loss and convertible loan notes.

Summary of Consolidated Statements of Financial Position

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
NON-CURRENT ASSETS			
Property and equipment	31,134	18,397	14,046
Right-of-use assets	6,007	3,592	1,959
Intangible assets	112	150	97
Finance lease receivables	600	–	–
Prepayment on acquisition of non-current assets	1,838	–	–
Prepayment and other receivables	1,188	2,190	3,239
Amount due from related parties	40,461	27,490	27,979
Time deposits	30,000	–	–
	111,340	51,819	47,320
CURRENT ASSETS			
Inventories	3,365	2,670	2,039
Finance lease receivables	555	587	290
Prepayment and other receivables	5,574	5,957	7,216
Amounts due from related parties	14,007	17,474	15,170
Financial assets at FVTPL	40,127	68,235	90,287
Time deposits	50,319	31,417	–
Restricted bank deposits	300	–	6,000
Cash and cash equivalents	278,620	191,066	138,209
	392,867	317,406	259,211
CURRENT LIABILITIES			
Trade and other payables	29,728	30,497	19,946
Amounts due to related parties	2,989	30	1,144
Bank borrowings	53,758	–	–
Financial liabilities at FVTPL	1,774,141	2,450,780	2,745,764
Lease liabilities	3,913	2,479	826
Convertible loan notes	128,276	178,428	187,900
	1,992,805	2,662,214	2,955,580
NET CURRENT LIABILITIES	(1,599,938)	(2,344,808)	(2,696,369)
TOTAL ASSETS LESS CURRENT LIABILITIES	(1,488,598)	(2,292,989)	(2,649,049)
NON-CURRENT LIABILITIES			
Other payables	155	–	–
Lease liabilities	2,058	319	17
Deferred income	795	139	46
	3,008	458	63
NET LIABILITIES	(1,491,606)	(2,293,447)	(2,649,112)

Upon the [**REDACTED**], our preferred shares will automatically convert into ordinary shares and will no longer be treated as financial liabilities. As such, we do not expect to continue to record net current liabilities following the [**REDACTED**]. See "Financial Information — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position" in this document for details.

See "Financial Information — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position" in this document for reasons of fluctuations in our net current liabilities and net liabilities.

Summary of Statements of Cash Flows

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

	Year ended December 31,		Six months ended June 30,	
	2024	**2025**	**2025**	**2026**
	(RMB'000)	*(RMB'000)*	*(RMB'000) (unaudited)*	*(RMB'000)*
Net cash used in operating activities	(67,572)	(71,816)	(49,522)	(58,569)
Net cash from investing activities	150,257	26,218	77,157	11,322
Net cash used in financing activities	(1,550)	(40,121)	(27,427)	(3,474)
Net increase/(decrease) in cash and cash equivalents	81,135	(85,719)	208	(50,721)
Cash and cash equivalents at beginning of the year/period	196,784	278,620	278,620	191,066
Effect of exchange rate changes	701	(1,835)	(266)	(2,136)
Cash and cash equivalents at end of the year/period	278,620	191,066	278,562	138,209

We recorded net operating cash outflows for 2024 and 2025. Our cash burn rate refers to our average monthly (i) net cash used in operating activities, which includes research and development expenses; and (ii) capital expenditures. Taking into account our cash and cash equivalents and financial products we purchased, and assuming monthly net cash used in operating activities and capital expenditures going forward of 1.8 times the average level in 2025, we estimate we will be able to maintain our financial viability for 21 months without considering the estimated [**REDACTED**] from the [**REDACTED**]; or if we also take into account the estimated [**REDACTED**] from the [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the low-end of the indicative [**REDACTED**] Range), 102 months. Our Directors and our management team will continue to monitor our working capital, cash flows and our business development status. See "Financial Information — Cash Flow Analysis" for a detailed discussion of our cash burn rate and working capital sufficiency.

Cash Operating Costs

The following table sets forth key information relating to our cash operating costs for the periods indicated:

	Year ended December 31,		As of June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Costs relating to research and development of our Core Products				
Pre-clinical development expenditure	13,995	10,274	4,752	3,336
Clinical development expenditure	16,410	16,044	9,465	7,566
Labor costs	24,164	16,381	9,683	6,586
Subtotal	**54,569**	**42,699**	**23,900**	**17,488**
Costs relating to research and development of our other pipeline product candidates				
Pre-clinical development expenditure	27,887	9,926	5,823	5,564
Clinical development expenditure	426	3,602	729	3,625
Labor costs	18,178	18,758	9,432	6,935
Subtotal	**46,491**	**32,286**	**15,983**	**16,124**
Total cash operating costs for non-research and development				
Labor cost for non-research and development staff	10,313	9,328	4,403	4,628
Other cash operating costs	3,271	2,110	908	1,743
Subtotal	**13,584**	**11,438**	**5,311**	**6,371**
Total cash operating costs	**114,644**	**86,423**	**45,195**	**39,983**

Key Financial Ratio

	As of December 31,		As of June 30,
	2024	2025	2026
Current ratio [(1)]	19.7%	11.9%	8.8%

Note:

(1) Current ratio is calculated as total current assets divided by total current liabilities as of the dates indicated.

RISK FACTORS

See "Risk Factors" in this document for details of risks we may encounter in our operations. Some of the major risks we face include:

- We depend substantially on the success of our product candidates, all of which are in pre-clinical or clinical development. If we are unable to successfully complete clinical development, obtain regulatory approval and commercialize our product candidates, or experience significant delays in doing so, our business will be materially harmed.
- Clinical development of biopharmaceutical products involves a lengthy and expensive process with an uncertain outcome, and results of preclinical studies and early phases of clinical trials may not be predictive of future trial results.
- The biological effects of our siRNA-based therapies may persist for a period of time, and currently available methods to rapidly reverse or precisely modulate such effects remain limited.
- Our future approved product candidates may fail to achieve or maintain the degree of market acceptance by physicians, medical institutions, pharmacies, patients, third-party payers and others in the medical community necessary for commercial success.
- AAV gene therapies entail inherent safety risks that could adversely affect development and regulatory timelines.

OUR CONTROLLING SHAREHOLDERS

On August 9, 2019, our Controlling Shareholders, being Dr. Wu, Dr. Ye, Ms. Wang and Landes Therapeutics Ltd, entered into the acting-in-concert agreement, pursuant to which our Controlling Shareholders have acted in concert by aligning their votes at the board meetings and shareholders' meetings of our Company. See also "History, Reorganization and Corporate Structure — Corporate Development and Major Shareholding Changes". As at the Latest Practicable Date, Dr. Wu, Dr. Ye, Ms. Wang and Landes Therapeutics Ltd, our Controlling Shareholders, by virtue of the acting-in-concert arrangement, are entitled to exercise or control the exercise of an aggregate of 31.16% voting rights at the general meeting of our Company.

Immediately after completion of the Conversion and the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no further Shares are issued under the Pre-[**REDACTED**] Equity Incentive Plan or the Convertible Loan Agreements), Dr. Wu, Dr. Ye, Ms. Wang and Landes Therapeutics Ltd will cease to be our controlling shareholders (as defined under the Listing Rules), but will remain as the single largest group of shareholders of our Company and be entitled to exercise or control the exercise of an aggregate of approximately [**REDACTED**]% voting rights at the general meeting of the Company.

OUR PRE-[REDACTED] INVESTORS

We conducted Series A-1, Series A-2, Series B, Series B+, and Series B++ financing rounds (including the Pre-[**REDACTED**] Convertible Loans) and received the Pre-[**REDACTED**] Investments with a total investment amount of RMB939.8 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. Legend Capital and Hillhouse (as defined in the section headed "History, Reorganization and Corporate Structure" in this document) are our Sophisticated Investors. Immediately upon completion of the Conversion and the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no further Shares are issued under the Pre-[**REDACTED**] Equity Incentive Plan or the Convertible Loan Agreements), Legend Capital and Hillhouse will hold approximately [**REDACTED**]% and [**REDACTED**]% of the total issued share capital of our Company, respectively. For details, see "History, Reorganization and Corporate Structure — Pre-[**REDACTED**] Investments."

DIVIDENDS

We did not declare or pay any dividend during the Track Record Period. As of the Latest Practicable Date, we did not have a formal dividend policy or fixed dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Investors should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. As advised by our PRC Legal Adviser, we are not allowed to make dividend payments if we have accumulated losses. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China. As a result, we may not have sufficient or any distributable profits to make dividend contributions to our Shareholders, even if we become profitable.

[REDACTED]

FUTURE PLANS AND [REDACTED]

Based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], we estimate that we will receive [**REDACTED**] of approximately HK$[**REDACTED**] million from the [**REDACTED**] after deducting the [**REDACTED**] and other estimated expenses in connection with the [**REDACTED**], assuming that the [**REDACTED**] is not exercised. In line with our strategies, we intend to use the [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts set forth below:

- approximately [**REDACTED**]%, or HK$[**REDACTED**] million, is expected to be used for the research and development and commercialization of our Core Products, namely, EXG102-031 for the treatment of wAMD and EXG001-307 (SMA Type 1) for the treatment of SMA Type 1;
- approximately [**REDACTED**]%, or HK$[**REDACTED**] million, is expected to be used for research and development of our Key Product EXG202 for the treatment of FND;
- approximately [**REDACTED**]%, or HK$[**REDACTED**] million, is expected to be used for research and development of our other pipeline products;
- approximately [**REDACTED**]%, or HK$[**REDACTED**] million, is expected to be used for strengthening our technical platform capabilities; and
- approximately [**REDACTED**]%, or HK$[**REDACTED**] million, is expected to be used for working capital, business development and general corporate purposes, providing financial flexibility to support our day-to-day operations and advance our pipeline.

See "Future Plans and [**REDACTED**]" in this document for further details.

RECENT DEVELOPMENTS AND 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 in Appendix I to this document.

In this document, unless the context otherwise requires, the following terms and expressions have the meanings set forth below.

"Accountant's Report"	the accountant's report of our Group for the Track Record Period as set out in Appendix I to this document
"affiliate(s)"	with respect to any specific 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
"Articles" or "Articles of Association"	the articles of association of our Company, which shall become effective upon [**REDACTED**], as amended from time to time, a summary of which is contained in Appendix III to this document
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of directors of our Company
"business day"	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business

[**REDACTED**]

"Chairman"	the chairman of our Board
"China", "PRC" or "Chinese Mainland"	the People's Republic of China, excluding, for the purposes of this document only, the regions of Hong Kong, Macau Special Administrative Region and Taiwan of the People's Republic of China, except where the content or context requires otherwise
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

"Companies (WUMP) 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 Law" or "PRC Company Law"	the Company Law of the People's Republic of China (《中華人民共和國公司法》) as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Exegenesis Bio Inc., an exempted company with limited liability incorporated in the Cayman Islands on May 24, 2019 and registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on February 9, 2026, and holding company of all other companies in the Group
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Conversion"	conversion of each Preferred Share to a Share on a one-to-one basis (subject to adjustments under the Articles)
"Convertible Loan Agreements"	Wanlian Guangsheng Convertible Loan Agreement and Zhejiang Fund Convertible Loan Agreement
"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Core Product(s)"	has the meaning ascribed thereto in Chapter 18A of the Listing Rules and is the product for the purpose of satisfying the eligibility requirements under Chapter 18A; for the purpose of this document, our Core Products refer to EXG102-031 and EXG001-307 (SMA Type 1)
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSDCC"	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company
"Dr. Wu"	Dr. Wu Zhenhua (吳振華), an executive Director, our Chairman, and one of our substantial shareholders, and our founder
"Dr. Ye"	Dr. Ye Guojie (葉國傑), an executive Director and chief scientific officer, and one of our co-founders
"EIT"	enterprise income tax

"EIT Law"	the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得税法), as amended, supplemented or otherwise modified from time to time
"Exchange Participant(s)"	a person (a) who, in accordance with the Listing Rules, may trade on or through the Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Stock Exchange as a person who may trade on or through the Stock Exchange
"Extreme Conditions"	extreme conditions including but not limited to serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons as announced by the government of Hong Kong
"FIL"	Foreign Investment Law of the PRC (《中華人民共和國外商投資法》)
"FINI"	Fast Interface for New Issuance, an online platform operated by [**REDACTED**] that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all New [**REDACTED**]
"General Rules of [**REDACTED**]"	the General Rules of [**REDACTED**] as may be amended or modified from time to time and where the context so permits, shall include the [**REDACTED**] Operational Procedures
"GFA"	gross floor area
	[**REDACTED**]
"Group," "our Group," "the 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 before our Company became the holding company of our present subsidiaries, the entities or the predecessors of the present subsidiaries (as the case may be) which carried on the business of the present Group at the relevant time
"Guangzhou Jiayin"	Guangzhou Jiayin Biotech Co., Ltd. (廣州嘉因生物科技有限公司), a company established under the laws of the PRC with limited liability on November 11, 2025, and a wholly-owned subsidiary of Hangzhou Jiayin
"Guide for New Listing Applicants"	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange effective from January 1, 2024 (as amended, supplemented or otherwise modified from time to time)
"Hangzhou CoJourney"	Hangzhou CoJourney Bio Ltd. (杭州行誠生物科技有限公司), a company established under the laws of the PRC with limited liability on March 25, 2022, and a wholly-owned subsidiary of Jiaxing CoJourney

"Hangzhou Jiayin"	Hangzhou Jiayin Biotech Co., Ltd. (杭州嘉因生物科技有限公司), a company established under the laws of the PRC with limited liability on July 5, 2019, and a wholly-owned subsidiary of Hangzhou Exegenesis
"Hangzhou Exegenesis"	Hangzhou Exegenesis Bio Ltd. (杭州複因生物科技有限公司), a company established under the laws of the PRC with limited liability on August 1, 2019, and a wholly-owned subsidiary of Exegenesis HK Limited
"Hillhouse"	Hillhouse Investment Management, Ltd., one of our Sophisticated Investors
"Historical Contractual Arrangements"	a series of contractual agreements entered into among Hangzhou Exegenesis, Hangzhou Jiayin, and its shareholders, which enable our Group to exercise effective control over, receive substantially all of the economic benefits of, and consolidate the financial results of Hangzhou Jiayin, through the VIE arrangement
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong

[**REDACTED**]

"[**REDACTED**] channel"	the arrangement in these [**REDACTED**] Operational Procedures for instructions to be given electronically to [**REDACTED**] by Participants via FINI for applications to be made on their behalf for new issue shares and for the payment of application moneys, and for those instructions to be acted upon

[**REDACTED**]

"[**REDACTED**] Operational Procedures"	the operational procedures of [**REDACTED**], containing the practices, procedures and administrative or other requirements relating to [**REDACTED**]'s services and the operations and functions of [**REDACTED**], FINI or any other platform, facility or system established, operated and/or otherwise provided by or through [**REDACTED**], as from time to time in force

[**REDACTED**]

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

[**REDACTED**]

"IAS"	International Accounting Standards
"IFRS"	IFRS Accounting Standards issued by the International Accounting Standards Board
"Independent Third Party(ies)"	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is/are not connected (within the meaning of the Listing Rules) with our Company

[**REDACTED**]

[**REDACTED**]

"JC Group"	Jiaxing CoJourney and its subsidiaries
"Jiaxing CoJourney"	Jiaxing CoJourney Bio Ltd. (嘉興行誠生物科技有限公司), a company established under the laws of the PRC with limited liability on November 1, 2022
"Latest Practicable Date"	August 23, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication
"Legend Capital"	Legend Capital Co., Ltd. (君聯資本管理股份有限公司), one of our Sophisticated Investors

[**REDACTED**]

"Listing Committee"	the listing committee of the Stock Exchange

[**REDACTED**]

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, 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 Growth Enterprise Market of the Stock Exchange
"Memorandum of Association" or "Memorandum"	[seventh] amended and restated memorandum of association of our Company conditionally adopted on [●] to take effect on the [**REDACTED**], as amended from time to time, a summary of which is set out in Appendix III to this document
"MIIT"	The Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和資訊化部)

"Ministry of Finance" or "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)
"Ms. Wang"	Ms. Wang Lijun (王立軍), one of our co-founders
"Nanjing Yinling"	Nanjing Yinling Biotech Co., Ltd. (南京因領生物科技有限公司), a company established under the laws of the PRC with limited liability on July 5, 2019, owned as to approximately 54% by Hangzhou Exegenesis, approximately 40% by Hangzhou Yinling Bingjin Enterprise Management Partnership (杭州因領並進企業管理合夥企業), and 6% by Xin Xin (辛鑫), and a subsidiary of our Group
"NASDAQ"	The Nasdaq Stock Market LLC
"NDRC"	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)
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)
"Nomination Committee"	the nomination committee of the Board

[**REDACTED**]

"PBOC"	the People's Bank of China (中國人民銀行)
"PRC government" or "State"	the Central People's Government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities) and their instrumentalities or, where the context requires, any of them
"PRC Legal Adviser"	Zhong Lun Law Office, the legal advisors of our Company as to PRC laws in connection with the [**REDACTED**]

"Preferred Share(s)"	convertible redeemable preferred share(s) in the share capital of our Company, including Series A-1 Preferred Shares, Series A-2 Preferred Shares, Series B Preferred Shares, Series B+ Preferred Shares and Series B++ Preferred Shares
"Pre-[**REDACTED**] Convertible Loans"	the convertible loans under the Convertible Loan Agreements
"Pre-[**REDACTED**] Equity Incentive Plan"	the pre-[**REDACTED**] employee share incentive plans adopted by our Company on July 30, 2022, the principal terms of which are summarized under the section headed "Statutory and General Information — D. Pre-[**REDACTED**] Equity Incentive Plan" in Appendix IV to this document
"Pre-[**REDACTED**] Investment(s)"	the investments made by the Pre-[**REDACTED**] Investors in our Company, details of which are set out in "History, Reorganization and Corporate Structure — Pre-[**REDACTED**] Investments" in this document
"Pre-[**REDACTED**] Investor(s)"	the pre-[**REDACTED**] investors of our Company, details of which are set out in "History, Reorganization and Corporate Structure — Pre-[**REDACTED**] Investments" in this document

[**REDACTED**]

"Province"	a province or, where the context requires, a provincial level autonomous region or municipality, under the direct supervision of the central government of the PRC

[**REDACTED**]

"Remuneration Committee"	the remuneration committee of the Board
"RMB"	Renminbi, the lawful currency of the PRC
"Reorganization"	the Reorganization of the group of companies now comprising our Group conducted in preparation for the [**REDACTED**], details of which are set out in the section headed "History, Reorganization and Corporate Structure" in this document

"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局), the PRC governmental agency responsible for matters relating to foreign exchange administration, including local branches, when applicable
"SAIC"	State Administration for Industry & Commerce of the PRC (中華人民共和國國家工商行政管理總局)
"SAMR"	State Administration for Market Regulation (國家市場監督管理局)
"SAT"	State Administration of Taxation (國家税務總局)
"SCNPC"	the Standing Committee of the National People's Congress (全國人民代表大會常務委員會)
"Series A-1 Preferred Share(s)"	the Series A-1 convertible redeemable preferred shares of our Company with a par value of US$0.00001 per share
"Series A-2 Preferred Share(s)"	the Series A-2 convertible redeemable preferred shares of our Company with a par value of US$0.00001 per share
"Series B Preferred Share(s)"	the Series B convertible redeemable preferred shares of our Company with a par value of US$0.00001 per share
"Series B+ Preferred Share(s)"	the Series B+ convertible redeemable preferred shares of our Company with a par value of US$0.00001 per share
"Series B++ Preferred Share(s)"	the Series B++ convertible redeemable preferred shares of our Company with a par value of US$0.00001 per share
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) with nominal value of US$[0.00001] each in the share capital of our Company
"Shareholder(s)"	holder(s) of Shares

[**REDACTED**]

[**REDACTED**]

"Sole Sponsor" or [**REDACTED**]	CCB International Capital Limited
"Sophisticated Investor(s)"	has the meaning ascribed to it under Section 2.3 to the Guide for New Listing Applicants issued by the Stock Exchange, and unless the context otherwise requires, refers to Legend Capital and Hillhouse
"sq.m."	square meters

[**REDACTED**]

"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto in section 15 of the Companies Ordinance
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Takeovers Code"	the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026

[**REDACTED**]

"U.S.", "USA" or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. Securities Act"	the United States Securities Act 1933, as amended, supplemented or otherwise modified from time to time
"US$" or "U.S. dollar"	United States dollars, the lawful currency of the United States
"VAT"	Value-added tax
"VIE"	variable interest entity

"Wanlian Guangsheng Convertible Loan Agreement"	the convertible loan agreement dated December 26, 2025 entered into among our Company, Wanlian Guangsheng Investment Co., Ltd. (萬聯廣生投資有限公司), Guangzhou Jiayin and Landes Therapeutics Ltd., pursuant to which Wanlian Guangsheng Investment Co., Ltd. (萬聯廣生投資有限公司) was granted the right to convert a loan into ordinary Shares of our Company
	[**REDACTED**]
"Zhejiang Fund Convertible Loan Agreement"	the convertible loan agreement dated January 13, 2026 entered into among our Company, Zhejiang Industry Fund Co., Ltd. (浙江省產業基金有限公司), Hangzhou Exegenesis, Hangzhou Jiayin, Dr. Wu, Ms. Wang and Dr. Ye, pursuant to which Zhejiang Industry Fund Co., Ltd. (浙江省產業基金有限公司) was granted the right to convert a loan into ordinary Shares of our Company
" % "	per cent

Certain amounts and percentage figures included in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

In this document, unless otherwise stated, certain amounts denominated in RMB have been translated into Hong Kong dollars or U.S. dollars at an exchange rate of HK$1.00: RMB0.86466 and US$1.00: HK$7.8432, respectively, for illustration purpose only. Such conversions shall not be construed as representations that amounts in RMB were or could have been or could be converted into Hong Kong dollars or U.S. dollars at such rates or any other exchange rates on such date or any other date.

If there is any inconsistency between this document and the Chinese translation of this document, this document shall prevail. For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this document in both the Chinese and English languages and in the event of inconsistency, the Chinese version shall prevail.

Unless otherwise specified, all relevant information in this document assumes that the [**REDACTED**] *is not exercised*

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain terms used in this document as they relate to our Company and as they are used in this document in connection with our business or us. These terms and their given meanings may not correspond to standard industry definitions.

"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
"AAV8"	adeno-associated virus serotype 8
"AE"	adverse event, any unfavorable or unintended sign, symptom, disease, or abnormal lab finding that occurs during treatment or a study, regardless of whether it's linked to the treatment in medical research and drug use.
"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
"Ang2"	Angiopoietin-2, a signaling protein crucial for blood vessel formation (angiogenesis) and responsive to growth factors like VEGF to sprout new ones, and is implicated in various diseases like cancer and retinal disorders. It's important in conditions like diabetic macular edema (DME) and age-related macular degeneration (AMD) by promoting vascular leakage and new vessel growth.
"AOC"	antibody-oligonucleotide conjugates, belong to a class of chimeric molecules combining in their structure two important families of biomolecules: monoclonal antibodies and oligonucleotides.
"anti-VEGF"	a medicine that slows or stops the damage caused by the abnormal growth of blood vessels through blocking the VEGF protein
"ASO"	antisense oligonucleotide, a short, synthetic strand of DNA or RNA designed to bind to specific messenger RNA (mRNA) to control protein production

"BCVA"	best corrected visual acuity, the sharpest vision someone can achieve with glasses or contacts, crucial in eye exams and clinical trials.
"BLA"	the Biologics License Application (生物製品許可申請), a request to the regulatory authorities, such as FDA or NMPA 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
"CHOP-INTEND"	Children's Hospital of Philadelphia Infant Test of Neuromuscular Disorders, a reliable measure of motor skills in patients with SMA-I and neuromuscular disorders presenting in infancy.
"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
"CMC"	chemistry, manufacturing, and controls processes in the development, licensure, manufacturing, and ongoing marketing of pharmaceutical products
"CNS"	central nervous system, the body's main command center, comprising the brain and the spinal cord, responsible for processing information, integrating sensory input, and generating motor output to control all bodily functions.
"CRO(s)"	contract research organization(s), a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis
"CRT"	Central Retinal Thickness, a key measurement of the retina's thickness in its central area, typically around the fovea, taken using Optical Coherence Tomography (OCT) to diagnose, monitor, and assess treatment effectiveness for eye conditions like diabetic macular edema (DME) and age-related macular degeneration (AMD).

GLOSSARY OF TECHNICAL TERMS

"DBL"	database lock, the critical process of finalizing the data by stopping all data entry and modifications, ensuring it's complete, clean, and validated, so it's ready for unblinding and statistical analysis to determine study outcomes and regulatory submission.
"DLT"	dose limiting toxicity, 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)
"DMD"	Duchenne muscular dystrophy, a progressive, genetic (X-linked recessive) neuromuscular disorder caused by mutations to the *DMD* gene, resulting in the dysfunction or absence of the dystrophin protein.
"DME"	diabetic macular edema, a serious complication of diabetes where high blood sugar damages retinal blood vessels, causing fluid to leak into the macula.
"dose-escalation"	a process used in early-phase clinical trials, particularly Phase I studies, to identify the maximum tolerated dose of an investigational treatment
"DRG"	dorsal root ganglion, a cluster of sensory neuron cell bodies located on the dorsal (back) root of spinal nerves, acting as a crucial relay station for transmitting touch, pain, temperature, and proprioception signals from the body to the central nervous system (spinal cord and brain).
"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
"ETDRS letters"	A standardized tool for measuring visual acuity in eye exams
"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
"FND"	fundus neovascularization diseases, blinding eye conditions caused by abnormal growth of fragile new blood vessels in the retina. These leaky vessels lead to bleeding, fluid buildup, retinal detachment, and vision loss. The process is driven by excess vascular endothelial growth factor (VEGF), with anti-VEGF therapies being the primary treatment.

GLOSSARY OF TECHNICAL TERMS

"Gb3"	Globotriaosylceramide (Gb3, GL-3), a glycosphingolipid (a type of fat in cell membranes) that's vital for cell function but, when it builds up, causes Fabry disease, damaging cells in blood vessels, kidneys, heart, and nervous system.
"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"	medical technology that aims to produce a therapeutic effect through the manipulation of gene expression or through altering the biological properties of living cells
"ILM"	Inner limiting membrane, a crucial structural boundary between the eye's vitreous humor and the retina, acting as a significant obstacle (barrier) to the delivery of advanced therapies like gene therapies, nanoparticles, and stem cells into the deeper retinal layers, despite being permeable to small molecules; overcoming this barrier is key for effective retinal treatments.
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China
"IVT"	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 macular edema, 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 cells or biological molecules 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
"MAPT"	microtubule associated protein Tau, encoding tau protein, crucial for microtubule stability in neurons, but mutations are linked to neurodegenerative diseases like Alzheimer's disease.

"MeCP2"	Methyl-CpG-binding protein 2, a crucial protein encoded by the *MECP2* gene, essential for normal brain development and function, acting as an epigenetic regulator that controls gene activity, especially in neurons, by binding to methylated DNA and influencing chromatin structure.
"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
"NIH"	the National Institutes of Health, a part of the U.S. Department of Health and Human Services, which is the nation's medical research agency making important discoveries that improve health and save lives
"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)
"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
"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

"PlGF"	placental growth factor, is a protein crucial for blood vessel formation angiogenesis especially in the placenta during pregnancy. In addition PlGF is also involved in various diseases, such as in the development of fundus neovascularization
"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
"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
"R&D"	Research and development (R&D) refers to the systematic activities taken by companies to innovate and create new products or improve existing ones, often requiring significant investment and time.
"RNAi"	RNA interference, a biological process in which RNA molecules are involved in sequence-specific suppression of gene expression by double-stranded RNA, through translational or transcriptional repression.
"RPE"	retinal pigment epithelium, a critical, single layer of pigmented cells beneath the retina, forming a vital barrier and support system for the photoreceptors (light-sensing cells) by transporting nutrients
"RP2D"	recommended Phase II dose, the specific dose and schedule of a new drug that is determined to be the most appropriate to carry forward into larger Phase 2 clinical trials.
"RVO"	retinal vein occlusion, a blockage in a retinal vein, causing blood and fluid to leak into the retina, leading to sudden, painless vision loss or blurriness in one eye. RVO is driven by increased Vascular Endothelial Growth Factor (VEGF) leakage from damaged vessels.
"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
"SCS"	Suprachoroidal injection, a medical procedure used to deliver medication into the suprachoroidal space of the eye, which is a potential space between the sclera (the white outer layer) and the choroid (a vascular layer).

GLOSSARY OF TECHNICAL TERMS

"SMA"	Spinal Muscular Atrophy (SMA), a genetic neuromuscular disorder causing progressive weakness and wasting of voluntary muscles due to the death of motor neurons in the spinal cord, impacting movement, breathing, and swallowing.
"SMN"	survival motor neuron protein, encoded by the SMN1 gene, is crucial for maintaining motor neurons, the nerve cells that control muscle movement, by helping process messenger RNA (mRNA) and build essential cellular machinery for nerve growth (axons/dendrites).
"SR" or "SubR"	Subretinal injection, a precise ophthalmic surgical technique that delivers medications, gene therapy vectors, or cells directly into the subretinal space, the area between the light-sensitive retina and the underlying retinal pigment epithelium (RPE).
"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"	Vehicle, either viral or non-viral, used as microscopic delivery trucks to carry therapeutic genetic material (like a working gene) into a patient's cells, replacing or correcting faulty DNA to treat genetic diseases, cancers, and other conditions
"VEGF"	Vascular Endothelial Growth Factor, a crucial signaling protein that stimulates the growth of new blood vessels (angiogenesis) and lymphatic vessels, vital for normal development, wound healing, and reproduction, but also involved in diseases like cancer and fundus neovascularization disorders where excessive growth is harmful.
"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
"wAMD"	Wet Age-Related Macular Degeneration, a serious form of AMD where abnormal, leaky blood vessels grow under the retina, causing fluid and blood leakage that rapidly damages the macula, leading to severe central vision loss.

This document contains certain forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words "anticipate," "believe," "could," "estimate," "expect," "forecast," "going forward," "intend," "may," "ought to," "plan," "project," "seek," "should," "will," "would," "wish" and similar expressions or the negative of these terms as they relate to our Company or our management, are intended to identify forward-looking statements, which are subject to certain risks, uncertainties and assumptions. Although we believe that our expectations expressed in these forward-looking statements are reasonable, our expectations reflect the current views of our management and may later be found to be incorrect. Our actual results could be materially different from our expectations. Important risks and factors that could cause our actual results to be materially different from our expectations are generally set forth in "Risk Factors," "Business," "Financial Information" and other sections in this document.

You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our Company that could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our business strategies, plans, objectives and goals and our ability to implement such strategies, plans, objectives and goals;
- our future business development, financial condition and results of operations;
- our expectations regarding the potential market size and the size of the patient populations for our drug candidates, if approved for commercial use;
- our expectations regarding the potential advantages of our drug candidates over existing therapies;
- our ability to maintain good relationships with business partners;
- our ability to obtain, maintain, protect and enforce intellectual and proprietary rights for our drug candidates;
- our development plans with respect to our drug candidates, including the timing or likelihood of regulatory filings and approvals for our drug candidates and the commercialization of our drug candidates, if approved;
- our commercialization, marketing and manufacturing capabilities of our drug candidates;
- general economic, political and business conditions in locations where we operate;
- changes to regulatory and operating conditions in the industry and markets in which we operate;
- the future developments trends and conditions, as well as competitive environment in our industry;
- our ability to stay in compliance with laws and regulations that currently apply or become applicable to our business both in the PRC and internationally;
- our future debt levels and capital needs;
- margins, overall market trends, risk management and exchange rates;
- other statements in this document that are not historical fact;
- and all other risks and uncertainties described in "Risk Factors" in this document.

Any forward-looking statements speaks only as at the date on which such statement is made, and, except as required by the Listing Rules, we undertake no responsibility to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of any subsequent unanticipated event. Statements of or references to our intentions or those of any of our Directors are made as at the date of this document. Any such intentions may change in light of future developments.

All forward-looking statements in this document are expressly qualified by reference to this cautionary statement.

An [**REDACTED**] *in our Shares involves a high degree of risk. You should consider carefully all the information set out in this document and, in particular, should evaluate the following risks associated with the* [**REDACTED**] *in our Shares. In particular, we are a biopharmaceutical company seeking to* [**REDACTED**] *on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules. Our operations and the biopharmaceutical industry involve certain risks and uncertainties, some of which are beyond our control and may cause you to lose all your* [**REDACTED**] *in our Shares. You should also pay particular attention to the fact that we conduct our operations in China, as well as in the United States, the legal and regulatory environment of which in some respects may differ from that in Hong Kong and other jurisdictions. Any of the risks and uncertainties described below could have a material adverse effect on our business, results of operations, financial condition or on the* [**REDACTED**] *of our Shares, and could cause you to lose all or part of your* [**REDACTED**]. *The order in which the following risks are presented does not necessarily reflect the likelihood of their occurrence or the relative magnitude of their potential material adverse effect on our business, financial condition, results of operations, prospects or on the* [**REDACTED**] *of our Shares.*

RISKS RELATING TO THE DEVELOPMENT, CLINICAL TRIALS AND REGULATORY APPROVAL OF OUR PRODUCT CANDIDATES

We depend substantially on the success of our product candidates, all of which are in pre-clinical or clinical development. If we are unable to successfully complete clinical development, obtain regulatory approval and commercialize our product candidates, or experience significant delays in doing so, our business will be materially harmed.

Our business will depend on the successful development, regulatory approval and commercialization of our current product candidates, including our Core Products, and our Key Product all of which are still in pre-clinical or clinical development, as well as other product candidates we are developing or may develop in the future. Our success depends on timely patient enrollment and completion of pre-clinical and clinical studies, safeguarding trial data in compliance with relevant laws and standards, obtaining regulatory approvals, securing scalable commercial manufacturing and reliable supplies for combination-use trials that ensuring CROs, CDMOs and other vendors comply with protocols and legal requirements to protect data integrity, acquiring the necessary intellectual property rights and licenses, successfully commercializing approved products, and maintaining acceptable post-approval safety profiles. If we do not achieve one or more of these factors in a timely manner or at all, we may experience significant delays in our ability or be unable to obtain approval for and/or to successfully commercialize our product candidates, which would materially harm our business, and we may not be able to generate sufficient revenues and cash flows to continue our operations.

AAV gene therapies entail inherent safety risks that could adversely affect development and regulatory timelines.

AAV-based therapies are subject to safety risks that could cause SAEs, including fatalities. While AAV vectors have historically been considered to have a favorable safety profile, AAV administration can be associated with severe and potentially life-threatening toxicities. These include hepatotoxicity, thrombotic microangiopathy (TMA), cardiotoxicity, tumorigenicity and other adverse events. The risk of such toxicities may be exacerbated by high vector doses, preexisting immunity, complement activation, concurrent infections, and patient-specific factors, and the underlying mechanisms remain incompletely understood.

Accordingly, any SAEs observed in our clinical trials or elsewhere in the field could result in clinical holds, delays in regulatory approvals, restrictive labeling, or reputational harm, which would have a material adverse effect on our ability to develop and commercialize our product candidates.

The biological effects of our siRNA-based therapies may persist for a period of time, and currently available methods to rapidly reverse or precisely modulate such effects remain limited.

Small nucleic acid-based therapeutic products, such as small interfering RNA (siRNA), antibody-oligonucleotide conjugates (AOCs), and other modalities, achieve therapeutic effects by inducing degradation of specific mRNA and thereby mediating gene silencing. However, once an siRNA is delivered *in vivo* and becomes pharmacologically active, its biological effects may persist for a period of time, and currently available methods to rapidly reverse or precisely modulate such effects remain limited. As a result, if excessive or unintended gene silencing occurs, it may be difficult to promptly terminate or mitigate the associated effects. In addition, small nucleic acid-related technologies continue to face potential risks of off-target effects. Small nucleic acid molecules may partially hybridize with certain non-target mRNA sequences due to partial complementarity, resulting in unintended suppression of gene expression. Such off-target gene silencing may affect multiple biological pathways and could lead to adverse events that are difficult to predict. Although sequence optimization, bioinformatic prediction and *in vitro*/*in vivo* screening may reduce these risks to some extent, the possibility of such events cannot be fully eliminated at present. Given that small nucleic acid therapies often exhibit relatively durable pharmacological activity, uncertainty remains regarding their long-term safety outcomes. For example, long-term or cumulative gene silencing may have potential effects on target tissues or other physiological systems, and such effects may only become apparent after an extended period. Regulatory authorities may therefore require longer-term and more comprehensive safety follow-up studies, which could increase development timelines, clinical trial complexity and costs.

In light of the foregoing uncertainties and potential safety risks, regulatory authorities, clinicians or patients may be more inclined in clinical practice to position small nucleic acid therapies as later-line or alternative treatment options rather than first-line choices. If any of the above occurs, it could limit the market acceptance, patient coverage and commercialization potential of relevant products, and could materially and adversely affect our business, financial condition and results of operations.

Clinical development of biopharmaceutical products involves a lengthy and expensive process with an uncertain outcome, and results of preclinical studies and early phases of clinical trials may not be predictive of future trial results.

Clinical trials can be expensive and can take many years to complete, and their outcomes are inherently uncertain. Failure can occur at any time during the clinical trial process. The results of pre-clinical studies, investigator-initiated trials and early clinical trials of our product candidates may not be predictive of the results of later-stage clinical trials, and initial or interim results of a trial may not be predictive of the final results and may be subject to adjustments. For example, product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through pre-clinical studies, investigator-initiated trials and initial clinical trials. In some instances, there can be significant variability in safety and/or efficacy results between different trials of the same product candidate due to numerous factors, such as changes in trial procedures set forth in protocols and differences in the size and type of the patient populations, including genetic differences, adherence to the dosing regimen, other trial protocol elements and the rate of dropout among clinical trial participants. In the case of any trials we conduct, results may differ from earlier trials due to the larger number of clinical trial sites and additional countries involved in such trials. Certain clinical trial results disclosed in this document are interim data. Some of such data and results of clinical trials are dependent on physicians' subjective judgment, for example, whether certain adverse events occurred to the trial patients were treatment-related or not. As aresult, when preparing the final report of such clinical trials, it is possible that certain necessary adjustments may be made to the clinical data in accordance with judgments and relevant rules promulgated by the NMPA, the FDA and other comparable regulatory authorities, rendering the final data different from the interim clinical trial data. Therefore, you are cautioned not to place undue reliance on the interim data presented herein.

A number of companies in the biopharmaceutical industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding positive results in earlier trials. Our future clinical trial results may not be favorable, regardless of earlier results. If so, we would have expended a significant amount of capital and other resources to progress the relevant product candidates to that stage, but would not realize any revenue on such product candidate if it then ultimately failed to receive regulatory approval due to poor clinical trial results. Such an uncompensated expenditure could materially adversely affect our business, financial condition, results of operations and prospects. Even if our future clinical trial results show favorable efficacy and impressive durability of anti-tumor responses, not all patients may benefit. For certain therapies, not all patients will respond, some responders may also relapse after a period of response.

If we encounter delays or difficulties enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected.

We may fail to initiate or continue clinical trials for our product candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in our clinical trials as required by the NMPA, the FDA or similar regulatory authorities, or if there are delays in the enrollment of eligible patients as a result of the competitive clinical enrollment environment.

We may be unable to enroll and retain enough patients for our clinical trials on a timely basis due to restrictive eligibility criteria and limited addressable patient populations, patients' distance to study sites, trial design, our ability to recruit qualified investigators, competition from other trials in the same therapeutic areas, challenges in obtaining and maintaining informed consent and patient dropout before treatment completion.

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

If clinical trials of our product candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates.

We cannot predict accurately when or whether any of our product candidates will prove effective or safe in humans and will receive regulatory approval. Clinical trials are expensive, difficult to design and implement, can take many years to complete and are uncertain as to outcome. A failure of one or more clinical trials can occur at any stage of clinical development.

Unexpected events prior to, during, or after our clinical trials could delay, suspend, or prevent regulatory approval and commercialization, including disagreement from regulatory authorities over trial design, trial implementation or data interpretation, inability to obtain authorization from institutional review boards ("**IRBs**") or ethics committee to commence a clinical trial, manufacturing problems relating to our own facilities or third-party CDMOs, negative or inconclusive results, unexpected safety issues, or unacceptable participant risk leading to trial suspension or termination, requirements to run additional studies or abandon programs, slower-than-expected enrollment, higher dropout rates, or larger-than-expected sample size needs, non-compliance of third-party vendor or performance failures, higher-than-expected trial costs, inadequate quality or supply of drug product, companion diagnostics, or other required materials, and changes in policies or regulations of the NMPA, the FDA or other regulatory authorities that render prior data insufficient.

To the extent that the results of our clinical trials fail to demonstrate safety and efficacy to the satisfaction of the NMPA, the FDA or other regulatory authorities, the commercialization of our product candidates may be significantly delayed, or we may be required to expend significant additional resources, which may not be available to us, to conduct additional clinical trials in support of potential approval of our product candidates.

If we must conduct additional trials or testing, if we cannot complete our planned clinical trials, or if the results of these trials are negative, or are only modestly positive, or if they raise safety concerns, we may face delayed or failed regulatory approval, narrower-than-expected indications, post-approval withdrawal, additional post-marketing study requirements, distribution or use restrictions, or limited reimbursement.

Adverse events ("**AEs**") and undesirable side effects caused by our product candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and may result in a narrowed scope of indications or a more restrictive label of our product candidates, a delay or denial of regulatory approval by the NMPA, the FDA or other comparable regulatory authorities, or a significant change in our clinical protocol or even our development plan. AEs related to our product candidates may also affect subject recruitment or the ability of enrolled subjects to complete the trial and could result in potential liability claims. Any of these occurrences may significantly harm our reputation, business, financial condition and prospects.

Significant clinical trial delays may also increase our development costs and could shorten any periods during which we have the exclusive right to commercialize our product candidates or allow our competitors to bring their products to market before we do. This could impair our ability to commercialize our product candidates and may have an adverse effect on our business and results of operations.

We may not be successful in developing, acquiring, enhancing or adapting to new technologies and methodologies.

We must keep pace with new technologies and methodologies to maintain our competitive position. For the years ended December 31, 2024 and 2025, our research and development expenses were RMB145.0 million and RMB103.9 million, respectively. We must continue to commit substantial personnel and capital to improve the scale and quality of our clinical trials and to strengthen our discovery, development, and manufacturing capabilities, which are time- and capital-intensive. We may also pursue acquisitions of new technologies and methods to expand our R&D capabilities and product candidate portfolio when we identify suitable opportunities. We cannot assure you that we will be able to develop, acquire, enhance or adapt to new technologies and methodologies, successfully identify new technological opportunities, develop and bring new or enhanced products to market, obtain sufficient or any patent or other intellectual property protection for such new or enhanced products, or obtain the necessary regulatory approvals in a timely and cost-effective manner, or, if such products are introduced, that those products will achieve market acceptance. Any failure to do so may make our techniques obsolete, which could harm our business and prospects.

We may not be able to discover or identify new product candidates, or to expand the therapeutic opportunities for our product candidates.

The success of our business depends in part upon our ability to discover or identify additional product candidates. There can be no assurance that we will be successful in identifying new product candidates in the future. Some product candidates may be technically challenging to develop and manufacture. Product candidates that we identify may later show side effects or other characteristics that make them unmarketable or unlikely to receive regulatory approvals. We have also pursued, and may continue to pursue, collaboration with third parties in the discovery and development of potential product candidates. However, there can be no assurance that such license and collaboration will deliver the expected results. Research programs to identify new product candidates and to develop our product candidates for additional indications require substantial technical, financial, and human resources. We may invest efforts and resources in potential product candidates or indication expansions that ultimately prove to be unsuccessful. Any of the foregoing events will have a material and adverse effect on our business, results of operations and prospects.

The invasive delivery routes of certain of our product candidates may pose safety risks, which may negatively impact the clinical development of our product candidates.

Certain of our product candidates are administered through invasive delivery routes, including intrathecal or subretinal injection. Central nervous system or intraocular

administration involves inherent procedural and anatomical risks, including infection, inflammation, bleeding, neurological or visual impairment, increased intraocular pressure, retinal injury or detachment, and other procedure-related complications. These risks may vary depending on operator expertise, patient-specific factors, and disease severity. If serious adverse events occur or if these delivery procedures are not well tolerated, patient enrollment and retention in clinical trials may be adversely affected, regulatory authorities may impose additional requirements or restrictions, and the development, approval, or commercialization of our gene therapy product candidates may be delayed, limited, or rendered unfeasible.

In addition, certain of our product candidates are administered via non-surgical or minimally invasive routes, including intravenous (IV) or intravitreal (IVT) injection. Although these delivery methods are generally less invasive than intrathecal or subretinal administration, they are still associated with risks. IV administration may result in local injection-site complications such as pain, swelling, infection, infiltration, phlebitis or hematoma, as well as systemic reactions including allergic or infusion-related reactions, fluid overload, blood pressure or heart rate changes, and other treatment-related adverse effects. For IVT administration, potential risks include intraocular inflammation and elevated intraocular pressure. The occurrence of any of these events could adversely affect patient safety, clinical trial outcomes, regulatory approval or the commercial adoption of our product candidates.

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

Some of our product candidates are still in the pre-clinical development stage, and the risk of failure of pre-clinical programs is high. Before we can commence clinical trials for a product candidate, we must complete extensive pre-clinical studies on safety and efficacy of product candidates to obtain regulatory clearance to initiate clinical trials on humans. We cannot be certain of whether we will be able to timely complete our pre-clinical studies or generate results that are adequate to support the initiation of subsequent clinical trials. There is also no assurance that the NMPA, the FDA or other comparable regulatory authorities will accept our proposed protocols for clinical programs. As a result, we cannot be sure that we will be able to submit IND applications or similar applications for our pre-clinical programs on the timelines we expect, if at all, and we cannot be sure that submission of IND applications or similar applications will result in the NMPA, the FDA or other regulatory authorities allowing us to commence the contemplated clinical trials.

Our and/or others' failure to obtain or renew approvals, licenses, permits and certificates required for our business may materially and adversely affect our business, financial condition and results of operations.

Any failure to obtain or renew any approvals, licenses, permits and certificates necessary for our operations may result in enforcement actions thereunder, including orders issued by the relevant regulatory authorities causing operations to cease, and may include corrective measures requiring capital expenditure or remedial actions, which in the future could materially and adversely affect our business, financial condition and results of operations. There is also no assurance that the relevant authorities would not take any enforcement action against us. In the event that such enforcement action is taken, our business operations could be disrupted.

Furthermore, interpretation or implementation of existing laws and regulations could change, or new regulations might come into effect requiring us and/or other related parties to obtain additional approvals, permits, licenses or certificates that were previously not required. In such circumstances, we cannot assure you that we and/or other such related parties would be able to successfully obtain such approvals, permits, licenses or certificates. Our or these parties' failure to obtain the additional approvals, permits, licenses or certificates could restrict the conduct of our business, decrease our revenues and/or increase our costs, which could materially reduce our profitability and prospects.

Changes in government regulations or in practices relating to the biopharmaceutical industry may adversely affect our business.

The biopharmaceutical industry in China, the United States and other markets where we intend to enter is heavily regulated. Changes in government regulations or in practices relating to the biopharmaceutical industry, such as a relaxation in regulatory requirements, or the introduction of simplified approval procedures which lower entry barriers for potential competitors, or an increase in regulatory requirements that may increase the difficulty for us to satisfy such requirements, may have a material adverse impact on our business, financial condition, results of operations and prospects.

In addition, recently enacted and future legislation may increase the difficulty and cost for us to obtain regulatory approval and commercialize our product candidates and affect the prices we may set. For example, in China, a number of legislative and regulatory changes and proposed changes regarding healthcare and biopharmaceutical industry could prevent or delay regulatory approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any product candidates for which we obtain regulatory approval. In recent years, there have been and will likely continue to be efforts to enact administrative or legislative changes to healthcare laws and policies that will affect the biopharmaceutical industry, including measures which may result in more rigorous coverage criteria and downward pressure on the price that we set for any approved product. Any reduction in reimbursement from government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability, or commercialize our products. Recently, the Chinese government announced that they would further promote the reform of the drug purchase system and expand the centralized drug purchase program, which may result in a material adverse effect on drug prices.

Even if we obtain marketing approvals for our product candidates, the terms of approvals and ongoing regulation of our products may set limitations on our manufacturing and marketing activities, and we may incur additional costs and devote substantial resources to comply with such requirements.

Any product candidates we may eventually commercialize will remain subject to extensive ongoing regulation in China, the United States, and other jurisdictions, including requirements covering manufacturing, labeling, packaging, storage, promotion and advertising, sampling, record-keeping, post-marketing studies, and ongoing submissions of safety, efficacy, and other post-market data. Our manufacturing operations must comply with stringent GMP and related quality system requirements, including but not limited to quality control, documentation, reporting, and routine inspections, which requires significant time and expense. Promotional activities are generally limited to approved indications and label use, which may constrain commercial potential, and approvals may impose costly post-marketing surveillance and studies as well as continued compliance with GMP and GCP for any post-approval trials, increasing costs and potentially adversely affecting our results of operations and financial condition.

RISKS RELATING TO COMMERCIALIZATION AND MANUFACTURE OF OUR PRODUCT CANDIDATES

If we experience material delays in obtaining, regulatory approvals from the NMPA, the FDA and other comparable regulatory authorities for our product candidates, we will not be able to commercialize our product candidates, and our ability to generate revenue will be materially impaired.

The regulatory approval process, especially for novel products, including gene therapy-related candidates, is lengthy, costly, and inherently unpredictable, and outcomes depend in significant part on regulators' determination. Authorities may require additional non-clinical or clinical data, mandate protocol changes, or delay acceptance, review, or approval of our submissions, which could increase development time, cost, and complexity

and may force us to suspend or abandon programs. Trial delays can also postpone or reduce commercialization opportunities and may ultimately result in approval denial.

We have limited experience obtaining marketing approvals, and requirements differ across jurisdictions. Data from one country may not be accepted in another, and approval in one market does not ensure approval elsewhere, potentially requiring additional studies. Even after approval, certain manufacturing or labeling changes may need further regulatory review, and approvals may be withdrawn. Any inability to secure approvals or approvals with significant limitations could shrink our addressable markets which could in turn impair our ability to generate revenue, obtain sufficient funding and continue the development of our other product candidates.

One of our Core Product candidates EXG001-307 (SMA Type 1) targets the treatment of SMA Type 1, a rare disease with a relatively smaller patient population and lower prevalence rate, may constrain our commercial opportunity and adversely affect our results of operations.

One of our Core Product candidates EXG001-307 (SMA Type 1) is a differentiated product candidate for the treatment of SMA Type 1, which is a rare disease with a relatively smaller patient population and lower prevalence. As a result, the addressable market for our Core Product candidate EXG001-307 (SMA Type 1) may be inherently limited and may be smaller than we expect. The number of patients who can be identified, diagnosed and referred for treatment may be constrained by factors such as the availability and uptake of newborn screening and genetic testing, variations in diagnostic practices, geographic dispersion of patients and the limited number of specialized treatment centers. Even where patients are identified, actual treatment penetration may be affected by patient eligibility and disease characteristics, physician and patient preference, competitive therapies, and, importantly, pricing, reimbursement and broader payer coverage decisions, given that gene therapies can be costly. If the realized treatable patient pool, treatment uptake, or reimbursement access is lower than anticipated, we may not achieve our expected sales volumes or revenue growth, our results of operations could be materially and adversely affected.

We have no experience in launching or marketing products. If we are unable to establish adequate marketing and sales capabilities, or to effectively build and manage our sales network, we may not be able to generate revenue from our product candidates after they are approved for marketing.

We have not yet demonstrated an ability to launch and commercialize any of our product candidates. As a result, our ability to successfully commercialize our product candidates may involve more inherent risk, take longer, and cost more than it would if we were a company with experience launching and marketing product candidates.

We are formulating commercialization plans for our product candidates, and we plan to develop internal sales and marketing capabilities for our product candidates. However, as currently there is no approved gene therapy for the treatment of SMA in China, we may face a greater risk as compared to commercializing other types of therapeutic solutions that have achieved wide market acceptance. In addition, assembling an in-house marketing organization and sales force, or establishing effective external marketing channels through distributors or CSOs, may require us to complete for talents with more established competitors as well as incurring significant capital expenditures, management resources and time.

We may also pursue collaborative arrangements regarding the sales and marketing of our product candidates. We may have little or no control over the marketing and sales efforts of such third parties. We cannot assure you that we will be able to establish or maintain relationships with third-party collaborators to successfully commercialize our product candidates, and as a result, we may not be able to generate product revenue.

Our projections of the number of patients who have the potential to benefit from treatment with our product candidates are based on our beliefs and estimates derived from a variety of sources, which may prove to be incorrect. The potentially addressable patient population and market size for our product candidates may be smaller than our estimates.

Furthermore, there is no guarantee that any of our product candidates, even if approved, would be approved for the line of therapy we are aiming for. For example, certain therapies may be characterized as first line, second line or later line therapy depending on options for treatment and prior treatments received. For indications with well-established standard of care therapies, the NMPA, the FDA and other comparable regulatory authorities may approve new therapies initially only for later lines of therapy. As a result, even if we obtain market approval for our product 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.

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 financial results.

Regulatory requirements for approval, pricing, and reimbursement vary significantly by country, and in some markets, a drug's sale price must be approved before it can be marketed or remains subject to ongoing government control after approval. As a result, we may obtain regulatory approval but still face pricing reviews or price caps that delay commercialization and reduce revenue, which could limit our ability to recoup development investments. The Opinions of the State Council on Reforming the Review and Approval System for Pharmaceutical Products 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 PRC State Council in August 2015 requires that enterprises applying for new drug approval undertake that the selling price of a new drug in the PRC market shall not be higher than the comparable market prices of the product in its country of origin or the PRC's neighboring markets, as applicable.

Our commercial success will also depend on the availability and level of reimbursement from government programs and private payors, which determine coverage and payment rates and increasingly pursue cost-containment measures that restrict coverage and pressure prices. In China, demand for a product is often heavily influenced by whether it is included in the National Reimbursement Drug List (the "**NRDL**") or provincial reimbursement catalogs and by any usage restrictions, and listing decisions and subsequent revisions depend on multiple factors, such as clinical need, safety, efficacy, utilization, and price, many of which are outside our control. We cannot assure you that our products will be listed, remain listed in the reimbursement catalogs, or maintain favorable reimbursement terms. Reimbursement may be delayed, may be narrower than the approved label, and may not cover our full costs, and interim or provisional payments may be inadequate or not made permanent. Payment rates can vary by indication, setting of care, and benchmarks against lower-cost alternatives, and net prices may be further reduced by required discounts, rebates, or other concessions demanded by government programs or private payors. If we cannot secure timely coverage and commercially reasonable reimbursement, we may be unable to successfully or profitably commercialize our products, which could materially and adversely affect our business, operating results, and financial condition.

Our future approved product candidates may fail to achieve or maintain the degree of market acceptance by physicians, medical institutions, pharmacies, patients, third-party payers and others in the medical community necessary for commercial success.

Even if we obtain regulatory approval for commercialization of our current or future product candidates, such drug products may fail to gain sufficient market acceptance by physicians, patients, third-party payers and others in the medical community. If our drug products do not achieve an adequate level of acceptance, the commercialization of such drug products may become less successful or profitable than we had expected. Market acceptance of any approved products will depend on multiple factors, including the indications approved and any labeling limitations or warnings, perceptions of safety and efficacy among physicians, hospitals, and patients, and the product's potential advantages over alternative therapies. Adoption may also be affected by the incidence and severity of side effects, the timing of launch relative to competitors, convenience and ease of administration, and publicity about our products or competing treatments. In addition, pricing and affordability, including price

controls, NRDL or PRDL negotiations, reimbursement availability, and patients' willingness to pay out of pocket, together with the effectiveness of our sales and marketing efforts, will materially influence demand. If any approved product candidates that we commercialize in the future fail to achieve market acceptance among physicians, patients, hospitals, medical treatment centers or others in the medical community, we will not be able to generate revenue as we expect. Our failure to achieve or maintain market acceptance for our future approved product candidates would materially adversely affect our business, financial condition, results of operations and prospects.

Guidelines, recommendations and studies published by various organizations could disfavor our product candidates.

Government agencies, professional societies, practice management groups, private health and science foundations and organizations focused on various diseases may publish guidelines, recommendations or studies that affect our or our competitors' product candidates. Any such guidelines, recommendations or studies that reflect negatively on our product candidates, either directly or relative to our competitive product candidates, could result in current or potential decreased use, sales of, and revenues from one or more of our product candidates. Furthermore, our success depends in part on our, or our partners' ability to educate healthcare providers and patients about our product candidates, and these education efforts could be rendered ineffective by, among other things, third-parties' guidelines, recommendations or studies. As a result, our business, reputation, financial condition and results of operations could be adversely affected.

The manufacturing process of biopharmaceutical products is highly complex, and we have limited experience in manufacturing biopharmaceutical products on a large commercial scale.

As of the Latest Practicable Date, we had not commercialized any product candidates. As a result, we have limited experience in manufacturing biopharmaceutical products on a commercial scale, which is a complex process, in part due to strict regulatory requirements. We cannot assure you that issues relating to the manufacturing of our product candidates will not occur in the future.

Issues may arise during the manufacturing process for reasons including: (i) equipment malfunction, (ii) failure to follow specific protocols and procedures, (iii) problems with raw materials, (iv) changes in manufacturing production sites or limits to manufacturing capacity due to regulatory requirements, (v) changes in the type of products produced, (vi) advances in manufacturing techniques, (vii) physical limitations that could inhibit continuous supply, and (viii) the occurrence of natural disasters. If problems arise during the production process of future products, one or more batches of such product may have to be discarded and cause production delays, cost increases, lost revenue and damage to customer relationships and our reputation. If problems are not discovered before the relevant products are released to the market, we may incur additional costs in connection with product recalls and product liability.

RISKS RELATING TO OUR RELIANCE ON THIRD PARTIES

We rely on third parties to manufacture our drug products for clinical development and commercial sales and to provide a stable and supply of quality materials and products in sufficient quantities and at acceptable quality and price levels for our drug development and commercialization needs.

To date, we have relied primarily on third-party service providers, including CDMOs, to manufacture our product candidates. See "Business — Manufacturing" for details. Going forward, we intend to continue to engage third-party CDMOs to manufacture our product candidates for our research and development activities and commercial sales, while gradually re-establishing our in-house manufacturing capabilities. Our reliance on third-party CDMOs exposes us to risks including: limited availability of qualified manufacturers; capacity constraints affecting production timelines; regulatory compliance issues beyond our control; potential failures in manufacturing quality, quantity, or timelines; improper execution of

procedures or breach of agreements; inadequate protection of our intellectual property or infringement of third-party rights; supplier substitution difficulties; and supply chain disruptions from weather events or disasters. In addition, during the Track Record Period, we and our CDMO relied on third parties to supply certain raw materials and products used in our research and development and clinical trials. We expect to continue to rely on third parties to supply raw materials for the research, development and commercialization of our product candidates. Any disruption in production or the inability of our suppliers or suppliers of our CDMO to provide adequate quantities to meet our or our CDMO' needs could impair our operations and the research and development of our product candidates. Moreover, we expect our demand for such raw materials and products to increase as we expand our business scale and commercialize our product candidates, but there is no assurance that current suppliers have the capacity to meet our demand. The quality of the raw materials procured and products manufactured by our CDMO will depend significantly on the effectiveness of our quality control and quality assurance and that of our CDMO. We cannot assure you that these quality control and quality assurance procedures will be effective in consistently preventing and resolving deviations from our quality standards or that our operating procedures will be complete or updated at all times. Any significant failure or deterioration of our quality control and quality assurance protocol or standard operating procedures could render our products unsuitable for use, jeopardize our drug approvals or licenses and/or harm our market reputation and relationship with business partners. Any such developments may have a material and adverse effect on our business, financial condition and results of operations.

We engage CROs to conduct clinical trials. If the CROs do not successfully carry out their contractual duties, comply with good clinical practice and ethical standards of clinical trial conduct, or meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our product candidates, and our business could be substantially harmed.

We rely on third-party CROs to conduct clinical trials in North America and China. While we remain responsible for ensuring compliance with applicable protocols, GCP regulations, and scientific standards enforced by the FDA, NMPA, and other regulatory authorities, we cannot fully control our CROs' performance. Non-compliance by our CROs or clinical investigators may render clinical data unreliable, requiring additional trials and delaying regulatory approval.

Our reliance on third-party CROs exposes us to risks including: difficulty replacing CROs on commercially reasonable terms; lack of control over CROs' resource allocation; potential protocol deviations or data quality issues causing trial delays, extensions, or termination; and challenges in obtaining regulatory approval or commercializing products. Switching or adding CROs increases costs and delays, which may potentially affect our clinical timelines, business operations, financial condition, and revenue generation ability.

We rely, and expect to continue to rely, on independent principal investigators and other third parties to conduct the clinical trials for our product candidates. We do not have full control over the conduct of such trials and those third parties may not perform satisfactorily, including failing to meet deadlines for the completion of such trials or failing to comply with applicable regulatory requirements.

We rely on top-tier hospitals and independent principal investigators in China, the United States and other regions to conduct clinical trials, including both investigator-initiated trials and clinical trials initiated by us. Termination of these arrangements for any reason, including third-party performance failures, would delay product development. Principal investigator misconduct or reputation issues, even if unrelated to our trials, may delay trials, affect regulatory perception of data reliability, and damage our reputation. While we use investigator-initiated trials to expedite development, regulatory authorities may not accept such data.

Our reliance on third parties, particularly in investigator-initiated trials, limits our control over trial conduct, investigator behavior, and data integrity, though we remain responsible for compliance with investigational plans, protocols, and regulations. Our reliance on independent principal investigators and other third parties to conduct the clinical trials

exposes us to risks, including but not limited to missed deadlines, protocol deviations, patient safety issues, communication difficulties, procedural delays, and data interpretation differences, all of which may potentially harm our product candidates' prospects. We must comply with GLP and GCP standards for conducting, recording, and reporting preclinical and clinical trials, and register trials and post results within required timeframes. Non-compliance by third parties may result in regulatory refusal, enforcement actions, sanctions, and adverse publicity.

Additionally, principal investigators serving as our advisors or consultants may create perceived or actual conflicts of interest. If regulatory authorities question these financial relationships, trial data integrity may be compromised, which may potentially cause delays or rejections that prevent commercialization of our product candidates.

Risks Relating to Our Intellectual Property Rights

If we are unable to obtain, maintain and defend adequate intellectual property protection for our product candidates and technologies, our business may be materially and adversely affected.

If we are unable to obtain, maintain and enforce adequate patent and other intellectual property protection for our product candidates and technologies, or if the scope of such intellectual property rights is not sufficiently broad, third parties may be able to develop and commercialize products, product candidates or technologies that are similar to or competitive with ours and compete directly against us, which could adversely affect our competitive position and our ability to successfully develop and commercialize any of our product candidates or technologies. In addition, if the terms of our patents expire before, or shortly after, any of our product candidates obtain regulatory approval, or if competitors successfully challenge the validity, enforceability or scope of our patents or other intellectual property rights, we may not be able to prevent others from marketing competing products, which could materially harm our business, financial condition and results of operations. Further, our intellectual property rights may be subject to priority disputes, inventorship disputes and similar proceedings, including inter partes, opposition, derivation, interference or other administrative and judicial proceedings. If we are unsuccessful in any such proceedings, we may be required to obtain licenses from third parties, which may not be available on commercially reasonable terms or at all, or we may be required to cease the development, manufacture and commercialization of one or more of the product candidates we may develop, any of which could have a material adverse impact on our business.

We may be involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time-consuming, and unsuccessful, leading our patent or other intellectual property rights to be found invalid or unenforceable, and could prevent us from developing or commercializing our product candidates, or delay the development or commercialization process.

We may become involved in lawsuits, claims, oppositions, invalidation actions or other proceedings to protect, enforce or defend our intellectual property rights, which could be expensive and time-consuming, divert management attention and other resources, and may not be successful. In the course of such proceedings, our patents or other intellectual property rights could be challenged and found to be invalid, unenforceable, narrowed in scope or otherwise not to provide meaningful protection, which could adversely affect our ability to maintain our competitive position and to commercialize our product candidates. In addition, third parties may initiate legal proceedings alleging that we are infringing, misappropriating or otherwise violating their intellectual property rights, and the outcome of any such proceedings is inherently uncertain. Defending against these claims could require significant financial and managerial resources, and could result in injunctions or other relief that may prevent us from developing or commercializing our product candidates, or could otherwise delay, disrupt or increase the cost of our development and commercialization efforts. During the Track Record Period, Shanghai Jiayin filed a lawsuit with the Suzhou Court, alleging that the inclusion of the words "嘉因" and "嘉因生物" in the enterprise name of Hangzhou Jiayin constitutes trademark infringement and unfair competition, and seeking damages of RMB60.0 million. As of the Latest Practicable Date, the case had not commenced trial. Please refer to "Business — Legal Proceedings and Compliance — Legal Proceedings" for details.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and patent applications are due to be paid to the CNIPA, USPTO and other patent agencies in other jurisdictions in several stages over the lifetime of a patent. The CNIPA, USPTO, and various other patent agencies 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 failure to respond to examination reports or office actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. In any such event, our competitors or other third parties might be able to enter the market, which would have a material adverse effect on our competitive position, business, financial condition, result of operations and prospects.

We rely substantially on our trade secrets and other confidential information, including unpatented know-how, and if we are unable to successfully protect the confidentiality of our trade secrets, information and know-how, our business and competitive position would be harmed. We may be subject to claims that our employees, consultants or advisors 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 patents, we rely on trade secrets, confidential information, and unpatented know-how to maintain our competitive position. We use non-disclosure and confidentiality agreements with employees, collaborators, contract manufacturers, and third parties to protect such information. However, we cannot prevent unauthorized disclosure or use, and monitoring violations is difficult. Parties may breach agreements without adequate remedies available to us, potentially resulting in loss of trade secrets and competitive use by third parties. We cannot guarantee agreements exist with all parties who have accessed our confidential information. Enforcing trade secret claims is difficult, expensive, time-consuming, and has unpredictable outcomes. If competitors lawfully obtain or independently develop our trade secrets, we have no legal recourse to prevent their competitive use, which may harm our competitive position.

Furthermore, some of our employees were previously employed at other biopharmaceutical or pharmaceutical companies, including our competitors or potential competitors. Some of these employees, executed proprietary rights, non-disclosure or non-competition agreements in connection with such previous employment. We may be subject to claims that we or these employees have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's current or former employer. We are not aware of any threatened or pending claims related to these matters or concerning the agreements with our senior management, but there is no assurance that we will not be subject to such claims or involved in litigations to defend against such claims in the future. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or be required to obtain licenses to such intellectual property rights, which may not be available on commercially reasonable terms or at all. Inability to incorporate or enforce such intellectual property rights would harm our business and may prevent us from successfully commercializing our product candidates. In addition, we may lose personnel as a result of such claims and any such litigation or the threat thereof may adversely affect our ability to hire employees or contract with independent contractors. A loss of key personnel or their work product could hamper or prevent our ability to commercialize our product candidates and technologies, which would have a material adverse effect on our business, results of operations, financial condition and prospects. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to our employees and management.

In addition, we may be unsuccessful in executing agreements assigning intellectual property to us with each party who in fact, conceives inventions or develops technologies or intellectual property that we regard as our own. Furthermore, the assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, each of which may result in claims by or against us related to the ownership of such intellectual property to determine the ownership of what we regard as our intellectual property. Furthermore, individuals executing agreements with us may have pre-existing or competing obligations to a third party, such as an academic institution, and thus an agreement with us may be ineffective in perfecting our ownership of inventions developed by that individual. 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 any of the foregoing claims, litigation could result in substantial costs and be a distraction to our management and scientific personnel.

Issued patents covering one or more of our product candidates could be found invalid or unenforceable.

The issuance of a patent does not guarantee inventorship, scope, validity, or enforceability, and our patent rights may be challenged in courts or patent offices. We face potential claims from former employees or third parties regarding ownership interests, and may become involved in opposition, derivation, revocation, reexamination, post-grant review, inter partes review, or interference proceedings. Unsuccessful outcomes could result in loss of patent rights, narrowed, invalidated, or unenforceable claims, loss of exclusive ownership and requirements to obtain third-party licenses that may be unavailable, commercially unreasonable, or non-exclusive. Without such licenses, we may need to cease development, manufacturing, or commercialization of product candidates. Loss of exclusivity or narrowed claims would limit our ability to prevent competitive use of similar or identical drugs, materially adversely affecting our business, financial condition, operations, and prospects. Even successful disputes impose substantial costs and management distraction.

Any of our intellectual property rights could be challenged or invalidated. For example, if we were to initiate legal proceedings against a third party to enforce a patent covering one of our product candidates, the defendant could counterclaim that our patent is invalid and/or unenforceable. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, for example, lack of novelty, obviousness or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from CNIPA or made a misleading statement, during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on a product candidate.

Even if a defendant does not prevail on a legal assertion of invalidity and/or unenforceability, our patent claims may be construed in a manner that would limit our ability to enforce such claims against the defendant and others. Any loss of patent protection could have a material adverse impact on our business. On the other hand, if third parties file counterclaims against us, we may need to exert significant time and expenses to defend such counterclaims, and failure to successfully defend counterclaims could require us to pay substantial damages, cease the sale of certain drugs or enter into a license agreement and pay royalties (which may not be possible on commercially reasonable terms or at all).

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

We own a number of trademarks and trademark applications. Our registered or unregistered trademarks and trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition among medical professionals, patients, potential partners and other relevant parties in our markets of interest. 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 unsuccessful in obtaining trademark protection for our primary brands, we may be required to change our brand names, which could materially adversely affect our business. Moreover, as our products mature, our reliance on our trademarks to differentiate us from our competitors will increase, and as a result, if we are unable to prevent third parties from adopting, registering or using trademarks that infringe, dilute or otherwise violate our trademark rights, or engaging in conduct that constitutes unfair competition, defamation or other violation of our rights, our business could be materially adversely affected. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. Our efforts to enforce or protect our proprietary rights related to trademarks, trade secrets, domain names, copyrights or other intellectual property may be ineffective, could divert management attention and our limited resources from other more productive activities, or result in substantial costs. Any of the foregoing could have a material adverse effect on our competitive position, business, financial condition, results of operations, and prospects.

We may not be successful in obtaining or maintaining necessary rights for our development pipeline through acquisitions and in-licenses.

Our future programs may involve additional product candidates that may require the use of proprietary rights held by third parties, and we may need to acquire and maintain licenses or other rights to use these proprietary rights. However, we may be unable to acquire or in-license any compositions, methods of use or other intellectual property rights from third parties that we identify. The licensing and acquisition of third-party intellectual property rights is a competitive area, and a number of more established companies are also pursuing strategies to license or acquire third-party intellectual property rights that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, cash resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third-party intellectual property rights on terms that would allow us to make an appropriate return on our investment or at all. If we are unable to successfully obtain rights to required third-party intellectual property rights, we may have to abandon development of the relevant program or product candidate, which could have a material adverse effect on our business, financial condition, results of operations and prospects for growth.

Intellectual property rights do not necessarily address all potential threats.

Our intellectual property rights have inherent limitations and may not adequately protect our business or maintain competitive advantage. Risks faced by us include: others making similar products or using similar technologies not covered by our patents; licensors or us potentially not being first to invent or file patent applications; independent development of similar technologies without infringement; pending applications not resulting in issued patents; granted patents providing no competitive advantage or being invalidated through legal challenges; competitors conducting R&D in jurisdictions lacking our patent coverage and using resulting information in our major markets; patents expiring before or shortly after product commercialization due to the gap between patent grant and marketing approval; failure to develop additional patentable technologies; harm from third-party patents; and third parties potentially patenting trade secrets or know-how we chose not to patent. Any of these events could materially adversely affect our business, financial condition, operations, and prospects.

RISKS RELATING TO OUR FINANCIAL POSITION AND OUR NEED FOR ADDITIONAL CAPITAL

We have incurred significant net losses since our inception, and we anticipate that we will continue to incur net losses for the foreseeable future and may not achieve or maintain profitability.

As of the Latest Practicable Date, none of our product candidates had been approved for commercial sale by any relevant regulatory authorities, and therefore wehad not generated

any revenue from sale of our product candidates. We are not profitable and have incurred losses and net operating cash outflows in each year since our inception. For the years ended December 31, 2024 and 2025, we recorded losses of RMB219.8 million and RMB826.9 million, respectively. Substantially all of our operating losses have resulted from costs incurred in connection with our research and development programs, clinical trials, CMC, and from administrative expenses associated with our operations. We expect to continue to incur losses for the foreseeable future, and we expect these losses to increase as we continue to expand our research and development of, and seek regulatory approvals for, our product candidates, and build up our commercialization and sales workforce in anticipation of the future roll-out of our product candidates.

Gene therapy and oligonucleotide product development requires substantial capital expenditures and considerable time from initial stages to patient treatment. Future net losses depend on the number and scope of development programs, associated costs, commercialization expenses, and revenue generation ability. Achieving profitability requires successfully completing preclinical studies and clinical trials, obtaining regulatory approval, manufacturing, marketing and selling approved products, and developing additional candidates. We may never succeed in these activities or generate sufficient revenue for profitability. Even with successful commercialization, we expect continued losses due to substantial R&D expenditures, public company operating costs, and growth-related expenses. Unforeseen expenses, difficulties, complications, and delays may adversely affect our business. Historical and expected losses may adversely affect shareholders' equity and working capital. Due to uncertainties in research, development, manufacturing, delivery, and commercialization of complex therapies, we cannot predict timing or amount of expenses or when profitability may occur. Even if achieved, sustained profitability is uncertain. Failure to achieve or maintain profitability would depress share value, impair capital raising ability, limit business expansion, constrain R&D efforts and commercialization plans, and potentially threaten operations, potentially causing total or partial investment loss.

We had net operating cash outflow and recorded net current liabilities and net liabilities during the Track Record Period.

We had net cash used in operating activities of RMB67.6 million and RMB71.8 million for the years ended December 31, 2024 and 2025, respectively, and record net current liabilities of RMB1,599.9 million and RMB2,344.4 million as of December 31, 2024 and 2025, respectively. We record net liabilities of RMB1,491.6 million and RMB2,293.4 million as of December 31, 2024 and 2025, respectively. If we continue to experience net operating cash outflows, net current liabilities and net liabilities, we may be unable to maintain adequate working capital, we may default on our payment obligations and may not be able to meet our operating cash and capital expenditure requirements, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

The discontinuation of any government grants or preferential tax treatment currently available to us may adversely affect our business, financial condition and results of operations.

We have historically benefited from government grants and other preferential policies as incentives for drug research and development activities and other development activities. We recorded government grants of RMB44.7 million and RMB4.4 million for the years ended December 31, 2024 and 2025, respectively. The fluctuation in government grants was primarily attributable to (i) the Group's receipt in 2024 of the full amount of special support policy 11i subsidies for the period of 2022 in an aggregate amount of RMB27,009,000, together with technology-specific incentive awards of RMB13,657,000, while (ii) in 2025, the Group only received a partial amount of "special support policy" subsidies for the period of 2023 in an amount of RMB1,513,000. In addition, we have benefited from the VAT refund policy. The local government authorities have the discretion to determine the timing, amount and criteria of such financial incentives. We generally do not have the ability to influence local government authorities in making these decisions. Local authorities may decide to reduce or eliminate incentives at any time. In addition, some of the government financial incentives are granted on a project basis and subject to the satisfaction of certain conditions, including

compliance with the applicable financial incentive agreements and completion of the specific projects therein. We cannot guarantee that we will satisfy all relevant conditions, otherwise we may be deprived of all or part of the incentives, which may have an adverse effect on our business, financial condition and results of operations.

Raising additional capital may cause dilution to our shareholders, restrict our operations or, when licensing of intellectual property rights is deployed as a means of financing our operations, require us to relinquish rights to our technologies or product candidates.

We may seek additional funding through a combination of equity offerings, debt financings, collaborations and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms may include liquidation or other preferences that adversely affect your rights as a holder of our Shares. The incurrence of additional indebtedness or the issuance of certain equity securities could result in increased fixed payment obligations and could also result in certain additional restrictive covenants, such as limitations on our ability to incur additional debt or issue additional equity, limitations on our ability to acquire or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. In addition, issuance of additional equity securities, or the possibility of such issuance, may cause the market price of our Shares to decline. In the event that we enter into collaborations or licensing arrangements in order to raise capital, we may be required to accept unfavorable terms, including relinquishing or licensing to a third party on unfavorable terms our rights to technologies or product candidates that we otherwise would seek to develop or commercialize ourselves or potentially reserve for future potential arrangements when we might be able to achieve more favorable terms.

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

We adopted the Pre-[**REDACTED**] Equity Incentive Plan for the benefit of our employees to incentivize and reward the eligible persons who have contributed to the success of our Group. For further details, see "Appendix IV — Statutory and General Information — D. Pre-[**REDACTED**] Equity Incentive Plan" in this document. For the years ended December 31, 2024 and 2025, we incurred RMB37.8 million and RMB25.2 million, respectively, in share-based compensation expenses. To further incentivize our employees to contribute to us, we may grant additional share-based compensation in the future. Issuance of additional Shares with respect to such share-based payment may dilute the shareholding percentage of our existing Shareholders. Expenses incurred with respect to such share-based payment may also increase our operating expenses and therefore have a material and adverse effect on our financial performance.

Fluctuations in exchange rates could result in foreign currency exchange losses and could materially reduce the value of your investment.

The value of RMB against the Hong Kong dollar and other currencies may fluctuate and is affected by, among other things, changes in China's political and economic conditions and China's foreign exchange policies. A substantial amount of our operating costs and our financial assets are denominated in RMB and USD. However, the [**REDACTED**] from the [**REDACTED**] will be denominated in Hong Kong dollars. Any significant change in the exchange rate of the Hong Kong dollar against RMB, of the Hong Kong dollar against USD, or of RMB against USD may give rise to foreign exchange gains or losses that would impact our results of operations, and any significant change in value of Hong Kong dollar against RMB or of Hong Kong dollar against USD may materially and adversely affect the value of, and any dividends payable on, our Shares in Hong Kong dollars.

RISKS RELATING TO OUR OPERATIONS

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

We are highly dependent on the principal members of our management and scientific teams. The employment agreements with our executive officers do not prevent our executives

from terminating their employment with us at any time. We do not maintain key-person insurance for any of our executives or other employees and we currently do not plan to purchase key-person insurance in the near future which is in line with what we believe is the biotech industry norm. The loss of the services of any of these persons could impede the achievement of our research, development and commercialization objectives.

Our future success depends on attracting qualified employees and retaining key personnel, particularly drug development and technology professionals. Intense competition exists for skilled management, technical, and sales personnel in our office locations. Increasing headcount and retention may substantially raise compensation costs, including stock-based compensation. We must offer competitive packages and quality work environments. Hiring talents from competitors may trigger allegations of improper solicitation or disclosure of confidential information. Failure to retain existing employees or attract qualified candidates for critical positions could impair effective business management, including research and development, marketing, and sales, which may adversely affect our business, operating results, financial condition, and share price.

Our reputation is key to our business success. Negative publicity and allegations involving us, our Shareholders, Directors, officers or employees may adversely affect our reputation, business and growth prospects.

Any negative publicity concerning us, our affiliates such as our Shareholders, Directors, officers, employees, or any entity that shares the "Exegenesis" name, even if untrue, could adversely affect our reputation and business prospects. We cannot assure you that negative publicities about us or any of our affiliates or any entity that shares the "Exegenesis " name would not damage our brand image or have a material adverse effect on our business, results of operations and financial condition. In addition, referrals and word of mouth have significantly contributed to our ability to establishing new partnerships. As a result, any negative publicity about us or any of our affiliates or any entity that shares the "Exegenesis" name could adversely affect our ability to maintain our existing collaboration arrangements or attract new partners.

We are or may become subject to a variety of privacy and data security laws, policies and contractual obligations, and failure of our third-party vendors or contractors to comply with them could harm our business.

We collect, generate, maintain, and process sensitive information including confidential business data, personal information, and health data from preclinical and clinical studies and employees. Third-party vendors and contractors also process such information on our behalf. Non-compliance by third parties could result in enforcement actions including fines, imprisonment of officials, public censure, damage claims, reputational harm, and goodwill loss, which may materially adversely affect our business, financial condition, operations, and prospects.

Data protection law interpretation and application in China and elsewhere are uncertain and evolving. Governments frequently amend existing laws and implement new regulations, requiring ongoing attention to changing requirements. We cannot determine the impact of future data privacy and security laws and regulations. New laws, amendments, or reinterpretations may increase costs and restrict operations. Uncertain, contradictory, and evolving interpretation and application of health-related and data protection laws may result in inconsistent application with our practices, and compliance efforts may fail. This could trigger government fines or orders requiring practice changes, adversely affecting our business. Privacy regulations vary by country, and our operations may not comply with each jurisdiction's requirements.

Any future litigation, legal disputes, claims or administrative proceedings against us could be costly and time-consuming to defend.

We may become subject, from time to time, to legal proceedings and claims that arise in the ordinary course of business or pursuant to governmental or regulatory enforcement

activity. Litigation to which we subsequently become a party might result in substantial costs and divert management's attention, time and resources. Furthermore, any litigations, legal disputes, claims or administrative proceedings which are initially not of material importance may escalate and become important to us due to a variety of factors, such as the facts and circumstances of the cases, the likelihood of loss, the monetary amount at stake, and the parties involved.

Our insurance might not cover claims brought against us, might not provide sufficient payments to cover all of the costs to resolve one or more such claims, and might not continue to be available on terms acceptable to us. In particular, any claim could result in unanticipated liability to us if the claim is outside the scope of the indemnification arrangement we have with our collaborators, our collaborators do not abide by the indemnification arrangement as required, or the liability exceeds the amount of any applicable indemnification limits or available insurance coverage. A claim brought against us that is uninsured or underinsured could result in unanticipated costs and could have a material adverse effect on our financial condition, results of operations or reputation.

We may not be able to renew our current leases or locate desirable alternatives for our offices and laboratories.

We lease properties for our offices and laboratories in China and the U.S.. See "Business — Land and Properties." We may not be able to extend or renew such leases on commercially reasonable terms, or if at all, as we will have to compete with other businesses for premises at desired locations. Rental payments may significantly increase as a result of high demand for the leased properties. Moreover, we may not be able to extend or renew such leases upon expiration of the current term and may therefore be forced to relocate the affected operations. This could disrupt our operations and result in significant relocation expenses. We may not be able to locate desirable alternative sites for our offices and laboratories. The occurrence of such events could materially and adversely affect our business, financial condition, results of operations and prospects.

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

We are susceptible to constantly changing international economic, regulatory, social and political conditions, and local conditions in foreign countries and regions. Tensions and political concerns between China and other countries or regions may adversely affect our business, financial condition, results of operations, cash flows and prospects. China's political relationships with foreign countries and regions may affect the prospects of our relationship with third parties, such as business partners, suppliers and future customers. There can be no assurance that our existing or potential service providers or collaboration partners will not alter their perception of us or their preferences as a result of adverse changes to the state of political relationships between China and the relevant foreign countries or regions. Any tensions and political concerns between China and the relevant foreign countries or regions may cause a decline in the demand for our future products and adversely affect our business, financial condition, results of operations, cash flows and prospects. 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. For example, on February 21, 2025, U.S. President Donald J. Trump issued a memo entitled the "America First Investment Policy" (the "**America First Memo**"), outlining the ongoing review and consideration of potential new or expanded restrictions on U.S. outbound investment in the PRC in sectors such as semiconductors, artificial intelligence, quantum, biotechnology, hypersonics, aerospace, advanced manufacturing, and directed energy. The America First Memo also contemplates potential restrictions on investments in publicly traded securities by pension funds, university endowments and other limited partner investors. 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.

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, CROs and CDMOs, 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 product candidates as planned or within budget, which could materially adversely affect our business, financial condition and results of operations. In particular, if any new tariffs, legislation and/or regulations, including the recently proposed BIOSECURE Act aiming at discouraging federal funding to, and contracting with, entities that use biotechnology equipment or services provided by certain Chinese biotechnology companies, are implemented, or if existing trade agreements are renegotiated, such changes could limit our ability to expand into certain markets and have an adverse effect on our business, financial condition and results of operations. In addition, our results of operations could be adversely affected if any such tensions or unfavorable government trade policies harm the Chinese economy or the global economy in general.

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

We face significant competition seeking appropriate partners, and negotiations are time-consuming and complex. We may fail to identify suitable partners or establish partnerships because candidates may be deemed too early-stage for collaboration, or third parties may question their safety, efficacy potential, or commercial viability. Collaborating with third parties requires relinquishing some or all control over product candidate success. We may face non-compete provisions with licensors or partners, limiting our ability to compete or pursue new opportunities. In-licensing candidates from third parties involves competition from better-resourced biopharmaceutical companies, and agreements may not deliver anticipated benefits.

Third-party collaborations carry additional risks. Disputes may delay or terminate research, development, or commercialization, or result in costly litigation or arbitration diverting management attention and resources. Collaborations may be terminated with adverse effects on product candidate development or commercialization.

We may fail to realize collaboration, partnership, or licensing benefits if we are unable to successfully integrate products with existing operations and culture, which may delay timelines or adversely affect our business. We cannot ensure post-transaction revenue or net income will justify transactions. Without timely agreements on acceptable terms, we may curtail candidate development, reduce or delay development programs, delay commercialization, reduce sales or marketing scope, or increase expenditures undertaking activities independently. Independent development or commercialization requires additional expertise and capital, which may be unavailable on acceptable terms or at all. Failure to enter collaborations without sufficient funds or expertise for necessary activities may materially adversely impact business prospects, financial condition, and results of operations.

RISKS RELATING TO DOING BUSINESS IN JURISDICTIONS WHERE WE OPERATE

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.

We may be restricted from transferring our scientific data abroad.

On March 17, 2018, the General Office of the PRC State Council promulgated the Measures for the Management of Scientific Data《科學數據管理辦法》, or the Scientific Data Measures, which provide a broad definition of scientific data and relevant rules for the management of scientific data. According to the Scientific Data Measures, enterprises in China must seek governmental approval before any scientific data involving a state secret may be transferred abroad or to foreign parties. Further, any researcher conducting research funded, at least in part, by the 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. Currently, as the term "state secret" is not clearly defined, there is no assurance that we can always obtain relevant approvals for sending scientific data (such as the results of our pre-clinical studies or clinical trials conducted within China) abroad.

If we are unable to obtain the necessary approvals in a timely manner, or at all, our research and development of product candidates may be hindered, in particular when coordination and information exchange with our Houston office is pivotal, which may materially and adversely affect our business, results of operations, financial conditions and prospects. If relevant government authorities consider the transmission of our scientific data to be in violation of the requirements under the Scientific Data Measures, we may be subject to specific administrative penalties imposed by those government authorities.

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, and 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.

We are a holding company incorporated in the Cayman Islands, and we may rely on dividends and other distributions on equity paid by our PRC subsidiaries for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders or to service any debt we may incur. If any of our PRC subsidiaries incurs debt on its own behalf in the future, the instruments governing the debt may restrict its 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 subsidiary is required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund a certain statutory reserve fund, until the aggregate amount of such fund reaches 50% of its registered capital. Such reserve funds cannot be distributed to us as dividends. At its discretion, a our PRC subsidiary may allocate a portion of its after-tax profits based on PRC accounting standards to a discretionary reserve fund, or a staff welfare and bonus fund. A PRC company is not permitted to distribute any profits until any losses from prior fiscal years have been offset. In addition, registered share capital and capital reserve accounts are also restricted from withdrawal in China, up to the amount of net assets held in each operating subsidiary.

Our dividend income from our PRC subsidiaries may be subject to a higher rate of withholding tax than that which currently anticipates.

The Enterprise Income Tax Law (中華人民共和國企業所得税法) and its implementation rules provide that China-sourced income of foreign enterprises, such as dividends paid by a PRC subsidiary to its equity holders that are non-PRC resident enterprises, will normally be subject to PRC withholding tax at a rate of 10%, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement.

Pursuant to the Arrangement Between Mainland China and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Taxes on Income, or the "Hong Kong Tax Treaty" (內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排), the withholding tax rate on dividends paid by our PRC subsidiary to our Hong Kong subsidiary would generally be reduced to 5%, provided that our Hong Kong subsidiary is a Hong Kong tax resident as well as the beneficial owner of the PRC-sourced income, and our Hong Kong subsidiary directly holds a 25% or greater interest in our PRC subsidiary throughout the 12 months prior to receiving the dividends. On February 3, 2018, the State Administration of Taxation issued the Announcement on Certain Issues Concerning the Beneficial Owners in a Tax Agreement (關於税收協定中"受益所有人"有關問題的公告), also known as SAT Circular 9, which provides guidance for determining whether a resident of a contracting state is the "beneficial owner" of an item of income under China's tax treaties and similar arrangements. According to SAT Circular 9, a beneficial owner generally must be engaged in substantive business activities and an agent will not be regarded as a beneficial owner. There is no assurance that the reduced withholding tax rate will be available.

Restrictions on currency exchange may limit our ability to utilize our revenue effectively.

There are regulations restricting the conversion of foreign currencies into RMB in China and, in certain cases, the remittance of currency out of China. A portion of our revenue is denominated in RMB. Shortages in availability of foreign currency may then restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to our offshore entities for our offshore entities to pay dividends or make other payments or otherwise to satisfy our foreign-currency-denominated obligations. The RMB is currently convertible under the "current account," which includes dividends, trade and service-related foreign exchange transactions, but not under the "capital account," which includes foreign direct investment and foreign currency debt, including loans we may secure for our onshore subsidiaries. Currently, our PRC subsidiaries may purchase foreign currency for settlement of "current account transactions," including payment of dividends to us, without the approval of SAFE by complying with certain procedural requirements. However, the relevant PRC governmental authorities may limit or eliminate our ability to purchase foreign currencies in the future for current account transactions. Since a portion of our revenue is denominated in RMB, any existing and future restrictions on currency exchange may limit our ability to utilize revenue generated in RMB to fund our business activities outside of the PRC or pay dividends in foreign currencies to holders of our Shares. Foreign exchange transactions under the capital account remain subject to limitations and require approvals from, or registration with, SAFE and other relevant PRC governmental authorities. This could affect our ability to obtain foreign currency through debt or equity financing for our subsidiaries.

We are subject to PRC tax laws and regulations.

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. We cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or actions that could adversely affect our business, financial condition and results of operations, as well as our reputation. Furthermore, the PRC government from time to time adjusts or changes its tax laws and regulations. Such adjustments or changes could have an adverse effect on our business, financial condition and results of operations.

Our business benefits from certain tax preferences, financial incentives and preferential policies granted by local governments. Expiration of, or changes to, these incentives, tax preferences or policies would have an adverse effect on our results of operations.

In the past, local governments in China granted certain financial incentives from time to time to our PRC subsidiaries as part of their efforts to encourage the development of local businesses. The timing, amount and criteria of government financial incentives are determined within the sole discretion of the local government authorities and cannot be predicted with certainty before we actually receive any financial incentive. We generally do not

have the ability to influence local governments in making these decisions. Governments authorities may decide to reduce or eliminate incentives or may amend or terminate the relevant financial incentive policies at any time. In addition, some of the government financial incentives are granted on a project basis and subject to the satisfaction of certain conditions, including compliance with the applicable financial incentive agreements and completion of the specific projects therein. We cannot guarantee that we will satisfy all relevant conditions, and if we fail to satisfy any such conditions, we may be deprived of the relevant incentives. We cannot assure you of the continued availability of the government incentives currently enjoyed by us. Any reduction or elimination of incentives would have an adverse effect on our results of operations. In addition, according to relevant PRC tax laws and regulations, enterprises in the PRC are entitled to tax preferences when certain requirements and qualifications are satisfied. Our relevant PRC subsidiaries may not continue to be entitled to relevant tax preferences if relevant tax preferences expire or the relevant PRC subsidiaries fail to continue to satisfy certain requirements and qualifications. For example, enterprises in the PRC qualified as "high and new technology enterprises" are entitled to a preferential rate of 15%. CARsgen Therapeutics currently qualifies as a "high and new technology enterprise" until November 2023. If any of our PRC subsidiaries fails to continue to enjoy such tax preferences, financial incentives or preferential policies in the future, tax expenses would increase, which may have a material adverse effect on our results of operations.

It may be difficult to effect service of process upon us or our management that reside in China or to enforce against them or us in China any judgments obtained from foreign courts.

Most of our operating subsidiaries are incorporated in China. Some of our management reside in China from time to time. Almost all of our assets are located in China. Therefore, it may not be possible for investors to effect service of process upon us or our management inside China. China has not entered into treaties or arrangements providing for the recognition and enforcement of judgments made by courts of most other jurisdictions. On July 14, 2006, Hong Kong and China entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) (the "**Arrangement**"), pursuant to which a party with an enforceable final court judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in China. Similarly, a party with an enforceable final judgment rendered by a Chinese court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of such judgment in Hong Kong.

On January 18, 2019, the Supreme People's Court and the Hong Kong Government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》), which has come into effect on January 29, 2024 and superseded the Arrangement, or the New Arrangement, which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between Hong Kong and the mainland. The New Arrangement discontinued the requirement for a choice of court agreement for bilateral recognition and enforcement. After the New Arrangement became effective, a judgment rendered by a Hong Kong court can generally be recognized and enforced in the PRC even if the parties in the dispute do not enter into a choice of court agreement in writing. However, we cannot guarantee that all judgments made by Hong Kong courts will be recognized and enforced in the PRC, as whether a specific judgment will be recognized and enforced is still subject to a case-by-case examination by the relevant court in accordance with the New Arrangement.

Any failure by the Shareholders or beneficial owners of our Shares to comply with PRC foreign exchange or other regulations relating to offshore investment activities could restrict our ability to distribute profits, restrict our overseas and cross-border investment activities and subject us to liability under PRC laws.

The SAFE has promulgated several regulations requiring PRC residents to register with local qualified banks before engaging in direct or indirect offshore investment activities,

including Circular of the State Administration of Foreign Exchange on the Administration of Foreign Exchange Involved in Overseas Investment, Financing and Roundtrip Investment through Special Purpose Vehicles Conducted by domestic Residents in China via Special-Purpose Companies (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), or SAFE Circular 37, issued and effective on July 4, 2014. SAFE Circular 37 requires PRC residents to register with local branches of the SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with assets or equity interests of onshore companies or offshore assets or interests held by the PRC residents, referred to in SAFE Circular 37 as a "special purpose vehicle." SAFE Circular 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle. If a shareholder who is a PRC citizen or resident does not complete the registration with the local SAFE branches, the PRC subsidiaries of the special purpose vehicle may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to the special purpose vehicle, and the special purpose vehicle may be restricted to contribute additional capital to its PRC subsidiaries. Moreover, failure to comply with the various SAFE registration requirements described above may result in liabilities for the PRC subsidiaries of the special purpose vehicle under PRC laws for evasion of applicable foreign exchange restrictions, including (1) the requirement by the SAFE to return the foreign exchange remitted overseas within a period of time specified by the SAFE, with a fine of up to 30% of the total amount of foreign exchange remitted overseas and deemed to have been evasive, and (2) in circumstances involving serious violations, a fine of no less than 30% of and up to the total amount of remitted foreign exchange deemed evasive.

According to the Notice of the State Administration of Foreign Exchange on Issuing the Provisions on the Foreign Exchange Administration of the Overseas Direct Investments (國家外匯管理局關於發佈境內機構境外直接投資外匯管理規定的通知) (SAFE Circular 30) and other regulations, if our shareholders who are PRC entities do not complete their registration with the competent SAFE, NDRC or MOFCOM branches, our PRC subsidiaries may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to us, and we may be restricted in our ability to contribute additional capital to our PRC subsidiaries. In addition, our shareholders may be required to suspend or stop the investment and complete the registration within a specified time, and may be warned or prosecuted for relevant liability. Moreover, failure to comply with the SAFE registration described above could result in liability under PRC laws for evasion of applicable foreign exchange restriction.

We may not always be fully aware or informed of the identities of our beneficiaries who are PRC nationals or entities, and may not be able to compel them to comply with SAFE Circular 37, SAFE Circular 30 or other regulations. We cannot assure you that all of our Shareholders or beneficiaries will at all times comply with, or in the future make or obtain all applicable registrations or approvals required by SAFE rules or other regulations. We cannot assure you that the SAFE or its local branches will not release explicit requirements or interpret the relevant PRC laws and regulations otherwise. Failure by any such shareholders to comply with SAFE rules or other regulations may result in restrictions on the foreign exchange activities of our PRC subsidiaries and may also subject the relevant PRC resident or entity to penalties under the PRC foreign exchange administration regulations.

We are subject to PRC laws and regulations relating to indirect transfers by a non-resident enterprise of assets of a PRC resident enterprise.

On February 3, 2015, the PRC State Administration of Taxation, or the SAT, issued the Public Announcement on Several Issues Concerning Enterprise Income Tax for Indirect Transfer of Assets by Non-Resident Enterprises (關於非居民企業間接轉讓財產企業 所得稅若干問題的公告), or SAT Circular 7, which supersedes certain provisions in the Notice on Strengthening the Administration of Enterprise Income Tax on non-Resident Enterprises (關於加強非居民企業股權轉讓所得企業所得稅管理的通知), or SAT Circular 698, which was previously issued by the State Administration of Taxation on December 10, 2009, as well as certain other rules providing clarification on SAT Circular 698. SAT Circular 7 provides comprehensive guidelines relating to, and heightened the PRC tax authorities' scrutiny over,

indirect transfers by a non-resident enterprise of assets (including equity interests) of a PRC resident enterprise, or PRC Taxable Assets.

For example, SAT Circular 7 specifies that when a non-resident enterprise transfers PRC Taxable Assets indirectly by disposing of equity interests in an overseas holding company which directly or indirectly holds such PRC Taxable Assets, the PRC tax authorities are entitled to reclassify the nature of an indirect transfer of PRC Taxable Assets by disregarding the existence of such overseas holding company and considering the transaction to be a direct transfer of PRC Taxable Assets, if such transfer is deemed to have been conducted for the purposes of avoiding PRC enterprise income taxes and without any other reasonable commercial purpose.

Except as provided in SAT Circular 7, transfers of PRC Taxable Assets under the following circumstances shall be automatically deemed as having no reasonable commercial purpose, and are subject to PRC enterprise income tax: (i) more than 75% of the value of the equity interest of the overseas enterprise is directly or indirectly attributable to the PRC Taxable Assets; (ii) more than 90% of the total assets (cash excluded) of the overseas enterprise are directly or indirectly composed of investment in China at any time during the year prior to the indirect transfer of PRC Taxable Assets, or more than 90% of the income of the overseas enterprise is directly or indirectly from China during the year prior to the indirect transfer of PRC Taxable Assets; (iii) the overseas enterprise and its subsidiaries directly or indirectly hold PRC Taxable Assets and have registered with the relevant authorities in the host countries (regions) in order to meet the local legal requirements in relation to organization forms, yet prove to be inadequate in their ability to perform their intended functions and withstand risks as their alleged organization forms suggest; or (iv) the income tax from the indirect transfer of PRC Taxable Assets payable abroad is lower than the income tax in China that may be imposed on the direct transfer of such PRC Taxable Assets.

SAT Circular 7 contains certain exemptions, However, it remains unclear whether any exemptions under SAT Circular 7 will be applicable to the transfer of our Shares that do not qualify for the Public Market Safe Harbor or to any future acquisition by us outside of the PRC involving PRC Taxable Assets, or whether the PRC tax authorities will, at their discretion, reclassify such transactions by applying SAT Circular 7. Therefore, the PRC tax authorities may deem any transfer of our Shares that do not qualify for the Public Market Safe Harbor by our Shareholders that are non-resident enterprises, or any future acquisition by us outside of the PRC involving PRC Taxable Assets, to be subject to the foregoing regulations, which may subject our Shareholders or us to additional PRC tax reporting obligations or tax liabilities.

Provisions of SAT Circular 7, which impose PRC tax liabilities and reporting obligations, do not apply to "non-resident enterprise acquiring and disposing of the equity interests of the same offshore listed company in a public market," or the Public Market Safe Harbor, which is determined by whether the parties, number and price of the shares acquired and disposed are not previously agreed upon, but determined in accordance with general trading rules in the public securities markets, according to one implementing rule for SAT Circular 698. In general, transfers of the Shares by Shareholders on the Stock Exchange or other public market would not be subject to the PRC tax liabilities and reporting obligations imposed under the SAT Circular 7 if the transfers fall under the Public Market Safe Harbor. As stated in "Information about this document and the [**REDACTED**]" in this document, potential investors should consult their professional advisors if they are in any doubt as to the tax implications of subscribing for, purchasing, holding, disposing of and dealing in the Shares.

Under China's Enterprise Income Tax Law, we may be classified as a "resident enterprise" of China. This classification could result in unfavorable tax consequences to us and our non-PRC shareholders.

Under China's Enterprise Income Tax Law, or the "EIT Law," an enterprise established outside of China with "de facto management bodies" within China is considered a "resident enterprise," meaning that it can be treated in a manner similar to a Chinese enterprise for PRC enterprise income tax purposes. A tax circular issued by the SAT on April 22, 2009, or SAT

Circular 82, regarding the standards used to classify resident enterprises clarified that dividends and other distributions paid by such resident enterprises which are considered to be PRC source income will be subject to PRC withholding tax, currently at a rate of 10%, when received or recognized by non-PRC resident enterprise shareholders. This circular also subjects such resident enterprises to various reporting requirements with the PRC tax authorities. The implementing rules of the EIT Law define "de facto management bodies" as "management bodies that exercise substantial and overall management and control over the production and operations, personnel, accounting and properties" of the enterprise. In addition, SAT Circular 82 specifies that certain China-invested enterprises controlled by Chinese enterprises or Chinese group enterprises will be classified as resident enterprises if the following are located or resident in China: (i) senior management personnel and departments that are responsible for daily production, operation and management; (ii) financial and personnel decision-making bodies; (iii) key properties, accounting books, company seal and minutes of board meetings and shareholders' meetings; and (iv) half or more than half of senior management or directors having voting rights. On July 27, 2011, the SAT issued Administrative Measures of Enterprise Income Tax of Chinese-Controlled Offshore Incorporated Resident Enterprises (Trial) (境外註冊中資控股居民企業所得稅管理辦法(試行)), or Bulletin 45, which became effective on September 1, 2011, to provide further guidance on the implementation of SAT Circular 82. Bulletin 45 clarifies certain issues related to determining PRC resident enterprise status, including which competent tax authorities are responsible for determining offshore incorporated PRC resident enterprise status, as well as post-determination administration.

The SAT may take the view that the determining criteria set forth in SAT Circular 82 and Bulletin 45 reflect the general position on how the "de facto management body" test should be applied in determining the tax resident status of all offshore enterprises. Additional implementing regulations or guidance may be issued determining that our Cayman Islands holding company is a "resident enterprise" for PRC enterprise income tax purposes. If the PRC tax authorities determine that our Cayman Islands holding company or any of our non-PRC subsidiaries is a resident enterprise for PRC enterprise income tax purposes, a number of unfavorable PRC tax consequences could follow.

Government control of currency conversion of and regulations on loans to, and direct investment in, PRC entities by offshore holding companies may delay or prevent us from making loans or additional contributions to our PRC subsidiaries, which could restrict our ability to utilize the [REDACTED] from the [REDACTED] effectively and affect our ability to fund and expand our business.

There are regulations restricting the conversion of foreign currencies into RMB in China. Under China's existing foreign-exchange regulations, foreign-exchange transactions under capital accounts continue to be subject to significant foreign-exchange controls and require the registration with, and approval of, PRC governmental authorities. In particular, if one subsidiary receives foreign-currency loans from us or other foreign lenders, these loans must be registered with SAFE or its local counterparts. If we finance such subsidiary by means of additional capital contributions, these capital contributions must be filed with certain government authorities, including the State Administration for Market Regulation ("**SAMR**") through the Enterprise Registration System (企業登記系統) and the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) and the SAFE.

In August 2008, SAFE promulgated the Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign Invested Enterprises (國家外匯管理局綜合司關於完善外商投資企業外匯資本金支付結匯管理有關業務操作問題的通知), or SAFE Circular 142, providing that the Renminbi capital converted from foreign-currency-registered capital of a foreign-invested enterprise may only be used for purposes within the business scope approved by the applicable government authority and may not be used for equity investments within the PRC.

On March 30, 2015, SAFE released the Notice on the Reform of the Management Method for the Settlement of Foreign Exchange Capital of Foreign-invested 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 SAFE Circular 19, which came into force and superseded SAFE Circular 142 from June 1, 2015. On June 9, 2016, SAFE further promulgated the Circular on the Reform and Standardization of the Management Policy of the Settlement of Capital Projects (關於改革和規範資本項目結匯管理政策的通知), or SAFE Circular 16. SAFE Circular 19 has made certain adjustments to some regulatory requirements on the settlement of foreign exchange capital of foreign-invested enterprises, and some foreign exchange restrictions under SAFE Circular 142 are expected to be lifted. Under SAFE Circular 19 and SAFE Circular 16, the settlement of foreign exchange by foreign invested enterprises shall be governed by the policy of foreign exchange settlement on a discretionary basis.

Violations of SAFE Circular 19 and SAFE Circular 16 could result in severe monetary or other penalties. We cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans or capital contributions by us to our PRC subsidiaries, and conversion of such loans or capital contributions into Renminbi. If we fail to complete such registrations or obtain such approvals, our ability to capitalize or otherwise fund our PRC operations may be negatively affected, which could adversely affect our ability to fund and expand our business.

The M&A Rules and certain other PRC regulations establish complex procedures for some acquisitions of PRC companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.

The Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors (關於外國投資者併購境內企業的規定), or the M&A Rules, and relevant regulations and rules concerning mergers and acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex. The M&A Rules require that the Ministry of Commerce, or the MOFCOM, be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise, if (i) any important industry is concerned, (ii) such transaction involves factors that have or may have an impact on the national economic security; or (iii) such transaction will lead to a change in control of a domestic enterprise which holds a famous trademark or PRC time-honored brand. The approval from MOFCOM shall be obtained in circumstances where overseas companies established or controlled by PRC enterprises or residents acquire affiliated domestic companies.

The Anti-Monopoly Law (中華人民共和國反壟斷法) promulgated by the Standing Committee of the National People's Congress, or NPC, which became effective in August 2008, requires that when a concentration of undertakings occurs and reaches statutory thresholds, the undertakings concerned shall file a prior notification with MOFCOM. Without the clearance from MOFCOM, no concentration of undertakings shall be implemented and effected. Mergers, acquisitions or contractual arrangements that allow one market player to take control of or to exert decisive impact on another market player must also be notified in advance to the MOFCOM when the threshold under the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings, (關於經營者集中申報標準的規定) or the Prior Notification Rules, issued by the State Council in August 2008 is triggered.

In addition, the Implementing Rules Concerning Security Review on the Mergers and Acquisitions by Foreign Investors of Domestic Enterprises, issued by the MOFCOM in August 2011, specify that mergers and acquisitions by foreign investors relating to national security are subject to strict review by the MOFCOM, and prohibit any activities attempting to bypass such security review, including by structuring the transaction through a proxy or contractual control arrangement. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the abovementioned regulations and other relevant rules to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval from the MOFCOM or its local counterparts may delay or inhibit our ability to complete such transactions.

We cannot preclude the possibility that the MOFCOM or other government agencies may publish explanations contrary to our understanding or broaden the scope of such security reviews in the future, in which case our future acquisitions in the PRC, including those by way of entering into contractual control arrangements with target entities, may be closely scrutinized or prohibited. Our ability to expand our business or maintain or expand our market share through future acquisitions would as such be materially and adversely affected.

Failure to comply with relevant regulations relating to social insurance and the housing provident fund may subject us to penalties and adversely affect our business, financial condition, results of operations and prospects.

PRC laws and regulations require us to pay several statutory social welfare benefits for our employees, including social insurance and housing provident funds. The amounts of our contributions for our employees under such schemes are calculated based on certain percentage of salaries, including bonuses and allowances, up to a maximum amount specified by the local government from time to time at locations where we operate. For details relating to the relevant laws and regulations, see "Regulatory Overview."

During the Track Record Period, we did not make full payment for social insurance and housing provident fund contributions for a few employees. In addition, the required contribution under the relevant laws to some of our employees were paid by third parties on behalf of the relevant subsidiaries of the Company. If the local governments determine the payment from the third-party payors are invalid or the third-parties failed to make the required contributions, we may be ultimately liable for the unpaid social insurance contribution and fines and penalties associated with the non-compliance. We cannot assure you that we will not be subject to any order in the future to rectify such non-compliance or that there will not be any employee complaints or claims regarding social insurance payments or housing provident fund contributions made against us. We may also incur additional costs to comply with such laws and regulations by the PRC Government or relevant local authorities. Any such payment could adversely affect our business, financial condition, results of operations and prospects.

RISKS RELATING TO THE [REDACTED]

No public market currently exists for our Shares, an active trading market for our Shares may not develop and the market price for our Shares may decline.

No public market currently exists for our Shares. The initial [**REDACTED**] for our Shares to the public will be the result of negotiations between our Company and the [**REDACTED**] (for itself and on behalf of the [**REDACTED**]), and the [**REDACTED**] may differ significantly from the market price of the Shares following the [**REDACTED**]. We have applied to the Stock Exchange for the [**REDACTED**] of, and permission to deal in, the Shares. A [**REDACTED**] on the Stock Exchange, however, does not guarantee that an active and liquid [**REDACTED**] market for our Shares will develop, or if it does develop, that it will be sustained following the [**REDACTED**], or that the market price of the Shares will not decline following the [**REDACTED**].

The price and trading volume of our Shares may be volatile, which could lead to substantial losses to investors.

The price and trading volume of our Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. In particular, the business and performance and the market price of the shares of other companies engaging in similar business may affect the price and trading volume of our Shares. In addition to market and industry factors, the price and trading volume of our Shares may be highly volatile for specific business reasons, such as the results of clinical trials of our product candidates, the results of our applications for approval of our product candidates, regulatory developments affecting

the biopharmaceutical industry, healthcare, health insurance and other related matters, fluctuations in our revenue, earnings, cash flows, investments and expenditures, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Stock Exchange with significant operations and assets in China have experienced price volatility in the past, and it is possible that our Shares may be subject to changes in price not directly related to our performance.

Future sales or perceived sales of our Shares in the [REDACTED] market by major Shareholders following the [REDACTED] could materially and adversely affect the price of our Shares.

Prior to the [**REDACTED**], there has not been a [**REDACTED**] market for our Shares. Future sales or perceived sales by our existing Shareholders of our Shares after the [**REDACTED**] could result in a significant decrease in the prevailing market price of our Shares. Only a limited number of the Shares currently outstanding will be available for sale or issuance immediately after the [**REDACTED**] due to contractual and regulatory restrictions on disposal and new issuance. Nevertheless, after these restrictions lapse or if they are waived, future sales of significant amounts of our Shares in the [**REDACTED**] market or the perception that these sales may occur could significantly decrease the prevailing market price of our Shares and our ability to raise equity capital in the future.

Because we do not expect to pay dividends in the foreseeable future after the [REDACTED], you must rely on price appreciation of our Shares for a return on your investment.

We currently intend to retain most, if not all, of our available funds and any future earnings after the [**REDACTED**] to fund the development and commercialization of our pipeline product candidates. As a result, we do not expect to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an investment in our Shares as a source for any future dividend income.

Our Board has complete discretion as to whether to distribute dividends. Even if our Board decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions (if any) received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our Board. Accordingly, the return on your investment in our Shares will likely depend entirely upon any future price appreciation of our Shares. There is no guarantee that our Shares will appreciate in value after the [**REDACTED**] or even maintain the price at which you purchased the Shares. You may not realize a return on your investment in our Shares and you may even lose your entire investment in our Shares.

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

Under Rule 18A.10 of the Listing Rules, without the prior consent of the Stock Exchange, we will not be able to effect any acquisition, disposal or other transaction or arrangement or any 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 Rule 18A.10. If some investors find our Shares less attractive as a result of our limited capability to conduct relevant transactions or arrangements, there may be a less active [**REDACTED**] market for our Shares and our share price may be more volatile. 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 are a Cayman Islands company and, because judicial precedent regarding the rights of shareholders is more limited under the laws of the Cayman Islands than other jurisdictions, you may have difficulties in protecting your shareholder rights.

Our corporate affairs are governed by our Memorandum and Articles of Association and by the Cayman Companies Act and the common law of the Cayman Islands. The rights of Shareholders to take legal action against our Directors and us, actions by minority Shareholders and the fiduciary responsibilities of our Directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority shareholders differ in some respects from those established under statutes and judicial precedent in existence in the jurisdictions where minority Shareholders may be located. See "Appendix III — Summary of the Constitution of our Company and Company Law of the Cayman Islands" in this document.

As a result of all of the above, minority Shareholders may have difficulties in protecting their interests under the laws of the Cayman Islands through actions against our management, Directors or Controlling Shareholders, which may provide different remedies to minority Shareholders when compared to the laws of the jurisdiction in which such shareholders are located.

Facts, forecasts and statistics in this document relating to the biopharmaceutical industry may not be fully reliable.

Facts, forecasts and statistics in this document relating to the biopharmaceutical industry in and outside China are obtained from various sources that we believe are reliable, including official government publications as well as a report prepared by Frost & Sullivan that we commissioned. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. 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. The information from official government sources has not been independently verified by us, the Sole Sponsor, [**REDACTED**] or any other party involved in the [**REDACTED**] and no representation is given as to its accuracy. Due to possibly flawed or ineffective collection methods or discrepancies between published information and factual information and other problems, the statistics in this document relating to the biopharmaceutical industry in and outside China may be inaccurate and you should not place undue reliance on them. We make no representation as to the accuracy of such facts, forecasts and statistics obtained from various sources. Moreover, these facts, forecasts and statistics involve risk and uncertainties and are subject to change based on various factors and should not be unduly relied upon.

You should read the entire document carefully, and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the [REDACTED].

Subsequent to the date of this document but prior to the completion of the [**REDACTED**], there may be press and media coverage regarding us and the [**REDACTED**], which may contain, among other things, certain financial information, projections, valuations and other forward-looking information about us and the [**REDACTED**]. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this document only and should not rely on any other information.

You should rely solely upon the information contained in this document, the [**REDACTED**] and any formal announcements made by us in Hong Kong when making your investment decision regarding our Shares. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our Shares, the [**REDACTED**] or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such data or publication. Accordingly, prospective investors should not rely on any such information, reports or publications in making their decisions as to whether to invest in our [**REDACTED**]. By applying to purchase our Shares in the [**REDACTED**], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and the [**REDACTED**].

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

In preparation for the [**REDACTED**], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

MANAGEMENT PRESENCE

Rule 8.12 of the Listing Rules requires that a new applicant applying for a primary [**REDACTED**] on the Stock Exchange must have a sufficient management presence in Hong Kong unless a waiver from such requirement is obtained from the Stock Exchange. This normally means that at least two of its executive directors must be ordinarily resident in Hong Kong.

Our management, principal business operations and assets are primarily based outside Hong Kong. The headquarters and senior management of our Group are preliminary based in the PRC, where the Group's management is best able to attend its functions. Our Directors consider that the appointment of executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, the Group and therefore would not be in the best interests of our Company and Shareholders as a whole. Accordingly, our Company does not have, and for the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the management presence requirement under Rule 8.12 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements pursuant to Rule 8.12 of the Listing Rules. In order to maintain regular and effective communication with the Stock Exchange, we will put in place the following measures: (a) we have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The two authorized representatives are Dr. Wu, an executive Director, and Dr. Song Chunjuan, an executive Director (together, the "**Authorized Representatives**"). The Authorized Representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable period of time upon request and will be readily contactable by home, office, mobile and other telephone numbers, email address and correspondence address (if the authorized representative is not based at the registered office), and any other contact details prescribed by the Stock Exchange from time to time. The Authorized Representatives has been duly authorized to communicate on our behalf with the Stock Exchange. Both of them have confirmed that they possess valid travel documents to Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, when required; (b) our Authorized Representatives have all necessary means to contact the Directors (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. To enhance communication between the Stock Exchange, the Authorized Representatives and our Directors, our Company has implemented a policy whereby (i) each Director will provide his/her office phone number, mobile phone number, residential phone number and email address to the Authorized Representatives; and (ii) each Director will provide valid phone numbers or means of communication to the Authorized Representatives when he or she travels; (c) each Director who is not ordinarily resident in Hong Kong has confirmed that he or she has valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange in Hong Kong within a reasonable period; (d) our Company has, in accordance with Rule 3A.19 of the Listing Rules, also appointed Mango Financial Limited as its compliance advisor, who will act as an additional channel of communication with the Stock Exchange. The compliance advisor will advise on on-going compliance requirements and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong for a period commencing on the [**REDACTED**] until at least the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our Company's financial results for the first full financial year after the [**REDACTED**]; (e) meetings between the Stock Exchange and our Directors could be arranged through our Authorized Representatives or our Company's compliance advisor, or directly with our Directors within a reasonable time frame. Our Company will inform the Stock Exchange promptly in respect of any change in our Company's Authorized Representatives and compliance advisor; and (f) pursuant to Rule 3.20

of the Listing Rules, each Director has provided his or her telephone number, mobile phone number, email address, residential address and correspondence address, where available, to the Stock Exchange.

WAIVER IN RELATION TO CONTINUING CONNECTED TRANSACTIONS

We have entered into, and expect to continue, certain continuing connected transactions, which will constitute non-exempt or partially-exempt continuing connected transactions for our Company under the Listing Rules upon [**REDACTED**]. Accordingly, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Chapter 14A of the Listing Rules in relation to such non-exempt or partially-exempt continuing connected transactions. Details of such continuing connected transactions and the respective waivers sought are set out in the section headed "Connected Transactions" in this document.

EXEMPTION FROM STRICT COMPLIANCE WITH SECTION [REDACTED] OF THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE IN RELATION TO PARAGRAPH [REDACTED] OF PART I AND PARAGRAPH [REDACTED] OF PART II OF THE THIRD SCHEDULE TO THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Section [**REDACTED**] of the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires all prospectuses to include matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (the "**Third Schedule**"), and set out the reports specified in Part II of the Third Schedule. Paragraph [**REDACTED**] of Part I of the Third Schedule requires a company to include in its prospectus a statement as to the gross trading income or sales turnover (as the case may be) of the company during each of the three financial years immediately preceding the issue of the prospectus, including an explanation of the method used for the computation of such income or turnover and a reasonable breakdown between the more important trading activities. Paragraph [**REDACTED**] of Part II of the Third Schedule further requires a company to include in its prospectus a report by the auditors of the company with respect to (i) the profits and losses of the company for each of the three financial years immediately preceding the issue of the prospectus and (ii) the assets and liabilities of the company of each of the three financial years immediately preceding the issue of the prospectus. Section [**REDACTED**] of the Companies (Winding Up and Miscellaneous Provisions) Ordinance provides that the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from the compliance with the relevant requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interest of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or would otherwise be unnecessary or inappropriate. Rule 4.04(1) of the Listing Rules requires that the consolidated results of the issuer and its subsidiaries in respect of each of the three financial years immediately preceding the issue of the [**REDACTED**] document be included in the accountants' report to this document.

Our Company is a Biotech Company as defined under Chapter 18A of the Listing Rules and is seeking a [**REDACTED**] under Chapter 18A of the Listing Rules. Rule 18A.03(3) of the Listing Rules requires that a Biotech Company must have been in operation in its current line of business for at least two financial years prior to [**REDACTED**] under substantially the same management. Rule 18A.06 of the Listing Rules requires that a Biotech Company must comply with Rule 4.04 of the Listing Rules modified so that references to "three financial years" or "three years" in Rule 4.04 shall instead be references to "two financial years" or "two years", as the case may be. Further, pursuant to Rule 8.06 of the Listing Rules, the latest financial period reported on by the reporting accountants for a new applicant must not have ended more than six months from the date of the [**REDACTED**] document.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

In compliance with the abovementioned requirements under the Listing Rules, [the accountants' report of our Company set out in Appendix I covers the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026]. As such, the Sole Sponsor has applied, on behalf of our Company, to the SFC for a certificate of exemption from strict compliance with section [**REDACTED**] of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the requirements of paragraph [**REDACTED**] of Part I and paragraph [**REDACTED**] of Part II of the Third Schedule regarding the inclusion of the accountants' report covering the full three financial years immediately preceding the issue of this document on the following grounds: (a) our Company is a biopharmaceutical company focused on gene therapies and oligonucleotide-based drugs, and falls within the scope of Biotech Company as defined under Chapter 18A of the Listing Rules. Our Company will fulfill the additional conditions for [**REDACTED**] required under Chapter 18A of the Listing Rules; (b) given that our Company is only required to disclose its financial results for two financial years prior to [**REDACTED**] under Chapter 18A of the Listing Rules, strict compliance with section [**REDACTED**] of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the requirements of paragraph [**REDACTED**] of Part I and paragraph [**REDACTED**] of Part II of the Third Schedule would be unduly burdensome for our Company; (c) [notwithstanding that the financial results set out in this document are only for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026] in accordance with Chapter 18A of the Listing Rules, other information required to be disclosed under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance has been adequately disclosed in this document pursuant to the relevant requirements; and (d) [the accountants' report covering the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 (as set out in Appendix I)], together with other disclosures in this document, have already provided adequate and reasonable up-to-date information in the circumstances for the potential investors to make an informed assessment of the business, assets and liabilities, financial position, management and prospects and to form a view on the track record of our Company. Therefore, the exemption would not prejudice the interest of the investing [**REDACTED**].

The SFC [has granted] us a certificate of exemption under section [**REDACTED**] of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with section [**REDACTED**] in relation to paragraph [**REDACTED**] of Part I and paragraph [**REDACTED**] of Part II of the Third Schedule on the condition that particulars of the exemption are set out in this document and that this document will be issued on or before the [**REDACTED**].

[REDACTED]

[**REDACTED**]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Dr. Wu Zhenhua (吳振華) . . .	2533 Long Meadow Road Lansdale PA 19446-6087 United States of America	American
Dr. Ye Guojie (葉國傑)	Room 701, Building 4 Guangtai Ripples Mansion Qiantang District Hangzhou Zhejiang Province PRC	American
Dr. Song Chunjuan (宋春娟)	1230 Wembley Drive Wayne PA 19087 United States of America	American
Independent non-executive Directors		
Dr. Li Ankang (李安康)	Room 201 Lane 628, Gumei West Road Shanghai PRC	Chinese
Mr. Zhao Hui (趙暉)	Room 803 567 Tianhe North Road Tianhe District Guangzhou Guangdong Province PRC	Chinese
Dr. Wu You (吳優)	Room 2702, Unit 1, Building 10 Guanhu International Chaoyang District Beijing PRC	Chinese

For further information regarding our Directors, see "Directors and Senior Management" in this document.

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor and [REDACTED]	**CCB International Capital Limited** 12/F, CCB Tower 3 Connaught Road Central Central Hong Kong

[**REDACTED**]

Legal advisors to our Company

As to Hong Kong law:
Morgan, Lewis & Bockius
19/F, Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

As to United States law:
Morgan, Lewis & Bockius LLP
1400 Page Mill Road
Palo Alto 94304
United States of America

As to PRC law:
Zhong Lun Law Firm
Level 10-11, Two IFC
NO8. Century Ave
Pudong New Area
Shanghai
PRC

As to Cayman Islands law:
Ogier
11/F, Central Tower
28 Queen's Road Central
Central
Hong Kong

Legal advisors to the Sole Sponsor and the [REDACTED]	*As to Hong Kong law:* **Tian Yuan Law Firm LLP** Suites 3304–3309, 33/F Jardine House, One Connaught Place Central Hong Kong *As to PRC law:* **Jingtian & Gongcheng** 34/F, Tower 3 China Central Place 77 Jianguo Road Beijing PRC
Auditor and reporting accountants	**Deloitte Touche Tohmatsu** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 35/F One Pacific Place 88 Queensway Hong Kong
Independent industry consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504, Wheelock Square No. 1717 West Nanjing Road Jing'an District Shanghai PRC
	[**REDACTED**]
Compliance advisor	**Mango Financial Limited** Units 2305-2306, 23/F Grand Millennium Plaza 181 Queen's Road Central Hong Kong

Registered office in the Cayman Islands	Suite #4-210, Governors Square 23 Lime Tree Bay Avenue PO Box 32311 Grand Cayman KY1-1209 Cayman Islands
Principal place of business and head office in the PRC	Building 11 Hexiang Technology Center Qiantang District Hangzhou Zhejiang Province PRC
Principal Place of business in Hong Kong registered under Part 16 of the Companies Ordinance	46/F, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Company's website	https://exegenesisbio.com/ *(information contained in this website does not form part of this document)*
Company secretary	**Ms. Huang Jiawen (黃佳雯)** 46/F, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Authorized representatives	**Dr. Wu Zhenhua (吳振華)** 2533 Long Meadow Road Lansdale PA 19446-6087 United States of America **Dr. Song Chunjuan (宋春娟)** 1230 Wembley Drive Wayne PA 19087 United States of America
Audit Committee	Dr. Li Ankang *(Chairman)* Dr. Wu You Mr. Zhao Hui
Remuneration Committee	Mr. Zhao Hui *(Chairman)* Dr. Wu You Dr. Li Ankang Dr. Wu Zhenhua Dr. Song Chunjuan
Nomination Committee	Dr. Wu Zhenhua *(Chairman)* Dr. Wu You Mr. Zhao Hui Dr. Li Ankang Dr. Song Chunjuan

Cayman Islands principal share registrar and transfer office	[●]

[**REDACTED**]

Principal banks	**Bank of China Limited, Hangzhou Qiantang New District Sub-branch** No. 17, 3rd Avenue Qiantang District Economic and Technological Development Zone Hangzhou Zhejiang Province PRC **Hangzhou Bank Co., Ltd. Technology Branch** Innovation Tower, 3850 Jiangnan Avenue Binjiang District Hangzhou Zhejiang Province PRC

Certain information and statistics set out in this section have been extracted from various official government publications, available sources from public market data providers and an Independent Third-Party source, Frost & Sullivan. The report prepared by Frost & Sullivan and cited in this document was commissioned by us. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. 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. The information from official government sources has not been independently verified by us, the Sole Sponsor, [**REDACTED**], [**REDACTED**] *or any other party involved in the* [**REDACTED**] *and no representation is given as to its accuracy.*

OVERVIEW OF GENE THERAPY MARKET

Overview

Gene therapy refers to a method that uses delivery vectors to transduce normal or therapeutic exogenous genes into target cells, thereby replacing or correcting disease-causing genes. Compared with other traditional treatments, gene therapy addresses diseases' genetic roots instead of merely relieving symptoms, enabling durable or curative outcomes beyond traditional therapies' reach.

The technological evolution of viral vectors for gene therapy has advanced from integrating lentiviral vectors, to broad-spectrum but target limited wild-type AAV vectors, and now to next-generation AAV vectors engineered for precise targeting and enhanced safety. The key advantage of these innovations lies in their ability to optimize tissue-specific delivery, minimize immunogenicity and associated risks, and sustain or prolong therapeutic gene expression. According to F&S, in the nearly 20 years since the first gene therapy drug was launched, 19 gene therapy drug products have been approved for marketing worldwide. The application of gene therapies has been expanded beyond genetic diseases to include malignant tumors, chronic diseases, and infectious diseases.

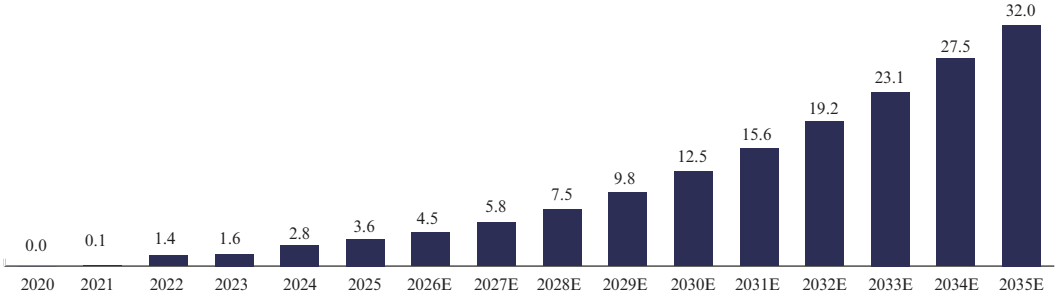
Market Size of Gene Therapy

The global gene therapy market is expected to rise from approximately US$3.6 billion in 2025 to US$12.5 billion in 2030 with a CAGR of 28.3%, and further grow to US$32.0 billion in 2035 representing a CAGR of 20.7% from 2030 to 2035. The diagram below sets forth the historical and projected global market size of gene therapy from 2020 to 2035:

Global Gene Therapy Market, 2020-2035E

Unit: Billion USD

Period	CAGR
2020-2025	183.7%
2025-2030E	28.3%
2030E-2035E	20.7%



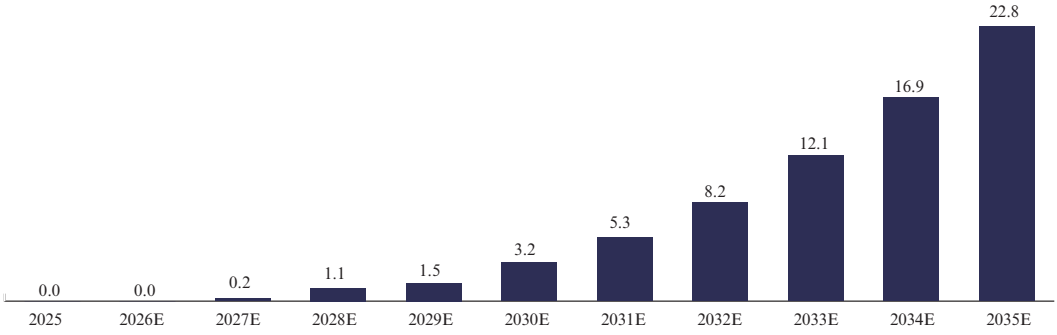
Source: F&S Analysis

There was no gene therapy product launched in China from 2020 to 2025. The gene therapy market in China is expected to rise from approximately RMB0.0 billion in 2025 to RMB3.2 billion in 2030 with a CAGR of 143.8%, and further grow to RMB22.8 billion in 2035 representing a CAGR of 48.3% from 2030 to 2035. The diagram below sets forth the historical and projected market size of gene therapy in China from 2025 to 2035:

China Gene Therapy Market, 2025-2035E

Unit: Billion RMB

Period	CAGR
2025-2030E	143.8%
2030E-2035E	48.3%



Note:

The market recorded near-zero growth from 2020 to 2024. Currently, there are no mature gene therapy products officially launched and commercially scaled.

Source: F&S Analysis

Growth Drivers and Future Trends of Gene Therapy

According to Frost & Sullivan, the growth of gene therapy has primarily been driven by the following factors:

- *Efficacy in Rare Diseases with Expansion to Common diseases.* Gene therapy has proven clinically effective for rare inherited diseases by targeting root genetic causes, with multiple regulatory approvals (e.g., for SMA, hemophilia, sickle cell disease) offering durable benefits. AAV-based therapies like Zolgensma (SMA) and Roctavian (hemophilia) have gained major-market approvals via single-administration sustained efficacy, establishing gene therapy as a disease-modifying option for rare genetic disorders. Ongoing late-stage trials (e.g., ABBV-RGX-314 and 4D-150, Phase III for wAMD) further expand its application to broader populations with unmet medical needs.
- *Advances in Viral Vector Design for Targeted Delivery via AI-Driven Platforms.* The AI-driven platforms play a significant role in advancing viral vector design. The first-generation lentiviral vector-based gene therapies often encounter limitations regarding tissue tropism, transduction efficiency in non-hematopoietic, and the potential risk of insertional mutagenesis. The next-generated vector engineering, leveraging on technologies such as high-throughput screening and AI-assisted design platforms, enhances the evolving need for vector efficiency and safety, with focuses on (i) the optimization of AAV capsids (enhancing tissue-specific transduction and reducing immunogenicity), expansion of vector packaging capacity, and modification of lentiviral integration sites (minimizing the risk of insertional mutagenesis); and (ii) the precision targeting and tissue-specific delivery via the integration of tissue-specific promoters (e.g., liver-specific albumin promoter, retina-specific promoter) and ligand-receptor mediated targeted binding.

- *Addressing High Costs to Improve Accessibility.* High manufacturing cost has been a key barrier to the widespread adoption of gene therapy. Early commercial gene therapy products have highlighted the impact of complex vector manufacturing and limited production scale on pricing and accessibility. For example, the production cost of a single dose of an AAV-based gene therapy may exceed US$1 million, primarily due to low product yield, high raw material costs, and substantial indirect costs associated with labor and facility utilization. Advances in scalable biomanufacturing, platform-based production and outsourcing of late-stage development are expected to progressively reduce production costs, while evolving reimbursement approaches may further improve patient access over time.
- *Policy Support and Regulation.* Governments and regulatory bodies are increasingly establishing structured frameworks and incentives to accelerate the development of gene therapies. In China, the Medical Institutions Investigator-Initiated Clinical Research Management Measures (effective October 1, 2024) support academicled clinical trials. In the United States, NIH funding mechanisms and FDA "Sponsor-Investigator" regulations facilitate investigator-initiated trials (IITs). In addition to national-level policies, local government initiatives have also introduced concrete support measures for gene therapy development. Meanwhile, growing public and private investment continues to drive early-stage research and clinical translation, reducing R&D barriers and creating greater opportunities for innovative gene therapies to reach patients more efficiently.

OVERVIEW OF SPINAL MUSCULAR ATROPHY (SMA) DRUG MARKET

Overview

Spinal Muscular Atrophy (SMA) is an autosomal recessive lower motor neuron disease, characterized by progressive proximal muscle weakness and skeletal muscle atrophy. SMA is caused by mutations in the SMN1 gene. The normal SMN1 gene encodes the survival motor neuron (SMN) protein. Mutated SMN1 fails to produce functional SMN protein, leading to skeletal muscle atrophy and impairing movement, swallowing, and respiration in SMA patients. SMN2 also encodes SMN protein, but a specific synonymous mutation causes approximately 90% of its pre-mRNA to skip exon 7 during splicing, generating unstable, degradable Δ7 truncated protein that lacks full physiological function. For the year ended December 31, 2025, the incidence rate of SMA was 2.69/100,000 and 2/100,000 in China and globally, respectively. SMA can be classified into different types in terms of age of onset and maximum motor function achieved. SMA Type 1 typically has an onset before six months of age.

SMA Type 1 accounts for approximately 60% of SMA diseases.

Current Treatment Regimen and Limitations

The current treatment options for SMA fall into three main categories: adeno-associated virus (AAV)-based gene therapy, antisense oligonucleotide (ASO), and small-molecule therapies. The key marketed products are Zolgensma® (onasemnogene abeparvovec, an AAV9-based gene therapy), Spinraza® (nusinersen, an intrathecally administered ASO), Evrysdi® (risdiplam, an oral small-molecule splicing modifier) and ITVISMA (an intrathecally administered AAV-based gene therapy). These four products are approved for the treatment of SMA in multiple major markets worldwide. The table below compares different treatment options for SMA in five aspects: modality & mechanism, efficacy, safety, administration and convenience:

	Nusinersen (Spinraza ®)	Risdiplam (Evrysdi ®)	ZOLGENSMA	ITVISMA
Modality & Mechanism	• ASO • Modulates SMN2 splicing	• Oral small molecule • Modulates SMN2 splicing	• Gene therapy • Delivers functional SMN1 gene	• Gene therapy • Delivers functional SMN1 gene
Efficacy	• Improves motor function in certain patients • Delays disease progression	• Improves respiratory and swallowing function • Reduces risk of permanent ventilation	• Demonstrates significant improvements in survival and motor milestones • Sustained long-term clinical benefit	• Demonstrates improvements in motor function and survival across SMA types • Sustained SMN protein expression supports long-term disease control
Safety	• Risks related to lumbar puncture (headache, back pain, infection)	• Overall well tolerated long-term; serious adverse events comparable to nusinersen or lower in some studies	• Potential systemic risks include hepatotoxicity and thrombocytopenia • Safety profile is considered manageable	• Reduced systemic exposure compared with intravenous gene therapy • Lower risk of systemic adverse effects
Administration	• Intrathecal injection via lumbar puncture • Requires multiple loading and maintenance doses	• Oral daily administration at home, convenient for long-term use	• One-time dosing • No repeated treatments required	• One-time dosing • No repeated treatments required • Enables direct delivery to the central nervous system
Convenience	• Lifelong treatment required • Repeated hospital lumbar punctures	• Continuous daily dosing required	• Single administration with durable clinical effect • No repeated dosing	• Reduces long-term healthcare resource utilization • Simplifies long-term disease management

Source: Literature Review, F&S Analysis

Currently the treatment of SMA faces the following core challenges: (i) insufficient adherence: SMA requires long-term medication and lifelong management. Treatment adherence, a comprehensive behavior influenced by multiple factors including formulation characteristics, patients' functional capacity, care costs, administration methods, and drug tolerability, tends to decline over time; (ii) limited neuronal SMN targeting: The current SMA gene therapy, particularly Zolgensma, shows uneven SMN protein distribution, with excessive expression in peripheral tissues (such as the liver and heart) but insufficient levels in motor neurons. This limits functional recovery and increases systemic toxicity and immune-related risks; and (iii) high treatment costs: Zolgensma, an approved gene therapy, costs over US$2 million per single treatment. In contrast, other relatively lower-priced therapies such as Spinraza and Evrysdi require lifelong administration. This results in high treatment costs, heavy medical burdens, and poor adherence for patients.

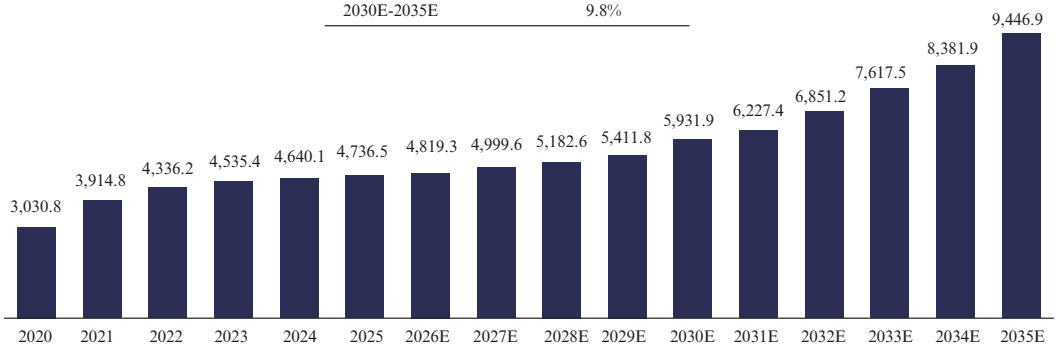
Market Size of SMA Drugs

The global SMA drug market rose from US$3,030.8 million in 2020 to US$ 4,736.5 million in 2025 with a CAGR of 9.3%, and is expected to further increase to US$5,931.9 million in 2030 with a CAGR of 4.6% from 2025, and US$9,446.9 million in 2035 with a CAGR of 9.8% from 2030 to 2035. The diagram below sets forth the historical and projected global market size of SMA drugs from 2020 to 2035:

Global SMA Drug Therapy Market, 2020-2035E

Unit: Million USD

Period	CAGR
2020-2025	9.3%
2025-2030E	4.6%
2030E-2035E	9.8%



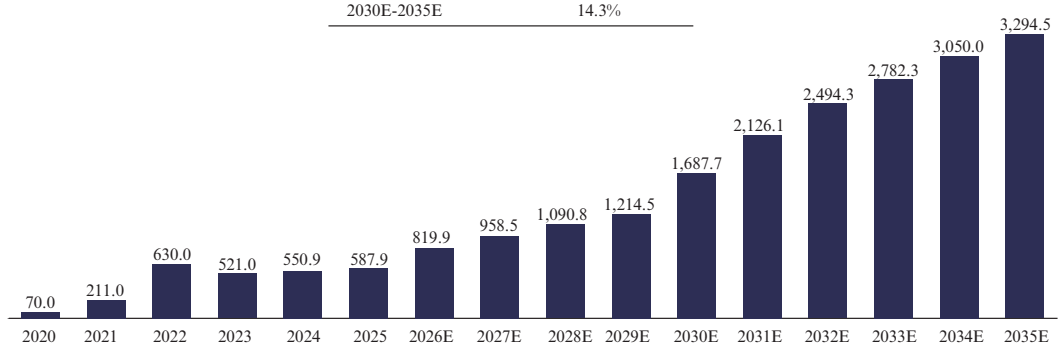
Source: F&S Analysis

The SMA drug market in China rose from RMB70.0 million in 2020 to RMB587.9 million in 2025 with a CAGR of 53.1% and is expected to increase to RMB1,687.7 million in 2030 with a CAGR of 23.5% from 2025, and further grow to RMB3,294.5 million in 2035 with a CAGR of 14.3% from 2030 to 2035. The diagram below sets forth the historical and projected market size of SMA drugs in China from 2020 to 2035:

China SMA Drug Therapy Market, 2020-2035E

Unit: Million RMB

Period	CAGR
2020-2025	53.1%
2025-2030E	23.5%
2030E-2035E	14.3%



Source: F&S Analysis

Competitive Landscape of SMA Drugs Pipeline

As of the Latest Practicable Date, there were four approved SMA drugs globally and two SMA drug candidates under clinical development globally. The following diagrams set forth the global marketed and clinical-stage SMA drugs globally:

Global Approved SMA Drugs

Brand Name	Generic Name	Modality	Route of Administration	Treatment Line	Company	Indication	First Approval Date	Annual Cost (2024)/ Reimbursement
SPINRAZA	Nusinersen	ASO	Intrathecal Injection	First-line	Biogen	Spinal Muscular Atrophy (SMA)	2016/12/23	~USD 750K
ZOLGENSMA	Onasemnogene Abeparvovec-xioi	Gene Therapy	Intrathecal Injection	First-line	Novartis	Spinal Muscular Atrophy (SMA)	2019/5/24	~USD 340K-375K
EVRYSDI	Risdiplam	Small Molecule	Oral	First-line	Genentech	Spinal Muscular Atrophy (SMA)	2020/8/7	~2,100-2,300 K
ITVISMA	Onasemnogene Abeparvovec-brve	Gene Therapy	Intrathecal Injection	Not disclosed	Novartis	Spinal Muscular Atrophy (SMA)	2025/11/24	2,590 K

Notes:

1. The industry information is as of 2026/08/23.
2. First approval date refers to the date on which the study record was first available on FDA.
3. Only includes originator, excluding generic drugs and compound drugs.

Source: FDA, Company website, Literature research, F&S Analysis

Global Clinical-stage SMA Drugs

Pipeline	Company	Modality	Route of Administration	Proposed Treatment Line	Clinical Stage	Indication	Safety and Efficacy	First Posted Date
ANB-004	Biocad	Gene Therapy	Intrathecal Injection	Not specified*	Phase I/II	Spinal Muscular Atrophy (SMA)	Not disclosed	2023/2/17
GB221	Gemma Biotherapeutics	Gene Therapy	Intra-cisterna magna (ICM) injection	Not specified	Phase I/II	Spinal Muscular Atrophy (SMA) Type 1	Not disclosed	2025/7/17

Notes:

1. The industry information is as of 2026/08/23.
2. First posted date refers to the date on which the study record was first available on Chinadrugtrials.org.cn or Clinicaltrials.gov.
3. The clinical stage refers to the latest clinical trials as well as the first posted date.
4. Only includes pipelines active within the past three years.
5. Only include clinical trials that are above Phase I. Excluding drug candidates for SMA Types 2 and 3.

Source: F&S Analysis

As of the Latest Practicable Date, there were two approved SMA drugs in China and four SMA drug candidates under clinical development in China. The following diagrams set forth the global marketed and clinical-stage SMA drugs in China:

China Approved SMA Drugs

Brand name	Generic name	Modality	Route of Administration	Treatment Line	Company	Indication	First Approval Date	Annual Cost (2024)/ Reimbursement
Spinraza	Nusinersen	ASO	Intrathecal Injection	First-line	Biogen	Spinal Muscular Atrophy (SMA)	2019/2/22	~RMB198 K/ Included in NRDL
艾滿欣	Risdiplam	Small Molecule	Oral	First-line	Roche	Spinal Muscular Atrophy (SMA)	2021/6/16	~RMB 1,380-1,400 K/ Included in NRDL

Notes:

1. The industry information is as of 2026/08/23.
2. First approval date refers to the date on which the study record was first available on NMPA.
3. Only includes originator, excluding generic drugs and compound drugs.

Source: NMPA, Company website, Literature research, F&S Analysis

Clinical-stage SMA Drugs in China

Pipeline	Company	Modality	Route of Administration	Proposed Treatment Line	Clinical Stage	Indication	Safety and Efficacy	First Posted Date
OAV101 IT	Novartis	Gene Therapy	Intrathecal Injection	Not specified*	BLA	Spinal Muscular Atrophy (SMA)	HFMSE +2.39 vs placebo (P=0.0074); AEs mostly mild-moderate; no SAEs observed	2025/8/2
GC101	GeneCradle	Gene Therapy	Intrathecal Injection	Not specified	III	Spinal Muscular Atrophy (SMA) Type 2	Not disclosed	2025/5/16
EXG001-307	Exegenesis Bio	Gene Therapy	Intravenous/ Intrathecal Injection	Not specified	I/II*	Spinal Muscular Atrophy (SMA) Type 1	All treated children had significant head control within 6 months (some ≥3s in 1 month); 100% of patients with >3m follow-up achieved independent sitting, some in 1 month	2022/9/29
SKG0201	Lanyue Biotech	Gene Therapy	Injection	Not specified	I/II	Spinal Muscular Atrophy (SMA) Type 1	Not disclosed	2026/06/08

Notes:

1. The industry information is as of 2026/08/23.
2. First posted date refers to the date on which the study record was first available on Chinadrugtrials.org.cn or Clinicaltrials.gov.
3. The clinical stage refers to the latest clinical trials as well as the first posted date.
4. Only includes pipelines active within the past three years.
5. Only include clinical trials that are above Phase I. Excluding drug candidates for SMA Types 2 and 3.

* Completed Phase I/II in Type 1 SMA; plan to discuss pivotal Phase III design with regulators in H2 2026.

Source: CDE, Company website, Literature research, F&S Analysis

Growth Drivers and Future Trends of SMA Treatment Market

According to Frost & Sullivan, the growth of SMA treatment market has primarily been driven by the following factors:

- *Scientific Breakthroughs and Unmet Needs.* Represented by Zolgensma, gene therapies have achieved significant breakthroughs. Even with the availability of current therapies that have significantly improved survival and motor outcomes, SMA, especially its severe forms, still lacks optimal treatments. Existing options face limitations in efficacy, durability, delivery, and safety, highlighting the need for more effective and safer therapeutic approaches. This unmet rigid medical demand provided core rationality support for the subsequent market access, medical insurance negotiation breakthroughs, and acceptance by the payment system of high-priced innovative drugs.
- *Policy and Payment Environment.* Major global regulatory authorities have established expedited review pathways for SMA therapies, significantly shortening the time to market and enabling products to reach patients faster. The National Healthcare Security Administration (NHSA) has included some rare disease drugs in the reimbursement scope through dynamic adjustments to the National Reimbursement Drug List (NRDL). Despite high prices, innovative payment schemes such as pharmaceutical company negotiations, medical insurance access, and installment payments have improved drug accessibility, becoming a key driver of market expansion.
- *Growing Awareness and Early Identification.* Growing awareness of SMA among physicians and the public, coupled with the popularization of genetic testing, has shortened the diagnosis time. This has enabled more patients to be identified and initiated on treatment pathways. In addition, strong patient organizations have raised social awareness of the disease. They actively promote policy reforms, drug accessibility, and R&D progress, serving as a key driver for market development.

According to Frost & Sullivan, the future trends of SMA treatment market are as follows:

- *Advancement of Gene Therapy Strategies.* Advancement of gene therapy strategies will focus on (i) superior AAV capsids: novel capsids with higher central nervous system (CNS) tropism are expected to improve therapeutic efficacy, while reduced liver transduction may lower hepatotoxicity and enhance safety, and the ability to evade existing neutralizing antibodies may improve treatment eligibility among SMA Type 1 patients; (ii) promoter engineering: adoption of tissue-specific or cell type-specific promoters to precisely regulate SMN gene expression and enhance safety; and (iii) transition to more targeted and safer gene replacement designs: although current gene replacement therapies such as Zolgensma have established the treatment paradigm for SMA, further improvements in safety and efficacy are still needed.
- *Innovation in Payment and Accessibility.* Innovations in payment and accessibility are mainly reflected in (i) deepening of innovative payment models: to address exorbitant treatment costs, outcome-based payment agreements, long-term installment plans, and insurance actuarial models will become more prevalent. These models aim to share risks for payers, improve drug accessibility, and ensure pharmaceutical companies' returns; and (ii) global market expansion and localization: companies may adopt strategies like localized production and differential pricing to achieve growth in these price-sensitive yet high-potential markets.

- *Manufacturing Scale-up and Cost optimization.* Manufacturing scale-up and cost optimization mainly include three aspects: (i) process intensification and optimization: adoption of more efficient upstream and downstream processes, such as suspension cell systems, improved purification methods, and higher-productivity bioreactors, to enhance consistency and reduce batch-to-batch variability; and (ii) cost reduction through technological innovation: implementation of automation, modular manufacturing, and analytics-driven process control to lower production costs and support sustainable long-term pricing models; and (iii) enhanced supply chain reliability: strengthening global supply chains and raw material sourcing to ensure uninterrupted availability, particularly for therapies requiring chronic or recurrent dosing.

OVERVIEW OF FUNDUS NEOVASCULARIZATION DISEASE DRUG MARKET

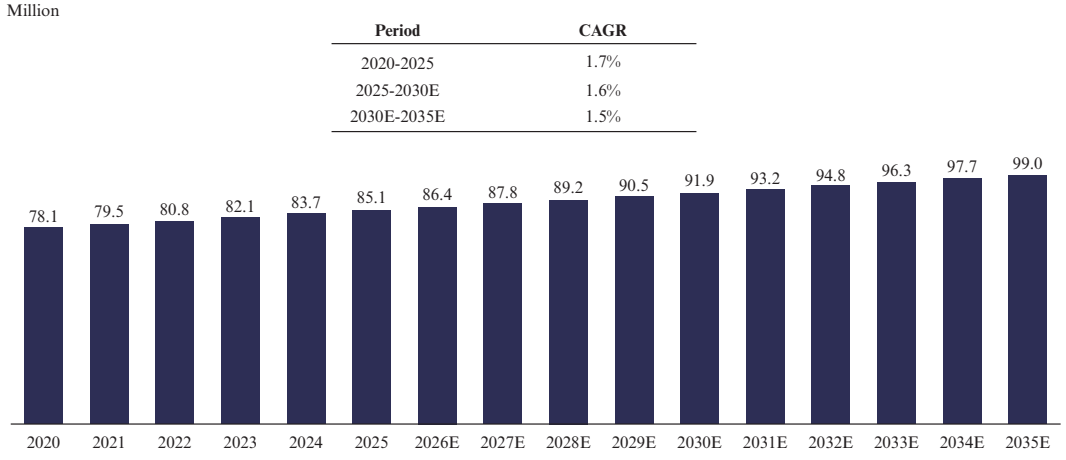
Overview

Fundus neovascularization disease refers to a group of eye disorders that affect vision due to pathological changes in the back of the eye, such as hemorrhage, exudation, and hyperplasia caused by neovascular growth. Currently, the pathogenesis of fundus neovascularization is not fully understood. Both environmental and genetic factors play major roles, with additional risk factors including diabetes, hypertension, and aging. Major fundus neovascularization diseases include wet age-related macular degeneration (wAMD), Diabetic macular edema (DME), and Retinal vein occlusion (RVO). For the year ended December 31, 2025, the incidence rate of fundus neovascularization disease was 1.42% and 1.03% in China and globally, respectively.

Prevalence of Fundus Neovascularization Disease

In 2025, the global prevalence of fundus neovascularization disease reached 85.1 million, with a CAGR of 1.7% from 2020 to 2025. It is estimated that the global prevalence of fundus neovascularization disease will reach 91.9 million by 2030, with a CAGR of 1.6% from 2025 to 2030 and is expected to further grow to 99.0 million in 2035 with a CAGR of 1.5% from 2030 to 2035. The following chart illustrates the historical and projected global prevalence of fundus neovascularization disease:

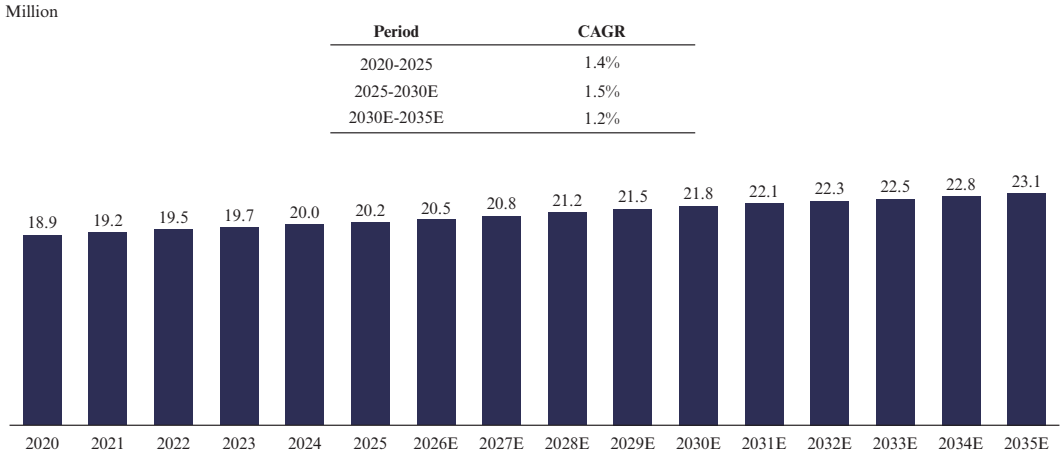
Global Prevalence of Fundus Neovascularization Disease, 2020-2035E



Source: F&S Analysis

In 2025, the prevalence of fundus neovascularization disease in China reached 20.2 million, with a CAGR of 1.4% from 2020 to 2025. It is estimated that the prevalence of fundus neovascularization disease in China will reach 21.8 million by 2030, with a CAGR of 1.5% from 2025 to 2030 and is expected to further grow to 23.1 million in 2035 with a CAGR of 1.2% from 2030 to 2035. The following chart illustrates the historical and projected prevalence of fundus neovascularization disease in China:

China Prevalence of Fundus Neovascularization Disease, 2020-2035E

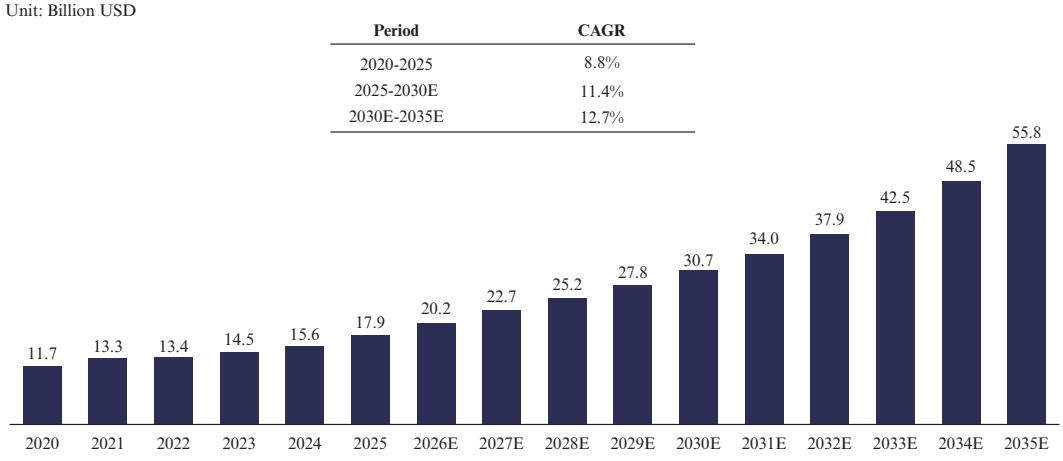


Source: F&S Analysis

Market Size of Fundus Neovascularization Disease Drugs

The global fundus neovascularization disease drug therapy market has expanded significantly in the past and is projected to further grow. It is expected to rise from approximately US$17.9 billion in 2025 to US$30.7 billion in 2030 with a CAGR of 11.4%, and is expected to further grow to US$55.8 billion in 2035 with a CAGR of 12.7% from 2030 to 2035. The diagram below sets forth the historical and projected global market size of fundus neovascularization disease drugs from 2020 to 2035:

Global Fundus Neovascularization Disease Drug Therapy Market, 2020-2035E



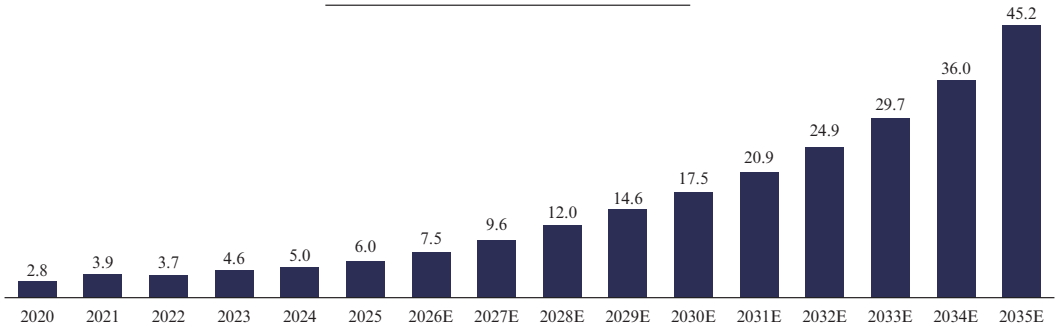
Source: F&S Analysis

The fundus neovascularization disease drug therapy market in China is expected to rise from approximately RMB6.0 billion in 2025 to RMB17.5 billion in 2030 with a CAGR of 24.0%, and is expected to further grow to RMB45.2 billion in 2035 with a CAGR of 20.9% from 2030 to 2035. The diagram below sets forth the historical and projected market size of fundus neovascularization disease drugs in China from 2020 to 2035:

China Fundus Neovascularization Disease Drug Therapy Market, 2020-2035E

Unit: Billion RMB

Period	CAGR
2020-2025	16.5%
2025-2030E	24.0%
2030E-2035E	20.9%



Source: F&S Analysis

Overview of wAMD

Age-related macular degeneration (AMD), also known as senile macular degeneration, is an eye disease that causes severe visual impairment or even blindness in the elderly. Patients are mostly over 50 years old, with the condition affecting both eyes simultaneously or sequentially. Based on pathological changes, AMD can be classified into two types: "wet" and "dry". Wet AMD, also referred to as neovascular AMD (nAMD), accounts for approximately 10% to 15% of all AMD patients, but its damage to vision is far greater than that of dry AMD.

wAMD is characterized primarily by pathological features such as choroidal neovascularization (CNV) or retinal neovascularization in the macular area. It may also be accompanied by retinal edema, as well as retinal exudation, hemorrhage, scarring, and other changes. Currently, its pathogenesis remains unclear, and it may be associated with multiple factors including age, environment, genetics, oxidative stress, lipid metabolism, and immune response.

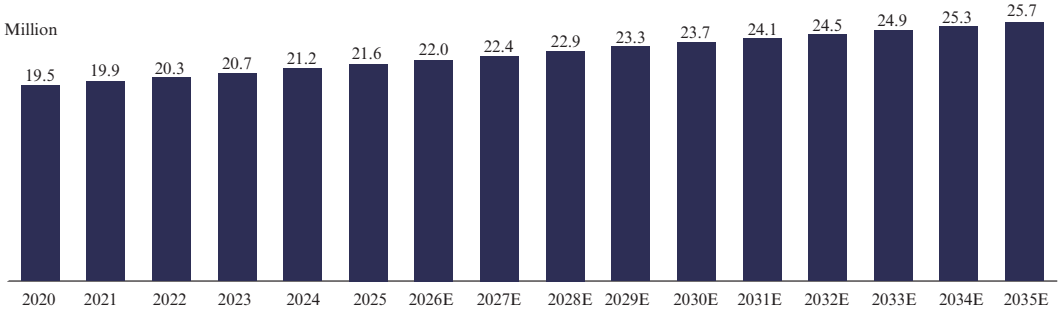
wAMD is synonymous with macular neovascularization (MNV) and can be categorized into three types (type 1, 2, 3). Type 1 MNV includes former occult choroidal neovascularization and PCV as a subtype, type 2 corresponds to classic choroidal neovascularization and type 3 equals retinal angiomatous proliferation (RAP). All MNV types involve abnormal vascular growth in the choroid or retina, leading to retinal edema, hemorrhage, exudation, and subsequent significant vision loss.

Prevalence of wAMD

In 2025, the global prevalence of wAMD reached 21.6 million, with a CAGR of 2.0% from 2020 to 2025. It is estimated that the global prevalence of wAMD will reach 23.7 million by 2030, with a CAGR of 1.9% from 2025 to 2030 and is expected to further grow to 25.7 million in 2035 with a CAGR of 1.6% from 2030 to 2035. The following chart illustrates the historical and projected global prevalence of wAMD:

Global Prevalence of wAMD, 2020-2035E

Period	CAGR
2020-2025	2.0%
2025-2030E	1.9%
2030E-2035E	1.6%

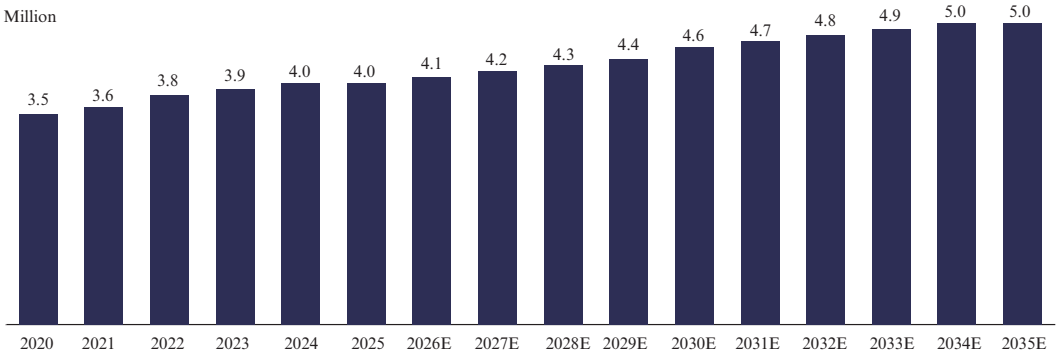


Source: F&S Analysis

In 2025, the prevalence of wAMD in China reached 4.0 million, with a CAGR of 2.7% from 2020 to 2025. It is estimated that the prevalence of wAMD in China will reach 4.6 million by 2030, with a CAGR of 2.8% from 2025 to 2030 and is expected to further grow to 5.0 million by 2035, with a CAGR of 1.8% from 2030 to 2035. The following chart illustrates the historical and projected prevalence of wAMD in China:

The Prevalence of wAMD in China, 2020-2030E

Period	CAGR
2020-2025	2.7%
2025-2030E	2.8%
2030E-2035E	1.8%



Source: F&S Analysis

Current Treatment Regimen for Fundus Neovascularization Disease

There are currently three main treatment regimens for fundus neovascularization disease on the market: antibody (for example, Ranibizumab), fusion protein (for example, Aflibercept) and gene therapy. The table below illustrates the comparison of these three key treatment regimens in terms of treatment approach, dosing frequency, efficacy profile, safety profile, treatment burden and treatment paradigm:

Category	Antibody Drugs	Fusion Protein	Gene Therapy
Treatment Approach	Repeated intravitreal injections	Repeated intravitreal injections with extended intervals	Single intravitreal administration
Dosing Frequency	Every 4-8 weeks	Every 8-12 weeks	One-time treatment
Efficacy Profile	Well-established efficacy across major retinal diseases	Comparable efficacy with improved durability	Designed to provide long-term anti-VEGF expression
Safety Profile	Well characterized with injection-related risks	Similar to antibody drugs	Long-term safety under clinical evaluation
Treatment Burden	High due to frequent injections and clinic visits	Moderate due to reduced injection frequency	Potentially low by minimizing repeated interventions
Treatment Paradigm	Chronic disease management	Chronic disease management with improved durability	Shift toward long-acting or one-time intervention

Source: Literature Review, F&S Analysis

Competitive Landscape of Fundus Neovascularization Disease Drugs

As of the Latest Practicable Date, there were four approved Fundus Neovascularization Disease drugs globally and eight wAMD drug candidates under clinical development globally. The following diagrams set forth the global marketed and clinical-stage Fundus Neovascularization Disease drugs globally:

Global Approved Fundus Neovascularization Disease Drugs

Brand name	Generic name	Target	Company	Modality	Indication	First Approval Date	2024 Global Sales (USD Billion)
LUCENTIS . .	Ranibizumab	VEGF-A	Genentech	Antibody	• wAMD • RVO • DME • DR • mCNV	June 30, 2006	1.0
EYLEA	Aflibercept	VEGF-A/B, PlGF	Regeneron	Fusion protein	• wAMD • RVO • DME • DR • ROP	November 18, 2011	5.97

Brand name	Generic name	Target	Company	Modality	Indication	First Approval Date	2024 Global Sales (USD Billion)
BEOVU	Brolucizumab-dbll	VEGF-A	Novartis	Antibody	• wAMD • DME	October 7, 2019	N/A
VABYSMO . .	Faricimab-svoa	VEGF-A, Ang2	Genentech	Antibody	• wAMD • DME • RVO	January 28, 2022	3.9

Notes:

1. The industry information is as of 2026/08/23.
2. First approval date refers to the date on which the study record was first available on FDA.
3. Only includes originator, excluding generic drugs and compound drugs.

Source: FDA, Company website, Literature research, F&S Analysis

Global Clinical-stage Fundus Neovascularization Disease Drugs

Target	Drug Name/Code	Company	Clinical Stage	Indication	First Posted Date
VEGF	ABBV-RGX-314	AbbVie	Phase II/III	nAMD	2021/1/12
			Phase II	DME	2025/4/16
VEGF	Ixoberogene Soroparvovec	Adverum Biotechnologies	Phase III	nAMD	2025/3/4
VEGF-A/B/C, PlGF	4D-150	4D Molecular Therapeutics	Phase III	nAMD	2025/3/7
			Phase II	DME	2023/7/5
VEGF-A	NG101	Neuracle Genetic	Phase I/II	nAMD	2023/8/9
VEGF-A/B/C/D, ANG2, PlGF	EXG202	Exegenesis Bio	Phase I/II	wAMD	2025/9/17
VEGF-A/B/C/D, ANGPT2, PlGF	EXG102-031	Exegenesis Bio	Phase I	wAMD	2023/6/6
VEGF	KH631	Kanghong Pharmaceutical	Phase I	nAMD	2022/12/10
VEGF	KH658	Kanghong Pharmaceutical	Phase I	nAMD	2025/2/8

Notes:

1. The industry information is as of 2026/08/23.
2. First posted date refers to the date on which the study record was first available on Chinadrugtrials.org.cn or Clinicaltrials.gov.
3. The clinical stage refers to the latest clinical trials as well as the first posted date.
4. Only includes pipelines active within the past five years.

Source: Clinicaltrials.gov, Company website, Literature research, F&S Analysis

As of the Latest Practicable Date, there were five approved fundus neovascularization disease drugs in China and 19 fundus neovascularization disease drug candidates under clinical development in China. The following diagrams set forth the marketed and clinical-stage fundus neovascularization disease drugs in China:

China Approved Fundus Neovascularization Disease Drugs

Brand Name	Generic Name	Target	Company	Modality	Indication	First Approval Date
諾適得	Ranibizumab	VEGF-A	Novartis	Antibody	• wAMD • DME • DR • RVO • CNV	2011/12/31
朗沐	Conbercept	VEGF-A/B, PlGF	Kanghong Pharmaceutical	Fusion Protein	• nAMD • pmCNV • DME • RVO	2013/11/29
艾力雅	Aflibercept	VEGF-A/B, PlGF	Bayer	Fusion protein	• nAMD • DME	2018/2/2
羅視佳	Faricimab-svoa	VEGF-A, Ang2	Roche	Antibody	• DME • nAMD • RVO	2023/12/13
倍優適	Brolucizumab-dbll	VEGF-A	Novartis	Antibody	• DME	2025/5/28

Notes:

1. The industry information is as of 2026/08/23.
2. First approval date refers to the date on which the study record was first available on NMPA.
3. Only includes originator, excluding generic drugs and compound drugs.

Source: NMPA, Company website, Literature research, F&S Analysis

Clinical-stage Fundus Neovascularization Disease Drugs in China

Target	Drug Name/Code	Company	Route of Administration	Proposed Treatment Line	Clinical Stage	Indication	Safety and Efficacy	First Posted Date
VEGF	AL-001	Anlong Bio	Suprachoroidal (SCS)	Not disclosed	Phase II	Wet age-related macular degeneration (wAMD)	Early clinical data indicate acceptable tolerability	2025/2/18
VEGFR2	HX9428	Fujian Haixi Pharmaceuticals	Oral Administration	Not disclosed	Phase II	wAMD	Not disclosed	2026/07/30
VEGF	LX102	Innostellar Biotherapeutics	Subretinal Injection	Not disclosed	Phase III	Neovascular (wet) age-related macular degeneration (nAMD)	Not disclosed	2026/01/24
VEGF	KH631	Kanghong Pharmaceutical	Subretinal Injection	Not disclosed	Phase I/II	Neovascular (wet) age-related macular degeneration (nAMD)	Not disclosed	2023/2/2
VEGF	FT-003	Frontera Therapeutics	Subretinal Injection	Not disclosed	Phase I/II	Neovascular (wet) age-related macular degeneration (nAMD)	Not disclosed	2023/8/21
VEGF-A/B/C/D, ANGPT2, PlGF	EXG102-031	Exegenesis Bio	Subretinal Injection	Anti-VEGF–responsive patients	Phase I/II	Wet age-related macular degeneration (wAMD)	Not disclosed	2023/10/12
VEGF	FT-003	Frontera Therapeutics	Subretinal Injection	Not disclosed	Phase I/II	Diabetic macular edema (DME)	Not disclosed	2023/10/27
VEGF	RRG001	RRGENER Therapeutics	Subretinal Injection	Not disclosed	Phase I/II	Neovascular (wet) age-related macular degeneration (nAMD)	Not disclosed	2023/11/21
VEGF-A	SKG0106	Skyline Therapeutics	Subretinal Injection	Not disclosed	Phase I/II	Neovascular (wet) age-related macular degeneration (nAMD)	Not disclosed	2023/12/27
ANGPT2, VEGF-A	XMVA09	Starry Gene	Intravitreal Injection	Not disclosed	Phase I/II	Wet age-related macular degeneration (wAMD)	Not disclosed	2024/4/12
VEGF	JWK001	Genevector	Subretinal Injection	Not disclosed	Phase I/II	Neovascular (wet) age-related macular degeneration (nAMD)	Not disclosed	2024/5/30
VEGF	KH658	Kanghong Pharmaceutical	Suprachoroidal Injection	Prior anti-VEGF–treated patients	Phase II	Neovascular (wet) age-related macular degeneration (nAMD)	Early clinical evaluation shows acceptable tolerability	2026/7/7
NA	IVB103	InnoVec Bio	Intravitreal	Not disclosed	Phase I/II	Neovascular (wet) age-related macular degeneration (nAMD)	Not disclosed	2024/11/29
CYP4V2	NGGT007	Next Generation Gene Therapeutics	Subretinal Injection	Not disclosed	Phase I/II	Neovascular (wet) age-related macular degeneration (nAMD)	Not disclosed	2025/1/16
VEGF-A/B/C/D, ANGPT2, PlGF	EXG202	Exegenesis Bio	Intravitreal Injection	Not disclosed	Phase I/II	Wet age-related macular degeneration (wAMD)	Not disclosed	2025/9/18
VEGF	CRG-B191	CorreGe	Subretinal Injection	Not disclosed	Phase I/II	Wet age-related macular degeneration (wAMD)	Not disclosed	2025/11/6
VEGF	YP004	Yuanpu Biotechnology	Intravitreal Injection	Not disclosed	Phase I	Neovascular (wet) age-related macular degeneration (nAMD)	Not disclosed	2026/7/17
–	QBR202	Quaerite Biopharm	Intravitreal Injection	Not disclosed	Phase I	Diabetic macular edema (DME)	Not disclosed	2026/2/12
VEGF/Ang-2	GB10	Kexing	Intravitreal Injection	Not disclosed	Phase I	Neovascular (wet) age-related macular degeneration (nAMD)	Not disclosed	2026/1/26

Notes:

1. The industry information is as of 2026/08/23.
2. First posted date refers to the date on which the study record was first available on Chinadrugtrials.org.cn or Clinicaltrials.gov.
3. The clinical stage refers to the latest clinical trials as well as the first posted date.
4. Only includes pipelines active within the past three years.

Source: CDE, Company website, Literature research, F&S Analysis

Growth Drivers and Future Trends of Fundus Neovascularization Disease Treatment Market

According to Frost & Sullivan, the growth of fundus neovascularization disease treatment market has primarily been driven by the following factors:

- *Increasing Patient Population.* Demographic shifts, including population aging and the rising prevalence of chronic systemic diseases (e.g., diabetes and cardiovascular disorders), are driving sustained growth in the patient population across major retinal vascular diseases, including wAMD, DME and RVO. Lifestyle changes and improved survival of chronic disease patients are contributing to increasing disease incidence and long-term treatment demand. Enhanced screening programs, broader access to retinal imaging, and improved disease awareness are leading to higher diagnosis rates and earlier intervention, further expanding the treated patient pool. Global prevalence of fundus neovascularization diseases (wAMD/DME/RVO) increased from approximately 78.1 million in 2020 to 85.1 million in 2025, and is projected to reach 91.9 million by 2030 and 99.0 million by 2035, representing a sustained growth trajectory over time.
- *Long-Acting and Innovative Therapeutic Modalities*. Extended-durability biologics address key unmet needs in fundus neovascularization diseases including wAMD, by reducing injection frequency, improving adherence, enhancing patient quality of life, and streamlining clinic workflow, making them highly attractive to clinicians and payers. Longer-acting agents also broaden the eligible patient population by benefiting individuals who struggle with frequent visits or exhibit suboptimal response to traditional anti-VEGF therapies. Technologies that meaningfully extend dosing intervals or provide continuous therapeutic exposure are becoming major focal points for R&D, partnerships, and investment, positioning them as a primary engine of market growth.
- *Reimbursement and Policy Support*. Continued expansion of national and regional reimbursement coverage for retinal diseases is expected to improve patient access to innovative therapies and reduce long-term financial burden across wAMD, DME, and RVO. Policy initiatives encouraging innovation in treatments for chronic ophthalmic diseases support the approval, adoption, and uptake of advanced biologics and novel therapeutic modalities. Enhanced reimbursement mechanisms and patient assistance programs promote earlier treatment initiation and sustained disease management, increasing overall treatment penetration and market growth.

According to Frost & Sullivan, the future trends of fundus neovascularization disease treatment market are as follows:

- *Longer-Acting and Sustained-Release*. Continued development of agents with extended durability to reduce injection frequency and improve patient adherence. Gene therapies may reduce or eliminate lifelong intravitreal injections, improving patient adherence and quality of life. For example, AAV-based anti-VEGF gene therapy in clinical trials has shown sustained protein expression, significantly reducing the need for repeated injections. Extended durability can lower healthcare burden and clinic visits, offering advantages over conventional anti-VEGF therapies.
- *Multi-Target and Combination Approaches*. Growing interest in therapies that address multiple pathways involved in neovascularization (for example, VEGF, ANG2, PlGF pathways). Combination regimens and multi-target biologics aim to overcome resistance or suboptimal responses to anti-VEGF monotherapies. Novel multi-pathway targeting agents aim to stabilize disease in a greater proportion of patients while reducing the risk of macular atrophy.

- *Minimally Invasive and Novel Delivery.* In the future, wAMD treatment aims to improve patient comfort, reduce procedure-associated complications, and expand accessibility to advanced treatments. Exploration of less invasive delivery routes, including intravitreal and suprachoroidal dosing routes to enhance tissue penetration and reduce procedural risk. Achieving a noninvasive dosing route will require the development and engineering of novel vectors capable of efficiently delivering functional therapeutics.

OVERVIEW OF FABRY DISEASE DRUG MARKET

Overview

Fabry disease (FD) is an X-linked recessive lysosomal storage disorder. Fabry disease can affect both males and females, but symptoms in females tend to be more variable, ranging from no to severe symptoms. It is caused by mutations in the GLA gene (located at Xq22.1), leading to a deficiency in α-galactosidase A (α-Gal A) activity. This results in the accumulation of the glycosphingolipid substrate globotriaosylceramide (Gb3) and its derivative lyso-Gb3 in tissues. Accumulation of Gb3/lyso-Gb3 triggers lysosomal dysfunction, inflammation, oxidative stress, vascular smooth muscle proliferation, and cell death, ultimately causing fibrosis and ischemia in multiple organs, including the heart and kidneys. For the year ended December 31, 2025, the incidence rate of fabry disease was 1/69,400 and 1.5/100,000 in China and globally, respectively.

Competitive Landscape of Fabry Disease Drugs

As of the Latest Practicable Date, there were three approved Fabry disease drugs globally and three Fabry disease drug candidates under clinical development globally. The following diagrams set forth the global marketed and clinical-stage Fabry disease drugs globally:

Global Approved Fabry Disease Drugs

Brand Name	Generic Name	MOA	Company	Indication	First Approval Date	2024 Global Sales (USD Million)
Fabrazyme	Agalsidas	Exogenous α-Gal A enzyme (ERT)	Sanofi B.V.	Fabry disease	2003-04-24	1,098
Galafold	Migalastat Hydrochloride	α-Gal A stabilizer (Chaperone)	Amicus Therapeutics	Fabry disease	2018-08-10	458.1
Elfabrio	Pegunigalsidase Alfa-iwxj	Exogenous α-Gal A enzyme (ERT, longer half-life)	Chiesi Farmaceutici Spa	Fabry disease	2023-05-09	N/A*

Notes:

1. There is another drug that also can be used to treat Fabry Disease, known as Replagal, which firstly approved by EMA on 2001/08/03.
2. The industry information is as of 2026/08/23.
3. First approval date refers to the date on which the study record was first available on FDA.
4. Only includes originator, excluding generic drugs and compound drugs.

**: In 2024, Protalix generated $29.3 million from sales of Elfabrio to Chiesi.*

Source: FDA, Company website, Literature research, F&S Analysis

Global Clinical-stage Fabry Disease Drugs

Pipeline	Company	Modality	Clinical Stage	Indication	First Posted Date
ST-920	Sangamo Therapeutics	GLA	BLA	Fabry disease	2025-11-21
AMT-191	UniQure biopharma	GLA	Phase I/II	Fabry disease	2024-02-21
HM15421	GC Biopharma	GLA	Phase I/II	Fabry disease	2025-03-05

Notes:

1. The industry information is as of 2026/08/23.
2. First posted date refers to the date on which the study record was first available on Chinadrugtrials.org.cn or Clinicaltrials.gov.
3. The clinical stage refers to the latest clinical trials as well as the first posted date
4. Only includes pipelines active within the past three years

Source: Clinicaltrials.gov, Company website, Literature research, F&S Analysis

As of the Latest Practicable Date, there were two approved Fabry disease drugs in China and three Fabry disease drug candidates under clinical development in China. The following diagrams set forth the marketed and clinical-stage Fabry disease drugs in China:

Approved Fabry Disease Drugs in China

Brand Name	Generic Name	Modality	Company	Indication	First Approval Date
Fabrazyme 法布赞® (注射用阿加糖酶β)	Agalsidase Beta	Exogenous α-Gal A enzyme (ERT)	Sanofi B.V.	Fabry disease	2019-12-18
Replagal 瑞普佳®	Agalsidase Alfa Concentrated Solution	Exogenous α-Gal A enzyme (ERT)	Takeda	Fabry disease	2025-05-19

Notes:

1. The industry information is as of 2026/08/23.
2. First approval date refers to the date on which the study record was first available on NMPA.
3. Only includes originator, excluding generic drugs and compound drugs

Source: NMPA, Company website, Literature research, F&S Analysis

Clinical-stage Fabry Disease Drugs in China

Pipeline	Company	Modality	Clinical Stage	Indication	First Posted Date
AL 01211*	AceLink	GCS	Phase II	Fabry disease	2023-10-28
ZS805	Sichuan Real&Best Biotechnology	GLA	Phase I/II	Fabry disease	2024-12-16
EXG110	Exegenesis Bio	GLA	Phase I/II	Fabry disease	2025-01-26

Notes:

1. The industry information is as of 2026/08/23.
2. First posted date refers to the date on which the study record was first available on Chinadrugtrials.org.cn or Clinicaltrials.gov.
3. The clinical stage refers to the latest clinical trials as well as the first posted date
4. Only includes pipelines active within the past three years

**: AL 01211 is a small-molecule drug.*

Source: CDE, Company website, Literature research, F&S Analysis

OVERVIEW OF OLIGONUCLEOTIDE-BASED DRUG MARKET

Overview

Oligonucleotides are a class of single- or double-stranded small synthetic nucleic acid polymers (≈20-mer) that can be used to modulate gene expression, oligonucleotide-based drugs represent a class of therapeutics that target disease-related RNA at the molecular level, offering sequence-specific precision in modulating gene expression. Major oligonucleotides include siRNA, ASO, Aptamer and AOCs. As of the Latest Practicable Date, approximately eight siRNA drugs, Eleven ASO drugs, and one aptamer drug have been approved by major regulatory agencies worldwide.

Market Size of Oligonucleotide-based Drugs

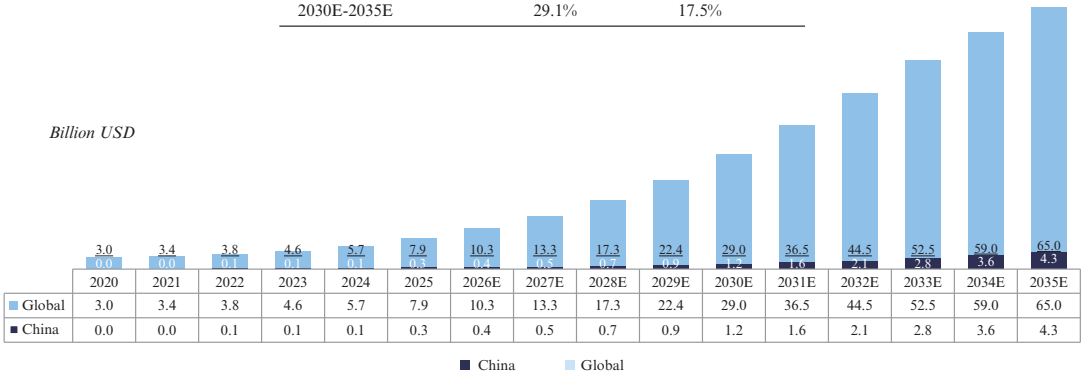
The global oligonucleotide drug market increased from USD 3.0 billion in 2020 to USD 7.9 billion in 2025, with a CAGR of 21.7%. It is projected to reach USD 29.0 billion and 65.0 billion by 2030 and 2035, growing at a CAGR of 29.7% and 17.5%. In China, the market has reached USD 0.3 billion in 2025. By 2030, the Chinese market is expected to grow to USD 1.2 billion, with a CAGR of 35.8 %, and will further increase to USD 4.3 billion by 2035 with a CAGR of 29.1%.

In terms of therapeutic areas, oligonucleotide-based drugs for the treatment of neurological diseases increased from 12.8% in 2020 to 18.7% in 2025, reflecting a significant shift toward neurological indications.

The diagram below sets forth the historical and projected global and China market size of oligonucleotide-based drug market from 2020 to 2040:

Global and China Oligonucleotide Drug Market Size, 2020–2035E

Period	CAGR	
	China	Global
2020-2025	90.9%	21.7%
2025-2030E	35.8%	29.7%
2030E-2035E	29.1%	17.5%



	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Global	3.0	3.4	3.8	4.6	5.7	7.9	10.3	13.3	17.3	22.4	29.0	36.5	44.5	52.5	59.0	65.0
China	0.0	0.0	0.1	0.1	0.1	0.3	0.4	0.5	0.7	0.9	1.2	1.6	2.1	2.8	3.6	4.3

Source: Frost & Sullivan Analysis

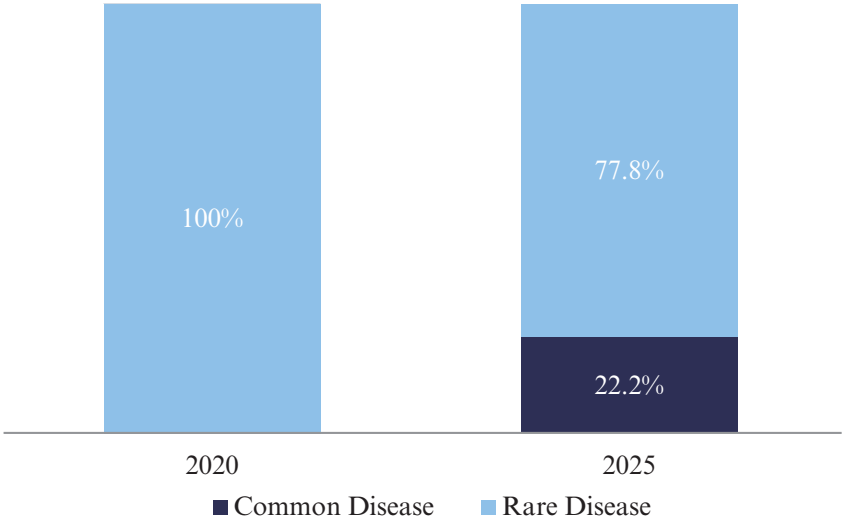
Global Oligonucleotide-based Drugs Pipeline

More than 300 oligonucleotide-based drugs have entered the clinical pipeline worldwide, of which only approximately 10.5% have entered clinical phase III, most of which are in clinical phase II or below. A key trend in the current therapeutic pipeline is the expansion of oligonucleotide-based drugs beyond liver-targeted disorders, such as neurological diseases. This shift reflects a growing focus on the largely unmet needs in neurological conditions, enabled by advances in technology and delivery methods that are making such therapies possible.

In terms of therapeutic areas, oligonucleotide-based drugs for the treatment of neurological disorders increased from 12.8% in 2020 to 18.7% in 2025, reflecting a significant shift toward neurological indications.

In the oligonucleotide drugs R&D pipeline for neurological disorders, the proportion of common diseases is rising significantly, increasing from 0.0% in 2020 to 22.2% in 2025. This trend clearly indicates that oligonucleotide drugs technology is breaking through its traditional focus on rare diseases and accelerating its expansion into common neurological disorders, which have larger patient populations. The diagram below sets forth the percentage of oligonucleotide-based drugs by disease type from 2020 to 2025:

Composition of the Neurological Oligonucleotide Drugs Pipeline



Source: Clinicaltrials, Frost & Sullivan Analysis

Growth Drivers and Future Trends of Oligonucleotide-based Drug Market

According to Frost & Sullivan, the growth of oligonucleotide-based drug market has primarily been driven by the following factors:

- *Technological Breakthroughs.* Recent advances in oligonucleotide-based therapeutics have significantly expanded their clinical potential and market attractiveness. Improvements in chemical modifications and backbone chemistry have enhanced the stability of antisense oligonucleotides (ASOs), siRNAs, and other oligonucleotide modalities, enabling longer in vivo half-life and more predictable pharmacokinetics. In addition, innovations in delivery technologies, ranging from advanced conjugates to receptor-mediated and tissuespecific targeting, have enabled efficient distribution beyond the liver, thereby expanding applicability to a broader range of tissues and disease indications. Furthermore, progress in manufacturing platforms has increased scalability, product quality, and cost-efficiency, supporting reliable production of clinical- and commercial-grade oligonucleotides. Together, these technological breakthroughs have lowered development barriers, improved therapeutic efficacy, and expanded the addressable market for oligonucleotidebased drugs.

- *Expansion of Target Indications.* Oligonucleotide-based drugs (ASOs, siRNAs, and AOCs) focused primarily on rare genetic disorders where single-gene mutations could be precisely targeted, such as Duchenne Muscular Dystrophy (DMD) and Spinal Muscular Atrophy (SMA), but the field is now undergoing a significant paradigm shift to chronic diseases. AOCs aim to combine the tissue-targeting specificity of monoclonal antibodies with the sequence-selective gene-modulating capacity of oligonucleotides, particularly for diseases driven by dysregulated gene expression. The indication research of AOCs spans from oncology and neuromuscular disorders to metabolic diseases.
- *Rising demand for precision medicine & targeted therapies.* Oligonucleotide-based drugs enable highly specific modulation of gene expression, offering the ability to address disease mechanisms at the molecular level. This makes them very attractive for genetic disorders, cancer, neurological diseases, and other complex diseases where traditional small molecules or biologics might fail. Due to the significant growth in the demand of precision medicine globally, the demand for oligonucleotide-based drugs will also increase.
- *Capital and Policy Support.* China's government policies foster a favorable environment for oligonucleotide-based drug R&D and commercialization. Key policies like the "14th Five-Year Plan" explicitly prioritize novel delivery systems and nucleic acid therapeutics, supported by tax incentives and R&D subsidies. Priority review pathways at the NMPA significantly accelerate approval timelines for innovative drugs, including oligonucleotide-based drugs. These policies reduce R&D risks and costs, incentivizing both domestic and global companies to advance oligonucleotide drug development and market entry in China.

According to Frost & Sullivan, the future trends of oligonucleotide-based drug market are as follows:

- *The Expansion into Prevalent Diseases.* Initially confined to treating rare genetic disorders, oligonucleotide-based drugs are now poised for a strategic expansion into more common and widespread diseases. Future development will prioritize high-prevalence disorders with large market opportunities, such as neurodegenerative, cardiovascular, metabolic, and oncological diseases. This strategic shift is enabled by advanced delivery systems that unlock new target organs and is accelerated by the validation of existing oligonucleotide therapeutics. By addressing large patient populations, these new indications will significantly broaden market demand, attract substantial investment, and establish a robust commercial foundation for the technology.
- *Next-Gen Delivery & Development.* The next wave of oligonucleotide-based therapeutics integrates novel designs with advanced targeting techniques, enabling the systemic overcoming of key delivery barriers. Through computational optimization of ligand engineering, linker stability, and oligonucleotide payloads, researchers can now predictively design conjugates that enable precise delivery to previously hard-to-reach tissues, including the CNS, muscle, and tumors. This intelligent platform convergence is expanding the applications of oligonucleotide-based therapeutics efficiently into common disease areas like neurodegeneration and oncology.
- *Growth through Globalization and Improved Access.* The field's maturation is driving a dual focus on global market expansion and patient accessibility. While the US and EU lead, China's emergence as a major force, fueled by strategic policy, funding, and fast-follow development, is intensifying competition and accelerating global innovation. Concurrently, success in crowded mainstream markets will necessitate optimizing the product profile through convenient dosing (e.g., quarterly injections), cost-effective manufacturing, and competitive pricing to secure reimbursement and broaden patient access.

1. 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**") promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") on September 20, 1984, and 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**") issued by the State Council on August 4, 2002, and last amended on December 6, 2024 have together laid down the legal framework for the administration 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.

Pursuant to the Administrative Regulations on Experimental Animals (《實驗動物管理條例》) issued by the State Science and Technology Commission on November 14, 1988, and latest 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.

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 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.

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.

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.

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 effective therefrom, 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

To effectively protect and rationally utilize the human genetic resources in the PRC, the Ministry of Science and Technology and the Ministry of Health (the "**MOH**") jointly issued the Interim Administrative Measures on Human Genetic Resources (《人類遺傳資源管理暫行辦法》) on June 10, 1998, which was replaced by 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. According to the Administrative Regulations of the PRC on Human Genetic Resources 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》) issued by the State Council on May 28, 2019 and revised on March 10, 2024 which became effective on May 1, 2024, 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 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.

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.

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.

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 World Health Organization encourages the adoption of GMP standards in the drug production, in order to minimize the risks of failure to pass the finished product tests in the drug production.

The MOH first issued the Guidelines on Good Manufacturing Practices (《藥品生產質量管理規範》) on March 17, 1988, which was later revised on December 28, 1992. After its establishment, the NMPA revised the Guidelines on Good Manufacturing Practices on June 18, 1999, which became effective from August 1, 1999. The Guidelines on Good Manufacturing Practices revised by 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.

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.

2. REGULATIONS RELATING TO PRODUCT LIABILITY

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.

3. 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 subsequently amended on February 22, 1993, October 27, 2001, August 30, 2013, April 23, 2019 and took effect on November 1, 2019 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.

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 further amended on September 4,1992, August 25, 2000, December 27, 2008, 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 latest 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. In the event that a dispute arises due to a patent being exploited without the prior authorization of the patentee, that is to say an infringement upon the patent right of the patentee.

Internet Domain Names

The Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》), which was promulgated by the Ministry of Industry and Information Technology of the PRC (the "**MIIT**") on August 24, 2017 and became effective on November 1, 2017, regulates the ".CN" and the ".zhongguo (in Chinese character)" shall be China's national top-level domains. Any party that engages in internet information services shall use its domain name in compliance with laws and regulations and in line with relevant provisions of the telecommunications authority but shall not use its domain name to commit any violation.

4. 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. Workers engaged in special operations shall have received specialized training and obtained the pertinent qualifications.

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.

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.

5. 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税法》) (the "**EIT Law**"), which was promulgated by the NPC on March 16, 2007, came into effect on January 1, 2008 and amended by the SCNPC on February 24, 2017 and 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%.

6. 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, pursuant to the administrative provisions of the foreign exchange control department of the State Council on payments of foreign currencies and purchase of foreign currencies, 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.

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).

7. REGULATIONS ON THE COMPANIES AND FOREIGN INVESTMENT IN CHINA

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.

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 and repealed the Sino-foreign Equity Joint Ventures Law of the PRC (《中華人民共和國中外合資經營企業法》), the Wholly Foreign-owned Enterprise Law of the PRC (《中華人民共和國外資企業法》) and the Sino-foreign Cooperative Joint Ventures Law of the PRC (《中華人民共和國中外合作經營企業法》). 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 and the Implementation Regulations for the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) issued by the State Council on December 26, 2019 and effective from January 1, 2020, 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.

8. REGULATIONS RELATING TO THE ACCESS OF FOREIGN INVESTMENT

On October 26, 2022, the MOFCOM and the National Development and Reform Commission of the PRC ("**NDRC**") jointly released the Catalog of Industries for Encouraging Foreign Investment (2022 Version) (《鼓勵外商投資產業目錄》(2022年版)), which became effective on January 1, 2023 and replace 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 latest 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.

Issued jointly by the MOFCOM, NHC and NMPA on September 7, 2024 (Shangzi Han [2024] No. 568) (商資函[2024]568號文), the Circular on Carrying out Pilot Work for Expanding Opening-up in the Medical-related Field aims to promote high-quality development of China's medical sector and meet public health needs. It permits foreign-invested enterprises in designated pilot areas (Beijing, Shanghai, Guangdong Pilot Free Trade Zones and Hainan Free Trade Port) to engage in human stem cell, gene diagnosis and treatment technology development and application for product registration, marketing and production, with approved products available nationwide. Foreign-invested enterprises must comply with relevant laws on human genetic resources, clinical trials and ethical reviews, and complete required regulatory procedures.

9. 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. The Overseas Listing Trial Measures comprehensively reform the regulatory regime for overseas offering and listing of PRC domestic companies' securities, either directly or indirectly, into a filing-based system. 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. The Overseas Listing Trial Measures provide that an overseas listing or offering is explicitly prohibited, if any of the following applies: (i) such securities offering or listing is explicitly prohibited by provisions in PRC laws, administrative regulations or relevant state rules; (ii) the proposed securities offering or listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with laws; (iii) the domestic company intending to be listed or offer securities in overseas markets, or its controlling shareholder(s) and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to be listed or offer securities in overseas markets is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller. 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.

10. REGULATIONS ON CYBERSECURITY AND DATA EXPORTATION SECURITY

On December 28, 2021, the Cyberspace Administration of China ("**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".

11. 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. 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.

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 was 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.

12. REGULATIONS ON CLINICAL TRIALS IN THE UNITED STATES AND ORPHAN DRUG DESIGNATION

The FDA and other regulatory authorities at federal, state, and local levels, extensively regulate, among other things, the research, development, testing, manufacture, quality control, import, export, safety, effectiveness, labeling, packaging, storage, distribution, record keeping, approval, advertising, promotion, marketing, post-approval monitoring and post-approval reporting of drugs and biologics such as those we are developing. FDA's regulatory requirements are frequently changing and evolving. For instance, over the last few years, FDA has been developing its policy around the use of artificial intelligence and machine learning in drug development and clinical trial programs. This is likely to be an evolving area of FDA regulation. We, along with third-party contractors and our customers, will be required to navigate the various preclinical, clinical and commercial approval requirements to conduct studies or seek approval or licensure of product candidates.

Our product candidates are subject to regulation by the FDA and may be regulated as drugs or biologics. Our customers are also subject to FDA regulation and, as such, our services for our customers may be directly or indirectly regulated. Prior to marketing in the United States, drugs require the submission and approval of a New Drug Application, or NDA, and biologics require the submission and approval of a Biologics License Application, or BLA. Although drugs and biologics require different applications and are subject to certain different regulatory requirements, biologics are also considered a kind of drug. Failure to comply with applicable FDA or other requirements at any time during product development, clinical testing, the NDA/BLA approval process or after NDA/BLA approval may result in administrative or judicial actions, including the FDA's refusal to approve pending applications, suspension or revocation of approved applications, warning letters, product recalls, product seizures, total or partial suspensions of manufacturing or distribution, injunctions, fines, civil penalties or criminal prosecution.

The process required by the FDA before drug product candidates may be marketed in the United States generally involves the following:

- completion of preclinical laboratory tests and animal studies performed in accordance with the FDA's Good Laboratory Practices, or GLP, regulations;
- submission to the FDA of an Investigational New Drug application, or IND, which must become effective before clinical trials may begin and must be reported on annually and amended when significant changes are made;
- approval by an independent Institutional Review Board, or IRB, or ethics committee at each clinical site before the trial is commenced;
- performance of adequate and well-controlled human clinical trials to establish the safety and effectiveness of the proposed product candidate for its intended indications;
- preparation of and submission to the FDA of an NDA/BLA when adequate data are obtained from pivotal clinical trials;
- registration of the manufacturing facility or facilities at which the proposed product will be manufactured, packaged or labeled;
- a determination by the FDA within 60 days of its receipt of an NDA/BLA to accept the application for review;
- satisfactory completion of a potential FDA Advisory Committee review, if applicable;
- satisfactory completion of an FDA pre-approval inspection, either remotely or in person, of the manufacturing facility or facilities at which the proposed product is manufactured to assess compliance with cGMP and to assure that the facilities, methods and controls are adequate to preserve the drug's continued safety and efficacy or the biological product's continued safety, purity and potency, and of selected clinical investigation sites to assess compliance with Good Clinical Practices, or GCP regulations;
- potential FDA audit, remotely or in person, of the nonclinical study and clinical trial sites that generated the data in support of the NDA/BLA, if applicable; and
- FDA review and approval of the NDA/BLA to permit commercial distribution and marketing of the product for approved indications for use in the United States.

IND Application and Clinical Development

Prior to initiating the first clinical trial with a product candidate in the United States, sponsors must submit an IND application to the FDA. An IND application is a request for authorization from the FDA to administer an investigational new drug product to humans. The central focus of an IND application is on the general investigational plan and the protocol(s) for clinical trials. The IND application also includes results of animal and *in vitro*

pre-clinical studies assessing the toxicology, pharmacokinetics, pharmacology, and pharmacodynamic characteristics of the investigational product; chemistry, manufacturing, and controls information; and any available human data or literature to support the use of the investigational product.

Preclinical studies must generally be conducted in accordance with the FDA's GLPs, which set forth the minimum basic requirements for the conduct of preclinical research, as well as the requirements of other U.S. agencies regarding the conduct of animal research. Notably, FDA is currently working to phase out animal testing requirements for certain drugs, and replace them with validated new approach methodologies, which include in vitro human-based systems, computer-based modeling, and other innovative platforms.

An IND must become effective before human clinical trials may begin. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, raises safety concerns or questions about the proposed clinical trial. If the IND sponsor is not able to address the FDA's concerns satisfactorily within the 30-day time frame, the IND may be placed on clinical hold. The IND sponsor and the FDA must resolve any outstanding concerns or questions before the clinical hold is removed by the FDA and the clinical trial can begin.

Submission of an IND therefore may or may not result in FDA authorization to begin a clinical trial. Clinical holds may also be imposed by the FDA at any time before or during trials due to safety concerns or non-compliance.

If a clinical trial involves the use of an investigational device, including an in vitro diagnostic device or delivery device, the sponsor may also need to comply with FDA's investigational device regulations and obtain an investigational device exemption from the FDA. Drugs and biologics that require the use of a medical device may also be considered combination products. In such cases, the use of the two products together must be shown to be safe and effective for the proposed intended use and the labeling of the two products must reflect their combined use. In some cases, the device component may require a separate premarket submission. Once approved or cleared, the sponsor of the device component submission (or the combination product submission, if both components are covered by one premarket submission) would need to comply with FDA's post-market device requirements.

Clinical trials involve the administration of the investigational product to human subjects under the supervision of qualified investigators in accordance with GCPs, which include the requirement that all research subjects provide their informed consent for their participation in any clinical trial. Clinical trials are conducted under protocols detailing, among other things, the objectives of the study, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. Generally, a separate submission to the existing IND must be made for each successive clinical trial conducted during product development and for any subsequent protocol amendments. Furthermore, an independent IRB for each site proposing to conduct the clinical trial must review and approve the plan for any clinical trial and its informed consent form before the clinical trial begins at that site, and must monitor the study until completed. Regulatory authorities, the IRB or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the subjects are being exposed to an unacceptable health risk or that the trial is unlikely to meet its stated objectives.

Additionally, some clinical trials are overseen by an independent group of experts organized by the sponsor, which may be called data monitoring committees or data safety monitoring boards. This group may review data and advise the sponsor on the trial (including modifications or discontinuation) and product safety.

A number of other requirements also apply to FDA regulated clinical trials. For instance, FDA seeks to ensure that clinical trial data is meaningful for and applicable to a U.S. population and medical practice, which may impact FDA's acceptance of data from foreign clinical studies. Additionally, information about certain clinical trials must be timely submitted to clinicaltrials.gov, for public posting. Sponsors or distributors of investigational products for the diagnosis, monitoring, or treatment of one or more serious disease or conditions must also have a public policy on expanded access. Sponsors must further make certain disclosure statements to FDA with respect to investigator conflicts of interest.

Additionally, the manufacture of investigational drugs and biologics for clinical trials is subject to cGMP requirements. Investigational drugs/biologics and active ingredients/substances that are imported into the United States must also comply with FDA and other regulatory requirements. Further, the export of investigational products from the United States is subject to regulatory requirements of the receiving country as well as U.S. export requirements.

A sponsor may choose, but is not required, to conduct a clinical trial at sites outside the United States under an IND. When a foreign clinical trial is conducted under an IND, all FDA IND requirements must be met unless waived. When a foreign clinical trial is not conducted under an IND, the sponsor must ensure that the study complies with certain regulatory requirements of the FDA in order to use the study as support for an IND or application for marketing approval or licensing. In particular, such studies must be conducted in accordance with GCP, including review and approval by an IRB or independent ethics committee, or IEC, and informed consent from volunteers. The FDA must be able to validate the data through an onsite inspection or remote regulatory assessment, if deemed necessary by the FDA.

For purposes of NDA/BLA approval, human clinical trials are typically conducted in three sequential phases that may overlap. Phase 1 clinical trials may be conducted in patients or healthy volunteers to evaluate the product's safety, dosage tolerance, structure-activity relationships, mechanism of action, absorption, metabolism distribution, excretion, and pharmacokinetics and, if possible, seek to gain an early indication of its effectiveness. Phase 2 clinical trials usually involve controlled trials in a larger but still relatively small number of subjects from the relevant patient population to evaluate dosage tolerance and appropriate dosage; identify possible short-term adverse effects and safety risks; and provide a preliminary evaluation of the efficacy of the drug or biologic product for specific indications. Phase 3 clinical trials evaluate clinical efficacy and safety in a larger, geographically dispersed patient population. These trials typically compare the product candidate to placebo, standard treatments, or other active comparators to provide statistically significant evidence for approval. The goal is to establish the overall risk-benefit profile and provide an adequate basis for physician labeling. Phase 3 trials are larger, more complex, and more costly than Phase 1 and Phase 2 trials. The FDA typically requires data from two adequate and well-controlled trials for approval, but in certain circumstances, a single trial plus confirmatory evidence or a single large multicenter trial may suffice.

In some cases, the FDA may require, or companies may voluntarily pursue, additional clinical trials after a product is approved to gain more information about the product. These so-called Phase 4 studies may be made a condition to approval of the NDA/BLA. These clinical trials are typically used to gain additional experience from the treatment of patients in the intended therapeutic indication, particularly for long-term safety follow-up. During all phases of clinical development, regulatory agencies require extensive monitoring and auditing of all clinical activities, clinical data, and clinical trial investigators. Annual progress reports detailing the results of the clinical trials must be submitted to the FDA. Written IND safety reports must be promptly submitted to the FDA, and to the clinical investigators, regarding serious and unexpected adverse events, as well as any findings from other studies, tests in laboratory animals or *in vitro* testing that suggest either a significant risk for human patients or a clinically important increase in the rate of a serious suspected adverse reaction over that listed in the protocol or investigator brochure. In addition, concurrent with clinical trials, companies may complete additional animal studies and develop additional information about the biological characteristics of the product candidate, and must finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, must develop methods for testing the identity, strength, quality and purity of the final product, or for biologics, the safety, purity and potency. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

Additionally, NDAs or BLAs or supplements to NDAs or BLAs for a new active ingredient, dosage form, dosage regimen, or route of administration must contain data to assess the safety and effectiveness of the product for pediatric patients and to support

pediatric dosing and administration. The FDA may, on its own initiative or at the request of the applicant, grant deferrals or partial waivers. This requirement does not generally apply to orphan designated products, but pediatric studies may be required if approval is sought for indications for which the product has not received orphan designation. Further, for product candidates intended for the treatment of adult cancer which are directed at molecular targets that the FDA determines to be substantially relevant to the growth or progression of pediatric cancer, with the application, sponsors must submit reports from molecularly targeted pediatric cancer investigations designed to yield clinically meaningful pediatric study data, gathered using appropriate formulations for each applicable age group, to inform potential pediatric labeling. The FDA may, on its own initiative or at the request of the applicant, grant deferrals or waivers of some or all of this data. Orphan products are not exempt from this requirement.

Premarket Submission and Review

Assuming successful completion of all required testing in accordance with all applicable regulatory requirements, the results of product development, preclinical studies and clinical trials are submitted to the FDA as part of an NDA/BLA requesting approval to market the product for one or more indications. The NDA/BLA must include all relevant data available from pertinent preclinical and clinical trials, including negative or ambiguous results as well as positive findings, together with detailed information relating to the product's chemistry, manufacturing, controls and proposed labeling, among other things. The submission of an NDA/BLA requires payment of a substantial application user fee to the FDA unless a waiver or exemption applies.

Once an original NDA/BLA has been submitted, the FDA has 60 days to determine whether the application can be filed. If the FDA determines that an application is deficient on its face in a way that precludes a complete review, the FDA may not accept the application for review and may issue a refuse-to-file letter to the sponsor. If the FDA determines the application is fileable, the FDA's goal is to review standard applications within ten months after it accepts the application for filing, or, if the application qualifies for priority review, six months after the FDA accepts the application for filing. In both standard and priority reviews, the review process is often significantly extended by FDA requests for additional information or clarification. The FDA reviews an NDA/BLA to determine whether a drug is safe and effective for its intended uses. The FDA also reviews the applications to determine whether the facilities in which products are manufactured, processed, packed, or held meet standards designed to assure the product's continued safety and efficacy. The FDA may convene an advisory committee to provide insight on application review questions. The FDA is not bound by the recommendation of an advisory committee, but it considers such recommendations carefully. Before approving an NDA/BLA, the FDA will typically inspect, either remotely or in person, the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to ensure consistent production of the product within required specifications. Additionally, before approving an NDA/BLA, the FDA will typically inspect, either remotely or in person, one or more clinical sites to assure compliance with GCP. If the FDA determines that the application, manufacturing process or manufacturing facilities are not acceptable, it may request additional testing or information.

Notwithstanding the submission of relevant data and information, the FDA may ultimately decide that the NDA/BLA does not satisfy its regulatory criteria for approval and deny approval. Data obtained from clinical trials are not always conclusive and the FDA may interpret data differently than the company interprets the same data. If the FDA decides not to approve an NDA/BLA in its present form, the FDA will issue a complete response letter that describes all of the specific deficiencies in the application identified by the FDA. The complete response letter may include recommended actions that the applicant might take to place the application in a condition for approval. If a complete response letter is issued, the applicant may either resubmit the NDA/BLA, addressing all of the deficiencies identified in the letter, request a hearing or withdraw the application.

If regulatory approval of a product is granted, such approval will be granted for particular indications and may entail limitations on the indicated uses for which such product may be marketed. For example, the FDA may approve the drug subject to a Risk Evaluation and Mitigation Strategy, or REMS, to ensure the benefits of the product outweigh its risks. A REMS is a safety strategy to manage a known or potential serious risk associated with a product and to enable patients to have continued access to such medicines by managing their safe use, and could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. The FDA also may condition approval on, among other things, changes to proposed labeling or the development of adequate controls and specifications. Once approved, the FDA may withdraw the product approval if compliance with pre- and post-marketing requirements is not maintained or if problems occur after the product reaches the marketplace. The FDA may require one or more Phase 4 post-market studies and surveillance to further assess and monitor the product's safety and effectiveness after commercialization, and may limit further marketing of the product based on the results of these post-marketing studies.

Expedited Development and Review Programs

The FDA offers a number of expedited development and review programs for qualifying product candidates that FDA may grant upon a sponsor's application. Designations, however, may be revoked if a product candidate no longer meets the applicable qualifying criteria.

The Fast Track program is intended to expedite or facilitate the process for reviewing new products that meet certain criteria. Specifically, new products are eligible for Fast Track designation if they are intended to treat a serious or life-threatening disease or condition and nonclinical or clinical data demonstrate the potential to address an unmet medical need for the disease or condition. Fast Track designation applies to the combination of the product and the specific indication for which it is being studied. The sponsor of a Fast Track product has opportunities for frequent interactions with the review team during product development and, once an NDA/BLA is submitted, the product may be eligible for priority review. A Fast Track product may also be eligible for rolling review, in which case the FDA may consider for review sections of the NDA/BLA on a rolling basis before the complete application is submitted, if the sponsor provides a schedule for the submission of the sections of the NDA/BLA, the FDA agrees to accept sections of the NDA/BLA and determines that the schedule is acceptable, and the sponsor pays any required user fees upon submission of the first section of the NDA/BLA.

A product intended to treat a serious or life-threatening disease or condition may also be eligible for breakthrough therapy designation to expedite its development and review. A product can receive breakthrough therapy designation if it is intended to treat a serious or life threatening disease or condition, and preliminary clinical evidence indicates that the product may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. The designation includes all of the Fast Track program features, as well as more intensive FDA interaction and guidance beginning as early as Phase 1 and an organizational commitment to expedite the development and review of the product, including involvement of senior managers.

Any marketing application for a drug or biologic submitted to the FDA for approval, including a product with a Fast Track designation and/or breakthrough therapy designation, may be eligible for other types of FDA programs intended to expedite the FDA review and approval process, such as priority review and accelerated approval. A product is eligible for priority review if it has the potential to provide a significant improvement in the treatment, diagnosis or prevention of a serious disease or condition compared to marketed products. For products containing new molecular entities, priority review designation means the FDA's goal is to take action on the marketing application within six months of the 60-day filing date (compared with ten months under standard review).

Additionally, products studied for their safety and effectiveness in treating serious or life-threatening diseases or conditions may receive accelerated approval upon a determination that the product has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. To receive accelerated approval, the product must generally provide a meaningful advantage over available therapies. As a condition of accelerated approval, the FDA will generally require the sponsor to perform adequate and well-controlled post-marketing clinical trials to verify and describe the anticipated effect on irreversible morbidity or mortality or other clinical benefit. In fact, by the date of approval of an accelerated approval product, FDA must specify the conditions for the required post approval studies, including enrollment targets, the study protocol, milestones, and target completion dates. FDA may also, and frequently does, require that the confirmatory Phase 4 studies be commenced prior to FDA granting a product accelerated approval. In addition, the FDA currently requires as a condition for accelerated approval pre-submission of promotional materials, which could adversely impact the timing of the commercial launch of the product. Reports on the progress of the required Phase 4 confirmatory studies must be submitted to the FDA every 180 days after approval. If the trials fail to verify the clinical benefit of the drug or biologic product, the FDA may withdraw approval of the application through a statutorily defined streamlined process. Failure to conduct the required Phase 4 confirmatory studies or to conduct such studies with due diligence, as well as failure to submit the required update reports can subject a sponsor to penalties.

Orphan Drug Designation

Under the Orphan Drug Act, the FDA may grant the orphan drug designation to a drug intended to treat a rare disease or condition, which is a disease or condition that affects fewer than 200,000 individuals in the United States, or to a drug intended to treat a disease or condition affecting more than 200,000 individuals in the United States if there is no reasonable expectation that the cost of developing and making available the drug to treat that disease or condition will be recovered from sales in the United States for that drug. Sponsors must also provide a medically plausible basis for the use of the drug for the rare disease or condition. Additionally, sponsors must present a plausible hypothesis for clinical superiority to obtain orphan designation if there is a product already approved by the FDA that that is considered by the FDA to be the same as the already approved product and is intended for the same indication. This hypothesis must be demonstrated to obtain orphan exclusivity. Orphan drug designation must be requested before submitting an application for marketing approval. After the FDA grants the orphan drug designation, the generic identity of the therapeutic agent and its potential orphan use are disclosed publicly by the FDA. The orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review or approval process.

If a product that has the orphan drug designation subsequently receives the first FDA approval for the disease for which it has such designation, the product is entitled to orphan drug exclusive approval (or exclusivity), which means that the FDA may not approve any other applications, including a full NDA/BLA, to market the same drug for the same indication for seven years, except in certain circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity. Exclusive marketing rights in the United States may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantities of the product to meet the needs of patients with the disease or condition for which the drug was designated.

Additional U.S. Research Requirements

Depending on the scope of our specific activities, we may be subject to additional U.S. laws and regulations related to research activities, including those with respect to laboratory biosecurity, licensing (with associated compliance obligations), and the regulation of certain chemicals and other biological substances, specimens, and materials.

We may also be subject to regulation by other agencies, including the U.S. Environmental Protection Agency and agencies that regulate workplace safety.

OUR HISTORY

Overview

We are a biopharmaceutical company focused on discovering and developing gene therapies for neurological and ophthalmic diseases. Our pipeline also includes oligonucleotide-based therapeutics. Established in 2019, we have built a pipeline of nine product candidates with our fully integrated in-house R&D platform. Through this platform, we have internally developed two core products (EXG102-031 and EXG001-307 for SMA Type 1) and one key product (EXG202).

The history of our Group can be traced back to May 2019, when our Company was incorporated in Cayman Islands, funded by our founders, Dr. Wu, Dr. Ye and Ms. Wang. See "Directors and Senior Management" in this document for the details of experience and qualifications of our founders. Since we were founded, we have been engaging in discovering and developing gene therapies for neurological and ophthalmic diseases, and successfully developed our two Core Products. In addition, we are developing oligonucleotide-based therapies, with candidate drugs targeting chronic pain or Alzheimer's disease now entering systematic development. For further details, please refer to "Business" in this document.

OUR MILESTONES

The following table summarizes key milestones in our business development:

Year	Milestones
2019	Incorporation of the Company and establishment of Hangzhou Jiayin, and commencement of our business
	Completion of Series A-1 Financing
2020	Commencement of pre-clinical research of our Core Product, EXG001-307 (SMA Type 1)
	Completion of Series A-2 Financing and Series B Financing
2021	Incorporation of our US subsidiary, Exegenesis Bio Co.
	Completion of Series B+ Financing and Series B++ Financing
	Submission of EXG001-307 (SMA Type 1) NMPA IND application, the approval of which was obtained in the subsequent year
2022	Initiation of Phase I clinical trial for our Core Product, EXG001-307 (SMA Type 1)
	Completion of Series B++ Financing
2023	Initiation of Phase II clinical trial for EXG001-307 (SMA Type 1)
	Our Core Product EXG102-031 received IND approval by the FDA and NMPA, and initiated Phase I/II clinical trials simultaneously in China and United States
	We successfully established a Zhejiang Provincial Postdoctoral Research Station

Year	Milestones
2024	EXG110 received IND approval by NMPA, conducted clinical trials in China and received orphan drug designation by the FDA
2025	Completion of Phase I/II clinical trials for EXG001-307 (SMA Type 1)
	Our key product EXG202 received IND approval by FDA and NMPA, and commenced Phase I clinical trial in China

OUR MAJOR SUBSIDIARIES

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

Name of Subsidiaries	Place of Establishment	Date of Establishment	Shareholding Controlled by Our Company	Principal Business Activities
Hangzhou Jiayin	PRC	July 5, 2019	100.00%	Oligonucleotide-based drug R&D
Hangzhou Exegenesis .	PRC	August 1, 2019	100.00%	Platform and production process R&D
Nanjing Yinling[(1)] . .	PRC	July 5, 2019	54.00%	Production process optimization and innovation
Guangzhou Jiayin	PRC	November 11, 2025	100.00%	Gene therapy R&D

Notes:

(1) Nanjing Yinling is a limited liability company established in the PRC and is held as to approximately 54.00% by Hangzhou Exegenesis, approximately 40.00% by Hangzhou Yinling Bingjin Enterprise Management Partnership (杭州因領並進企業管理合夥企業) ("**Hangzhou Yinling**"), and 6% by Mr. Xin Xin (辛鑫), respectively. Hangzhou Yinling is managed by Dr. Wu as the general partner holding 79.0910% partnership interest and owned as to 20.9090% by Ms. Wang. Mr. Xin Xin is a former employee who joined our Group in 2021. Nanjing Yinling primarily engages in the development of novel manufacturing reagents and platform technologies designed to enhance the quality and efficiency of viral production processes, for which Mr. Xin Xin was one of the main responsible persons when he worked as the senior director of process development (工藝開發高級總監) of our Group before he left our Group at the end of 2025 due to his personal reasons. In 2024, (i) our Group decided to focus its funding on areas with higher strategic priorities other than the development of reagents and process technologies. As a result, Mr. Xin Xi, as one of the main responsible persons of reagents and process development, invested in Nanjing Yinling by injecting RMB1.0 million of capital to support the continuous research and development on the reagents optimization and technology innovations; and (ii) Hangzhou Yinling, which was established as an employee incentive platform for the purpose of motivating our core team of process development, became a shareholder of Nanjing Yinling. Accordingly, since 2024 up until the Latest Practicable Date, Mr. Xin Xin and Hangzhou Yinling held 6% and 40% equity interests in Nanjing Yinling.

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

Incorporation of Our Company

On May 24, 2019, our Company was incorporated in the Cayman Islands as an exempted company with limited liability with an authorized share capital of USD50,000.00 divided into 50,000 shares of a nominal or par value of USD1.00 each. On the date of

incorporation, one Share was allotted issued at par value to Sertus Nominees (Cayman) Limited (initial subscriber) and 49,999 ordinary Shares was allotted issued at par value to Landes Therapeutics Ltd, a company incorporated in the BVI with limited liability, which is held by our three founders, Dr. Wu, Dr. Ye and Ms. Wang (the "**Founders**"), as to 54.87%, 25.43% and 19.70%, respectively. On the same date, the initial subscriber transferred its one ordinary Share at par value to Landes Therapeutics Ltd.

On February 12, 2020, 49,999 ordinary Shares held by Landes Therapeutics Ltd were repurchased by our Company. On the same day, (i) our Company reorganized its authorized share capital, whereby the one ordinary Share with a par value of US$1.00 had been sub-divided into 10,000 shares with a par value of US$0.0001 each, thereafter the authorized share capital of our Company became US$50,000 divided into 500,000,000 shares with a par value of US$0.0001 each, as a result of which, Landes Therapeutics Ltd held 10,000 ordinary Shares; and (ii) our Company further issued 99,990,000 ordinary Shares at par value to Landes Therapeutics Ltd. Upon completion of the share subdivision and issuance, Landes Therapeutics Ltd held 100,000,000 ordinary Shares of our Company.

Issuances and Transfers of Shares in Connection with the Pre-[REDACTED] Investments

As of the date of this document, our Company had made several rounds of issuances and transfers of Shares to our Pre-[**REDACTED**] Investors pursuant to the Pre-[**REDACTED**] Investments. See "— Pre-[**REDACTED**] Investments" below in this section for details.

Adoption of the Pre-[REDACTED] Equity Incentive Plan

In recognition of the contributions of our employees, officers, Directors and other eligible persons, and to incentivize them to further promote our development, we adopted the Pre-[**REDACTED**] Equity Incentive Plan on July 30, 2022. 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.

Reorganization and Unwinding of Historical Contractual Arrangements

We historically conducted the R&D of human cell and gene diagnostic and therapeutic technologies (the "**CGT Business**") under certain contractual arrangement ("**Historical Contractual Arrangements**") through Hangzhou Jiayin and Nanjing Yinling, due to the then effective Special Administrative Measures (Negative List) for Foreign Investment Access (the "**Negative List**") which prohibited foreign investment in the development and application of CGT Business. Considering the recent regulatory developments and our business strategy, we began unwinding and terminating the Historical Contractual Arrangements, which was completed in November 2025. See "— Reorganization" below in this section for details.

Acting-in-Concert Agreement

On August 9, 2019, our Controlling Shareholders, being Dr. Wu, Dr. Ye, Ms. Wang and Landes Therapeutics Ltd, entered into the acting-in-concert agreement, pursuant to which our Controlling Shareholders have acted in concert by aligning their votes at the board meetings and shareholders' meetings of our Company.

PRE-[REDACTED] INVESTMENTS

Series A-1 and Series A-2 Financing

On August 16, 2019, Hangzhou Jiayin, a wholly-owned PRC subsidiary of our Company, entered into a convertible loan agreement with, among others, Chongqing Xianfeng Qiyun Equity Investment L.P. (重慶險峰旗雲股權投資合夥企業(有限合夥)) ("**Xianfeng**"), Hangzhou Kaitai Houde Investment Partnership (Limited Partnership) (杭州凱泰厚德投資合夥企業(有限合夥)) ("**Hangzhou Kaitai Houde**"), Beijing Xinghao Entrepreneurial Enterprise Management Center (Limited Partnership) (北京星浩創業企業管

理中心(有限合夥)) ("**Legendstar I**"), pursuant to which, (i) Xianfeng agreed to extend to Hangzhou Jiayin a convertible loan with a principal amount of RMB7,500,000 or its USD equivalent; (ii) Hangzhou Kaitai Houde agreed to extend a convertible loan with a principal amount of RMB4,218,750 or its USD equivalent, and (iii) Legendstar I agreed to extend to Hangzhou Jiayin a convertible loan with a principal amount of RMB3,281,250 or its USD equivalent with no interest (the "**Series A Bridge Loans**").

On August 16, 2019, our Company and Hangzhou Jiayin entered into a share purchase agreement (the "**Series A Preferred Shares Purchase Agreement**", as amended by two supplement agreements dated February 12, 2020 and May 29, 2020, respectively) with, among others, Xianfeng, Hangzhou Kaitai Houde, Legendstar I and Legendstar Fund IV, L.P. ("**Legendstar II**"). Pursuant to Series A Preferred Shares Purchase Agreement, (i) each of Xianfeng, Hangzhou Kaitai Houde, Legendstar I and Legendstar II agreed to pay to our Company a total amount in USD equivalent to RMB20,900,810 (the "**First Installment**"), (ii) Hangzhou Jiayin agreed to repay to each of Xianfeng, Hangzhou Kaitai Houde and Legendstar I its respective Series A Bridge Loan amount upon our Company's receipt of the First Installment, and (iii) upon receipt of the respective repayment by Hangzhou Jiayin, each of Xianfeng, Hangzhou Kaitai Houde and Legendstar I agreed to pay to our Company the USD equivalent of its respective Series A Bridge Loan amount for the settlement of the purchase price of the respective Series A-1 and Series A-2 Preferred Shares.

On February 12, 2020, our Company entered into a restricted share agreement (the "**Restricted Share Agreement**", as supplemented, amended and restated on or around May 29, 2020, July 7, 2020, December 29, 2020 and May 17, 2021, respectively) with, among others, the Founders, Landes Therapeutics Ltd, LDS Holdings Limited, Hangzhou Kaitai Houde, Legendstar I and Legendstar II. Pursuant to the Restricted Share Agreement, certain ordinary Shares of our Company held by Landes Therapeutics Ltd were designated as Restricted Shares, and were subject to our Company's right of repurchase in the event of termination of the Founders' service or employment with our Group and transfer restrictions. The right of repurchase of our Company and the transfer restrictions in respect of the Restricted Shares pursuant to the Restricted Share Agreement will be terminated upon a qualified initial public offering.

On February 12, 2020, Xianfeng issued a notice to our Company declaring that all the rights and obligations under the Series A Preferred Shares Purchase Agreement to be exercised by LDS Holdings Limited, a limited company wholly owned by Beijing Fengtong Enterprise Management Center (Limited Partnership) (北京逢統企業管理中心(有限合夥)), which is owned as to 100% by Xianfeng as its limited partner. The series A preferred Shares were issued pursuant to the aforementioned agreement and by full conversion of the Series A Bridge Loans, and the consideration was settled in two closings.

Upon the first closing, our Company allotted and issued the Series A-1 Preferred Shares to LDS Holdings Limited, Hangzhou Kaitai Houde, Legendstar I and Legendstar II (together, the "**Series A Investors**") on February 12, 2020 ("**Series A-1 Financing**") as set forth in the table below:

Shareholders	**Number of Series A-1 Preferred Shares Subscribed**	**Consideration**
		(in equivalent U.S. dollar)
LDS Holdings Limited	28,993,911	RMB19,591,030[(1)]
Hangzhou Kaitai Houde	16,309,075	RMB11,019,954[(2)]
Legendstar I	6,342,418	RMB4,285,538[(3)]
Legendstar II	6,342,418	RMB4,375,000[(4)]
Total	**57,987,822**	**RMB39,271,522**

Notes:

(1) This amount was settled in full by the full conversion of Xianfeng's Series A Bridge Loan amount in USD equivalent of RMB7,500,000 and by readily available funds in cash of USD equivalent of RMB12,091,030.

(2) This amount was settled in full by the full conversion of Hangzhou Kaitai Houde's Series A Bridge Loan amount in USD equivalent of RMB4,218,750 and by readily available funds in cash of USD equivalent of RMB6,801,204.

(3) This amount was settled in full by the full conversion of Legendstar I's Series A Bridge Loan amount in USD equivalent of RMB3,281,250 and by readily available funds in cash of USD equivalent of RMB1,004,288.

(4) This amount was settled in full by readily available funds in cash of USD equivalent of RMB4,375,000.

Upon the second closing, (i) 7,899,391 ordinary Shares of our Company was allotted and issued at nil or nominal consideration to Landes Therapeutics Ltd, and (ii) our Company allotted and issued the Series A-2 Preferred Shares to the Series A Investors on May 29, 2020 (the "**Series A-2 Financing**") as set forth in the table below:

Shareholders	Number of Series A-2 Preferred Shares Subscribed	Consideration
		(in equivalent U.S. dollar)
LDS Holdings Limited	6,911,967	RMB19,879,114
Hangzhou Kaitai Houde	3,887,982	RMB11,182,002
Legendstar I	1,511,993	RMB4,348,556
Legendstar II	1,511,993	RMB4,375,000
Total	**13,823,935**	**RMB39,784,672[(1)]**

Note:

1. This amount was settled in full by readily available funds in cash.

Please refer to "— Capitalization of Our Company" in this section for details of the shareholding structure of our Company upon completion of the Series A Financing.

Series B Financing

On July 7, 2020, our Company entered to a shares purchase agreement (the "**Series B Preferred Shares Purchase Agreement**") with, among others, a group of new investors including LC Healthcare Fund II, L.P., ROSY SHINE LIMITED (茂輝有限公司) ("**ROSY SHINE**"), TF EGNS Ltd., BioTrack Capital Management Limited ("**BioTrack Capital**"), K2 Venture Partners L.P., and Nanjing Chuangyi Kaitai Startup Investment LLP (南京創熠凱泰創業投資合夥企業(有限合夥)) ("**Nanjing Chuangyi Kaitai**") (together, the "**Series B Investors**"), pursuant to which the Series B Investors agreed to subscribe for an aggregate of 61,490,888 Series B Preferred Shares at a total consideration of US$22,500,000 (the "**Series B Financing**"). The Series B Preferred Shares were issued and the consideration was settled in two closings as below.

On December 29, 2020, BioTrack Capital, Shanghai Boyao Enterprise Management Partnership (Limited Partnership) (上海博繇企業管理合夥企業(有限合夥)) ("**Shanghai Boyao**") and our Company, among others, entered into an investment agreement. Pursuant to the terms of this agreement and a share transfer agreement entered into between BioTrack Capital and Shanghai Boyao on January 4, 2021,

(i) BioTrack Capital agreed to assign and transfer to Shanghai Boyao all its rights and obligation to subscribe for the 2,732,929 Series B Preferred Shares, which was to be allotted and issued to BioTrack Capital upon the second closing contemplated under the Series B Preferred Shares Purchase Agreement, by way of a warrant issued by the Company to Shanghai Boyao to subscribe for 2,732,929 Series B Preferred Shares, at a consideration of RMB equivalent of US$1,000,000 (at an exchange rate of US$1 = RMB6.8); and

(ii) BioTrack Capital agreed to transfer to Shanghai Boyao its 2,732,928 Series B Preferred Shares at a consideration of RMB equivalent of US$1,000,000 (at an exchange rate of US$1 = RMB6.8).

Upon the first closing and the second closing, our Company allotted and issued the Series B Preferred Shares to the Series B Investors as set forth in the table below:

	Upon the First Closing		Upon the Second Closing		Upon Completion of Series B Financing	
Shareholders	Number of Series B Preferred Shares Subscribed[1]	Consideration	Number of Series B Preferred Shares Subscribed	Consideration	Number of Series B Preferred Shares Subscribed[2]	Consideration
LC Healthcare Fund II, L.P.	13,664,641	US$5,000,000	13,664,642	US$5,000,000	27,329,283	US$10,000,000
ROSY SHINE	6,832,321	US$2,500,000	6,832,321	US$2,500,000	13,664,642	US$5,000,000
TF EGNS Ltd.	2,732,928	US$1,000,000	2,732,929	US$1,000,000	5,465,857	US$2,000,000
BioTrack Capital	2,732,928	US$1,000,000	–	–	–	–
Shanghai Boyao	–	–	5,465,857[1]	US$2,000,000	5,465,857	US$2,000,000
K2 Venture Partners L.P.	3,416,160	US$1,250,000	3,416,161	US$1,250,000	6,832,321	US$2,500,000
Nanjing Chuangyi Kaitai	1,366,464	US$500,000	1,366,464	US$500,000	2,732,928	US$1,000,000
Total	**30,745,442**	**US$11,250,000[2]**	**30,745,446**	**US$11,250,000[3]**	**61,490,888**	**US$22,500,000[4]**

Notes:

(1) Included 2,732,928 Series B Preferred Shares transferred from BioTrack Capital to Shanghai Boyao and 2,732,929 Series B Preferred Shares allotted and issued by the Company to Shanghai Boyao.

(2) Upon the first closing, our Company allotted and issued the respective number of Series B Preferred Shares to (i) each of LC Healthcare Fund II, L.P., ROSY SHINE, TF EGNS Ltd., BioTrack Capital, and K2 Venture Partners L.P. on July 29, 2020, and (ii) Nanjing Chuangyi Kaitai on November 12, 2020.

(3) Upon the second closing, (i) our Company allotted and issued the respective number of Series B Preferred Shares to each of the Series B Investors except for Shanghai Boyao on December 28, 2020, (ii) our Company allotted and issued 2,732,929 Series B Preferred Shares to Shanghai Boyao on June 1, 2021, and (iii) the transfer of 2,732,928 Series B Preferred Shares held by BioTrack Capital to Shanghai Boyao was completed on June 1, 2021.

(4) This amount was settled in full by readily available funds in cash.

Please refer to "— Capitalization of Our Company" in this section for details of the shareholding structure of our Company upon completion of the Series B Financing.

Series B+ Financing

On December 29, 2020, our Company entered into a shares and warrant purchase agreement (the "**Series B+ Preferred Shares and Warrant Purchase Agreement**") with, among others, a group of then existing and new investors including Black Elk Peak Limited, NVMB III Holdings Limited, LC Healthcare Fund II, L.P., ROSY SHINE, Shanghai Boyao, Xiamen Jinyuan Kaitai Zhanhong Healthy Growth Venture Capital Partnership (Limited Partnership) (廈門金圓凱泰展鴻健康成長創業投資合夥企業(有限合夥)) ("**Xiamen Jinyuan Kaitai**"), and K2 Venture Partners L.P. (together, the "**Series B+ Investors**"), pursuant to which (i) the Series B+ Investors, except for Shanghai Boyao, subscribed for an aggregate of 40,122,865 Series B+ Preferred Shares at a total consideration of US$29,500,000; and (ii) Shanghai Boyao was granted a warrant to purchase 1,328,313 Series B+ Preferred Shares at an exercise price of US$1,000,000 (together, "**Series B+ Financing**").

Pursuant to a share repurchase agreement dated January 22, 2021 between our Company and Landes Therapeutics Ltd, the Company agreed to repurchase and thereafter cancel 664,156 ordinary Shares held by Landes Therapeutics Ltd at a consideration of US$500,000. The repurchase was completed on June 1, 2021, immediately prior to the closing of the Series B+ Financing.

Upon the closing of the Series B+ Financing, our Company allotted and issued the Series B+ Preferred Shares to the Series B+ Investors as set forth in the table below:

Shareholders	Number of Series B+ Preferred Shares Subscribed	Consideration
Black Elk Peak Limited	25,237,946	US$19,000,000
NVMB III Holdings Limited	6,641,565	US$5,000,000
LC Healthcare Fund II, L.P.	4,172,466	US$2,670,000
ROSY SHINE	2,078,419	US$1,330,000
Xiamen Jinyuan Kaitai	664,156	US$500,000
K2 Venture Partners L.P.	1,328,313	US$1,000,000
Shanghai Boyao	1,328,313	US$1,000,000
Total	**41,451,178[(1)]**	**US$30,500,000[(2)]**

Notes:

(1) Upon the closing of the Series B+ Financing, our Company allotted and issued the respective number of Series B+ Preferred Shares to each of the Series B+ Investors on June 1, 2021.

(2) This amount was settled in full by readily available funds in cash.

Please refer to "— Capitalization of Our Company" in this section for details of the shareholding structure of our Company upon completion of the Series B+ Financing.

Series B++ Financing

On May 17, 2021, we entered into a share purchase agreement (the "**Series B++ Preferred Shares Purchase Agreement**") with, among others, a group of then existing and new investors, including NVMB III Holdings Limited, Elbrus Investments Pte. Ltd., CJY Genetic Sciences Limited, BIOTRACK TA LIMITED, Black Elk Peak Limited and LBC Sunshine Healthcare Fund II L.P. (together, the "**Series B++ Investors**"), pursuant to which the Series B++ Investors subscribed for an aggregate of 49,598,108 Series B++ Preferred Shares at a total consideration of US$69,999,999 ("**Series B++ Financing**").

Pursuant to a share repurchase agreement dated May 17, 2021 between our Company and Landes Therapeutics Ltd, conditional upon and simultaneously with the issuance of (i) 3,542,722 Series B++ Preferred Shares to Black Elk Peak Limited and (ii) 2,125,633 out of the 3,542,722 Series B++ Preferred Shares to LBC Sunshine Healthcare Fund II L.P. respectively, pursuant to the Series B++ Preferred Shares Purchase Agreement, our Company agreed to repurchase 3,542,722 ordinary Shares and 2,125,633 ordinary Shares, respectively, from Landes Therapeutics Ltd at a consideration of US$5,000,000 and US$3,000,000, respectively. The repurchase was completed on June 1, 2021.

Upon the closing of the Series B++ Financing, our Company allotted and issued the Series B++ Preferred Shares to the Series B Investors as set forth in the table below:

Shareholders	Number of Series B++ Preferred Shares Subscribed	Consideration
NVMB III Holdings Limited	21,256,332	US$29,999,999
Elbrus Investments Pte. Ltd.	10,628,166	US$15,000,000
CJY Genetic Sciences Limited	7,085,444	US$10,000,000
BIOTRACK TA LIMITED	3,542,722	US$5,000,000
Black Elk Peak Limited	3,542,722	US$5,000,000
LBC Sunshine Healthcare Fund II L.P.	3,542,722	US$5,000,000
Total	**49,598,108(1)**	**US$69,999,999(2)**

Notes:

(1) Upon the closing of the Series B++ Financing, our Company allotted and issued the respective number of Series B++ Preferred Shares to each of the Series B++ Investors on June 1, 2021.

(2) This amount was settled in full by readily available funds in cash.

Please refer to "— Capitalization of Our Company" in this section for details of the shareholding structure of our Company upon completion of the Series B++ Financing.

Series B++ Warrant and Convertible Loan

On August 16, 2022, our Company entered into a Series B++ warrant purchase agreement (the "**Zhejiang Fund Warrant Purchase Agreement**") with, among others, Zhejiang Industry Fund Co., Ltd. (浙江省產業基金有限公司) ("**Zhejiang Fund**"), pursuant to which our Company issued a series B++ warrant (the "**Series B++ Warrant**") to Zhejiang Fund to subscribe for 11,145,543 Series B++ Preferred Shares pursuant to the terms and subject to the conditions of the Zhejiang Fund Warrant Purchase Agreement and the Series B++ Warrant.

On August 16, 2022, our Company entered into a convertible loan agreement (the "**2022 Convertible Loan Agreement**"), with, among others, Zhejiang Fund, under which Zhejiang Fund provided a loan of RMB100.0 million (the "**Zhejiang Fund Convertible Loan**") to Hangzhou Exegenesis, which was received by us in full on September 29, 2022.

On January 13, 2026, our Company entered into Zhejiang Fund Convertible Loan Agreement, with, among others, Zhejiang Fund, which superseded and substituted the 2022 Convertible Loan Agreement. Pursuant to the Zhejiang Fund Convertible Loan Agreement and a warrant cancellation deed dated January 13, 2026, the Series B++ Warrant had been cancelled. Pursuant to the Zhejiang Fund Convertible Loan Agreement, Zhejiang Fund has been granted the right to convert the Zhejiang Fund Convertible Loan into ordinary Shares of our Company at the conversion price of RMB8.97219607 per Share. The table below summarizes the principal terms of the Zhejiang Fund Convertible Loan Agreement:

Parties:	(i) Zhejiang Fund (ii) Hangzhou Exegenesis (iii) Hangzhou Jiayin (iv) Our Company (v) Each of the Founders
Date of agreement:	January 13, 2026
Principal amount:	RMB100 million

Conversion price:	RMB8.97219607 per Share. The conversion price was determined at arm's length negotiation with reference to the consideration for the Series B++ Financing, which was the last round of Pre-[**REDACTED**] Investment before entering into the Zhejiang Fund Convertible Loan Agreement, taking into account the market conditions and our business development stage at the time of negotiation.
Interest:	8.00% per annum
Maturity date:	Seven years from August 16, 2022, which can be extended through consent of all parties in writing.
Conversion:	Zhejiang Fund has the right to convert the Zhejiang Fund Convertible Loan into ordinary Shares of our Company in whole or in part. As a conditions precedent for such conversion, Zhejiang Fund must have obtained all the governmental approvals and completed the registration procedures in connection with the overseas direct investment (the "**ODI**"), unless (i) such ODI procedures are not required, or (ii) our Company, Hangzhou Exegenesis and Hangzhou Jiayin have granted the waiver for this conditions precedent in writing. After the ODI procedures are completed, if Zhejiang Fund chooses to exercise its conversion rights, it shall issue a written notice to our Company, Hangzhou Exegenesis and Hangzhou Jiayin stipulating the number of ordinary Shares to be converted and the corresponding amount of loans, pursuant to which (i) our Company shall allot and issue the relevant number of ordinary Shares to Zhejiang Fund; and (ii) Hangzhou Exegenesis shall repay the remaining loans, if any, to Zhejiang Fund. If Hangzhou Exegenesis intends to list its shares on the stock exchanges in the PRC, Zhejiang Fund shall also have the right to convert the Zhejiang Fund Convertible Loan into shares of Hangzhou Exegenesis as and when it is converted into a company limited by shares for such purpose, which shall not be subject to the conditions precedent in connection with the ODI procedures mentioned above. Zhejiang Fund shall not be entitled to exercise such conversion rights if it has exercised conversion rights in connection with the ordinary Shares of our Company, and vice versa.
Transferability:	Before the maturity of the Zhejiang Fund Convertible Loan, Dr. Wu or his designated transferee is entitled to purchase the entire or part of the Zhejiang Fund Convertible Loan from Zhejiang Fund through cash in Renminbi. After such purchase, Dr. Wu or his designated transferee shall have the relevant conversion rights.

Right of first refusal:	Same right of first refusal of holders of Series B++ Preferred Shares.(1)
Information right:	Same information right of holders of Series B++ Preferred Shares.(1)

Note:

(1) Under the Zhejiang Fund Convertible Loan Agreement, Zhejiang Fund is entitled to all the rights of holders of Series B++ Preferred Shares, except for the redemption right, as long as it remains a creditor of Hangzhou Exegenesis under the Zhejiang Fund Convertible Loan Agreement. Such rights include, among others, director appointment rights, right of first refusal, anti-dilution rights, divestment rights, drag-along rights, liquidation preferences, dividend right, and information rights. All divestment rights will be automatically terminated upon the first submission of our application for the qualified initial public offering and shall be automatically reinstated if the qualified initial public offering is not consummated. All other special rights granted by our Company shall be automatically terminated upon the consummation of qualified initial public offering.

The proceeds from the Zhejiang Fund Convertible Loan will be utilized for (i) research, development, and clinical trials of gene therapy products; (ii) the establishment, development, and expansion of medical research and development teams, and manufacturing capabilities; and (iii) the development and promotion of drug pipelines, international strategic partnerships, and gene therapy research and development platforms. As of the Latest Practicable Date, approximately 56.5% of the proceeds from the Zhejiang Fund Convertible Loan had been utilized.

Wanlian Guangsheng Convertible Loan

On December 26, 2025, our Company entered into Wanlian Guangsheng Convertible Loan Agreement, with, among others, Wanlian Guangsheng Investment Co., Ltd. (萬聯廣生投資有限公司) ("**Wanlian Guangsheng**", together with Zhejiang Fund, collectively the "**CL Lenders**"), pursuant to which Wanlian Guangsheng provided a loan in the principal amount of RMB20.0 million (the "**Wanlian Guangsheng Convertible Loan**", and together with the Zhejiang Fund Convertible Loan, the "**Pre-[REDACTED] Convertible Loans**") and has been granted the right to convert the loan under the Wanlian Guangsheng Convertible Agreement into ordinary Shares of our Company at the conversion price of RMB8.97219633 per Share, subject to adjustments therein. The principal amount of the Wanlian Guangsheng Convertible Loan was received by us in full on December 26, 2025.

The table below summarizes the principal terms of the Wanlian Guangsheng Convertible Loan Agreement:

Parties:	(i) Wanlian Guangsheng (ii) Guangzhou Jiayin (iii) Our Company (iv) Landes Therapeutics Ltd.
Date of agreement:	December 26, 2025
Principal amount:	RMB20 million

Conversion price:	RMB8.97219633 per Share, or, if our Company received a new round of investment before the [**REDACTED**] (exclusive of cornerstone investment), a conversion price that is not higher than 90% of the weighted average price per Share for such investment. The conversion price was determined at arm's length negotiation with reference to the consideration for the Series B++ Financing, which was the last round of Pre-[**REDACTED**] Investment before entering into the Wanlian Guangsheng Convertible Loan Agreement, taking into account (i) the per Share consideration for the Series B++ Financing in 2021; (ii) market conditions and valuations in the private equity market with respect to biotech companies being less robust at the time of negotiation with Wanlian Guangsheng than that of the time of the Series B++ Financing in 2021; (iii) our pipeline products and gene therapy delivery technologies having achieved substantial milestones since 2021, the achievement of which represented a substantial improvement in our prospects, countering the effect of the relatively adverse mark conditions on the valuation of our Company. As a result, the conversion price in the latest financing round generally remained at the same level as the per Share consideration for the Series B++ Financing in 2021.
Interest:	5.00% per annum
Maturity date:	12 months from the date of the agreement, which can be extended through consent of all parties in writing.
Conversion:	Wanlian Guangsheng has the right to convert the Wanlian Guangsheng Convertible Loan into ordinary Shares of our Company in whole and not partially. As a conditions precedent for such conversion, Wanlian Guangsheng must have obtained all the governmental approvals and completed the registration procedures in connection with the ODI, unless (i) such ODI procedures are not required, or (ii) our Company and Guangzhou Jiayin have granted the waiver for this conditions precedent in writing. After the ODI procedures are completed, if Wanlian Guangshen chooses to exercise its conversion rights, it shall issue a written notice to our Company and Guangzhou Jiayin stipulating the number of ordinary Shares to be converted and the corresponding amount of loans, pursuant to which (i) our Company shall allot and issue the relevant number of ordinary Shares to Wanlian Guangsheng; and (ii) Guangzhou Jiayin shall repay the remaining loans, if any, to Wanlian Guangsheng.
Transferability:	Not transferable.

Right of first refusal:	If our Company increases its share capital before the [**REDACTED**], Wanlian Guangsheng or its designated related party shall have the right of first refusal to purchase the number of Shares equivalent to an amount of not higher than RMB50 million. Such right of first refusal is not applicable to the increase of share capital resulted from the following circumstances:(1) (i) offering of Shares pursuant to the approved employee share incentive schemes of our Company; (ii) offering of Shares pursuant to the qualified initial public offering or trade sale; (iii) offering of Shares resulted from stock split, distribution of dividends or similar arrangements; (iv) offering of Shares pursuant to other warrants, convertible loans or conversion arrangements.
Information right:	Our Company, Guangzhou Jiayin and Landes Therapeutics Ltd. agreed to provide our Group's quarterly and annual management accounts and audited annual reports to Wanlian Guangsheng until the [**REDACTED**].(1)

Note:

(1) Under the Wanlian Guangsheng Convertible Loan Agreement, such rights are only exercisable before the [**REDACTED**]. As of the Latest Practicable Date, Wanlian Guangsheng has not exercised such rights.

The proceeds from the Wanlian Guangsheng Convertible Loan will be utilized for our Group's development of principal business, capital expenditure, general working capital and other purposes as agreed by Wanlian Guangsheng in writing. As of the Latest Practicable Date, approximately 55.42% of the proceeds from the Wanlian Guangsheng Convertible Loan had been utilized.

Although the effective conversion prices of the Pre-[**REDACTED**] Convertible Loans are significantly lower than the indicative [**REDACTED**] range, Zhejiang Fund and Wanlian Guangsheng assumed substantial risks at the time of their provision of loans to us, given that our Company was an unlisted private company at the pre-commercial stage and its business prospects were uncertain. The conversion prices of the Pre-[**REDACTED**] Convertible Loans were determined based on arm's length negotiations between the Company and Zhejiang Fund and between the Company and Wanlian Guangsheng, as the case may be, after taking into consideration the timing of the investments, the illiquidity of the Shares, and the status of the Company's business operations and financial performance at the relevant times. Accordingly, the Directors are of the view, and the Sole Sponsor concurs, that Zhejiang Fund and Wanlian Guangsheng bore different but appropriate investment risks compared to the investors in the [**REDACTED**]. Should the conversion of the Pre-[**REDACTED**] Convertible Loans into ordinary Shares is effected after the [**REDACTED**], our Company will comply with the relevant requirements under the Listing Rules, including but not limited to the minimum public float requirement and the minimum market Capitalization as required under Rule 8.08(1) and the Rule 8.08A of the Listing Rules.

Principal Terms of the Pre-[REDACTED] Investments

Our Company completed several rounds of investments with our Pre-**[REDACTED]** Investors to fund our strategic growth and broaden our shareholder base. The table below summarizes the principal terms of the Pre-**[REDACTED]** Investments by our Pre-**[REDACTED]** Investors other than the Pre-**[REDACTED]** Convertible Loans:

	Series A-1 Financing	Series A-2 Financing	Series B Financing	Series B+ Financing	Series B++ Financing
Date of agreement	August 16, 2019, further amended on February 12, 2020 and May 29, 2020		July 7, 2020	December 29, 2020	May 17, 2021
Number of Shares subscribed	57,987,822 Series A-1 Preferred Shares	13,823,935 Series A-2 Preferred Shares	61,490,888 Series B Preferred Shares	41,451,178 Series B+ Preferred Shares	49,598,108 Series B++ Preferred Shares
Amount of consideration	RMB39,271,522 in equivalent U.S. dollar for Series A-1 Preferred Shares[1]	RMB39,784,672 in equivalent U.S. dollar for Series A-2 Preferred Shares	US$22,500,000[2]	US$30,500,000[2]	US$69,999,999
Date of full payment of consideration	June 22, 2020	June 29, 2020	January 8, 2021	May 28, 2021	June 8, 2021
Post-money valuation of our Company (approximate)[3]	RMB220,002,725 in equivalent U.S. dollars[4]		US$96,235,988	US$250,000,000	US$577,730,196
Cost per Share (approximate)	RMB1.1009 in equivalent U.S. dollar[4]		US$0.3659	US$0.7358	US$1.4113
Discount to the [REDACTED] (approximate)[8]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Basis of determination of the valuation and consideration	The basis of determination for the consideration of the Pre-**[REDACTED]** Investments were from arm's length negotiation between our Company and the Pre-**[REDACTED]** Investors after taking into consideration the timing of the investments, the clinical progress of our pipeline, the development of our proprietary platform, the regulatory approvals and permits obtained, the overall prospects of our business and operations and risks associated with our product candidates at the then stage at the relevant time.				
Lock-up period	The Shares held by the Pre-**[REDACTED]** Investors will be subject to a lock-up period of six months commencing from the **[REDACTED]**.				
Use of proceeds from the Pre-**[REDACTED]** Investments	The proceeds of the Pre-**[REDACTED]** Investments were utilized for our R&D activities, business expansion, capital expenditures and as general working capital of our Group. As at the Latest Practicable Date, approximately 76% of the net proceeds from the Pre-**[REDACTED]** Investments have been utilized. We intend to apply the rest of the proceeds from the Pre-**[REDACTED]** Investments in funding our further R&D activities, working capital and other general corporate purposes. We expect that the proceeds from the Pre-**[REDACTED]** Investments will not be fully utilized until at least 15 months from the Latest Practicable Date.				
Strategic benefits of the Pre-**[REDACTED]** Investments to our Group	At the time of the Pre-**[REDACTED]** Investments, our Directors were of the view that our Company could benefit from the additional capital from the Pre-**[REDACTED]** Investments in our Company and our Pre-**[REDACTED]** Investors' industry insights, experience and connections. The Pre-**[REDACTED]** Investments also demonstrate our Pre-**[REDACTED]** Investors' endorsement of and confidence in our Group's performance, strengths and prospects.				

Notes:

1. Part of the consideration was settled by the conversion of the convertible loan, see "— Series A-1 and Series A-2 Financing" above.
2. Part of the consideration was settled by the payment of the exercise price of a warrant, see "— Series B Financing" and "— Series B+ Financing" above, respectively.
3. The post-money valuation is calculated by dividing the total consideration of equity or Share subscriptions under the relevant round of the Pre-**[REDACTED]** Investment by the percentage of the new subscribed equity interest in our Company or shareholding interests of our Company at the relevant time on a fully diluted basis.
4. On a standalone basis, the costs per Share for Series A-1 Financing and for Series A-2 Financing were RMB0.6772 per Share and RMB2.8780 per Share, respectively. Series A-1 Financing and Series A-2 Financing were consummated pursuant to the same Series A Preferred Share Purchase Agreement dated August 16, 2019, and represented the first closing and the second closing, respectively, of the same investment. The conditions precedent to the closing of the Series A-2 Financing include the completion of the Series A-1 Financing and the completion of certain internal restructuring to the Group.

5. The increase in the valuation of our Company from Series A-2 Financing to Series B Financing was mainly due to key preclinical results from EXG001-307 (SMA Type 1) and EXG102 programs.

6. The increase in the valuation of our Company from Series B Financing to Series B+ Financing was mainly due to the establishment of the research center in Hangzhou. The valuation increased because this research center is equipped with the relevant research and development team, laboratory and virus manufacturing facilities, which enhanced our technology capabilities and provided support for the future pipeline development and large scale production.

7. The increase in the valuation of our Company from Series B+ Financing to Series B++ Financing was mainly due to the start of IND-enabling work for EXG001-307 (SMA Type 1) and EXG102 programs.

8. Calculated based on the assumption that the [**REDACTED**] is HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] range of HK$[**REDACTED**] to HK$[**REDACTED**] per Share.

Rights of the Pre-[REDACTED] Investors

Pursuant to the relevant agreements entered into between our Company and our Pre-[**REDACTED**] Investors (including the CL Lenders), the Pre-[**REDACTED**] Investors had been granted certain special rights, including, among others, director appointment rights, right of first refusal, anti-dilution rights, divestment rights, drag-along rights, liquidation preferences, dividend right, and information rights. All divestment rights will be automatically terminated upon the first submission of our application for the qualified initial public offering and shall be automatically reinstated if the qualified initial public offering is not consummated. All other special rights granted to the Pre-[**REDACTED**] Investors by our Company shall be automatically terminated upon the consummation of the qualified initial public offering.

All preferred Shares shall be automatically converted into Shares upon completion of the qualified initial public offering on a one-to-one basis, at which our share capital will comprise of one class of shares, namely ordinary Shares, subject to the adjustments to reflect share dividends, share splits and other events under the Articles.

Compliance with the Guide

On the basis that (i) the [**REDACTED**] will take place more than 120 clear days after the completion of the Pre-[**REDACTED**] Investments and (ii) all special rights granted to the Pre-[**REDACTED**] Investors will not survive the [**REDACTED**], the Sole Sponsor confirms that the Pre-[**REDACTED**] Investments are in compliance with the Pre-[**REDACTED**] Investment Guidance (as defined in Chapter 4.2 under the Guide for New Listing Applicants published by the Stock Exchange).

Information regarding Our Pre-[REDACTED] Investors

Our Pre-[**REDACTED**] Investors include certain Sophisticated Investors, such as Legend Capital and Hillhouse. Each of Legend Capital and Hillhouse had made meaningful investment in our Company at least six months before the [**REDACTED**], holding approximately [**REDACTED**]% and [**REDACTED**]%, respectively, of the total issued Shares immediately following the completion of the Conversion and the [**REDACTED**] (assuming the [**REDACTED**] are not exercised and no Shares will be issued under the Pre-[**REDACTED**] Equity Incentive Plan or the Convertible Loan Agreements). To the best knowledge of our Directors, each of the Pre-[**REDACTED**] Investors, their respective general partners, limited partners and ultimate beneficial owners is an Independent Third Party.

Set out below is the description of our Pre-[**REDACTED**] Investors, which consist of reputable international and domestic private equity funds and strategic investment corporations.

Legend Capital

LC Healthcare Fund II, L.P., which became our Shareholder in 2020, is managed by its general partner, LC Healthcare Fund II GP Limited, which is primarily engaged in investment management and is indirectly wholly owned by Legend Capital. Legend Capital is a PRC limited liability company originally founded in April 2001, which is ultimately controlled by Chen Hao (陳浩) as to 40% and each of Zhu Linan (朱立南), Wang Nengguang (王能光) and Li Jiaqing (李家慶) as to 20%, respectively, each of whom is an Independent Third Party.

Legend Capital is specialized in early-stage venture capital and growth-stage private equity investments, with approximately RMB80 billion of assets under management as of the Latest Practicable Date. The portfolio companies of Legend Capital in medical device and biotechnology areas include, among others, Pharmaron Beijing Co., Ltd. (康龍化成(北京)新藥技術股份有限公司) (stock code: 3759.HK), WuXi AppTec Co., Ltd. (無錫藥明康德新藥開發股份有限公司) (stock code: 2359.HK; 603259.SH), Innovent Biologics, Inc. (stock code: 1801.HK), Guangzhou Kingmed Diagnostics Group Co., Ltd. (廣州金域醫學檢驗集團股份有限公司) (stock code: 603882.SH), Shanghai Aohua Photoelectricity Endoscope Co., Ltd. (上海奧華內鏡股份有限公司) (stock code: 688212.SH), and Wuhan Easy Diagnosis Biomedicine Co., Ltd. (武漢明德生物科技股份有限公司) (stock code: 002932.SZ).

Hillhouse

NVMB III Holdings Limited, which became our Shareholder in 2021, is a company established under the laws of Cayman Islands, ultimately controlled by Hillhouse Investment Management, Ltd. ("**Hillhouse**"), an exempted company incorporated under the laws of the Cayman Islands, which is an Independent Third Party.

Hillhouse collaborates with industry-defining enterprises, aiming to establish alignment with sustainable, forward-thinking companies across healthcare, business services, consumer, and industrial sectors. The firm manages capital for global institutions, including non-profit foundations, endowments, and pensions. As of the Latest Practicable Date, the assets under Hillhouse's management exceeded HK$1 billion. Private equity funds managed by Hillhouse have also invested in healthcare or biotechnology companies that are listed on the Hong Kong Stock Exchange such as 3D Medicines Inc. (1244.HK) and Jenscare Scientific Co., Ltd. (9877.HK).

LDS Holdings Limited

LDS Holdings Limited, our Shareholder, is a limited company established under the laws of BVI wholly owned by Beijing Fengtong Enterprise Management Center (Limited Partnership) (北京逢統企業管理中心(有限合夥)) ("**Beijing Fengtong**"). Beijing Fengtong is a limited partnership managed by Xizang Xianfeng Qiyun Enterprise Consulting Management Co., Ltd. (西藏險峰旗雲企業諮詢管理有限公司) ("**Xizang Xianfeng**") as its general partner holding approximately 0.0253% partnership interests, with the remaining partnership interests held by Xianfeng as its limited partner. Xizang Xianfeng is ultimately controlled by Chen Keyi (陳科屹), who is an Independent Third Party other than being indirectly interested in LDS Holdings Limited through Xizang Xianfeng. Xianfeng is managed by Xizang Xianfeng as its general partner holding approximately 1.05% partnership interest and owned as to 98.95% by 15 limited partners, each with less than 30.0% partnership interest.

Black Elk Peak Limited

Black Elk Peak Limited, our Shareholder, is wholly owned by LYFE Capital Fund III (Dragon) L.P ("**LYFE Capital Fund III**", together with its affiliates, "**LYFE Capital**"). LYFE Capital Fund III is controlled by LYFE Capital Management Limited as its general partner, which is ultimately controlled by Mr. Zhao Jin (趙晉), who is an Independent Third Party. LYFE Capital is a pioneering healthcare investment platform led by a group of investment veterans and operators that have gone through several market cycles. With 5 global offices in Asia and U.S., LYFE Capital focuses on investing in critical healthcare supply chain assets, specialized product platforms, and next-generation R&D services, allowing them to grow significant and resilient revenues from global mature market. The portfolio companies of LYFE Capital include, among others, Shenzhen Edge Medical Co., Ltd. (stock code: 2675.HK), Kangji Medical Holdings Limited (康基醫療控股有限公司), Cytek Biosciences, Inc. (廈泰生物科技有限公司) ((stock code: CTKB), Jiangsu Recbio Technology Co., Ltd. (江蘇瑞科生物技術股份有限公司) (stock code: 2179.HK), ST Pharm Co Ltd (stock code: 237690.KQ), and Fong's Engineering & Manufacturing Pte. Ltd. To the best knowledge of our Directors, each of Black Elk Peal Limited and its ultimate beneficial owner is an Independent Third Party.

Kaitai Investors

Hangzhou Kaitai Houde, our Shareholder, is a limited liability partnership established under the laws of the PRC, which principally engages in venture capital investment. Hangzhou Kaitai Houde is managed by Hangzhou Kaitai Runhui Investment Management Co., Ltd. (杭州凱泰潤匯投資管理有限公司) (the "**Kaitai Runhui**") as its general partner holding approximately 0.05% partnership interest, and owned as to approximately 99.95% by Shenzhen Houde Qianhai Equity Investment Fund Partnership (Limited Partnership) (深圳市厚德前海股權投資基金合夥企業(有限合夥)) ("**Houde Qianhai Equity Investment**") as its limited partner. Kaitai Runhui is owned as to 70% by Hangzhou Kaitai Capital Management Co., Ltd. (杭州凱泰資本管理有限公司) (the "**Kaitai Capital**") and 30% by Lin li (林立).

Kaitai Capital is owned as to 53.0% by Xu Yonghong (徐永紅) and 47.0% by other six individual shareholders, each with less than 10% equity interest. Houde Qianhai Equity Investment is managed by Shenzhen Houde Qianhai Fund Management Co., Ltd. (深圳市厚德前海基金管理有限公司) (which is ultimately controlled by Zuo Yumin (左玉民)) as its general partner with approximately 0.55% partnership interest, and owned as to approximately 89.51% by Fude Life Insurance Co., Ltd. (富德生命人壽保險股份有限公司) and approximately 9.94% by Hainan Stanley Technology Co., Ltd. (海南斯坦利科技有限公司) as its limited partners.

Nanjing Chuangyi Kaitai, our Shareholder, is a limited liability partnership established under the laws of the PRC, which principally engages in venture capital investment and asset management. Nanjing Chuangyi Kaitai is managed by Kaitai Capital as its general partner holding 0.50% partnership interest, and owned as to 50.0% by Nanjing Hongde Enterprise Management Partnership (Limited Partnership) (南京弘德企業管理合夥企業(有限合夥)), 25.0% by Nanjing High-Tech Venture Capital Co., Ltd. (南京高新創業投資有限公司), 24.0% by Nanjing Industrial Development Fund Co., Ltd. (南京市產業發展基金有限公司) as its limited partners, and 0.5% by another general partner, Nanjing Kaitai Huijin Enterprise Management Co., Ltd.(南京凱泰匯金企業管理有限公司) ("**Nanjing Kaitai Huijin**"). Nanjing Kaitai Huijin is owned as to 80.0% by Kaitai Capital, 10.0% by Xu Jinzhong (徐進中) and 10.0% by Fang Liangchang (方良昌).

Xiamen Jinyuan Kaitai, our Shareholder, is a limited liability partnership established under the laws of the PRC, which principally engages in venture capital investment and asset management. Xiamen Jinyuan Kaitai is managed by Kaitai Capital as its general partner holding 1.0% partnership interest and owned as to 45.0% by Xiamen Jinyuan Zhanhong Equity Investment Partnership (Limited Partnership) (廈門金圓展鴻股權投資合夥企業(有限合夥)) as its limited partner, 20.0% by Xiamen Xiangyu Venture Capital Management Co., Ltd. (廈門象嶼創業投資管理有限公司) as its limited partner and a total of 34.0% by 10 other limited partners, each with less than 15.0% partnership interest.

To the best knowledge of our Directors, each of the above Shareholders, their respective general partners, limited partners and ultimate beneficial owner is an Independent Third Party.

Legend Holdings Corporation

Legendstar I, our Shareholder, is a limited liability partnership established under the laws of the PRC, which principally engages in startup investment. Legendstar I is managed by Qushui County Xinghuan Venture Capital Management Center (曲水縣星環創業投資管理中心) ("**Qushui Xinghuan**") as its general partner holding approximately 0.44% partnership interest, and owned as to approximately 48.80% by Tibet Oriental Qihui Investment Co., Ltd. (西藏東方企慧投資有限公司) as its limited partner and approximately 50.76% by eight other limited partners, each holding less than 15.0% partnership interest. Qushui Xinghuan is managed by Duilongdeqing Xingchuan Venture Capital Management Co., Ltd. (堆龍德慶星川創業投資管理有限公司) ("**Duilongdeqing Xingchuan**") as its general partner, which is ultimately controlled by Legend Holdings Corporation (聯想控股股份有限公司), a company listed on the Stock Exchange (stock code: 3396.HK), an Independent Third Party.

Legendstar II, our Shareholder, is an exempted limited partnership company established under the laws of the Cayman Islands, which is managed by Legendstar Ventures Ltd. as its general partner holding 1% partnership interest and owned as to 57.56% by Talent Leap Limited, 6.91% by Expand Ocean Limited and 34.53% by Sunny Pavilion Limited as its limited partners. Legendstar Ventures Ltd. is ultimately controlled by Legend Holdings Corporation. Talent Leap Limited is ultimately wholly-owned by Legend Holdings Corporation. Sunny Pavilion Limited is owned as to 50% and 50% by two individuals, respectively, who are Independent Third Parties.

ROSY SHINE, our Shareholder, is a limited company established under the laws of BVI, which is wholly owned by Right Lane Limited (南明有限公司), a limited liability company incorporated in Hong Kong ultimately controlled by Legend Holdings Corporation (聯想控股股份有限公司).

Elbrus Investments Pte. Ltd.

Elbrus Investments Pte. Ltd., our Shareholder, is a limited liability company incorporated in Singapore. It is principally engaged in investment holding and indirectly wholly owned by Temasek Holdings (Private) Limited, an Independent Third Party.

K2 Venture Partners L.P.

K2 Venture Partners L.P., our Shareholder, is an exempted limited partnership registered in the Cayman Islands. The general partner of K2 Venture Partners L.P. is K2 Venture Partners GP, L.P., an exempted limited partnership registered in the Cayman Islands. The general partner of K2 Venture Partners GP, L.P. is K2 Venture Partners GP, LLC, a limited liability company incorporated in the Cayman Islands. K2 Venture Partners GP, LLC is controlled by KPartners Limited, an exempted company with limited liability incorporated in the Cayman Islands. Rui Zhang, an Independent Third Party, is the controlling shareholder of KPartners Limited.

CJY Genetic Sciences Limited

CJY Genetic Sciences Limited ("**CJY Genetic**"), our Shareholder, is a business company incorporated under the laws of the British Virgin Islands, with its primary business activity being investment holding. CJY Genetic is wholly-owned by CPE Global Opportunities Fund II, L.P. ("**CPE GOF II**"), an exempted limited partnership formed under the laws of the Cayman Islands. The general partner of CPE GOF II is CPE GOF GP Limited, a company incorporated in the Cayman Islands with limited liability. CPE GOF GP Limited is directly and wholly owned by CPE Management International Limited, which is in turn wholly owned by CPE Management International II Limited, both of which are companies incorporated in the Cayman Islands with limited liability. CPE Management International II Limited is owned by a number of shareholders that are natural persons, none of whom holds 30% or more interests in CPE Management International II Limited and all of whom are Independent Third Parties. CPE GOF II's investor base comprises both corporate and entrepreneurial investors, none of the limited partners hold 30% or more interest in CPE GOF II.

Shanghai Boyao

Shanghai Boyao, our Shareholder, is a limited liability partnership established under the laws of the PRC, which principally engages in business management. Shanghai Boyao is managed by Shanghai Borui Jiatian Enterprise Management Partnership (Limited Partnership) (上海博睿嘉天企業管理合夥企業(有限合夥)) ("**Shanghai Borui**") as its general partner holding approximately 0.07% partnership interest and owned as to approximately 99.93% by Chengdu Boyuan Jiayu Venture Capital Partnership (Limited Partnership) (成都博遠嘉昱創業投資合夥企業(有限合夥)) as its limited partner. Shanghai Borui is managed by

Boruiyuye (Shanghai) Equity Investment Management Co., Ltd. (博睿瑜業(上海)股權投資管理有限公司) ("**Borui Yuye**") as its general partner holding approximately 0.0006% partnership interest and controlled by an individual who is an Independent Third Party.

TF EGNS Ltd.

TF EGNS Ltd., our Shareholder, is a limited liability company established under the laws of the British Virgin Islands and is wholly owned by TF Capital Fund III L.P., which is ultimately controlled by Chiang Chen Hsiulien (陳秀戀), an Independent Third Party.

LBC Sunshine Healthcare Fund II L.P.

LBC Sunshine Healthcare Fund II L.P. ("**LBC Sunshine Fund II**"), our Shareholder, is an exempted limited partnership registered in the Cayman Islands managed by Lake Bleu Capital (Hong Kong) Limited, which is controlled by its general partner, LBC GP II Limited, an exempted company incorporated in the Cayman Islands, an Independent Third Party. None of the partners of LBC Sunshine Fund II owns more than 10% of its partnership interest. LBC Sunshine Fund II is a professional investor specializing in investing in healthcare companies in Asia and the Greater China. The investment portfolio of Lake Bleu Capital (Hong Kong) Limited in biotech and healthcare and related industries sectors include, among others, GenFleet Therapeutics (Shanghai) Inc. (stock code: 2595.HK), Duality Biotherapeutics, Inc. (stock code: 9606.HK), Akeso, Inc. (stock code: 9926.HK), RemeGenCo., Ltd. (stock code: 9995.HK), Zylox-Tonbridge Medical Technology Co., Ltd. (stock code: 2190.HK), Pharmaron Beijing Co., Ltd. (stock code: 3759.HK and 300759.SZ) and JD Health International Inc. (stock code: 6618.HK). The investment scope of LBC Sunshine Fund II includes pharmaceuticals, biotech, medical devices, and healthcare services. Each of LBC Sunshine Fund II, Lake Bleu Capital (Hong Kong) Limited and LBC GP II Limited are Independent Third Parties.

BIOTRACK TA LIMITED

BIOTRACK TA LIMITED, our Shareholder, is a limited company established under the laws of the British Virgin Islands ultimately wholly-owned by Ms. Yifei Ren, who is an Independent Third Party.

Zhejiang Fund

Zhejiang Fund is wholly owned by Zhejiang Province Innovation Investment Group Co., Ltd. (浙江省創新投資集團有限公司), which is wholly owned by the Department of Finance of Zhejiang Province (浙江省財政廳), an Independent Third Party.

Wanlian Guangsheng

Wanlian Guangsheng is wholly owned by Wanlian Securities Co., Ltd. (萬聯證券股份有限公司), which is held as to 43.04% by Guangzhou Finance Holding Group Co., Ltd. (廣州金融控股集團有限公司), a company controlled by the Finance Bureau of Guangzhou City (廣州市財政局), an Independent Third Party. Save for Guangzhou Finance Holding Group Co., Ltd., none of the shareholders of Wanlian Securities Co., Ltd holds more than 30% of its equity interests.

REORGANIZATION

Historical Contractual Arrangements

Our PRC operating entity, Hangzhou Jiayin, was established in the PRC on July 5, 2019. Historically, due to the then effective Special Administrative Measures (Negative List) for Foreign Investment Access (the "**Negative List**"), which prohibited foreign investment in the development and application of the development and application of human cell and gene diagnostic and therapeutic technologies (the "**CGT Business**"), our Group, through

Hangzhou Exegenesis, entered into a series of contractual arrangements with Hangzhou Jiayin and its shareholders (the "**Historical Contractual Arrangements**"), pursuant to which Hangzhou Exegenesis exercised control over Hangzhou Jiayin and the Group conducted the CGT Business through Hangzhou Jiayin. The establishment of the Historical Contractual Arrangements was a result of the then applicable regulatory requirements for foreign investment access and reasonable commercial basis, and did not violate the PRC laws and regulations which were effective back then.

On September 7, 2024, the MOFCOM, NHC and NMPA jointly issued 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**"), which 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. For further details of the regulations relating to the access of foreign investment, please refer to "Regulatory Overview — Regulations Relating to the Access of Foreign Investment" in this document.

Based on the Expanding Opening-up Administration and in preparation for the [**REDACTED**], we undertook a corporate reorganization (the "**Reorganization**"). The Reorganization involved, among other steps, (i) the establishment of Guangzhou Jiayin in the China (Guangdong) Pilot Free Trade Zone (中國(廣東)自由貿易試驗區); (ii) the transfer of our CGT Business and related assets from Hangzhou Jiayin to the Guangzhou Jiayin based on their appraised value and in compliance with the applicable PRC laws, following the relaxation of foreign investment restrictions that permit such foreign-invested operations within certain pilot free trade zones; and (iii) the termination of the Historical Contractual Arrangements and the acquisition of the entire equity interest in Hangzhou Jiayin by our wholly foreign-owned enterprise, Hangzhou Exegenesis. Following the Reorganization, Hangzhou Jiayin became an indirect wholly-owned subsidiary of our Company and the Guangzhou Jiayin became our principal PRC operating entity. See "— Reorganization — Acquisition of Hangzhou Jiayin" below for further details.ts.

After taking into account below, our PRC Legal Adviser confirms, and the Sole Sponsor concurs, that (i) the establishment of the Historical Contractual Arrangements to conduct the CGT Business complied with the relevant PRC laws and regulations in all material aspects; (ii) the termination of the Historical Contractual Arrangements and the Reorganization had been carried out in accordance with the necessary procedures under the applicable PRC laws and regulations and complied with the relevant PRC laws and regulations in all material aspects:

(a) during the Track Record Period and up to the Latest Practicable Date, all necessary approvals, permits and licenses required under the PRC laws and regulations in connection with the Reorganization had been obtained, and the Reorganization had complied with all applicable PRC laws and regulations in all material aspects.

(b) the consideration for the transfer of the relevant business and assets and the consideration for the equity transfer of Hangzhou Jiayin in the termination of the Historical Contractual Arrangements and the Reorganization were determined based on valuation results issued by professional valuers and had reasonable basis;

(c) the relevant termination agreement, equity transfer agreement and industrial and commercial registration procedures, as well as other necessary legal documents and procedures, had been duly executed or completed; and

(d) we have also obtained (i) a written confirmation from the Guangdong Medical Products Administration (the "**GMPA Confirmation**") in respect of Guangzhou Jiayin's development and application of relevant gene therapy technologies in the China (Guangdong) Pilot Free Trade Zone, confirming that such activities comply with the relevant requirements under the Expanding Opening-up Administration; and (ii) a written confirmation from Zhejiang Provincial Department of Commerce, confirming that the activities of Hangzhou Jiayin before and after the [**REDACTED**] comply with the relevant requirements under the Special Administrative Measures for the Access of Foreign Investment (Negative List).

Acquisition of Hangzhou Jiayin

Prior to the Reorganization, our Group conducted the CGT business in the PRC through Hangzhou Jiayin, our VIE, based on the Historical Contractual Arrangements.

In preparation for the [**REDACTED**] and to comply with relevant laws and regulations in the PRC, our Directors are of the view that it is in the best interests of our Company and our Shareholders as a whole to unwind the VIE structure. The Reorganization aims to simplify our corporate structure, allow our Group to directly own the entity operating our CGT Business, and achieve consolidated resources and unified management.

To effect the Reorganization, our Group undertook a series of steps. First, our Company established a wholly-owned subsidiary, Guangzhou Jiayin, in the China (Guangdong) Pilot Free Trade Zone in Guangzhou, Guangdong Province. Subsequently, Hangzhou Jiayin transferred its entire CGT Business and corresponding assets to Guangzhou Jiayin at a consideration of RMB122,944, based on a valuation report issued by a professional valuer.

Following the transfer of the operating business, and based on prior communications with the relevant tax and market supervision authorities, the following actions were executed concurrently:

(i) A VIE termination agreement was entered into on November 25, 2025 by the relevant parties to terminate all the Historical Contractual Arrangements, which included the release of the pledge over the equity interests in Hangzhou Jiayin.

(ii) An equity transfer agreement was entered into between Hangzhou Exegenesis, an indirect wholly-owned subsidiary of our Company, and Hangzhou Quanyin Technology Co., Ltd. (杭州詮因科技有限公司) ("**Hangzhou Quanyin**"), a company established under the laws of the PRC with limited liability, pursuant to which Hangzhou Exegenesis agreed to acquire the entire 100% equity interest in Hangzhou Jiayin (representing registered capital of RMB2,228,478) from Hangzhou Quanyin at nil consideration. As of the Latest Practicable Date, the equity interest of Hangzhou Quanyin was held as to 99.6340% by Shen Yue'e (沈月娥), the mother of Dr. Wu, and 0.3660% by Huang Dongmei (黃棟梅), an Independent Third Party.

Upon the completion of the above steps, our Company (a) adjusted the business scope of Hangzhou Jiayin with the competent market supervision administration to remove any business activities relating to the CGT Business, which was restricted or prohibited for foreign-invested enterprises; (b) completed the de-pledging procedures for the equity interests; and (c) completed the industrial and commercial registration for the equity transfer. Following the completion of the Reorganization, Hangzhou Jiayin is held as to 100% by Hangzhou Exegenesis and has become an indirect wholly-owned subsidiary of our Company, and the VIE contractual arrangements were terminated.

Following the termination of the Historical Contractual Arrangements, we continued to engage in the CGT Business through Guangzhou Jiayin. As confirmed by our PRC Legal Adviser, as of the Latest Practicable Date, (i) our CGT Business conducted through Guangzhou Jiayin complied with the applicable PRC laws and regulations in all material respects, considering that Guangzhou Jiayin conducted the relevant business within the

permitted area and scope under the Expanding Opening-up Administration and we have obtained the GMPA Confirmation; and (ii) save for the CGT Business, our businesses were not subject to any foreign investment prohibition or restriction under the relevant PRC laws and regulations, including the Negative List.

CONVERSION

On [●], 2026, our Shareholders resolved to conduct the Conversion, pursuant to which each Preferred Share shall be converted into ordinary Share on a one-on-one basis (subject to the adjustments under the Articles).

MAJOR ACQUISITIONS AND DISPOSALS

Disposal of Plasmid Manufacturing Production Lines and Equipment

We had owned production lines and equipment for plasmid manufacturing for our own use. In July 2023, we ceased to conduct such business in order to streamline our operations and to focus our resources on the R&D of our gene therapies and oligonucleotide-based drug products. Hangzhou Jiayin and Hangzhou Exegenesis sold their production lines and equipment for plasmid manufacturing to Hangzhou CoJourney for a consideration of approximately RMB14.3 million and RMB58.6 million, respectively, by reference to a valuation report in respect of such assets issued by a qualified valuer. Hangzhou CoJourney is wholly-owned by Jiaxing CoJourney. As of June 30, 2026, approximately RMB5.7 million and RMB23.4 million of the said consideration payable to Hangzhou Jiayin and Hangzhou Exegenesis have been settled, respectively. The remaining balance of the consideration will be settled in accordance with the terms of Repayment Agreement I and Repayment Agreement II, respectively, the particulars of which are disclosed in the section headed "Connected Transactions" in this document.

Jiaxing CoJourney was established in 2022 by the Founders and some of the other Shareholders of our Company or their affiliates. As of the Latest Practicable Date, Jiaxing CoJourney was ultimately controlled by Ms. Wang, who was the majority shareholder of the general partner of the relevant limited partnerships holding a total of 46.24% of the equity interest in Jiaxing CoJourney. Dr. Wu and Dr. Ye also held minority partnership interests in the said partnerships controlled by Ms. Wang as of the Latest Practicable Date, and the remaining 46.24% of the equity interests in Jiaxing CoJourney were owned by Independent Third Parties.

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 establish a financing platform and diversify financing channels in the international capital market for raising capital for the R&D and commercialization of our product candidates, to strengthen our working capital and to further enhance our business profile and global presence. For further details of our future plans, see "Future Plans and [**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%.

Upon completion of the Conversion and the [**REDACTED**], save for Dr. Wu, Dr. Ye, Ms. Wang and Landes Therapeutics Ltd, our Controlling Shareholders, who will hold [**REDACTED**]% of the total number of issued Shares by virtue of an acting-in-concert arrangement and remain our single largest Shareholders upon completion of the Conversion and the [**REDACTED**] (assuming the [**REDACTED**] is not exercised, and no Shares will be issued under the Pre-[**REDACTED**] Equity Incentive Plan or the Convertible Loan Agreements), all existing Shareholders will not be core connected person of our Company. Accordingly, assuming the [**REDACTED**] is not exercised, and no Shares will be issued under the Pre-[**REDACTED**] Equity Incentive Plan or the Convertible Loan Agreements, a total of [**REDACTED**] Shares, representing approximately [**REDACTED**]% of the total number of issued Shares, will be counted towards the public float, which is higher than [**REDACTED**]%, [**REDACTED**]% and [**REDACTED**]%, the prescribed percentage of the Shares required to be held in public hands based on the low-end, mid point or high-end of the indicative [**REDACTED**] range, respectively. Therefore, our Company will be able to meet the minimum public float requirements under Rules 8.08 of the Listing Rules.

Further, under Rule 8.08A of the Listing Rules, the Company must ensure that a portion of the total number of its issued shares [**REDACTED**] on the Stock Exchange with a market capitalization of at least HK$600,000,000 are not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of [**REDACTED**]. Our Company will be able to meet the minimum free float requirement under Rule 8.08A of the Listing Rules based on the market capitalization of the Shares [**REDACTED**] on the Stock Exchange that are not subject to any disposal restrictions at the time of [**REDACTED**].

CAPITALIZATION OF OUR COMPANY

The table below is a summary of the capitalization of our Company as of the Latest Practicable Date and the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised, and no Shares will be issued under the Pre-**[REDACTED]** Equity Incentive Plan or the Convertible Loan Agreements):

	As of the Latest Practicable Date[1]								As of the [REDACTED]		
Name of Shareholders	Ordinary Shares	Series A-1 Preferred Shares	Series A-2 Preferred Shares	Series B Preferred Shares	Series B+ Preferred Shares	Series B++ Preferred Shares	Number of Shares	Ownership Percentage[2] (%)	Number of Shares	Ownership Percentage[2] (%)	Whether the Shares will be counted to the public float
Controlling Shareholder/Single Largest Shareholder											
Landes Therapeutics Ltd	101,566,880	–	–	–	–	–	101,566,880	31.16%	[REDACTED]	[REDACTED]%	No
Sophisticated Investors											
LC Healthcare Fund II, L.P.	–	–	–	27,329,283	4,172,466	–	31,501,749	9.67%	[REDACTED]	[REDACTED]%	Yes
NVMB III Holdings Limited	–	–	–	–	6,641,565	21,256,332	27,897,897	8.56%	[REDACTED]	[REDACTED]%	Yes
Other Pre-[REDACTED] Investors											
LDS Holdings Limited	–	28,993,911	6,911,967	–	–	–	35,905,878	11.02%	[REDACTED]	[REDACTED]%	Yes
Black Elk Peak Limited	–	–	–	–	25,237,946	3,542,722	28,780,668	8.83%	[REDACTED]	[REDACTED]%	Yes
Hangzhou Kaitai Houde	–	16,309,075	3,887,982	–	–	–	20,197,057	6.20%	[REDACTED]	[REDACTED]%	Yes
ROSY SHINE	–	–	–	13,664,642	2,078,419	–	15,743,061	4.83%	[REDACTED]	[REDACTED]%	Yes
Elbrus Investments Pte. Ltd.	–	–	–	–	–	10,628,166	10,628,166	3.26%	[REDACTED]	[REDACTED]%	Yes
K2 Venture Partners L.P.	–	–	–	6,832,321	1,328,313	–	8,160,634	2.50%	[REDACTED]	[REDACTED]%	Yes
Legendstar I	–	6,342,418	1,511,993	–	–	–	7,854,411	2.41%	[REDACTED]	[REDACTED]%	Yes
Legendstar II	–	6,342,418	1,511,993	–	–	–	7,854,411	2.41%	[REDACTED]	[REDACTED]%	Yes
CJY Genetic Sciences Limited	–	–	–	–	–	7,085,444	7,085,444	2.17%	[REDACTED]	[REDACTED]%	Yes
Shanghai Boyao	–	–	–	5,465,857	1,328,313	–	6,794,170	2.08%	[REDACTED]	[REDACTED]%	Yes
TF EGNS Ltd.	–	–	–	5,465,857	–	–	5,465,857	1.68%	[REDACTED]	[REDACTED]%	Yes
BioTrack TA Limited	–	–	–	–	–	3,542,722	3,542,722	1.09%	[REDACTED]	[REDACTED]%	Yes
LBC Sunshine Healthcare Fund II L.P.	–	–	–	–	–	3,542,722	3,542,722	1.09%	[REDACTED]	[REDACTED]%	Yes
Nanjing Chuangyi Kaitai	–	–	–	2,732,928	–	–	2,732,928	0.84%	[REDACTED]	[REDACTED]%	Yes
Xiamen Jinyuan Kaitai	–	–	–	–	664,156	–	664,156	0.20%	[REDACTED]	[REDACTED]%	Yes

	As of the Latest Practicable Date[1]								As of the [REDACTED]		
Name of Shareholders	Ordinary Shares	Series A-1 Preferred Shares	Series A-2 Preferred Shares	Series B Preferred Shares	Series B+ Preferred Shares	Series B++ Preferred Shares	Number of Shares	Ownership Percentage[2]	Number of Shares	Ownership Percentage[2]	Whether the Shares will be counted to the public float
								(%)		*(%)*	
Other Public Shareholders											
Other public Shareholders	–	–	–	–	–	–	–	–	[REDACTED]	[REDACTED]%	Yes
Total							**325,918,811**	**100.00%**	[REDACTED]	**100.00%**	

Notes:

(1) Based on the assumptions of all Preferred Shares having been converted into Shares on a one-to-one basis.

(2) Refers to the approximate ownership percentage in the total issued share capital of our Company. Certain amounts and percentage figures have been subject to rounding adjustments.

The table below is a summary of the capitalization of our Company as of the Latest Practicable Date and the [**REDACTED**] (assuming that the [**REDACTED**] is exercised in full, but no Shares will be issued under the Pre-[**REDACTED**] Equity Incentive Plan or the Convertible Loan Agreements):

	As of the Latest Practicable Date[1]								As of the [REDACTED]		
Name of Shareholders	Ordinary Shares	Series A-1 Preferred Shares	Series A-2 Preferred Shares	Series B Preferred Shares	Series B+ Preferred Shares	Series B++ Preferred Shares	Number of Shares	Ownership Percentage[2] (%)	Number of Shares	Ownership Percentage[2] (%)	Whether the Shares will be counted to the public float
Controlling Shareholder/Single Largest Shareholder											
Landes Therapeutics Ltd	101,566,880	–	–	–	–	–	101,566,880	31.16%	[REDACTED]	[REDACTED]%	No
Sophisticated Investors											
LC Healthcare Fund II, L.P.	–	–	–	27,329,283	4,172,466	–	31,501,749	9.67%	[REDACTED]	[REDACTED]%	Yes
NVMB III Holdings Limited	–	–	–	–	6,641,565	21,256,332	27,897,897	8.56%	[REDACTED]	[REDACTED]%	Yes
Other Pre-[REDACTED] Investors											
LDS Holdings Limited	–	28,993,911	6,911,967	–	–	–	35,905,878	11.02%	[REDACTED]	[REDACTED]%	Yes
Black Elk Peak Limited	–	–	–	–	25,237,946	3,542,722	28,780,668	8.83%	[REDACTED]	[REDACTED]%	Yes
Hangzhou Kaitai Houde	–	16,309,075	3,887,982	–	–	–	20,197,057	6.20%	[REDACTED]	[REDACTED]%	Yes
ROSY SHINE	–	–	–	13,664,642	2,078,419	–	15,743,061	4.83%	[REDACTED]	[REDACTED]%	Yes
Elbrus Investments Pte. Ltd.	–	–	–	–	–	10,628,166	10,628,166	3.26%	[REDACTED]	[REDACTED]%	Yes
K2 Venture Partners L.P.	–	–	–	6,832,321	1,328,313	–	8,160,634	2.50%	[REDACTED]	[REDACTED]%	Yes
Legendstar I	–	6,342,418	1,511,993	–	–	–	7,854,411	2.41%	[REDACTED]	[REDACTED]%	Yes
Legendstar II	–	6,342,418	1,511,993	–	–	–	7,854,411	2.41%	[REDACTED]	[REDACTED]%	Yes
CJY Genetic Sciences Limited	–	–	–	–	–	7,085,444	7,085,444	2.17%	[REDACTED]	[REDACTED]%	Yes
Shanghai Boyao	–	–	–	5,465,857	1,328,313	–	6,794,170	2.08%	[REDACTED]	[REDACTED]%	Yes
TF EGNS Ltd.	–	–	–	5,465,857	–	–	5,465,857	1.68%	[REDACTED]	[REDACTED]%	Yes
BioTrack TA Limited	–	–	–	–	–	3,542,722	3,542,722	1.09%	[REDACTED]	[REDACTED]%	Yes
LBC Sunshine Healthcare Fund II L.P.	–	–	–	–	–	3,542,722	3,542,722	1.09%	[REDACTED]	[REDACTED]%	Yes
Nanjing Chuangyi Kaitai	–	–	–	2,732,928	–	–	2,732,928	0.84%	[REDACTED]	[REDACTED]%	Yes
Xiamen Jinyuan Kaitai	–	–	–	–	664,156	–	664,156	0.20%	[REDACTED]	[REDACTED]%	Yes

	As of the Latest Practicable Date[1]								As of the [REDACTED]		
Name of Shareholders	Ordinary Shares	Series A-1 Preferred Shares	Series A-2 Preferred Shares	Series B Preferred Shares	Series B+ Preferred Shares	Series B++ Preferred Shares	Number of Shares	Ownership Percentage[2] (%)	Number of Shares	Ownership Percentage[2] (%)	Whether the Shares will be counted to the public float
Other Public Shareholders											
Other public Shareholders	–	–	–	–	–	–	–	–	[REDACTED]	[REDACTED]%	Yes
Total							**325,918,811**	**100.00%**	[REDACTED]	**100.00%**	

Notes:

(1) Based on the assumptions of all Preferred Shares having been converted into Shares on a one-to-one basis.

(2) Refers to the approximate ownership percentage in the total issued share capital of our Company. Certain amounts and percentage figures have been subject to rounding adjustments.

The table below is a summary of the capitalization of our Company as of the Latest Practicable Date and the **[REDACTED]** (assuming that all the Pre-**[REDACTED]** Convertible Loans have been converted into Shares pursuant to the Convertible Loan Agreements, but the **[REDACTED]** is not exercised, and no Shares will be issued under the Pre-**[REDACTED]** Equity Incentive Plan):

	As of the Latest Practicable Date[1]									As of the [REDACTED]		
Name of Shareholders	*Ordinary Shares*	*Series A-1 Preferred Shares*	*Series A-2 Preferred Shares*	*Series B Preferred Shares*	*Series B+ Preferred Shares*	*Series B++ Preferred Shares*	*Pre-[REDACTED] Convertible Loans*	*Number of Shares*	*Ownership Percentage[2]*	*Number of Shares*	*Ownership Percentage[2]*	*Whether the Shares will be counted to the public float*
Controlling Shareholder/Single Largest Shareholder												
Landes Therapeutics Ltd	101,566,880	–	–	–	–	–	–	101,566,880	31.16%	[REDACTED]	[REDACTED]%	No
Sophisticated Investors												
LC Healthcare Fund II, L.P.	–	–	–	27,329,283	4,172,466	–	–	31,501,749	9.67%	[REDACTED]	[REDACTED]%	Yes
NVMB III Holdings Limited	–	–	–	–	6,641,565	21,256,332	–	27,897,897	8.56%	[REDACTED]	[REDACTED]%	Yes
Other Pre-[REDACTED] Investors												
LDS Holdings Limited	–	28,993,911	6,911,967	–	–	–	–	35,905,878	11.02%	[REDACTED]	[REDACTED]%	Yes

	As of the Latest Practicable Date[1]									As of the [REDACTED]		
Name of Shareholders	*Ordinary Shares*	*Series A-1 Preferred Shares*	*Series A-2 Preferred Shares*	*Series B Preferred Shares*	*Series B+ Preferred Shares*	*Series B++ Preferred Shares*	*Pre-[REDACTED] Convertible Loans*	*Number of Shares*	*Ownership Percentage[2]*	*Number of Shares*	*Ownership Percentage[2]*	*Whether the Shares will be counted to the public float*
Black Elk Peak Limited	–	–	–	–	25,237,946	3,542,722	–	28,780,668	8.83%	[REDACTED]	[REDACTED]%	Yes
Hangzhou Kaitai Houde	–	16,309,075	3,887,982	–	–	–	–	20,197,057	6.20%	[REDACTED]	[REDACTED]%	Yes
ROSY SHINE	–	–	–	13,664,642	2,078,419	–	–	15,743,061	4.83%	[REDACTED]	[REDACTED]%	Yes
Elbrus Investments Pte. Ltd.	–	–	–	–	–	10,628,166	–	10,628,166	3.26%	[REDACTED]	[REDACTED]%	Yes
K2 Venture Partners L.P.	–	–	–	6,832,321	1,328,313	–	–	8,160,634	2.50%	[REDACTED]	[REDACTED]%	Yes
Legendstar I.	–	6,342,418	1,511,993	–	–	–	–	7,854,411	2.41%	[REDACTED]	[REDACTED]%	Yes
Legendstar II	–	6,342,418	1,511,993	–	–	–	–	7,854,411	2.41%	[REDACTED]	[REDACTED]%	Yes
CJY Genetic Sciences Limited	–	–	–	–	–	7,085,444	–	7,085,444	2.17%	[REDACTED]	[REDACTED]%	Yes
Shanghai Boyao	–	–	–	5,465,857	1,328,313	–	–	6,794,170	2.08%	[REDACTED]	[REDACTED]%	Yes
TF EGNS Ltd.	–	–	–	5,465,857	–	–	–	5,465,857	1.68%	[REDACTED]	[REDACTED]%	Yes
BioTrack TA Limited	–	–	–	–	–	3,542,722	–	3,542,722	1.09%	[REDACTED]	[REDACTED]%	Yes
LBC Sunshine Healthcare Fund II L.P.	–	–	–	–	–	3,542,722	–	3,542,722	1.09%	[REDACTED]	[REDACTED]%	Yes
Nanjing Chuangyi Kaitai	–	–	–	2,732,928	–	–	–	2,732,928	0.84%	[REDACTED]	[REDACTED]%	Yes
Xiamen Jinyuan Kaitai	–	–	–	–	664,156	–	–	664,156	0.20%	[REDACTED]	[REDACTED]%	Yes
Zhejiang Fund	–	–	–	–	–	–	11,145,543	–	0.00%	[REDACTED]	[REDACTED]%	Yes
Wanlian Guangsheng	–	–	–	–	–	–	2,229,109	–	0.00%	[REDACTED]	[REDACTED]%	Yes
Other Public Shareholders												
Other public Shareholders	–	–	–	–	–	–	–	–	–	[REDACTED]	[REDACTED]%	Yes
Total								**325,918,811**	**100.00%**	[REDACTED]	**100%**	

Notes:

(1) Based on the assumptions of all Preferred Shares having been converted into Shares on a one-to-one basis.

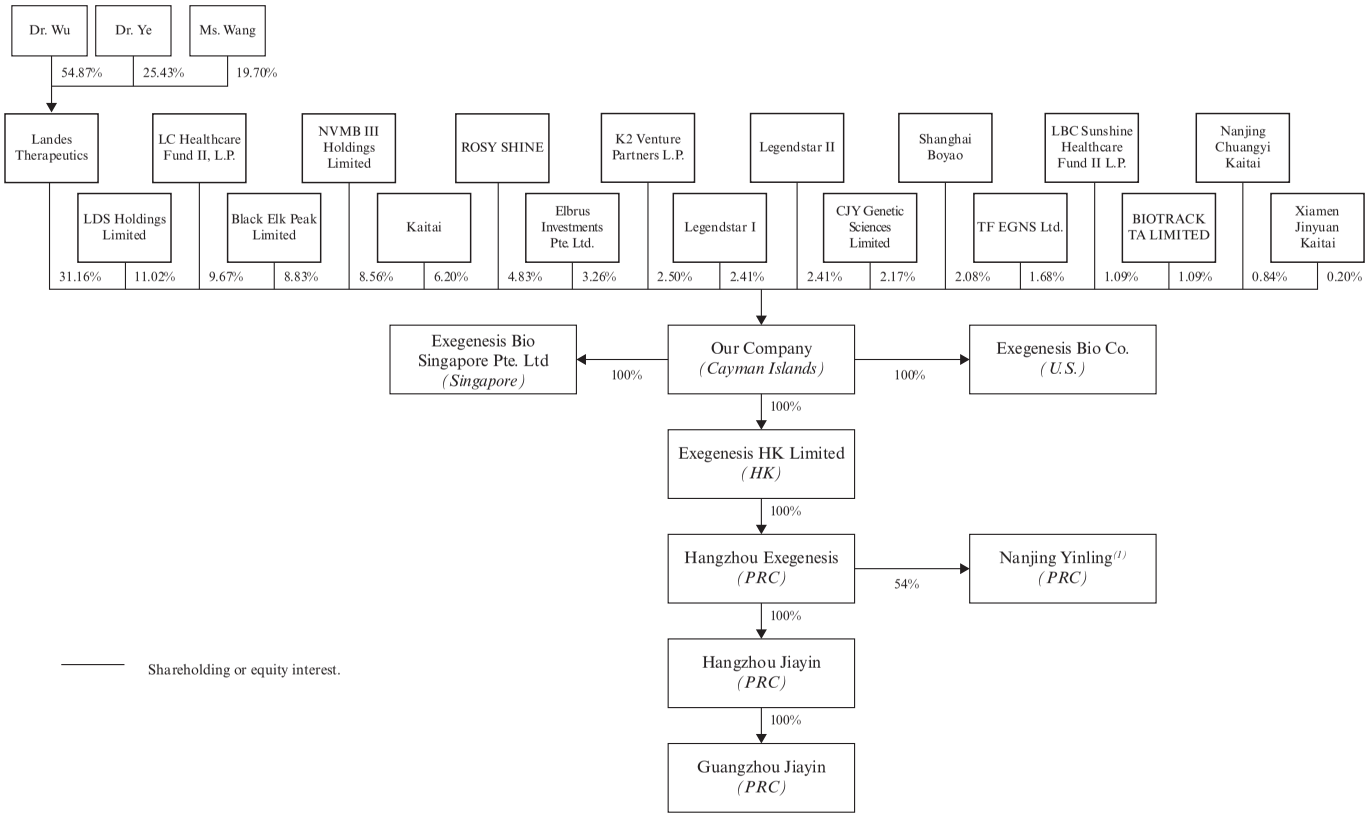
(2) Refers to the approximate ownership percentage in the total issued share capital of our Company. Certain amounts and percentage figures have been subject to rounding adjustments.

PRC REGULATORY REQUIREMENTS

Our PRC Legal Adviser have 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 chart below sets out the shareholding structure of our Company immediately before completion of the Conversion and the [**REDACTED**]:

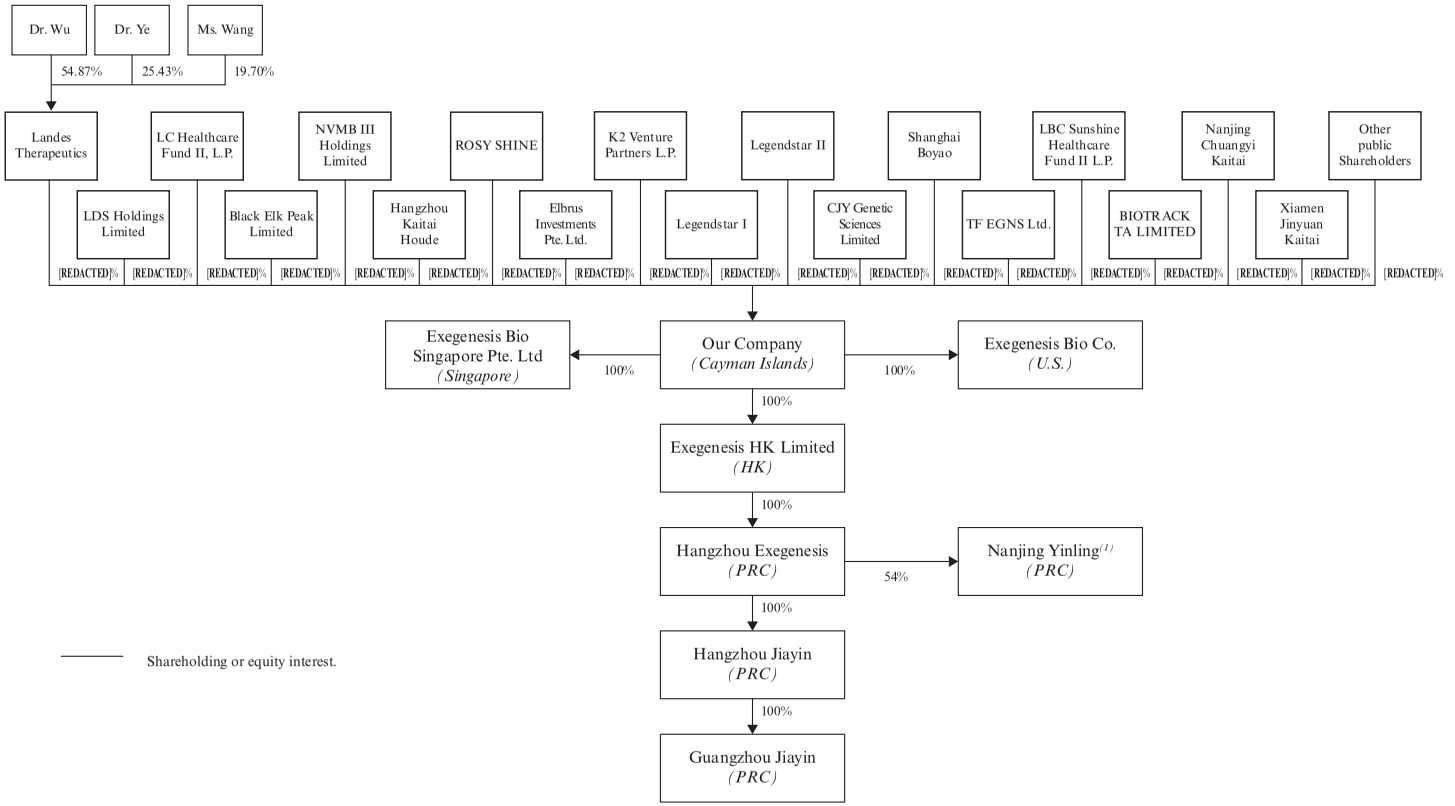


Note:

(1) Nanjing Yinling is a limited liability company established in the PRC and is held as to approximately 54.00% by Hangzhou Exegenesis, approximately 40.00% by Hangzhou Yinling, and 6% by Mr. Xin Xin, respectively. Hangzhou Yinling Bingjin Enterprise Management Partnership is managed by Dr. Wu as the general partner holding approximately 79.0910% partnership interest and owned as to approximately 20.9090% by Ms. Wang.

OUR CORPORATE STRUCTURE IMMEDIATELY FOLLOWING COMPLETION OF THE [REDACTED]

The chart below sets out the shareholding structure of our Company immediately following completion of the Conversion and the [**REDACTED**], assuming the [**REDACTED**] is not exercised, and no Shares will be issued under the Pre-[**REDACTED**] Equity Incentive Plan or the Convertible Loan Agreements:



Note (1): Please refer to the details contained in the preceding page.

The chart below sets out the shareholding structure of our Company immediately following completion of the **[REDACTED]** assuming that the **[REDACTED]** is exercised in full, but no Shares will be issued under the Pre-**[REDACTED]** Equity Incentive Plan or the Convertible Loan Agreements:

Note (1): Please refer to the details contained in the preceding page.

OVERVIEW

Who we are

Established in 2019, we are a biopharmaceutical company focused on discovering and developing gene therapies for neurological and ophthalmic diseases. Our pipeline also includes oligonucleotide-based therapeutics. We have internally developed two Core Products, EXG102-031 and EXG001-307 (SMA Type 1), one Key Product, EXG202, and built a pipeline of six product candidates with our fully-integrated in-house R&D platform.

Our Core Product candidate, EXG102-031 is an adeno-associated virus (AAV)-based gene therapy for the treatment of wet age-related macular degeneration (wAMD), a severe form of AMD characterized by choroidal neovascularization. The other Core Product candidate, EXG001-307 (SMA Type 1), is a differentiated product for the treatment of spinal muscular atrophy (SMA) type 1 as well as the first domestically developed gene therapy for SMA in China to enter the registrational clinical trial stage, according to Frost & Sullivan. Our Key Product candidate, EXG202, is an AAV-based gene therapy for the treatment of fundus neovascularization diseases including wAMD, diabetic macular edema (DME) and retinal vein occlusion (RVO). According to Frost & Sullivan, EXG102-031 and EXG202 are the first and only gene therapies globally that simultaneously inhibits all key angiogenic pathways (VEGF A/B, VEGF-C/D, PlGF, and Angiopoietin-2). In addition, we are developing oligonucleotide-based therapeutics within our pipeline as well.

Our focused therapeutic technology

Gene therapy

Gene therapy refers to a method that uses delivery vectors to transduce normal or therapeutic exogenous genes into target cells, thereby replacing or correcting disease-causing genes. It treats the root cause of genetic diseases by fixing disease-causing genes and often works with a single dose and achieves long-lasting effects. According to Frost & Sullivan, the global gene therapy market is ushering in a period of rapid growth and is expected to grow from US$3.6 billion in 2025 to US$12.5 billion in 2030 with a CAGR of 28.3%, and further grow to US$32.0 billion in 2035, representing a CAGR of 20.7% from 2030 to 2035.

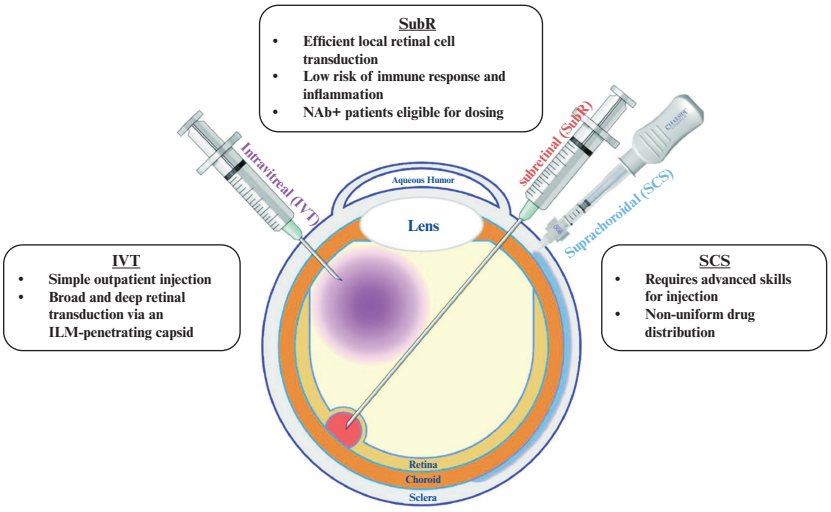
The technological evolution of viral vectors for gene therapy has advanced from integrating lentiviral vectors, to broad-spectrum but target-limited wild-type AAV vectors, and now to AAV vectors engineered for precise targeting and enhanced safety. Building on advances in AAV-based gene therapy, we are developing product candidates that progress from genetic rare diseases toward prevalent conditions with unmet needs. Our pipeline includes two Core Product candidates for spinal muscular atrophy (SMA) and wet Age-related Macular Degeneration (wAMD), respectively, and a Key Product candidate for fundus neovascularization diseases, and additional assets targeting neurological and ophthalmic disorders.

Fundus Neovascularization Disease

Fundus neovascularization disease refers to a group of eye disorders that affect vision due to pathological changes in the back of the eye, such as hemorrhage, exudation, and hyperplasia caused by excessive VEGF, which triggers abnormal blood vessel growth at the back of the eye. Major fundus neovascularization diseases include wAMD, DME and RVO. Globally, the fundus neovascularization disease drug therapy market is estimated to grow from US$17.9 billion in 2025 to US$30.7 billion in 2030 and US$55.8 billion in 2035, and the estimated number of fundus neovascularization disease patients is expected to rise from 85.1 million patients in 2025 to 91.9 million by 2030 and 99.0 million by 2035, and the estimated number of wAMD patients is projected to rise from 21.6 million in 2025 to 23.7 million by 2030 and 25.7 million by 2035, according to Frost & Sullivan.

The inhibition of angiogenesis with VEGF inhibitors is the first-line treatment for fundus neovascularization diseases. Current anti-VEGF treatments primarily inhibit single target pathway, however, incomplete inhibition can trigger compensatory increases in other angiogenic factors, contributing to persistent or recurrent disease activity and reduced therapeutic durability. Our Core Product candidate, EXG102-031, and our Key Product candidate, EXG202, are two distinct adeno-associated virus (AAV)-based gene therapies, designed to address current limitations for the treatment of fundus neovascularization diseases by delivering long-lasting, broad-spectrum angiogenesis inhibition to achieve synergistic and efficacy.

Gene therapy for fundus neovascularization diseases can be delivered through different injection routes, including (i) intravitreal (IVT) injection, where the treatment is injected into the vitreous, the gel-like center of the eye; (ii) subretinal (SubR) injection, in which the gene therapy product is delivered underneath the retina into the subretinal space, allowing for direct targeting of retinal and RPE cells; and (iii) suprachoroidal (SCS) injection, where the therapy is placed between the choroid and sclera. The following diagram illustrates the comparison of these three injection methods:



EXG102-031, is a one-time, subretinal-administered AAV-based gene therapy for the treatment of wAMD. According to Frost & Sullivan, subretinal injection, by delivering therapeutic agents directly to the subretinal space, enables precise targeting of the retinal pigment epithelium and photoreceptors, which are the key sites of disease pathology, thus enhancing treatment efficacy. The immune-privileged nature of the subretinal space offers a dual benefit: it improves the safety profile by reducing immune-related risks and inflammation, while also potentially enabling treatment in patients with pre-existing neutralizing antibodies — a common barrier to efficacy and eligibility in systemic AAV gene therapy.

EXG202 is a one-time, IVT-administered AAV-based gene therapy for the treatment of fundus neovascularization disease. According to Frost & Sullivan, IVT offers the strongest clinical scalability and implementation convenience. It is a well-established outpatient procedure that minimizes clinical complexity, and enables gene therapy to truly achieve large-scale commercialization potential. Meanwhile, it requires less specialized surgical skill, which lowers procedural risk, reduces cost, and improves patient access. With technological advancements, the transduction efficiency of IVT in the outer retina is significantly improving, further solidifying its strategic position as the most accessible and scalable route. Intravitreal injection is a well-established outpatient procedure that minimizes clinical complexity.

SMA

SMA is an autosomal recessive lower motor neuron disease, characterized by progressive proximal muscle weakness and skeletal muscle atrophy. According to Frost & Sullivan, the global SMA drug therapy market is estimated to grow from US$4,736.5 million in 2025 to US$5,931.9 million in 2030 and US$9,446.9 million in 2035, and the estimated number of SMA patients globally is expected to rise from approximately 176.9 thousand in 2025 to 195.5 thousand by 2030 and 210.8 thousand by 2035.

Approved treatments of SMA face limitations: poor adherence, insufficient neuronal SMN targeting and high costs. EXG001-307 (SMA Type 1) is a single-dose, AAV-based gene therapy designed to enable durable therapeutic expression of SMN. A key feature is its proprietary promoter, which directs expression within the central nervous system and minimizes it in peripheral tissues, thereby addressing a major safety limitation of current gene therapies. Furthermore, advances in manufacturing processes and know-how have significantly increased AAV production yields, leading to a reduction in overall costs. Consequently, the development of EXG001-307 (SMA Type 1) comprehensively addresses critical gaps in current SMA gene therapy approaches.

Oligonucleotide-based drugs

Oligonucleotides are a class of single- or double-stranded small synthetic nucleic acid polymers (≈20-mer) that can be used to modulate gene expression, oligonucleotide-based drugs represent a class of therapeutics that target disease-related RNA at the molecular level, offering sequence-specific precision in modulating gene expression. The global oligonucleotide drug market increased from US$3.0 billion in 2020 to US$7.9 billion in 2025 at a CAGR of 21.7%, and is projected to reach US$29.0 billion and US$65.0 billion by 2030 and 2035, respectively, representing a CAGR of 29.7% and 17.5%, according to Frost & Sullivan.

Major oligonucleotides include siRNA, ASO, Aptamer and AOCs. The benefits of oligonucleotide-based drugs include high target specificity, long-lasting effect and platform technology advantage. Our oligonucleotide pipeline is strategically designed for high-impact diseases where traditional drugs fall short: EXG112 targets chronic pain and EXG115 targets Alzheimer's disease.

Our product pipeline

Building on our expertise in rare genetic diseases, our strategic focus now encompasses the development of therapeutics for prevalent and high-burden diseases, such as fundus neovascularization diseases, chronic pain and Alzheimer's disease, distinguishing ourselves from many peers that primarily target ultra-rare conditions, according to Frost & Sullivan.

We advance innovation across two cutting-edge fields in our R&D efforts and future product pipeline development: gene therapy and oligonucleotide-based therapeutics.

In the field of gene therapy, our Core Products and Key Product candidates have made significant progress in the development of treatments for SMA and fundus neovascularization diseases (wAMD/DME/RVO). In addition, we have further expanded our advanced gene therapy programs to include prevalent ophthalmic diseases such as dry AMD disease. In the field of oligonucleotide-based therapeutics, we are developing oligonucleotide-based therapies, with candidate drugs targeting chronic pain or Alzheimer's disease now entering systematic development.

	Product	Indications	Target	Route of Administration	Monotherapy or combination therapy	Trial Locations	Line of Treatment	Self-developed, Acquired, or Licensed-in	Development Stage	Expected Upcoming Milestone	Jurisdictions
									IND & IND Preparation / Phase I / Phase II / Phase III		
Ophthalmology	★ EXG102-031	wAMD	VEGF/PlGF/ Ang2	SubR	Monotherapy	China, USA	Aflibercept, Bevacizumab, Brolucizumab, Faricimab-svoa, Ranibizumab, Conbercept	Self-developed	FDA and NMPA	2026H2 Phase IIb/III start	China, USA
	☆ EXG202	wAMD	VEGF/PlGF/ Ang2	IVT	Monotherapy	China	Aflibercept, Bevacizumab, Brolucizumab, Faricimab-svoa, Ranibizumab, Conbercept	Self-developed	FDA and NMPA	2026H2 Phase IIb start	China, USA
		DME								2027H1 Phase II start	China, USA
		RVO								2027H2 Phase II start	China, USA
	EXG113	dry AMD	Complement factors	IVT	Monotherapy	China	Pegcetacoplan and Avacincaptad pegol	Self-developed		IND submission TBD	China, USA
Neurology	★ EXG001-307	SMA Type 1	SMN1	IV	Monotherapy	China	Nusinersen, Onasemnogene abeparvovec (Zolgensma®, ITVISMA®), Risdiplam	Self-developed	NMPA	2026H2 Phase III regulatory alignment	China, USA, Europe, Japan
	EXG112	Chronic Pain	Nav 1.7	IT	Monotherapy	China	NSAIDs, acetaminophen, anticonvulsants, opioids	Self-developed		2027H1 IIT start 2028H1 IND submission	China, USA
	EXG115	Alzheimer's Disease	Tau	IV or SubQ	Monotherapy	China	Aricept, Exelon, Razadyne, Namenda, Leqembi and Kisunla	Self-developed		IND submission TBD	China, USA
	EXG116	Rett Syndrome	MECP2	IV or IT	Monotherapy	China	Trofinetide	Self-developed		2028H2 IIT	China, USA
Others	EXG110	Fabry Disease	GLA	IV	Monotherapy	China	Fabrazyme, Galafold, Elfabrio	Self-developed	NMPA	2028H2 Phase I completion	China, USA
	EXG111	DMD	Dystrophin	IV	Monotherapy	China	Emflaza, Agamree, Exondys 51, Vyondys 53, Viltepso, Amondys 45, Elevidys	Self-developed		2029H2 IND submission	China, USA

★ Core Products ☆ Key Product

SMA: Spinal Muscular Atrophy; wAMD: wet Age-related Macular Degeneration; DME: Diabetic Macular Edema; RVO: Retinal Vein Occlusion; DMD: Duchenne Muscular Dystrophy; IT: Intrathecal Injection; IV: Intravenous Injection; IVT: Intravitreal Injection; SubR: Subretinal Injection; IIT: Investigator Initiated Trial; IND: Investigational New Drug; SubQ: Subcutaneous Injection

Notes:

(1) EXG202 for DME/RVO plans to engage with the NMPA to progress directly to Phase II, supported by wAMD data.

(2) VEGF includes VEGF-A, -B, -C and -D

(3) Abbreviations: H1 = first half; H2 = second half; TBD = to be determined

Our platforms

Our platforms provide distinct advantages in precision, efficiency, and translational potential, enabling the accelerated development of safe and effective gene therapies and oligonucleotide-based therapeutics.

We have established a dual technology platform system consisting of *AAVarta* and *SODA* that covers the two core aspects of gene therapy: "precise delivery" and "gene regulation". Precise and efficient delivery is fundamental to the success of any therapeutic and is particularly critical in gene therapy, where clinical efficacy is largely determined by vector performance. A key limitation of current gene therapies is the lack of capsids capable of targeting disease-relevant organs and tissues efficiently and selectively. To address this challenge, we have developed *AAVarta*, a proprietary, AI-assisted platform designed to discover and optimize gene delivery vectors. Through iterative data integration and model refinement, *AAVarta* has generated novel capsids with transduction of retinal tissues, enhanced muscle targeting, and capsids capable of efficiently bypassing the blood-brain barrier (BBB). The BBB-penetrating capsids achieved broad neuronal transduction in the central nervous system, with up to a 200-fold increase in efficiency compared with wild-type AAV capsids.

The *SODA* platform is a validated gene-silencing design and optimization engine dedicated to the development of oligonucleotide-based therapeutics and modulatory gene therapy. *SODA* integrates target biology assessment, bioinformatics-driven sequence selection, chemical modification strategies, and high-throughput functional screening to generate oligonucleotide candidates with high specificity, potent and durable gene silencing, and minimized off-target effects. The platform supports multiple oligonucleotide and gene therapy modalities, including ASO, siRNA, miRNA, antibody-oligonucleotide conjugates (AOC). In addition, *SODA* platform also supports the design of optimized gene therapy constructs to achieve precise modulation of target genes. It systematically advances candidates from rational design through preclinical validation, enabling efficient translation toward clinical development.

Collectively, the *AAVarta* and *SODA* platforms operate in close collaboration, synergizing expertise across gene therapy vector design, oligonucleotide engineering, and sequence optimization for efficient in *vivo* delivery. Together, they form the integrated technological backbone for a new generation of therapies, combining maximized efficacy, safety, and versatility across both modalities.

OUR COMPETITIVE STRENGTHS

The first and only ophthalmic gene therapy in the world targeting all key angiogenic pathways (VEGF A/B, VEGF-C/D, PlGF, and Ang2)

Fundus neovascularization is driven by multiple angiogenic pathways. Compensatory signaling and bypass activation contribute to suboptimal or non-durable responses to anti-VEGF monotherapy, highlighting the need for next-generation therapies that target multiple angiogenic mechanisms. According to Frost & Sullivan, our Core product EXG102-031 is the first gene therapy globally that simultaneously inhibits all key angiogenic pathways (VEGF A/B, VEGF-C/D, PlGF, and Ang2). Independently developed by us for the treatment of wet age-related macular degeneration (wAMD), EXG102-031 broadly suppresses vascular leakage and neovascularization at the root, enabling durable and comprehensive therapeutic benefits. As of the Latest Practicable Date, EXG102-031 has demonstrated excellent safety and significant efficacy following subretinal injections. For details, see "Business — Our Product Pipeline — EXG102-031 — Core Product Candidate — Competitive Advantage — Phase I/II Trial Status and Data" in this document. Compared with intravitreal injection products, subretinally administered EXG102-031 reduces immunogenic responses, circumvents limitations imposed by pre-existing neutralizing anti-AAV antibodies, and enables strong and reliable in situ retinal expression.

Building on the innovative mechanism of action and successful experience of EXG102-031, we are simultaneously advancing the clinical trials of EXG202 through intravitreal administration. Together, EXG102-031 and EXG202 represent the only gene therapy candidates globally designed to inhibit all key angiogenic pathways. Intravitreal injection is a non-surgical procedure, making it more accessible in routine clinical practice and enabling treatment of a broader patient population. EXG202 utilizes a novel, independently developed engineered AAV capsid that, following intravitreal injection, achieves broader retinal coverage and deeper tissue penetration. EXG202 has been generally

well tolerated in the IIT and IND Phase I to date. For details, see "Business — Our Product Pipeline — EXG202 — Key Product Candidate — Competitive Advantage — Investigator Initiated Trial" in this document.

An innovator in SMA gene therapy, with differentiated product candidate in the world

Our Core Product, EXG001-307 (SMA Type 1), a recombinant adeno-associated virus (rAAV) gene therapy, is a differentiated product candidate for the treatment of SMA as well as the first domestically developed gene therapy for SMA in China to advance to registrational clinical trial stage, according to Frost & Sullivan. As of the Latest Practicable Date, we have completed Phase I/II clinical trials of EXG001-307 (SMA Type 1) and currently plan to initiate the discussion with the regulatory authority about the design for the Phase III clinical trial in 2026 H2.

A key innovation of EXG001-307 (SMA Type 1) is its neuron-preferential gene expression control. The construct incorporates a proprietary promoter that enables transgene expression in neurons, whereas reduces expression in peripheral organs such as the liver and heart, thereby mitigating systemic exposure and lowering the risk of dose-limiting toxicity. As an AAV gene therapy product, EXG001-307 (SMA Type 1) ensures stable, long-lasting expression of SMN protein, offering the potential for "one-time administration, long-term efficacy", thereby significantly improving treatment efficacy and patient adherence.

Benefiting from the design of gene expression control, EXG001-307 (SMA Type 1) has demonstrated significant therapeutic advantages in clinical studies. For details, see "Business — Our Product Pipeline — EXG001-307 (SMA Type 1) — Our Core Product candidate — Competitive Advantage — SMA Type 1 Phase I/II Trial Status and Data" in this document. EXG001-307 (SMA Type 1) has demonstrated advantages over currently marketed therapies in achieving key motor milestones, which not only confirms its exceptional therapeutic potential, but also signals new hope for the SMA patient community.

AI-assisted, clinically validated vector design enabling well-performing gene therapy candidates

We have built an AI-assisted, innovative vector design platform that directly address the central determinant of gene therapy success: precise and efficient *in vivo* delivery. The platform has established a differentiated competitive advantage by enabling the discovery, optimization, and clinical translation of optimized AAV vectors. In addition to novel capsid design and development, AI-assisted platforms have also been applied to vector payload optimization, including promoter engineering and transgene sequence optimization, resulting in novel designs incorporated into our Core Products EXG102-031 and EXG001-307, our Key Product EXG202, and the clinical-stage pipeline candidate EXG110.

AAVarta integrates deep-learning algorithmic design, protein structure prediction and new binder generation, high-throughput screening, and iterative wet-lab validation in an end-to-end workflow to generate novel AAV capsids with enhanced tissue tropism and delivery properties. For details, see "Business — Research and Development — Our Platforms".

The platform has successfully generated multiple validated capsids, demonstrating its broad utility across retinal, muscular, and CNS diseases.

Developing oligonucleotide therapeutics for prevalent diseases

Our oligonucleotide therapeutics portfolio is enabled by *SODA* platform that supports the rational creation and translational advancement of oligonucleotide-based medicines and modulatory gene therapies. *SODA* integrates bioinformatics-driven sequence selection, chemical modification strategies, and high-throughput *in vitro* screening to systematically design antisense oligonucleotide (ASO), small interfering RNA (siRNA), microRNA (miRNA), and antibody oligonucleotide conjugate (AOC) candidates. Our company leverages this platform to develop oligonucleotide therapeutics for prevalent diseases with significant unmet needs.

SODA platform has the ability to generate oligonucleotide therapeutics with predictable, consistent performance across multiple modalities, including ASO, siRNA, RNAi, and AOC. Together, these capabilities underscore *SODA*'s dual role: a clinically oriented engine powering gene-silencing therapeutics, and a foundational platform driving the development of translatable RNAi medicines for highly prevalent, underserved diseases. For details, see "Business — Research and Development — Our Platforms".

Solid manufacturing process in the gene therapy industry

Manufacturing process development and the associated know-how are distinct from manufacturing operations themselves. Leveraging our proprietary technologies and patented techniques, we are able to transfer our processes to third-party CDMOs to enable efficient, high-yield AAV manufacturing. We have established a solid gene therapy manufacturing process based on large-scale HEK293 cell suspension culture system. This manufacturing process is built on proprietary patented technologies, delivering outstanding production efficiency and scalability while ensuring consistent and controllable product quality. For details, see "Business — MANUFACTURING — Our Manufacturing Process" in this document.

Leveraging advanced process analytical technologies and a rigorous quality control system, our production process ensures high consistency and long-term controllability of critical quality attributes. This technologically reliable manufacturing process not only provides a solid foundation for the industrialization and quality assurance of our products, but also represents a core technical advantage that underpins our continued leadership and advancement in the field of gene therapy.

Capable and experienced senior management team

We are led by a mature, visionary, and internationally oriented senior management team that oversees all core business areas, including product design, platform development, clinical research, strategic planning, and commercial partnerships. Our management team members have an average of over 20 years of professional experience in the biopharmaceutical industry. Their deep expertise, comprehensive understanding of disease pathophysiology across multiple therapeutic areas, and outstanding leadership capabilities are key drivers behind our ability to build a diversified gene therapy pipeline, advance toward successful commercialization, and maintain a strong competitive edge. For details, see "Directors and Senior Management" in this document.

OUR BUSINESS STRATEGIES

We pursue a globally oriented, platform-enabled commercialization strategy designed to translate breakthrough science into safe, durable, and accessible gene and oligonucleotide therapies for diseases with significant unmet medical need and substantial market potential. While our development originated in rare inherited disorders, we are strategically expanding toward high-burden, large-population indications across ophthalmology and neurology, diseases, positioning our portfolio for both clinical impact and long-term commercial scale.

Advance differentiated therapies with global development pathways

Across our Core and Key Products, we focus on accelerating clinical development through parallel, multi-regional trials, particularly in China and the United States, to enable synchronized global registrations and shorten time to market. By integrating shared clinical, regulatory, and operational frameworks, we maximize efficiency, ensure data interoperability, and support mutual regulatory recognition, strengthening our ability to establish potentially first- positions in competitive therapeutic landscapes.

For our Core Product, EXG102-031, we plan to initiate the Phase IIb/III trial in 2026 H2 in China. For the other Core Product, EXG001-307 (SMA Type 1), we plan to initiate the discussion with the regulatory authority for the pivotal Phase III trial design in 2026 H2. For our Key Product, we intend to initiate the Phase IIb trial in 2026 H2. For detailed implementation plans and allocated [**REDACTED**], see "Future Plans and [**REDACTED**]" of this document. To support commercialization of our Core and Key Products, we will adopt a hybrid strategy combining independent operations and collaborations with biopharmaceutical companies via strategic partnerships.

Accelerate platform-driven expansion into highly prevalent diseases

Underlying our strategy is the continuous evolution of our AI-enabled *AAVarta* and *SODA* platforms, which drive rapid iteration, pipeline expansion, and high translational success rates. These platforms enable a repeatable development engine, from discovery to clinic. This enables us to expand into additional high-value indications with larger patient populations and high unmet medical needs. Combined with disciplined project management, cross-regional execution, and strategic partnerships, we are building a dual-engine growth model powered by internal innovation and external collaboration. For detailed implementation plans and allocated [**REDACTED**], see "Future Plans and [**REDACTED**]" of this document.

Deliver superior safety, durability, and patient convenience

Our product design philosophy emphasizes long-term efficacy, favorable safety profiles, and patient-centric delivery. By integrating advanced capsid engineering, payload optimization, and multi-mechanism therapeutic strategies, our programs aim to reduce treatment burden, enhance durability, increase patient adherence, and improve real-world outcomes, supporting the transition of gene therapy from an emerging option to a mainstream standard of care in selected indications.

Build scalable, high-quality, and cost-efficient manufacturing process

Manufacturing process development and the associated know-how are distinct from manufacturing operations themselves. Leveraging our proprietary technologies and patented techniques, we are able to transfer our processes to third-party CDMOs to enable efficient, high-yield AAV manufacturing. We are establishing a scalable CMC and manufacturing process capable of supporting both late-stage clinical development and commercial supply. Through process scale-up and automation, we aim to enhance yield, purity, consistency, and product quality while continuously reducing cost of goods. This manufacturing strategy supports our commitment to affordable and broadly accessible gene therapies, a critical differentiator as the company and field moves toward larger patient populations and real-world adoption.

Drive commercial readiness and global market access

Commercial execution is advanced in parallel with late-stage development. We are building a forward-looking commercialization system encompassing medical affairs, physician education, surgical and administration training, supply chain readiness, and market access planning. Flexible go-to-market models, including independent commercialization, regional partnerships, and licensing, allow us to efficiently penetrate global markets while managing risk and capital allocation.

OUR PRODUCT PIPELINE

Overview

Since our inception, we have adopted and executed our strategic business model of self-developing differentiated biopharmaceutical products with a focus on gene therapies. Among our pipeline, our Core Product candidate, EXG102-031, is for the treatment of wAMD. The other Core Product candidate, EXG001-307 (SMA Type 1), is for the treatment of SMA. In addition to our Core Product candidates, we are also developing one key product candidate, EXG202, is for the treatment of fundus neovascularization. Our pipeline also includes oligonucleotide-based therapeutics. The following chart summarizes our pipeline spanning ophthalmic, neurological, and other diseases, and the development status of each product candidate as of the Latest Practicable Date. Our product candidates are discovered and developed in-house, and we own global rights over our product candidates.

EXG102-031 - Core Product Candidate

Overview

EXG102-031 is an adeno-associated virus (AAV)-based gene therapy product candidate for the treatment of wet age-related macular degeneration (wAMD), a severe form of AMD characterized by fundus neovascularization. EXG102-031 is injected directly into the immune-privileged subretinal space via subretinal injection, and transduces retinal pigment epithelium (RPE) cells and photoreceptors, delivering a transgene encoding a proprietary multi-target anti-angiogenic fusion protein, while avoiding exposure to pre-existing neutralizing antibodies in the vitreous.

Once expressed, this fusion protein inhibits all key angiogenic pathways (VEGF-A/B, VEGF-C/D, placental growth factor (PlGF), and Angiopoietin-2 (Ang2)), thereby suppressing multiple angiogenic pathways implicated in fundus neovascularization. EXG102-031, together with our Key Product candidate, EXG202, collectively represents the first and only ophthalmic gene therapy programs designed to comprehensively target this all the key angiogenic pathways. This coordinated, multi-pathway inhibition represents a differentiated therapeutic approach, as no approved therapies and investigational candidates target this broad spectrum of angiogenic drivers. By supporting sustained intraocular expression following a single subretinal administration, EXG102-031 provides durable control of neovascular growth, vascular leakage and retinal edema while substantially reducing reliance on frequent intravitreal anti-VEGF injections and associated real-world treatment burdens.

EXG102-031 received IND approval from the FDA in January 2023 and from the NMPA in June 2023. As of the Latest Practicable Date, the Phase I/II clinical trial of EXG102-031 had completed enrollment at 10 clinical sites (2 in the United States and 8 in China). A total of 39 patients were treated across five dose cohorts in China and four dose cohorts in the U.S. in the Phase I stage and two cohorts in the Phase IIa dose-expansion. Both the Phase I and Phase IIa stages have completed the last visit (52-week) in the main study, and the long-term follow-up is ongoing.

Interim results demonstrated clinically meaningful improvements in both visual acuity and anatomical outcomes, along with a substantial reduction in treatment burden. BCVA and CRT were consistently maintained or improved through 12 months of follow-up across cohorts. EXG102-031 was generally well tolerated, with no treatment-related serious adverse events (SAE), no dose-limiting toxicities (DLT), and no severe ocular complications.

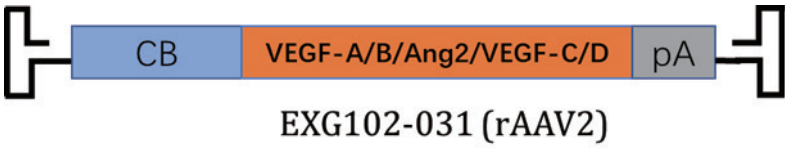
In China trials, all enrolled patients in the Phase IIa have completed the 52-week visit, the final visit in the main study. The Phase IIb/III trial is expected to commence in the second half of 2026. In the United States, Phase I clinical trial of EXG102-031 has been completed and the clinical database has been locked since March 20, 2026.

Mechanism of Action

wAMD is driven by dysregulated angiogenesis involving multiple VEGF signaling pathways and the destabilizing effects of Ang2. VEGF-A, VEGF-B, VEGF-C, VEGF-D and PlGF promote neovascular proliferation and vascular leakage through VEGFR1, VEGFR2 and VEGFR3, while Ang2 synergistically increases vascular permeability and destabilizes endothelial junctions. Current pharmacologic therapies primarily inhibit VEGF-A alone, or in the case of dual-targeting agents, VEGF-A and Ang2. However, incomplete inhibition can trigger compensatory increases in VEGF-C, VEGF-D and Ang2, contributing to persistent or recurrent disease activity and reduced therapeutic durability.

EXG102-031 is a recombinant AAV vector delivered via subretinal injection, placing the vector within the immune-privileged subretinal space. Compared with alternative delivery routes such as suprachoroidal (SCS) or intravitreal administration, subretinal delivery enables more efficient and localized transduction of retinal pigment epithelium (RPE) cells and photoreceptors while minimizing exposure to pre-existing neutralizing antibodies present in the vitreous or choroidal circulation, thereby leveraging the immune-privileged subretinal environment to reduce immune activation and intraocular inflammation and support a more favorable safety profile.

EXG102-031: AAV construct design



Source: Company diagram.

Following subretinal injection of EXG102-031, transduced RPE cells and photoreceptor cells express a proprietary multi-target anti-angiogenic fusion protein containing the ligand-binding domains of VEGFR1, VEGFR2 and VEGFR3 together with an Ang2-binding domain. This novel approach enables coordinated inhibition of VEGF-A/B, VEGF-C/D, PlGF, and Ang2, as summarized in the Table below which provides a side-by-side overview of angiogenic pathway coverage among selected AAV-based gene therapies. This comprehensive pathway suppression prevents compensatory signaling, overcomes incomplete response, and provides durable control of exudation, neovascular growth and edema.

Product	Targeted Pathways					
	VEGF-A	VEGF-B	VEGF-C	VEGF-D	PlGF	Ang-2
EXG102-031	✓	✓	✓	✓	✓	✓
EXG202	✓	✓	✓	✓	✓	✓
RGX-314 (ABBV/REGENX BIO)	✓					
4D-150 (4D Molecular Therapeutics)	✓	✓	✓ (Inhibition via miRNA)		✓	
Ixo-vec/ADVM-022 (Adverum)	✓	✓			✓	

Source: Literature Review, F&S Analysis

EXG102-031 represents the first ophthalmic gene therapy program designed to comprehensively target all the key angiogenic pathways. By enabling sustained and localized intraocular expression of this fusion protein, EXG102-031 is designed to mitigate compensatory signaling, provide durable disease control, reduce reliance on frequent intravitreal anti-VEGF injections in wAMD.

As a gene therapy drug candidate, the key components of EXG102-031, the function of each component, and ownership are shown in the table below:

Component	Function	Ownership
AAV2 wild type capsid	Vector used to deliver transgene to the target cells	The patent has expired and legally enters the public domain.

Component	Function	Ownership
DNA construct expressing anti-angiogenic factors	To express a recombinant protein blocking all the key angiogenic pathways to treat wet AMD patients	The Company fully owns the patent of the construct design.

As advised by Zhonglun Law Firm, our intellectual property counsel, we confirm that we own the patents to the product EXG102-031 and the DNA construct listed above, while the full term of the patent on AAV2 wild type capsid has expired and such expired patent will not restrict our use of AAV2 wild type capsid in EXG102-031 or otherwise jeopardize the R&D and future commercialization of EXG102-031.

Given that the key differentiation of EXG102-031 from other comparable products currently on the market lies in the design of its payload, rather than the capsid, the expiration of AAV2 capsid patent protection and its entry into the public domain is not expected to adversely affect the market competitiveness of EXG102-031. Accordingly, even if we do not develop a novel capsid, we believe this would not impair the competitive position of EXG102-031.

Market Opportunity and Competition

Market Opportunity

Wet age-related macular degeneration (wAMD) is a prevalent and vision-threatening fundus neovascularization disease and a leading cause of irreversible blindness among older adults. In 2025, global wAMD prevalence reached 21.6 million, and is projected to rise to 23.7 million by 2030 and 25.7 million by 2035. In China, the wAMD population reached 4.0 million in 2025 and is expected to grow to 4.6 million by 2030 and 5.0 million by 2035.

Despite advances in anti-VEGF biologics, wAMD remains a chronic and recurrent disease with substantial unmet need. Approved therapies require frequent and long-term intravitreal injections, resulting in significant treatment burden and poor real-world adherence, with many patients receiving fewer injections than recommended or discontinuing therapy early. Even among treated patients, incomplete or non-durable disease control is common, with persistent fluid, progressive anatomical changes or vision decline, and relapse after treatment interruption. These limitations reflect both biological constraints, including incomplete suppression of angiogenic pathways and compensatory signaling, and practical challenges associated with repeated intravitreal administration.

Given the rising prevalence of wAMD, the aging global populations, the significant clinical and economic burden of disease and the limitations of existing anti-VEGF treatments, there is strong and growing market demand for safe, effective and accessible single-dose gene therapies.

Current Treatment Options and Limitations

As of the Latest Practicable Date, all approved pharmacologic therapies for wAMD are anti-VEGF biologics requiring repeated dosing. These include ranibizumab (Lucentis®), a monoclonal antibody fragment targeting VEGF-A; aflibercept (Eylea®) and conbercept (Lumitin®), which are VEGF-receptor-based fusion proteins that bind VEGF-A, VEGF-B and PlGF; and faricimab-svoa (Vabysmo®), a bispecific antibody targeting both VEGF-A and Ang2. These products have demonstrated clinical efficacy and remain the standard of care in major markets including the United States and China.

Despite these therapeutic advances, current anti-VEGF therapies face significant biological limitations. While some approved agents inhibit more than one ligand (e.g., Eylea® and Lumitin® also bind VEGF-B and PlGF, and Vabysmo® targets Ang2 in addition to VEGF-A), none provide comprehensive suppression of all the key angiogenic drivers

implicated in wAMD. Incomplete inhibition of pathways involving VEGF-C, VEGF-D and Ang2 may allow compensatory signaling, contributing to persistent or recurrent disease activity and limited durability of response.

In addition, current therapies require frequent intravitreal injections and long-term maintenance, leading to poor real-world adherence. In China, patients receive an average of only 4.2 injections in the first year, declining to 2.8-3.5 injections annually thereafter, with a ten-year average of fewer than three injections per year, and approximately 80% of patients ultimately discontinue anti-VEGF therapy, nearly 50% within the first year.

Frequent intravitreal injections impose substantial physical and psychological burden and procedural risks, contributing to poor adherence, which is commonly reported below 50% and falls to less than 44% after one year in fundus neovascularization diseases. Even among patients who remain on therapy, 40-50% of treated exhibit persistent retinal fluid at 12–24 months, approximately 20% never achieve complete fluid resolution, macular atrophy occurs in ~11% of eyes at 12 months and 29% at 24 months, and ~30% of patients relapse within one year after treatment discontinuation, reflecting both biological pathway limitations and real-world adherence constraints.

Overall, existing anti-VEGF therapies are limited by narrow pathway coverage, limited durability, poor real-world adherence, frequent injections, long-term safety concerns and incomplete anatomical response, underscoring the need for new therapeutic modalities capable of sustained, multi-pathway suppression with fewer administrations. EXG102-031 is designed to address these unmet needs by providing long-lasting, broad-spectrum angiogenesis inhibition following a single subretinal administration.

Competitive Landscape

Anti-VEGF monoclonal antibodies and fusion proteins remain the standard of care for wet age-related macular degeneration (wAMD) and represent the primary competitors to EXG102-031 today. Approved products include Lucentis® (ranibizumab); Eylea® (aflibercept), Lumitin® (conbercept), and Vabysmo® (faricimab-svoa).

In parallel, several AAV-based gene therapies for wAMD are in clinical development. The most advanced include RGX-314 (REGENXBIO), an AAV8-based gene therapy delivered via subretinal injection and currently in Phase III development, and ADVM-022 (Adverum Biotechnologies), an intravitreally administered AAV-based gene therapy in Phase III trials. A third global clinical-stage program, 4D-150 (4D Molecular Therapeutics), is an intravitreally delivered AAV-based gene therapy targeting VEGF-A, VEGF-B, VEGF-C and PlGF and has also progressed to Phase III development. As of the Latest Practicable Date, no gene therapy for wAMD has been approved in the United States, Europe, Japan or any other major market.

Global Competitive Landscape of Gene Therapy Pipelines for Treatment of wAMD

Drug Name/Code	Target	Company	Clinical Stage	Indication	First Posted Date
EXG102-031	VEGF-A/B/C/D, Ang2, PlGF	Exegenesis Bio	Phase I/II	wAMD	2023/6/6
EXG202	VEGF-A/B/C/D, Ang2, PlGF	Exegenesis Bio	Phase I/II	nAMD	2025/9/17
ABBV-RGX-314	VEGF	AbbVie	Phase II/III	nAMD	2021/1/12
Ixoberogene Soroparvovec.	VEGF	Adverum Biotechnologies	Phase III	nAMD	2025/3/4
4D-150	VEGF-A/B/C, PlGF	4D Molecular Therapeutics	Phase III	nAMD	2025/3/7
NG101	VEGF-A	Neuracle Genetic	Phase I/II	nAMD	2023/8/9
KH631	VEGF	Kanghong Pharmaceutical	Phase I	nAMD	2022/12/10
KH658	VEGF	Kanghong Pharmaceutical	Phase I	nAMD	2025/2/8

Notes:

1. The industry information is as of 2026/08/23.
2. First posted date refers to the date on which the study record was first available on Chinadrugtrials.org.cn or Clinicaltrials.gov.
3. The clinical stage refers to the latest clinical trials as well as the first posted date.
4. Only includes pipelines active within the past five years.

Source: Clinicaltrials.gov, Company website, Literature research, F&S Analysis

In China, the wAMD gene therapy landscape is expanding but remains at an early stage. Several international and domestic companies are developing AAV-based gene therapies, including LX102 (Innostellar Biotherapeutics), RRG001 (RRGene Therapeutics), SKG0106 (Skyline Therapeutics), XMVA09 (Starry Gene), AL-001 (Anlong Bio), JWK001 (Genevector), IVB103 (InnoVec Bio), FT-003 (Frontera Therapeutics), KH631 and KH658 (Kanghong Pharmaceutical), as summarized in the Table below.

China Competitive Landscape of Gene Therapy Pipelines for Treatment of wAMD

Drug Name/Code	Target	Company	Clinical Stage	Indication	First Posted Date
EXG102-031	VEGF-A/B/C/D, Ang2	Exegenesis Bio	Phase I/II	wAMD	2023/10/12
EXG202	VEGF-A/B/C/D, Ang2	Exegenesis Bio	Phase I/II	wAMD	2025/9/18
AL-001	VEGF	Anlong Bio	Phase II	wAMD	2025/2/18
HX9428.	VEGFR2	Fujian Haixi Pharmaceuticals	Phase II	wAMD	2026/7/30
LX102	VEGF	Innostellar Biotherapeutics	Phase III	nAMD	2026/01/24
KH631.	VEGF	Kanghong Pharmaceutical	Phase I/II	nAMD	2023/2/2
FT-003.	VEGF	Frontera Therapeutics	Phase I/II	nAMD	2023/8/21
RRG001	VEGF	RRGENER Therapeutics	Phase I/II	nAMD	2023/11/21
SKG0106	VEGF-A	Skyline Therapeutics	Phase I/II	nAMD	2023/12/27
XMVA09	Ang2, VEGF-A	Starry Gene	Phase I/II	wAMD	2024/4/12
JWK001	VEGF	Genevector	Phase I/II	nAMD	2024/5/30
KH658.	VEGF	Kanghong Pharmaceutical	Phase II	nAMD	2026/7/7
IVB103	NA	InnoVec Bio	Phase I/II	nAMD	2024/11/29
NGGT007.	NA	Next Generation Gene Therapeutics	Phase I/II	nAMD	2025/1/16
CRG-B191	VEGF	CorreGe	Phase I/II	wAMD	2025/11/6

Notes:

1. The industry information is as of 2026/08/23.
2. First posted date refers to the date on which the study record was first available on Chinadrugtrials.org.cn or Clinicaltrials.gov.
3. The clinical stage refers to the latest clinical trials as well as the first posted date.
4. Only includes pipelines active within the past three years.

Source: CDE, Company website, Literature research, F&S Analysis

With the exception of RGX-314, ADVM-022 and 4D-150, the majority of these candidates remain in early-phase clinical or investigator-initiated trials. As of the Latest Practicable Date, no AAV-based gene therapy for wAMD had received marketing approval in China or overseas, and all candidates were still in clinical development.

Competitive Advantage

EXG102-031 expresses a multi-target fusion protein that simultaneously inhibits VEGF-A/B, VEGF-C/D, placental growth factor (PlGF) and angiopoietin-2 (Ang2), enabling broad suppression of angiogenic signaling and limiting compensatory pathway activation.

Delivered via a single subretinal administration, EXG102-031 is designed to provide sustained intraocular expression, with the potential to provide long-lasting therapeutic effect, and substantially reduce treatment burden compared with therapies requiring repeated intravitreal dosing.

Subretinal delivery provides an additional and important advantage for EXG102-031. This route enables highly efficient AAV transduction in localized RPE and photoreceptor cells, and avoids the limitations associated with pre-existing neutralizing antibodies in the vitreous and reduces the risk of immune-mediated intraocular inflammation. This delivery approach supports durable expression of the therapeutic fusion protein from a single injection and is expected to significantly reduce reliance on frequent intravitreal injections.

Interim efficacy results from the Phase I/II clinical trial conducted in China and the United States further support the therapeutic potential of EXG102-031. As detailed in the following Table and the "Phase I/II Trial Status and Data" section below, across dose cohorts, patients demonstrated clinically meaningful improvements in best-corrected visual acuity (BCVA) and central retinal thickness (CRT), together with a marked reduction in the need for rescue anti-VEGF treatment. As summarized in the table below, these outcomes compare favorably across key durability and treatment-burden metrics relative to reported 6-month results from other clinical-stage AAV-based anti-VEGF gene therapies, based on publicly disclosed trial data.

6-Month Clinical Outcomes of Anti-VEGF Gene Therapies

Company/ Product	Targets	Dosing Routes#	Dose (vg/eye)*	**BCVA improvement (letters)**	**CRT Reduction (μm)**	**% Injection-Free Patient**	**% Annualized anti-VEGF Reduction**
Exegenesis Bio/ EXG102-031	**VEGF-A/B/C/D, PlGF, Ang2**	**SR**	**1.8×10^{11} (n=12)**	**+6.2**	**-91.5**	**92%**	**-97%**
REGENXBIO/ RGX-314	VEGF-A	SR	6.4×10^{10} (n=15)	+2.9	-5.5	73%	-68%
			1.3×10^{11} (n=15)	+8.6	-12.6	60%	-68%
Adverum/ ADVM-022	VEGF-A/B, PlGF	IVT	6×10^{10} (n=30)	-1.1	-12.6	76%	-90%
4DMT/ 4D-150	VEGF-A/B/C, PlGF	IVT	3×10^{10} (n=30)	+3.5	-9.2	77%	-89%

Note: These results were obtained from different trials and are not based on a head-to-head comparison.

For comparison with EXG102-031, we selected only Phase III gene therapies, using their available 6-month data from Phase II trials.

Dosing routes: IVT=intravitreal injection; SR=Subretinal injection

* Doses advanced to Phase III trials

Source: F&S Analysis

EXG102-031 was generally well tolerated, with no treatment-related serious adverse events, no dose-limiting toxicities and no severe ocular complications such as endophthalmitis, retinal detachment or irreversible vision loss reported as of the Latest Practicable Date.

Phase I/II Clinical Trial in China

Overview. We are conducting a combined Phase I/II clinical trial of EXG102-031 (EXG102-031-111) in China to evaluate its safety, tolerability and preliminary efficacy in patients with wet age-related macular degeneration (wAMD). The Phase I clinical trial adopts a dose-escalation design to assess the safety and tolerability of ascending dose levels. Based on the Phase I safety and efficacy data, recommended doses will be selected for expansion in the Phase II clinical trial. According to the clinical protocol, progression from dose escalation (Phase I) to dose expansion (Phase II) does not require additional regulatory approval from the NMPA. Instead, advancement to Phase II clinical trial only requires review by an

independent Data and Safety Monitoring Board (DSMB). On August 19, 2024, the DSMB approved progression to the Phase II expansion phase.

Trial Design. The Phase I portion of study in China follows an open-label, multi-center, single-dose, 3+3 dose-escalation design. Patients receive a single subretinal injection of EXG102-031 at ascending dose levels of 2.0×10^{10}, 4.0×10^{10}, 1.0×10^{11}, 1.8×10^{11} and 2.5×10^{11} vg/eye. Dose escalation proceeds following safety review of each cohort. The Phase II stage includes two Recommended Phase II Dose (RP2D) cohorts (1.0×10^{11} and 1.8×10^{11} vg/eye), enrolling approximately 3–9 subjects per group, to further evaluate safety, tolerability and potential efficacy.

The key inclusion criteria for the study included but not limited to: a clinically meaningful response to standard anti-VEGF therapy within six months prior to screening or during the screening run-in period. In addition, the study eye must be pseudophakic (post-cataract surgery), with intraocular lens implantation having occurred at least one month prior to enrollment.

The key exclusion criteria included but not limited to: (1) the presence in the study eye of any ocular disease other than wAMD that may affect central vision and/or macular assessments; (2) MNV due to causes other than wAMD in the study eye, or a history of macular pathology unrelated to wAMD; (3) structural retinal damage involving the fovea; (4) subretinal hemorrhage involving the foveal center in the study eye with a hemorrhage area ≥ 4 disc areas.

The Phase I and Phase II clinical trials have separate and distinct primary and secondary endpoints. In Phase I (dose-escalation stage), the primary endpoints focus on safety while the secondary endpoints aim to identify a safe and potentially effective dose range and assess preliminary efficacy. All primary and secondary endpoints for the Phase I dose-escalation stage have been met in November 2025. All participants in Phase IIa have completed the last visit in the main study. The primary and secondary endpoints of Phase I clinical trials are set out in the table below. Additional endpoints and assessments were also evaluated but are not presented in the table below.

Phase I

Endpoint	Supporting Basis
Primary endpoints	
To assess, within 24 and 52 weeks after treatment, the types, severity, and incidence of ocular and non-ocular adverse events and serious adverse events, and to explore the maximum tolerated dose.	The safety profile was favorable. No participants experienced dose-limiting toxicity. No participants experienced serious adverse events related to the investigational product, and no participants experienced > = Grade 3 adverse events related to the investigational product.
Secondary endpoints	
To assess the mean change from baseline in best-corrected visual acuity ("**BCVA**") at Week 52 post administration.	According to the interim report dated November 3, 2025, a subset of patients in Cohorts 1-4 had completed the Week 52 visit, and among these subjects, the mean BCVA improvements from baseline were 8.3, 5.3, 8.3, and 10.7 letters, respectively.

Clinical Trial in the United States

Overview. We have conducted separate Phase I and Phase II clinical trials of EXG102-031 (EXG102-031-211) in the United States to evaluate its safety, tolerability and preliminary efficacy in patients with wet age-related macular degeneration (wAMD).

Trial Design. The study in the United States (EXG102-031-211) follows an open-label, multi-center, single-dose, 3+3 dose-escalation design. Patients in the U.S. study (EXG102-031-211) receive a single subretinal injection of EXG102-031 at ascending dose levels of 2.0×10^{10}, 4.0×10^{10}, 1.0×10^{11} and 1.8×10^{11} vg/eye.

For the key inclusion criteria and exclusion criteria of the study, please refer to the key inclusion criteria and exclusion criteria of the Phase I/II clinical trial in China.

All primary and secondary endpoints for the Phase I clinical trial have been met in February 2026, which have been set out in the table below. Additional endpoints and assessments were also evaluated but are not presented in the table below.

Phase I

Endpoint	Supporting Basis
Primary endpoints	
To assess, within 52 weeks after treatment, the incidence, types, and severity of ocular and non-ocular adverse events and serious adverse events.	The safety profile has been favorable, with no participants experiencing dose-limiting toxicity and no serious adverse events related to the investigational product.
Secondary endpoints	
To assess, within 24 weeks after treatment, the incidence, types, and severity of ocular and non-ocular adverse events and serious adverse events. To assess the mean change from baseline in BCVA at Week 52 post administration.	The safety profile has been favorable, with no participants experiencing dose-limiting toxicity and no serious adverse events related to the investigational product. All patients completed Week 52 visit and the mean BCVA improvements from baseline were 1.33, -3.67, 3.0, and 6.0 letters, respectively.

Trial Status and Data

Trial Status. EXG102-031 is currently being evaluated in two ongoing clinical trials: one in the United States and one in China.

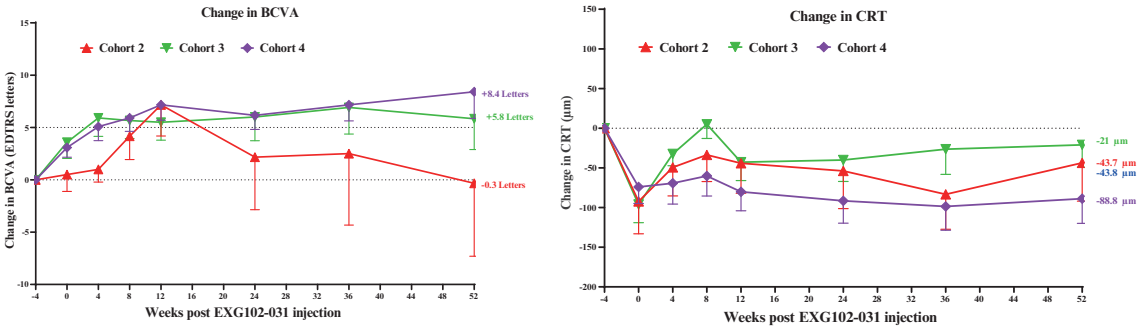
In the United States, we obtained the approval from FDA and initiated the Phase I clinical trial in January 2023. The Phase I clinical trial was completed in March 2026.

In China, we obtained the approval from NMPA for a combined Phase I/II clinical trial. The Phase I/II clinical trial was initiated in June 2023, in which the Phase I safety results were confirmed in August 2024, and the Phase II was initiated in September 2024. Currently, all patients in Phase I and IIa have completed the last visit (52-week) in the main study, and the Phase IIb/III trial is expected to commence in the second half of 2026.

Safety Data. EXG102-031 was generally well tolerated in the Phase I/II trial. No dose-limiting toxicities (DLTs) and no treatment-related serious adverse events (SAEs) were observed as of the Latest Practicable Date. Adverse events (AEs) were generally mild, transient, and manageable with standard clinical care.

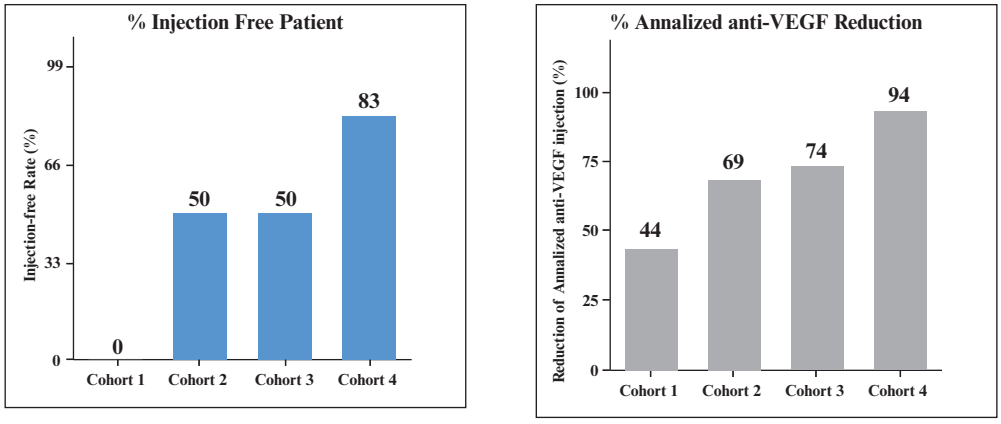
Efficacy Data. Efficacy data demonstrated improvements in both visual acuity and anatomical outcomes, along with a substantial reduction in treatment burden. BCVA and CRT were consistently maintained or improved through 12 months of follow-up across cohorts (see BCVA and CRT graphs of Cohort 2-4 below). In the 1.8×10^{11} vg/eye dose (Cohort 4), ten out of twelve patients have not required any rescue treatment throughout the entire study year or during the long-term follow-up continued to date, and have shown progressive BCVA improvement through 52-weeks of follow-up. Beyond the BCVA and CRT improvements seen across all patients in Cohorts 2-4 (graphs below), the injectionfree subset also showed encouraging efficacy, with a mean BCVA gain of +8.6 ETDRS letters and a mean CRT reduction of 77.2 μm.

Sustained and Dose-Dependent Improvement in Vision and Retinal Anatomy (Cohort 2-4)

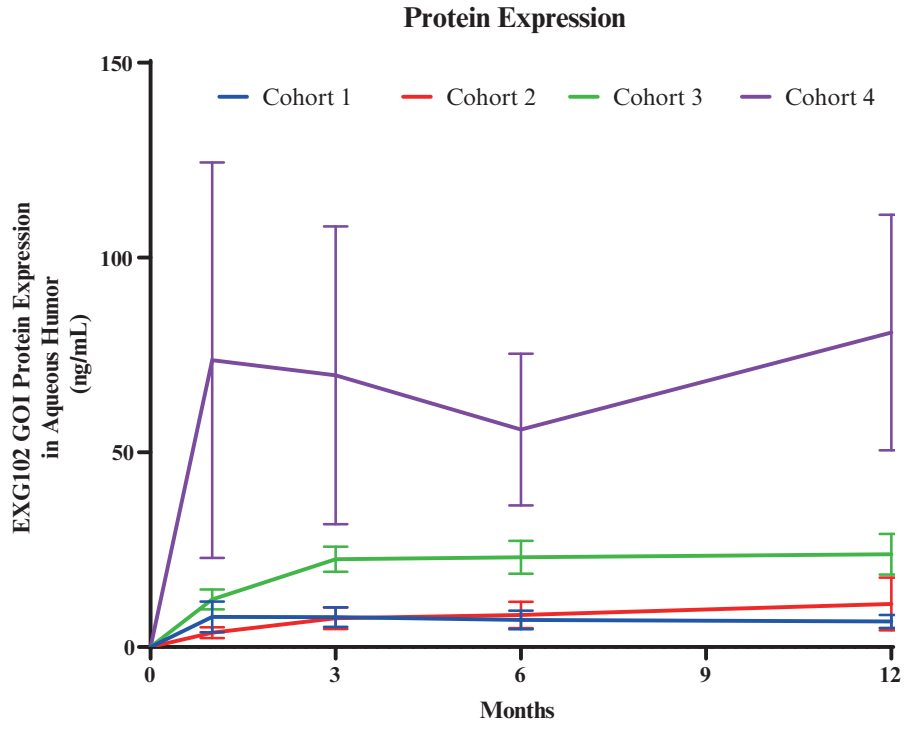


Patients demonstrated a dose-dependent reduction in supplemental anti-VEGF injection burden across all cohorts (see graphs below), which includes all the subjects in Cohort 2-4 at Week 52. At the 1.8×10^{11} vg/eye dose, approximately 83% of patients are projected to remain anti-VEGF injection-free through 12 months, and the annualized number of anti-VEGF rescue injections is reduced by up to 94.4%.

Dose-Dependent Reduction in Anti-VEGF Injection Burden



In addition, serial measurements of the multi-target protein encoded by EXG102-031 were performed in aqueous humor samples collected from patients over multiple timepoints following administration. The data demonstrated that the expression of this therapeutic protein was sustained throughout the observation period (up to 12 months) and exhibited a dose-dependent response profile.



Note: Due to staggered enrollment, data availability varied across timepoints, as some patients had not yet reached later assessments.

Source: Company data

Clinical Development Plan

Long-term safety follow-up of up to five years is ongoing, in accordance with regulatory requirements for AAV-based gene therapy products. In China, all patients in Phase I and II have completed 52-week visit, the last visit in the main study, and the Phase IIb/III trial is expected to commence in the second half of 2026. In the United States, the Phase I clinical trial has been completed in the second half of 2026, and the FDA has no objection to the Company proceeding to the next phase of clinical trial. The next clinical trial in the U.S. will leverage insights from the rapidly progressing trials in China.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET EXG102-031 SUCCESSFULLY.

EXG001-307 (SMA Type 1) — Our Core Product candidate

Overview

EXG001-307 (SMA Type 1) is an adeno-associated virus (AAV)-based gene therapy product candidate being developed as a differentiated treatment for spinal muscular atrophy type 1 (SMA Type 1), a rare and life-threatening neuromuscular disorder caused by a deficiency of survival motor neuron (SMN) protein. EXG001-307 (SMA Type 1) is designed as a gene replacement therapy to restore SMN expression in motor neurons while limiting the expression in non-neuronal tissues, with the goal of aiming to provide durable clinical benefit with improved safety through physiologically balanced expression across the central nervous system.

EXG001-307 (SMA Type 1) for the treatment of SMA Type 1 constitutes one of our Core Product candidates. EXG001-307 (SMA Type 1) received IND approval from the NMPA for the treatment of SMA Type 1 in June 2022. As of the Latest Practicable Date, we have completed the Phase I/II clinical trial of EXG001-307 (SMA Type 1) in China. As of the Latest Practicable Date, all surviving patients had completed the primary observation period through 18 months of age, and long-term four-year safety monitoring is ongoing.

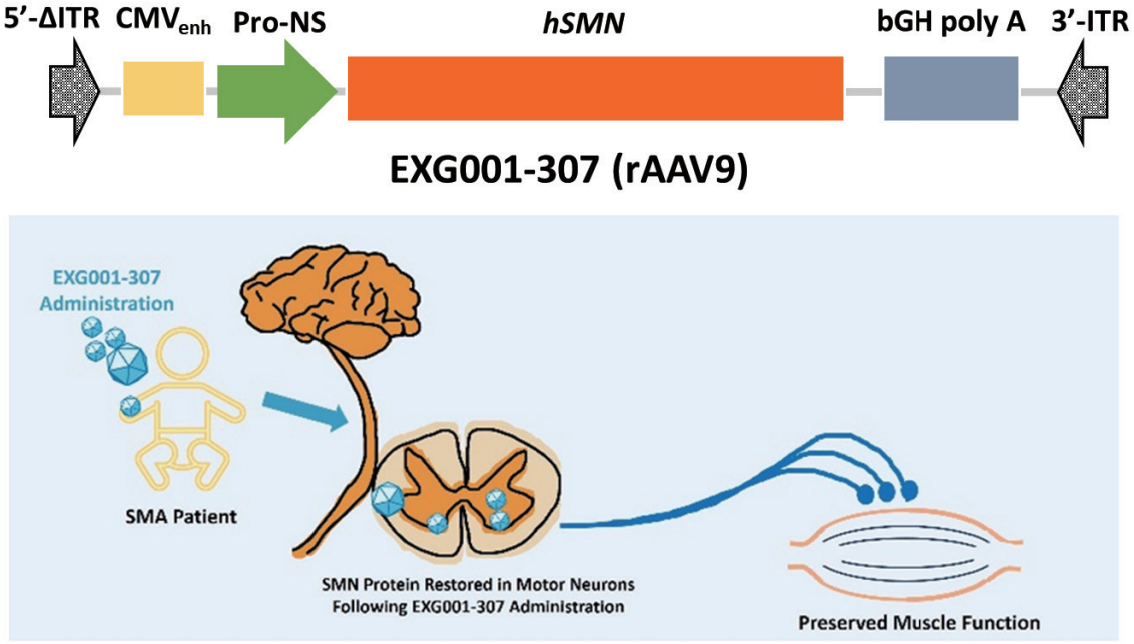
Mechanism of Action

Spinal muscular atrophy (SMA) is caused by mutations in the SMN1 gene, resulting in a deficiency of the survival motor neuron (SMN) protein and progressive skeletal muscle atrophy that impairs movement, swallowing and respiration. SMA severity varies by age of onset, with infantile-onset SMA Type 1 presenting at or shortly after birth with severe weakness, respiratory involvement and early mortality.

EXG001-307 (SMA Type 1) employs a recombinant adeno-associated virus vector for gene replacement therapy, delivering a functional copy of the survival motor neuron (SMN) gene to restore deficient SMN expression. The vector incorporates a proprietary neuron-preferential promoter system combining a cytomegalovirus enhancer and the human synapsin (hSyn) promoter to drive selectively higher SMN expression in neuronal cells within the central nervous system while substantially limiting peripheral tissue expression.

Following a single intravenous administration, the AAV vector efficiently crosses the blood-brain barrier and delivers the functional SMN expression cassette primarily to motor neurons in the anterior horn of the spinal cord and brainstem, which are the key pathogenic cells in SMA patients.

Mechanism of action of EXG001-307 (SMA Type 1)



Source: Company diagram

Taken together, EXG001-307 (SMA Type 1) is designed to restore SMN protein to near-physiological levels specifically within motor neurons, enabling functional recovery while minimizing off-target exposure. This neuronal expression-preferential strategy supports improved safety, durable SMN expression, and stronger efficacy relative to gene therapies using broad, ubiquitous promoters.

Key Components

As a gene therapy drug candidate, the key components of EXG001-307, the function of each component, and ownership are shown in the table below:

Component	Function	Ownership
AAV9 wild type capsid	Vector used to deliver transgene to the target cells	The patent has expired and legally enters the public domain.
DNA construct expressing human SMN protein	To supplement the human SMN protein that the SMA patient lacks through gene expression.	The Company fully owns the patent of the construct design.

As advised by Zhonglun Law Firm, our intellectual property counsel, we confirm that we own the patents to the product EXG001-307 and the DNA construct listed above, while the full term of the patent on AAV9 wild type capsid has expired and such expired patent will not restrict our use of AAV9 wild type capsid in EXG001-307 or otherwise jeopardize the R&D and future commercialization of EXG001-307.

Given that the key differentiation of EXG001-307 from other comparable products currently on the market lies in the design of its payload, rather than the capsid, the expiration of AAV9 capsid patent protection and its entry into the public domain is not expected to adversely affect the market competitiveness of EXG001-307. Accordingly, even if we do not develop a novel capsid, we believe this would not impair the competitive position of EXG001-307.

Market Opportunity and Competition

Market Opportunity

Spinal muscular atrophy (SMA) is a rare, severe, and life-threatening neuromuscular disorder caused by insufficient levels of survival motor neuron (SMN) protein and is one of the most common fatal genetic diseases in infants and young children, with an estimated incidence of one in 6,000 to 10,000 live births. Among the clinical subtypes, SMA Type 1 is the most severe and prevalent form and is characterized by rapid motor neuron degeneration, profound muscle weakness, respiratory failure, and high early mortality without intervention.

The SMA therapeutic market has established a meaningful and growing commercial presence worldwide. In 2025, the global SMA drug therapy market reached US$4.74 billion, and is projected to grow to US$5.93 billion by 2030 and US$9.45 billion by 2035. In China, the SMA drug therapy market was RMB587.9 million in 2025 and is expected to increase to RMB1,687.7 million by 2030 and RMB3,294.5 million by 2035. Commercial performance of approved therapies, including Zolgensma®, which generated approximately US$2.4-2.6 billion in global sales between 2020 and 2025, underscores the scale and maturity of this market.

The SMA patient population also continues to expand as diagnostic coverage, genetic testing, and newborn screening improve worldwide. Globally, prevalence was approximately 176.9 thousand patients in 2025 and is projected to increase to 195.5 thousand by 2030 and 210.8 thousand by 2035. In China, prevalence reached 41.0 thousand in 2025 and is projected to reach 43.8 thousand by 2030 and 45.7 thousand by 2035. Together with persistently unmet clinical, economic, and functional needs, these trends highlight a substantial and growing market opportunity.

While disease-modifying treatments such as antisense oligonucleotides, small molecules, and gene replacement therapies have transformed the treatment landscape, significant unmet needs remain due to lifelong treatment requirements, declining adherence, high costs, and ongoing safety concerns.

Leveraging our proprietary promoter design and AAV-based delivery system, EXG001-307 (SMA Type 1) is designed to achieve selective, physiologically balanced expression in motor neurons across the central nervous system, potentially offering an improved safety profile, enhanced durability, and greater accessibility for patients.

Current Treatment Options and Limitations

As of the Latest Practicable Date, available disease-modifying therapies (DMTs) for spinal muscular atrophy (SMA) include AAV-based gene therapy, antisense oligonucleotides (ASOs) and small-molecule splicing modifiers. Key marketed products are Zolgensma® (gene therapy for infants under 2 years old) and Itvisma® (intrathecal variant of Zolgensma® for 2 years of age and older patients), Spinraza® (ASO) and Evrysdi® (small molecule), all of which are approved in major global markets, with Spinraza® and Evrysdi® currently approved in China.

Zolgensma® and Itvisma® are the only approved SMA gene therapy products as of the Latest Practicable Date. While these products provide SMN gene replacement following a single administration, their use of a broad, ubiquitous CBA promoter drives transgene SMN expression across multiple organs, including non-critical peripheral tissues such as the liver and heart. This lack of expression control may increase systemic exposure and dose-related safety risks, including hepatic and cardiac toxicities and reported thrombotic microangiopathy events. In addition, Zolgensma®'s high upfront cost, exceeding US$2 million per treatment in the United States, substantially limits patient access globally.

Spinraza® and Evrysdi® increase SMN protein levels through modulation of SMN2 splicing but require lifelong administration. Spinraza® requires repeated intrathecal injections via lumbar puncture, imposing ongoing procedural burden and contributing to declining adherence over time, while Evrysdi® depends on uninterrupted daily oral dosing to maintain efficacy. For both therapies, long-term treatment requirements, cumulative costs and adherence challenges continue to constrain real-world effectiveness and accessibility.

Overall, while current therapies have improved outcomes for some SMA patients, their limitations in efficacy, safety, mode and frequency of administration, long-term adherence and cost underscore the need for new gene therapies capable of durable and targeted restoration of physiologically balanced SMN expression in motor neurons across the CNS, together with an improved safety profile and better real-world accessibility.

Competitive Landscape

In the field of spinal muscular atrophy (SMA) gene therapy, the main international competitor is Zolgensma®, an adeno-associated virus serotype 9 (AAV9)-based gene therapy developed by Novartis, together with its intrathecal formulation Itvisma®. Zolgensma has been approved in several major global markets, including the United States, the European Union, and Japan, and remains the only commercialized gene therapy for SMA worldwide. An intrathecally administered formulation version of Zolgensma®, OAV101, was submitted for marketing approval in China in August 2025 and not yet approved as of the Latest Practicable Date.

Globally, several additional AAV-based SMA gene therapy candidates are under clinical development as of the Latest Practicable Date. These include ANB-004 (Biocad), currently in Phase I/II development for SMA, and GB221 (Gemma Biotherapeutics), also in Phase I/II development for SMA Type 1, as summarized in the following Table.

Global Competitive Landscape of SMA Drugs Pipeline

Pipeline	Company	Modality	Clinical Stage	Indication	First Posted Date
EXG001-307 . . .	Exegenesis Bio	Gene Therapy	I/II	Spinal Muscular Atrophy (SMA) Type 1	2022/11/07
Apitegromab . . .	Scholar Rock	Antibody	BLA	Spinal Muscular Atrophy (SMA) Type 2/3	2025/2/8

Pipeline	Company	Modality	Clinical Stage	Indication	First Posted Date
Salanersen	Biogen	Oligo	Phase III	Spinal Muscular Atrophy (SMA) Type 2	2025/10/28
NMD670	NMD Pharma	Small Molecule	Phase II	Spinal Muscular Atrophy (SMA) Type 3	2023/4/3
ANB-004	Biocad	Gene Therapy	Phase I/II	Spinal Muscular Atrophy (SMA)	2023/2/17
GB221	Gemma Biotherapeutics	Gene Therapy	Phase I/II	Spinal Muscular Atrophy (SMA) Type 1	2025/7/17

Notes:

1. The industry information is as of 2026/08/23.
2. First posted date refers to the date on which the study record was first available on Chinadrugtrials.org.cn or Clinicaltrials.gov.
3. The clinical stage refers to the latest clinical trials as well as the first posted date.
4. Only includes pipelines active within the past three years.
5. Only include clinical trials that are above Phase I.

Source: Clinicaltrials.gov, Company website, Literature research, F&S Analysis.

In China, the SMA gene therapy landscape is expanding but remains at an early stage. As summarized in the Table below, the majority of these product candidates are in early-phase clinical or investigator-initiated trials. As of the Latest Practicable Date, no domestically developed gene therapy for SMA had received marketing approval in China or overseas, and Zolgensma® and Itvisma® remained the only commercialized AAV-based gene therapies worldwide.

China Competitive Landscape of SMA Drugs Pipeline

Pipeline	Company	Modality	Clinical Stage	Indication	First Posted Date
EXG001-307	Exegenesis Bio	Gene Therapy	I/II	Spinal Muscular Atrophy (SMA) Type 1	2022/9/29
OAV101 IT	Novartis	Gene Therapy	BLA	Spinal Muscular Atrophy (SMA)	2025/8/2
GC101	GeneCradle	Gene Therapy	III	Spinal Muscular Atrophy (SMA) Type 2	2025/5/16
SKG0201	Lanyue Biotech	Gene Therapy	I/II	Spinal Muscular Atrophy (SMA) Type 1	2026/6/8

Notes:

1. The industry information is as of 2026/08/23.
2. First posted date refers to the date on which the study record was first available on Chinadrugtrials.org.cn or Clinicaltrials.gov.
3. The clinical stage refers to the latest clinical trials as well as the first posted date.
4. Only includes pipelines active within the past three years.
5. Only include clinical trials that are above Phase I.

Source: CDE, Company website, Literature research, F&S Analysis

Competitive Advantage

EXG001-307 (SMA Type 1) is a differentiated gene therapy designed to address the key limitations of current SMA gene therapies related to safety, expression selectivity and accessibility, as exemplified by Zolgensma®. EXG001-307 (SMA Type 1) incorporates a neuron-preferential promoter to drive targeted expression of the SMN gene within the central nervous system while reducing expression in peripheral tissues such as the liver and heart, thereby reducing systemic exposure and supporting improved safety while maintaining physiologically balanced SMN restoration in motor neurons.

/

Consistent with this targeted expression profile, EXG001-307 (SMA Type 1) exhibits a more favorable in vivo safety profile. EXG001-307 (SMA Type 1) exhibited markedly lower transgene expression in the heart and liver in mice, compared with a control construct using the broad, non-tissue-specific promoter configuration employed in Zolgensma®, while maintaining equivalent expression in the spinal cord. In comparative toxicology studies, EXG001-307 (SMA Type 1) showed no apparent lethality at doses approximately three times higher than the lethal threshold observed with Zolgensma® — and no cardiomyocyte pathological abnormalities at the highest tested dose, representing a greater than 6-fold safety margin. In addition, EXG001-307 (SMA Type 1) demonstrated an approximately three-fold higher threshold for heart thrombosis and substantially reduced liver toxicity.

EXG001-307 (SMA Type 1) addresses the treatment-burden and adherence limitations of non-gene-replacement SMA therapies. Spinraza®, the approved antisense oligonucleotide, requires long-term intrathecal administration by lumbar puncture, imposing a substantial and recurring procedural burden that contributes to declining adherence, while Evrysdi® depends on uninterrupted daily dosing, creating long-term adherence and treatment-burden challenges. By contrast, EXG001-307 (SMA Type 1) is designed as a single-dose intravenous therapy to provide durable SMN restoration in motor neurons, reducing the need for repeated procedures or lifelong administration and addressing limitations of current SMA treatments.

Clinically, as summarized in the table below, EXG001-307 (SMA Type 1) has demonstrated a favorable efficacy profile compared with the reported data of approved SMA therapies including Zolgensma®, Spinraza®, and Evrysdi®. As of the Latest Practicable Date, patients in the 1.5×10^{14} vg/kg cohort of our Phase I/II trial achieved a 100% of head-control ratio, numerically higher than the head-control ratio reported for Zolgensma® (approximately 78%-85%) and Evrysdi® (approximately 44%). Other milestone attainment was also notable: approximately two-thirds (66.7%) attained the ability to sit without support, two patients (22.2%) achieved standing with or without support, and one-third (33.3%) demonstrated stepping movements — levels of improvement that are substantially higher than those observed with existing SMA regimens.

Efficacy Comparison Across SMA Trials

	EXG001-307 ($1.5x10^{14}$ vg/kg)	Zolgensma®	Zolgensma®	Evrysdi®	Nusinersen®
Trial (n of patients)	**Phase 1/2 1.5×10^{14} vg/kg (n=9*)**	STR1VE (n=22)	STR1VE-EU (n=33)	FIREFISH part2 (n=41)	ENDEAR (n=80)
Age at endpoint	18-month	18-month	18-month	12 months after treatment	394 days after treatment
CHOP-INTEND improvement	**20.3**	24	21	20	11
Head Control (≥3s)	**100% (9/9#)**	85% (17/20##)	78% (23/30#)	44% (18/41@)	—
Sitting without support (≥5s)	**66.7% (6/9)**	59% (13/22)&	49% (16/33)	29% (12/41)	8% (6/73)@@@
Standing with or without support (≥2s)	**22.2% (2/9)**	4.5% (1/22)	6% (2/33)	5% (2/41)@@	1% (1/73)@@
Stepping Movements	**33.3% (3/9)**	—	3% (1/33)	—	—

Note: These results were obtained from different trials and are not based on a head-to-head comparison.

* A total number of 10 patients were initially enrolled in this cohort. During the trial, one patient was excluded from the efficacy analysis due to death from pneumonia that occurred prior to efficacy assessment. The death was determined to be unrelated to the study drug and was instead attributed to extrinsic causes unrelated to the treatment.

#, ## Baseline head control; #: 3 subjects; ##: 2 subjects;

@, @@, @@@ HINE-2: @Able to maintain upright posture; @@HINE-2: Able to stand with support; @@@HINE-2: Able to sit stably and can pivot (rotate).

& sitting without support from this trial is> =30s.

Phase I/II Clinical Trial — SMA Type 1

Overview. We have completed a Phase I/II clinical trial of EXG001-307 (SMA Type 1) through intraveneous administration in China to evaluate its safety, tolerability, and preliminary efficacy in patients with spinal muscular atrophy type 1 (SMA Type 1). The study consists of a Phase I dose-escalation stage followed by a Phase II dose-extension stage, both designed to assess safety and determine the recommended dose for subsequent clinical development.

Trial Design. The Phase I portion of the SMA Type 1 trial follows an open-label, multi-dose, dose-escalation design. Patients receive a single intravenous infusion of EXG001-307 (SMA Type 1) at ascending dose levels of 1.1×10^{14} vg/kg and 1.5×10^{14} vg/kg. Six subjects are enrolled in Phase I trial, with 28 days of safety observation between dose escalations. Dose escalation proceeds upon confirmation of safety and the absence of dose-limiting toxicities (DLTs) in the prior cohort.

Following the Phase I stage, the Phase II dose-extension cohort was initiated to further evaluate safety, tolerability, and efficacy at the recommended dose level. Seven subjects are enrolled in Phase II trial. Patients are continuously followed until 18 months of age (all were dosed before 6 months of age), with long-term safety follow-up extending to four years.

The key inclusion criteria for the study included but not limited to: (1) The patient has been diagnosed with SMA based on the presence of biallelic SMN1 mutations and has two copies of the SMN2 gene; (2) as of the dosing date, the patient is no older than 180 days after birth; and (3) the patient's clinical history and signs are consistent with the manifestations of SMA Type 1.

The key exclusion criteria included but not limited to: (1) anti-AAV9 antibody titer > 1:50 (as measured by the ECL assay) or anti-AAV9 neutralizing antibody (NAb) titer > 1:100; (2) prior treatment with nusinersen injection, Zolgensma, or participation in any other clinical study for the treatment of SMA (except for patients who have completed a 7-day washout for risdiplam); and (3) Clinically significant abnormal laboratory values (GGT, ALT, and AST > 2.5×ULN; total bilirubin ≥ 3×ULN; creatinine ≥ ULN; hemoglobin < LLN or ULN; white blood cell count > ULN or < LLN; neutrophils < LLN; lymphocytes < LLN; platelet count < LLN).

The Phase I and Phase II clinical trials have separate and distinct primary and secondary endpoints. In Phase I (dose-escalation stage), the primary endpoints focus on safety while the secondary endpoints aim to identify a safe and potentially effective dose range and assess preliminary efficacy. Since Phases I and II were conducted sequentially and both included a 1.5×10^{14} vg/kg dose cohort, efficacy analyses for this dose combined data from both phases, including only patients with ≥6 months of follow-up. All primary and secondary endpoints for the Phase I dose-escalation stage have been met in March 2025. The endpoints of Phase I clinical trials are set out in the table below. Additional endpoints were also evaluated but are not presented in the table below.

Phase I

Endpoint	Supporting Basis
Primary endpoints	
Adverse events, serious adverse events, and adverse events of special interest	All safety endpoints have been collected. No dose-limiting toxicity was observed. No AEs leading to dose reduction, dose interruption, or treatment discontinuation were reported.

Endpoint	Supporting Basis
Secondary endpoints	
Proportion of subjects who, at the study visit upon reaching 18 months of age, achieve the ability to sit independently without support for ≥5 seconds	At 18 months of age, no subjects in the 1.1×10^{14} vg/kg dose group achieved independent sitting without support for ≥5 seconds; among the nine subjects from the 1.5×10^{14} vg/kg dose cohort from both Phase I and II, six (66.7%) achieved sitting without support for ≥5 seconds.
Event-free survival rate at 18 months of age	At 18 months of age, the event-free survival rate was 100.0% among all the six (6) subjects in the 1.1×10^{14} vg/kg and 1.5×10^{14} vg/kg dose groups.
Proportion of subjects with a CHOP-INTEND score of ≥40 at the study visit upon reaching 18 months of age	At 18 months of age, all the three (3) subjects in the 1.1×10^{14} vg/kg dose group had a CHOP-INTEND score of ≥40. Data from the 1.5×10^{14} vg/kg dose cohort in Phase I have been incorporated in the Phase II dataset.

In Phase II (dose-expansion stage), the primary endpoints focus on efficacy while the secondary endpoints aim to assess efficacy and safety. All primary and secondary endpoints for the Phase II dose- expansion stage have been met in August 2025. The endpoints of Phase II clinical trials are set out in the table below. Since Phases I and II were conducted sequentially and both included a 1.5×10^{14} vg/kg dose cohort, efficacy analyses for this dose combined data from both phases, including only patients with ≥6 months of follow-up. Additional endpoints and assessments were also evaluated but are not presented in the table below.

Phase II

Endpoint	Supporting Basis
Primary endpoints	
At the study visit upon reaching 18 months of age, the proportion of subjects who achieved independent sitting without support for ≥5 seconds.	At 18 months of age, among the nine subjects in the efficacy analysis set from the 1.5×10^{14} vg/kg dose cohort, six (66.7%) achieved sitting without support, which was significantly higher ($P<0.0001$) than the natural history rate (0%).
Secondary endpoints	
At the study visit upon reaching 18 months of age, the proportion of subjects with a CHOP-INTEND score of 40 or above.	At 18 months of age, eight out of nine subjects (88.9%) in the 1.5×10^{14} vg/kg dose cohort had a CHOP-INTEND score of ≥40, which was significantly higher (all P values < 0.0001) than the natural history rate (0%).

Endpoint	Supporting Basis
At the study visit upon reaching 18 months of age, the proportion of subjects who achieved independent sitting for ≥30 seconds without support and standing.	At 18 months of age, three out of nine subjects (33.3%) in the 1.5×10^{14} vg/kg dose cohort achieved independent sitting for ≥30 seconds without support, and two subjects (22.2%) achieved assisted standing. The proportions of subjects achieving independent sitting for ≥30seconds without support and assisted standing were significantly higher ($P < 0.0001$) than the natural history rate (0%).
Types and incidence of AEs, SAEs, and AESIs.	No adverse events leading to dose reduction, dose interruption, or treatment discontinuation were reported. The most common treatment-emergent adverse events related to EXG001-307 were increased aspartate aminotransferase (100.0%), pyrexia (92.3%), and decreased platelet count (76.9%), which were predominantly Grade 1–2 in severity. Drug-related serious adverse events included decreased platelet count, thrombotic microangiopathy, and myocardial injury.

SMA Type 1 Phase I/II Trial Status and Data

Trial Status. In June 2022, we obtained the approval from the China NMPA and commenced our Phase I/II combined clinical trials. We completed the Phase I clinical trial in April 2024. Following approval by the Data and Safety Monitoring Board in April 2024, we advanced into the Phase II clinical trial. We completed phase I & II clinical trial in November 2025. Formal discussions with the China NMPA will be initiated regarding the Phase III trial design in 2026 H2.

Safety Data. EXG001-307 was generally tolerated in the SMA Type 1 Phase I/II trial. Among the 13 subjects, nine subjects (69.2%) experienced SAEs, including three (23.1%) with SAEs considered related to EXG001-307. Among them, two subjects developed thrombotic microangiopathy (TMA). In both cases, the TMAs had either largely or completely resolved by the end of the study. No subject experienced an EXG001-307-related death. None of such adverse events led to patient withdrawal or study discontinuation. All AESIs and SAEs have been reported to the Ethics Committee, DSMB and regulatory authorities in accordance with applicable regulations.

Efficacy Data. Efficacy data demonstrated encouraging clinical outcomes, supporting meaningful developmental milestones in patients receiving the 1.1×10^{14} vg/kg and 1.5×10^{14} vg/kg dose EXG001-307 (SMA Type 1) (see table below). Outcomes in the 1.5×10^{14} vg/kg cohort were particularly notable. All patients (9/9), who were able to attend the efficacy evaluations, achieved head control, approximately two-thirds (6/9) attained the ability to sit without support, two patients (2/9) were able to stand with support, and three patients (3/9) were able to make stepping movements at the 18 months of age study visit.

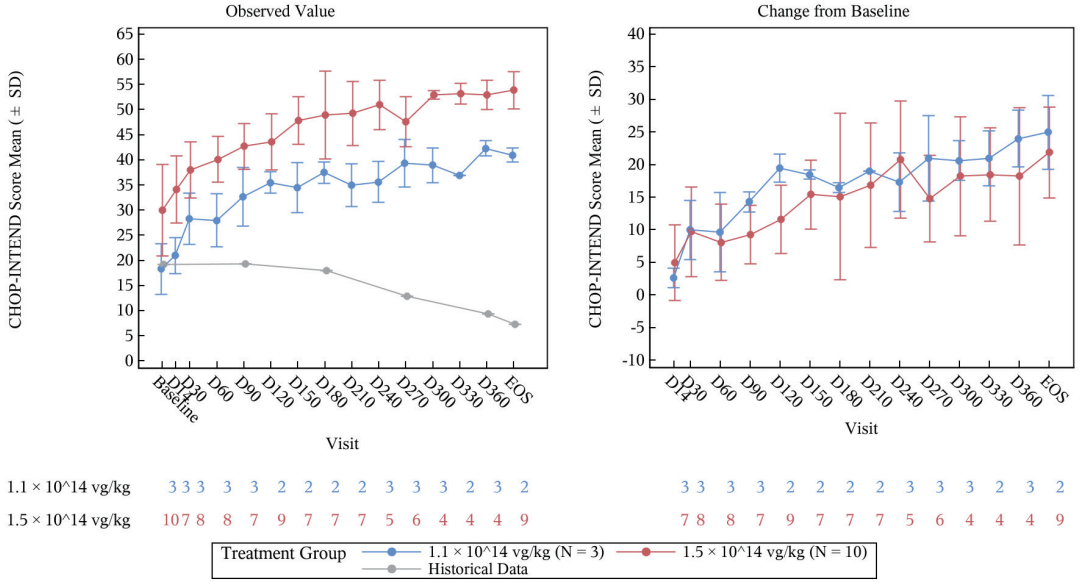
	1.1×10^{14} vg/kg n (%)[#]	1.5×10^{14} vg/kg n (%)*,[#]
18 months of age	3 (100%)	9 (100%)
Head control ≥15s	3 (100%)	9 (100%)
Sits without support: ≥5s	0	6 (66.7%)
Sits without support: ≥30s	0	3 (33.3%)
Stands with assistance (Supports weight ≥2s)	0	2 (22.2%)
Makes stepping movements	0	3 (33.3%)
CHOP-INTEND≥40	3 (100%)	8 (88.9%)

Note: * A total number of 10 patients were initially enrolled in this cohort. During the course of the trial, one patient was excluded from the efficacy analysis due to death from pneumonia occurring prior to efficacy assessment, following the family's decision to withdraw supportive care.

[#]Three patients (1 in 1.1×10^{14} vg/kg dose cohort, 2 in 1.5×10^{14} vg/kg dose cohort) received Risdiplam before 18-months of age. However, all motor milestones reported in the table were achieved before Risdiplam exposure.

In addition, 91.7% patients (11/12) in efficacy analysis set in both the 1.5×10^{14} vg/kg and 1.1×10^{14} vg/kg dose cohorts who reached the 18-months of age for motor evaluation achieved a CHOP-INTEND score of ≥40 by the end of study (EOS), reflecting meaningful improvements in motor function (Mean CHOP-INTEND score change from baseline refer to the figure below).

Mean CHOP-INTEND score change from baseline



Source: Company clinical study report.

As illustrated in the figure above, EXG001-307 (SMA Type 1) treatment was associated with an increased mean CHOP-INTEND trajectory over time. By contrast, patients in the natural history cohorts exhibited persistently low baseline CHOP-INTEND scores beyond six months of age and did not achieve the milestone of independent sitting. Taken together, these results suggest sustained functional benefit and are consistent with a dose-response relationship observed across cohorts.

Clinical Development Plan

The clinical protocol for EXG001-307 (SMA Type 1) dated February 20, 2022 and the NMPA approval dated June 21, 2022 clearly specify that the clinical trial for EXG001-307

(SMA Type 1) is a combined Phase I/II study. The Phase I clinical trial adopts a dose-escalation design to assess the safety of ascending dose levels. Based on the Phase I safety and efficacy data, a recommended dose will be selected for expansion in the Phase II clinical trial.

According to the clinical protocol, progression from dose escalation (Phase I) to dose expansion (Phase II) does not require additional regulatory approval from the NMPA. Instead, advancement to Phase II clinical trial only requires review by an independent Data and Safety Monitoring Board (DSMB), which is responsible for the ongoing assessment of participants' safety data.

The Phase I trial enrollment of this study was completed on November 18, 2023. On December 15, 2023, the DSMB committee approved progression to the Phase II expansion phase at the 1.5×10^{14} vg/kg dose. Post DSMB approval, we commenced the phase II trial and the first patient in phase II was dosed on February 28, 2024.

As of the Latest Practicable Date, all participants enrolled in the Phase II clinical trial had completed the end-of-study follow-up, marking the completion of the Phase I/II clinical trials. The clinical database has been locked, and the Clinical Study Report was completed in May 2026. We plan to initiate the discussion with the NMPA regarding the Phase III trial design in 2026 H2. The Phase III trial will be funded by internal resources.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET EXG001-307 SUCCESSFULLY.

EXG202 - Key Product Candidate

Overview

EXG202 is a one-time, IVT-administered AAV-based gene therapy product candidate for the treatment of fundus neovascularization diseases (FNDs), including wet age-related macular degeneration (wAMD), a severe form of age-related macular degeneration characterized by fundus neovascularization, diabetic macular edema (DME) and retinal vein occlusion (RVO).

While our initial focus is on wAMD, we are strategically expanding our Key Product pipeline to target other fundus neovascularization diseases, specifically diabetic macular edema (DME) and retinal vein occlusion (RVO). While all three diseases are driven by VEGF-induced vascular leakage, the pathology in DME and RVO is intraretinal, making the tissue more fragile and the target site more accessible from the vitreous than in wAMD. To enable safe and efficacious treatment of DME and RVO, we are developing a novel AAV capsid designed for efficient retinal transduction via intravitreal (IVT) injection. This strategy aims to deliver a single-dose gene therapy for DME and RVO with an optimized efficacy and safety profile.

EXG202 utilizes our proprietary EOC024 capsid engineered using our AI-aided *AAVarta* platform. The EOC024 capsid is specifically designed to efficiently traverse the inner limiting membrane (ILM) following IVT administration. This property enables broad and efficient transduction across retinal cell types, positioning EXG202 as a differentiated intravitreal gene therapy for wAMD, DME, and RVO.

The capsid-optimized IVT delivery route provides significant clinical and strategic advantages. As a minimally invasive, non-surgical outpatient following IVT administration procedure, it is highly scalable for routine clinical practice, enabling access to a broad patient population. IVT delivery supports uniform retinal exposure, thereby maximizing the therapeutic potential of our engineered capsid.

With respect to the therapeutic payload, EXG202 encodes a proprietary multi-target anti-angiogenic fusion protein. Once transduced and expressed in retinal pigment epithelium (RPE) cells and photoreceptor cells, this fusion protein inhibits all the key angiogenic pathways including VEGF-A/B, VEGF-C/D, placental growth factor (PlGF), and Angiopoietin-2 (Ang2), thereby reducing fundus neovascular growth, vascular leakage and retinal edema.

EXG202 received IND approval from the FDA in July 2025 and from the NMPA in August 2025. An investigator-initiated trial (IIT) commenced in May 2025, followed by the initiation of IND Phase I/II clinical trials in November 2025.

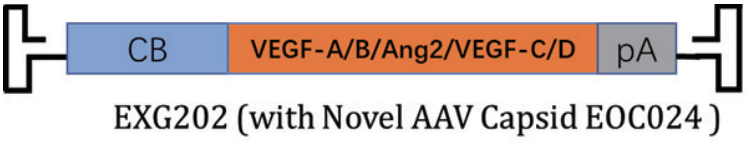
Mechanism of Action

Fundus neovascularization disease (FND) is driven by dysregulated angiogenesis involving multiple VEGF and angiopoietin-2 pathways. VEGF-A, VEGF-B, VEGF-C, VEGF-D and PlGF promote abnormal fundus neovascular proliferation and vascular leakage through activation of VEGFR1, VEGFR2 and VEGFR3, while Ang2 destabilizes retinal vasculature and potentiates VEGF-driven leakage and inflammation. Current standard anti-VEGF therapies primarily inhibit VEGF-A — or, in dual-target agents such as faricimab, VEGF-A and Ang2 — resulting in incomplete suppression of angiogenic signaling and compensatory upregulation of VEGF-C, VEGF-D and Ang2, which contributes to recurrent disease activity and limited durability.

EXG202 is administered via intravitreal (IVT) injection. Following delivery and transduction of retinal cells, transduced RPE cells and photoreceptor cells express a proprietary multi-target fusion protein, which simultaneously inhibits VEGF-A/B, VEGF-C/D, PlGF, and Ang2. This coordinated multi-pathway suppression blocks VEGFR1/2/3-mediated neovascular proliferation, reduces vascular leakage and stabilize endothelial integrity through inhibition of the Ang2-Tie2 signaling axis. By targeting all the key angiogenic pathways implicated in FND, EXG202 aims to overcome compensatory escape pathways, enhance durability of disease control and reduce the likelihood of recurrent exudation.

Compared with alternative delivery routes such as suprachoroidal (SCS) or subretinal administration, intravitreal (IVT) administration is a non-surgical, outpatient procedure that is more readily scalable in routine clinical practice and enables treatment of a broader patient population. IVT delivery provides uniform retinal exposure, supporting consistent intraocular transgene distribution.

EXG202: AAV construct design



The intravitreal delivery of EXG202 and transduction of retinal cells are further enabled by a proprietary AI-engineered AAV capsid EOC024. This novel AAV capsid EOC024 is specifically engineered to traverse the inner limiting membrane, a major barrier to intravitreal gene delivery, and to transduce retinal cells — including RPE and photoreceptor cells — more efficiently and uniformly than conventional AAV2 and AAV8 capsids or AAV2-derived variants such as AAV2.7m8. In nonhuman primate studies, EXG202 demonstrated approximately 2- to 5-fold higher levels of therapeutic protein expression in retinal tissues compared with benchmark intravitreal AAV capsids, including those used in current investigational gene therapies. This enhanced retinal penetration enables widespread, durable expression of the multi-target fusion protein from a single IVT injection, a long-lasting expression profile that is intended to reduce reliance on frequent intravitreal injections, address real-world adherence limitations and provide sustained suppression of pathological angiogenesis.

Market Opportunity and Competition

Market Opportunity

FND, mainly including wAMD, DME, and RVO, represent a large and growing group of vision-threatening disorders and are among the leading causes of irreversible vision loss globally. According to Frost & Sullivan, in 2025, the global prevalence of FND reached approximately 85.1 million patients, and is projected to increase to 91.9 million by 2030 and 99.0 million by 2035, driven by population aging, rising diabetes prevalence and improved disease detection. In China, the FND population reached 20.2 million in 2025 and is expected to grow to 21.8 million by 2030 and 23.1 million by 2035.

Reflecting this expanding patient population and the chronic nature of these conditions, the global FND drug therapy market reached approximately US$17.9 billion in 2025 and is expected to grow to US$30.7 billion by 2030 and US$55.8 billion by 2035, according to Frost & Sullivan, representing accelerating growth over time. In China, the FND drug therapy market reached approximately RMB6.0 billion in 2025 and is projected to expand to RMB17.5 billion by 2030 and RMB45.2 billion by 2035, supported by rapid patient growth, improving access to retinal care and increasing adoption of advanced therapies.

As such, there is a growing unmet clinical and commercial need for durable, effective and accessible therapies capable of providing sustained disease control, creating a significant opportunity for AAV-based gene therapies within the FND market.

Current Treatment Options and Limitations

As of the Latest Practicable Date, treatment for FND, primarily relies on anti-VEGF intravitreal injections. These include Ranibizumab (Lucentis®), Aflibercept (Eylea®), Faricimab (Vabysmo®), and are often supplemented by laser therapy, photodynamic therapy, or surgical interventions in advanced cases.

The current anti-VEGF therapies face significant biological limitations. While some approved agents inhibit more than one ligand (e.g., Eylea® and Lumitin® bind VEGF A/B and PlGF, and Vabysmo® targets Ang2 in addition to VEGF-A), none provide comprehensive suppression of all the key angiogenic drivers implicated in FND. Incomplete inhibition of pathways involving VEGF-C/D and Ang2 may allow compensatory signaling, contributing to persistent or recurrent disease activity and limited durability of response. Consequently, all approved anti-VEGF therapies require frequent and long-term intravitreal injections to maintain disease control, which imposes substantial treatment burden, contributes to poor real-world adherence, and is associated with cumulative procedural risks such as intraocular inflammation or infection. Together with variable efficacy, and limited durability, these limitations underscore a clear unmet need for sustained therapies for FND.

Competitive Landscape

Anti-VEGF monoclonal antibodies and fusion proteins remain the standard of care for FND and represent the primary competitors to EXG202 today. Approved products include Lucentis® (ranibizumab); Eylea® (aflibercept), Lumitin® (conbercept), and Vabysmo® (faricimab-svoa). These therapies are approved in major global markets as of the Latest Practicable Date.

In parallel, several AAV-based gene therapies for FND are in clinical development. The most advanced include ABBV-RGX-314 (Regenxbio), an AAV8-based gene therapy delivered via subretinal injection and currently in Phase III development, and ADVM-022 (Adverum Biotechnologies), an intravitreally administered AAV-based gene therapy in Phase III trials. A third global clinical-stage program, 4D-150 (4D Molecular Therapeutics), is an intravitreally delivered AAV-based gene therapy targeting VEGF-A, VEGF-B, VEGF-C and PlGF and has also progressed to Phase III development. As of the Latest Practicable Date, no gene therapy for FND has been approved in the United States, Europe, Japan or any other major market.

Global Competitive Landscape of Gene Therapy Pipelines for Treatment of wAMD/DME/RVO

Drug Name/Code	Target	Company	Clinical Stage	Indication	First Posted Date
EXG202	VEGF-A/B/C/D, Ang2, PlGF	Exegenesis Bio	Phase I/II	nAMD	2025/9/17
EXG102-031	VEGF-A/B/C/D, Ang2, PlGF	Exegenesis Bio	Phase I/II	wAMD	2023/6/6
ABBV-RGX-314	VEGF	AbbVie	Phase II/III Phase II	nAMD DME	2021/1/12 2025/4/16
Ixoberogene Soroparvovec.	VEGF	Adverum Biotechnologies	Phase III	nAMD	2025/3/4
4D-150	VEGF-A/B/C, PlGF	4D Molecular Therapeutics	Phase III Phase II	nAMD DME	2025/3/7 2023/7/5
NG101	VEGF-A	Neuracle Genetic	Phase I/II	nAMD	2023/8/9
KH631	VEGF	Kanghong Pharmaceutical	Phase I	nAMD	2022/12/10
KH658	VEGF	Kanghong Pharmaceutical	Phase I	nAMD	2025/2/8

Notes:

1. The industry information is as of 2026/08/23.
2. First posted date refers to the date on which the study record was first available on Chinadrugtrials.org.cn or Clinicaltrials.gov.
3. The clinical stage refers to the latest clinical trials as well as the first posted date.
4. Only includes pipelines active within the past five years.

Source: Clinicaltrials.gov, Company website, Literature research, F&S Analysis

In China, the FND gene therapy landscape is expanding but remains in early stages of development. Both international and domestic companies are advancing AAV-based programs, including LX102 (Innostellar Biotherapeutics), RRG001 (RRGene Therapeutics), SKG0106 (Skyline Therapeutics), XMVA09 (Starry Gene), AL-001 (Anlong Bio), JWK001 (Genevector), IVB103 (InnoVec Bio), FT-003 (Frontera Therapeutics), KH631 and KH658 (Kanghong Pharmaceutical). With the exception of more advanced global candidates such as RGX-314, ADVM-022 and 4D-150, the majority of these programs remain in early-phase clinical or investigator-initiated trials.

China Competitive Landscape of Gene Therapy Pipelines for Treatment of wAMD/DME/RVO

Drug Name/Code	Target	Company	Clinical Stage	Indication	First Posted Date
EXG102-031	VEGF-A/B/C/D, Ang2	Exegenesis Bio	Phase I/II	wAMD	2023/10/12
EXG202	VEGF-A/B/C/D, Ang2	Exegenesis Bio	Phase I/II	wAMD	2025/9/18
AL-001	VEGF	Anlong Bio	Phase II	wAMD	2025/2/18
HX9428	VEGFR2	Fujian Haixi Pharmaceuticals	Phase II	wAMD	2026/07/30
LX102	VEGF	Innostellar Biotherapeutics	Phase III	nAMD	2026/01/24
KH631	VEGF	Kanghong Pharmaceutical	Phase I/II	nAMD	2023/2/2
FT-003	VEGF	Frontera Therapeutics	Phase I/II	nAMD	2023/8/21

Drug Name/Code	Target	Company	Clinical Stage	Indication	First Posted Date
FT-003	VEGF	Frontera Therapeutics	Phase I/II	DME	2023/10/27
RRG001	VEGF	RRGENER Therapeutics	Phase I/II	nAMD	2023/11/21
SKG0106. . . .	VEGF-A	Skyline Therapeutics	Phase I/II	nAMD	2023/12/27
XMVA09. . . .	ANGPT2, VEGF-A	Starry Gene	Phase I/II	wAMD	2024/4/12
JWK001	VEGF	Genevector	Phase I/II	nAMD	2024/5/30
KH658	VEGF	Kanghong Pharmaceutical	Phase II	nAMD	2026/7/7
IVB103.	NA	InnoVec Bio	Phase I/II	nAMD	2024/11/29
NGGT007 . . .	NA	Next Generation Gene Therapeutics	Phase I/II	nAMD	2025/1/16
CRG-B191 . . .	VEGF	CorreGe	Phase I/II	wAMD	2025/11/6
YP004	VEGF	Yuanpu Biotechnology	Phase I	Neovascular (wet) age-related macular degeneration (nAMD)	2026/7/17
QBR202	–	Quaerite Biopharm	Phase I	Diabetic macular edema (DME)	2026/2/12
GB10	VEGF/Ang-2	Kexing	Phase I	Neovascular (wet) age-related macular degeneration (nAMD)	2026/1/26

Notes:

1. The industry information is as of 2026/08/23.
2. First posted date refers to the date on which the study record was first available on Chinadrugtrials.org.cn or Clinicaltrials.gov.
3. The clinical stage refers to the latest clinical trials as well as the first posted date.
4. Only includes pipelines active within the past three years.

Source: CDE, Company website, Literature research, F&S Analysis

As of the Latest Practicable Date, no AAV-based FND gene therapy has been approved in China or overseas, and all candidates remain under clinical investigation.

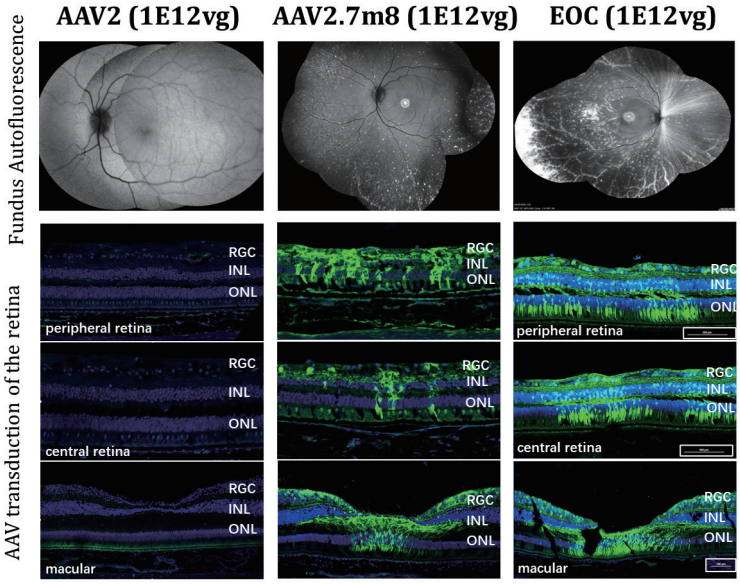
Competitive Advantage

EXG202 addresses the incomplete inhibition limitation by expressing a proprietary multi-target anti-angiogenic fusion protein comprising the ligand-binding domains of VEGFR1, VEGFR2 and VEGFR3 together with an Ang2-binding domain. This design enables coordinated inhibition of all key angiogenic pathways including VEGF-A/B, VEGF-C/D, PlGF, and Ang2. By simultaneously blocking these angiogenic drivers, EXG202 is intended to suppress compensatory upregulation of VEGF-C/D and Ang2, which frequently occurs under VEGF-A-selective therapy, thereby supporting more durable and consistent suppression of fundus neovascular growth, vascular leakage and retinal edema. This multi-pathway design directly targets known mechanisms underlying incomplete response and disease recurrence observed with anti-VEGF monotherapy and with single-pathway gene therapies under development.

Further, EXG202 incorporates a proprietary AAV capsid that is engineered through our AI-aided *AAVarta* platform specifically for intravitreal delivery to improve retinal transduction efficiency. Conventional wild-type capsids such as AAV2 or AAV8, as well as wild-type-derived variants used in other intravitreal gene therapy programs, penetrate the inner limiting membrane (ILM) inefficiently and achieve limited transduction of deeper retinal layers. By contrast, EXG202's EOC024 capsid is engineered to enhance inner limiting membrane traversal, broaden lateral and vertical retinal coverage and significantly improve transduction efficiency across RPE cells, photoreceptor cells and other clinically relevant retinal layers. In nonhuman primate studies, EXG202's EOC024 capsid demonstrated superior GFP expression (see figure below) and approximately 2- to 5-fold higher levels of therapeutic

protein expression in retinal tissues than the benchmark AAV2.7m8, an intravitreally administered AAV2 variant known for its inner limiting membrane penetration capability. This enhanced delivery profile is intended to enable more consistent and widespread intraocular expression of the therapeutic fusion protein, thereby supporting greater durability and superior therapeutic potential compared with first-generation intravitreal AAV vectors.

Enhanced Retinal Transduction with EOC024 Capsid Following Intravitreal Delivery Compared with AAV2.7m8



Source: Company data

Taken together, EXG202's novel multi-pathway payload design and AI-engineered capsid, combined with intravitreal delivery, are intended to address the key limitations of currently available anti-VEGF therapies and investigational gene therapy candidates for FND, including insufficient pathway coverage, limited durability, delivery constraints and substantial real-world treatment burden.

Investigator Initiated Trial and IND Trial

Overview. We are conducting an investigator-initiated trial (IIT) and an IND Phase 1/2 trial of EXG202 to further evaluate its safety, tolerability and preliminary biological activity following intravitreal administration in patients with wAMD. This IIT is designed to complement our IND clinical program by providing early insights into the safety profile and potential therapeutic effects of EXG202.

Trial Design. The IIT is a single-center, open-label study evaluating three planned dose cohorts, with a total target enrollment of up to 15 subjects. EXG202 is administered as a single intravitreal injection, and patients are monitored for safety, tolerability and early signals of biological activity, including the improvement of visual acuity and anatomical outcomes, along with the need for standard anti-VEGF rescue therapy.

The key inclusion criteria for the study included but not limited to: (1) age ≥ 50 years; (2) a confirmed diagnosis of wAMD and currently receiving anti-VEGF treatment and/or having active lesions; (3) a BCVA score between 14 and 73 letters; and (4) a clinically meaningful prior response of the study eye to anti-VEGF therapy.

The key exclusion criteria included but not limited to: (1) the presence in the study eye of any ocular disease other than wAMD that may affect central vision or macular assessments; (2) a history of retinal detachment in the study eye or evidence of retinal detachment during screening; (3) MNV due to causes other than wAMD in the study eye, or a history of macular pathology unrelated to wAMD; (4) subretinal hemorrhage involving the fovea in the study eye with a hemorrhage area ≥ 4 disc areas; and (5) current vitreous hemorrhage of ≥ 1+ in the study eye.

Trial Status. As of the Latest Practicable Date, a total of seven patients were dosed across three cohorts at the following levels: 3×10^{10} vg/eye (n=4), 6×10^{10} vg/eye (n=2), and 1×10^{11} vg/eye (n=1). The first enrolled patient has completed one year of follow-up. In addition to the IIT trial, 17 patients have already been enrolled into IND Phase 1/2 trial, across four dose levels: 3×10^{10} vg/eye (n=3), 6×10^{10} vg/eye (n=5), 1×10^{11} vg/eye (n=6), and 1.8×10^{11} vg/eye (n=3).

Safety Data. EXG202 has been generally well tolerated in both IIT and IND trials to date.

Efficacy Data. Preliminary signs of therapeutic activity have been observed. Sustained stabilization of central retinal thickness (CRT) and maintenance of baseline best-corrected visual acuity (BCVA) have been consistently observed. Furthermore, the requirement for anti-VEGF rescue therapy has demonstrated a marked reduction, with the overall rescue injection rate falling significantly compared to the pre-study baseline. These findings suggest durable anatomic and functional control by intravitreal injection of EXG202. Additional safety and efficacy data continue to be collected as follow-up progresses.

Clinical Development Plan

EXG202 is currently being evaluated in two ongoing clinical trials: one in the United States and one in China.

In the United States, we obtained the IND approval from FDA in July 2025. However, we are not currently conducting clinical trials in the United States. We plan to bypass the U.S.-based Phase I study and directly proceed to a Phase II trial by leveraging Phase I data generated in China.

In China, we obtained the approval from NMPA in August 2025 to initiate a combined Phase I/II clinical study. The Phase IIa clinical trial was initiated in March 2026 and the Phase IIb clinical trial is expected to occur in the second half of 2026.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET EXG202 SUCCESSFULLY.

EXG110

EXG110 is an adeno-associated virus (AAV)–based gene therapy product candidate under development for the treatment of Fabry disease, an X-linked lysosomal storage disorder caused by deficiency of α-galactosidase A (GLA). EXG110 is designed to enable durable, systemic restoration of GLA activity following a single intravenous administration, with the goal of reducing long-term treatment burden and providing sustained disease control.

Fabry disease represents a well-established therapeutic market with significant unmet medical need. According to Frost & Sullivan, global Fabry disease prevalence reached approximately 632.4 thousand patients in 2025 and is projected to increase to 723.3 thousand by 2030 and 819.6 thousand by 2035. Approved therapies include enzyme replacement therapies and an oral chaperone therapy. In 2025, Fabrazyme® generated global sales of €1.019 billion (approximately US$1.15 billion) while Galafold® generated global sales of US$521.7 million. However, current treatments require lifelong frequent administration, provide intermittent enzyme exposure, and may not fully prevent disease progression, particularly in critical organs such as heart and kidney, due to limited penetration of the current enzyme replacement treatment into these key diseased tissues. In addition, chaperone therapy is limited to patients with amenable GLA mutations.

EXG110 is designed to address these limitations by enabling sustained endogenous production of GLA following a single administration. EXG110 incorporates a proprietary muscle-tropic AAV capsid, developed through the Company's AI-aided *AAVarta* platform, together with a liver- and muscle-bispecific promoter. This design supports efficient systemic delivery and drives trans-GLA expression in both hepatic and extrahepatic tissues, including skeletal muscle and cardiomyocytes.

Hepatic expression enables early secretion of circulating GLA, while sustained expression in largely non-dividing tissues such as muscle is intended to provide long-term intracellular enzyme production. This dual-tissue expression strategy therefore enhances enzyme delivery to organs that are inadequately addressed by existing therapies, particularly the heart, and to support more durable GLA activity than liver-directed approaches alone.

Preclinical studies in Fabry mouse models demonstrated durable GLA activity, broad tissue distribution and effective substrate clearance following a single intravenous administration. In nonhuman primates, EXG110, administered at a 3-fold lower dose, achieved rapid and sustained circulating enzyme activity at levels approximately 85-fold higher than the benchmark liver-directed AAV therapy ST-920 (Sangamo Therapeutics). These findings suggest that our novel capsid enables more efficient transduction and broader extra-hepatic expression in tissues such as muscles and cardiomyocytes, indicating its potential for better clinical outcomes.

EXG110 is currently being evaluated in IND Phase I clinical and investigator-initiated trials. Early clinical data have demonstrated a favorable initial safety profile, and further evaluation of safety and efficacy is ongoing. Completion of the Phase I study is currently targeted for the second half of 2028, after which the program is expected to advance into Phase II/III clinical development, subject to regulatory review and clinical outcomes.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET EXG110 SUCCESSFULLY.

EXG112

EXG112 is a non-opioid pain therapy program targeting Nav1.7 (SCN9A), a key regulator of pain signaling of peripheral sensory neurons. The program is primarily focused on a synthetic antisense oligonucleotide (ASO) based approach designed to provide potent yet reversible suppression of Nav1.7 expression for the treatment of chronic and sub-chronic pain conditions. In parallel, EXG112 also includes an alternative adeno-associated virus (AAV)-based RNA interference (RNAi) modality intended to provide longer-lasting Nav1.7 suppression in selected chronic pain settings. These approaches are being developed as alternative therapeutic options within the EXG112 program, and are intended to offer flexibility across different pain indications while reducing reliance on opioid analgesics.

Chronic pain represents a large and growing global healthcare burden with substantial unmet medical needs. It is estimated that approximately 1.5 billion people worldwide suffer from chronic pain. The global pain management drug market was estimated at approximately US$81.8 billion in 2025 and is projected to reach approximately US$110.0 billion by 2030, representing a CAGR of 6.1%, and further grow to US$143.1 billion by 2035.

The primary EXG112 modality, EXG112-ASO, employs a chemically modified antisense oligonucleotide gapmer designed through the Company's *SODA* platform to selectively degrade Nav1.7 mRNA via RNase H recruitment. Nav1.7 is a genetically validated regulator of nociceptive signaling in peripheral sensory neurons, with loss- and gain-of-function SCN9A mutations causing pain insensitivity and hypersensitivity, respectively, supporting Nav1.7 repression as a non-opioid pain strategy. By reducing Nav1.7 expression in dorsal root ganglion (DRG) neurons and peripheral sensory axons, EXG112-ASO is designed to attenuate pathological pain signaling while maintaining reversibility of effect. The ASO modality is intended to provide therapeutic suppression lasting approximately three to six months following a single administration, supporting use in chronic pain conditions as well as sub-chronic or fluctuating pain settings.

In parallel, the EXG112-AAV modality employs an AAV-delivered microRNA strategy to repress Nav1.7 expression through engagement of endogenous RNA interference pathways. Following a single administration, this approach is designed to provide durable Nav1.7 suppression suitable for selected chronic pain indications that may benefit from long-lasting target modulation. The inclusion of both ASO and AAV modalities supports an indication-tailored development strategy, rather than combination administration, allowing treatment duration and reversibility to be matched to clinical need.

EXG112 is currently in preclinical development. Studies conducted to date have demonstrated Nav1.7 knockdown with both the ASO and AAV-RNAi modalities, together with reductions in pain hypersensitivity in established rodent pain models, as well as favorable biodistribution to dorsal root ganglion (DRG) tissue and encouraging preliminary safety profiles across species.

The ASO modality is in preclinical lead optimization with ongoing efficacy and safety studies, while the AAV-RNAi modality is advancing through IND-enabling development with ongoing toxicology evaluations. The Company is targeting initiation of a first-in-human investigator-initiated trial in the middle of 2027, with IND submission targeted for the first half of 2029.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET EXG112 SUCCESSFULLY.

EXG111

EXG111 is an adeno-associated virus (AAV)–based gene therapy program under development for the treatment of Duchenne muscular dystrophy (DMD).

EXG111 is designed to deliver a therapeutic micro-dystrophin transgene to skeletal and cardiac muscle tissue with the goal of restoring muscle fiber stability and mitigating disease progression. The micro-dystrophin construct is engineered to retain key functional domains of native dystrophin while remaining within AAV packaging constraints, enabling interaction with dystrophin-associated protein complexes in muscle tissue.

The program is currently in late preclinical development, with IND-enabling activities expected to commence, and IND submission targeted for the second half of 2027.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET EXG111 SUCCESSFULLY.

EXG115

EXG115 is an antibody-oligonucleotide conjugate (AOC) program under development for the treatment of Alzheimer's disease, a progressive neurodegenerative disorder characterized by substantial unmet medical need. EXG115 is designed to target Tau pathology, which is increasingly recognized as a central driver of neurodegeneration and clinical disease progression in Alzheimer's disease.

The global Alzheimer's disease therapeutics market is projected to reach tens of billions of dollars annually. However, currently available therapies generally offer limited clinical benefit, and certain amyloid-targeting antibodies have demonstrated constrained efficacy and safety concerns. In addition, many conventional small-molecule and biologic modalities exhibit limited penetration into the central nervous system, resulting in inadequate exposure and target engagement. Accordingly, there remains a substantial unmet medical need for therapies that effectively address Tau pathology and achieve sufficient central nervous system exposure.

EXG115 is designed to address this unmet need by leveraging our proprietary SODA platform. EXG115 is an antibody-oligonucleotide conjugate intended to enable blood-brain barrier penetration via a TfR1-targeting VHH nanobody, engage and facilitate clearance of extracellular Tau aggregates through an anti-Tau antibody moiety, and reduce Tau production through a chemically modified siRNA payload targeting MAPT mRNA. Through these complementary mechanisms, EXG115 is intended to provide both upstream suppression of Tau expression and downstream engagement of existing Tau pathology, with the goal of improving therapeutic efficacy and durability.

EXG115 is currently in early preclinical development. Planned studies include in vitro and in vivo evaluations of Tau mRNA knockdown, reduction of pathological Tau protein, biodistribution, pharmacokinetics, pharmacodynamics and safety.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET EXG115 SUCCESSFULLY.

EXG116

EXG116 is an adeno-associated virus (AAV)-based gene therapy program under development for the treatment of Rett syndrome, a rare X-linked neurodevelopmental disorder caused by loss-of-function mutations in the MECP2 gene.

EXG116 is designed to combine a proprietary receptor-targeting AAV capsid (RtAAV001) for systemic central nervous system delivery with a proprietary, multi-layered regulatory expression architecture intended to maintain MeCP2 expression within a physiologically appropriate range.

EXG116 is currently in preclinical development. The Company expects to initiate a first-in-human, investigator-sponsored clinical study designed as an open-label, single-arm, dose-escalation trial primarily focused on safety, immunogenicity and pharmacokinetics, with secondary exploratory measures of efficacy in 2027H2.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET EXG116 SUCCESSFULLY.

EXG113

EXG113 is an adeno-associated virus (AAV)-based gene therapy under development for the treatment of dry age-related macular degeneration (dry AMD), including geographic atrophy (GA). The program is designed to deliver sustained intraocular expression of therapeutic proteins targeting key components of the complement pathway, a central driver of disease progression in dry AMD, with the goal of providing durable disease modification following a single administration.

EXG113 is currently in early preclinical development. Ongoing activities include vector and expression cassette optimization, in vitro validation of complement modulation, and exploratory in vivo studies to assess retinal transduction, pharmacology and safety. Subject to successful completion of these studies, the program is expected to advance into IND-enabling development, including GLP toxicology and biodistribution studies, with the timing of regulatory submission to be determined based on preclinical progress.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET EXG113 SUCCESSFULLY.

RESEARCH AND DEVELOPMENT

Our Platforms

Focusing on the discovery, optimization, and clinical translation of gene and oligonucleotide-based therapies, we have established a multi-dimensional, systematic core R&D platform system. This primarily includes the AI-aided AAV capsid discovery and engineering system (*AAVarta* platform) and the silencing oligo designing approach (*SODA*) Platform, within which the Antibody-Oligonucleotide Conjugate (AOC) modality represents a key component. These platforms are synergistic, collectively enabling end-to-end advancement across the entire technical pipeline from target identification, vector screening, molecule design, and in vitro/in vivo validation to efficacy and safety evaluation.

AAVarta

The *AAVarta* Platform is a comprehensive, AI-assisted system for the design, screening, and validation of AAV capsids with enhanced tissue tropism and delivery properties. Its integrated, end-to-end workflow enables the rapid evolution of capsids for precise targeting of ocular, muscular, and central nervous system tissues.

Core Architecture & AI-assisted Workflow

The platform's innovation lies in its deep integration of artificial intelligence across three synergistic technical pillars:

1. Proprietary Data Collection

We construct highly diverse capsid libraries through multi-dimensional strategies, including short/long peptide insertions, site-directed mutagenesis, and data-informed rational design. A proprietary, mRNA recovery-based evaluation system, enables the efficient screening of libraries containing hundreds of millions of variants. Next-Generation Sequencing (NGS) quantifies biological fitness across mice and NHP models, providing high-quality, real-world data to train our AI engine. Then our platform is built on this extensive in-house database derived from multiple rounds of in vivo testing.

2. Intelligent In Silico Screening & Evolution

During screening, we use a bidirectional recurrent neural network (BiRNN) model together with cluster-based sampling to predict and prioritize the most promising variants. This approach allows us to evaluate a much broader, computer-generated sequence space beyond the variants physically included in our experimental library. As a result, we can improve the efficiency and accuracy of our discovery process.

3. Structure-Based Protein Engineering

For capsid optimization, we use a step-by-step computational approach. First, we use structure-prediction tools to model how the capsid binds to specific receptors on target tissues (for example, receptors that help cross the blood-brain barrier). We then use a design tool "Rosetta" to suggest rational changes to the capsid, aiming to improve the binding affinity, transduction efficiency, specificity, manufacturability. These improvements are refined through repeated cycles of computer modeling and laboratory testing.

Advanced Module: Receptor-Targeted Capsid Design

Building upon the core platform, this module is dedicated to engineering Receptor-Targeted AAVs (RtAAVs). It employs a structure-guided strategy focusing on human tissue-specific receptors to develop capsids with high transduction efficiency and specificity.

- Target Discovery: A multi-omics database identifies and analyzes tissue-specific receptor targets and their epitopes.
- Directed Library Construction: Generative AI (e.g., RFdiffusion, pepMLM) designs receptor-targeted peptide libraries, which are displayed on AAV capsids.
- Iterative AI-Optimized Screening: A closed-loop system integrates *in vitro* affinity selection with *in vivo* functional validation in non-human primates. The AI prediction model continuously learns from each round, improving screening efficiency and expanding the viable sequence space.
- Cross-Species Validation: Lead candidates undergo systematic validation in rodent and NHP models for efficacy, specificity, and safety.

Platform Output & Validation

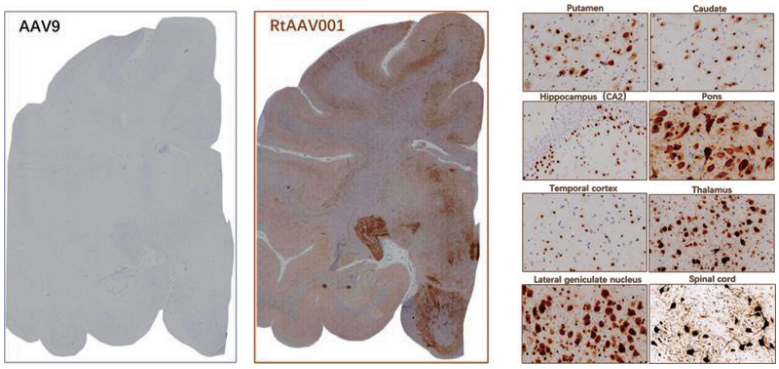
The integrated *AAVarta* system has successfully generated multiple novel capsids with validated preclinical and clinical translation:

- EOC024: An ILM-penetrating capsid for intravitreal delivery, enabling our retinal gene therapy candidate EXG202.
- RtAAV001: a CNS-targeting capsid engineered for systemic delivery, achieving up to 200-fold greater neuronal transduction efficiency than wildtype AAV9 vectors in nonhuman primates via intravenous injection. This capsid, which forms the foundation of our Rett Syndrome candidate EXG116, transduces 50-70% of neural cells in vivo through specific receptor engagement, demonstrating high therapeutic potential for neurodegenerative diseases (see figure below).
- Muscle-Targeted Capsids: Novel muscle-targeting capsids demonstrated up to a 40-fold increase in transgene expression in different muscles of nonhuman primates. This platform-derived capsid has been advanced into our preclinical Duchenne Muscular Dystrophy (DMD) program, EXG111.

This unified platform establishes a scalable engine for discovering optimized AAV vectors, directly addressing translational challenges and creating substantial value across multiple therapeutic areas.

In summary, the RtAAV platform is dedicated to addressing the translational challenges between animal models.

Strong and Broad CNS Protein Expression in Rhesus monkey



Source: Company in-house data.

SODA

The *SODA* platform focuses on the design of oligonucleotide-based therapeutics that selectively target and silence disease-causing genes, including various molecular modalities such as antisense oligonucleotides, siRNA, miRNA, and AOC. By integrating bioinformatics analysis, target prediction, sequence optimization, chemical modification strategies, and high-throughput in vitro screening, the platform systematically designs candidate molecules with high specificity and potent gene-silencing activity. The specific workflow includes:

(i) **Algorithm-Driven Ranking and Screening:**

Apply machine learning algorithms to rank and optimize candidate small nucleic acid molecules based on binding affinity, knockdown efficacy, off-target characteristics, and chemical stability. In parallel, design chemical modifications to enhance in vivo stability.

(ii) **Cell-Based Validation:**

Synthesize the top 200 candidate small nucleic acid and test their gene-silencing potency in vitro using cell models.

(iii) **In Vitro Stability Assessment:**

Evaluate the stability of chemically modified small nucleic acid in various media, including serum, RNase, cerebrospinal fluid (CSF), and lysosomes.

(iv) **Rodent Validation:**

Select the top 20–30 candidates for testing in mouse or rat models to assess biodistribution, target knockdown efficiency, off-target effects via RNA-seq analysis, and preliminary safety.

(v) **Disease Model Validation:**

Further evaluate the efficacy and in vivo behavior of 5–10 candidates in disease-relevant animal models.

(vi) **Non-Human Primate Evaluation:**

Select the final 2–3 candidates for in vivo administration in non-human primates to observe biodistribution, knockdown efficiency, toxicity, and immunogenicity.

After completing the above systematic validation, candidates confirmed by the Preclinical Candidate Committee (PCC) can proceed to IND-enabling studies. Through this comprehensive workflow, the candidate molecules developed by the *SODA* platform are ensured to demonstrate clear gene-silencing effects in preclinical studies, significant in vivo efficacy, broad tissue distribution, and favorable safety profiles. The results from the current research stage have fully validated the reliability of the *SODA* platform in developing efficient

gene-silencing therapies and have highlighted its great potential for clinical translation and the development of optimized Oligonucleotide-based therapeutics.

Our R&D Team

Our R&D teams are primarily based in Hangzhou and Guangzhou. The Hangzhou team focuses on the research and development of oligonucleotide-based therapeutics, with an emphasis on sequence design, chemical modification, delivery system optimization, as well as *in vitro* and *in vivo* pharmacodynamic and toxicological evaluation. Meanwhile, the Guangzhou team is mainly dedicated to the clinical development and application of gene therapy products.

As of the Latest Practicable Date, our core research and development team consisted of 22 employees in Hangzhou and 5 employees in Guangzhou, of whom seven hold Ph.D. degrees, 13 hold master's degrees, and the remaining seven hold bachelor's degrees or below. Four of them have more than 15 years of experience in gene therapy. Our research and development team is led by our Chief Scientific Officer, Dr. Ye, a leading researcher in the field of gene therapy. He had published over 30 research papers as of the Latest Practicable Date. Members of our research and development team have cross-disciplinary expertise in a variety of fields, including molecular biology, neuroscience, pharmacology & toxicology, vector biology and artificial intelligence. All key R&D personnel involved in the development of the Core Products remained employed by us during the Track Record Period and we believe that they will remain employed by us up to the [**REDACTED**].

During the Track Record Period, we incurred research and development expenses of RMB145.0 million, RMB103.9 million, RMB57.4 million and RMB53.4 million for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively, which accounted for 87.3%, 85.3%, 87.2% and 76.7% of our total operating expenses (which equals the sum of research and development expenses and administrative expenses), respectively. For details, please see "Financial Information — Significant Factors Affecting our Results of Operations — Our Cost Structure.".

For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, R&D expenses incurred for EXG102-031 were RMB30.9 million, RMB26.5 million, RMB15.5 million and RMB16.8 million respectively, accounting for 21.3%, 25.5%, 27.1% and 31.5% of our total R&D expenses for the corresponding years. Although our total R&D expenses in 2025 were lower than in 2024, primarily due to decreases in share-based payment, salaries and benefits and depreciation, the trial and testing expenses of EXG102-031 increased by approximately RMB1.6 million for the year ended December 31, 2025 compared with the same period in 2024 mainly because there were more cumulative patient visits in 2025 than in 2024. The R&D expenses for EXG102-031 increased from RMB15.5 million for the six months ended June 30, 2025 to RMB16.8 million for the six months ended June 30, 2026, primarily due to higher labor costs as a result of the grant of ESOP in April 2026.

The following table sets forth a breakdown of research and development expenses attributable to EXG102-031 for the periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Labor costs	13,555	8,998	4,755	8,828
Trial and testing expenses	13,224	14,820	9,360	7,035
Depreciation and amortization	2,546	1,491	853	536
Material costs	309	377	196	84
Power costs	258	142	52	33
Others	967	699	319	278
Total	**30,859**	**26,527**	**15,535**	**16,794**

For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, R&D expenses incurred for EXG001-307 (SMA Type 1), one of our Core Products, were RMB42.7 million, RMB30.4 million, RMB16.9 million and RMB11.4 million, respectively, accounting for 29.5%, 29.3%, 29.5% and 21.3% of our total R&D expenses for the corresponding years. The R&D expenses attributable to EXG001-307 are closely correlated with its clinical advancement during the relevant periods. The R&D expenses for EXG001-307 decreased from RMB42.7 million in 2024 to RMB30.4 million in 2025 reflecting differences in clinical development stages and ad hoc manufacturing needs. In 2024, approximately 80% of the main study visits of the patients were completed, corresponding to higher clinical costs in 2024. As of November 30, 2025, the remaining 20% of main study visits had been finished. Since clinical expenses are accrued based on patient visit progress, as such clinical expenditures for this program in 2025 decreased compared with 2024. In addition to the clinical expenses, in 2024, the Company commissioned a new batch of clinical product and recognized related expenses of RMB5.2 million in that year, because previously manufactured clinical supply for the purpose of IND submission had been depleted. As a result, R&D expenses for EXG001-307 for the years ended December 31, 2025 decreased compared to the same period in 2024. The R&D expenses for EXG001-307 decreased from RMB16.9 million for the six months ended June 30, 2025 to RMB11.4 million for the six months ended June 30, 2026, primarily due to reduced labor costs as only follow-up work for a limited number of patients remained in the first half of 2026.

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 engage CROs to manage, conduct and support our clinical trials.

We select CROs based on various factors, such as their professional qualifications, clinical experience, therapeutic area experience, industry reputation, project specialty, project track record and data management system. In addition, for clinical CROs, we consider their ability to facilitate site selection, timely recruit patients and conduct complex clinical trials efficiently with high quality.

We typically enter into a general service agreement with a CRO under which we execute separate work orders for each clinical development project. We closely supervise these CROs to ensure that they perform in a manner that complies with our protocols and applicable laws and regulations, which in turn protects the integrity and authenticity of the data from our trials and studies.

As of the Latest Practicable Date, we worked with over four CROs. Below is a summary of the key terms of an agreement that we typically enter into with our CROs:

- *Services.* The CRO provides us with services such as the implementation and management of a clinical research project or central laboratory services as specified in the master agreement or a work order.
- *Term.* The CRO is required to perform its services within the prescribed time limit set out in each work order and in accordance with the key performance indicators agreed by both parties.
- *Payments.* We are required to make payments to the CRO in accordance with the payment schedule agreed by the parties.
- *Risk allocation.* Each party should indemnify the other party for losses caused by its negligence, recklessness, intentional misconduct or material breach of the master agreement or the work order.
- *Intellectual Property.* The intellectual properties generated from the collaboration under the CRO agreements during the term of collaboration shall be solely and exclusively owned by us.

MANUFACTURING

Our Manufacturing Process

We have established a gene therapy manufacturing process based on large-scale HEK293 cell suspension culture system. This manufacturing process is built on proprietary patented technologies, delivering production efficiency and scalability while ensuring consistent and controllable product quality. Our optimized upstream manufacturing process can achieve high AAV genome titers up to 2×10^{12} vg/mL with a full capsid ratio exceeding 60% for some serotype. Our proprietary booster can improve AAV titers by 4 times at harvest. In the downstream purification stage, our validated two-step chromatography purification process exhibits excellent stability and replicability. Coupled with a comprehensive process control strategy, it achieves an overall downstream recovery yield of over 60%, which is a leading performance metric in the field. In addition, our advanced know-how downstream process significantly reduces the total costs. At 200L GMP scale, our integrated system produces over total 1×10^{17} vector genomes, underscoring the scalability of our manufacturing platform.

Outsourcing the production to CDMO

During the Track Record Period, Hangzhou CoJourney has been providing the manufacturing, testing, and related technical services (the "**CDMO Services**") to Hangzhou Jiayin. On January 9, 2026, Hangzhou Jiayin entered into a service cooperation agreement (the "**Service Cooperation Agreement**") with Hangzhou CoJourney, pursuant to which Hangzhou CoJourney agreed to continue to provide the CDMO services to Hangzhou Jiayin. The Service Cooperation Agreement is for a term from January 1, 2026 to December 31, 2028. Please refer to the section headed "Connected Transactions" for details.

We have adopted procedures to ensure that the production qualifications, facilities and processes of our CDMO comply with the relevant regulatory requirements and our internal standards. For example, to monitor and evaluate the services performed by our CDMO, we review all relevant documents and records, especially the manufacturing batch records and quality control records, to ensure that operations of our CDMO are in compliance with relevant procedure requirements. Below is a summary of the key terms of the agreement that we typically enter into with our CDMO:

- *Services.* The CDMO provides us with services such as manufacturing product candidates as specified in individual technology service contract.
- *Term.* The CDMO is required to perform its services within the prescribed time limit set out in each work order and in accordance with the key performance indicators agreed by both parties.
- *Payments.* The CDMO bills us in accordance with milestones agreed by the parties.
- *Risk allocation.* Each party should indemnify the other party for losses caused by its negligence, recklessness, intentional misconduct or material breach of the individual technology service contract.
- *Intellectual property.* We retain intellectual property rights over the plasmid products, production processes, analytical methodologies, and any related improvements that are either provided to the CDMO or developed by the CDMO at our request while the CDMO retains intellectual property rights related to platform technologies, process workflows, testing methods, and other associated technologies involved in the course of providing its services.

REGISTRATION AND INDUSTRIAL COMMUNICATIONS

In the course of the pre-clinical and clinical development of our product candidates, our regulatory affairs team has engaged in communications with relevant regulatory authorities such as the NMPA and the FDA. As of the Latest Practicable Date, we had not received any material concerns, objections or negative statements raised by the NMPA, the FDA, or other relevant authorities that we are not able to address in a timely manner.

The following table sets forth material communications we had with regulatory authorities during our research and development of EXG102-031 and EXG001-307 (SMA Type 1), our Core Products, as well as EXG202, our Key product:

EXG102-031

Regulatory Authority	Communication Type	Form of Communication	Date	Content of Communication	Results of Communication
NMPA	Type II	Pre-IND Meeting	October 12, 2022	Sought recommendation from NMPA on the requirements for IND of EXG102-031 for the treatment of wAMD	NMPA provided written feedback on the questions across all disciplinary areas.
NMPA	IND submission	IND submission	March 8, 2023	Initial IND Application in China	Initial IND Application was approved
Yangtze River Delta-NMPA .	Face-to-Face Symposium	Face-to-Face Symposium	May 22, 2025	Consulted on Phase III Trial Protocol Design	Yangtze River Delta-NMPA advised on the application timeline and primary endpoint selection
U.S./FDA . . .	Type B	Pre-IND Meeting	August 22, 2022	Sought the inputs on the development program for EXG102-031	FDA provided written responses to all questions
U.S./FDA . . .	IND submission	IND submission	December 16, 2022	Initial IND Application in US	Study may proceed
U.S./FDA . . .	Type C	Supplementary[(1)] study	March 30, 2023	Sought the feedback and confirmation on GLP Toxicology study proposed to provide additional nonclinical data to support higher clinical dose	FDA provided Written Responses to the questions about the GLP toxicology study protocol
U.S./FDA . . .	Type D	Protocol amendment[(1)]	February 9, 2024	Discussed the results of a supplementary NHP study with the desire to receive the feedback prior to submitting future information and protocol amendments to the active protocol	FDA approved the higher dose in the protocol

EXG001-307 (SMA Type 1)

Regulatory Authority	Communication Type	Form of Communication	Date	Content of Communication	Results of Communication
NMPA	Type II	Pre-IND Meeting	October 28, 2021	Sought recommendation from NMPA on the requirements for IND of EXG001-307 for the treatment of SMA Type I	NMPA provided written feedback on the questions across all disciplinary areas.
NMPA	IND submission	IND submission	March 25, 2022	Initial IND Application for the treatment of SMA Type I	Initial IND Application was approved

Note:

(1) The supplementary study and protocol amendment did not affect the original trial design of EXG102-031 or constitute additional work/conditions imposed by the relevant authorities that have to be completed prior to the completion of the Phase I clinical trial and progression to the next phase of clinical trial.

Regulatory Authority	Communication Type	Form of Communication	Date	Content of Communication	Results of Communication
NMPA	Type I	Protocol amendment(1)	February 7, 2024	The study plans to enroll rollover subjects from the EXG001-307-102 trial who have previously received risdiplam treatment, have completed the washout period, and have not achieved the ability to sit independently. The trial will maintain a single-arm design, using natural history data as the control	Per regulatory guidance, the submission of a supplemental application is required for any change that could potentially increase subject safety risks.
NMPA	Type I	Pre-IND Meeting	April 11, 2025	Sought recommendation from NMPA on the IND requirements for IND of EXG001-307 Intrathecal injection for the treatment of SMA Type 2 and Type 5	NMPA provided written feedback on the questions across all disciplinary areas.
U.S./FDA . . .	Type B	Pre-IND Meeting	July 1, 2024	To receive agency input on product, pre-clinical, and clinical issues for Phase 1 and the overall drug development program	FDA provided written responses to questions and an additional videoconference discussion on clinical questions was held

EXG202

Regulatory Authority	Communication Type	Form of Communication	Date	Content of Communication	Results of Communication
NMPA	Type II	Pre-IND Meeting	January 22, 2025	Sought recommendation from NMPA on the clinical trial strategy for developing EXG202 Injection for the treatment of wAMD	NMPA provided written feedback on the questions across these disciplinary areas.
NMPA	IND submission	IND submission	May 12, 2025	Initial IND Application	Initial IND Application was approved
U.S./FDA . . .	IND submission	IND submission	June 9, 2025	Initial IND Application	Study may proceed

EXG110

Regulatory Authority	Communication Type	Form of Communication	Date	Content of Communication	Results of Communication
NMPA	Type II	Pre-IND Meeting	April 27, 2024	Sought advice from NMPA on the clinical development plan for EXG110 Injection in Fabry in China, as well as on issues pertaining to pharmacology, toxicology, CMC and clinical disciplines	NMPA provided written feedback on the questions across these disciplinary areas.

Note:

(1) The protocol amendment did not affect the original trial design of EXG001-307 (SMA Type 1) or constitute additional work/conditions imposed by the relevant authorities that have to be completed prior to the completion of the Phase I clinical trial and progression to the next phase of clinical trial.

Regulatory Authority	Communication Type	Form of Communication	Date	Content of Communication	Results of Communication
NMPA/CDE . .	IND submission	IND submission	September 12, 2024	Initial IND Application	Initial IND Application was approved
U.S./FDA . . .	Orphan Drug Designation Request	Orphan Drug Designation Request	August 13, 2024	Orphan Drug Designation Request for EXG110 for the treatment of Fabry disease.	Designated

In addition to communications with the regulatory agencies by our regulatory affairs team, in the course of clinical trials of our product candidates, we have engaged in close communications with principal investigators and ethics committees at the clinical sites at which we conducted our clinical trials. We received approval for our proposed clinical trials at such clinical sites from the relevant ethics committees. For further information on the data that we gathered from our clinical trials, see "— Our Product Pipeline."

As a result of the foregoing communications, we developed extensive training materials for physicians on the administration of our product candidates, as well as a comprehensive introduction to gene therapy for patients as part of the process of obtaining informed patient consent to the administration of our product candidates. We expect that our communications with physicians at the hospitals and research institutes where we conducted clinical trials of our product candidates will contribute to the formation of our commercialization strategy for product candidates once they are approved by relevant regulatory authorities. As these institutions have established treatment or disease management procedures and supporting medical resources developed during the administration of our product candidates as part of our clinical trials, these institutions are expected to also be our initial commercial target sites. For additional information on our commercialization plan, see "— Commercialization."

Aside from the foregoing material regulatory and industrial communications, we do not believe that our communications with other third parties (such as key opinion leaders, patient groups, consultants or scientific advisors) had a material impact on the design of our clinical trial plans or commercialization plans with respect to our product candidates. We have regularly updated our shareholders on the implementation of our clinical development plan.

DATA PRIVACY AND PROTECTION

In the course of the Group's clinical development and operations, the personal data collected primarily falls into the following categories:

(i) **Identification information of participants:** directly identifiable information such as name, identification number, contact details, residential address, gender and age;

(ii) **Health and medical data:** medical history, diagnostic results and prior medical history/medication history; and

(iii) **Clinical trial-related data:** records of informed consent execution, medical records generated during trial participation, adverse event and concomitant medication records, laboratory test data, imaging materials and diary cards of participants.

All data processing is conducted in compliance with the Personal Information Protection Law of the PRC and adheres to the "minimum necessary" principle. We implement de-identification or anonymization measures as appropriate. The original source documents relating to the above information are properly maintained at each study site. As the sponsor of the clinical trials, we generally access and review relevant data through an electronic data capture system, in which the data has been de-identified.

The permitted scope of use of the above personal data is strictly limited to the following purposes:

(i) **Drug R&D and regulatory filings:** to support submission of clinical trial data for new drug applications to the NMPA and/or FDA, and to satisfy applicable requirements under ICH-GCP and the *Administrative Measures for Drug Registration*;

(ii) **Efficacy and safety assessment:** following de-identification, for statistical analyses and riskbenefit assessments; and

(iii) **Compliance audits and regulatory inspections:** for review by drug regulatory authorities and audit institutions to verify the authenticity and integrity of the underlying data.

As advised by our PRC Legal Adviser and U.S. Legal Adviser and based on the due diligence conducted by our U.S. Legal Adviser in connection with the [**REDACTED**], such collection and use of personal data comply with material applicable laws and regulations concerning data privacy and security in China and the United States during the Track Record Period and up to the Latest Practicable Date.

To safeguard the security of such personal data, we have adopted the following internal control measures and policies:

1. **Technical safeguards.** Clinical data is collected and managed through an electronic data capture ("**EDC**") system. Access to the relevant data is restricted to authorized personnel only. Audit trail functionality is enabled for each EDC system, recording the time, operator and reasons for any data modifications. Our EDC servers for all China trials are deployed within the PRC.

2. **Training.** Our clinical operations personnel, including clinical trial assistants, clinical research associates, project managers and clinical directors, have received GCP training and obtained relevant certificates. They are familiar with applicable requirements on clinical trial data management, personal information protection and GCP, and conduct their work in accordance with relevant laws, regulations and requirements.

3. **Third-party management.** We conduct onboarding and due diligence reviews of third parties such as CROs and cloud service providers, require them to obtain ISO 27001 certification, and enter into confidentiality agreements with them.

We currently have no record of cross-border data transfers. If cross-border data transfers are involved in the future, we will implement relevant arrangements in accordance with the *Provisions on Promoting and Regulating Cross-border Data Flows* (《促進和規範資料跨境流動規定》). Where the export of human genetic resources information (such as genomic data) is involved, we will make the requisite filings with, and obtain approval from, the Ministry of Science and Technology in accordance with the *Regulations of the 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》), and maintain relevant records.

We have not experienced any incident of patient data or other personal data leakage or material losses during the Track Record Period and up to the Latest Practicable Date.

COMMERCIALIZATION

Commercial Viability

We believe our Core products and Key Product are commercially viable for the following reasons:

(i) there is high unmet clinical needs for SMA treatment and fundus neovasularization diseases treatment, including wAMD;

(ii) compared to other product candidates, one of our Core Products, EXG102-031, offers durable single-dose therapy that delivers multi-angiogenic pathway inhibition via subretinal delivery, alleviating the burden associated with frequent injections of anti-VEGF biologics and overcoming the limitations of pre-existing anti-AAV neutralizing antibodies in the circulation. Our other Core Product, EXG001-307 (SMA Type 1), offers a neuron-targeted, durable gene therapy with reduced systemic exposure and improved safety compared with existing therapies, addressing both biological and real-world challenges. Our Key Product, EXG202, offers a durable, single-injection therapy that overcomes limitations of current anti-VEGF treatments. Advanced gene therapy capsid that efficiently transduces

retinal and RPE cells following intravitreal injection, ensuring therapeutic efficacy, reducing dosing and surgical burden, and greatly expanding eligible patient population.

(iii) our Core Products and Key Product have demonstrated favorable safety and efficacy results from our clinical trials; and

(iv) our competitive edge in Core Products and Key Product is protected by our patent portfolio. See "— Intellectual Property Rights."

Our Marketing Strategy

We plan to launch our Core Products EXG102-031 and EXG001-307 (SMA Type 1) and our Key Product EXG202 in 2032, 2030 and 2032, respectively.

We will employ a strategic marketing model to increase our market penetration, to promote our products and to achieve geographical and channel coverage. We plan to conduct marketing activities in China first, and as our operations mature, we intend to expand our marketing activities in the United States and other regions with high unmet needs. We expect to facilitate academic engagement and education around our products by establishing relationships with KOLs, hospitals, and renowned doctors through clinical trials, R&D collaboration, and academic conferences.

In addition, our strategy includes a phased approach to entering all levels of markets, aiming for comprehensive national reach over the medium term. Initially, our efforts will be directed towards the top hospitals in top and second tier provinces that possess a significant patient population. As we progress into tier three and four provinces, our commitment to enhancing our local presence and market penetration will persist. We aim to cooperate with regional agents in business development at hospitals and fortify our connections with pivotal stakeholders in each province to promote diagnosis and treatment, as well as to facilitate negotiations for reimbursement inclusion in the national medical insurance reimbursement catalog. In particular, we plan to begin considering the reimbursement inclusion of our products in the national medical insurance reimbursement catalog after three years from the launch of the relevant products into the market. Through these measures, we believe we will expand the market share of our Core Products and Key Product in China.

Along with the clinical development of our pipeline products, we will establish our marketing center, including sales, marketing and business departments and schedule the recruitment, training and evaluation of our sales and marketing team in accordance with the clinical development progress of our pipeline products, aiming to ensure the timely commercialization of our pipeline products once we obtain relevant approvals.

Pricing

As of the Latest Practicable Date, our Core Products and Key Product were still in the clinical trial phase and had not been commercialized. As such, we have not established any definitive pricing policy for our Core Products and Key Product. As our Core Products and Key Product progress towards potential approval and commercialization in the future, either we or a partner will determine pricing by evaluating multiple factors, including the clinical attributes of our Core Products and Key Product and the existing market prices of other comparable drugs. We or a partner may conduct extensive market research involving KOLs, hospitals, physicians and patients as well as regulatory authorities before pricing our Core Products and Key Product and may take into account various factors such as insights gathered from these parties, our production costs, the comparative safety and efficacy of our Core Products and Key Product against its competing products, the estimated demand for our Core Products and Key Product and their clinical value to patients. For pricing in China, we or a partner may determine pricing based on the affordability for local patients and the price of comparable products. The pricing in overseas markets may be adjusted to reflect the unique market conditions of each region, which includes the pricing strategies of multinational competitors. With expectations of higher drug pricing and market demand, we anticipate the revenue from sales of our Core Products and Key Product to be substantially higher than its associated R&D costs.

SUPPLIERS AND RAW MATERIALS

During the Track Record Period, the principal raw materials that we used in our business consist of consumables for various instruments, such as PCR machines, centrifuge

tubes, among others. We had engaged service providers such as CDMOs and CROs primarily to support our clinical trials in China and the United States and to produce our product candidates.

Our purchases from our five largest suppliers in each period during the Track Record Period amounted to RMB30.4 million, RMB14.9 million and RMB8.3 million, representing 61.0%, 45.7% and 51.0% of our total purchases for the respective periods, and our purchases from our largest supplier alone in each period during the Track Record Period accounted for 29.4%, 22.7% and 29.2% of our total purchases, respectively. Purchases primarily included third-party contracting services for research and development purposes, raw materials, equipment, construction and management services. Except for Hangzhou CoJourney, all of our five largest suppliers during the Track Record Period are Independent Third Parties. Save for Dr. Wu, Dr. Ye and Ms. Wang, each of whom is indirectly interested in the equity of Jiaxing CoJourney, none of our Directors, their respective associates nor any shareholder who, to the knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, has any interest in any of our five largest suppliers during the Track Record Period. For details, see "Relationship with Controlling Shareholders — Other Business or Interest of Controlling Shareholders" in this document.

The following table sets forth the details of our top five suppliers for the six months ended June 30, 2026:

Rank	Supplier	Background	Main Products/Services Provided	Purchase Amount	Percentage of Total Purchase	Business Relationship Since
				(RMB in thousand)	*(%)*	
1	Supplier A	A CRO company based in US, specializing in providing clinical trial services to biotechnology companies.	CRO services	4,757	29.2	2023
2	Hangzhou CoJourney	A CDMO company, based in China, providing customized services including process development for plasmid, viral vector and mRNA preparation, cGMP production, analytical method development and product testing and release.	CDMO services	1,451	8.9	2023
3	Supplier C	A clinic based in US, providing diagnosis and treatment services for eye diseases and conducts clinical research on retinal diseases as a clinical research center.	Clinical center services	710	4.4	2023
4	Supplier B	A tertiary-level Class A general hospital. based in China.	Clinical center services	708	4.3	2023
5	Moslet (Hangzhou) Biotechnology Co., Ltd. (莫斯莱特(杭州)生物技術有限公司)	A CRO company based in China, providing services including laboratory animal model development, animal experiment protocol design and implementation, and laboratory animal husbandry to biotechnology companies.	CRO services	683	4.2	2022
Total				**8,309**	**51.0**	

The following table sets forth the details of our top five suppliers for the year ended December 31, 2025:

Rank	Supplier	Background	Main Products/ Services Provided	Purchase Amount	Percentage of Total Purchase	Business Relationship Since
				(RMB in thousand)	*(%)*	
1	Supplier A	A CRO company, based in US, specializing in providing clinical trial services to biotechnology companies.	CRO services	7,417	22.7	2023
2	Hangzhou CoJourney	A CDMO company, based in China, providing customized services including process development for plasmid, viral vector and mRNA preparation, cGMP production, analytical method development and product testing and release.	CDMO services	2,150	6.6	2023
3	Jiangsu Dingtai Pharmaceutical Research (Group) Co., Ltd.* (江蘇鼎泰藥物研究(集團)股份有限公司)	A CRO company, based in China, providing comprehensive non-clinical safety, efficacy, and DMPK studies, as well as integrated clinical trial services from proof-of-concept to pivotal trials.	CRO services	2,043	6.3	2021
4	WestChina-Frontier Pharmatech Co., Ltd.* (成都華西海圻醫藥科技有限公司)	A CRO company, based in China, providing toxicology research technical services.	CRO services	1,786	5.5	2023
5	Supplier B	A tertiary-level Class A general hospital, based in China	Clinical center services	1,514	4.6	2023
Total				**14,910**	**45.7**	

The following table sets forth the details of our top five suppliers for the year ended December 31, 2024:

Rank	Supplier	Background	Main Products/ Services Provided	Purchase Amount	Percentage of Total Purchase	Business Relationship Since
				(RMB in thousand)	*(%)*	
1	Hangzhou CoJourney	A CDMO company, based in China, providing customized services including process development for plasmid, viral vector and mRNA preparation, cGMP production, analytical method development and product testing and release.	CRO services	14,659	29.4	2023
2	Supplier A	A CRO company, based in US, specializing in providing clinical trial services.	CRO services	6,709	13.4	2023
3	Guoke Safebo Pharmaceutical Technology (Hebei) Co., Ltd.* 國科賽賦河北醫藥技術有限公司	A CRO company, based in China, providing preclinical and non-clinical pharmacology and toxicology CRO research services for drugs.	CRO services	4,375	8.8	2023
4	Jiangsu Dingtai Pharmaceutical Research (Group) Co., Ltd.* 江蘇鼎泰藥物研究(集團)股份有限公司	A CRO company, based in China, providing comprehensive non-clinical safety, efficacy, and DMPK studies, as well as integrated clinical trial services from proof-of-concept to pivotal trials.	CRO services	2,544	5.1	2021
5	Children's Hospital of Fudan University* 復旦大學附屬兒科醫院	A tertiary-level Class A comprehensive children's hospital, based in China	Clinical center services	2,151	4.3	2022
Total				**30,438**	**61.0**	

COMPETITION

Our industry is highly competitive and subject to rapid and significant change. We face potential competition from many different sources working to develop therapies targeting the same indications against which we are developing our drug candidates. These include major pharmaceutical companies, academic institutions, government agencies and research institutions. Any drug candidates that we successfully develop and commercialize will compete both with existing drugs and with any new drugs that may become available in the future.

EMPLOYEES

The following table sets forth a breakdown of our employees by function as of the Latest Practicable Date:

Function	Number	Percentage
Research	27	39%
Clinical development	16	23%
Process development	9	13%
Finance/Legal/HR/IT/Others	17	25%
Total	**69**	**100.0%**

As of the Latest Practicable Date, we had 67 employees in China and two employees in the United States. We enter into standard confidentiality and employment agreements with our key management and research staff. Our employees' remuneration consists of salaries, bonuses, share-based incentive plans, social insurance contributions and other welfare payments. In accordance with applicable laws, we have made contributions to social insurance funds and housing funds for our employees. We conduct new staff training regularly to guide new employees and help them adapt to the new working environment.

We believe that we maintain a good working relationship with our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any strikes, labor disputes or industrial action which had a material effect on our business. We believe we have not experienced any significant difficulty in recruiting staff for our operations.

INTELLECTUAL PROPERTY

Intellectual property rights are important to the success of our business. Our future commercial success depends, in part, on our ability to obtain and maintain patent and other intellectual property and proprietary protection for commercially important technologies, inventions and know-how related to our business, defend and enforce our patents, preserve the confidentiality of our trade secrets, and operate without infringing, misappropriating or otherwise violating the valid, enforceable intellectual property rights of third parties.

As of the Latest Practicable Date, we (i) owned six issued patents in China and one issued patent in Macao, and (ii) filed ten published patent applications in China, 16 published PCT patent applications that are currently active, and 14 published patent applications in the U.S. and other jurisdictions relating to certain of our product candidates and platform technologies. Our intellectual property counsel, conducted a freedom-to-operate (FTO) analysis based on patents, patent applications and PCT applications published in the PRC and the United States on or before June 30, 2026, subject to the on-going or planned clinical trials and the projected commercialization territories confirmed by the Company. As of the Latest Practicable Date, our Directors believe that we have not infringed any IP rights of third parties. The following table summarizes the details of the material granted patents and filed patent applications by our Company in connection with our clinical and preclinical product candidates:

Product	Scope of Patent Protection	Status	Inventors/ owners	Patent expiration[(1)]	Jurisdictions
EXG001	A viral packaging plasmid and its application	Granted	Inventors: Zhongwan Li, Shuyuan Chen, Qian Guo, Guojie Ye, Zhenhua Wu Owner: Hangzhou Jiayin	2044	China

Product	Scope of Patent Protection	Status	Inventors/ owners	Patent expiration[1]	Jurisdictions
EXG001	Nucleic acid constructs and their use in the treatment of spinal muscular atrophy	Granted	Inventors: Peixin Zhu, Guojie Ye, Zhenhua Wu, Lijun Wang Owner: Hangzhou Jiayin	2041	China
EXG001	NUCLEIC ACID CONSTRUCTS AND USES THEREOF FOR TREATING SPINAL MUSULAR ATROPHY	Pending	Inventors: Peixin Zhu, Guojie Ye, Zhenhua Wu, Lijun Wang Owner: Hangzhou Exegenesis		Canada, Australia, Japan, Israel, Republic of Korea, European Patent Office, USA
EXG001	Construction and application of induced stable cell lines with downregulated endogenous SMN	Granted	Inventors: Li Dai, Ye Zhang, Shai Huang, Guojie Ye, Zhenhua Wu Owner: Hangzhou Jiayin	2044	China
EXG102	Fusion molecules targeting VEGF and angiopoietin and their applications	Granted	Inventors: Guojie Ye, Zhenhua Wu, Lijun Wang, Li Dai Owner: Hangzhou Jiayin	2042	China
EXG102	FUSION MOLECULES TARGETING VEGF AND ANGIOPOIETIN AND USES THEREOF	Pending	Inventors: Guojie Ye, Zhenhua Wu, Lijun Wang, Li Dai Owner: Hangzhou Exegenesis		Canada, Australia, Japan, Israel, Republic of Korea, European Patent Office, USA
EXG202	AAV2 Packaging Plasmids and their applications	Pending	Inventors: Zhongwan Li, Shuyuan Chen, Qian Guo, Jiahao Xu, Bifeng Chen, Guojie Ye, Zhenhua Wu, Lijun Wang Owner: Hangzhou Jiayin		China
EXG202	A NOVEL AAV VARIANT	Pending	Inventors: Shuyuan Chen, Zhenhua Wu, Guojie Ye, Shaoyong Li, Zhongwan Li Owner: Hangzhou Jiayin, Exegenesis Bio Co., Exegenesis Bio Singapore Pte. Ltd		N/A

Product	Scope of Patent Protection	Status	Inventors/ owners	Patent expiration[1]	Jurisdictions
EXG202	A Novel Intravitreal Gene Therapy for neovascular diseases	Pending	Inventors: Guojie Ye, Shuyuan Chen, Li Dai, Zhenhua Wu, Zhongwan Li, Ye Zhang Owner: Hangzhou Jiayin, Exegenesis Bio Co., Exegenesis Bio Singapore Pte. Ltd		N/A
Platform (*AAVarta*) .	Transferrin receptor binding polypeptide-incorporated capsids and the uses thereof	Pending	Inventors: Zhenhua Wu, Jingbo Liu, Shaoyong Li, Guojie Ye, Owner: Exegenesis Bio Co., Hangzhou Jiayin, Hangzhou Exegenesis, Exegenesis Bio Singapore Pte. Ltd		N/A
Platform (*AAVarta*) .	An improved method of producing AAVs incorporated with large polypeptides	Pending	Inventors: Zhenhua Wu, Jingbo Liu, Shaoyong Li, Guojie Ye, Xin Xin Owner: Exegenesis Bio Co., Hangzhou Exegenesis, Hangzhou Jiayin, Exegenesis Bio Singapore Pte. Ltd		N/A
Platform (*AAVarta*) .	AAV VARIANTS AND USES THEREOF	Pending	Inventors: Shuyuan Chen, Zhenhua Wu, Guojie Ye, Shaoyong Li, Zhongwan Li Owner: Hangzhou Jiayin		N/A

Notes:

(1) Patent expiration date is estimated based on current filing status, without taking into account any possible patent term adjustments or extensions and assuming payment of all appropriate maintenance, renewal, annuity and other government fees.

We may rely, in some circumstances, on trade secret and/or confidential information to protect aspects of our technology. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with consultants, scientific advisers and contractors, and invention assignment agreements with our employees. We have entered into confidentiality agreements with our senior management and key members of our R&D team and other employees who have access to trade secrets or confidential information about our business. Our standard employment contract, which we used to employ each of our employees, contains an assignment clause, under which we own all the rights to all inventions, technology, know-how and trade secrets derived during the course of such employee's work.

We conduct our business under the brand name of "Exegenesis". As of the Latest Practicable Date, we had registered 12 trademarks in China, and have registered one trademark in Hong Kong. We are also the registered owner of two domain names.

As of the Latest Practicable Date, save as disclosed in this document, we were not involved in any proceedings in respect of, and we had not received notice of any claims of infringement of, any intellectual property rights that may be threatened or pending, in which we may be a claimant or a respondent.

AWARDS AND RECOGNITIONS

The following table sets forth some of the important accreditations and awards we have received from the relevant authorities and organizations in China during the Track Record Period in recognition of our research and development capabilities:

Year	Accreditation/Award	Accreditation Organization
2024	2024 Hangzhou's Quasi-Unicorn Enterprises	Hangzhou Venture Capital Association
2023	The R&D project "Key Research and Development Program of Zhejiang Province, China" was selected as part of the 2023 "Leading Goose" Key R&D Program	Zhejiang Provincial Department of Science and Technology
2023	Zhejiang Provincial Postdoctoral Research Station	Zhejiang Provincial Department of Human Resources and Social Security
2022	The "Gene Therapy Drug R&D and Industrialization Innovation Team" was selected as a "Leading Innovation and Entrepreneurship Team in Hangzhou" in 2022	Hangzhou Science and Technology Bureau
2021	Outstanding Enterprises and Second Prize of the 10th China Innovation and Entrepreneurship Competition	Ministry of Science and Technology
2021	Hangzhou "Young Eagle Plan" Enterprises	Hangzhou Science and Technology Bureau

LAND AND PROPERTIES

According to Section 6(2) of the Companies Ordinance (Exemption of Companies and prospectuses from Compliance with Provisions) Notice (Cap. 32L of the Laws of Hong Kong) and Chapter 5 of the Listing Rules, this document is exempted from compliance with the requirements of Section [**REDACTED**] of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which require a valuation report with respect to all of our interests in land and buildings, for the reason that, as of June 30, 2026, we had no property interest with a carrying amount of 15% or more of our total assets.

Leased Properties

As of the Latest Practicable Date, we leased two properties in China for use as our laboratories and offices with an aggregate GFA of approximately 6,391.1 sq.m. and two properties in the U.S. for use as our laboratories and offices with an aggregate GFA of approximately 344.14 sq.m. We believe our current facilities are sufficient to meet our near-term needs, and additional space can be obtained on commercially reasonable terms to meet our future needs. We do not anticipate undue difficulty in renewing our leases upon their expiration.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") MATTERS

ESG Governance

Led by the Board, we are committed to integrating ESG considerations into our business operations. The Board has the overall responsibility for overseeing ESG strategy, management approach, policies and performance, including ESG-related risks and opportunities (particularly climate-related matters), and reviews progress against relevant metrics and targets to ensure alignment with our long-term development.

To support the Board's oversight, we have established an ESG working group comprising senior management and heads of major functional departments. Delegated by the Board, the ESG working group is responsible for coordinating ESG- and climate-related matters across our Group. Key responsibilities of the ESG working group include: (i) assessing the effectiveness of the ESG management framework and structure of the Group and advising on any necessary changes; (ii) monitoring the Group's performance against its goals and targets; (iii) monitoring stakeholder's feedback (including the review and approval of material issues and materiality matrix); (iv) identifying and advising the Board on significant ESG and climate-related risks and opportunities and corresponding action plans; (v) supervising the ESG-related functional departments to advance the Group's sustainability agenda; and (vi) reviewing and approving the annual ESG report of the Group. The ESG working group reports to the Board at least once a year on ESG performance, key risks and opportunities, and the implementation status of related measures. The Board retains the ultimate oversight responsibility for our ESG risk management.

Materiality Assessment

The materiality assessment plays an important role in advancing our ESG strategy and forming the foundation for ESG disclosure. Upon [**REDACTED**], we will adopt a three-step approach to identify, prioritise and validate ESG issues material to our business and stakeholders, allowing us to gain insights of stakeholders' expectations and emerging sustainability trends. This in turn enables us to incorporate our sustainability priorities into our strategy development and reporting processes:

Step 1 – Identification

- (i) Review and summarise potential material ESG issues identified through regular stakeholder engagement; (ii) conduct peer benchmarking and make reference to international ESG disclosure standards and the materiality maps proposed by reputable ESG ratings agencies, including the Sustainability Accounting Standards Board ("**SASB**") Standards, IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information ("**IFRS S1**"), IFRS S2 Climate-related Disclosures ("**IFRS S2**"), and MSCI's ESG Industry Materiality Map; and (iii) conduct an online stakeholder engagement survey with key external and internal stakeholders including customers, employees, suppliers, investors and management.

Step 2 – Prioritisation

- (i) Assess material ESG issues from two perspectives: stakeholder materiality (importance to stakeholders) and financial materiality (importance to business performance continuity and development); and (ii) develop a materiality matrix based on the findings from the online stakeholder engagement survey.

Step 3 – Review and validation

- Present the list of identified material issues and the materiality matrix to ESG working group for review and approval

Identification and Management of ESG-related Risks and Opportunities

We conduct periodic assessments to identify, assess and prioritize material ESG-related risks and opportunities relevant to our business, either negative or positive, actual or potential, taking into account our business nature, industry characteristics, and with reference to local and international reporting frameworks. With the assistance of third-party ESG consultants, we formulate a dual ESG-related risks and opportunities rating system to dynamically monitor and assess both the risks and the effectiveness of our corresponding mitigation measures. We assess identified ESG risks and opportunities by assigning initial risk ratings based on their likelihood and potential impact on our business, strategic, and financial performance. We then implemented corresponding mitigating measures and determined residual risk ratings after taking into account the effectiveness of our ESG-related risk control measures.

Set forth below is a summary of identified material ESG-related risks and opportunities and the corresponding measures that have been formulated.

ESG-related risks	Timeframe and potential impacts	Mitigating actions (adopted/to be adopted)	Quantifiable risk indicators
Climate-related physical risks			
Acute risks: The increased severity and frequency of extreme weather events due to climate change (e.g., typhoons, rainstorms, floods)	Short, medium and long term • Damage to property and assets in our operating locations, which may adversely impact our financial results • Disruption to business operation and supply chain and logistics arrangement • Minor raw material delivery delays in affected areas during extreme weather	• We have closely monitored the local weather forecasts and reminded our staff to remain familiar with business contingencies as well as implementing emergency protective measures. • We will consider prioritising the selection of local and nearby suppliers	For our greenhouse gas ("**GHG**") emissions, please refer to the "Environmental Metrics and Targets"
Climate-related transition risks			
Policy and legal risks: Evolving climate-related laws and regulations in transition to a low-carbon economy, including China's 2060 carbon neutral goal	Medium to long term • Increase in compliance and operating costs	• We regularly and closely monitor the latest changes in laws, policies and regulations • We promptly communicate the policy updates to our employees to ensure compliance • We will assess the feasibility of implementing new climate-related disclosure requirements and, where applicable, develop transition measures in line with more ambitious policies and regulations	For our GHG emissions, please refer to the "Environmental Metrics and Targets"

ESG-related risks	Timeframe and potential impacts	Mitigating actions (adopted/to be adopted)	Quantifiable risk indicators
Other ESG-related risks			
Supply chain risks: Energy consumed and greenhouse gas ("**GHG**") emissions released along the supply chain	Short, medium and long term • Increase in reputational and operational risks • Increase in administrative cost and resource allocation in data collection from key suppliers for scope 3 GHG emissions reporting	• We encourage our suppliers to explore opportunities to reduce environmental impact within their daily operations and manufacturing processes • We have established policies which require suppliers to comply with environmental laws and regulations, as well as minimizing energy consumption where possible • We will closely monitor regulatory developments and, where applicable, work with key suppliers to enhance energy efficiency and GHG emissions performance	Upon the [**REDACTED**], we will enhance our scope 3 data collection system to strengthen carbon emissions tracking and management across key suppliers
Supplier product quality and supply chain stability risks: Failure to meet customer expectations due to poor supplier product and service quality, and poor supply chain stability	Short, medium and long term • Increase in reputational risks, which may adversely impact our financial results	• We have established a supplier management policy to specify the supplier evaluation process, review frequency and criteria. This includes the consideration of suppliers' product quality and the ability to deliver goods in a timely manner • We will maintain stable partnerships with key suppliers and regularly review their relevant qualifications and certifications	We will conduct an annual key supplier performance evaluation covering indicators such as product quality, supplier stability, and on-time delivery
Climate-related opportunities			
Markets: Increasing marketing demand for specific medical treatments driven by the impact of climate change on human health, such as worsening central nervous system conditions due to extreme high temperatures	Medium to long term • Increase in operating revenue driven by growing market demand and health needs	• We continuously conduct R&D and regular market research • We will focus on talent development by providing product innovation training, ensuring employees stay informed about the latest health trends	N/A

ESG Policy

We are committed to incorporating ESG factors into our business decision-making process. As such, we have established a group-level ESG policy complemented by a set of measures and initiatives to guide our actions and measures to strengthen our sustainability efforts.

Environment

Our environmental policy outlines our green practices and measures (as far as practicable), with a focus on emission reduction, waste reduction (including wastewater management), resource conservation, protection of environmental and natural resources, as well as addressing climate change.

Energy, Air and Greenhouse Gas Emissions Management

The major sources of our energy consumption and GHG emissions (Scope 2) include the use of purchased electricity, steam and cooling. We have implemented policies and energy saving measures, including the adoption of energy efficient equipment and LED lighting system, the use of natural light, requiring employees to turn off idling electrical equipment.

The major sources of air emissions are exhaust gases generated from our laboratory operations, including hydrogen chloride ("**HCl**") and non-methane hydrocarbons ("**NMHCs**"). We have established policies to manage such emissions through designated exhaust and treatment systems, including activated carbon adsorption and high-efficiency filtration, with emissions discharged via purified ventilation systems. Designated personnel conduct regular inspections of the exhaust treatment systems and arrange timely maintenance and replacement of adsorbents, such as activated carbon and sodium hypochlorite, where necessary. Qualified third parties are also engaged to conduct regular monitoring in accordance with applicable environmental requirements. We are continuously exploring measures to minimise air emissions, including ensuring the proper maintenance of company vehicles and considering the adoption of electric vehicles.

Water Consumption

Our water consumption mainly arises from municipal water usage in operations. We have implemented water saving measures, including timely repair of water leaks, adoption of water-efficient fixtures, water consumption monitoring, and internal communications to encourage employees to reduce water usage.

Waste Management and Use of Resources

Non-hazardous waste mainly comes from general refuse while hazardous waste primarily includes laboratory waste liquids, waste filter cartridge and waste chemical packaging during R&D and experimental procedures. We ensure proper handling and disposal of all waste and, where necessary, engage licensed third-parties for collection and treatment. Hazardous waste will be stored, classified and recorded in designated areas and containers, and handled by licensed service providers. Storage facilities are equipped with appropriate containment and protection measures, including weatherproofing, spill prevention and leakage collection systems, to mitigate environmental risks. Designated personnel oversee hazardous waste management. In respect of wastewater management, we have established policies and operate an on-site wastewater treatment facilities to ensure compliance with the relevant standards, with wastewater undergoing separate treatment processes, including biochemical reactions, prior to discharge. We conduct routine inspections of wastewater treatment facilities, with any irregularities promptly addressed. We also maintain online monitoring systems and engage qualified third parties to conduct periodic wastewater discharge testing to ensure compliance with applicable standards.

To minimize non-hazardous waste, we promote waste sorting and recycling, implement double-sided printing and remind employees to minimize waste through internal communications. Regular staff training and emergency drills are conducted, and contingency measures and response plans are in place for potential incidents.

Environmental Metrics and Targets

With reference to our historical environmental performance, our expected business operational scale and the expected measures to be implemented in the future, we have set targets to support the national "30•60" carbon peak and neutrality targets, as well as international standards such as the Paris Agreement, with the timeframe of our targets established with reference to such national and international standards. To advance our commitment to environmental protection, we have established the following reduction target by 2030, using 2024 as the baseline, with the assumption of constant related emission factors and considering future business operations. For details of measures implemented to achieve these targets, please refer to "Environment" in this section.

- Reduce GHG emissions (Scope 2) intensity (tCO_2e /gross floor area ("**GFA**") (m^2)) by 5%;

Based on our benchmarking against industry peers, the selected target year of 2030, the GHG emissions reduction target metric and the related policies are broadly aligned with prevailing peer practices and international standards. Upon the [**REDACTED**], we will continue to review our environmental targets and explore the feasibility of setting more ambitious targets to further strengthen our climate resilience.

The table below sets forth key environmental metrics of our business operations[1,2]:

		For the year ended December 31,		For the six months ended June 30,
	Unit	**2024**	**2025**	**2026**
Emissions				
GHG emissions[3,4]				
Total (Scopes 2, 3)	tCO_2e	858.08	591.61	357.53
(i) Energy Indirect Emissions (Scope 2)	tCO_2e	735.54	509.57	284.36
(ii) Other Indirect Emissions (Scope 3)[5]	tCO_2e	122.54	82.04	73.17
Total (Scopes 2) Intensity	tCO_2e/GFA	0.12	0.08	0.05
Total (Scopes 2, 3) Intensity	tCO_2e/ GFA (m^2)	0.14	0.10	0.06
Use of Resources				
Energy				
Total	MWh	3,164.30	2,150.70	1,135.64
(i) Purchased Electricity	MWh	831.85	587.63	338.73
(ii) Purchased Steam	MWh	1,206.11	945.28	547.55
(iii) Purchased Cooling	MWh	1,126.35	617.79	249.36
Intensity	MWh/ GFA (m^2)	0.51	0.35	0.18
Exhaust Gas[6]				
HCl	kg	2.64	7.20	1.16
NMHCs	kg	4.08	5.76	5.64
Water				
Total	m^3	6,260.00	4,566.00	2,684.46
Intensity	m^3/ GFA (m^2)	1.01	0.74	0.43

	Unit	For the year ended December 31, 2024	2025	For the six months ended June 30, 2026
Waste				
Total Hazardous Waste	tonnes	2.55	3.36	2.60
(i) Laboratory Waste Liquids	tonnes	2.45	3.02	2.48
(ii) Waste Chemical Packaging	tonnes	–	0.02	0.01
(iii) Waste Packaging	tonnes	0.10	0.03	–
(iv) Waste Activated Carbon	tonnes	–	0.05	0.05
(v) Spent Filter Cartridges	tonnes	–	0.21	–
(vi) Waste Glass	tonnes	–	0.03	0.06
Total Hazardous Waste Intensity	tonnes/GFA (m^2)	0.0004	0.0005	0.0004
Total Non-hazardous Waste	tonnes	0.96	0.96	0.26
Total Non-hazardous Waste Intensity	tonnes/GFA (m^2)	0.0002	0.0002	0.00004

[1] The data covers the Group's major business operations.

[2] Totals may not be the exact sum of numbers stated here due to rounding.

[3] The calculation of GHG emissions made reference to the GHG Protocol published by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). Scope 2 (Energy Indirect) emissions cover GHG emissions of indirect energy resulted from purchased electricity, steam and cooling consumed by our operations, while Scope 3 (Other Indirect) emissions that occur in the Group's value chain.

[4] The Group's major business operations did not involve fuel consumption during the Track Record Period, such that we did not generate Scope 1 GHG emissions.

[5] The Scope 3 emissions include available data arising from Category 6: business travel and Category 7: employee commuting.

[6] Exhaust gas emissions are derived by based on the average measured emission rate (kg/hour) multiplied by the corresponding operating hours during the Track Record Period.

Social

We are committed to fostering a caring workplace culture that upholds diversity, equal opportunities, health and safety and employee well-being. Our social policy has outlined socially responsible practices and measures.

Employment and Labor Practice

We have established policies governing employment and labor practices, including compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. In respect of dismissal, we have established relevant policies to safeguard employees' lawful rights and interests in employment termination. In terms of diversity and employee benefits, we provide parental leave and childbirth-related benefits to support female employee retention, and offer a range of employee welfare, including paid leave, social insurance and provident fund, as well as festival allowances. We uphold principles of equal opportunity, diversity, and inclusiveness in all aspects of employment and are committed to building an inclusive workplace where all employees are respected and valued, regardless of gender, age, family status, disability, race, religion, nationality or cultural background. In line with our equal opportunity commitment, we uphold age-inclusive practices in recruitment and promotion while supporting extended careers for experienced professionals. We respect labor rights, and strictly prohibit child labor and forced labor.

We are committed to investing in our workforce. We provide internal and external training to enhance employees' professional knowledge and skills, and encourage them to pursue further training in their spare time for personal and professional development. We also strive to strengthen employee engagement by regularly arranging leisure activities and maintaining two-way communications to increase overall job satisfaction.

Occupational Health and Safety

We safeguard employees' health and safety across our operations through implemented policies and measures, including health examinations, provision of personal protective equipment (such as protective eyewear and face shields), regular safety equipment inspections, and safety training covering safe handling of hazardous chemicals. We have also established emergency response measures and plans specifying procedures and departments responsible for handling emergencies. Additionally, we have developed a system of recording and handling accidents, which requires employees to notify their department heads and ensures accidents are managed in accordance with applicable laws and regulations.

Supply Chain Management

We have established a supplier code of conduct which outlines our sustainability expectations including employment practices, health and safety, business ethics, data privacy, product responsibility as well as animal welfare, to guide the selection and management of suppliers, including CROs and CDMOs. Our new supplier selection and regular supplier evaluation criteria include ESG considerations. We also assess supplier qualifications as part of our onboarding and ongoing management processes, and conduct annual evaluations to assess our suppliers' performance. Where any non-compliance or deficiencies are identified, we require the relevant suppliers to implement rectification measures.

To advance our efforts on providing environmentally preferable products and services, we have established relevant green procurement policies and implemented measures including but not limited to prioritizing products with higher energy efficiency, as well as encouraging our suppliers to adopt environmentally friendly products and services.

Product Responsibility

We are committed to delivering high-quality and safe products and services to our customers. As such, we have established comprehensive quality control and assurance procedures that adhere to applicable national regulatory standards, supported by our quality assurance team. Moreover, we have established measures throughout our operations, from selection of qualified suppliers, incoming material quality control, product in-process quality control to the delivery of finished products, to ensure the quality of our products and services. These measures include but not limited to specifying our quality-related requirements in supplier agreements, conducting regular on-site inspections, ensuring that clinical trial personnel possess valid Good Clinical Practice ("**GCP**") certification, establishing quality control procedures, as well as product and raw material quality inspection guidelines. Additionally, we have established dedicated recall and destruction procedures for non-conforming or scrapped clinical trial drugs, with such materials and experimental medications handled in accordance with the relevant policies.

To ensure customer satisfaction, we have put in place procedures for handling customer complaints. To safeguard customer privacy, we have also established preventive and protection measures, including user access restrictions to customer information. Our Ethics Task force conducts professional ethical reviews and oversight to ensure the strict confidentiality of clinical trial participants' personal data. We have established policies governing advertising and marketing activities, with materials subject to review before publication to prevent false or misleading information.

Patient Safety

Patient safety is our top priority. To further enhance the safety of patients enrolled in our clinical development activities, we have adopted a range of measures including: (i) preparing and updating clinical trial protocols, informed consent forms and Investigator's Brochures ("**IBs**") in accordance with applicable regulations and relevant safety information; (ii) providing relevant training to personnel; (iii) procuring clinical trial insurance to cover trial-related injuries; (iv) establishing procedures for the reporting and management of adverse events, including timely reporting of serious adverse events and implementation of necessary medical measures; and (v) conducting ongoing monitoring and quality checks to ensure compliance with protocols and protection of patient safety.

Animal Welfare

We are committed to the ethical use of laboratory animals and apply the principles of replacement, reduction and refinement ("**3Rs**"), which aim to replace the use of animals where possible, reduce the number of animals used and refine procedures to minimise pain or distress. As we engage qualified CROs to conduct animal studies, we require such CROs to hold relevant qualifications and accreditations, including AAALAC certification, which is designed to promote the humane treatment of animals in science, and a Certificate for Use of Experimental Animals. We require our CROs to complete an animal welfare and ethics application form to ensure animal welfare is duly protected. Animal studies are subject to ethical review procedures, including assessment of the necessity of animal use, application of the 3Rs principles, appropriate selection of animal models and guidelines on humane endpoints. We also leverage our AI-enabled core R&D platform to support animal welfare by enabling early-stage in silico screening and targeted candidate selection prior to animal studies, thereby reducing the number of candidates requiring in vivo testing where practicable. In addition, we provide regular training to our employees on animal welfare and ethical research practices.

Business Ethics

We uphold high standards of business ethics, and strictly prohibit bribery, extortion, fraud, money laundering and any other unethical practices. We have established preventive measures, including anti-corruption training for the Board and employees, and whistleblowing channels for employees to report any potential misconduct that violates our ethical standards. The Board is responsible for the oversight of these preventive measures and whistleblowing procedures.

Community Investment

We strive to contribute to the community and shoulder corporate responsibility. During the Track Record Period, we partnered with universities in support of youth development. Moving forward, we will explore opportunities to establish additional focus areas for community investment, and partnerships with social impact organizations where appropriate.

Social Metrics and Targets

To strengthen our commitment to safeguarding employee health and safety, we have established targets to maintain (i) zero major safety incidents and (ii) zero work-related fatalities for our employees at our operational sites.

Upon benchmarking against industry peers, our occupational health and safety target metrics, as well as our policies, are aligned with prevailing practices among peers. Upon the [**REDACTED**], we will progressively review our social targets and continue to explore the feasibility of setting more ambitious targets to further advance our workplace health and safety efforts.

The table below sets forth key social metrics of of the Group, all of whose employees were full-time employees.

Workforce[6]

	Unit	For the year ended December 31, 2024	For the year ended December 31, 2025	For the six months ended June 30, 2026
By gender				
Male	Number	36	32	35
Female	Number	41	33	29
By age group				
At or below 30	Number	25	18	17
Between 31-50	Number	46	43	42
At or above 51	Number	6	4	5
By geographical location				
PRC	Number	72	62	61
the United States	Number	5	3	2
Hong Kong	Number	0	0	1

[6] The decrease in the total number of employees was mainly due to voluntary resignations and business restructuring to enhance operational efficiency. The Group considers that such decrease did not have any material adverse impact on its business operations.

Occupational Health and Safety

The Group did not experience any major work safety-related incidents involving our employees during the Track Record Period and up to the Latest Practicable Date.

INSURANCE

We maintain insurance policies for adverse events in clinical trials, liabilities of directors, supervisors and senior management, and fixed assets. We currently do not maintain product liability insurance. For more details, see "Risk Factors — Risks Relating to Our Operations — We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources."

We consider that the coverage from the insurance policies maintained by us is adequate for our present operations and is in line with the industry norm. During the Track Record Period, we had not made, or been the subject of, any material insurance claims.

CERTIFICATES, PERMITS AND LICENSES

As of the Latest Practicable Date, our PRC Legal Adviser and U.S. Legal Adviser confirmed that we had obtained all requisite licenses, approvals and permits from relevant authorities that are material to our operations in the PRC and the United States, and such licenses, permits and certifications all remained in full effect. For more details regarding the laws and regulations to which we are subject, see "Regulatory Overview." We had not experienced any material difficulty in renewing such licenses, permits, approvals and certificates during the Track Record Period and up to the Latest Practicable Date, and we currently do not expect to have any material difficulty in renewing them when they expire, if applicable. To the best knowledge of our PRC Legal Adviser and U.S. Legal Adviser, there is no material legal impediment in renewing such licenses, permits, approvals and certificates as

they expire in the future as long as we are in compliance with applicable laws, regulations and rules. During the Track Record Period and up to the Latest Practicable Date, we had not been penalized by any government authorities for any non-compliance relating to maintenance and renewal of our material licenses, permits, approvals and certificates.

The following table sets forth the details of our material licenses, permits and approvals as of the Latest Practicable Date:

Licnese/Permit	Issuing Authority	Grant Date	Expiration Date
Zhejiang Province Pathogenic Microorganism Laboratory Filing Certificate	Hangzhou Municipal Health Commission	August 12, 2024	N/A
Zhejiang Province Pathogenic Microorganism Laboratory Filing Certificate	Hangzhou Municipal Health Commission	February 27, 2024	N/A
Fixed Pollution Source Discharge Registration Receipt	N/A	November 4, 2024	November 3, 2029

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

On March 27, 2026, Shanghai Jiayin Biotechnology Co., Ltd.(上海嘉因生物科技有限公司) (the "**Shanghai Jiayin**") filed a lawsuit with the Intermediate People's Court of Suzhou Municipality, Jiangsu Province (the "**Suzhou Court**"), alleging that the inclusion of the words "嘉因" and "嘉因生物" in the enterprise name of Hangzhou Jiayin constitutes trademark infringement and unfair competition, and seeking damages of RMB60.0 million. We received a summons dated June 30, 2026 issued by the Suzhou Court, requiring us to attend a hearing on August 13, 2026, which was cancelled subsequently. On July 13, 2026, we submitted an objection to jurisdiction to the Suzhou Court, requesting that the case be transferred to the Intermediate People's Court of Hangzhou Municipality for trial. As of the Latest Practicable Date, we had not received any response from the Suzhou Court regarding our objection to jurisdiction, and the case had not commenced trial.

Our PRC legal adviser with respect to intellectual property laws in the PRC is of the view that the infringement claims asserted by Shanghai Jiayin are without merit, and that the risk of our being required to pay RMB60.0 million in damages in connection with such alleged infringement is remote.

Saved as disclosed above, during the Track Record Period and up to the Latest Practicable Date, we were not a party to any actual or threatened legal or administrative proceedings. We are committed to maintaining the standards of compliance with the laws and regulations applicable to our business. However, we may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business.

Legal Compliance

Our PRC Legal Adviser and U.S. Legal Adviser confirmed that, based on the due diligence conducted by our U.S. Legal Adviser in connection with the [**REDACTED**], during the Track Record Period and up to the Latest Practicable Date, we have complied with all applicable laws and regulations in PRC and the United States in all material aspects. Our Directors confirmed that we were not involved in any material or systematic non-compliance incidents.

Labor and Social Security Non-compliances

As of the Latest Practicable Date, we have identified the following historical non-compliance incidents in respect of our labor and employment, social insurance, and housing provident fund matters in China.

Failure to Make Full Social Insurance and Housing Provident Fund Contributions and Historical Use of Third-Party Payment Agencies

Background and Reasons

During the Track Record Period and up to the Latest Practicable Date, we did not pay social insurance and housing provident fund in full for certain employees based on their actual wages in accordance with the applicable PRC laws and regulations. The shortfall of social insurance and housing provident fund contributions amounted to an aggregate of approximately RMB0.8 million during the Track Record Period. This non-compliance incident was primarily caused by delays by our human resources department in updating the applicable bases of the social insurance and housing provident fund contributions after salary adjustments of some employees.

Additionally, during the Track Record Period, certain of our PRC subsidiaries historically engaged third-party agencies to make social insurance and housing provident fund contributions on behalf of a small number of their employees, which is not in compliance with relevant PRC regulations requiring employers to handle such payments directly.

Legal Consequences and Potential Maximum Penalties

Our PRC Legal Advisors have advised that our historical practices were not in full compliance with the relevant PRC laws and regulations. Specifically, pursuant to Article 58 of the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), an employer must apply to register its employees for social insurance within 30 days of their employment. Furthermore, Article 60 of the Social Insurance Law stipulates that an employer must itself declare and pay social insurance contributions in full and on time. Consequently, the practice of engaging third-party agencies to make contributions on behalf of employees is inconsistent with this legal requirement for the employer to handle such matters directly. Failure to comply with these obligations can lead to penalties. Under Article 84 of the Social Insurance Law, where an employer fails to complete social insurance registration, the social insurance administrative department shall order it to rectify the situation within a prescribed time limit; if the employer fails to do so, it may be subject to a fine of one to three times the amount of the social insurance fees owed, and its directly responsible managers and other directly responsible personnel may be subject to a fine of between RMB500 and RMB3,000.

Our PRC Legal Advisors have advised that the use of third-party agencies could be deemed by the relevant authorities as a failure to properly handle social insurance registration, which may potentially give rise to the imposition of penalties. Separately, pursuant to Article 86 of the Social Insurance Law, where an employer fails to pay social insurance contributions in full and on time, the social insurance collection agency shall order it to make supplementary payments within a prescribed time limit and may be subject to a daily late fee of 0.05% of the overdue amount, commencing from the date of default. If the employer fails to pay within the prescribed time limit, the relevant administrative department may impose a fine of one to three times the amount of the overdue payment. In relation to the housing provident fund, pursuant to the Regulations on the Management of Housing Provident Fund (《住房公積金管理條例》), where an employer fails to pay or underpays housing provident fund contributions, the housing provident fund management center shall order it to make the payment within a prescribed time limit. If the employer fails to do so upon the expiry of the time limit, the center may apply to a people's court for compulsory enforcement.

Remedies and Mitigating Factors

As of the Latest Practicable Date, we have ceased the practice of using third-party agencies for contribution payments. We had not received any notice from any competent authority requiring us to make supplementary payments or rectify the shortfalls, nor had we been subject to any investigations or administrative penalties in relation to such non-compliance. We had also not received any complaints or reports from our employees regarding these matters. We have made full social insurance contributions for all our employees.

Based on public credit reports and relevant compliance certificates obtained from governmental authorities, there was no record of us having been subject to administrative penalties for violations of social insurance or housing provident fund laws and regulations during the Track Record Period. In addition, we have enhanced our internal control measures in this regard, in particular, (i) we have implemented comprehensive policies on social insurance and housing provident fund contribution and registration in compliance with the relevant PRC laws and regulations; (ii) we have designated our human resources department to review and monitor the reporting and contributions on a regular basis; (iii) we provide regular training to our employees regarding compliance requirements and relevant laws and regulations; and (iv) we actively communicate with our employees to seek their understanding and cooperation in complying with the applicable contribution base, which also requires additional contributions from the relevant employees. If relevant authorities request rectification within a specified period, or if there are any reports, disputes, complaints, or requirements to pay overdue social insurance fees and late payment penalties or supplementary housing provident fund contributions, we will promptly rectify, resolve the reports, disputes or complaints, or make full supplementary payments within the prescribed time limit.

PRC Legal Advisors' Opinion

Based on the foregoing, and on the condition that there are no material changes to the current laws and local enforcement policies and we do not receive any related employee complaints or reports, our PRC Legal Advisors are of the view that the risk of our Group being subject to administrative penalties as a result of the historical failure to make full contributions and the use of third-party agencies is remote.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

We recognize that risk management is critical to the success of our business operation. Key operational risks faced by us include changes in general market conditions and the regulatory environment of China, the U.S. and other target markets, our ability to develop, manufacture and commercialize our product candidates, and our ability to compete with other pharmaceutical companies. See "Risk Factors" for a discussion of various risks and uncertainties we face. We also face various market risks. In particular, we are exposed to credit, liquidity and currency risks that arise in the normal course of our business.

We have established an audit committee and also adopted a series 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. The following key principles outline our approach to risk management:

- Our board of directors will oversee and manage the overall risks associated with our business operation, including (i) reviewing and approving our risk management policies to ensure that it is consistent with our corporate objectives; (ii) reviewing and approving our corporate risk tolerance; (iii) monitoring the most significant risks associated with our business operation and our management's handling of such risks; (iv) reviewing our corporate risk in light of our corporate risk tolerance; and (v) monitoring and ensuring the appropriate application of our risk management framework across our Company.

- Our operation department is responsible for (i) formulating and updating our risk management policy and targets; (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 feedback; (vi) supervising the implementation of our risk management measures by the relevant departments; (vii) ensuring that the appropriate structure, processes and competencies are in place across our Company; and (viii) reporting to our board of directors on our material risks.
- The relevant departments in our Company, including but not limited to the finance department, the legal department and the human resources department, are responsible for implementing our risk management policy and carrying out our day-to-day risk management practice. In order to standardize risk management across our Company and set a common level of transparency and risk management performance, the relevant departments will (i) gather information about the risks relating to their operation or function; (ii) conduct risk assessments, which include the identification, prioritization, measurement and categorization of all key risks that could potentially affect their objectives; (iii) continuously monitor the key risks relating to their operation or function; (iv) implement appropriate risk responses where necessary; and (v) develop and maintain an appropriate mechanism to facilitate the application of our risk management framework.

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 of Directors is responsible for establishing and ensuring effective internal controls to safeguard our Shareholder's investment at all times. Our internal control policies set out a framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an ongoing basis.

Below is a summary of the internal control policies, measures and procedures we have implemented or plan to implement:

- We have established anti-bribery and anti-corruption measures, which set forth procedures for identifying potential frauds and corruption, implementing relevant anti-corruption procedures and setting out anti-corruption responsibilities for relevant personnel. We strictly prohibit bribery or other improper payments in any of our business operations. This prohibition applies to all business activities, whether involving government officials, influential personnel or private or public payors. Improper payments prohibited by this policy include bribes, kickbacks, excessive gifts or entertainment, or any other payment made or offered to obtain an undue business advantage. We keep accurate books and records that reflect transactions and asset dispositions in reasonable detail. We provide employees with adequate communication channels. If employees have any questions about anticorruption compliance principles, they should promptly contact their supervisor or company compliance team. We encourage employees to take the initiative to seek guidance from us regarding anti-corruption policy principles. We have also put in place whistleblower mechanism so that employees can timely report relevant incidents in time to compliance team according to our anti-corruption measures.

  We plan to maintain strict anti-corruption policies among our employees in our sales and marketing activities 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. We have not had any corruption incidents in our history.

- We have established procedures to protect the confidentiality of patients' personal data. We maintain policies which require our personnel to be trained on collecting, and safeguarding personal information. We also require our CROs to have data protection clauses in our agreements with them under which they are responsible for safeguarding data in their possession. Access to clinical trial data has been strictly limited to authorized personnel only according to the good clinical practice and relevant regulations. Additionally, we require external parties and internal employees involved in clinical trials to comply with applicable confidentiality requirements. Data can only be used for the intended purpose, as agreed by the patients and the data usage shall be consistent with the informed consent form. We have a number of ongoing or planned clinical studies. Any transfer of clinical trial data in connection with our product development efforts and regulatory communications is subject to the applicable data and privacy protection laws.
- We have adopted various measures and procedures regarding each aspect of our business operation, such as protection of intellectual property, environmental protection, and occupational health and safety. We provide periodic training on these measures and procedures to our employees as part of our employee training program.
- Our Directors (who are responsible for monitoring the corporate governance of our Company), with help from our legal advisors, 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; (ii) reviews the financial information and renders advice in respect of financial reporting; and (iii) oversee internal control procedures of our Company.
- We have engaged Mango Financial Limited as our compliance advisor to provide advice to our Directors and management team. Our Compliance Advisor is expected to, upon our consultation, provide advice and guidance in respect of compliance with the applicable laws and Listing Rules including various requirements of directors' duties and internal control in a timely fashion.
- We plan to engage a PRC law firm to advise us on and keep us abreast of PRC laws and regulations after the [**REDACTED**]. We will continue to arrange various trainings sessions to be provided by external legal advisors from time to time when necessary, and/or any appropriate accredited institution to update our Directors, senior management and relevant employees on the latest PRC laws and regulations.
- We will comply with the Corporate Governance Code, except for the deviation from the code provision A.2.1 of the Corporate Governance Code. We have set out respective terms of reference of directors and senior management in compliance with the Corporate Governance Code. For further details, see the section headed "Directors and Senior Management."
- Our Directors believe that compliance creates value for us and dedicate to cultivating a compliance culture among all of our employees. To ensure such compliance culture is embedded into everyday workflow and set the expectations for individual behaviour across the organization, we regularly conduct internal compliance checks, inspections and compliance training.

During the Track Record Period, we have regularly reviewed and enhanced our internal control system.

OUR CONTROLLING SHAREHOLDERS

On August 9, 2019, our Controlling Shareholders, being Dr. Wu, Dr. Ye, Ms. Wang and Landes Therapeutics Ltd, entered into the acting-in-concert agreement, pursuant to which our Controlling Shareholders have acted in concert by aligning their votes at the board meetings and shareholders' meetings of our Company. See also "History, Reorganization and Corporate Structure — Corporate Development and Major Shareholding Changes". As at the Latest Practicable Date, Dr. Wu, Dr. Ye, Ms. Wang and Landes Therapeutics Ltd, our Controlling Shareholders, by virtue of the acting-in-concert arrangement, are entitled to exercise or control the exercise of an aggregate of 31.16% voting rights at the general meeting of our Company.

Immediately after completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no further Shares are issued under the Pre-[**REDACTED**] Equity Incentive Plan or the Convertible Loan Agreements), Dr. Wu, Dr. Ye, Ms. Wang and Landes Therapeutics Ltd will cease to be our controlling shareholders (as defined under the Listing Rules), but will remain as the single largest group of shareholders of our Company and be entitled to exercise or control the exercise of an aggregate of approximately 26.49% voting rights at the general meeting of the Company.

OTHER BUSINESS OR INTEREST OF OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Jiaxing CoJourney was ultimately controlled by Ms. Wang, who was the majority shareholder of the general partner of the relevant limited partnerships holding a total of 46.24% of the equity interest in Jiaxing CoJourney. Dr. Wu and Dr. Ye also held minority partnership interests in the said partnerships controlled by Ms. Wang as of the Latest Practicable Date, and the remaining 53.76% of the equity interests in Jiaxing CoJourney were owned by Independent Third Parties each of which holding less than 30%. Jiaxing CoJourney is primarily engaged in CDMO services, which are different from the business operation of the Group. Therefore, Jiaxing CoJourney is not engaged in any competing business against the Group.

Our Controlling Shareholders confirmed that as of the Latest Practicable Date, none of our Controlling Shareholders and their respective close associates had any interest in any business that competes or is likely to compete, either directly or indirectly with our Group's business, which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, we believe that our Group is capable of carrying on its business independently of our Controlling Shareholders and their respective close associates after the [**REDACTED**]:

Management Independence

Our business is managed and conducted by our Board and senior management. Upon the [**REDACTED**], our Board will consist of three executive Directors and three independent non-executive Directors. See "Directors and Senior Management" in this document for details. Each of Dr. Wu and Dr. Ye, is our executive Director.

Our Directors believe that our Board and senior management have been and will continue to be able to independently manage our business and function independently from our Controlling Shareholders based on the following grounds:

(i) each of our Directors is aware of his or her fiduciary duties as a Director which require, among other things, that he or she acts for the benefit and in the best interests of our Company and does not allow any conflict between his or her duties as a Director and his or her personal interest;

(ii) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between us and our Directors or their respective associates, the interested Director(s) shall abstain from voting at the relevant Board meetings of our Company in respect of such transactions and shall not be counted in the quorum;

(iii) our daily management and operations are carried out by our executive Directors and our senior management team, all of whom have substantial experience in the industry in which our Company is engaged and/or business management in general, and will therefore be able to make business decisions that are in the best interest of our Group;

(iv) we have three independent non-executive Directors who have extensive experience in different professions. They have been appointed to ensure that the decisions of the Board are made only after due consideration of independent and impartial opinions. Our Directors believe that the presence of our independent non-executive Directors from different backgrounds provides a balance of views and opinions; and

(v) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. See "— Corporate Governance Measures" in this section below.

Having considered the above factors, our Directors are satisfied that our Board together with the senior management team as a whole is able to perform their roles independently from our Controlling Shareholders and their close associates after the [**REDACTED**].

Operational Independence

We operate independently from our Controlling Shareholders and their respective close associates, including:

(i) we have established our own organizational structure, which comprises individual departments and each department has its own administrative and corporate governance infrastructure;

(ii) we hold all of the relevant licenses and intellectual property rights material to our business operation and have sufficient capital, facilities, equipment and employees to operate our business independently;

(iii) save as disclosed in this section, our Controlling Shareholders have no interest in any of our top five suppliers and customers during the Track Record Period. We do not rely on our Controlling Shareholders or their close associates and have independent access to our suppliers and customers; and

(iv) we have established a set of internal control procedures to facilitate the effective operation of our business independent from our Controlling Shareholders.

Having considered the above factors and the historical and current relationships with the JC Group, as further illustrated under "— Independence from our Controlling Shareholders — Relationship with the JC Group" in this section, our Directors are of the view that we are capable of carrying on our business independently from our Controlling Shareholders and their respective close associates.

Financial Independence

Our Group has an independent financial, internal control and accounting system. We make financial decisions according to our own business needs. We also have an independent finance department responsible for discharging the treasury function, and the Audit Committee to oversee our accounting and financial reporting processes. We have sufficient capital to operate our business independently, and has adequate internal resources and a strong credit profile to support our daily operations.

Our source of funding and our finances are independent from our Controlling Shareholders and none of our Controlling Shareholders or their respective close associates financed our operations during the Track Record Period. Our Directors confirm that our Group does not intend to obtain any further borrowing, guarantees, pledges and mortgages from any of our Controlling Shareholders or their respective close associates. Having considered the above factors, our Directors are of the view that we have no financial dependence on our Controlling Shareholders.

Relationship with the JC Group

Background of the JC Group

At the early stage of our establishment, our management team assessed the capabilities of most virus and plasmid CDMOs in China and concluded that they lacked the technological expertise and mature manufacturing processes required to support our quality expectations and requirements. We then established our facility for manufacturing virus-related products (the "**Virus Manufacturing Facility**"), facility for manufacturing plasmid-related products (the "**Plasmid Manufacturing Facility**") and all the supporting teams, including the quality assurance and quality control teams. The Virus Manufacturing Facility and Plasmid Manufacturing Facility commenced production in 2021 and 2022, respectively. While these facilities enabled us to quickly obtain the first two INDs from the CDE and the first IND from the FDA, providing an early competitive advantage in both clinical development speed and per patient product cost, the facilities' capacity utilization was low given that our Company was in its early development stage, where our pipeline status could not fully utilize the production capacity. In addition, maintaining these facilities in full GMP-compliant status has resulted in significant recurring costs and expenses that are not closely aligned with our Company's core business activities. Thus, our Board decided to streamline the businesses to focusing on the R&D of gene therapy and oligonucleotide-based drug products, and spun out the manufacturing components to establish Jiaxing CoJourney in 2022 as a pure-play CDMO provider, whose shareholders mirrored that of our Company at its establishment. After its establishment, the JC Group began to conduct independent fundraising, which resulted in overlapping shareholders with that of our Company with different percentages of shareholding as of the Latest Practicable Date.

Following the establishment of Jiaxing CoJourney, we sold the Plasmid Manufacturing Facility, which was located in a standalone building, to the JC Group in July 2023. The Virus Manufacturing Facility, which was embedded within our Company's R&D facility, was leased to the JC Group.

Business of the JC Group

The principal business of the JC Group is providing CDMO services for plasmids, viruses and other related products to innovative pharmaceutical companies. A CDMO is a service provider that offers contract-based manufacturing services to pharmaceutical companies, without ownership of the intellectual properties of the drug products it manufactures. An innovative pharmaceutical company, however, is a drug developer that discovers, develops, and commercializes proprietary therapeutic products, owning the relevant intellectual properties and holding regulatory approvals for its drug candidates. We believe that the JC Group does not directly or indirectly compete with our Company, mainly because: (i) to the best of our Company's knowledge, as of the Latest Practicable Date, the JC Group is not and has no plan to be involved in the R&D or commercialization of any drug products, and does not maintain any IND or marketing authorization for drug products; (ii) our principal businesses and those of the JC Group are positioned at different ends of the industry chain. Our Company, as an innovative pharmaceutical company, focuses on the development of products for disease treatment, while a CDMO company, such as the JC Group, provides manufacturing services to pharmaceutical companies; and (iii) there will not be direct competition between our Company and the JC Group in terms of customer groups. Our product commercialization efforts are primarily directed towards medical institutions and patients, whereas the JC Group's clients are predominantly innovative pharmaceutical

companies who need certain manufacturing services. As of the Latest Practicable Date, to the best knowledge of our Company, JC Group has served many customers, including innovative pharmaceutical companies for gene therapies and cell therapies, and gene editing companies.

Legal Compliance of the JC Group

To the best of our knowledge during the Track Record Period and up to the Latest Practicable Date: (i) none of Jiaxing CoJourney, its subsidiaries its directors, senior management or substantial shareholders holding more than 10% of its equity interests has committed any material non-compliance with applicable PRC laws and regulations; and (ii) none of the above-mentioned parties has been subject to any material administrative penalties, criminal investigations, or material civil or criminal proceedings that would have a material adverse impact on its business operations or the [**REDACTED**].

The principal business of the JC Group is the provision of CDMO services, including strain library construction, process scale-up validation of plasmids and viruses, GMP batch production and relevant testing services. As advised by our PRC legal advisors, such business falls outside the prohibited or restricted categories under the currently effective Special Administrative Measures for the Access of Foreign Investment (Negative List), and the business operated by the JC Group as of the Latest Practicable Date is not subject to any special legal or regulatory restrictions or conditions (including foreign investment access restrictions) under PRC laws.

Independence of the JC Group from our Group

The JC Group operates independently from our Group, and, in particular, as of the Latest Practicable Date, there is no sharing of any R&D personnel, technical knowhow, resources, material assets and/or premises in the respective operations of the JC Group and our Company. As of the Latest Practicable Date, our Company did not hold any equity interests in the JC Group, and vice versa.

Consolidating the JC Group into our Group does not align with the business strategy of our Company, considering that (i) the JC Group was established as an independent company for the purpose of segregating its business from that of our Company in order to enable independent development of the two different businesses, allowing our Group to streamline its strategic development and reproduce allocation to the R&D and commercialization of innovative gene therapy drugs, (ii) maintaining in-house manufacturing facilities in full GMP-compliant status will result in significant recurring costs and expenses that are not closely aligned with our core business activities, and (iii) the two businesses have different target customer groups, risk profiles and needs, appeal to different investors and require management with different skill sets. Further, we believe that excluding the JC Group from our Group remains, and will be in the future, beneficial to both JC Group and us, because JC Group has developed into a self-sustaining and sizable CDMO service provider with many customers and its own governance, management, and day-to-day decision-making systems. The results, risks, and cash flows of the JC Group are not directed by, nor operationally integrated with, our Group in a manner that would support its consolidation. As a result, such consolidation could undermine the efficiency and results of both groups.

As disclosed above, we sold the Plasmid Manufacturing Facility to the JC Group in July 2023, and leased the Virus Manufacturing Facility to the JC Group. For further details, please refer to "Connected Transactions — Continuing Connected Transactions — Non-exempt Continuing Connected Transactions" in this document. Before the Plasmid Manufacturing Facility was sold in July 2023, it was mainly used for manufacturing plasmids for our Core Product EXG102-031 for the purpose of its clinical trials. After the Plasmid Manufacturing Facility was sold, we engaged the JC Group to provide plasmid manufacturing services for all of our existing gene therapy products (including EXG001-307, EXG202, and EXG110), and potentially some of the future gene therapy products. Among these products, EXG001-307 product was the Core Product. Although the JC Group used the Plasmid Manufacturing Facility to provide services to us in connection withd the Core Product, the IND approval and/or clinical trial designs of the Core Product and/or other product candidates do not

require the usage of the plasmid designed and produced by the Plasmid Manufacturing Facility. FDA and NMPA have never required in any IND approvals or in other communications that our Core Products be manufactured using equipment sold or leased to JC Group.

Outsourcing the production of these products to the JC Group is more cost-efficient than in-house manufacturing because the operation and maintenance of manufacturing facilities is not cost-effective in light of the demands of our Group. Our GMP manufacturing needs would not amount to year-around continuous manufacturing. However, the constant maintenance of an in-house GMP manufacturing team (including personnel for, among others, manufacturing, testing, quality, and back-office operations), along with facility and instrument maintenance, and GMP-compliance, entails significant costs.

We believe that we do not and will not have any material reliance on the JC Group, and the plasmid manufactured by the Plasmid Manufacturing Facility can be readily procured from third-party suppliers, based on the following:

(i) the business relationships between the JC Group and our Group are non-exclusive. Under the Service Cooperation Agreement (as defined in the "Connected Transactions" in this document), the services provided by the JC Group shall be order-based, and all the services and payment shall be made pursuant to the individual orders placed by our Company. The fee scale issued by Hangzhou CoJourney is also applicable to all of its customers who receive similar manufacturing and testing services. The Service Cooperation Agreement does not contain any terms restricting our Company from seeking similar services from other service providers, and *vice versa*;

(ii) our Company's engagement of the JC Group was a result of its continuous assessment of the JC Group's qualifications and capability as compared to other alternate service providers, rather than its historical relationship with our Company. Based on our Company's assessment, the JC Group currently still offers high-quality and cost-effective gene therapy CDMO services that cater to the demands of our Company. As China's gene therapy manufacturing science matures overtime, there are other emerging qualified alternatives. According to Frost & Sullivan, as of the Latest Practicable Date, there are over 10 CDMO service providers that are similarly qualified and can provide compatible and comparable services as that of JC Group. Our Company continues to monitor the advancement of all CDMO companies and their track record of meeting our Company's standard to ensure stable service in large-scale GMP manufacturing;

(iii) as advised by the PRC legal advisors of our Company, the termination of the business relationship with the JC Group and switching to other alternative CDMOs do not, in and of themselves, involve any material and additional regulatory approval or acknowledgment from the NMPA. Under Article 29 of the Drug Registration Regulation (《藥品註冊管理辦法》), a change of manufacturer during clinical trials requires the sponsor (申辦者) to conduct comparability studies and assess the impact on subject safety in accordance with the Technical Guideline on Pharmaceutical Research and Changes of Biological Products During Clinical Trials (Interim) (CDE Announcement No. 29 of 2024), which expressly applies to gene therapy products. Where the assessment concludes no adverse impact, the sponsor may implement the change directly with R&D Development Safety Update Report (研發期間安全性更新報告) reporting, without prior NMPA approval; a supplemental application is required only where the assessment indicates a potential increase in safety risk, in which case the CDE is required to render a decision within 60 business days, which is deemed to be approved if there is no response within such period. We further note that the alternative CDMO is required to conduct its own assessment of our Company and the product prior to accepting the delegation under the NMPA's Announcement on Strengthening the Supervision and Administration of Entrusted Drug Production (2025 Announcement No. 134). Such assessment is the CDMO's own compliance obligation and does not constitute an additional

regulatory approval or acknowledgement from the NMPA in respect of the IND or clinical trial. Accordingly, provided that our comparability studies demonstrate no adverse impact on product quality or subject safety, switching to alternative CDMOs would not involve any material and additional regulatory approval or acknowledgement from the NMPA;

(iv) although the JC Group was the only CDMO service provider engaged by our Group during the Track Record Period:

(a) the JC Group was not, and is not intended to be, the only service provider engaged by our Group. During the Track Record Period, we also engaged more than 100 CRO service providers. For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, (1) our procurement amount of the CDMO services provided by the JC Group accounted for approximately 32.9%, 3.6% and 10.0% of our total trial and testing expenses ("**T&T Expenses**", which is the total procurement amount of the CDMO/CRO services as shown in our financial statements), respectively; and (2) our procurement amount of the CDMO services provided by the JC Group in respect of the Core Products, namely, EXG102-031 for wAMD and EXG001-307 for SMA Type 1, accounted for approximately 53.4%, 13.8% and none of its T&T Expenses in respect of the Core Product, respectively; and

(b) as confirmed by the Frost & Sullivan, it is common in the gene therapy industry in China for a biopharmaceutical company at pre-commercial stage to engage only one CDMO service provider, considering the relatively limited demands for manufacturing.

(v) there are readily available CDMO companies in China who are comparable to JC Group in terms of service offerings, service quality, and qualifications. We are evaluating the fee ranges, capacity and capabilities of these alternate CDMO companies to form an informed decision on the choice of future CDMO service providers; and

(vi) we have internally developed and wholly own the know-how of the manufacturing processes of the Core Products, which can be replicated on the platform of other CDMO service providers without any technology transfer or other continuous assistance from the JC Group. Under the guidance and process transfer from our Company to the CDMO, any qualified CDMO can successfully manufacture the Core Products or any other products in our pipeline. Given the nature of the research, process development and the manufacturing process, as well as our full ownership of the relevant patents and know-how, there will be no major disruption to our businesses if we choose to source services from a new service provider.

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.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protection of our Shareholders' interests. Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance.

In addition, we have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

(i) under the Articles, a Director shall not vote (nor shall he be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his close associates has/have a material interest, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution);

(ii) our Company has established internal control mechanisms to identify connected transactions, and we will comply with the applicable Listing Rules if we enter into connected transactions with our Controlling Shareholders or any of their associates after [**REDACTED**];

(iii) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;

(iv) our Controlling Shareholders will undertake to provide all information necessary or requested by the independent non-executive Directors for their annual review, including all relevant financial, operational and market information;

(v) our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its interim and annual reports or by way of announcements as required by the Listing Rules;

(vi) 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;

(vii) we have appointed Mango Financial Limited as our compliance advisor to provi de advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance; and

(viii) we have established our Audit Committee, Remuneration Committee and Nomination Committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code. All of the members of our Audit Committee are non-executive Directors, and the majority of the members, including the chairman, are independent non-executive Directors.

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 Controlling Shareholders, and to protect minority Shareholders' interests after the [**REDACTED**].

OVERVIEW

Upon [**REDACTED**], certain transactions between us and our connected persons, which are entered into in our ordinary course of business, will constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules.

CONNECTED PERSONS

Upon completion of the Conversion and the [**REDACTED**], the following persons with whom we have entered into transactions will be regarded as our connected persons under the Listing Rules.

Names of our connected persons	Connected relationship
Jiaxing CoJourney and its wholly-owned subsidiary, Hangzhou CoJourney	Ms. Wang, who served as a Director until August 2026, is a director of Jiaxing CoJourney. Ms. Wang controls more than 30% of voting power in Jiaxing CoJourney. As such, each of Jiaxing CoJourney and its subsidiary is an associate of Ms. Wang pursuant to Rule 14A.12(1)(c) of the Listing Rules, and therefore a connected person of our Company pursuant to Rule 14A.07(4) of the Listing Rules. Each of Dr. Wu, Dr. Ye and Ms. Wang is indirectly interested in the equity of Jiaxing CoJourney. For details, see "Relationship with Controlling Shareholders — Other Business or Interest of Controlling Shareholders".

CONTINUING CONNECTED TRANSACTIONS

Upon the [**REDACTED**], the following transactions between our Group and our connected persons will constitute continuing connected transactions under the Listing Rules.

Transaction	Applicable Listing Rules	Waiver sought
Partially-exempt continuing connected transactions		
Repayment Agreement I	Rule 14A.76(2)	Waiver from announcement requirement
Repayment Agreement II	Rule 14A.76(2)	Waiver from announcement requirement
Non-exempt continuing connected transactions		
Leasing Agreement	Rule 14A.102	Waiver from announcement and independent Shareholder approval requirement
Service Cooperation Agreement	Rule 14A.102	Waiver from announcement and independent Shareholder approval requirement

Partially-exempt Continuing Connected Transactions

Repayment Agreements

In July 2023, Hangzhou Jiayin and Hangzhou Exegenesis sold their production lines and equipment for plasmid manufacturing to Hangzhou CoJourney for a consideration of

approximately RMB14.3 million and RMB58.6 million, respectively. For details, see "History, Reorganization and Corporate Structure — Major Acquisitions and Disposal — Disposal of Plasmid Manufacturing Production Lines and Equipment". As of the Latest Practicable Date, there remain outstanding balances (the "**Outstanding Balances**") payable by Hangzhou CoJourney for such disposal.

On January 9, 2026, Hangzhou Jiayin entered into an agreement (the "**Repayment Agreement I**") with Hangzhou CoJourney regarding the settlement of the Outstanding Balances in the principal amount of approximately RMB8.6 million, pursuant to which Hangzhou CoJourney shall repay the said outstanding balance by three equal instalments of approximately RMB2.9 million each on or before each of December 31, 2026, 2027 and 2028, respectively, together with the accrued and unpaid interests as of the relevant payment date calculated at an interest rate of 2.7% per annum. In addition, on January 9, 2026, Hangzhou Exegenesis entered into an agreement (the "**Repayment Agreement II**", together with the "**Repayment Agreement I**", collectively the "**Repayment Agreements**") with Hangzhou CoJourney regarding the settlement of the Outstanding Balances in the principal amount of approximately RMB35.2 million, pursuant to which Hangzhou CoJourney shall repay the said outstanding balance by three equal instalments of approximately RMB11.7 million each on or before each of December 31, 2026, 2027 and 2028, respectively, together with the accrued and unpaid interests as of the relevant payment date calculated at an interest rate of 2.7% per annum. Such interest rates were determined on an arm's length basis taking into account the historical interests of our bank loans during the Track Record Period. The Directors are of the view that such interest rates are fair and reasonable and on normal commercial terms. For further details on our internal control measures for ensuring that the transactions contemplated under the Repayment Agreements are conducted on normal commercial terms and are fair and reasonable to minority Shareholders, see "— Internal Control Measures" in this section.

Save for the Repayment Agreements, we did not enter into any other arrangements or agreements with JC Group for the transactions contemplated under the Repayment Agreements. Since the date of the Repayment Agreements up to the Latest Practicable Date, we did not offer any discount for the principal amounts or interest rates under the Repayment Agreements.

Reasons for Entering into the Repayment Agreements

We entered into the Repayment Agreements to provide a concrete repayment plan with Hangzhou CoJourney, with market comparable interest rates. We are of the view, and as confirmed by Frost & Sullivan, that such payment arrangement is aligned with industry norms.

As confirmed by our PRC legal advisors, in the event that Hangzhou CoJourney failed to pay the outstanding balances according to the Repayment Agreements, we shall be entitled to, among others, requiring Hangzhou CoJourney to pay all outstanding amounts in full and reclaiming the ownership of the Plasmid Manufacturing Facility from Hangzhou CoJourney. In the event that the Plasmid Manufacturing Facility are recovered, we will consider various options in the best of its interests, including reselling or leasing to other competent third parties, and/or using all or part of them for its own operation. If we decide to resell or lease such production line and equipment to third parties, we will begin to seek potential business partner(s) once the recovery of the production line and equipment is confirmed, and negotiate with reference to the market prevailing terms and conditions with the assistance from its legal advisors, taking into account the interest of our Group as a whole.

Assuming that we decide that it is in the best of our interests to use all or part of the Plasmid Manufacturing Facility for our own operation, which does not align with our business strategies as of the Latest Practicable Date, we will obtain the relevant qualifications, approval and licenses in connection with, among others, fire safety inspection, environmental impact assessment, occupational health, biosafety laboratory filing, as required by the relevant authorities, and hire the competent personnel for such operation. We do not expect to have any substantial obstacle in obtaining such qualifications, approval and licenses as of the Latest Practicable Date, considering that:

(i) we did not encounter any substantial obstacle in obtaining the relevant qualifications, approval and licenses when we used the Plasmid Manufacturing Facility for our own operation before it was sold to JC Group. The Plasmid Manufacturing Facility was constructed by us in May 2022, for which we obtained all the requisite qualifications, approval and licenses in November 2022; and

(ii) we have obtained preliminary advice from our PRC legal advisers on the relevant qualifications, approval and licenses that we need to obtain in order to use all or part of the Plasmid Manufacturing Facility for our own operation. As advised by the PRC legal advisors of our Company, considering that the recovery of the Plasmid Manufacturing Facility involves existing equipment rather than newly constructed or expanded projects: (a) no re-approval or re-filing is required for environmental impact assessment and fire safety inspection, and only record of the change in project owner is needed, given that the nature, scale, location, production processes and pollution control measures of the project remain unchanged; (b) the change of the Discharge Permit and Occupational Health Evaluation can be processed through administrative alteration procedures due to the change of the operating entity; and (c) the Biosafety Laboratory filing is a routine administrative change procedure. Based on the views of the PRC legal advisors, we expect that all the procedures for obtaining the relevant qualifications, approval and licenses for the recovery can be completed within four to eight weeks.

Non-exempt Continuing Connected Transactions

Production Line and Equipment Leasing Agreement

(i) Background and principal terms

On January 9, 2026, Hangzhou Exegenesis and Hangzhou Jiayin entered into the production line and equipment leasing agreement (the "**Leasing Agreement**") with Hangzhou CoJourney, pursuant to which, Hangzhou Exegenesis and Hangzhou Jiayin agreed to lease a production line and the relevant manufacturing equipment (the "**Production Line and Equipment**") located at Floor 2, Building 11, Hangzhou Pharmaceutical Port Town III, Hangzhou, Zhejiang Province, the PRC (中國杭州市杭州醫藥港小鎮三期11幢2樓) to Hangzhou CoJourney at a total monthly rent of approximately RMB0.41 million (tax inclusive) for a term from January 1, 2026 to December 31, 2028. Hangzhou CoJourney shall pay the rent on a bi-annual basis, based on the actual number of days it leased the Production Line and Equipment, together with the relevant utility expenses incurred from usage of the Production Line and Equipment, under the Leasing Agreement. Save for the Leasing Agreement, we did not enter into any other arrangements or agreements with JC Group for the transactions contemplated under the Leasing Agreement. Since the date of the Leasing Agreement up to the Latest Practicable Date, we did not offer any discount from the rent under the Leasing Agreement.

The Production Line and Equipment is manufacturing facilities for virus-related products. During the Track Record Period, the capacity utilization of the Production Line and Equipment by our Group was low because we were in the early development stage, where our pipeline status could not fully utilize its production capacity. During the Track Record Period, the production capacity of the Production Line and Equipment was 12 batches on yearly basis, with the maximum volume of 500L for each, depending on the types of products to be produced.

Hangzhou CoJourney has been using the Production Line and Equipment for its business operation since February 2024. By entering into the Leasing Agreement, our Group is able to make full use of its idle production line and equipment and generate additional income. In light of the above, our Directors are of the view that such arrangement is fair and reasonable and is in the best interest of our Group and our Shareholders as a whole.

(ii) Pricing policy

The rent under the Leasing Agreement shall be determined on an arm's length basis with reference to the prevailing market prices for leasing the similar facilities, taking into account:

(a) the depreciated value of the Production Line and Equipment, which shall be calculated in accordance with generally accepted accounting principles and valuation methods, with reference to the relevant factors such as the estimated useful life, residual value, and depreciation method of the leased assets;

(b) the rent of similar facilities in comparable transactions conducted by our Group with Independent Third Parties during the same period (if any), to ensure that the rent to be paid by Hangzhou CoJourney will not be lower than the rent paid by the Independent Third Parties at similar conditions; and

(c) the recent market prices of comparable transactions, by making enquiries on market rent of similar facilities with industry players and conducting researches on industry websites, and then comparing the rent with that offered to Hangzhou CoJourney.

The Directors are of the view that this pricing mechanism, being based on the depreciated value of the Production Line and Equipment calculated according to recognized accounting standards, is fair and reasonable and on normal commercial terms. For further details on our internal control measures, see "— Internal Control Measures to Safeguard Shareholders' Interests" in this section.

(iii) Historical figures and annual caps

For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, the total amount received by our Group for leasing the Production Line and Equipment to Hangzhou CoJourney amounted to RMB2.00 million, RMB2.92 million and RMB0.81 million, respectively. The annual cap for the Leasing Agreement for each of the years ending December 31, 2026, 2027 and 2028 is expected to be approximately RMB8.0 million, RMB8.0 million and RMB8.0 million, respectively.

(iv) Basis of annual cap

The above estimated annual caps were determined based on the following factors and assumptions:

(a) the maximum leasing period by Hangzhou CoJourney. We assumed that Hangzhou CoJourney will lease the Production Line and Equipment on every business day for each of the years ending December 31, 2026, 2027 and 2028; and

(b) the maximum utility expenses, which are based on the maximum unit utility expense we recorded during the Track Record Period, assuming that the Production Line and Equipment will operate on every business day for each of the years ending December 31, 2026, 2027 and 2028.

The historical figures during the Track Record Period were substantially lower than the annual caps under the Leasing Agreement, mainly because Hangzhou CoJourney leased the Production Line and Equipment on an as-needed basis during the Track Record Period.

Service Cooperation Agreement

(i) Background and principal terms

During the Track Record Period, Hangzhou CoJourney provided manufacturing, testing, and related technical services to Hangzhou Jiayin. On January 9, 2026, Hangzhou Jiayin entered into a service cooperation agreement (the "**Service Cooperation Agreement**") with Hangzhou CoJourney, pursuant to which Hangzhou CoJourney agreed to continue to provide technology services (the "**Relevant Services**") to Hangzhou Jiayin. The Service Cooperation Agreement is for a term from January 1, 2026 to December 31, 2028. The Relevant Services include, among others, strain library construction, process scale-up validation of plasmids and viruses, GMP batch production, and testing. Save for the Service Cooperation Agreement, we did not enter into any other arrangements or agreements with JC Group for the transactions contemplated under the Service Cooperation Agreement. Since the date of the Service Cooperation Agreement up to the Latest Practicable Date, we did not receive any discount from the service fees under the Service Cooperation Agreement.

The salient terms of the Service Cooperation Agreement are summarized as below:

Date:	January 9, 2026
Parties:	(1) Hangzhou Jiayin (2) Hangzhou CoJourney
Term:	From January 1, 2026 to December 31, 2028
Subject Matter:	Hangzhou CoJourney shall provide technology services to Hangzhou Jiayin pursuant to the written orders placed by Hangzhou Jiayin from time to time within the term of the Service Cooperation Agreement. Details of the provision of services, including types and pricing of the services, shall be set out in such orders, which shall be delivered to Hangzhou CoJourney through email. Within two days upon receipt of such orders, Hangzhou CoJourney shall return the signed orders through email as an indication of acceptance.
Termination:	The Service Cooperation Agreement shall be terminated by either party in the following event: (1) either party failing to remedy a breach of the Service Cooperation Agreement within thirty days of receiving written notice from the other party (or being unable to complete the remedial measures within sixty days, or failing to take any action within that period and subsequently failing to complete the remedial measures within a reasonable time); (2) either party becoming bankrupt, being subject to dissolution or liquidation proceedings, ceasing business operations, or being unable to pay its debts as they become due.

During the Track Record Period, Hangzhou CoJourney has been providing the Relevant Services to Hangzhou Jiayin using the production lines and equipment for plasmid manufacturing which were originally owned by Hangzhou Jiayin and Hangzhou Exegenesis and sold to Hangzhou CoJourney in July 2023. For details, please refer to "History, Reorganization and Corporate Structure — Major Acquisitions and Disposal — Disposal of Plasmid Manufacturing Production Lines and Equipment" in this document. Accordingly, our Directors are of the view that Hangzhou CoJourney meets the Group's requirements and standards for production services and hence may serve as a non-exclusive service provider to our Group for providing the services contemplated under the Service Cooperation Agreements.

(ii) Pricing policy

The service fees for the provision of the Relevant Services shall be determined on an arm's length basis with reference to the prevailing market prices for similar services, taking into account:

(a) the fee scale issued by Hangzhou CoJourney that is applicable to all of its customers who receive similar manufacturing and testing services, which takes into account a number of factors including the nature and scope of the Relevant Services, the grade of manufacturing required, production scale, technical complexity and sample volume;

(b) the prices of similar services in comparable transactions conducted by our Group with Independent Third Parties during the same period (if any), to ensure that the price to be paid by our Group to Hangzhou CoJourney for the Relevant Services will not be higher than the prices paid by the Group to the Independent Third Parties for the similar services; and

(c) the recent market prices of comparable transactions, by making enquiries on market prices of similar services with industry players and conducting researches on industry websites, and then comparing the fee scale issued by Hangzhou CoJourney. To implement this policy, our management will solicit at least two other Independent Third Parties for the services in similar conditions for comparison.

Our Directors are of the view that the aforesaid pricing mechanism, being determined on an arm's length basis with reference to publicly available market rates for Relevant Services, is fair and reasonable and conducted on normal commercial terms. For further details on our internal control measures for ensuring that the transactions contemplated under the Service Cooperation Agreement are conducted on normal commercial terms and are fair and reasonable to minority Shareholders, see "— Internal Control Measures to Safeguard Shareholders' Interests" in this section.

(iii) Historical figures and annual caps

The service fees recorded by our Group for the Relevant Services provided by Hangzhou CoJourney for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 amounted to approximately RMB14.70 million, RMB0.98 million and RMB1.45 million, respectively. The service fee recorded by us for the Relevant Services for the year ended December 31, 2025 dropped significantly primarily because most of the services provided by Hangzhou CoJourney under the existing purchase orders were completed during the year ended December 31, 2024. The Relevant Services are essential to our Group's product development, manufacturing, and quality management and release procedures. The annual cap for the Service Cooperation Agreement for each of the years ending December 31, 2026, 2027 and 2028 is expected to be approximately RMB25.0 million, RMB25.0 million and RMB40.0 million, respectively.

(iv) Basis of annual cap

The above estimated annual caps were determined based on the following factors and assumptions:

(a) our manufacturing plans with our products in the coming three years. For the years ending December 31, 2026, 2027 and 2028, we expect that our EXG001-307, EXG102-031, EXG112 and EXG111 will need CDMO services. In terms of the formulation of the annual caps, we assumed that we will only engage Hangzhou CoJourney to provide such services for the years ending December 31, 2026, 2027 and 2028 considering that we only engaged Hangzhou CoJourney for CDMO services during the Track Record Period;

(b) the historical unit prices charged by Hangzhou CoJourney for the similar CDMO services during the Track Record Period, as adjusted by the expectation on slight increase of such unit prices in light of the growth of China's gene therapy market; and

(c) the expected growth of our business and the anticipated increased demands for CDMO services.

The historical figures during the Track Record Period were substantially lower than the annual caps under the Service Cooperation Agreement, mainly because we expect that our manufacturing demands will increase substantially in the coming three years as our pipeline of product candidates continues to develop.

Listing Rules Implications

Ms. Wang, who served as a Director until August 2026, is a director of Jiaxing CoJourney. Ms. Wang controls more than 30% of voting power in Jiaxing CoJourney. As such, each of Jiaxing CoJourney and its subsidiary is an associate of Ms. Wang pursuant to Rule 14A.12(1)(c) of the Listing Rules, and therefore a connected person of our Company pursuant to Rule 14A.07(4) of the Listing Rules.

Pursuant to Rule 14A.83 of the Listing Rules, the Stock Exchange may aggregate all continuing connected transactions with a connected person, taking into account the factors as set out in Rule 14A.82 of the Listing Rules.

As the Repayment Agreements are both related to the disposal of production lines and equipment to Jiaxing CoJourney, we are of the view that it is appropriate to aggregate these two sets of financial assistance under Rule 14A.83 of the Listing Rules for the purpose of determining the applicable ratios. As each of the applicable percentage ratios (other than the profit ratio) in respect of the annual caps under the Repayment Agreements is expected to be more than 0.1% but less than 5%, the transactions contemplated under the Repayment Agreements constitute continuing connected transactions of our Company which are subject to the annual review, reporting and announcement requirements, but exempt from the circular and independent shareholders' approval requirement pursuant to Rule 14A.76(2)(a) of the Listing Rules.

As the Leasing Agreement and the Service Cooperation Agreement are entered into with the same party, and the transactions contemplated thereunder are of the similar nature, being leasing of or provision of services through manufacturing facilities, we are of the view that the transactions contemplated under the Leasing Agreement and the Service Cooperation Agreement should be aggregated with each other. However, we are of the view that the transactions contemplated under the Repayment Agreements should not be aggregated with those under the Leasing Agreement and the Service Cooperation Agreement given their different nature, being settlement of pre-existing liabilities. As at least one of the applicable percentage ratios under the Listing Rules (other than the profits ratio) in respect of the aggregate annual caps in relation to the Leasing Agreement and the Service Cooperation Agreement is expected to be more than 5%, the transactions contemplated under the Leasing Agreement and the Service Cooperation Agreement are subject to the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

WAIVER APPLICATION FOR PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Under Rule 14A.76(2) of the Listing Rules, the transactions under the subsection headed "— Continuing Connected Transactions — Partially-exempt Continuing Connected Transactions" will constitute our continuing connected transactions subject to the reporting, annual review and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules upon the [**REDACTED**]. The transactions under the subsection headed "— Continuing Connected Transactions — Non-exempt Continuing Connected Transactions" will constitute our continuing connected transactions subject to the reporting, annual review, announcement

requirements and the independent shareholders' approval requirement under Chapter 14A of the Listing Rules upon the [**REDACTED**].

As those continuing connected transactions are expected to continue on a recurring and continuing basis and to extend over a period of time and have been fully disclosed in this document, our Directors consider that the strict compliance with the announcement, circular and independent shareholders' approval requirement thereof (as the case may be) immediately after the [**REDACTED**] would be impractical and unduly burdensome, and would lead to unnecessary administrative costs to us.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], waivers exempting us from strict compliance with the announcement, circular and independent shareholders' approval requirement (as the case may be) under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in "— Continuing Connected Transactions" in this section, subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps (as stated above). We will comply with the applicable requirements under the Listing Rules, and will immediately inform the Stock Exchange if there are any changes to such continuing connected transactions.

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transactions referred to in this document, we will take immediate steps to ensure compliance with such new requirements within reasonable time.

CONFIRMATIONS

Directors' Confirmation

Our Directors (including our independent non-executive Directors) are of the view that the continuing connected transactions as set out above have been and will be entered into on normal commercial terms or better and in our Group's ordinary and usual course of business and are fair and reasonable and in the interests of our Company and Shareholders as a whole, and the proposed annual caps for those transactions are fair and reasonable and in the interest of our Shareholders as a whole.

Sole Sponsor's Confirmation

Based on (i) the relevant documents and information provided by our Company in relation to the foregoing continuing connected transactions; (ii) their participation in due diligence and discussions with our Company; and (iii) the confirmation from our Directors disclosed above, the Sole Sponsor is of the view that the continuing connected transactions as set out above have been and will be entered into on normal commercial terms or better and in our Group's ordinary and usual course of business and are fair and reasonable and in the interests of our Company and its Shareholders as a whole; and the proposed annual caps are fair and reasonable and in the interests of our Group's Shareholders as a whole.

INTERNAL CONTROL MEASURES TO SAFEGUARD SHAREHOLDERS' INTERESTS

In order to further safeguard the interests of the Shareholders as a whole (including the minority Shareholders), our Group has implemented the following internal control measures in relation to the continuing connected transactions:

- Our Group has established internal guidelines designating the relevant staff to (i) keep track of any changes in the connected person list from time to time, and (ii) where the value of any proposed connected transaction is anticipated to exceed specific thresholds, notify the head of the relevant business department to conduct necessary additional assessment and approval processes, so as to ensure compliance with the applicable requirements under Chapter 14A of the Listing Rules;

- Our Group will provide the independent non-executive Directors and auditors with relevant information and supporting documents to facilitate their annual review of the continuing connected transactions of our Group. In accordance with the requirements under Chapter 14A of the Listing Rules, the independent non-executive Directors will confirm to the Board whether these continuing connected transactions are conducted in the ordinary course of business, on normal commercial terms, and in accordance with relevant agreements that are fair and reasonable and in the interests of our Group and the Shareholders as a whole. The auditors will also confirm to the Board on an annual basis on whether anything has come to their attention to cause them to believe that the continuing connected transactions have not been approved by the Board, are not in accordance with the pricing policies of our Group in all material respects, or not entered into in accordance with the relevant agreements governing the transactions in all material respects or have exceeded the cap;
- Our Group has implemented pricing policies to assess and verify the nature, types, specifications, market price and historical transaction amounts of the relevant products or services involved in the continuing connected transactions to ensure these transactions are entered into in a fair and reasonable manner, on normal commercial terms and in the interests of our Group and our Shareholders as a whole; and
- In case of any renewal or revision to the relevant agreements after the [**REDACTED**], our Group has policies in place to ensure the interested Directors and Shareholders abstain from voting on the resolutions to approve such transactions in board meetings or shareholders' meetings (as the case may be). If our Group cannot obtain such approval from the independent Directors or independent Shareholders, we shall refrain from continuing the transactions under the relevant agreements if such transactions constitute non-exempt continuing connected transactions under the Listing Rules.

BOARD OF DIRECTORS

Upon [**REDACTED**], our Board will consist of six Directors, comprising three executive Directors and three independent non-executive Directors.

The following table sets forth certain information regarding our Directors and senior management:

Name	Age	Position	Time Joining Our Group	Date of Appointment as a Director	Roles and Responsibilities
Dr. Wu Zhenhua (吳振華)	53	Chairman, executive Director and chief executive officer	May 2019	May 24, 2019	Responsible for overall management, strategic planning, business development and overall R&D initiatives of our Group
Dr. Ye Guojie (葉國傑)	60	Executive Director and chief scientific officer	September 2019	February 12, 2020	Responsible for providing guidance regarding virology studies and R&D activities
Dr. Song Chunjuan (宋春娟)	47	Executive Director and head of preclinical development	January 2022	January 6, 2026	Responsible for providing guidance for the overall preclinical development activities
Dr. Li Ankang (李安康)	47	Independent non-executive Director	[**REDACTED**]	[**REDACTED**]	Responsible for supervising and providing independent judgement to our Board
Mr. Zhao Hui (趙暉)	45	Independent non-executive Director	[**REDACTED**]	[**REDACTED**]	Responsible for supervising and providing independent judgement to our Board
Dr. Wu You (吳優)	40	Independent non-executive Director	[**REDACTED**]	[**REDACTED**]	Responsible for supervising and providing independent judgement to our Board

DIRECTORS

Executive Directors

Dr. Wu Zhenhua (吳振華), aged 53, is our founder, the Chairman, chief executive officer and an executive Director of our Company. He has been serving as a Director of our Company since May 24, 2019 and re-designated as an executive Director on January 6, 2026. He is primarily responsible for the overall management, strategic planning, business development and overall R&D initiatives of our Group.

Dr. Wu has more than 20 years of experience in the pharmaceutical research and development industry. Prior to founding our Group in May 2019, Dr. Wu served as chief executive officer at NeuExcell, a company principally engaged in development of gene therapy solutions for neurological diseases, which he was primarily responsible for drug research and development, from August 2018 to February 2019. Prior to founding our Group, from

February 2018 to August 2018, he served as vice president and head of preclinical development at Vaxxinity, Inc. (formerly known as United Neuroscience), a company listed on NASDAQ (stock code: VAXX) and principally engaged in development of peptide-based immunotherapeutic vaccines aimed at treating and preventing neurological and chronic diseases, which he was primarily responsible for drug research and development. He also served as associate director and director at GlaxoSmithKline, a company listed on the New York Stock Exchange (stock code: GSK) and principally engaged in discovery, development, manufacture and marketing of vaccines and specialty & general medicines, where he was primarily responsible for drug research and development, from November 2015 to February 2018. Previously, Dr. Wu served as senior scientist and principal scientist at Merck & Co., a company listed on the New York Stock Exchange (stock code: MRK) and principally engaged in the research, development, manufacture and commercialization of prescription medicines, vaccines, biologic therapies and animal health products, which he is primarily responsible for drug research and development, from April 2006 to November 2015.

Dr. Wu served as the president of the Sino-American Pharmaceutical Professionals Association Greater Philadelphia (SAPA-GP) from June 2016 to June 2018, and has been serving as the president of the Chinese Society of Gene and Cell Therapy since June 2024.

Dr. Wu obtained a bachelor's degree in cell biology from Lanzhou University (蘭州大學) in the PRC in June 1995. In July 1998, he obtained a master's degree in cell biology from the Shanghai Institute of Cell Biology, Chinese Academy of Sciences (中國科學院上海細胞生物學研究所) in the PRC. In May 2005, he obtained a doctoral degree in neuroscience from the University of Rochester in the United States.

Dr. Ye Guojie (葉國傑), aged 60, is one of our co-founders, an executive Director and the chief scientific officer of our Group. Dr. Ye joined our Group in September 2019. He was appointed as a Director on February 12, 2020, and re-designated as an executive Director on January 6, 2026. He is primarily responsible for providing guidance regarding virology studies and R&D activities.

Dr. Ye has more than 32 years of experience in pharmaceutical research and development. Prior to joining our Group, from October 1995 to January 2000, he conducted postdoctoral research at The University of Chicago in the United States. From February 2001 to June 2004, he served as a senior scientist at MediGene Inc., a biotechnology company principally engaged in the research, development and commercialization of innovative therapies for cancer and autoimmune diseases. From July 2004 to September 2019, Dr. Ye worked at Applied Genetic Technologies Corporation, a biotechnology company principally engaged in the research and development of gene therapy products for rare genetic diseases, and his last position was executive director of preclinical research and development.

Dr. Ye obtained a bachelor's degree in chemistry from Jiangxi Normal University (江西師範大學) in the PRC in July 1986. In May 1989, he obtained a master's degree in organic chemistry from the Shanghai Institute of Organic Chemistry, Chinese Academy of Sciences (中國科學院上海有機化學研究所) in the PRC. In June 1992, he obtained a doctoral degree in organic chemistry from the same institute. From December 1993 to October 1995, Dr. Ye conducted postdoctoral research in molecular biology at Weill Cornell Medical College in the United States.

Dr. Song Chunjuan (宋春娟), aged 47, is an executive Director and the head of preclinical development of our Group. Dr. Song joined our Group in January 2022. She was appointed as an executive Director on January 6, 2026. She is responsible for providing guidance for the overall preclinical development activities.

Dr. Song has more than 20 years of experience in genetics, neurobiology, and gene therapy research and development. Prior to joining our Group, from November 2019 to January 2022, she served as research director at the Gene Therapy Program, University of Pennsylvania, an academic research program principally engaged in the research and translational development of adeno-associated virus (AAV)-based gene therapy for metabolic and central nervous system diseases. From October 2014 to November 2019, she worked at Applied Genetic Technologies Corporation, a biotechnology company principally engaged in the research and development of gene therapy products for rare genetic diseases, where she

served as a scientist and head of the In Vivo Pharmacology and Target Validation Teams, responsible for pharmacology-toxicology and target validation functions as well as the preclinical development of AAV gene therapy programs in ophthalmology and central nervous system disorders.

From August 2011 to September 2014, Dr. Song was a Postdoctoral Associate at the University of Florida in the United States, where she conducted postdoctoral research and supported collaboration projects with pharmaceutical companies focusing on wet and dry age-related macular degeneration and neuroinflammation. From August 2004 to December 2010, she served as a research assistant at Iowa State University in the United States, where she performed laboratory research during her doctoral studies and participated in research projects at Probiome Therapeutics, a biotechnology company principally engaged in the development of therapeutics for neurodegenerative diseases.

Dr. Song obtained a bachelor's degree in biology from Nankai University (南開大學) in the PRC in June 2001, a master's degree in genetics from Nankai University (南開大學) in the PRC in June 2004, and a dual doctoral degree of philosophy in genetics and neuroscience from Iowa State University in the United States in May 2011. She has been a Diplomate of the American Board of Toxicology (DABT), a professional certification awarded by the American Board of Toxicology, since November 2018.

Independent Non-executive Directors

Dr. Li Ankang (李安康), aged 48, was appointed as our independent non-executive Director with effect from the [**REDACTED**]. Dr. Li is primarily responsible for supervising and providing independent judgement to our Board. He is also the chair of our Audit Committee.

Dr. Li has more than 15 years of experience in the investment banking, business development, legal transaction and biomedical research. Prior to joining our Group, he has been an executive Director of Brii Biosciences Limited, a listed company on the Stock Exchange (stock code: 2137.HK) ("**Brii**") since September 2022 and as the chief executive officer of TSB Therapeutics (Beijing) Co. Limited, an indirect non-wholly owned subsidiary of Brii since September 2022. He has been serving as the joint company secretary and the chief strategy officer of Brii since April 2021, and the chief operating officer of Brii since November 2025, overseeing corporate and business development, finance and accounting, reporting and control, legal and intellectual property, and investor relations and corporate communications of Brii. He served as the chief financial offer and the chief strategy officer of Brii from September 2020 to November 2025 and from March 2022 to November 2025, respectively. Dr. Li has also been serving as a director of Brii Biosciences (Beijing) Co. Limited (騰盛博藥醫藥技術(北京)有限公司), Brii Biosciences (Shanghai) Co. Limited (騰盛博藥醫藥技術(上海)有限公司), Brii Biosciences (Hong Kong) Co. Limited (騰盛博藥醫藥技術(香港)有限公司) and Brii Biosciences Pty Ltd. since August 2021, July 2021, June 2021 and March 2023, respectively. From June 2019 to August 2020, he was the chief financial officer of Terns Pharmaceuticals, Inc., a clinical-stage biopharmaceutical company listed on NASDAQ (stock code: TERN), and he was responsible for overseeing financial operation. From January 2018 to June 2019, he was an executive director within the corporate finance department division of Goldman Sachs, an investment bank, and he was responsible for providing financial advisory services. From September 2016 to December 2017, he served as a director of the business development department of MSD R&D (China) Co., Ltd., a subsidiary of Merck Sharp & Dohme Corporation ("**MSD**"), a global pharmaceutical company listed on the New York Stock Exchange (stock code: MRK), and he was responsible for overseeing business development and licensing transactions of MSD Asia Pacific Innovation Hub. From August 2014 to September 2016, he was an associate of Ropes & Gray LLP, a global law firm, and provided legal advisory services in corporate transactions. From September 2012 to August 2014, he was an associate of Davis Polk & Wardwell LLP, a global law firm, and provided legal advisory services in corporate transactions. From September 2007 to September 2009, he was a research associate of Salk Institute for Biological Studies, a scientific research institute in the United States, conducting postdoctoral scientific research.

Dr. Li obtained a bachelor's degree in biochemistry from Fudan University (復旦大學) in China in July 1999, a master's degree in biological sciences from National University of Singapore in Singapore in October 2002, a doctoral degree of philosophy in biomedical sciences from Baylor College of Medicine in the United States in June 2007 and a Juris Doctor degree from The University of Chicago Law School in the United States in June 2012.

Dr. Li was also admitted to the New York Bar in January 2013 and was qualified as a Chartered Financial Analyst of the CFA Institute in August 2016.

Mr. Zhao Hui (趙暉), aged 45, was appointed as our independent non-executive Director with effect from the [**REDACTED**]. Mr. Zhao is primarily responsible for supervising and providing independent judgement to our Board. He is also the chair of our Remuneration Committee.

Mr. Zhao has more than 20 years of extensive experience in auditing, financial management, and advisory. Prior to joining our Group, Mr. Zhao served as a partner at Guangzhou Huiqin Consulting Co., Ltd. (廣州匯勤諮詢有限公司) (formerly known as Guangzhou Huiqin Investment Consulting Co., Ltd. (廣州匯勤投資諮詢有限公司)) since October 2021. Before that, he was the chief financial officer of Dexin Services Group Limited (德信服務集團有限公司), a company listed on the Stock Exchange (stock code: 2215.HK), from October 2020 to September 2021. From January 2015 to September 2020, Mr. Zhao served as a senior manager at PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) (Guangzhou Branch). Previously, he had his first tenure at Guangzhou Huiqin Investment Consulting Co., Ltd. (廣州匯勤投資諮詢有限公司) as the finance director from July 2012 to December 2014 and at Guangzhou Tuoou Consulting Co., Ltd. (廣州拓歐諮詢有限公司) from February 2009 to July 2012. From August 2002 to February 2009, Mr. Zhao worked at PricewaterhouseCoopers Zhong Tian Certified Public Accountants Limited (Guangzhou Branch), where his last position was an assistant manager.

Mr. Zhao received a bachelor's degree in resource environment and urban planning management and a bachelor's degree in accountancy from Sun Yat-sen University (中山大學) in June 2001 and June 2002, respectively.

Mr. Zhao was qualified as an Intermediate Accountant by the Department of Human Resources and Social Security of Guangdong Province (廣東省人力資源和社會保障廳) in May 2011. He was qualified as a Certified Internal Auditor by The Institute of Internal Auditors and the China Institute of Internal Audit (國際內部審計師協會及中國內部審計協會) in November 2013. He has been a member of The Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since April 2014.

Dr. Wu You (吳優), aged 40, was appointed as our independent non-executive Director with effect from the [**REDACTED**]. Dr. Wu is primarily responsible for supervising and providing independent judgement to our Board.

Dr. Wu has more than 12 years of experience in the healthcare, investment banking, and investment sectors. Prior to joining our Group, from May 2023 to August 2025, she served as a Managing Director and the head of China Healthcare at BDA Partners, an investment banking firm. From June 2019 to May 2023, she worked at CEC Capital (易凱資本), an investment banking and asset management firm, where she served as Partner. From July 2014 to March 2016, she also served as the Director of Overseas Healthcare Investment at Fosun Group (復星集團), a company listed on the Stock Exchange (stock code: 0656.HK) and principally engaged in investment and asset management. From 2012 to 2014, Dr. Wu was an analyst at Analysis Group, a firm providing economics-related consulting services. She served as a research associate at United BioSource Corporation, a company providing research consulting and data analysis services to pharmaceutical companies, from 2011 to 2012. Since May 2026, she has been serving as a managing director of Shanghai Fortera Private Equity Fund Management Co. (上海孚騰私募基金管理有限公司).

Dr. Wu obtained a bachelor's degree in preventive medicine from Capital Medical University (首都醫科大學) in the PRC in June 2008, a master's degree in epidemiology from the University of California, Los Angeles in the United States in June 2012, and a master's degree in healthcare management and leadership and a doctoral degree in healthcare management and leadership and from Johns Hopkins University in the United States in May 2025.

SENIOR MANAGEMENT

The following table sets forth certain information regarding the senior management of our Company:

Name	Age	Position	Time of Joining Our Group	Date of Appointment as Senior Management	Roles and Responsibilities
Dr. Wu Zhenhua (吳振華)	53	Chairman, executive Director and chief executive officer	May 2019	May 24, 2019	Responsible for overall management, strategic planning, business development and overall R&D initiatives of our Group
Dr. Ye Guojie (葉國傑)	60	Executive Director and chief scientific officer	September 2019	February 12, 2020	Responsible for providing guidance regarding virology studies and R&D activities
Dr. Song Chunjuan (宋春娟)	47	Executive Director and head of preclinical development	January 2022	January 21, 2022	Responsible for providing guidance for the overall preclinical development activities
Mr. Mahen Gundecha	55	Chief business officer	July 2021	July 17, 2021	Responsible for overall guidance on business development

For biography of Dr. Wu, Dr. Ye, and Dr. Song, please refer to the "— Directors — Executive Directors" above in this section.

Mr. Mahen Gundecha, aged 55, has been the chief business officer of our Group since July 2021. He is responsible for providing overall guidance on core business operations.

Mr. Gundecha has over more than 30 years of experience in business development, corporate strategy and alliance management in the global pharmaceutical and biotechnology industries. Prior to joining our Group, he served as a consultant for various biotechnology companies, including Melior Discovery Inc. from November 2018 to April 2019, Dova Pharmaceuticals, Inc. from February 2019 to October 2019, and Incyte Corporation from January 2021 to July 2021. From September 2017 to October 2018, he served as vice president of corporate alliance management and portfolio business development at Juno Therapeutics, a biotechnology company principally engaged in the research and development of cell therapy products for cancer. From August 2015 to September 2017, Mr. Gundecha served as head of corporate partnerships and business development at Novartis (Sandoz), a multinational pharmaceutical company principally engaged in the research, development, manufacturing and commercialization of generic and biosimilar medicines. From July 2013 to August 2015, he was senior director of business development and alliance management at Novo Nordisk, a biotechnology company principally engaged in the research, development and commercialization of innovative therapies for diabetes and other chronic diseases. From January 2008 to July 2013, Mr. Gundecha served as director of business development and new product planning at Endo Pharmaceuticals, a pharmaceutical company principally engaged in the development and commercialization of specialty therapeutics. From January 2003 to January 2008, he held the same position at GlaxoSmithKline, a multinational pharmaceutical company principally engaged in the research, development and commercialization of prescription medicines, vaccines and consumer healthcare products.

Mr. Gundecha obtained a bachelor's degree in biology from Western University (formerly known as the University of Western Ontario) in Canada in June 1988, a bachelor's degree in finance from the University of Windsor in Canada in October 1990, and a master's degree in international business from the Schulich School of Business, York University in Canada in 1992.

COMPANY SECRETARY

Ms. Huang Jiawen (黃佳雯) was appointed as the company secretary of our Company with effect from the [**REDACTED**]. Ms. Huang has approximately 4 years of experience in company secretarial and corporate governance fields. She is currently employed by Computershare Hong Kong Investor Services Limited. Ms. Huang obtained the Master of Science in Corporate Governance and Compliance from Hong Kong Baptist University in November 2023. She is an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

BOARD COMMITTEES

Audit Committee

The Audit Committee was established by our Board pursuant to a resolution of our Board on [●] with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3.3 of the Corporate Governance Code as set out in part 2 of Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to make recommendations to our Board on the appointment and removal of external auditor, and to assist our Board in fulfilling its oversight responsibilities in relation to our Group's financial reporting, internal control structure, risk management processes and external audit functions, and corporate governance responsibilities. The members of the Audit Committee are Dr. Li Ankang, Dr. Wu You and Mr. Zhao Hui, all of whom are independent non-executive Directors. Dr. Li Ankang is the chairman of our Audit Committee.

Remuneration Committee

The Remuneration Committee was established by our Board pursuant to a resolution of our Board on [●] with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1.2 of the Corporate Governance Code as set out in part 2 of Appendix C1 to the Listing Rules. The primary duties of the Remuneration Committee are to make recommendations to our Board regarding on our policy and structure for the remuneration of all Directors and senior management. The members of the Remuneration Committee are Mr. Zhao Hui, Dr. Wu You, Dr. Li Ankang, Dr. Wu and Dr. Song Chunjuan. Mr. Zhao Hui is the chairman of our Remuneration Committee.

Nomination Committee

The Nomination Committee was established by our Board pursuant to a resolution of the Board on [●] with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3.1 of the Corporate Governance Code as set out in part 2 of Appendix C1 to the Listing Rules. The primary duties of the Nomination Committee are to make recommendations to our Board regarding candidates to fill vacancies on the Board. The members of the Nomination Committee are Dr. Wu, Dr. Wu You, Mr. Zhao Hui, Dr. Li Ankang and Dr. Song Chunjuan. Dr. Wu is the chairman of our Nomination Committee.

CONFIRMATION FROM OUR DIRECTORS

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on December 19, 2024 or January 2, 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules, (ii) he or 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.

Rule 13.51(2) of the Listing Rules

Save as disclosed above, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, as of the Latest Practicable Date, none of our Directors and senior management members (i) had any other relationship with any Director, senior management or substantial or controlling Shareholders of our Company; and (ii) held any other directorships in the three years prior to the Latest Practicable Date in any public companies the securities of which are listed on any securities market in Hong Kong and/or overseas.

Saved as disclosed in the sections headed "Substantial Shareholders" and "Appendix IV — Statutory and General Information — C. Further Information about our Directors and Substantial Shareholders — 1. Disclosure of Interests," to this document 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.

There are no other matters with respect to the appointment of our Directors that need to be brought to the attention of our Shareholders and the Stock Exchange or shall be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

REMUNERATION POLICY

We value our employees and recognize the importance of a good relationship with our employees. The remuneration to our employees includes salaries, bonuses, benefits and other welfares.

Our Group offers competitive remuneration packages to our Directors and senior management, and the aggregate amounts of emoluments (including salaries, bonus and other benefits, retirement benefit scheme contributions and share-based payments) for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 was RMB50.3 million, RMB37.7 million and RMB29.5 million, respectively.

Save as disclosed in this document, no other emoluments have been paid or are payable, in respect of the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 by us to our Directors and senior management.

The aggregate remuneration paid to the five highest paid individuals of our Group, excluding our Directors, for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 were approximately RMB5.4 million, RMB4.1 million and RMB1.5 million, respectively.

No remuneration was paid by our Group to our Directors or the five highest paid individuals as an inducement to join or upon joining our Group or as a compensation for loss of office during the Track Record Period.

Under the arrangements currently in force, we estimate that the aggregate amounts of emoluments (including salaries, bonus and other benefits, retirement benefit scheme contributions and share-based payments) payable to our Directors (including the emolument of Ms. Song Chunjuan as a senior management, who became our Director on January 6, 2026) for the year ending December 31, 2026 will be approximately RMB68.2 million.

We have not experienced any significant problems with our employees or disruption to our operations due to labor disputes, nor have we experienced any difficulties in the recruitment and retention of experienced staff.

For additional information on Directors' remuneration during the Track Record Period as well as information on the highest paid individuals, please refer to Note 12 of the Accountant's Report as Appendix I to this document.

BOARD DIVERSITY POLICY

We are committed to promoting the culture of diversity in the Company. We have adopted the board diversity policy which sets out the objective and approach to achieve and maintain appropriate balance of diverse perspectives of our Board to enhance the effectiveness of our Board.

Pursuant to our board diversity policy, selection of Board candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate selection of Board candidates will be based on merit and potential contribution to our Board that the selected candidates will bring to our Board.

Our Directors have a balanced mix of knowledge and skills, including experience in such as medicine and pharmaceutical research as well as overall management and strategic development, business operation and accounting and financial management. We have three independent non-executive Directors who have different industry backgrounds, representing one-third of our Board members. Currently, three of our Directors are female. Our Company has reviewed the membership, structure and composition of our Board, and is of the opinion that the structure of our Board is reasonable, and the experience and skills of our Directors in various aspects and fields can enable our Company to maintain high standard of operation.

Our Nomination Committee is responsible for ensuring the diversity of our Board. After the [**REDACTED**], our Nomination Committee will review our board diversity policy from time to time to ensure its continued effectiveness and we will disclose the implementation of our board diversity policy in our corporate governance report on an annual basis.

COMPLIANCE ADVISER

We have appointed Mango Financial Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise us 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 our Company proposes to use the [**REDACTED**] of the [**REDACTED**] in a manner different from that detailed in the [**REDACTED**] or where the business activities, developments or results of the listed issuer deviate from any forecast, estimate, or other information in this document; and
- where the Stock Exchange makes an inquiry of our Company regarding unusual price movement or trading volume or other issues under Rule 13.10 of the Listing Rules.

The term of the appointment shall commence on the [**REDACTED**] and end on the date on which we distribute our annual report in respect of our financial results for the first full financial year commencing after the [**REDACTED**] and such appointment may be subject to extension by mutual agreement.

To the best of the knowledge of our Directors, the following persons will, immediately after the completion of the Conversion and the [**REDACTED**] (without taking into account any Shares which may be issued upon the exercise of the [**REDACTED**], the exercise or vesting of any awards under the Pre-[**REDACTED**] Equity Incentive Plan or the conversion of loans under the Convertible Loan Agreements), have an interest or short position in our Shares or underlying Shares which are required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at the general meetings of our Company:

		As of the Latest Practicable Date		Immediately after the Conversion and the [REDACTED][(1)]	
Shareholder	**Capacity/ Nature of interest**	**Number of Shares**	**Approximate percentage of shareholding in our Company**	**Number of Shares**	**Approximate percentage of shareholding in our Company**
Dr. Wu	Interest in controlled corporation[(3)]	101,566,880	31.16%	[REDACTED]	[REDACTED]%
	Beneficial owner[(4)]	[35,519,125]	[10.90]%	[REDACTED]	[REDACTED]%
Landes Therapeutics	Beneficial owner	101,566,880	31.16%	[REDACTED]	[REDACTED]%
LDS Holdings Limited	Beneficial owner	35,905,878[(2)]	11.02%	[REDACTED]	[REDACTED]%
LC Healthcare Fund II, L.P.	Beneficial owner	31,501,749[(2)]	9.67%	[REDACTED]	[REDACTED]%
Legend Holdings Corporation	Interest in controlled corporation[(5)]	31,451,883[(2)]	9.65%	[REDACTED]	[REDACTED]%
Black Elk Peak	Beneficial owner	28,780,668[(2)]	8.83%	[REDACTED]	[REDACTED]%
NVMB III Holdings Limited	Beneficial owner	27,897,897[(2)]	8.56%	[REDACTED]	[REDACTED]%
Kaitai Capital	Interest in controlled corporation[(6)]	23,594,141[(2)]	7.24%	[REDACTED]	[REDACTED]%
Hangzhou Kaitai	Beneficial owner	20,197,057[(2)]	6.20%	[REDACTED]	[REDACTED]%

Notes:

(1) Assuming the [**REDACTED**] is not exercised and without taking into account any Shares which may be issued upon the exercise or vesting of any awards granted under the Pre-[**REDACTED**] Equity Incentive Plan or conversion of any loans under the Convertible Loan Agreements.

(2) Assuming that the relevant Preferred Shares having been converted into Shares on a one-to-one basis.

(3) Landes Therapeutics Ltd is owned as to 54.87% by Dr. Wu. Dr. Wu is therefore deemed to be interested in the 101,566,880 Shares beneficially owned by Landes Therapeutics, and is therefore interested in the Shares under the SFO.

(4) Represents the [35,519,125] Share Options granted to Dr. Wu pursuant to the Pre-[**REDACTED**] Equity Incentive Plan.

(5) Each of Legendstar I, Legendstar II and ROSY SHINE is controlled by Legend Holdings Corporation. Accordingly, Legend Holdings Corporation is deemed to be interested in the 7,854,411 Shares, 7,854,411 Shares, and 15,743,061 Shares beneficially owned by Legendstar I, Legendstar II and ROSY SHINE, respectively, under the SFO.

(6) Each of Hangzhou Kaitai Houde, Nanjing Chuangyi Kaitai and Xiamen Jingyuan Kaitai is controlled by Kaitai Capital. Accordingly, Kaitai Capital is deemed to be interested in the 20,197,057 Shares, 2,732,928 Shares and 664,156 Shares beneficially owned by Hangzhou Kaitai Houde, Nanjing Chuangyi Kaitai and Xiamen Jingyuan Kaitai, respectively, under the SFO.

Save as disclosed above, our Directors are not aware of any person who will, immediately following the Conversion and the [**REDACTED**] (without taking into account any Shares which may be issued upon the exercise of the [**REDACTED**], the exercise or vesting of any awards under the Pre-[**REDACTED**] Equity Incentive Plan, or the conversion of loans under the Convertible Loan Agreements), have an interest or short position in our Shares or underlying Shares which would be required 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, directly or indirectly, be 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.

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 immediately following completion of the [**REDACTED**].

As of the Latest Practicable Date, our authorized share capital was US$50,000 divided into 5,000,000,000 Shares of a par value of US$0.00001 each, consisting of (i) 4,764,502,526 ordinary Shares; (ii) 57,987,822 Series A-1 Preferred Shares; (iii) 13,823,935 Series A-2 Preferred Shares; (iv) 61,490,888 Series B Preferred Shares; (v) 41,451,178 Series B+ Preferred Shares; and (vi) 60,743,651 Series B++ Preferred Shares.

The Preferred Shares will be converted into the Shares on a one-to-one basis (subject to the adjustments under the Articles) by way of re-designation before the [**REDACTED**].

Assuming the [**REDACTED**] is not exercised and without taking into account any Shares which may be issued under the Pre-[**REDACTED**] Equity Incentive Plan or the Convertible Loan Agreements, the share capital of our Company immediately following completion of the Conversion and the [**REDACTED**] will be as follows:

Description of Shares	**Number of Shares**	**Aggregate Nominal Value of Shares**	**Approximate Percentage of Issued Share Capital**
		(US$)	*(%)*
Shares in issue (including the Shares upon Conversion and re-designation of the Preferred Shares)	325,918,811	3,259.19	[**REDACTED**]%
Shares to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	[**REDACTED**]	**100.00%**

Assuming the [**REDACTED**] is fully exercised and without taking into account any Shares which may be issued under the Pre-[**REDACTED**] Equity Incentive Plan or the Convertible Loan Agreements, the share capital of our Company immediately following completion of the Conversion and the [**REDACTED**] will be as follows:

Description of Shares	**Number of Shares**	**Aggregate Nominal Value of Shares**	**Approximate Percentage of Issued Share Capital**
		(US$)	*(%)*
Shares in issue (including the Shares upon Conversion and re-designation of the Preferred Shares)	325,918,811	3,259.19	[**REDACTED**]%
Shares to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	[**REDACTED**]	**100.00%**

ASSUMPTION

The above tables assume that the [**REDACTED**] becomes unconditional, that Shares are issued pursuant to the [**REDACTED**], and that the Preferred Shares are converted into the Shares on a one-to-one basis.

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 all Preferred Shares re-designated into Shares immediately before 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 as provided in the Articles; (ii) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (iii) divide its shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as our Company in general meeting or as the Board may determine; (iv) subdivide its shares or any of them into shares of smaller amount than is fixed by the Memorandum; (v) cancel any shares, which at the date of passing of the resolution, have not been taken and diminish the amount of its share capital by the amount of the shares so cancelled; (vi) make provision for the issue and allotment of shares which do not carry any voting rights; (vii) change the currency of denomination of its share capital; and (viii) 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. See the section headed "Appendix III — Summary of the Constitution of our Company and Company Law of the Cayman Islands — 2. Articles of Association (a)(iii) Alteration of capital" to this document for further details.

PRE-[REDACTED] EQUITY INCENTIVE PLAN

We adopted the 2022 Equity Incentive Plan. For further details, please see the section headed "Appendix IV — Statutory and General Information — D. Pre-[**REDACTED**] Equity Incentive Plan" to this document.

GENERAL MANDATE TO ISSUE 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 "Appendix IV — Statutory and General Information — A. Further Information about Our Company — 4. Written resolutions of the then Shareholders passed on [●] 2026" and "Appendix IV — Statutory and General Information — A. Further Information about Our Company — 5. Repurchase of Our Shares" to this document.

You should read the following discussion and analysis in conjunction with our audited consolidated financial information for the years ended and as of December 31, 2024 and 2025 and the six months ended and as of June 30, 2026 set out in Appendix I to this document, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with IFRS accounting standards.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to the future events and financial performance that involve risks and uncertainties. These statements are based on our assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors. In evaluating our business, you should carefully consider the information provided in the section headed "Risk Factors" in this document.

Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a biopharmaceutical company focused on gene therapies with advanced delivery vector technologies, according to Frost & Sullivan. In addition, we are also developing oligonucleotide-based therapeutics. Leveraging our self-developed *AAVarta* (AI-aided AAV Capsid Evolution Discovery Platform) and *SODA* (Silencing Oligo Designing Approach) technology platforms, we have built diversified product pipelines covering neurological diseases, ophthalmic diseases, and other genetic or chronic diseases. Our Core Product candidate, EXG102-031, and our Key Product candidate, EXG202, are both adeno-associated virus (AAV)-based gene therapies for the treatment of wet age-related macular degeneration (wAMD), a severe form of AMD characterized by choroidal neovascularization, and other fundus neovascular diseases such as diabetic macular edema (DME) and retinal vein occlusion (RVO). The other Core Product candidate, EXG001-307 (SMA Type 1), is an adeno-associated virus (AAV)-based gene therapy for the treatment of spinal muscular atrophy (SMA), a rare and life-threatening neuromuscular disorder caused by a deficiency of survival motor neuron (SMN) protein. In addition, we are developing oligonucleotide-based therapeutics within our pipeline. We are committed to addressing significant unmet clinical needs around the world through innovative gene therapies and oligonucleotide-based therapeutic approaches. As of the Latest Practicable Date, our product candidate pipeline consisted of nine product candidates, including four at clinical stage.

We currently have no products approved for commercial sales and we were loss-making during the Track Record Period. We incurred net losses of RMB219.8 million, RMB826.9 million, RMB83.3 million and RMB381.2 million, respectively, for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, which primarily resulted from research and development expenses, administrative expenses, and fair value change of financial liabilities at FVTPL. We expect to incur significant research and development expenses for at least the next several years as we continue to advance our clinical development plans, and to prepare for the commercialization of our Core Product and Key Product candidates. Subsequent to the [**REDACTED**], our financial performance may fluctuate from period to period due to, among other factors, the development status of our product candidates, regulatory approval timeline and commercialization of our product candidates after approval.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations and financial condition have been, and are expected to continue to be, principally affected by a number of factors, many of which may be beyond our control. A discussion of the key factors is set forth below.

Development and Commercialization of Our Pipeline Product Candidates

Although we currently have no product approved for commercial sale and have not generated any revenue from product sales, we expect to commercialize one or more of our pipeline product candidates over the coming years as they move towards the final stages of development. Our ability to generate revenue from our pipeline product candidates is dependent on multiple factors, including but not limited to our ability to obtain regulatory approvals, secure adequate manufacturing capacity, collaboration with competent third-party sales partners, as well as making our products accessible to, affordable for and accepted by the vast population who are in need of quality products that brings comprehensive benefits for SMA, fundus neovascularization diseases and other prevalent and high-burden diseases we target.

Our business and results of operations depend on our ability to successfully develop and commercialize our differentiated pipeline product candidates, including our Core Products EXG102-031 and EXG001-307 (SMA Type 1), and our Key Product EXG202. EXG001-307 (SMA Type 1) received IND approval from the CDE in June 2022. As of the Latest Practicable Date, we had completed the Phase I/II clinical trial of EXG001-307 (SMA Type 1) in China, marking a key milestone for its upcoming commercialization.

As of the Latest Practicable Date, we had cultivated a diverse pipeline of nine product candidates to capture the market potential in SMA, fundus neovascularization diseases and other prevalent and high-burden diseases we target. We expect to continue to achieve and deliver major development milestones for our pipeline product candidates. Our business and results of operations depend on our pipeline product candidates demonstrating good safety and efficacy results, and our ability to obtain the requisite regulatory approvals for our pipeline product candidates.

Our Cost Structure

Our cost structure during the Track Record Period primarily consisted of research and development expenses and administrative expenses.

During the Track Record Period, we incurred research and development expenses of RMB145.0 million, RMB103.9 million, RMB57.4 million and RMB53.4 million for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively, in each case representing the largest component of our cost structure during the relevant period. Going forward, we expect to continue to incur significant research and development expenses as we advance our pipeline product candidates towards commercialization or clinical stage.

For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, research and development expenses incurred for our Core Products were RMB73.6 million, RMB56.9 million, RMB32.5 million and RMB28.2 million, respectively, accounting for 50.8%, 54.8%, 56.6% and 52.8% of our total research and development expenses for the corresponding periods. For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, our research and development expenses accounted for 87.3%, 85.3%, 87.2% and 76.7% of our total operating expenses (which equals the sum of research and development expenses and administrative expenses), respectively.

Our administrative expenses, which primarily consisted of salaries and benefits for our management and administrative personnel, share-based payment for our management and administrative personnel, and professional service fees, amounted to RMB21.2 million, RMB17.8 million, RMB8.5 million and RMB16.2 million in the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

Going forward, our cost structure will evolve as we further develop our pipeline product candidates. As our pipeline product candidates progress through preclinical studies and clinical trials and advance towards commercialization, we expect to incur additional expenses related to research and development, sales and marketing, and regulatory affairs, among other activities. Additionally, we may also incur increased legal, compliance, accounting, insurance, and investor and public relations expenses associated with being a public company in Hong Kong.

Funding for Our Operations

During the Track Record Period, we funded our operations primarily through interest-bearing borrowings and equity financing. Going forward, in the event of the successful commercialization of one or more of our pipeline product candidates, we expect to primarily fund our operations with revenue generated from sales of our commercialized products. We may also require further funding through financing, public or private offerings, debt financing, collaboration and licensing arrangements or other sources. Any fluctuation in the funding for our operations will impact our cash flow and our results of operations.

BASIS OF PREPARATION

Our Company was incorporated in the Cayman Islands in 2019 as an exempted company with limited liability under the Companies Law, Cap. 22 of the Cayman Islands. The historical financial information of our Group has been prepared with the results of operations of both our Company and its subsidiaries consolidated for the Track Record Period. The historical financial information has been prepared in accordance with the accounting policies which conforms with the IFRSs issued by the IASB. The historical financial information has been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of our consolidated financial statements requires management to make estimates, judgment and assumptions that affect the report amounts of expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each year/period of the Track Record Period. Uncertainty about these estimates and assumptions could results in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. See Notes 3 and 4 to the Accountants' Report set out in Appendix I to this document for our accounting policies, estimates and judgments.

DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000) (unaudited)*	*(RMB'000)*
Revenue	–	1,299	–	–
Cost of sales	–	(1,169)	–	–
Gross profit	–	130	–	–
Other income	61,709	13,398	5,892	2,909
Impairment losses under expected credit loss model ("**ECL**"), net of reversal	(2,301)	(99)	(138)	162
Other gains and losses	2,965	(859)	233	(1,822)
Fair value change of financial liabilities at fair value through profit or loss ("**FVTPL**") and convertible loan notes	(105,195)	(706,791)	(21,196)	(304,456)
Administrative expenses	(21,151)	(17,831)	(8,455)	(16,175)
[**REDACTED**] expenses	–	(6,707)	–	(7,529)
Research and development expenses	(144,967)	(103,863)	(57,373)	(53,370)
Other expenses	(8,667)	(3,155)	(1,375)	(815)
Finance costs	(2,197)	(1,125)	(906)	(63)
Loss before tax	(219,804)	(826,902)	(83,318)	(381,219)
Income tax expense	–	–	–	–
Loss for the year	**(219,804)**	**(826,902)**	**(83,318)**	**(381,219)**

Revenue

During the Track Record Period, none of our pipeline product candidates had received regulatory approval or approval for commercialization. We had no revenue for the year ended December 31, 2024 and for the six months ended June 30, 2025 and 2026. We recorded revenue of RMB1.3 million for the year ended December 31, 2025 generated from providing research and development services for an overseas customer (the "**Customer A**"). Customer A engaged us to provide rAAV with our proprietary vectors to test the effect of our vectors on its product efficacy.

Customer A is a multinational pharmaceutical company. In 2025, Customer A expressed its interests in testing our proprietary capsid, RtAAV001, and, accordingly, entered into a material transfer agreement (the "**MTA**") with our Company in June 2025 to procure the relevant samples for use in preclinical studies (the "**Research**"). According to the MTA, the material required for the testing was to be provided by us and funded by Customer A.

We provided the aforementioned samples to Customer A so that it can test the effect of our proprietary RtAAV001 capsid in the Research. As such, the transaction between us and Customer A, which solely facilitates Customer A's preliminary testing on our proprietary products, is distinctively different from the services provided to us by other CROs/CDMOs, which are development and/or manufacturing contracting services for the drug candidates for which they do not have proprietary ownership.

The quantity of material required for this study necessitated large-scale manufacturing. Furthermore, we lack the in-house personnel and specialized equipment required to perform the quality testing specified by Customer A. As a result, we outsourced the manufacturing and such quality testing. Over 90% of the revenue received from Customer A was to cover the production cost quoted by Hangzhou CoJourney, with our Company retaining approximately 10% for overhead fees. As confirmed by Frost & Sullivan, such outsourcing with a similar split of revenue is common in the gene therapy industry in China.

Cost of Sales

During the Track Record Period, we did not incur any cost of sales for the year ended December 31, 2024 and for the six months ended June 30, 2025 and 2026 as we did not have any revenue for these periods. We incurred cost of sales of RMB1.2 million for the year ended December 31, 2025, which represented the cost of services we incurred for outsourcing to Hangzhou CoJourney the manufacture of rAAV with our proprietary vectors.

Gross Profit and Gross Profit Margin

Gross profit represents our revenue less cost of sales. Gross profit margin represents our gross profit as a percentage of our revenue. During the Track Record Period, we had no gross profit for the year ended December 31, 2024 and for the six months ended June 30, 2025 and 2026, and we recorded a gross profit of RMB0.1 million for the year ended December 31, 2025, representing a gross profit margin of 10.0%.

Other Income

During the Track Record Period, our other income consisted of (i) interest income from bank deposits, time deposits, receivables for the disposal of long-term assets and finance lease receivable; (ii) government grants, which primarily represent subsidies granted by local government authorities to support our research and development as well as other operating activities; (iii) sales of materials, which primarily represent income from our disposal of raw materials to Hangzhou CoJourney subsequent to our lease of production facilities (the "**Disposal**"); and (iv) rental income from our lease of self-owned production facilities to Hangzhou CoJourney.

The raw materials disposed by us in the Disposal were procured and intended to be used at the Plasmid Manufacturing Facility, and were sold to Hangzhou CoJourney as they would no longer be needed by our Company after the Plasmid Manufacturing Facility was sold to Hangzhou CoJourney. The Disposal was one-off in nature. We do not intend to continue to source and sell raw materials to Hangzhou CoJourney.

The following tables set forth breakdowns of our other income for the periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000) (unaudited)*	*(RMB'000)*
Interest income				
– Bank deposits	3,922	3,384	1,654	1,101
– Time deposits	5,116	1,029	618	229
– Receivables from the disposal of long-term assets	1,939	1,389	728	589
– Finance lease receivable	110	69	40	17
Government grants	44,657	4,382	1,497	159
Rental income	2,204	2,923	1,355	814
Sales of materials	3,941	222	–	–
Total	**61,709**	**13,398**	**5,892**	**2,909**

Other Gains and Losses

Our other gains and losses primarily consisted of gains from financial assets at FVTPL, net foreign exchange gains, and net losses on disposal of property and equipment.

The following table sets forth a breakdown of our other gains and losses for the periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000) (unaudited)*	*(RMB'000)*
Gains from financial assets at FVTPL	1,897	824	573	449
Net foreign exchange gains/(losses)	1,622	(1,869)	(340)	(2,331)
Net (losses) gains on disposal of long-term assets	(554)	50	–	–
Other	–	136	–	–
Total	**2,965**	**(859)**	**233**	**(1,882)**

Administrative Expenses

During the Track Record Period, our administrative expenses primarily consisted of (i) salaries and benefits for our management and administrative personnel; (ii) share-based payment for our management and administrative personnel; (iii) professional service fees, primarily representing fees paid to professional parties for audit services, legal services and human resource services; (iv) depreciation and amortization, primarily including depreciation and amortization expenses for right-of-use assets, property, plant and equipment, and intangible assets used for administrative purposes and (v) others, primarily including miscellaneous office expenses, property management and service expenses.

The following table sets forth a breakdown of our administrative expenses for the periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000) (unaudited)*	*(RMB'000)*
Salaries and benefits	10,313	9,328	4,403	4,628
Share-based payment	6,999	5,971	2,903	9,515
Professional service fees	2,231	1,089	505	1,149
Depreciation and amortization	568	422	241	289
Others	1,040	1,021	403	594
Total	**21,151**	**17,831**	**8,455**	**16,175**

Research and Development Expenses

During the Track Record Period, our research and development expenses consisted of (i) salaries and benefits for our research and development personnel; (ii) share-based payment for our research and development personnel; (iii) trial and testing expenses, primarily

representing expenses incurred in connection with our pre-clinical studies and clinical trials; (iv) depreciation and amortization expenses for right-of-use assets, property, plant and equipment, and intangible assets used for research and development purposes; (v) cost of raw materials used for the clinical development of our pipeline product candidates; (vi) power costs; and (vii) others, primarily including patent application agent service fees and travelling expenses.

The following table sets forth a breakdown of our research and development expenses for the periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000) (unaudited)*	*(RMB'000)*
Salaries and benefits	42,342	35,139	19,115	13,520
Trial and testing expenses	44,549	27,342	15,448	14,455
Share-based payment	30,795	19,178	11,757	16,054
Depreciation and amortization	16,223	13,059	7,416	5,189
Material costs	6,102	4,053	1,645	2,329
Utilities	1,732	1,200	566	578
Others	3,224	3,892	1,426	1,245
Total	**144,967**	**103,863**	**57,373**	**53,370**

The following table sets forth a breakdown of research and development expenses attributable to our Core Products for the periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Labor costs	36,348	23,492	14,049	14,913
Trial and testing expenses	22,580	18,432	10,909	8,218
Depreciation and amortization	9,190	10,285	5,748	3,498
Material costs	2,522	2,060	870	679
Utilities	841	898	401	380
Others	2,106	1,757	485	476
Total	**73,587**	**56,924**	**32,462**	**28,164**

For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, research and development expenses incurred for our Core Products were RMB73.6 million, RMB56.9 million, RMB32.5 million and RMB28.2 million, respectively, accounting for 50.8%, 54.8%, 56.6% and 52.8% of our total research and development expenses for the corresponding periods, respectively.

Other Expenses

During the Track Record Period, our other expenses primarily consisted of (i) costs we incurred for leasing our production facility to Hangzhou CoJourney, which include depreciation and amortization of production equipment and facilities and cost of utilities; (ii) material costs, which represent cost of our sales of certain raw materials to Hangzhou CoJourney subsequent to leasing production facilities to it; (iii) service fee, representing a

one-off design service fee we incurred in the year ended December 31, 2024 for certain premises in connection with our commercialization plan; and (iv) others, representing expenses not related to our business operations, which primarily consisted of donations to charitable foundations for causes relating to SMA and Fabry.

The following table sets forth a breakdown of our other expenses for the periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000) (unaudited)*	*(RMB'000)*
Costs of lease income	2,024	2,923	1,355	814
Material costs	4,363	211	–	–
Service fee	2,170	–	–	–
Others	110	21	20	1
Total	**8,667**	**3,155**	**1,375**	**815**

Finance Costs

During the Track Record Period, our finance costs consisted of (i) interest payments on bank borrowings and (ii) deemed interest expense arising from lease liabilities.

The following table sets forth a breakdown of our financial costs for the periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000) (unaudited)*	*(RMB'000)*
Interest expenses				
– Bank borrowings	1,692	854	744	–
– Lease liabilities	505	271	162	63
Total	**2,197**	**1,125**	**906**	**63**

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six months ended June 30, 2026 compared to six months ended June 30, 2025

Revenue

For the six months ended June 30, 2025 and 2026, we did not generate any revenue.

Cost of Sales

For the six months ended June 30, 2025 and 2026, we did not incur any cost of sales.

Gross Profit and Gross Profit Margin

As a result of the above, our gross profit was nil for the six months ended June 30, 2025 and 2026.

Other Income

Our other income decreased by RMB3.0 million, or 50.6%, from RMB5.9 million for the six months ended June 30, 2025 to RMB2.9 million for the six months ended June 30, 2026, primarily as a result of (i) a decrease in government grants. Our government grants were mostly one-off in nature. We did not have income-related government grants in the six months ended June 30, 2026 and the amount recognized represented amortization of asset-based government grants we received in prior years; (ii) a decrease in interest income from bank deposits primarily due to a decrease in bank deposit balance; and (iii) a decrease in rental income because Hangzhou Co-Journey used the leased facility for a shorter period of time during the six months ended June 30, 2026 compared to the same period in 2025.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

Our impairment losses under expected credit loss model, net of reversal changed from losses of RMB0.1 million for the six months ended June 30, 2025 to a reversal of RMB0.2 million for the six months ended June 30, 2026, primarily due to the decrease in our receivables from Hangzhou Co-Journey.

Other Gains and Losses

Our other gains and losses amounted to net other gains of RMB0.2 million for the six months ended June 30, 2025 and net other losses of RMB1.9 million for the six months ended June 30, 2026, primarily due to an increase in net foreign exchange losses as a result of the depreciation of the U.S. dollar against the RMB.

Administrative Expenses

Our administrative expenses increased by RMB7.7 million, or 91.3%, from RMB8.5 million for the six months ended June 30, 2025 to RMB16.2 million for the six months ended June 30, 2026, primarily due to (i) an increase in share-based payment because we granted share options under our employee equity compensation plan in April 2026; and (ii) an increase in professional service fees for legal and financial advisory fees in connection with our operating activities.

Research and Development Expenses

Our research and development expenses decreased by RMB4.0 million, or 7.0%, from RMB57.4 million for the six months ended June 30, 2025 to RMB53.4 million for the six months ended June 30, 2026, primarily due to a decrease in salaries and benefits for our research and development personnel as a result of (i) a decrease in the number of our research and development personnel; and (ii) a reallocation of compensation for certain personnel from research and development to administrative expenses due to their increased involvement in administrative work in connection with our proposed [**REDACTED**].

Other Expenses

Our other expenses decreased by RMB0.6 million, or 40.7%, from RMB1.4 million for the six months ended June 30, 2025 to RMB0.8 million for the six months ended June 30, 2026, primarily due to a decrease in costs of lease income because Hangzhou Co-Journey used our facility for a short period of time during the six months ended June 30, 2026 compared to the same period in 2025.

Finance Costs

Our finance costs decreased by RMB0.8 million, or 93.0%, from RMB0.9 million for the six months ended June 30, 2025 to RMB0.1 million for the six months ended June 30, 2026, primarily due to a decrease in interest expenses on bank borrowings as we had fully repaid our bank borrowings by the end of 2025 and did not incur new bank borrowings in 2026.

Loss for the Period

As a result of the foregoing, our loss increased by RMB297.9 million, or 357.5%, from RMB83.3 million for the six months ended June 30, 2025 to RMB381.2 million for the six months ended June 30, 2026.

Year ended December 31, 2025 compared to Year ended December 31, 2024

Revenue

Our revenue increased from nil for the year ended December 31, 2024 to RMB1.3 million for the year ended December 31, 2025. During the Track Record Period, none of our pipeline product candidates had received regulatory approval or approval for commercialization. We had no revenue for the year ended December 31, 2024. We recorded revenue of RMB1.3 million for the year ended December 31, 2025 generated from providing research and development services for an overseas customer, namely, Customer A. The customer engaged us to provide rAAV with our proprietary vectors to test the effect of our vectors on its product efficacy.

Cost of Sales

Our cost of sales increased from nil for the year ended December 31, 2024 to RMB1.2 million for the year ended December 31, 2025. We did not have any revenue and did not incur any cost of sales for the year ended December 31, 2024. We incurred cost of sales of RMB1.2 million for the year ended December 31, 2025, which represented the cost of services we incurred for outsourcing to Hangzhou CoJourney the manufacture of rAAV with our proprietary vectors.

Gross Profit and Gross Profit Margin

As a result of the above, our gross profit increased from nil for the year ended December 31, 2024 to RMB0.1 million for the year ended December 31, 2025, representing a gross profit margin of nil and 10.0%, respectively.

Other Income

Our other income decreased by RMB48.3 million, or 78.3%, from RMB61.7 million for the year ended December 31, 2024 to RMB13.4 million for the year ended December 31, 2025, primarily due to (i) a significant decrease in government grants because we received a one-off government grant in 2024 for our SMA-related research before it entered into the clinical trial stage; and (ii) a decrease in interest income due to a decrease in the amount under deposit, which were partially offset by an increase in rental income because Hangzhou CoJourney used the leased facility for a longer time due to an increase in customer orders during 2025 compared to 2024.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

Our impairment losses under expected credit loss model, net of reversal decreased by RMB2.2 million from RMB2.3 million for the year ended December 31, 2024 to RMB0.1 million for the year ended December 31, 2025 primarily because in July 2024 we decided to extend the payment period for our receivables from Hangzhou CoJourney, evaluated its credit risk and recorded initial impairment losses. Our expected credit loss did not change significantly from 2024 to 2025 and as a result we recorded only RMB0.1 million of impairment losses under expected credit loss model for the year ended December 31, 2025.

Other Gains and Losses

Our other gains and losses amounted to net other gains of RMB3.0 million for the year ended December 31, 2024 and net other losses of RMB0.9 million for the year ended December 31, 2025, primarily reflecting (i) a decrease in net gain on financial assets at FVTPL due to the decrease in our investment in structured deposit; and (ii) the change from net foreign exchange gains of RMB1.6 million in 2024 to net foreign exchange losses of RMB1.9 million in 2025 primarily due to the RMB's appreciation against the U.S. dollar.

Administrative Expenses

Our administrative expenses decreased by RMB3.4 million, or 16.0%, from RMB21.2 million for the year ended December 31, 2024 to RMB17.8 million for the year ended December 31, 2025, mainly due to (i) decreases in salaries and benefits and share-based payment for our administrative personnel as a result of a decrease in the number of our high-level administrative staff; and (ii) a decrease in professional service fees due to the decrease in intellectual property counsel legal fees.

Research and Development Expenses

Our research and development expenses decreased by RMB41.1 million, or 28.3%, from RMB145.0 million for the year ended December 31, 2024 to RMB103.9 million for the year ended December 31, 2025, primarily due to (i) a decrease of RMB17.2 million in trial and testing expenses because in the year ended December 31, 2024 we incurred significant expenses in connection with the outsourced production costs for EXG001-307 (SMA Type 1), EXG202 and EXG110 pipeline products in connection with their clinical trials and IND applications while we did not incur these expenses in 2025; (ii) a decrease of RMB11.6 million in share-based payment for our research and development personnel primarily because we recognized less expenses as more share options had vested; (iii) a decrease of RMB7.2 million in salaries and benefits paid to our research and development personnel primarily due to a decrease in the number of such personnel after we outsourced production process related research and development to Hangzhou CoJourney; and (iv) a decrease of RMB3.2 million in depreciation and amortization related to equipment and interior decoration used for research and development because some equipment had finished the entire depreciation and amortization time period.

Other Expenses

Our other expenses decreased by RMB5.5 million, or 63.2%, from RMB8.7 million for the year ended December 31, 2024 to RMB3.2 million for the year ended December 31, 2025, primarily reflecting (i) a decrease of RMB4.2 million in material costs in line with the decrease in our sales of materials to Hangzhou CoJourney; and (ii) a decrease of RMB2.2 million in service fee, as in year ended December 31, 2024 we incurred a one-off design service fee for certain premises in connection with our commercialization plan but did not incur similar fees in 2025. These decreases were partially offset by an increase of RMB0.9 million in costs of lease income because Hangzhou CoJourney leased our production facility for a longer period of time during 2025 compared with 2024.

Finance Costs

Our finance costs decreased by RMB1.1 million, or 50.0%, from RMB2.2 million for the year ended December 31, 2024 to RMB1.1 million for the year ended December 31, 2025, primarily due to a decrease in interest payments on bank borrowings as a result of the decrease in the outstanding amount of bank borrowings and a decrease in interest rates.

Loss for the Year

As a result of the foregoing, our loss for the year increased by RMB607.1 million, or 276.2%, from RMB219.8 million for 2024 to RMB826.9 million for 2025.

DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
NON-CURRENT ASSETS			
Property and equipment	31,134	18,397	14,046
Right-of-use assets	6,007	3,592	1,959
Intangible assets	112	150	97
Finance lease receivables	600	–	–
Prepayment on acquisition of non-current assets	1,838	–	–
Prepayment and other receivables	1,188	2,190	3,239
Amount due from related parties	40,461	27,490	27,979
Time deposits	30,000	–	–
	111,340	51,819	47,320
CURRENT ASSETS			
Inventories	3,365	2,670	2,039
Finance lease receivables	555	587	290
Prepayment and other receivables	5,574	5,957	7,216
Amounts due from related parties	14,007	17,474	15,170
Financial assets at FVTPL	40,127	68,235	90,287
Time deposits	50,319	31,417	–
Restricted bank deposits	300	–	6,000
Cash and cash equivalents	278,620	191,066	138,209
	392,867	317,406	259,211
CURRENT LIABILITIES			
Trade and other payables	29,728	30,497	19,946
Amounts due to related parties	2,989	30	1,144
Bank borrowings	53,758	–	–
Financial liabilities at FVTPL	1,774,141	2,450,780	2,745,764
Lease liabilities	3,913	2,479	826
Convertible loan notes	128,276	178,428	187,900
	1,992,805	2,662,214	2,955,580
NET CURRENT LIABILITIES	(1,599,938)	(2,344,808)	(2,696,369)
TOTAL ASSETS LESS CURRENT LIABILITIES	(1,488,598)	(2,292,989)	(2,649,049)
NON-CURRENT LIABILITIES			
Other payables	155	–	–
Lease liabilities	2,058	319	17
Deferred income	795	139	46
	3,008	458	63
NET LIABILITIES	(1,491,606)	(2,293,447)	(2,649,112)

Property and Equipment

During the Track Record Period, our property and equipment primarily included machinery, leasehold improvements, assets under installation representing equipment we previously purchased in preparation for production, office equipment and electronic devices.

Our property and equipment decreased from RMB31.1 million as of December 31, 2024 to RMB18.4 million as of December 31, 2025 and further decreased to RMB14.0 million as of June 30, 2026, primarily due to depreciation.

Right-of-use Assets

During the Track Record Period, our right-of-use assets consisted of our three leased properties in Hangzhou, China, Pennsylvania, U.S.A. and Massachusetts, U.S.A.

Our right-of-use assets decreased by RMB2.4 million, or 40.0%, from RMB6.0 million as of December 31, 2024 to RMB3.6 million as of December 31, 2025, primarily because (i) the depreciation and amortization expenses we recognized for the lease for our corporate headquarters in Hangzhou, China; and (ii) the lease for our office space in Pennsylvania, U.S.A. which ended in October 2025 and all related depreciation and amortization had been recognized as of September 30, 2025. Our right-of-use assets further decreased to RMB2.0 million as of June 30, 2026, primarily due to depreciation.

Intangible Assets

During the Track Record Period, our intangible assets primarily included software.

Our intangible assets increased from RMB0.1 million as of December 31, 2024 to RMB0.2 million as of December 31, 2025, mainly due to acquisition of additional software, partially offset by depreciation and amortization.

Our intangible assets decreased from RMB0.2 million as of December 31, 2025 to RMB0.1 million as of June 30, 2026, primarily due to amortization of software.

Prepayment and Other Receivables

During the Track Record Period, our prepayment and other receivables primarily consisted of (i) prepayments we made to suppliers of services and materials; (ii) deferred issue costs, which represent the portion of [**REDACTED**] expenses incurred in connection with our proposed [**REDACTED**] that will be deducted from equity upon the [**REDACTED**]; (iii) prepayments of [**REDACTED**] expenses and issue costs, which represent our prepayments for expenses in connection with the proposed [**REDACTED**]; (iv) value-added tax recoverables; (v) rental and other deposits for our leased properties and other miscellaneous deposits; and (vi) others.

	At December 31,		At June 30,
	2024	**2025**	**2026**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Prepayments	5,038	4,531	4,273
Deferred issue costs	–	1,097	2,214
Prepayments of [**REDACTED**] expenses and issue costs	–	119	451
Value-added tax recoverable	263	1,054	2,133
Rental and other deposits	1,028	1,051	1,048
Others	433	295	336
	6,762	8,147	10,455

	At December 31,		At June 30,
	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Analyzed as:			
Current	5,574	5,958	7,216
Non-current	1,188	2,190	3,239
	6,762	8,147	10,455
Less: Allowance for ECL	–	–	–
	6,762	8,147	10,455

Our prepayment and other receivables increased from RMB6.8 million as of December 31, 2024 to RMB8.1 million as of December 31, 2025 primarily due to the reclassification of our prepayment on acquisition of non-current assets in the amount of RMB1.8 million as of December 31, 2024 to prepayments to suppliers as of December 31, 2025 because we had previously engaged a third party to procure three sets of equipment and had prepaid RMB1.8 million for the equipment as of December 31, 2024. We subsequently terminated the equipment procurement contract, and parties agreed the prepayment of RMB1.8 million would be used for purchase of raw materials instead. This was partially offset by a decrease in prepayments to suppliers because we ended up not using the services of some hospitals and retrieved prepayments made to them. Our prepayment and other receivables further increased from RMB8.1 million as of December 31, 2025 to RMB10.5 million as of June 30, 2026, primarily as a result of an increase in deferred issue costs and an increase in value-added tax recoverable.

Finance Lease Receivables

During the Track Record Period, our finance lease receivables consisted of total remaining lease payments from the sublease of our leased office space in Massachusetts, U.S.A. to an Independent Third Party.

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Non-current	600	–	–
Current	555	587	290
Total	**1,155**	**587**	**290**

Our finance lease receivables decreased from RMB1.2 million as of December 31, 2024 to RMB0.6 million as of December 31, 2025 then to RMB0.3 million as of June 30, 2026, as a result of sublease payments we received.

Financial Assets at FVTPL

During the Track Record Period, our financial assets at FVTPL mainly represented our investment in structured deposits managed by a financial institution in the PRC.

The table below sets forth a breakdown of our financial assets at FVTPL as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Investment in structured deposits	40,127	68,235	90,287
Total	**40,127**	**68,235**	**90,287**

Our financial assets at FVTPL increased from RMB40.1 million as of December 31, 2024 to RMB68.2 million as of December 31, 2025 and RMB90.3 million as of June 30, 2026, primarily due to our additional investments in structured deposits.

Inventories

During the Track Record Period, our inventories primarily consisted of materials used for research and development services. Our inventories decreased from RMB3.4 million as of December 31, 2024 to RMB2.7 million as of December 31, 2025 then to RMB2.0 million as of June 30, 2026, primarily due to utilization of certain auxiliary materials used in our research and development.

Time Deposits

The table below sets forth a breakdown of our time deposits as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Non-current	30,000	–	–
Current	50,319	31,417	–
Total	**80,319**	**31,417**	**–**

Our time deposits decreased by RMB48.9 million, or 60.9%, from RMB80.3 million as of December 31, 2024 to RMB31.4 million as of December 31, 2025 primarily because our time deposit of RMB50.3 million (US$7.0 million) as of December 31, 2024 had matured prior to December 31, 2025. Our time deposits subsequently decreased to nil as of June 30, 2026, because we had no time deposits during the six months ended June 30, 2026.

Cash and Cash Equivalents

As of December 31, 2024 and 2025 and June 30, 2026, the balance of our cash and cash equivalents amounted to RMB278.6 million, RMB191.1 million and RMB138.2 million, respectively. For more details, see "— Liquidity and Capital Resources — Cash Flow Analysis" in this section.

Liabilities

Trade and Other Payables

Our trade and other payables represent (i) trade payables, (ii) accrued research and development expenses, which represent expenses payable to CROs and hospitals for which we have not yet received invoices; (iii) bills payable; (iv) accrued payroll and welfare; (v) other taxes payables; (vi) rent payables; (vii) payables for acquisition of property and equipment; (viii) employee subsidies payable which represented subsidies applied for by employees from the government, with us acting solely as a collection and disbursement agent on their behalf; (ix) accrued [**REDACTED**] expenses and issue costs in connection with our proposed [**REDACTED**]; and (x) others. The table below sets forth a breakdown of our trade and other payables as of the dates indicated:

	As of December 31,		As of June 30,
	2024	**2025**	**2026**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Trade payables	7,420	7,456	5,124
	7,420	7,456	5,124
Bills payable	1,200	–	–
Accrued research and development expenses	5,993	6,796	6,285
Accrued payroll and welfare	8,576	7,355	4,277
Other tax payables	2,902	39	8
Rent payables	1,540	1,740	1,735
Payables for acquisition of property and equipment	673	646	646
Employee subsidies payable	400	2,600	–
Accrued [**REDACTED**] expenses and issue costs	–	3,330	1,025
Others	1,179	535	846
	22,463	23,041	14,822
Total	**29,883**	**30,497**	**19,946**

Our trade and other payables increased by RMB0.6 million, or 2.0%, from RMB29.9 million as of December 31, 2024 to RMB30.5 million as of December 31, 2025, mainly due to (i) an increase of RMB3.3 million in accrued [**REDACTED**] expenses in connection with our proposed [**REDACTED**]; and (ii) an increase of RMB2.2 million in employee subsidies payable as a result of our role in collecting and disbursing subsidies applied for by employees from the government on their behalf. These increases were partially offset by (i) a decrease of RMB2.9 million in other taxes payables, primarily because we made provision for taxes payable in 2024 in connection with our transfer of assets to Hangzhou CoJourney, which were paid in full in 2025, while we did not have this provision in 2025; and (ii) a decrease of RMB1.2 million in bills payable because our RMB1.2 million of bills payable to a supplier as of December 31, 2024 had matured and been paid by March 2025 and we did not issue new bills payables prior to December 31, 2025. Our trade and other payables decreased from RMB30.5 million as of December 31, 2025 to RMB19.9 million as of June 30, 2026, primarily due to (i) a decrease of RMB3.1 million in accrued payroll and welfare because as of December 31, 2025, we had accrued bonuses payable for a whole year while as of June 30, 2026 we had only accrued bonuses payable for half a year; (ii) a decrease of RMB2.6 million in employee subsidies payable under government supported talent programs; (iii) a decrease of RMB2.3 million in trade payables as we settled some trade payables during the six months ended June 30, 2026; and (iv) a decrease of RMB2.3 million in accrued [**REDACTED**] expenses and issue costs as we settled some payments during the six months ended June 30, 2026.

The following table sets forth an aging analysis of our trade payables, presented based on invoice dates, as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Within one year	6,783	6,827	4,495
After one year but within two years	4	–	–
Over two years	633	629	629
Balance at the end of the year/period	**7,420**	**7,456**	**5,124**

Our suppliers typically grant us credit periods for purchases of goods and services ranging from 30 to 60 days.

Amounts Due to/from Related Parties

As of December 31, 2024 and 2025 and June 30, 2026, we had RMB54.5 million, RMB45.0 million and RMB43.1 million, respectively, of amounts due from related parties, and RMB3.0 million, RMB30,000 and RMB1.1 million, respectively, of amounts due to related parties.

The following table sets forth our amounts due from related parties during the Track Record Period:

	At December 31,		At June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Trade nature			
Hangzhou CoJourney			
– Receivables from the disposal of long-term assets	43,684	45,073	45,662
– Receivables for sales of materials and rental services	14,244	3,449	891
Non-trade nature			
Landes Therapeutics Ltd			
– Receivables for share issued	7	7	–
CoJourney Inc.			
– Other receivable	–	1	–
Less: Allowance for ECL	(3,467)	(3,566)	(3,404)
	54,468	44,964	43,149
Analyzed as:			
Current	14,007	17,474	15,170
Non-current	40,461	27,490	27,979
	54,468	44,964	43,149

We have fully settled our amounts due from related parties as of December 31, 2025 that were of a non-trade nature.

Receivables for the disposal of long-term assets represents the remaining consideration due from Hangzhou CoJourney for our disposal of certain production lines and equipment relating to plasmid manufacturing to Hangzhou CoJourney. In July 2024, we and Hangzhou CoJourney entered into a supplemental agreement to the original asset transfer agreement, pursuant to which Hangzhou CoJourney agreed to repay our receivables from the disposal of long-term assets in three equal installments by December 31, 2026, 2027 and 2028, respectively, together with related payments of interest on the outstanding receivables balance. Receivables for disposal of raw materials and rental service represents outstanding payment due from Hangzhou CoJourney for purchase of raw materials from us and for rental service provided by us.

Other than as described above, amounts due from related parties are unsecured and interest free. As of June 30, 2026, the amount due from Landes Therapeutics Ltd. and CoJourney Inc. had been fully settled.

The table below sets forth our amounts due to related parties during the Track Record Period:

	At December 31,		At June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Hangzhou Co-Journey Bio Ltd.	–	–	112
Shen Yue'e			
– Payables for contractual arrangements	750	–	–
Government talent subsidy payable:			
– to Dr. Wu Zhenhua, Ms Wang Lijun and Dr. Ye Guojie	2,189	–	–
– to Dr. Song	–	–	1,025
Reimbursement payable to Dr. Wu and Dr. Song	50	30	7
Total	2,989	30	1,144

As of the Latest Practicable Date, all of the amounts due to related parties outstanding as of June 30, 2026 had been fully settled.

Current Assets and Current Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
CURRENT ASSETS			
Inventories	3,365	2,670	2,039
Finance lease receivables	555	587	290
Prepayment and other receivables	5,574	5,957	7,216
Amounts due from related parties	14,007	17,474	15,170
Financial assets at FVTPL	40,127	68,235	90,287
Time deposits	50,319	31,417	–
Restricted bank deposits	300	–	6,000
Cash and cash equivalents	278,620	191,066	138,209
Total current assets	**392,867**	**317,406**	**259,211**

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
CURRENT LIABILITIES			
Trade and other payables	29,728	30,497	19,946
Amounts due to related parties	2,989	30	1,144
Bank borrowings	53,758	–	–
Financial liabilities at FVTPL	1,774,141	2,450,780	2,745,764
Lease liabilities	3,913	2,479	826
Convertible loan notes	128,276	178,428	187,900
Total current liabilities	**1,992,805**	**2,662,214**	**2,955,580**
NET CURRENT LIABILITIES	**(1,599,938)**	**(2,344,808)**	**(2,696,369)**

We recorded net current liabilities of RMB1,599.9 million, RMB2,343.8 million and RMB2,696.4 million as of December 31, 2024, December 31, 2025 and June 30, 2026, respectively, primarily due to financial liabilities at FVTPL arising from our preferred shares. We have designated preferred shares which contain redemption features and other embedded derivatives as financial liabilities at FVTPL on initial recognition. On January 13, 2026, we entered into an amended shareholders' agreement with holders of our preferred shares, pursuant to which they agreed to relinquish their right to redemption under the preferred shares. Upon the [**REDACTED**], our preferred shares will automatically convert into ordinary shares and will no longer be treated as financial liabilities. As such, we do not expect to continue to record net current liabilities following the [**REDACTED**].

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our primary uses of cash have been to fund the research and development of our Core Products, Key Product and other pipeline products, and our administrative expenses. During the Track Record Period, we incurred net cash outflows from our operations and substantially all of our operating cash outflows resulted from our research and development expenses and administrative expenses. Our net cash used in operating activities was RMB67.6 million, RMB71.8 million, RMB49.5 million and RMB58.6 million for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. Our operating cash flow will continue to be affected by our research and development expenses and administrative expenses. We expect to improve our operating cash flow following the approval and commercialization of our pipeline product candidates in the future. In addition, we plan to improve our operating cash flow through the following measures: (i) business development: we are actively looking out for potential out-licensing of rights and interests in our product candidates to expedite the inflow of operating funds; (ii) strict cost control: we have established an R&D expense budgeting and control framework, under which expenditures are subject to strict review and approval procedures; and (iii) bank credit facilities: we have obtained approved and unutilized bank credit facilities totaling RMB330.0 million, which are available to support our operating needs and R&D funding requirements.

During the Track Record Period and up to the Latest Practicable Date, we have funded our working capital requirements through proceeds from private equity financing and bank loans. As of June 30, 2026, we had total committed but unutilized credit lines in total the amount of RMB330.0 million. Our management closely monitors uses of cash and cash equivalents and strives to maintain robust liquidity for our operations. Going forward, we believe that our liquidity requirements will be satisfied by a combination of [**REDACTED**] from the [**REDACTED**] and cash generated from our operations. We do not have any equity financing plan in the next six months from the expected date of the [**REDACTED**]. As of June 30, 2026, our cash and cash equivalents amounted to RMB138.2 million.

Cash Flow Analysis

The following table sets forth a summary of our cash flows for the periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000) (unaudited)*	*(RMB'000)*
Net cash used in operating activities	(67,572)	(71,816)	(49,522)	(58,569)
Net cash from investing activities	150,257	26,218	77,157	11,322
Net cash used in financing activities	(1,550)	(40,121)	(27,427)	(3,474)
Net increase/(decrease) in cash and cash equivalents	81,135	(85,719)	208	(50,721)
Cash and cash equivalents at beginning of the year/period	196,784	278,620	278,620	191,066
Effect of exchange rate changes	701	(1,835)	(266)	(2,136)
Cash and cash equivalents at end of the year/period	278,620	191,066	278,562	138,209

Operating Activities

During the Track Record Period, we incurred net cash outflows from our operations. Substantially all of our operating cash outflows have resulted from our research and development expenses and administrative expenses.

For the six months ended June 30, 2026, our net cash used in operating activities was RMB58.6 million, which was primarily attributable to loss before tax of RMB381.2 million, as primarily adjusted for interest income of RMB1.9 million, depreciation of property, plant and equipment of RMB4.4 million, depreciation of right-of-use assets of RMB1.6 million, net foreign exchange losses of RMB2.3 million, share-based payment expenses of RMB25.6 million, loss on fair value change of financial liabilities at FVTPL and convertible loan notes of RMB304.5 million. The amount was further adjusted by a negative change in working capital, primarily reflecting an increase in restricted bank deposits of RMB6.0 million and a decrease in trade and other payables of RMB8.0 million.

For the year ended December 31, 2025, our net cash used in operating activities was RMB71.8 million, which was primarily attributable to loss before tax of RMB826.9 million, as primarily adjusted for finance costs of RMB1.1 million, interest income of RMB5.9 million, depreciation of property, plant and equipment of RMB12.3 million, depreciation of right-of-use assets of RMB3.3 million, net foreign exchange losses of RMB1.9 million, share-based payment expenses of RMB25.1 million, loss on fair value change of financial liabilities at FVTPL and convertible loan notes of RMB706.8 million. The amount was further adjusted by a positive change in working capital, primarily reflecting a decrease in prepayment and other receivables of RMB11.3 million.

For the year ended December 31, 2024, our net cash used in operating activities was RMB67.6 million, which was primarily attributable to loss before tax of RMB219.8 million, as primarily adjusted for finance costs of RMB2.2 million, interest income of RMB11.1 million, depreciation of property, plant and equipment of RMB15.4 million, depreciation of right-of-use assets of RMB3.3 million, foreign exchange gain of RMB1.6 million, share-based payment expenses of RMB37.8 million, realized gain from financial assets at FVTPL of RMB1.9 million, losses on fair value change of financial liabilities at FVTPL and convertible loan notes of RMB105.2 million and release of deferred income of RMB1.2 million. The amount was further adjusted by a slight negative change in working capital, primarily

reflecting a decrease in inventories of RMB5.4 million, an increase in prepayment and other receivables of RMB3.2 million, and a decrease in trade and other payables of RMB0.8 million.

Investing Activities

For the six months ended June 30, 2026, our net cash generated from investing activities was RMB11.3 million, mainly reflecting (i) proceeds from disposal of financial assets at FVTPL of RMB128.4 million and (ii) proceeds from withdrawal of time deposits of RMB38.2 million, partially offset by our purchases of financial assets at FVTPL of RMB150.0 million.

For the year ended December 31, 2025, our net cash generated from investing activities was RMB26.2 million, mainly reflecting (i) proceeds from disposal of financial assets at FVTPL of RMB435.7 million and (ii) proceeds from withdrawal of time deposits of RMB50.2 million, partially offset by our purchases of financial assets at FVTPL of RMB463.0 million.

For the year ended December 31, 2024, our net cash generated from investing activities was RMB150.3 million, mainly reflecting (i) proceeds from withdrawal of time deposits of RMB261.1 million, (ii) proceeds from disposal of financial assets at FVTPL of RMB246.8 million, partially offset by (i) purchases of financial assets at FVTPL of RMB240.0 million and (ii) our placement of time deposits of RMB143.4 million.

Financing Activities

For the six months ended June 30, 2026, our net cash used in financing activities was RMB3.5 million, mainly reflecting our payments of lease liabilities of RMB2.0 million and our payments of [**REDACTED**] expenses of RMB1.5 million.

For the year ended December 31, 2025, our net cash used in financing activities was RMB40.1 million, mainly reflecting repayment of bank borrowings of RMB101.9 million, partially offset by new bank borrowings raised of RMB48.2 million and proceeds from issuance of convertible loan notes in the amount of RMB20.0 million.

For the year ended December 31, 2024, our net cash used in financing activities was RMB1.6 million, mainly reflecting (i) our repayment of bank borrowings of RMB50.0 million, (ii) our repayments of lease liabilities of RMB4.6 million, and (iii) interest paid of RMB1.7 million, largely offset by new bank borrowings raised of RMB53.8 million.

CASH OPERATING COSTS

The following table sets forth key information relating to our cash operating costs for the periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Costs relating to research and development of our Core Products				
Pre-clinical development expenditure	13,995	10,274	4,752	3,336
Clinical development expenditure	16,410	16,044	9,465	7,566
Labor costs	24,164	16,381	9,683	6,586
Subtotal	**54,569**	**42,699**	**23,900**	**17,488**

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Costs relating to research and development of our other pipeline product candidates				
Pre-clinical development expenditure	27,887	9,926	5,823	5,564
Clinical development expenditure	426	3,602	729	3,625
Labor costs	18,178	18,758	9,432	6,935
Subtotal	**46,491**	**32,286**	**15,983**	**16,124**
Total cash operating costs for non-research and development				
Labor cost for non-research and development staff	10,313	9,328	4,403	4,628
Other cash operating costs	3,271	2,110	908	1,743
Subtotal	**13,584**	**11,438**	**5,311**	**6,371**
Total cash operating costs	**114,644**	**86,423**	**45,195**	**39,983**

The following table sets forth a further breakdown by product of the cash operating costs for our pipeline products for the periods indicated:

	Year ended December 31,		Six months ended June 30,	
Product	2024	2025	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000) (unaudited)*	*(RMB'000)*
EXG001-307 (Core Product)	29,855	19,494	10,343	6,304
EXG102-031 (Core Product)	24,714	23,205	13,557	11,184
EXG202 (Key Product)	10,140	11,871	6,108	5,681
EXG110	18,470	2,923	1,555	1,614
EXG112	5,766	3,757	2,156	2,031
Other product pipelines	12,115	13,735	6,165	6,798

WORKING CAPITAL CONFIRMATION

We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our business operations and mitigate the effects of fluctuations in cash flows. Our Directors are of the opinion that, taking into account the financial resources available, including cash and cash equivalents, cash flows from operating and investing activities and the estimated [**REDACTED**] from the [**REDACTED**], as well as our cash burn rate, we have sufficient working capital to cover at least 125% of our costs, including research and development expenses and administrative expenses, for at least the next 12 months from the date of this document.

Our cash burn rate refers to our average monthly (i) net cash used in operating activities, which includes research and development expenses; and (ii) capital expenditures. Taking into account our cash and cash equivalents and financial products we purchased, and assuming monthly net cash used in operating activities and capital expenditures going forward

of 1.8 times the average level in 2025, we estimate we will be able to maintain our financial viability for 21 months without considering the estimated [**REDACTED**] from the [**REDACTED**]; or if we also take into account the estimated [**REDACTED**] from the [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the low-end of the indicative [**REDACTED**] Range), 102 months. Our Directors and our management team will continue to monitor our working capital, cash flows and our business development status.

INDEBTEDNESS

During the Track Record Period, we had indebtedness in the form of interest-bearing bank borrowings and lease liabilities. The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Current			
Financial liabilities at FVTPL	1,774,141	2,450,780	2,745,764
Convertible loan notes	128,276	178,428	187,900
Bank borrowings	53,758	–	–
Lease liabilities	3,913	2,479	826
Non-current			
Lease liabilities	2,058	319	17
Total	**1,962,146**	**2,632,006**	**2,934,507**

Financial Liabilities at FVTPL

As of December 31, 2024 and 2025 and June 30, 2026, we had financial liabilities of RMB1,774.1 million, RMB2,450.8 million and RMB2,745.8 million, respectively, reflecting liabilities resulting from our Series A-1 Preferred Shares, Series A-2 Preferred Shares, Series B Preferred Shares, Series B+ Preferred Shares and Series B++ Preferred Shares issued on February 12, 2020, May 5, 2020, July-December 2020, January 22, 2021 and June 1, 2021, respectively. For details, see note 28 to our consolidated financial statements included in this document as Appendix I to this document. We have designated these preferred shares which contain redemption features and other embedded derivatives as financial liabilities at FVTPL on initial recognition.

Convertible Loan Notes

On August 16, 2022, our Company entered into a convertible loan agreement ("**2022 Convertible Loan Agreement**") with Zhejiang Industry Fund Co., Ltd. ("**Zhejiang Fund**"), under which Zhejiang Fund provided a loan of RMB100.0 million to Hangzhou Exegenesis Bio Ltd at nil interest with repayment in seven years. On August 16, 2022, our Company issued a series B++ warrant to Zhejiang Fund. The series B++ warrant is entitled to subscribe for 11,145,543 series B++ preferred shares with par value US$0.00001 per share, and Zhejiang Fund is entitled to the obligations and rights corresponding to the holder of series B++ preferred shares. The series B++ warrant shall be exercisable at any time after the date that the holder has completed all the approvals and registrations required for outbound investment from the competent PRC governmental authorities at an exercise price of US$1.411344 per share.

On December 26, 2025, we entered into a convertible loan agreement (the "**Wanlian Guangsheng Convertible Loan Agreement**"), with, among others, Wanlian Guangsheng, pursuant to which Wanlian Guangsheng provided a loan in the principal amount of RMB20.0 million and has been granted the right to convert the loan under the Wanlian Guangsheng Convertible Loan Agreement into our ordinary shares of at the conversion price of RMB8.97219633 per share.

On January 13, 2026, we entered into a convertible loan agreement (the "**Zhejiang Fund Convertible Loan Agreement**"), with, among others, Zhejiang Fund, which superseded and substituted the 2022 Convertible Loan Agreement. Pursuant to the Zhejiang Fund Convertible Loan Agreement and a warrant cancellation deed dated January 13, 2026, the Series B++ Warrant was cancelled. Pursuant to the Zhejiang Fund Convertible Loan Agreement, Zhejiang Fund has been granted the right to convert the Zhejiang Fund Convertible Loan into our ordinary shares at the conversion price of RMB8.97219633 per share. The rights stated in the convertible loan agreement with Zhejiang Fund dated on August 16, 2022 shall be reinstated and restored with the respective parties' rights and obligations thereunder resumed with full force and effect if certain events in connection with the proposed [**REDACTED**] should occur. For details, see note 27 to the Accountants' Report set forth in Appendix I to this document.

The convertible loan notes contain two components, the debt component and derivative component. Our Group designated the convertible loan notes as FVTPL as a whole.

The movement of the convertible loan notes during the Track Record Period is as follows:

	As of December 31,		As of June 30,
	2024	**2025**	**2026**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Carrying amount at the beginning of the year	123,013	128,276	178,428
Issuance of convertible loan notes	–	20,000	–
Change in fair value	5,263	30,152	9,472
Carrying amount at the end of the year/period	**128,276**	**178,428**	**187,900**

Bank Borrowings

During the Track Record Period, our bank borrowings consisted of banks loans carrying an interest rate of up to 3.1% per annum and are repayable within one year. Our bank borrowings decreased from RMB53.8 million as of December 31, 2024 to nil as of December 31, 2025 after we fully repaid outstanding bank loans. Our bank borrowings remained to be nil as of June 30, 2026. As of June 30, 2026, we had committed and unutilized bank facilities in the total amount of RMB330.0 million.

	As of December 31,		As of June 30,
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Unsecured and guaranteed[(1)]	50,000	–	–
Unsecured and unguaranteed	3,758	–	–
Total	**53,758**	**–**	**–**

Note: These borrowings were guaranteed by our subsidiary Hangzhou Exegenesis Bio Ltd. No bank borrowings were guaranteed by related parties. All of our bank borrowings had been fully repaid as of December 31, 2025.

Lease Liabilities

Our current lease liabilities decreased from RMB3.9 million as of December 31, 2024 to RMB2.5 million as of December 31, 2025 and further to RMB0.8 million as of June 30, 2026 as we continued to make lease payments.

	As of December 31,		As of June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Amounts due for settlement within 12 months shown under current liabilities	3,913	2,479	826
Amounts due for settlement after 12 months shown under non-current liabilities	2,058	319	17
Total	**5,971**	**2,798**	**843**

During the Track Record Period, our non-current lease liabilities primarily consisted of our leased office space in Massachusetts, U.S.A. with its lease term ending in February 2027 and in Hangzhou, China with its lease term ending in December 2026. Our non-current lease liabilities decreased by RMB2.0 million, or 99.2%, from RMB2.1 million as of December 31, 2024 to RMB1.7 thousand as of June 30, 2026, mainly because lease payments due within 12 months were move to current lease liabilities.

Statement of Indebtedness

Our Directors confirm that as of the Latest Practicable Date, there were no material covenants on any of our outstanding debt, and there was no breach of covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that we did not experience any difficulty in obtaining bank loans or other borrowings, nor any default in repayment or breach of covenant, during the Track Record Period and up to the Latest Practicable Date.

Save as disclosed above, apart from intra-group liabilities and normal trade payables, as of June 30, 2026, we did not have any other material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other material contingent liabilities. Our Directors confirm that there has not been any material change in our indebtedness since June 30, 2026 and up to the Latest Practicable Date.

CAPITAL COMMITMENTS

Capital commitments represent capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in our financial statements. During the Track Record Period, we had capital commitments in the amount of RMB0.4 million, nil and nil million as of December 31, 2024 and 2025 and June 30, 2026, respectively.

CONTINGENT LIABILITIES

As of the Latest Practicable Date, we did not have any unrecorded material contingent liabilities, guarantees, or litigation against us.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

MATERIAL RELATED PARTY TRANSACTIONS

We have the certain transactions and balances with the related parties during the Track Record Period, details of which are set out in note 35 to the Accountants' Report set forth in Appendix I to this document.

Our Directors believe that our transaction with related party during the Track Record Period was conducted in the ordinary course of business, and it did not distort our track record results or make our historical results not reflective of our future performance.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratio as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
Current ratio [(1)]	19.7%	11.9%	8.8%

Note:

(1) Current ratio is calculated as total current assets divided by total current liabilities as of the dates indicated.

Current Ratio

Our current ratio decreased from approximately 19.7% as of December 31, 2024 to approximately 11.9% as of December 31, 2025 and further to approximately 8.8% as of June 30, 2026, primarily due to a decrease in our current assets as a result of a decrease in our cash and cash equivalents as we used cash resources to fund our business operations.

MARKET RISK DISCLOSURE

Our major financial instruments include other receivables, amounts due to a subsidiary, amounts due from related parties, financial assets at FVTPL, restricted bank deposits, time deposits, cash and cash equivalents, financial liabilities at FVTPL, convertible loan notes, amounts due to related parties, trade and other payables and bank borrowings. The risks associated with these financial instruments and lease liabilities and the policies on how to mitigate these risks are set out below. Our management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. Main risks arising from our financial instruments are currency risk, interest rate risk, credit risk and liquidity risk. For further details — see note 34 to the Accountants' Report set forth in Appendix I to this document.

DIVIDENDS

We did not declare or pay any dividend during the Track Record Period. As of the Latest Practicable Date, we did not have a formal dividend policy or fixed dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Investors should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. As advised by our PRC Legal Adviser, we are not allowed to make dividend payments if we have accumulated losses. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to

make, as determined in accordance with its articles of association and the accounting standards and regulations in China. As a result, we may not have sufficient or any distributable profits to make dividend contributions to our Shareholders, even if we become profitable.

DISTRIBUTABLE RESERVES

As of June 30, 2026, we did not have any distributable reserves.

[**REDACTED**]

[**REDACTED**]

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

[**REDACTED**]

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, there has been no material adverse change in our financial or trading position prospects since June 30, 2026 and up to the date of this document and there is no event since June 30, 2026 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report set out in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

See the section headed "Business — Our Business Strategies" for a detailed description of our future plans.

[REDACTED]

We estimate that we will receive [**REDACTED**] of approximately HK$[**REDACTED**] million from the [**REDACTED**] after deducting the [**REDACTED**], fees and other estimated expenses in connection with the [**REDACTED**] to be paid and payable by us, assuming that the [**REDACTED**] is not exercised and an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative price range of HK$[**REDACTED**] to HK$[**REDACTED**] per share.

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

- approximately [**REDACTED**]%, or HK$[**REDACTED**] million, is expected to be used for the research and development and commercialization of our Core Products, namely, EXG102-031 for the treatment of wAMD and EXG001-307 (SMA Type 1) for the treatment of SMA Type 1, of which:
  - (i) approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, is expected to be used for the on-going combined Phase I/II clinical trial and the planned Phase III clinical trials to commence in 2026H2 with an intended enrollment of 400 patients, CMC and continued research and development in China for EXG102-031. We plan to allocate HK$[**REDACTED**] million, HK$[**REDACTED**] million, HK$[**REDACTED**] million, HK$[**REDACTED**] million and HK$[**REDACTED**] million in 2027, 2028, 2029, 2030 and 2031, respectively.
  - (ii) approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, is expected to be used for the planned Phase II clinical trial with an intended enrollment of 400 patients and continued research and development in the United States for EXG102-031. We plan to allocate nil, nil, HK$[**REDACTED**] million, HK$[**REDACTED**] million and HK$[**REDACTED**] million in 2027, 2028, 2029, 2030 and 2031, respectively.
  - (iii) approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, is expected to be used for the planned Phase III clinical trials with an intended enrollment of 30 patients, CMC and continued research and development in China for EXG001-307 (SMA Type 1). We plan to allocate approximately HK$[**REDACTED**] million, HK$[**REDACTED**] million, HK$[**REDACTED**] million, HK$[**REDACTED**] million and HK$[**REDACTED**] million in 2027, 2028, 2029, 2030 and 2031, respectively.
  - (iv) approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, is expected to be used for the commercialization of EXG102-031 and EXG001-307 (SMA Type 1). Among which, approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, is expected to be used for building the commercialization team and approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, is expected to be used for marketing and promotion. We plan to allocate nil, nil, HK$[**REDACTED**] million, HK$[**REDACTED**] million and HK$[**REDACTED**] million in 2027, 2028, 2029, 2030 and 2031, respectively, for building the commercialization team and we plan to allocate nil, HK$[**REDACTED**] million, HK$[**REDACTED**] million, HK$[**REDACTED**] million and HK$[**REDACTED**] million in 2027, 2028, 2029, 2030 and 2031, respectively, for marketing and promotion.
- approximately [**REDACTED**]%, or HK$[**REDACTED**] million, is expected to be used for research and development of our Key Product EXG202 for the treatment of FND, of which:
  - (i) approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, is expected to be used for the on-going combined Phase I/II clinical trials and planned Phase IIb clinical trial to commence in the second half of 2026 with an intended enrollment of 400 patients, CMC and continued research and development in China. We plan to allocate approximately HK$[**REDACTED**] million, HK$[**REDACTED**] million, HK$[**REDACTED**] million, HK$[**REDACTED**] million and HK$[**REDACTED**] million in 2027, 2028, 2029, 2030 and 2031, respectively.

(ii) approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, is expected to be used for the planned Phase II clinical trials with an intended enrollment of 400 patients by leveraging Phase I data generated in China, CMC and continued research and development in the United States. We plan to allocate nil, nil, HK$[**REDACTED**] million, HK$[**REDACTED**] million and HK$[**REDACTED**] million in 2027, 2028, 2029, 2030 and 2031, respectively.

- approximately [**REDACTED**]%, or HK$[**REDACTED**] million, is expected to be used for research and development of our other pipeline products, of which:

  (i) approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, is expected to be used for the on-going IND Phase I clinical and IITs and planned Phase II and III clinical trials in China with an intended enrollment of 50 patients, CMC and continued research and development for EXG110. We plan to allocate approximately HK$[**REDACTED**] million, HK$[**REDACTED**] million, HK$[**REDACTED**] million, HK$[**REDACTED**] million and HK$[**REDACTED**] million in 2027, 2028, 2029, 2030 and 2031, respectively.

  (ii) approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, is expected to be used for our planned Phase I/II and III clinical trials in China with an intended enrollment of 100 patients, CMC and continued research and development for EXG112. We plan to allocate approximately HK$[**REDACTED**] million, HK$[**REDACTED**] million, HK$[**REDACTED**] million, HK$[**REDACTED**] million and HK$[**REDACTED**] million in 2027, 2028, 2029, 2030 and 2031, respectively.

  (iii) approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, is expected to be used for the research and development of our other products at the pre-clinical or discovery stage. We plan to allocate approximately HK$[**REDACTED**] million, HK$[**REDACTED**] million, HK$[**REDACTED**] million, HK$[**REDACTED**] million and HK$[**REDACTED**] million in 2027, 2028, 2029, 2030 and 2031, respectively.

- approximately [**REDACTED**]%, or HK$[**REDACTED**] million, is expected to be used for strengthening our technical platform capabilities. We plan to allocate approximately HK$[**REDACTED**] million to expand our R&D team, HK$[**REDACTED**] million to equipment procurement, and HK$[**REDACTED**] million to other areas. Approximately HK$[**REDACTED**] million, HK$[**REDACTED**] million, HK$[**REDACTED**] million, HK$[**REDACTED**] million and HK$[**REDACTED**] million will be allocated in 2027, 2028, 2029, 2030 and 2031, respectively.

- approximately [**REDACTED**]%, or HK$[**REDACTED**] million, is expected to be used for working capital, business development and general corporate purposes, providing financial flexibility to support our day-to-day operations and advance our pipeline.

The above allocation of the [**REDACTED**] will be adjusted on a pro rata basis in the event that the [**REDACTED**] is fixed at a higher or lower level compared to the mid-point of the estimated [**REDACTED**] range of HK$[**REDACTED**] to HK$[**REDACTED**] per [**REDACTED**].

To the extent our [**REDACTED**] are either more or less than expected, we will increase or decrease the allocation of the [**REDACTED**] to the above purposes on a pro-rata basis.

In addition, to the extent that the [**REDACTED**] of the [**REDACTED**] are not immediately applied to the above purposes and to the extent permitted by the relevant law and regulations, the unused [**REDACTED**] will only be held in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions). We will make an appropriate announcement if there is any material change to the above proposed use of [**REDACTED**].

If the [**REDACTED**] is fully exercised, we will receive additional [**REDACTED**] of approximately HK$[**REDACTED**] million for [**REDACTED**] additional Shares to be allotted and issued upon the full exercise of the [**REDACTED**] based on the [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the mid-point of the [**REDACTED**] range, and after deducting the [**REDACTED**], commissions SFC transaction levy, AFRC transaction levy and the expenses payable by us. The additional amount raised will be applied to the above areas of use of [**REDACTED**] on pro-rata basis. We expect to finance the shortfall if the [**REDACTED**] of the [**REDACTED**] are less than our expected expenditure by using our internal funds and/or funds to be obtained from other financing activities, as appropriate.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The following is the text of a report set out on pages I-1 to I-[[●]], 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 EXEGENESIS BIO INC. AND CCB INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of Exegenesis Bio Inc. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-[[●]] to I-[[●]], which comprises the consolidated statements of financial position of the Group at 31 December 2024 and 2025 and 30 June 2026, the statements of financial position of the Company at 31 December 2024 and 2025 and 30 June 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 the years ended 31 December 2024, 2025 and the six months ended 30 June 2026 (the "**Track Record Period**") and material accounting policy and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-[[●]] to I-[[●]] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the "**Document**") in connection with the initial [**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 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the 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 the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 1 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 at 31 December 2024 and 2025 and 30 June 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 1 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 30 June 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 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Audit and Assurance Standards Board (the "**IAASB**"). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the [REDACTED] of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[[●]] have been made.

Dividends

We refer to note [14] 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
[●]

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 statement of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by the International Accounting Standards Board (the "**IASB**") and were audited by us in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December		Six months ended 30 June	
	Notes	**2024**	**2025**	**2025**	**2026**
		RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue	*5*	–	1,299	–	–
Cost of sales		–	(1,169)	–	–
Gross profit		–	130	–	–
Other income	*7*	61,709	13,398	5,892	2,909
Impairment losses under expected credit loss model ("**ECL**"), net of reversal	*20*	(2,301)	(99)	(138)	162
Other gains and losses	*8*	2,965	(859)	233	(1,882)
Fair value change of financial liabilities at fair value through profit or loss ("**FVTPL**") and convertible loan notes	*27,28*	(105,195)	(706,791)	(21,196)	(304,456)
Administrative expenses		(21,151)	(17,831)	(8,455)	(16,175)
[**REDACTED**] expenses		–	(6,707)	–	(7,529)
Research and development expenses	*10*	(144,967)	(103,863)	(57,373)	(53,370)
Other expense		(8,667)	(3,155)	(1,375)	(815)
Finance costs	*9*	(2,197)	(1,125)	(906)	(63)
Loss before tax	*10*	(219,804)	(826,902)	(83,318)	(381,219)
Income tax expense	*11*	–	–	–	–
Loss for the year/period		(219,804)	(826,902)	(83,318)	(381,219)
Other comprehensive expense					
Item that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		(34)	(88)	(48)	(14)
Total comprehensive expense for the year/period		(219,838)	(826,990)	(83,366)	(381,233)
Loss for the year/period attributable to:					
– Owners of the Company		(219,770)	(826,852)	(83,291)	(381,178)
– Non-controlling interests		(34)	(50)	(27)	(41)
		(219,804)	(826,902)	(83,318)	(381,219)
Total comprehensive expense for the year/period attributable to:					
– Owners of the Company		(219,804)	(826,940)	(83,339)	(381,192)
– Non-controlling interests		(34)	(50)	(27)	(41)
		(219,838)	(826,990)	(83,366)	(381,233)
Loss per share (RMB)	*13*				
– Basic and diluted		(4.33)	(16.28)	(1.64)	(7.51)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	At 31 December 2024	At 31 December 2025	At 30 June 2026
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property and equipment	*15*	31,134	18,397	14,046
Right-of-use assets	*16*	6,007	3,592	1,959
Intangible assets	*17*	112	150	97
Finance lease receivables		600	–	–
Prepayment on acquisition of non-current assets		1,838	–	–
Prepayment and other receivables	*19*	1,188	2,190	3,239
Amounts due from related parties	*20*	40,461	27,490	27,979
Time deposits	*22*	30,000	–	–
		111,340	51,819	47,320
CURRENT ASSETS				
Inventories	*18*	3,365	2,670	2,039
Finance lease receivables		555	587	290
Prepayment and other receivables	*19*	5,574	5,957	7,216
Amounts due from related parties	*20*	14,007	17,474	15,170
Financial assets at FVTPL	*21*	40,127	68,235	90,287
Time deposits	*22*	50,319	31,417	–
Restricted bank deposits	*22*	300	–	6,000
Cash and cash equivalents	*22*	278,620	191,066	138,209
		392,867	317,406	259,211
CURRENT LIABILITIES				
Trade and other payables	*23*	29,728	30,497	19,946
Amounts due to related parties	*24*	2,989	30	1,144
Bank borrowings	*25*	53,758	–	–
Financial liabilities at FVTPL	*28*	1,774,141	2,450,780	2,745,764
Lease liabilities	*26*	3,913	2,479	826
Convertible loan notes	*27*	128,276	178,428	187,900
		1,992,805	2,662,214	2,955,580
NET CURRENT LIABILITIES		(1,599,938)	(2,344,808)	(2,696,369)
TOTAL ASSETS LESS CURRENT LIABILITIES		(1,488,598)	(2,292,989)	(2,649,049)

	Notes	At 31 December 2024	At 31 December 2025	At 30 June 2026
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES				
Other payables	*23*	155	–	–
Lease liabilities	*26*	2,058	319	17
Deferred income		795	139	46
		3,008	458	63
NET LIABILITIES		(1,491,606)	(2,293,447)	(2,649,112)
CAPITAL AND RESERVES				
Share capital	*29*	7	7	7
Reserves		(1,492,173)	(2,293,964)	(2,649,588)
Equity attributable to owners of the Company		(1,492,166)	(2,293,957)	(2,649,581)
Non-controlling interests		560	510	469
TOTAL DEFICITS		(1,491,606)	(2,293,447)	(2,649,112)

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	At 31 December		At 30 June
		2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Interest in subsidiaries	*37*	789	–	4,017
Amount due from a subsidiary	*20*	751,196	734,517	711,747
		751,985	734,517	715,764
CURRENT ASSETS				
Prepayment and other receivables	*19*	–	1,216	2,665
Amounts due from a related party	*20*	7	7	–
Time deposits	*22*	50,319	–	–
Cash and cash equivalents	*22*	17,036	43,249	21,672
		67,362	44,472	24,337
CURRENT LIABILITIES				
Other payables	*23*	–	1,709	340
Amounts due to related parties	*24*	–	3,354	6,838
Financial liabilities at FVTPL	*28*	1,774,141	2,450,780	2,745,764
Derivative financial instruments	*27*	82,657	99,092	105,347
		1,856,798	2,554,935	2,858,289
NET CURRENT LIABILITIES		(1,789,436)	(2,510,463)	(2,833,952)
TOTAL ASSETS LESS CURRENT LIABILITIES		(1,037,451)	(1,775,946)	(2,118,188)
NET LIABILITIES		(1,037,451)	(1,775,946)	(2,118,188)
CAPITAL AND RESERVES				
Share capital	*29*	7	7	7
Reserves	*36*	(1,037,458)	(1,775,953)	(2,118,195)
TOTAL DEFICITS		(1,037,451)	(1,775,946)	(2,188,188)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company							
	Share capital	Capital surplus reserve	Translation reserve	Share-based payments reserve	Accumulated losses	Subtotal	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	7	–	641	130,322	(1,441,532)	(1,310,562)	–	(1,310,562)
Loss for the year	–	–	–	–	(219,770)	(219,770)	(34)	(219,804)
Other comprehensive expense for the year	–	–	(34)	–	–	(34)	–	(34)
Total comprehensive expenses for the year	–	–	(34)	–	(219,770)	(219,804)	(34)	(219,838)
Recognition of equity- settled share-based payments	–	–	–	37,794	–	37,794	–	37,794
Capital injection of non-controlling shareholder *(note)*	–	406	–	–	–	406	594	1,000
At 31 December 2024	7	406	607	168,116	(1,661,302)	(1,492,166)	560	(1,491,606)
Loss for the year	–	–	–	–	(826,852)	(826,852)	(50)	(826,902)
Other comprehensive expense for the year	–	–	(88)	–	–	(88)	–	(88)
Total comprehensive expenses for the year	–	–	(88)	–	(826,852)	(826,940)	(50)	(826,990)
Recognition of equity- settled share-based payments	–	–	–	25,149	–	25,149	–	25,149

	Attributable to owners of the Company							
	Share capital	Capital surplus reserve	Translation reserve	Share-based payments reserve	Accumulated losses	Subtotal	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2025	7	406	519	193,265	(2,488,154)	(2,293,957)	510	(2,293,447)
Loss for the period	–	–	–	–	(381,178)	(381,178)	(41)	(381,219)
Other comprehensive expense for the period	–	–	(14)	–	–	(14)	–	(14)
Total comprehensive expenses for the period	–	–	(14)	–	(381,178)	(381,192)	(41)	(381,233)
Recognition of equity- settled share-based payments	–	–	–	25,568	–	25,568	–	25,568
At 30 June 2026	7	406	505	218,833	(2,869,332)	(2,649,581)	469	(2,649,112)
(unaudited)								
At 1 January 2025	7	406	607	168,116	(1,661,302)	(1,492,166)	560	(1,491,606)
Loss for the period	–	–	–	–	(83,291)	(83,291)	(27)	(83,318)
Other comprehensive expense for the period	–	–	(48)	–	–	(48)	–	(48)
Total comprehensive expenses for the period	–	–	(48)	–	(83,291)	(83,339)	(27)	(83,366)
Recognition of equity- settled share-based payments	–	–	–	14,660	–	14,660	–	14,660
At 30 June 2025	7	406	559	182,776	(1,744,593)	(1,560,845)	533	(1,560,312)

Note:

During the year ended December 31, 2024, a non-controlling shareholder of Nanjing Yinling Biotech Co., Ltd.* (南京因领生物科技有限公司) ("**Nanjing Yinling**") made capital injection amounting to RMB1,000,000 into Nanjing Yinling.

* *English name is for identification purpose only.*

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
OPERATING ACTIVITIES				
Loss before tax	(219,804)	(826,902)	(83,318)	(381,219)
Adjustments for:				
Finance costs	2,197	1,125	906	63
Interest income	(11,087)	(5,871)	(3,040)	(1,936)
Depreciation of property and equipment	15,424	12,254	6,947	4,422
Depreciation of right-of-use assets	3,282	3,284	1,646	1,633
Amortisation of intangible assets	182	140	83	53
Net foreign exchange (gains) losses	(1,622)	1,869	340	2,331
Impairment loss under ECL model, net of reversal	2,301	99	138	(162)
Share-based payments expense	37,794	25,149	14,660	25,568
Losses (gains) on disposal of property and equipment	554	(50)	–	–
Gains from financial assets at FVTPL	(1,897)	(824)	(573)	(449)
Losses on fair value change of financial liabilities at FVTPL and convertible loan notes	105,195	706,791	21,196	304,456
Release of deferred income	(1,158)	(656)	(464)	(93)
Operating cash flows before movements in working capital	(68,639)	(83,592)	(41,479)	(45,333)
Decrease in inventories	5,361	695	193	631
(Increase) decrease in prepayment and other receivables	(3,156)	11,264	(931)	150
(Increase) decrease in restricted bank deposits	(300)	300	300	(6,000)
Decrease in trade and other payables	(838)	(483)	(7,605)	(8,017)
NET CASH USED IN OPERATING ACTIVITIES	(67,572)	(71,816)	(49,522)	(58,569)

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
INVESTING ACTIVITIES				
Interest received	9,038	2,996	1,209	1,330
Proceeds from disposal of financial assets at FVTPL	246,847	435,716	420,701	128,397
Proceeds from disposal of property and equipment	17,327	–	–	–
Receipt of rental deposits	–	–	–	158
Proceeds from finance lease of properties	620	621	312	300
Purchase of financial assets at FVTPL	(240,000)	(463,000)	(395,000)	(150,000)
Purchase of property and equipment	(1,220)	(313)	(263)	(73)
Withdrawal of time deposits	261,072	50,198	50,198	38,233
Placement of time deposits	(143,427)	–	–	(7,023)
NET CASH FROM INVESTING ACTIVITIES	150,257	26,218	77,157	11,322
FINANCING ACTIVITIES				
Interest paid	(1,692)	(854)	(744)	–
Repayment of bank borrowings	(50,000)	(101,934)	(62,640)	–
Repayment of amounts due to a related party	–	(750)	–	–
Payments of lease liabilities	(4,616)	(4,094)	(2,219)	(2,007)
Payments of issue costs	–	(665)	–	(1,467)
New bank borrowings raised	53,758	48,176	38,176	–
Proceeds from issuance of convertible loan notes	–	20,000	–	–
Capital injection from non-controlling shareholders	1,000	–	–	–
NET CASH USED IN FINANCING ACTIVITIES	(1,550)	(40,121)	(27,427)	(3,474)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	81,135	(85,719)	208	(50,721)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD	196,784	278,620	278,620	191,066
Effect of exchange rate changes	701	(1,835)	(266)	(2,136)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD	278,620	191,066	278,562	138,209

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION AND BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Company was incorporated in the Cayman Islands in 2019 as an exempted company with limited liability under the Companies Law, Cap. 22 of the Cayman Islands. The address of the Company's registered office is at 4-210, Governors Square, 23 Lime Tree Bay Avenue, PO Box 32311, Grand Cayman KY1-1209, Cayman Islands. The principal place of business of the Company is Room 301, 302, 401, 402, Building 11, Hexiang Technology Center, Qiantang New Area, Hangzhou City, Zhejiang Province, the People's Republic of China.

The Group is principally engaged in research and development of innovative genetic medicines for central nervous system, eye and liver-directed diseases.

The Historical Financial Informations are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company.

The Historical Financial Information has been prepared in accordance with the accounting policies set out in note 3 which conform with IFRS Accounting Standards issued by the IASB.

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 Historical Financial Information has been prepared on a going concern basis notwithstanding that, as at 30 June 2026, the Group had net current liabilities of RMB2,696,369,000, primarily due to the significant amount of the financial liabilities at FVTPL of RMB2,745,764,000. Pursuant to a supplemental agreement entered into by the Company with, among others, the then preferred shareholders of the Company dated 13 January 2026, the redemption rights were terminated upon the first submission of the first application form for [**REDACTED**] of the ordinary shares of the Company (the "[**REDACTED**]") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), and shall be reinstated and restored with the respective parties' rights and obligations thereunder resumed with full force and effect (i) upon the Company serving a written notice of withdrawal of the [**REDACTED**] to the Stock Exchange or the expiration of a three-month period after lapse of the [**REDACTED**] of the Company unless such [**REDACTED**] has been renewed within three months after its lapse; (ii) upon the receipt by the Company of a written refusal, rejection or termination by the Stock Exchange of the [**REDACTED**]; or (iii) on 1 January 2028, whichever is the earliest, unless a qualified initial public offering has been consummated on or before 31 December 2027. In this regard, the directors of the Company are of the opinion that the Company is not probable to settle the financial liabilities at FVTPL within twelve months since the date of approval of the Historical Financial Information.

After excluding the financial liabilities at FVTPL, the Group had net current assets of RMB49,395,000 as at 30 June 2026. The directors have reviewed the Group's cash flow projections, which cover a period of at least twelve months from the approval date of the Historical Financial Information, and considered the unutilised bank facilities in the total amount of RMB330,000,000 as at 30 June 2026. The directors are of the opinion that the Group will have sufficient working capital to meet its financial liabilities and obligations as and when they fall due and to sustain its operations for at least the next 12 months from the approval date of the Historical Financial Information.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRSS

For the purpose of preparing and presenting 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 Group's financial year beginning on 1 January 2026 throughout the Track Record Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early adopted the following amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
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 Ventures[2]
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 1 January 2027.
[3] Effective for annual periods beginning on or after 1 January 2029.

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all the new and amendments to IFRS Accounting Standards will have no material impact on the Group's consolidated financial statements in the 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; provide 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 *Accounting Policies, Changes in Accounting Estimates and Errors* and IFRS 7 *Financial Instruments: Disclosures*. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

3. MATERIAL ACCOUNTING POLICY INFORMATION

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

The Historical Financial Information has been prepared in accordance with the following 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 (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and 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 Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Profit or loss and each component of other comprehensive income are attributable to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies 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.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

During the years ended 31 December 2024 and 2025, Hangzhou Exegenesis Bio Ltd. ("**Hangzhou Exegenesis**") has adopted a set of contractual arrangements with the Hangzhou Quanyin Technology Co., Ltd., the shareholder of Hangzhou Jiayin Biotech Co., Ltd. ("**Hangzhou Jiayin**") and Nanjing Yinling (the "**Contractual Arrangements**") to obtain their entire economic benefits.

The Contractual Arrangements are irrevocable and enable Hangzhou Exegenesis to:

- exercise effective financial and operational control over Hangzhou Jiayin and Nanjing Yinling;
- exercise equity holders' voting rights of Hangzhou Jiayin and Nanjing Yinling;
- receive substantially all economic returns generated by Hangzhou Jiayin and Nanjing Yinling in consideration for the technical and business support provided by the Group;
- obtain an irrevocable and exclusive right to purchase the entire equity interest in Hangzhou Jiayin and Nanjing Yinling from the shareholder to the extent permitted by of PRC law at nominal consideration; and
- obtain a pledge over the entire equity interest of Hangzhou Jiayin and Nanjing Yinling from the shareholder as collateral security for all of Hangzhou Jiayin and Nanjing Yinling due to the Group and to secure performance of the shareholder' obligations under the Contractual Arrangements.

As a result of Contractual Arrangements, Hangzhou Exegenesis has the rights to exercise power over Hangzhou Jiayin and Nanjing Yinling, the right to receive variable returns from its involvement in Hangzhou Jiayin and Nanjing Yinling, and the ability to affect those returns through its power over the Hangzhou Jiayin and Nanjing Yinling, and is therefore considered to control Hangzhou Jiayin and Nanjing Yinling. Consequently, Hangzhou Exegenesis regards Hangzhou Jiayin and Nanjing Yinling as controlled entities and consolidated the assets, liabilities, and results of operations of the Hangzhou Jiayin and Nanjing Yinling in the consolidated financial information of the Group throughout the years ended 31 December 2024 and 2025.

In March 2024, the Contractual Arrangements of Nanjing Yinling were terminated and the owner of Nanjing Yinling transferred the entire equity interests of Nanjing Yinling to Hangzhou Exegenesis. In July 2024, Nanjing Yinling issued additional registered capital to Hangzhou Yinling Bingjin Enterprise Management Partnership and a third party individual at consideration of RMB1,650,724 and RMB1,000,000 and accounts for 40% and 6% of Nanjing Yingling, respectively.

In November 11, 2025, the Contractual Arrangements of Hangzhou Jiayin were terminated and the owner of Hangzhou Jiayin transferred the entire equity interests of Hangzhou Jiayin to Hangzhou Exegenesis. Upon completion of the transfer, the Group owns the entire equity interests of Hangzhou Jiayin (note 37).

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Investments in subsidiaries

The Company accounts for investments in subsidiaries using the equity method. Under the equity method, investments in subsidiaries are initially recognised 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.

Revenue from contracts with customers

Information about the Group's accounting policy relating to revenue from contracts with customers is provided in note 5.

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

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases apartments that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets (such as printers). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date.

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 on the consolidated statements 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 incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including the risk-free rate based on government bond rates.

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 or there is a change in the assessment of exercise of a purchase option, 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.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "**lease modifications**").

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

Sublease

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use assets arising from the head lease, not with reference to the underlying asset.

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 assets. When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease.

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Refundable rental deposits

Refundable rental deposits received are accounted for under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group using exchange rates prevailing at the end of each reporting period. Income and expenses 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 recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Borrowing costs

All borrowing costs are recognised 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 recognises 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 deferred revenue in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits

Retirement benefit costs

Payments to government managed retirement benefit schemes 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 recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised 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

Share options and restricted shares granted to employees

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 period, 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 recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

When share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to share premium. 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.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. 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 each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries 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 are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises 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 lease liabilities, and the related assets separately. The Group recognises 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 utilised 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 set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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 purposes (other than construction in progress as described below). Property and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised 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 derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation 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.

Research expenditure

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

Impairment on property and equipment, right-of-use assets and intangible assets

At the end of reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use assets and 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 to the 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.

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.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at 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 recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised 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 recognised and derecognised 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 generally 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 amortised 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 are subsequently measured at FVTPL.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a hedging instrument.

Amortised cost and interest income

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised 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 (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised 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 recognised 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.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated at 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 recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including restricted bank deposits, time deposits, cash and cash equivalents, other receivables, amounts due from related parties and finance lease receivables) which are subjected 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. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade and other receivables and finance lease receivables. The ECL on these assets are assessed on an individual basis for customers with (1) good credit rating or high credit risk or (2) significant balances with different credit period and the remaining is collectively using provision matrix, estimated based on historical credit loss experience based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from financial analysts, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, 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 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.

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, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a deregistration event. Any subsequent recoveries are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and 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.

Lifetime ECL for other receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

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 amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and other receivables, amounts due from related parties and finance lease receivables where the corresponding adjustment is recognised 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 amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item (note 8) as part of the net foreign exchange gains (losses);
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item as part of the gain/(loss) from changes in fair value of financial assets (note 8).

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group retains substantially all the risks and rewards of ownership of a transferred asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities or equity

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 recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. For financial liabilities that contain embedded derivatives, such as convertible loan notes, the changes in fair value of the embedded derivatives are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained profits upon derecognition of the financial liability.

Financial liabilities at amortised cost

Financial liabilities including bank borrowings, trade payables, convertible loan notes, amounts due to related parties, other payables and financial liabilities are subsequently measured at amortised cost, using the effective interest method.

Convertible loan notes

At the date of issue, both the debt component and derivative components are recognised at fair value and the convertible loan notes are designated as at FVTPL. In subsequent period, changes in fair value are recognised in profit or loss as fair value gain or loss except for changes in the fair value that is attributable to changes in the credit risk (excluding changes in fair value of the derivatives component) is recognised in other comprehensive income, unless the recognition of the effects of changes in the credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to the credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss, they are transferred to retained profits upon derecognition.

Transaction costs relating to the issue of the convertible loan notes are charged to profit or loss immediately.

When determining the classification of convertible loan notes as current or non-current, the Group considers both the redemption through cash settlement and the transfer of the Group's own equity instruments as a result of exercise of conversion options by holders as settlement of the convertible loan notes.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other gains' line item in profit or loss (note 8) as part of net foreign exchange gains/(losses) for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised 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 accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the management of the Group has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Historical Financial Information.

Research and development expenditures

Development expenses incurred on the Group's product pipelines are capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible assets so that it will be available for use or sale, its intention to complete and its 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. Development expenses which do not meet these criteria are expensed when incurred. The management of the Group assesses the progress of each of the research and development projects and determines that the Group's product pipelines do not meet the above said capitalisation criteria. During the Track Record Period, all the development costs are expensed when incurred.

Key sources 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 within the coming next twelve months, are described below.

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, the Group estimates the recoverable amounts of the property and equipment and right-of-use assets based on higher of fair value less costs of disposal and value in use, 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 review 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 31 December 2024 and 2025 and 30 June 2026, no indication of impairment for property and equipment and right-of-use assets of the Group are identified, 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 and the losses incurred during the Track Record Period did not exceed the budgets for the same periods.

Fair value measurement of financial liabilities at FVTPL and convertible loan notes

No quoted prices in an active market are available for the Group's financial liabilities at FVTPL. These financial liabilities were valued by the directors of the Company with the assistance of an independent qualified professional valuer not connected to the Group, which has appropriate qualifications and experience in valuation of similar financial instruments. The fair value of these financial liabilities is established by using valuation techniques as disclosed in notes 27, 28 and 34. The Group used the discounted cash flow method to determine the underlying share value of the Group and performed an equity allocation based on option pricing model to arrive the fair value of the shares with preferred rights. The estimates and assumptions are reviewed periodically by the directors and adjusted if necessary. Should any of the estimates and assumptions changed, it may lead to a change in the fair value of financial liabilities at FVTPL and convertible loan notes. The fair value of financial liabilities at FVTPL at 31 December 2024 and 2025 and 30 June 2026, was RMB1,774,141,000, RMB2,450,780,000 and RMB2,745,764,000, respectively; the fair value of convertible loan notes at 31 December 2024 and 2025 and 30 June 2026, was RMB128,276,000, RMB178,428,000 and RMB187,900,000 respectively.

Deferred tax assets

As at 31 December 2024 and 2025 and 30 June 2026, no deferred tax asset in relation to unused tax losses accounted to RMB871,843,000, RMB984,271,000, and RMB1,050,185,000 respectively, and deductible temporary differences accounted to RMB8,891,000, RMB5,530,000 and RMB4,332,000 respectively, has not been recognised 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 recognised in profit or loss for the period in which such a recognition takes place.

5. REVENUE

(i) Disaggregation of revenue from contracts with customers

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue from providing recombinant adeno-associated virus with the proprietary vectors	–	1,299	–	–

(ii) Performance obligation for contracts with customers and revenue recognition policies

During the year ended 31 December 2025, the Group earns revenue by providing customer recombinant adeno-associated virus with the proprietary vectors to test the effect of the vectors on its product efficacy, revenue is recognised when control of the goods has been transferred, being when the goods have been shipped to the customer's location (upon delivery).

Revenue is recognised at a point in time when the Group has transferred control of goods to the customer. The credit term is 14 days from the date of invoice.

6. SEGMENT INFORMATION

For the purpose of resource allocation and assessment of performance, the chief executive officer of the Company, being the chief operating decision maker, focuses and reviews 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 31 December 2024 and 2025 and 30 June 2026, non-current assets of RMB1,135,000, RMB99,000 and RMB58,000 are located in the United States of America ("**U.S.**"), respectively, comprising property and equipment and right-of-use assets. The remaining non-current assets are all located in the People's Republic of China ("**PRC**"). The Group's revenue was generated in U.S. at the amount of nil, RMB1,299,000, nil (unaudited) and nil for the years ended 31 December 2024, 2025 and the six months ended 30 June 2025 and 2026, respectively.

Information about major customers

Revenue from customer contributing over 10% of the total revenue of the Group during the period is as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Customer A	N/A*	1,299	N/A*	N/A*

* For the years ended 31 December 2024, 2025 and the six months ended 30 June 2025 and 2026, there was no revenue recognised.

7. OTHER INCOME

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest income				
– bank deposits	3,922	3,384	1,654	1,101
– time deposits	5,116	1,029	618	229
– receivables from the disposal of long-term assets	1,939	1,389	728	589
– finance lease receivable	110	69	40	17
Government grants *(note)*	44,657	4,382	1,497	159
Rental income	2,024	2,923	1,355	814
Sales of materials	3,941	222	–	–
	61,709	13,398	5,892	2,909

Note: The government grants recognised mainly represent subsidies granted by local government authorities to support the operating activities of the Group. During the years ended 31 December 2024, 2025 and the six months ended 30 June 2025 and 2026, RMB43,499,000, RMB3,726,000, RMB1,033,000 (unaudited), and RMB66,000 were recognised immediately upon receipt as it related to income, respectively, while RMB1,158,000, RMB656,000, RMB464,000 (unaudited) and RMB93,000 are asset related and were recognised over the useful life of the relevant assets, respectively.

8. OTHER GAINS AND LOSSES

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Gains from financial assets at FVTPL	1,897	824	573	449
Net foreign exchange gains (losses)	1,622	(1,869)	(340)	(2,331)
Net (losses) gains on disposal of long-term assets	(554)	50	–	–
Others	–	136	–	–
	2,965	(859)	233	(1,882)

9. FINANCE COSTS

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest expenses on bank borrowings	1,692	854	744	–
Interest expenses on lease liabilities	505	271	162	63
	2,197	1,125	906	63

10. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Depreciation of property and equipment	15,424	12,254	6,947	4,422
Depreciation of right-of-use assets	3,282	3,284	1,646	1,633
Amortisation of intangible assets	182	140	83	53
Total depreciation and amortisation charged to profit or loss	18,888	15,678	8,676	6,108
Auditors' remuneration	168	9	9	–
Directors' remuneration				
– Salaries, bonus and other benefits	9,883	9,393	4,707	3,557
– Share-based payments	34,737	23,856	13,804	25,017
– Retirement benefit scheme contributions	346	340	186	159
	44,966	33,589	18,697	28,733
Other staff costs				
– Salaries, bonus and other benefits	38,030	30,700	16,398	12,721
– Share-based payments	3,057	1,293	856	551
– Retirement benefit scheme contributions	4,396	4,034	2,224	1,697
	45,483	36,027	19,478	14,969
Total staff costs charged to profit or loss	90,449	69,616	38,175	43,702
Research and development expenses				
Salaries, bonus and other benefits	42,342	35,139	19,115	13,520
Share-based payments	30,795	19,178	11,757	16,054
Trial and testing expenses	44,549	27,342	15,448	14,455
Depreciation and amortisation	16,223	13,059	7,416	5,189
Material costs	6,102	4,053	1,645	2,329
Utilities	1,732	1,200	566	578
Others	3,224	3,892	1,426	1,245
	144,967	103,863	57,373	53,370

Cost of inventories recognised as research expenditure amounted to RMB5,387,000, RMB3,699,000, RMB1,574,000 (unaudited) and RMB1,793,000 for the years ended 31 December 2024, 2025 and the six months ended 30 June 2025 and 2026, respectively. Cost of inventories recognised as other expenses amounted to RMB4,363,000, RMB211,000, nil (unaudited) and nil for the years ended 31 December 2024, 2025 and the six months ended 30 June 2025 and 2026, respectively.

11. INCOME TAX EXPENSE

The Company was incorporated in the Cayman Islands and is exempted from income tax.

No provision of Hong Kong Profits Tax was made in the Historical Financial Information as the Group had no assessable profit subject to Hong Kong Profits Tax during the Track Record Period.

The PRC subsidiaries are subjected to PRC income tax rate of 25% during the Track Record Period.

The US subsidiary is mainly operated in State of Massachusetts and registered in Pennsylvania, which is subject to Federal Tax at a rate of 21%, State of Massachusetts Profits Tax at a rate of 8% and State of Pennsylvania Profits Tax at a rate of 8.49% during the Track Record Period.

Income tax expense for the year can be reconciled to loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Loss before tax	(219,804)	(826,902)	(83,318)	(381,219)
Tax at PRC EIT rate of 25%	(54,951)	(206,726)	(20,829)	(95,305)
Tax effect of income not taxable for tax purpose	(954)	(443)	(209)	(111)
Tax effect of expense not deductible for tax purpose	35,688	180,247	6,146	79,600
Tax effect of deductible temporary differences not recognised	7,710	5,662	1,749	5,906
Tax effect attributable to the additional qualified tax deduction relating to research and development costs (note)	(20,259)	(14,852)	(7,600)	(4,852)
Tax effect of tax losses not recognised	33,630	40,617	23,580	17,177
Utilisation of deductible temporary differences previously not recognised	(864)	(4,505)	(2,837)	(2,415)
Income tax expense	–	–	–	–

Note: Pursuant to Caishui 2018 circular No. 99, Hangzhou Jiayin and Hangzhou Exegenesis and Guangzhou Jiayin enjoy super deduction of 100% on qualifying research and development expenditures throughout the Track Record Period.

The unrecognised tax losses will be carried forward and expire in years as follows:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
2025	48,362	–	–
2026	167,453	167,453	167,453
2027	289,694	289,694	289,694
2028	193,420	193,420	193,420
2029	122,796	122,796	122,796
2030	–	127,129	127,129
2031	–	–	52,734
Indefinite	50,118	83,779	96,959
	871,843	984,271	1,050,185

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

(A) Directors' and the chief executive's emoluments

During the Track Record Period, directors' and chief executive's remuneration disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance are as follows:

	Director fee	Salaries and other benefits	Retirement benefit scheme	Discretionary bonus	Share-based payments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024						
Executive directors						
Dr. Wu Zhenhua *(note i)*	–	1,991	69	365	20,529	22,954
Dr. Ye Guojie *(note ii)*	–	2,101	67	364	5,952	8,484
Ms. Wang Lijun *(note iv)*	–	2,315	67	406	4,796	7,584
Dr. Song Chunjuan *(note iii)*	–	2,288	143	53	3,460	5,944
	–	8,695	346	1,188	34,737	44,966

	Director fee	Salaries and other benefits	Retirement benefit scheme	Discretionary bonus	Share-based payments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2025						
Executive directors						
Dr. Wu Zhenhua *(note i)*	–	1,985	81	449	14,599	17,114
Dr. Ye Guojie *(note ii)*	–	1,891	77	358	3,060	5,386
Ms. Wang Lijun *(note iv)*	–	2,178	77	77	2,475	4,807
Dr. Song Chunjuan *(note iii)*	–	1,985	105	470	3,722	6,282
	–	8,039	340	1,354	23,856	33,589

	Director fee	Salaries and other benefits	Retirement benefit scheme	Discretionary bonus	Share-based payments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2025 (unaudited)						
Executive directors						
Dr. Wu Zhenhua *(note i)*	–	991	45	225	8,373	9,634
Dr. Ye Guojie *(note ii)*	–	949	42	179	1,914	3,084
Ms. Wang Lijun *(note iv)*	–	1,093	42	39	1,547	2,721
Dr. Song Chunjuan *(note iii)*	–	995	57	236	1,970	3,258
	–	4,028	186	679	13,804	18,697

	Director fee	Salaries and other benefits	Retirement benefit scheme	Discretionary bonus	Share-based payments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2026						
Executive directors						
Dr. Wu Zhenhua *(note i)*	–	984	46	222	14,549	15,801
Dr. Ye Guojie *(note ii)*	–	903	28	185	3,240	4,356
Dr. Song Chunjuan *(note iii)*	–	971	85	172	4,161	5,389
Non-executive director						
Ms. Wang Lijun *(note iv)*	–	120	–	–	3,067	3,187
	–	2,978	159	579	25,017	28,733

Notes:

i. Dr. Wu Zhenhua ("**Dr. Wu**") was appointed as an executive director with effect from 24 May 2019, and he was appointed as the chief executive officer of the Company with effect from 24 May 2019.

ii. Dr. Ye Guojie ("**Dr. Ye**") was appointed as an executive director on 12 February 2020.

iii. Dr. Song Chunjuan ("**Dr. Song**") joined the Company as key management in January 2022 and was redesignated as executive director on 6 January 2026. The remuneration disclosed above includes those for her service as key management personnel for the years ended 2024 and 2025.

iv. Ms. Wang Lijun ("**Ms. Wang**") was appointed as an executive director on 12 February 2020 and served as the chief technology officer of the Company from September 2019 to December 2025. And she was redesignated as a non-executive Director on 6 January 2026 and consultant on [●] 2026. The remuneration disclosed above includes those for her service as consultant for the six months ended 30 June 2026.

The executive directors' and chief executive's emoluments shown above were paid for their services in connection with the management of the affairs of the Company and/or the Group during the Track Record Period.

During the Track Record Period, there was no arrangement under which a director or the chief executive waived or agreed to waive any emolument, and no emoluments were paid by the Group to any of the directors or supervisors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

During the Track Record Period, directors were granted share options, in respect of their services to the Group, details are set out in note 30 to the Historical Financial Information.

(B) Independent non-executive directors

No independent non-executive directors were appointed by the Company during the Track Record Period. Mr. Zhao Hui, Dr. Li Ankang and Dr. Wu You were appointed as independent non-executive directors of the Company and the appointment would take effect upon [**REDACTED**].

(C) Five highest paid employees

The five highest paid employees of the Group include 4, 4, 4 (unaudited) and 4 directors of the Group whose emoluments are set out above for the Track Record Period. The emoluments of the remaining 1, 1, 1 (unaudited) and 1 employee for the years ended 31 December 2024, 2025 and the six months ended 30 June 2025 and 2026, respectively, are as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Salaries, bonus and other benefits	2,813	2,510	1,514	949
Share-based payments	2,422	1,483	1,034	482
Retirement benefit scheme contributions	125	105	85	79
	5,360	4,098	2,633	1,510

The number of the five highest paid individuals are within the following bands presented in Hong Kong Dollar ("**HK$**"):

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
			(unaudited)	
HK$1,500,001 to HK$2,000,000	–	–	–	1
HK$2,500,001 to HK$3,000,000	–	–	2	–
HK$3,000,001 to HK$3,500,000	–	–	1	–
HK$3,500,001 to HK$4,000,000	–	–	1	1
HK$4,000,001 to HK$4,500,000	–	1	–	–
HK$4,500,001 to HK$5,000,000	–	–	–	–
HK$5,000,001 to HK$5,500,000	–	1	–	1
HK$5,500,001 to HK$6,000,000	1	1	–	–
HK$6,000,001 to HK$6,500,000	–	–	–	1
HK$6,500,001 to HK$7,000,000	1	1	–	–
HK$8,000,001 to HK$8,500,000	1	–	–	–
HK$9,000,001 to HK$9,500,000	1	–	–	–
HK$10,500,001 to HK$11,000,000	–	–	1	–
HK$18,000,001 to HK$18,500,000	–	–	–	1
HK$18,500,001 to HK$19,000,000	–	1	–	–
HK$25,000,001 to HK$25,500,000	1	–	–	–
	5	5	5	5

During the Track Record Period, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

13. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
			(unaudited)	
Loss (RMB'000):				
Loss for the year/period attributable to owners of the Company	(219,770)	(826,852)	(83,291)	(381,178)
Number of shares ('000):				
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	50,784	50,784	50,784	50,784
Loss per share (RMB)				
–Basic and diluted	(4.33)	(16.28)	(1.64)	(7.51)

The computation of diluted loss per share for the years ended 31 December 2024, 2025 and the six months ended 30 June 2025 and 2026, has not considered share options granted under the share incentive plan (note 30), the unvested restricted shares, and the conversion of preferred shares and convertible loan notes as their inclusion would be anti-dilutive.

14. DIVIDENDS

No dividend was declared or paid by the Company during the Track Record Period.

15. PROPERTY AND EQUIPMENT

The Group

	Electronic device	Machinery	Motor vehicles	Office equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
COST							
At 1 January 2024	2,473	47,440	377	921	27,793	11,111	90,115
Additions	6	97	–	–	32	1,299	1,434
Transfer from construction in progress	–	176	–	–	4,327	(4,503)	–
Disposals	–	–	–	–	–	(3,476)	(3,476)
Exchange adjustments	11	–	–	6	–	–	17
At 31 December 2024	2,490	47,713	377	927	32,152	4,431	88,090
Additions	–	60	–	–	32	194	286
Transfer from construction in progress	366	1,968	–	–	90	(2,424)	–
Disposals	–	–	–	–	–	(588)	(588)
Transfer out	–	–	–	–	–	(178)	(178)
Exchange adjustments	(17)	–	–	(9)	–	–	(26)
At 31 December 2025	2,839	49,741	377	918	32,274	1,435	87,584
Additions	–	–	–	–	39	34	73
Exchange adjustments	(24)	–	–	(12)	–	–	(36)
At 30 June 2026	2,815	49,741	377	906	32,313	1,469	87,621
ACCUMULATED DEPRECIATION							
At 1 January 2024	(1,764)	(22,299)	(166)	(402)	(16,887)	–	(41,518)
Provided for the year	(447)	(8,858)	(90)	(161)	(5,868)	–	(15,424)
Exchange adjustments	(11)	–	–	(3)	–	–	(14)
At 31 December 2024	(2,222)	(31,157)	(256)	(566)	(22,755)	–	(56,956)
Provided for the year	(261)	(7,308)	(89)	(146)	(4,450)	–	(12,254)
Exchange adjustments	17	–	–	6	–	–	23
At 31 December 2025	(2,466)	(38,465)	(345)	(706)	(27,205)	–	(69,187)
Provided for the period	(85)	(2,860)	(13)	(72)	(1,392)	–	(4,422)
Exchange adjustments	24	–	–	10	–	–	34
At 30 June 2026	(2,527)	(41,325)	(358)	(768)	(28,597)	–	(73,575)
CARRYING VALUE							
At 1 January 2024	709	25,141	211	519	10,906	11,111	48,597
At 31 December 2024	268	16,556	121	361	9,397	4,431	31,134
At 31 December 2025	373	11,276	32	212	5,069	1,435	18,397
At 30 June 2026	288	8,416	19	138	3,716	1,469	14,046

The above items of property and equipment, other than construction in progress, are depreciated on a straight-line basis over the following estimated useful lives after taking into account their estimated residual values:

	Useful lives	Estimated residual values
	years	
Electronic device	3	5%
Machinery	5	5%
Office equipment	3	5%
Motor vehicles	4	5%
Leasehold improvements	Shorter of relevant lease terms or 5 years	0%

16. RIGHT-OF-USE ASSETS

The Group as lessee

	Office properties
	RMB'000
COST	
At 1 January 2024	11,034
Modification of lease	(29)
Exchange adjustments	33
At 31 December 2024	11,038
Additions	871
Lease expiration	(2,291)
Exchange adjustments	(21)
At 31 December 2025 and 30 June 2026	9,597
ACCUMULATED DEPRECIATION	
At 1 January 2024	(1,724)
Provided for the year	(3,282)
Exchange adjustments	(25)
At 31 December 2024	(5,031)
Provided for the year	(3,284)
Decrease for lease expiration	2,291
Exchange adjustments	19
At 31 December 2025	(6,005)
Provided for the period	(1,633)
At 30 June 2026	(7,638)
CARRYING VALUE	
At 1 January 2024	9,310
At 31 December 2024	6,007
At 31 December 2025	3,592
At 30 June 2026	1,959

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Expenses relating to short-term and low value leases	111	60	24	85
Total cash outflow for leases	4,727	4,154	2,243	2,092

During the Track Record Period, the Group leases various properties for its operations. Lease contracts are entered into for fixed terms of 3 to 5 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.

Restrictions or covenants on leases

In addition, lease liabilities of RMB5,971,000, RMB2,798,000 and RMB843,000 are recognised with related right-of-use assets of RMB6,007,000, RMB3,592,000 and RMB1,959,000 at 31 December 2024 and 2025 and 30 June 2026, respectively. 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. INTANGIBLE ASSETS

The Group

	Software
	RMB'000
COST	
At 1 January 2024 and 31 December 2024	594
Addition	178
At 31 December 2025 and 30 June 2026	772
AMORTIZATION	
At 1 January 2024	(300)
Charge for the year	(182)
At 31 December 2024	(482)
Charge for the year	(140)
At 31 December 2025	(622)
Charge for the period	(53)
At 30 June 2026	(675)
CARRYING VALUE	
At 1 January 2024	294
At 31 December 2024	112
At 31 December 2025	150
At 30 June 2026	97

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Software	3 years

18. INVENTORIES

The Group

	At 31 December		At 30 June
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Materials for research and development projects	3,365	2,670	2,039

19. PREPAYMENT AND OTHER RECEIVABLES

The Group

	At 31 December		At 30 June
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Prepayments *(note)*	5,038	4,531	4,273
Deferred issue costs	–	1,097	2,214
Prepayments of [**REDACTED**] expenses and issue costs	–	119	451
Value-added tax recoverable	263	1,054	2,133
Rental and other deposits	1,028	1,051	1,048
Others	433	295	336
	6,762	8,147	10,455
Analysed as:			
Current	5,574	5,957	7,216
Non-current	1,188	2,190	3,239
	6,762	8,147	10,455
Less: Allowance for ECL	–	–	–
	6,762	8,147	10,455

Note: As of 31 December 2024 and 2025 and 30 June 2026, the balance of prepayments includes RMB2,555,000, RMB1,533,000 and nil prepayment to Hangzhou CoJourney Bio Ltd. ("**Hangzhou CoJourney**") for research and development service, respectively.

The Company

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Deferred issue costs	–	1,097	2,214
Prepayments of [**REDACTED**] expenses and deferred issue costs	–	119	451
	–	1,216	2,665
Analysed as:			
Current	–	1,216	2,665

20. AMOUNTS DUE FROM RELATED PARTIES/AMOUNTS DUE FROM A SUBSIDIARY

The Group

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Trade nature			
Hangzhou CoJourney			
– Receivables from the disposal of long-term assets	43,684	45,073	45,662
– Receivables from sales of materials and rental services	14,244	3,449	891
Non-trade nature			
Landes Therapeutics Ltd			
– Receivable for shares issued	7	7	–
CoJourney Inc.			
– Other receivable	–	1	–
Less: Allowance for ECL	3,467	3,566	3,404
	54,468	44,964	43,149
Analysed as:			
Current	14,007	17,474	15,170
Non-current	40,461	27,490	27,979
	54,468	44,964	43,149

On 31 July 2023, the Group entered into an asset transfer agreement (the "**Original Asset Transfer Agreement**") with Hangzhou CoJourney to dispose its production lines and relevant equipment for plasmid manufacturing at a consideration of RMB72,877,000, pursuant to which Hangzhou Cojourney agreed to pay the consideration in five equal installments by 31 July 2023, 31 January 2024, 31 July 2024, 31 January 2025 and 31 May 2025, respectively. Hangzhou CoJourney settled the first two installments on the due dates.

On 20 July 2024, the Group and Hangzhou CoJourney entered into a supplemental agreement to the Original Asset Transfer Agreement (the "**First Supplemental Agreement**"), pursuant to which the Group agreed to extent the remaining three installments, together with related interest calculated at an annual interest rate of 3.0%, by 31 December 2026, 2027 and 2028, respectively. As of 31 December 2024 and 2025 and 30 June 2026, the amount of RMB43,684,000, RMB45,073,000 and RMB45,662,000 is guaranteed by Jiaxing CoJourney Bio Ltd. (嘉興行誠生物科技有限公司), the holding company of Hangzhou CoJourney, respectively.

On 9 January 2026, the Group and Hangzhou CoJourney entered into a second supplemental agreement to adjust the annual interest rate from 3.0% to 2.7% from 9 January 2026, with the same repayment date agreed in First Supplemental Agreement. The First Supplemental Agreement was terminated thereof.

Other than disclosed above, other amounts due from related parties are unsecured and interest-free.

Allowances for expected credit losses:

	RMB'000
January 1, 2024	1,166
Provided for the year	2,301
December 31, 2024	3,467
Provided for the year	99
December 31, 2025	3,566
Reversed for the period	(162)
June 30, 2026	3,404

Below is an aging analysis for receivables from sales of materials and rental services based on invoice dates:

	At 31 December		At 30 June
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
1-60 days	5,604	3,449	710
60-180 days	359	–	181
Over 180 days	8,281	–	–
	14,244	3,449	891

The Company

	At 31 December		At 30 June
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Amount due from a subsidiary Exegenesis HK Limited –Other receivable	751,196	734,517	711,747
Amount due from a related party Landes Therapeutics Ltd –Receivable for shares issued	7	7	–
	751,203	734,524	711,747
Analysed as:			
Current	7	7	–
Non-current	751,196	734,517	711,747
	751,203	734,524	711,747

The amounts due from related parties are non-trade, unsecured and interest-free.

21. FINANCIAL ASSETS AT FVTPL

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Investment in structured deposits	40,127	68,235	90,287

22. CASH AND CASH EQUIVALENTS/RESTRICTED BANK DEPOSITS/TIME DEPOSITS

The Group

Time deposits with an original maturity over three months carry interests at market rates which were from 2.90% to 5.085% and 2.90% to 2.55% per annum as at 31 December 2024 and 2025, respectively. And the Group had no time deposits as at 30 June 2026.

The Group's restricted bank deposits as at 31 December 2024 were deposited to banks for securing bills payable by the Group and are therefore classified as current assets. The restricted bank deposits were released upon the settlement of relevant bill payables. And The Group's restricted bank deposits as at 30 June 2026 were frozen by the court in connection with trademark infringement complaints received by Jiayin Hangzhou.

Cash and cash equivalents and restricted bank deposits carry interest at market rates ranging from 0.05% to 4.95%, 0.05% to 3.85% and 0.00% to 3.60% as at 31 December 2024 and 2025 and 30 June 2026, respectively.

Details of impairment assessment are set out in note 34.

Cash and cash equivalents and time deposits that are denominated in currencies other than functional currencies of the relevant group entities are set out below:

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
USD	101,780	76,209	52,225

The Company

Time deposits with an original maturity over three months carry interests at market rate which was 5.085% as at 31 December 2024. And the Group had no time deposits as at 31 December 2025 and 30 June 2026.

Cash and cash equivalents carry interest at market rates which were 0.05%, 0.05% and 0.05% to 3.15% as at 31 December 2024 and 2025 and 30 June 2026, respectively. Details of impairment assessment are set out in note 34.

Cash and cash equivalents and time deposits that are denominated in currencies other than functional currencies of the Company are set out below:

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
USD	67,356	43,251	21,086

23. TRADE AND OTHER PAYABLES

The Group

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	7,420	7,456	5,124
	7,420	7,456	5,124
Bills payable	1,200	–	–
Accrued research and development expenses	5,993	6,796	6,285
Accrued payroll and welfare	8,576	7,355	4,277
Other taxes payables	2,902	39	8
Rental payables	1,540	1,740	1,735
Payables for acquisition of property and equipment	673	646	646
Employee subsidies payable	400	2,600	–
Accrued [**REDACTED**] expenses and issue costs	–	3,330	1,025
Others	1,179	535	846
	22,463	23,041	14,822
	29,883	30,497	19,946
Analysed as			
Current	29,728	30,497	19,946
Non-current	155	–	–
	29,883	30,497	19,946

The credit period on purchases of goods and services ranged from 30 to 60 days.

The following is an aged analysis of trade payables, presented based on the invoice dates, at the end of each reporting period:

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
0 to 1 year	6,783	6,827	4,495
1 year to 2 years	4	–	–
Over 2 years	633	629	629
	7,420	7,456	5,124

The Company

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Accrued [**REDACTED**] expenses and issue costs	–	1,709	340
Analysed as			
Current	–	1,709	340

24. AMOUNTS DUE TO RELATED PARTIES

The Group

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Hangzhou CoJourney	–	–	112
Dr. Wu			
– Reimbursement	50	30	–
– Government talent subsidy payable	600	–	–
Ms. Wang			
– Government talent subsidy payable	1,580	–	–
Ms. Shen Yue'e			
– Payables for Contractual Arrangements	750	–	–
Dr. Ye			
– Government talent subsidy payable	9	–	–
Dr. Song			
– Government talent subsidy payable	–	–	1,025
– Reimbursement	–	–	7
	2,989	30	1,144

The amounts due to related parties were unsecured, interest-free and repayable on demand. Except the reimbursement, other amounts due to related parties were paid subsequently. In the view of the directors of the Company, the outstanding amounts are expected to be settled before [**REDACTED**].

The Company

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Hangzhou Jiayin			
– Disbursements of [**REDACTED**] expenses and issue costs	–	2,149	4,031
Hangzhou Exegenesis			
– Disbursements of [**REDACTED**] expenses and issue costs	–	1,205	2,807
	–	3,354	6,838

25. BANK BORROWINGS

The Group

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
At amortized cost:			
Unsecured and guaranteed *(note)*	50,000	–	–
Unsecured and unguaranteed	3,758	–	–
	53,758	–	–
Carrying amount repayable as follows:			
–within one year	53,758	–	–

Note: These borrowings were guaranteed by Hangzhou Exegenesis, which is the Group's subsidiary. No bank borrowings were guaranteed by related parties. The borrowings were repaid in full in 2025.

The ranges of effective interest rates (which are also equal to contractual interest rates) on the Group's borrowings are as follows:

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
The Group			
Effective interest rates:			
Fixed-rate borrowings	3.10%	–	–
Variable-rate borrowings	LPR-35 basic points	–	–

26. LEASE LIABILITIES

The Group

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Lease liabilities payable:			
Within one year	3,913	2,479	826
Within a period of more than one year but not exceeding two years	2,007	319	17
Within a period of more than two years but not exceeding five years	51	–	–
	5,971	2,798	843
Less: Amounts due for settlement within 12 months shown under current liabilities	3,913	2,479	826
Amounts due for settlement after 12 months shown under non-current liabilities	2,058	319	17

The Group's incremental borrowing rates applied to lease liabilities are ranged from 4.75% to 11.23%, from 3.00% to 8.01% and from 3.00% to 8.01% as at 31 December 2024 and 2025 and 30 June 2026.

27. CONVERTIBLE LOAN NOTES

The Group

On 16 August 2022, the Group entered into a convertible loan agreement ("**2022 Convertible Loan Agreement**") with Zhejiang Industry Fund Co., Ltd. ("**Zhejiang Fund**"), under which Zhejiang Fund provided a loan of RMB100,000,000 to Hangzhou Exegenesis at nil interest with repayment in 7 years.

On 16 August 2022, the Company issued a series B++ warrant to Zhejiang Fund ("**B++ Warrant**"). The B++ Warrant is entitled to subscribe for 11,145,543 series B++ preferred shares with par value USD0.00001 per share. And Zhejiang Fund is entitled with the obligations and rights corresponding to the holder of series B++ preferred shares.

The B++ Warrant shall be exercisable at any time after the date that the holder has completed all the approvals and registrations required for outbound investment from the competent PRC governmental authorities and within 10 business days after the receipt of the repayment of convertible loan at an exercise price of USD1.411344 per share.

On 26 December 2025, the Group entered into a convertible loan agreement (the "**Wanlian Guangsheng Convertible Loan Agreement**"), with, among others, Wanlian Guangsheng, pursuant to which Wanlian Guangsheng provided a loan in the principal amount of RMB20,000,000 and has been granted the right to convert the loan under the Wanlian Guangsheng Convertible Loan Agreement into ordinary shares of the Company at the conversion price of RMB8.97219633 per share. The Group designated its convertible loan notes as FVTPL.

On 13 January 2026, the Company entered into a convertible loan agreement (the "**Zhejiang Fund Convertible Loan Agreement**") with Zhejiang Fund, Hangzhou Exegenesis, Hangzhou Jiayin, Dr. Wu, Ms. Wang and Dr. Ye (collectively, the relevant parties), which superseded and substituted the 2022 Convertible Loan Agreement. Pursuant to the Zhejiang Fund Convertible Loan Agreement and a warrant cancellation deed dated 13 January 2026, the Series B++ Warrant had been cancelled. Pursuant to the Zhejiang Fund Convertible Loan Agreement, Zhejiang Fund has been granted the right to convert the Zhejiang Fund Convertible Loan into ordinary Shares of the Company at the conversion price of RMB8.97219633 per share. The rights stated in the convertible loan agreement with Zhejiang Fund dated on 16 August 2022 shall be reinstated and restored with the respective parties' rights and obligations thereunder resumed with full force and effect and the Company should reissue the warrant to Zhejiang Fund (i) upon the Company serving a written notice of withdrawal of the [**REDACTED**] to the Stock Exchange or the expiration of a three-month period after lapse of the [**REDACTED**] of the Company unless such [**REDACTED**] has been renewed within three months after its lapse; (ii) upon the receipt by the Company of a written refusal, rejection or termination by the Stock Exchange of the [**REDACTED**]; or (iii) on 1 January 2028, whichever is the earliest, unless a qualified initial public offering has been consummated on or before 31 December 2027.

The convertible loan notes contain two components, the debt component and derivative component. The Group designated its convertible loan notes as FVTPL as a whole.

The movement of the convertible loan notes during the Track Record Period is as follows:

	RMB'000
Carrying amount at 1 January 2024	123,013
Change in fair value charged to profit or loss	5,263
Carrying amount at 31 December 2024	128,276
Issuance of convertible loan notes	20,000
Change in fair value charged to profit or loss	30,152
Carrying amount at 31 December 2025	178,428
Change in fair value charged to profit or loss	9,472
Carrying amount at 30 June 2026	187,900

The fair value of the convertible loan notes issued to Zhejiang Fund at 31 December 2024 and 2025 and 30 June 2026 were valued by the directors with the assistance of an independent qualified professional valuer, AVISTA Valuation Advisory Limited ("**AVISTA**"), who has appropriate qualifications and experiences in valuation of similar instruments. The address of AVISTA is Suites 2401-06, 24/F, Everbright Centre, No.108 Gloucester Road, Wan Chai, Hong Kong. The Group used the discounted cash flow method as of 31 December 2024 and 2025 and 30 June 2026 to determine the underlying share value of the Group and performed an equity allocation based on option pricing model to arrive the fair value of the shares with preferred rights as of the dates of issuance and at 31 December 2024 and 2025 and 30 June 2026.

Key valuation assumptions used to determine the fair value of the convertible loan notes issued to Zhejiang Fund are as follows:

	At 31 December		At 30 June
	2024	2025	2026
Volatility	67.40%	75.87%	64.89%
Risk-free interest rate	4.36%	3.61%	3.98%
Discount Rate	15.0%	15.0%	15.0%
Lack of marketability discount ("**DLOM**")	20.0%	17.0%	11.0%

The fair value of the convertible loan notes issued to Wanlian Guangsheng at 31 December 2025 and 30 June 2026 was valued by the directors with the assistance of an independent qualified professional valuer, AVISTA, who has appropriate qualifications and experiences in valuation of similar instruments. The Binomial model has been used to estimate the fair value of the convertible loan notes issued to Wanlian Guangsheng. The variables and assumptions used in computing the fair value of the convertible loan notes issued to Wanlian Guangsheng are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the convertible loan notes issued to Wanlian Guangsheng.

Key valuation assumptions used to determine the fair value of the convertible loan notes issued to Wanlian Guangsheng are as follows:

	At 31 December	At 30 June
	2025	2026
Volatility	76.05%	65.12%
Risk-free interest rate	3.61%	3.98%
Bond yield	20.05%	28.26%
DLOM	17.0%	11.0%

The Company

The Company designated the B++ Warrant related to Zhejiang Fund and the conversion option related to Wanlian Guangsheng as the financial liabilities at FVTPL on initial recognition. In subsequent periods, the derivative financial instruments are measured at fair value with changes in fair value recognised in profit or loss.

The movement of the derivative financial instruments during the Track Record Period is as follows:

	RMB'000
Carrying amount at 1 January 2024	81,320
Change in fair value charged to profit or loss	1,337
Carrying amount at 31 December 2024	82,657
Addition	2,443
Change in fair value charged to profit or loss	13,992
Carrying amount at 31 December 2025	99,092
Change in fair value charged to profit or loss	6,255
Carrying amount at 30 June 2026	105,347

The fair value of the derivative financial instruments at 31 December 2024 and 2025 and 30 June 2026 were valued by the directors with the assistance of an independent qualified professional valuer, AVISTA, who has appropriate qualifications and experiences in valuation of similar instruments. The Binomial model has been used to estimate the fair value of the warrant.

The variables and assumptions used in computing the fair value of the derivative financial instruments are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the derivative financial instruments.

Key valuation assumptions used to determine the fair value of the derivative financial instrument related to Zhejiang Fund are as follows:

	At 31 December		At 30 June
	2024	2025	2026
DLOM	20.00%	17.0%	11.0%
Discount Rate	15.00%	15.0%	15.0%
Volatility	67.75%	70.07%	71.79%
Risk-free interest rate	4.56%	3.72%	4.23%

Key valuation assumptions used to determine the fair value of the derivative financial instrument related to Wanlian Guangsheng are as follows:

	At 31 December	At 30 June
	2025	2026
Volatility	76.05%	65.12%
Risk-free interest rate	3.61%	3.98%
Bond yield	20.05%	28.26%
DLOM	17.0%	11.0%

28. FINANCIAL LIABILITIES AT FVTPL

The Company entered into share purchase agreements with independent investors and issued five series of preferred shares as follows:

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Issued by the Company:			
Series A-1 preferred shares	353,100	543,390	632,256
Series A-2 preferred shares	84,060	129,407	150,580
Series B preferred shares	408,737	611,362	703,296
Series B+ preferred shares	333,670	465,401	518,156
Series B++ preferred shares	594,574	701,220	741,476
	1,774,141	2,450,780	2,745,764
Analysed as:			
Current	1,774,141	2,450,780	2,745,764

Series A-1 and Series A-2 Financing

On 16 August 2019, the Company entered into a share purchase agreement (the "**Series A Preferred Shares Purchase Agreement**", as amended by two supplement agreements dated February 12, 2020 and May 29, 2020, respectively) with four independent investors (collectively as the "**Series A Investors**"), pursuant to which (i) the Series A Investors would subscribe for an aggregate of 57,987,822 series A-1 preferred shares ("**Series A-1 Financing**") at a total consideration of RMB39,271,522 with certain preferential rights; (ii) the Series A Investors would subscribe for an aggregate of 13,823,935 series A-2 preferred shares ("**Series A-2 Financing**") at a total consideration of RMB39,784,672 with certain preferential rights. The cash consideration was fully settled in 2020.

Series B Financing

On 7 July 2020, the Company entered into a share purchase agreement (the "**Series B Preferred Shares Purchase Agreement**") with six independent investors (collectively as the "**Series B Investors**"), pursuant to which the Series B Investors would subscribe for an aggregate of 61,490,888 series B preferred shares ("**Series B Financing**") at a total consideration of USD22,500,000 with certain preferential rights. The cash consideration was fully settled in 2021.

Series B+ Financing

On 29 December 2020, the Company entered into a share purchase agreement (the "**Series B+ Preferred Shares Purchase Agreement**") with seven independent investors (collectively as the "**Series B+ Investors**"), pursuant to which the Series B+ Investors would subscribe for an aggregate of 41,451,178 series B+ preferred shares ("**Series B+ Financing**") at a total consideration of USD30,500,000 with certain preferential rights. The cash consideration was fully settled in 2021.

Series B++ Financing

On 17 May 2021, the Company entered into a share purchase agreement (the "**Series B++ Preferred Shares Purchase Agreement**") with six independent investors (collectively as the "**Series B++ Investors**"), pursuant to which the Series B++ Investors would subscribe for an aggregate of 49,598,108 series B++ preferred shares ("**Series B++ Financing**") at a total consideration of USD69,999,999 with certain preferential rights. The cash consideration was fully settled in 2021.

According to the Series B++ Financing agreement, the preferential rights for the Series A-1 Investors, Series A-2 Investors, Series B Investors, Series B+ Investors and Series B++ Investors were redesignated and the key terms of are summarized as follows:

(a) Liquidation preferences

In the event of any liquidation including deemed liquidation events, dissolution or winding up of the Company, either voluntary or involuntary, the holders of the preferred shares shall be entitled to receive, prior to any distribution to the holders of the ordinary shares, an amount equal to the original issue price of preferred shares plus interest of 8% per annum calculated on a simple basis and unpaid dividends (the "**Preference Amounts**"), in order of preference, first to the Series B++ Investors on a pari passu basis, second to the Series B+ Investors, third to the Series B Investors, then to the Series A Investors.

After the full Preference Amounts on all outstanding preferred shares have been paid, any remaining funds or assets of the Company legally available for distribution shall be distributed on a pro rata, pari passu basis among the holders of the preferred shares (on an as-converted basis), together with the holders of the ordinary shares.

(b) Redemption right

The Series A Investors, Series B Investors, Series B+ Investors and Series B++ Investors shall be redeemed by the Company and/or Dr. Wu, Ms. Wang and Dr. Ye, upon the occurrence of the Company failed to consummate a qualified IPO prior to 31 December 2026 and/or certain contingent events.

The Series B++ Investors shall be entitled to receive the redemption amount equals to the higher of (a) the original issue price of preferred shares plus interest of 8% per annum calculated on a simple basis and unpaid dividends, and (b) the fair market value of such series B++ preferred shares, as determined by an independent appraiser.

The Series A Investors, Series B Investors and the Series B+ Investors shall be entitled to receive the redemption amount equals to the original issue price of preferred shares plus interest of 8% per annum calculated on a simple basis and unpaid dividends.

The holders of the preferred shares shall be entitled to receive the redemption amounts, in order of preference, first to the Series B++ Investors on a pari passu basis, second to the Series B+ Investors, third to the Series B Investors, then to the Series A Investors.

(c) Conversion right

Each holder of preferred shares shall have the right, at such holder's sole discretion, to convert all or any portion of the preferred shares into ordinary shares at any time. The conversion rate for preferred shares shall be determined by dividing the applicable preferred share issue price.

Each Preferred Share shall automatically be converted into Ordinary Shares (i) upon the closing of a qualified initial public offering, and (ii) upon the prior written approval of the preferred majority.

(d) Dividend right

No dividend, whether in cash, in property or in shares of the capital of the Company, shall be paid on any other class or series of shares of the Company unless and until a dividend in like amount is first paid in full on the preferred shares on an as-converted basis. Holders of the preferred shares shall also be entitled to receive any non-cash dividends declared by the Board on an as-converted basis.

(e) Voting right

Each preferred share shall carry a number of votes equal to the number of ordinary shares then issuable upon its conversion into ordinary shares 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. To the extent that applicable law, the memorandum and/or these articles require the preferred shares to vote separately as a class with respect to any matters, the Preferred Shares shall vote separately as a class with respect to such matters. Otherwise, the holders of preferred shares and Ordinary Shares shall vote together as a single class.

On 13 January 2026, the company entered into a supplemental agreement with, among others, the then preferred shareholders of the Company, pursuant to which the redemption rights shall terminate upon the first submission of the first application form for [**REDACTED**] of the ordinary shares of the Company (the "[**REDACTED**]") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), and shall be reinstated and restored with the respective parties' rights and obligations thereunder resumed with full force and effect (i) upon the Company serving a written notice of withdrawal of the [**REDACTED**] to the Stock Exchange or the expiration of a three-month period after lapse of the [**REDACTED**] of the Company unless such [**REDACTED**] has been renewed within three months after its lapse; (ii) upon the receipt by the Company of a written refusal, rejection or termination by the Stock Exchange of the [**REDACTED**]; or (iii) on 1 January 2028, whichever is the earliest, unless a qualified initial public offering has been consummated on or before 31 December 31 2027.

The Group has designated preferred shares which contain redemption features and other embedded derivatives as financial liabilities at FVTPL on initial recognition.

The fair value change of preferred shares is recognised to profit or loss except for the portion attributable to credit risk change which shall be recognised to other comprehensive income, if any. The directors considered that the credit risk change on the financial liabilities that drive the fair value change of the financial liabilities during the Track Record Period is immaterial.

The movements in the financial liabilities at FVTPL are as follows:

	Series A-1 Preferred Shares	Series A-2 Preferred Shares	Series B Preferred Shares	Series B+ Preferred Shares	Series B++ Preferred Shares	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 1 2024	332,054	79,056	382,575	310,329	570,195	1,674,209
Change in fair value	21,046	5,004	26,162	23,341	24,379	99,932
At 31 December 2024	353,100	84,060	408,737	333,670	594,574	1,774,141
Change in fair value	190,290	45,347	202,625	131,731	106,646	676,639
At 31 December 2025	543,390	129,407	611,362	465,401	701,220	2,450,780
Change in fair value	88,866	21,173	91,934	52,755	40,256	294,984
At 30 June 2026	632,256	150,580	703,296	518,156	741,476	2,745,764

The fair value of the preferred shares at 31 December 2024 and 2025 and 30 June 2026 were valued by the directors with the assistance of an independent qualified professional valuer, AVISTA, who has appropriate qualifications and experiences in valuation of similar instruments. The Group used the discounted cash flow method as of 31 December 2024 and 2025 and 30 June 2026 to determine the underlying share value of the Group and performed an equity allocation based on option pricing model to arrive the fair value of the shares with preferred rights as of the dates of issuance and at 31 December 2024 and 2025 and 30 June 2026.

Discounted cash flow method is used by the directors with reference to the issuance price of third party financing close to the valuation date. The Directors determined the underlying share value as of 31 December 2024 and 2025 and 30 June 2026 with reference of the issue price of each series of shares with preferred rights.

Key valuation assumptions used to determine the fair value of preferred shares are as follows

	At 31 December		At 30 June
	2024	2025	2026
Volatility	67.40%	75.87%	64.89%
Risk-free interest rate	4.36%	3.61%	3.98%
Discount Rate	15.0%	15.0%	15.0%
DLOM	20.0%	17.0%	11.0%

29. SHARE CAPITAL

	Number of shares	Share Capital	Share Capital
		USD	*RMB'000*
Ordinary shares			
Ordinary shares of USD0.00001 each			
Authorized			
As at 1 January 2024, 31 December 2024 and 2025 and 30 June 2026	4,764,502,526	47,645	332
Issued *(note)*			
As at 1 January 2024, 31 December 2024 and 2025 and 30 June 2026	101,566,880	1,016	7

Note: As of 31 December 2024 and 2025 and 30 June 2026, the Company has a right to repurchase 50,783,440 restricted shares from Landes Therapeutics Ltd at nil consideration in the event of termination of the Dr. Wu, Dr. Ye, and Ms. Wang's service or employment with the Group. The rights will be expired upon completion of a qualified initial public offering and the above-mentioned restricted shares will be converted to ordinary shares immediately. The share capital would be paid before the [**REDACTED**].

30. SHARE-BASED PAYMENTS

Employee equity compensation plans (the "ESOP")

Pursuant to the Series A Preferred Shares Purchase Agreement, 17,773,630 ordinary shares were reserved for issuance under the ESOP upon the closing of Series A-2 Financing.

Pursuant to the Series B Preferred Shares Purchase Agreement, 4,030,302 ordinary shares were reserved for issuance under the ESOP prior to the closing of Series B Financing.

Pursuant to the Series B+ Preferred Shares Purchase Agreement, 29,222,885 ordinary shares were reserved for issuance under the ESOP prior to the closing of Series B+ Financing.

Pursuant to the Series B++ Preferred Shares Purchase Agreement, 21,256,332 ordinary shares were reserved for issuance under the ESOP prior to the closing of Series B++ Financing.

The Group's 2022 equity incentive plan (the "**Pre-[REDACTED] Equity Incentive Plan**") was adopted pursuant to a board resolution passed on 30 July 2022 for the primary purpose to advance the interests of the Group's shareholders by enhancing the Group's ability to attract, retain and motivate persons who make (or are expected to make) important contributions to the Group by providing such persons with equity ownership opportunities and thereby better aligning the interests of such persons with those of the Group's shareholders.

The Group has reserved 72,283,149 ordinary shares for issuance to employees pursuant to the employee share option plan of the Group to be approved. The validity period of the share options of 2022 Incentive Plan shall be maximum 10 years from the date of grant. The share options shall have the vesting periods for different batches as follows:

(i) 15%, 20%, 25%, and 40% of the options vesting respectively on the first, second, third, and fourth anniversary of the grant date;

(ii) 15%, 20%, 25%, and 40% of the options vesting respectively on the first, second, third, and fourth anniversary of the grant date and after the Company becomes a publicly listed company.

Details of the share options outstanding throughout the Track Record Period separated by directors of the Company and other employees are as follows:

	Number of share options	Weighted average exercise price
	('000)	*USD*
Directors:		
Outstanding at 1 January 2024	40,302	0.22
Granted during the year	2,919	0.27
Outstanding at 31 December 2024	43,221	0.23
Exercisable at the end of the year	16,639	0.20
Outstanding at 1 January 2025	43,221	0.23
Granted during the year	2,223	0.27
Outstanding at 31 December 2025	45,444	0.23
Exercisable at the end of the year	28,937	0.20
Outstanding at 1 January 2026	45,444	0.23
Granted during the period	16,816	0.27
Outstanding at 30 June 2026	62,260	0.24
Exercisable at the end of the period	29,277	0.20

	Number of share options	Weighted average exercise price
	('000)	*USD*
Other Employees:		
Outstanding at 1 January 2024	8,139	0.09
Granted during the year	1,314	0.11
Forfeited during the year	(141)	0.04
Outstanding at 31 December 2024	9,312	0.10
Exercisable at the end of the year	2,806	0.12
Outstanding at 1 January 2025	9,312	0.10
Granted during the year	1,980	0.06
Forfeited during the year	(1,269)	0.08
Outstanding at 31 December 2025	10,023	0.09
Exercisable at the end of the year	4,628	0.12
Outstanding at 1 January 2026	10,023	0.09
Granted during the period	–	–
Forfeited during the period	(142)	0.04
Outstanding at 30 June 2026	9,881	0.09
Exercisable at the end of the period	4,634	0.12

The following table set out the information for share options granted with vesting schedule (i):

Grant date	Grant date option fair value per share	Exercise price	Expected volatility	Expected life	Risk-free rate	Expected dividend yield
1 December 2020	USD0.23	USD0.01	60.94%	10 years	1.08%	0.00%
	USD0.46	USD0.02	57.61%		1.09%	
1 January 2021 – 17 July 2021	-USD0.54	-USD0.11	-58.83%	10 years	-1.69%	0.00%
	USD0.53	USD0.22	59.75%		1.89%	
21 January 2022 – 31 May 2023	-USD0.56	-USD0.28	-67.44%	10 years	-3.76%	0.00%
	USD0.59					
15 September 2023	-USD0.61	USD0.28	64.54%	10 years	4.41%	0.00%
	USD0.61		66.70%		3.77%	
2 September 2024 – 15 September 2024	-USD0.62	USD0.27	-67.78%	10 years	-4.02%	0.00%
	-USD0.66					
15 November 2025	-USD0.68	USD0.27	70.73%	10 years	4.27%	0.00%
9 April 2026	USD1.35	USD0.27	70.67%	10 years	4.35%	0.00%

The following table set out the information for share options granted with vesting schedule (ii):

Grant date	Grant date option fair value per share	Exercise price	Expected volatility	Expected life	Risk-free rate	Expected dividend yield
1 December 2020	USD0.23	USD0.01	60.94%	10 years	1.08%	0.00%
17 July 2021	USD0.53	USD0.04	57.61%	10 years	1.49%	0.00%
27 December 2021 – 15 August 2022	USD0.68	USD0.04	58.21%	10 years	1.62%	0.00%
			-65.41%		-2.92%	
15 September 2023	USD0.74	USD0.04	64.54%	10 years	4.41%	0.00%
15 September 2024	USD0.75	USD0.04	66.78%	10 years	3.77%	0.00%
15 November 2025	USD0.79	USD0.04	70.73%	10 years	4.27%	0.00%

The Binomial option pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

At the end of each period, the Group revises its estimates of the number of options that are expected to vest ultimately. The impact of the revision of the estimates, if any, is recognised in profit and loss, with a corresponding adjustment to the share-based payments reserve.

For the years ended 31 December 2024, 2025 and the six months ended 30 June 2025 and 2026, the Group's total share-based payment expenses recognised in the consolidated statement of profit or loss and other comprehensive income in relation to share option granted by the Company is RMB37,794,000, RMB25,149,000, RMB14,660,000 (unaudited) and RMB25,568,000, respectively.

31. CAPITAL COMMITMENTS

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Capital expenditure in respect of acquisition of property and equipment contracted for but not provided in the Historical Financial Information	421	–	–

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Bank borrowings	Convertible loan notes	Lease liabilities	Other payables – lease liabilities	Financial liabilities at FVTPL	Other payables – Issue costs	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	50,000	123,013	10,027	1,591	1,674,209	–	1,858,840
Financing cash flows	2,066	–	(2,726)	(1,890)	–	–	(2,550)
Non-cash changes							
Exchange adjustments	–	–	4	–	–	–	4
Interest expenses	1,692	–	505	–	–	–	2,197
Transfer from lease liabilities to other payables	–	–	(1,839)	1,839	–	–	–
Fair value change	–	5,263	–	–	99,932	–	105,195
At 31 December 2024	53,758	128,276	5,971	1,540	1,774,141	–	1,963,686
At 1 January 2025	53,758	128,276	5,971	1,540	1,774,141	–	1,963,686
Financing cash flows	(54,612)	20,000	(1,159)	(2,935)	–	(665)	(39,371)
Non-cash changes							
New leases entered	–	–	871	–	–	–	871
Lease terminated	–	–	–	–	–	–	–
Exchange adjustments	–	–	(21)	–	–	–	(21)
Interest expenses	854	–	271	–	–	–	1,125
Transfer from lease liabilities to other payables	–	–	(3,135)	3,135	–	–	–
Accrual of issue costs	–	–	–	–	–	1,097	1,097
Fair value change	–	30,152	–	–	676,639	–	706,791
At 31 December 2025	–	178,428	2,798	1,740	2,450,780	432	2,634,178
At 1 January 2026	–	178,428	2,798	1,740	2,450,780	432	2,634,178
Financing cash flows	–	–	(290)	(1,717)	–	(1,467)	(3,474)
Non-cash changes							
Exchange adjustments	–	–	(16)	–	–	–	(16)
Interest expenses	–	–	63	–	–	–	63
Transfer from lease liabilities to other payables	–	–	(1,712)	1,712	–	–	–
Accrual of issue costs	–	–	–	–	–	1,117	1,117
Fair value change	–	9,472	–	–	294,984	–	304,456
At 30 June 2026	–	187,900	843	1,735	2,745,764	82	2,936,324
(unaudited)							
At 1 January 2025	53,758	128,276	5,971	1540	1,774,141	–	1,963,686
Financing cash flows	(25,207)	–	(680)	(1,540)	–	–	(27,427)
Non-cash changes							
Exchange adjustments	–	–	(5)	–	–	–	(5)
Interest expenses	744	–	162	–	–	–	906
Transfer from lease liabilities to other payables	–	–	(1,395)	1,395	–	–	–
Fair value change	–	(407)	–	–	21,602	–	21,195
At 30 June 2025	29,295	127,869	4,053	1,395	1,795,743	–	1,958,355

33. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group entities will be able to continue as a going concern while maximising the return to owners of the Company through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The management of the Group reviews the capital structure from time to time. As a 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 of the Group, the Group will balance its overall capital structure through the issue of new shares, new debts or the redemption of existing debts.

34. FINANCIAL INSTRUMENTS

Categories of financial instruments

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Amortised cost	415,168	268,904	188,743
FVTPL	40,127	68,235	90,287
	455,295	337,139	279,030
Financial liabilities			
Amortised cost	75,152	23,133	16,805
FVTPL	1,902,417	2,629,208	2,933,664
	1,977,569	2,652,341	2,950,649

Financial risk management objectives and policies

The Group's major financial instruments include other receivables, amounts due from related parties, financial assets at FVTPL, restricted bank deposits, time deposits, cash and cash equivalents, financial liabilities at FVTPL, convertible loan notes, amounts due to related parties, trade and other payables and bank borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments and lease liabilities and 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.

Currency risk

During the years ended 31 December 2024 and 2025 and the six months ended 30 June 2025 and 2026, nil of the Group's sales is denominated in currencies other than the functional currency of the relevant group entities making the sale.

The carrying amounts of the Group's monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies at the end of each reporting period are as follows:

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Assets			
USD	101,780	74,792	52,225
Liabilities			
USD	55	6	202

The Group currently does not have a foreign currency hedging policy as the management of the Group considers that the foreign exchange risk exposure of the Group is minimal. The Group will consider hedging significant foreign currency exposure should the need arise.

Sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in the functional currency (i.e., RMB) of the relevant group entities against the foreign currencies. 10% is the sensitivity rate used in management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 10% change in foreign currency rates. A positive (negative) number below indicates a decrease (increase) in loss for the year/period where foreign currency strengthen 10% against functional currency. For a 10% weakening of foreign currency against functional currency, there would be an equal and opposite impact on loss for the year/period.

	Year ended 31 December		Six months ended 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Impact on profit or loss	(10,173)	7,479	(5,202)

In the opinion of the management of the Group, the sensitivity analysis is unrepresentative of the inherent foreign currency risk as the year end exposure does not reflect the exposure during the year.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to bank borrowings, lease liabilities and convertible loan notes (details are set out in notes 25, 26 and 27, respectively). The Group currently does not have formal interest rate hedging policies. The management of the Group monitors the Group's exposures on an on-going basis and will consider hedging interest rate risk should the need arises.

The Group is also exposed to cash flow interest rate risk in relation to fixed-rate restricted bank deposits, cash and cash equivalents and bank borrowings (details are set out in notes 22 and 25).

The Group's exposures to interest rates on financial liabilities are detailed in the management section of this note.

In the opinion of the management of the Group, the exposure of cash flow interest rate risk arising from floating-rate, restricted bank deposits, cash and cash equivalents and bank borrowings is insignificant and thus no sensitivity analysis is prepared.

Credit risk and impairment assessment

Credit risk refers to the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group considers all elements of credit risk exposure such as counterparty default risk and sector risk for risk management purposes.

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the end of each reporting period in relation to each class of recognised financial assets is the carrying amount of those assets stated in the consolidated statement of financial position.

The Group's credit risk is primarily attributable to its amounts due to a subsidiary, amounts due from related parties, trade and other receivables, time deposits, restricted bank deposits and cash and cash equivalents.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

The time deposits, restricted bank deposits and cash and cash equivalents are determined to have low credit risk at the end of each reporting period. The credit risk on time deposits, restricted bank deposits and cash and cash equivalents is limited because the counterparties are reputable banks and the risk of inability to pay or redeem at the due date is low.

In addition to the credit risk limit management and other mitigation measures as described above, the Group monitors all financial assets, that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the impairment loss allowance based on lifetime ECL rather than 12m ECL.

Amounts due from related parties and amount due from a subsidiary

The ECL on amounts due from related parties and amount due from a subsidiary are assessed individually based on the probability of defaults of amounts due from related parties and amount due from a subsidiary, the management has taken into account the financial position of the counterparties as well as forward looking information that is available without undue cost or effort.

Other receivables and finance lease receivables

For other receivables and finance lease receivables, the Group has applied the general approach in IFRS 9 to measure the impairment loss allowance at 12m ECL, since the directors of the Company assessed that there has not been any significant increase in credit risk.

In determining the ECL, the management of the Group has taken into account the historical credit loss experience based on the past default experience of the counterparty, general economic conditions of the industry in which the counterparty operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The following table shows the Group's credit risk grading framework in respect of financial assets and contract assets:

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 – 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

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

31 December 2024	*Notes*	Internal credit ratings	12m or lifetime ECL	Gross carrying amount
				RMB'000
Amounts due from related parties	*20*	Doubtful	Lifetime ECL	57,928
Amounts due from related parties	*20*	Low risk	12m ECL	7
Other receivables	*19*	Low risk	12m ECL	1,461
Restricted bank deposits	*22*	Low risk	12m ECL	300
Time deposits	*22*	Low risk	12m ECL	80,319
Cash and cash equivalents	*22*	Low risk	12m ECL	278,620

31 December 2025	*Notes*	Internal credit ratings	12m or lifetime ECL	Gross carrying amount
				RMB'000
Amounts due from related parties	*20*	Doubtful	Lifetime ECL	48,522
Amounts due from related parties	*20*	Low risk	12m ECL	8
Other receivables	*19*	Low risk	12m ECL	1,346
Time deposits	*22*	Low risk	12m ECL	31,417
Cash and cash equivalents	*22*	Low risk	12m ECL	191,066

30 June 2026	*Notes*	Internal credit ratings	12m or lifetime ECL	Gross carrying amount
				RMB'000
Amounts due from related parties	*20*	Doubtful	Lifetime ECL	46,553
Other receivables	*19*	Low risk	12m ECL	1,384
Restricted bank deposits	*22*	Low risk	12m ECL	6,000
Cash and cash equivalents	*22*	Low risk	12m ECL	138,209

As at 31 December 2024 and 2025 and 30 June 2026, ECL allowances amounted to RMB3,467,000 and RMB3,566,000 and RMB3,404,000 is recognised, respectively. The amount is related to the amount due from Hangzhou CoJourney, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance of receivables from sales of materials and rental services, and applied the general approach (Three-stage ECL model) in IFRS 9 to measure the loss allowance of receivables from the disposal of long-term assets at lifetime ECL. Other than that, all other amounts due from related parties are within 12m ECL with no impairment loss recognised.

The loss allowances as at 31 December 2024 and 2025 and 30 June 2026 were determined as follows for financial assets at amortised cost:

31 December 2024	Gross carrying amount	Expected credit loss rate	Loss allowance
	RMB'000		*RMB'000*
Finance lease receivables	1,155	–	–
Amounts due from related parties	57,928	5.99%	3,467
Amounts due from related parties	7	–	–
Other receivables	1,461	–	–
Restricted bank deposits	300	–	–
Time deposits	80,319	–	–
Cash and cash equivalents	278,620	–	–

31 December 2025	Gross carrying amount	Expected credit loss rate	Loss allowance
	RMB'000		*RMB'000*
Finance lease receivables	587	–	–
Amounts due from related parties	48,522	7.35%	3,566
Amounts due from related parties	8	–	–
Other receivables	1,346	–	–
Time deposits	31,417	–	–
Cash and cash equivalents	191,066	–	–

30 June 2026	Gross carrying amount	Expected credit loss rate	Loss allowance
	RMB'000		*RMB'000*
Finance lease receivables	290	–	–
Amounts due from related parties	46,553	7.31%	3,404
Other receivables	1,384	–	–
Restricted bank deposits	6,000	–	–
Cash and cash equivalents	138,209	–	–

The tables below detail the credit risk exposures of the Company's financial assets which are subject to ECL assessment:

31 December 2024	*Notes*	Internal credit ratings	12m or lifetime ECL	Gross carrying amount
				RMB'000
Amount due from a related party	*20*	Low risk	12m ECL	7
Amount due from a subsidiary	*20*	Low risk	12m ECL	751,196
Time deposits	*22*	Low risk	12m ECL	50,319
Cash and cash equivalents	*22*	Low risk	12m ECL	17,036

31 December 2025	*Notes*	Internal credit ratings	12m or lifetime ECL	Gross carrying amount
				RMB'000
Amount due from a related party	*20*	Low risk	12m ECL	7
Amount due from a subsidiary	*20*	Low risk	12m ECL	734,517
Cash and cash equivalents	*22*	Low risk	12m ECL	43,249

30 June 2026	*Notes*	Internal credit ratings	12m or lifetime ECL	Gross carrying amount
				RMB'000
Amount due from a subsidiary	*20*	Low risk	12m ECL	711,747
Cash and cash equivalents	*22*	Low risk	12m ECL	21,672

Liquidity risk

The management of 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 non-derivative financial liabilities based on the agreed repayment terms. 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.

At 31 December 2024	Weighted average effective interest rate	On demand or less than 1 year	1-2 years	2-5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	–	18,250	–	155	–	18,405	18,405
Amounts due to related parties	–	2,989	–	–	–	2,989	2,989
Lease liabilities	5.98%	4,179	2,069	51	–	6,299	5,971
Fixed-rate borrowings	2.83%	44,245	–	–	–	44,245	43,758
Variable-rate borrowings	3.00%	10,217	–	–	–	10,217	10,000
Financial liabilities at FVTPL *(note)*	8.00%	1,164,889	–	–	–	1,164,889	1,774,141
Convertible loan notes	0.00%	100,000	–	–	–	100,000	128,276
		1,344,769	2,069	206	–	1,347,044	1,983,540

At 31 December 2025	Weighted average effective interest rate	On demand or less than 1 year	1-2 years	2-5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	–	23,103	–	–	–	23,103	23,103
Amounts due to related parties	–	30	–	–	–	30	30
Lease liabilities	4.99%	2,557	322	–	–	2,879	2,798
Financial liabilities at FVTPL *(note)*	8.00%	1,305,787	–	–	–	1,305,787	2,450,780
Convertible loan notes	0.00%-5.00%	121,000	–	–	–	121,000	178,428
		1,452,477	322	–	–	1,452,799	2,655,139

At 30 June 2026	Weighted average effective interest rate	On demand or less than 1 year	1-2 years	2-5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	–	15,661	–	–	–	15,661	15,661
Amounts due to related parties	–	1,144	–	–	–	1,144	1,144
Lease liabilities	4.94%	844	17	–	–	861	843
Financial liabilities at FVTPL *(note)*	8.00%	1,363,028	–	–	–	1,363,028	2,745,764
Convertible loan notes	0.00%-5.00%	121,000	–	–	–	121,000	187,900
		1,501,677	17	–	–	1,501,694	2,951,312

Note: For The Series B++ Investors, the redemption amount equals to the higher of (a) the original issue price of preferred shares plus interest of 8% per annum calculated on a simple basis and unpaid dividends, and (b) the fair market value of series B++ preferred shares, as determined by an independent appraiser. For the Series A Investors, Series B Investors and the Series B+ Investors, the redemption amount equals to the original issue price of preferred shares plus interest of 8% per annum calculated on a simple basis and unpaid dividends.

The following table details the Company's remaining contractual maturity for its derivative financial liabilities based on the agreed repayment terms. 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.

At 31 December 2024	Weighted average effective interest rate	On demand or less than 1 year	1-2 years	2-5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Warrants	N/A	28,276	–	–	–	28,276	82,657
Financial liabilities at FVTPL	8.00%	1,164,889	–	–	–	1,164,889	1,774,141
		1,193,165	–	–	–	1,193,165	1,856,798

At 31 December 2025	Weighted average effective interest rate	On demand or less than 1 year	1-2 years	2-5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Warrants	N/A	78,428	–	–	–	78,428	92,969
Trade and other payables	–	1,709	–	–	–	1,709	1,709
Amounts due to related parties	–	3,354	–	–	–	3,354	3,354
Financial liabilities at FVTPL	8.00%	1,305,787	–	–	–	1,305,787	2,450,780
		1,389,278	–	–	–	1,389,278	2,548,812

At 30 June 2026	Weighted average effective interest rate	On demand or less than 1 year	1-2 years	2-5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Warrants	N/A	87,900	–	–	–	87,900	99,521
Trade and other payables	–	340	–	–	–	340	340
Amounts due to related parties	–	6,838	–	–	–	6,838	6,838
Financial liabilities at FVTPL	8.00%	1,363,028	–	–	–	1,363,028	2,745,764
		1,458,106	–	–	–	1,458,106	2,852,463

Fair value measurements of financial instruments

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values. Such fair values of financial assets and financial liabilities of the Group are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

The Group

	Fair value				
	As at 31 December		As at 30 June	Fair value hierarchy	Valuation technique and key input
	2024	2025	2026		
	RMB'000	*RMB'000*	*RMB'000*		
Financial assets at FVTPL:					
Structured deposits	40,127	68,235	90,287	Level 2	Discounted cash flow, estimated based on expected return of the structured deposits.
Financial liabilities:					
Financial liabilities at FVTPL	1,774,141	2,450,780	2,745,764	Level 3	Discounted cash flow and equity allocation method, estimated based on key assumptions including discount rate and DLOM.
Convertible notes issued to Wanlian Guangsheng	–	25,511	25,740	Level 3	Binomial model based on key assumptions including Bond yield and Volatility
Convertible notes issued to Zhengjiang Fund	128,276	152,917	162,160	Level 3	Discounted cash flow and equity allocation method, estimated based on key assumptions including discount rate and DLOM.

There were no transfers between level 1 and 2 during the years ended 31 December 2024, 2025 and the six months ended 30 June 2026.

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Company's financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

The Company

	Fair value				
	As at 31 December		As at 30 June	Fair value hierarchy	Valuation technique and key input
	2024	2025	2026		
	RMB'000	*RMB'000*	*RMB'000*		
Financial liabilities:					
Financial liabilities at FVTPL	1,774,141	2,450,780	2,745,764	Level 3	Discounted cash flow and equity allocation method, estimated based on key assumptions including discount rate and DLOM.
Derivative instrument related to Zhejiang Fund	82,657	92,969	99,521	Level 3	The Binomial model, estimated based on key assumptions of discount rate.
Derivative instrument related to Wanlian Guangsheng	–	6,123	5,826	Level 3	Binomial model based on key assumptions including Bond yield and Volatility.

Note: If the discount rate had increased/decreased by 5.0% while holding all other variables constant, the fair value of financial liabilities at FVTPL and convertible loan notes issued to Zhejiang Fund would have decreased by RMB17,240,000, RMB35,664,000, RMB40,390,000 or increased by RMB18,972,000, RMB40,494,000 and RMB46,071,000 and the fair value of the derivative instrument related to Zhejiang Fund would have decreased by RMB625,000, RMB1,261,000 and RMB1,441,000 or increased by RMB683,000, RMB1,466,000 and RMB1,697,000 as at 31 December 2024 and 2025 and 30 June 2026, respectively.

If the DLOM had increased/decreased by 5.0% while holding all other variables constant, the fair value of financial liabilities at FVTPL and convertible loan notes would have decreased by RMB2,559,000, RMB3,244,000 and RMB2,311,000 or increased by RMB2,557,000, RMB3,244,000 and RMB2,312,000 as at 31 December 2024 and 2025 and 30 June 2026, respectively.

The changes in level 3 instruments for the years ended 31 December 2024, 2025 and the six months ended 30 June 2026 are detailed in notes 27 and 28.

35. RELATED PARTY DISCLOSURES

During the Track Record Period, the Group has the following material related party transactions or balances with the following parties:

Name of Entities or Individuals	Relationship with the Company
Landes Therapeutics Ltd	The shareholder of the Company
Hangzhou CoJourney	Affiliate of Ms. Wang
Ms. Shen Yue'e	Close relative of a director

Other than as disclosed elsewhere in the Historical Financial Information. the Group has following transactions with related parties:

(a) Related party transactions

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
(i) Sales of materials – Hangzhou CoJourney	3,941	222	–	–
(ii) Rental income – Hangzhou CoJourney	2,024	2,923	1,355	814
(iii) Purchase of goods and services – Hangzhou CoJourney	14,659	2,150	560	1,451
(iv) Interest income – Hangzhou CoJourney	1,939	1,389	728	589

(b) Related party balances

Details of the outstanding balances with related parties are set out in note 19, 20 and note 24.

(c) Compensation of key management personnel

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Salaries and other benefits	12,696	11,902	5,316	3,806
Share-based payments	37,159	25,339	14,838	25,499
Retirement benefit scheme contributions	471	445	271	238
	50,326	37,686	20,425	29,543

The remuneration of key management personnel (being Chairman and directors of the Company and other key management of the Group), is determined with reference to the performance of individuals and market trends.

36. FINANCIAL INFORMATION OF THE COMPANY

Movements of the Company's reserves

	Share capital	Share-based payments reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	7	130,322	(1,056,781)	(926,452)
Loss for the year	–	–	(148,793)	(148,793)
Recognition of equity-settled share-based payments	–	37,794	–	37,794
At 31 December 2024	7	168,116	(1,205,574)	(1,037,451)
Loss for the year	–	–	(763,644)	(763,644)
Recognition of equity-settled share-based payments	–	25,149	–	25,149
At 31 December 2025	7	193,265	(1,969,218)	(1,775,946)
Loss for the period	–	–	(367,810)	(367,810)
Recognition of equity-settled share-based payments	–	25,568	–	25,568
At 30 June 2026	7	218,833	(2,337,028)	(2,118,188)

37. PARTICULARS OF SUBSIDIARIES

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period and as at the date of this report are set out below.

Name of subsidiaries	Principal place of operation and incorporation, date of incorporation	Issued and paid share/registered capital				Shareholding/equity interest attributable to the Group				Principal activities
		As at 30 June	As at 31 December		As at the date of this report	As at 30 June	As at 31 December		As at the date of this report	
		2026	2025	2024		2026	2025	2024		
Directly Control										
Exegenesis Bio Co. (a)	The USA 6 January 2021	1,000 issued share and paid-in capital of USD1,000.00	1,000 issued share and paid-in capital of USD1,000.00	1,000 issued share and paid-in capital of USD1,000.00	1,000 issued share and paid-in capital of USD1,000.00	100%	100%	100%	[100%]	Research and development
Exegenesis HK limited (c)	Hong Kong 17 June 2019	10,000 issued share and paid-in capital of HKD10,000.00	10,000 issued share and paid-in capital of HKD10,000.00	10,000 issued share and paid-in capital of HKD10,000.00	10,000 issued share and paid-in capital of HKD10,000.00	100%	100%	100%	[100%]	Investment company
Exegenesis Bio Singapore Pte. Ltd. (a)	Singapore 16 December 2021	250,000 issued share and paid-in capital of nil	250,000 issued share and paid-in capital of nil	250,000 issued share and paid-in capital of nil	250,000 issued share and paid-in capital of nil	100%	100%	100%	[100%]	Investment company
Indirectly Control										
Hangzhou Exegenesis * (杭州複因生物科技有限公司)(b)(e)	The PRC 1 August 2019	Registered capital of CNY76,500,000.00 and paid-in capital of CNY67,253,928.83	Registered capital of CNY76,500,000.00 and paid-in capital of CNY67,253,928.83	Registered capital of CNY76,500,000.00 and paid-in capital of CNY67,253,928.83	Registered capital of CNY76,500,000.00 and paid-in capital of CNY67,253,928.83	100%	100%	100%	[100%]	Research and development of genetic medicines
Hangzhou Jiayin * (杭州嘉因生物科技有限公司)(b)	The PRC 5 July 2019	Registered capital of CNY2,228,478.00 and paid-in capital of CNY2,228,478.00	Registered capital of CNY2,228,478.00 and paid-in capital of CNY2,228,478.00	Registered capital of CNY1,478,478.00 and paid-in capital of CNY1,478,478.00	Registered capital of CNY2,228,478.00 and paid-in capital of CNY2,228,478.00	100%	100%	100%	[100%]	Research and development of genetic medicines
Nanjing Yinling * (南京因領生物科技有限公司)(a)	The PRC 5 July 2019	Registered capital of CNY4,126,811.00 and paid-in capital of CNY247,609.00	Registered capital of CNY4,126,811.00 and paid-in capital of CNY247,609.00	Registered capital of CNY4,126,811.00 and paid-in capital of CNY247,609.00	Registered capital of CNY4,126,811.00 and paid-in capital of CNY247,609.00	54%	54%	54%	[54%]	Research and development of micro molecule medicines
Guangzhou Jiayin Bio Ltd. * (廣州嘉因生物科技有限公司)(d)(e)	The PRC 11 November 2025	Registered capital of CNY2,000,000.00 and paid-in capital of CNY2,000,000.00	Registered capital of CNY2,000,000.00 and paid-in capital of CNY2,000,000.00	N/A	Registered capital of CNY2,000,000.00 and paid-in capital of CNY2,000,000.00	100%	N/A	100%	[100%]	Research and development of genetic medicines

* *English name is for identification purpose*

Notes:

(a) No audited financial statements were prepared for these entities for the years ended 31 December 2024, 2025 and the six months ended 30 June 2026 as there are no statutory audit requirements.

(b) The financial statements of Hangzhou Exegenesis and Hangzhou Jiayin for the year ended 31 December 2024 was prepared in accordance with the Accounting Standards for Business Enterprises and were audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP Hangzhou Branch.

(c) The financial statements of Exegenesis HK limited for the year ended 31 December 2024 was prepared in accordance with IFRS Accounting Standards issued by the HKICPA and was audited by us.

(d) On 11 November 2025, the Group established Guangzhou Jiayin Bio Ltd. ("**Guangzhou Jiayin**"), a wholly-owned subsidiary of Hangzhou Exegenesis.

(e) None of the subsidiaries had issued any debt securities at the end of the year except for Hangzhou Exegenesis and Guangzhou Jiayin which has issued approximately RMB100,000,000 and RMB20,000,000 of convertible loan notes, in which the Group has no interest, respectively.

(f) The audited financial statements of subsidiaries for the year ended 31 December 2025 have not yet been issued.

The interest in subsidiaries in Company's statement of financial position refers to:

	At 31 December		At 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest in subsidiaries using the equity method	789	–	–	4,017

38. EVENTS AFTER REPORTING PERIOD

[There are no material subsequent events undertaken by the Company or by the Group after 30 June 2026 and up to the date of this report.]

39. SUBSEQUENT FINANCIAL STATEMENTS

[No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to 30 June 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 Memorandum and Articles of Association of our Company and of certain aspects of the Cayman Islands company law.

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on 24 May 2019 under the Cayman Companies Act. Our Company's constitutional documents consist of its Memorandum of Association and its Articles of Association.

1. MEMORANDUM OF ASSOCIATION

The Memorandum states, *inter alia*, that the liability of members of our Company is limited to the amount from time to time unpaid on such member's shares and that the objects for which our Company is established are unrestricted (including acting as an investment company), and that our Company shall have and be capable of exercising any and all of the powers exercisable by a natural person or body corporate in any part of the world whether as principal, agent, contractor or otherwise and in view of the fact that our Company is an exempted company that our Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of our Company carried on outside the Cayman Islands.

2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on [●] 2026 with effect from the [**REDACTED**]. The following is a summary of certain provisions of the Articles:

(a) Shares

(i) Classes of shares

The share capital of our Company consists of ordinary shares.

(ii) Variation of rights of existing shares or classes of shares

Subject to the Cayman Companies Act, if at any time the share capital of our Company is divided into different classes of shares, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths of the voting rights of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will *mutatis mutandis* apply, but so that the necessary quorum (including at an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third of the issued shares of that class. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(iii) Alteration of capital

Our Company may by ordinary resolution of its members:

(aa) increase its share capital as provided in the Articles;

(bb) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(cc) divide its shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as our Company in general meeting or as the Board may determine;

(dd) subdivide its shares or any of them into shares of smaller amount than is fixed by the Memorandum;

(ee) cancel any shares, which at the date of passing of the resolution, have not been taken and diminish the amount of its share capital by the amount of the shares so cancelled;

(ff) make provision for the issue and allotment of shares which do not carry any voting rights;

(gg) change the currency of denomination of its share capital; and

(hh) reduce its share premium account in any manner authorised and subject to any conditions prescribed by law.

Our Company may by special resolution reduce its share capital or any capital redemption reserve or other undistributable reserve in any way and subject to any conditions prescribed by law.

(iv) Transfer of shares

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 which may be under hand or, if the transferor or transferee is a 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.

Notwithstanding the foregoing, for so long as any shares are [**REDACTED**] on the Stock Exchange, titles to such [**REDACTED**] shares may be evidenced and transferred in accordance with the laws applicable to and the Listing Rules that are or shall be applicable to such [**REDACTED**] shares. The register of members of our Company in respect of our [**REDACTED**] shares (whether the principal register or a branch register) may be kept by recording the particulars required by section 40 of the Cayman Companies Act in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the Listing Rules that are or shall be applicable to such [**REDACTED**] shares.

The instrument of transfer shall be executed 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 transferee or accept mechanically executed transfers. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of that share.

The Board may, in its absolute discretion, at any time and from time to time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

Unless the Board otherwise agrees, no shares on the principal register shall be removed to any branch register nor shall shares on any branch register be removed to the principal register or any other branch register. All removals and other documents of title shall be lodged for registration, and be registered, in the case of any shares on a branch register, at the relevant registration office, and, in the case of any shares on the principal register, at the transfer office.

The Board may decline to recognise any instrument of transfer unless a fee (not exceeding the maximum sum as the Stock Exchange may determine to be payable) determined by the Board is paid to our Company, the instrument of

transfer is properly stamped (if applicable), it is in respect of only one class of share, is lodged at the relevant registration office, the registered office or the transfer office accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require 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), and the shares are free of any lien in favour of our Company.

The registration of transfers may be suspended and the register may be closed on giving notice by advertisement in any newspaper or by any other means in accordance with the requirements of the Stock Exchange to that effect be suspended at such times and for such periods (not exceeding in the whole 30 days in any year) as the Board may determine. The period of 30 days may be extended for a further period or periods not exceeding 30 days in respect of any year if approved by members by ordinary resolution.

Fully paid shares are free from any restriction on transfer (except when permitted by the Stock Exchange) and free of all liens.

(v) Power of our Company to purchase its own shares

Our Company is empowered by the Cayman Companies Act and the Articles to purchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of our Company subject to any applicable requirements imposed from time to time by the Stock Exchange.

The Board may accept the surrender for no consideration of any fully paid shares.

(vi) Power of any subsidiary of our Company to own shares in our Company

There are no provisions in the Articles relating to the ownership of shares in our Company by a subsidiary.

(vii) Calls on shares and forfeiture of shares

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 respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at a fixed time. A call may be made payable either in one lump sum or by instalments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding 20% per annum as the Board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the monies uncalled and unpaid or instalments payable upon any shares held by him.

If a member fails to pay any call or instalment of a call on the day appointed for payment, the Board may, for so long as any part of the call or instalment remains unpaid, serve notice on the member requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment. The notice shall name a further day (not earlier than the expiration of 14 days from the date of the notice) on or before which the payment required by the notice is to be made, and shall also name the place where payment is to be made. The notice shall also state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, nevertheless, remain liable to pay to our Company all monies which, at the date of forfeiture, were payable by him to our Company in respect of the forfeited shares, together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment (including the payment of such interest) at such rate not exceeding 20% per annum as the Board may determine.

(b) Directors

(i) Appointment, retirement and removal

At each annual general meeting, one third of the Directors for the time being shall retire from office by rotation. However, 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 at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

Neither a Director nor an alternate Director is required to hold any shares in our Company by way of qualification. Further, a Director is not required to retire upon reaching any particular age.

The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director subject to the maximum number determined from time to time by the members in general meeting. Any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office only until the first annual general meeting of our Company after his appointment and shall then be eligible for re-election.

The members may by ordinary resolution remove any Director (including a managing Director or other executive Director) before the expiration of his term of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and our Company) and may by ordinary resolution appoint another person in his stead. Any Director so appointed shall be subject to the "retirement and rotation" provisions. The number of Directors shall not be less than two.

The office of a Director shall be vacated if:

(aa) he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally; or

(bb) he dies or becomes of unsound mind as determined pursuant to an order 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; or

(cc) if he absents himself from the meetings of the Board during a continuous period of six months, without special leave of absence from the Board, and his alternate Director (if any) shall not during such period have attended in his stead, and the Board pass a resolution that he has by reason of such absence vacated his office; or

(dd) he becomes prohibited by law from acting as a Director or he ceases to be a Director by operation of law or is removed pursuant to the Articles; or

(ee) he has been validly required by the stock exchange of the Relevant Territory (as defined in the Articles) to cease to be a Director and the relevant time period for application for review of or appeal against such requirement has lapsed and no application for review or appeal has been filed or is underway against such requirement; or

(ff) he resigns; or

(gg) he is removed from office by an ordinary resolution pursuant to the Articles; or

(hh) he is removed from office by notice in writing served on 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.

The Board may appoint any one or more of them to the office of managing director, joint managing director, deputy managing director or other executive director and/or such other office in the management of the business of the Company as it may decide for such period and upon such terms as it thinks fit. The Board may delegate any of its powers, authorities and discretions to committees consisting of such Director(s) and other persons as it thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed must, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

(ii) Power to allot and issue shares and warrants

Subject to the provisions of the Cayman Companies Act, the Memorandum and Articles and without prejudice to any special rights or restrictions attaching to any shares or any class of shares, (a) any share may be issued with or have attached to it such rights, or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Directors may determine; or (b) shares may be issued on the terms that may be, or at the option of our Company or the holder are, liable to be redeemed.

The Board may issue warrants to subscribe for any class of shares or other securities of our Company on such terms as the Board may determine.

Subject to the provisions of the Cayman Companies Act and the Articles and, where applicable, the Listing Rules and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in our Company are at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount to their nominal value.

Neither our Company nor the Board is obliged, when making or granting any allotment of, offer of, option over or disposal of shares or other securities of our Company, to make, or make available, any such allotment, offer, option or shares or other securities of our Company to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, and shall be deemed not to be, a separate class of members for any purpose whatsoever.

(iii) Power to dispose of the assets of our Company or any of its subsidiaries

There are no specific provisions in the Articles relating to the disposal of the assets of our Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by our Company and which are not required by the Articles or the Cayman Companies Act to be exercised or done by our Company in general meeting.

(iv) Borrowing powers

The Board may exercise all the powers of our Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and uncalled capital of our Company and, subject to the Cayman Companies Act, to issue debentures, bonds and other securities of our Company, whether outright or as collateral security for any debt, liability or obligation of our Company or of any third party.

(v) Remuneration

The Directors shall be entitled to receive, as ordinary remuneration for their services, such sums as shall from time to time be determined by the Board or our Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is voted) to be divided among the Directors in such proportions and in such manner as they may agree or, failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the ordinary remuneration is payable shall only rank in such division in proportion to the time during such period for which he has held office. The Directors are also entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in or about the performance of their duties as Directors.

Any Director who, at the request of our Company, goes or resides abroad for any purpose of our Company or who performs services which in the opinion of the Board go beyond the ordinary duties of such Director may be paid such extra remuneration as the Board may determine and such extra remuneration may be in addition to or in substitution for any ordinary remuneration as a Director. An executive Director or a Director appointed to be a managing director, joint managing director, deputy managing director or any other executive officer may receive such remuneration and such other benefits and allowances as the Board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The Board may establish, either on its own or jointly with other companies (being subsidiary companies of our Company or companies with which it is associated in business) and maintain any funds or plans for providing pensions, allowances or emoluments for employees and ex-employees of our Company and their dependants.

(vi) Compensation or payments for loss of office

Pursuant to the Articles, payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by our Company in general meeting.

(vii) Loans and provision of security for loans to Directors

Except as would, if the Company were a company incorporated in Hong Kong, be permitted by the Companies Ordinance and the Cayman Companies Act, our Company shall not directly or indirectly make a loan to a Director or a director of any holding company of our Company or any of their respective close associates, enter into any guarantee or provide any security in connection with a loan made by any person to a Director or a director of any holding company of our Company or any of their respective close associates, or, if any one or more of the Directors hold(s) (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

(viii) Disclosure of interests in contracts with our Company or any of its subsidiaries

A Director may hold any other office or place of profit with our Company (except that of the auditor of our 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 therefor in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director or other officer of, or otherwise interested in, any other company promoted by our Company or any other company in which our Company may be interested, and shall not be liable to account to our Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. The Directors may exercise the voting power conferred by the shares in any other company held or owned by our Company in such manner in all respects as they think fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

No Director or proposed or intended Director shall be disqualified by his office from contracting with our Company either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to our Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established, provided that such Director shall declare the nature of his interest in any such contract or transaction at or prior to the consideration and vote on such contract or transaction, either specifically or by way of a general notice stating that, by reason of the facts specified in such notice, he is to be regarded as interested in any such contract or transaction.

A Director shall not vote (nor shall he be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his close associates has/have a material interest, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution), but this prohibition does not apply to any of the following matters namely:

(aa) the giving of any security or indemnity either: (x) 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 our Company or any of its subsidiaries; or (y) to a third party in respect of a debt or obligation of our Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

(bb) any proposal concerning an offer of shares or debentures or other securities of or by our Company or any other company which our 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;

(cc) any proposal or arrangement concerning the benefit of employees of our Company or its subsidiaries including the adoption, modification or operation of (x) any employees' share scheme, or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or (y) a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his close associates and employees of our Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates; and

(dd) 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 or debentures or other securities of our Company by virtue only of his/their interest in shares or debentures or other securities of our Company.

(c) Proceedings of the Board

The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. 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.

(d) Alterations to constitutional documents and our Company's name

To the extent that the same is permissible under Cayman Islands law and subject to the Articles, a special resolution shall be required to alter the provisions of the Memorandum, to approve any amendment of the Articles or to change the name of our Company.

(e) Meetings of members

(i) Special and ordinary resolutions

A special resolution of our Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

Under the Cayman Companies Act, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within 15 days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of our Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

(ii) Voting rights and right to demand a poll

Subject to any special rights or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every share of which he is the holder which is fully paid or credited as fully paid but so that no amount paid up or credited as paid up on a share in advance of calls or instalments shall be treated for the purposes of the Articles as paid on the share. On a poll, a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by 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. On a show of hands every member who is present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall (save as provided otherwise in the Articles) have one vote. Votes (whether on a show of hands or by way of poll) may be cast by such means, electronic or otherwise, as the Directors or the chairman of the meeting may determine.

Where a clearing house (or its nominee(s)) is a member of our Company, it may (subject to the Articles) authorise such person or persons as it thinks fit to act as its representative or representatives, at any meeting (including but not limited to any general meeting, creditors meeting or at any meeting of any class of members) of our 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 authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the clearing house (or its nominee(s)) as if such person were an individual member including the right to speak and vote, and where a show of hands is allowed, the right to vote individually on a show of hands.

Members must have the right to: (i) speak at general meetings of our Company; and (ii) vote at a general meeting except where a member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.

Where our Company has any knowledge that 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.

(iii) Annual general meetings and extraordinary general meetings

In each financial year during the Relevant Period (as defined in the Articles), our Company shall hold an annual general meeting within six months after the end of each financial year in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it.

Extraordinary general meetings shall be convened on the requisition of one or more members holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of our Company having the right of voting at general meetings, on a one vote per share basis in the share capital of our Company and the foregoing members shall be able to add resolutions to the meeting agenda. Such requisition shall be made in writing to the Board or the secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by our Company.

A meeting of the members or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meetings. Unless otherwise determined by the Directors, the manner of convening and the proceedings at a general meeting set out in the Articles shall, *mutatis mutandis*, apply to a general meeting held wholly by or in-combination with electronic means.

(iv) Notices of meetings and business to be conducted

An annual general meeting shall be called by a notice in writing of not less than 21 days. All other general meetings shall be called by notice in writing of at least 14 days. 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 shall specify the time and place and the agenda of the meeting and particulars of resolutions to be considered at the meeting and, in the case of special business, the general nature of that business.

In addition, notice of every general meeting must be given to all members of our Company other than to such members as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from our Company, and also to, among others, the auditors for the time being of our Company.

Any notice or document to be given to or by any person pursuant to the Articles may be served on or delivered to any member of our Company personally, by post to such member's registered address or by advertisement in newspapers in accordance with the requirements of the Stock Exchange. Subject to the Cayman Companies Act and the Listing Rules, a notice or document may also be served or delivered by our Company to any member by electronic means.

All business that is transacted at an extraordinary general meeting shall be deemed special. All business shall be deemed special that is transacted at an annual general meeting with the exception of the following, each of which shall be deemed an ordinary business:

(aa) the declaration and sanctioning of dividends;

(bb) the consideration and adoption of the accounts and balance sheets and the reports of the Directors and the auditors and other documents required to be annexed to the balance sheets;

(cc) the election of Directors whether by rotation or otherwise in place of those retiring;

(dd) the appointment of auditors and other officers;

(ee) the fixing of, or the determining of the method of fixing of the remuneration of the Directors and of the auditors;

(ff) the granting of any mandate or authority to the Board to offer, allot, grant options over, or otherwise dispose of the unissued shares representing not more than 20% (or such other percentage as may from time to time be specified in the Listing Rules) in nominal value of its then existing issued share capital and the number of any securities repurchased pursuant to paragraph (gg); and

(gg) the granting of any mandate or authority to the Board to repurchase securities of our Company.

(v) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless the requisite quorum is present at the time 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 (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 (including an adjourned meeting) convened to sanction the modification 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.

(vi) Proxies

Any member of our Company entitled to attend and vote at a meeting of our Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. 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 our Company or at a class meeting. A proxy need not be a member of our Company and is entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, every member being a corporation shall be entitled to appoint a representative to attend and vote at any general meeting of our Company and, where a corporation is so represented, it shall be treated as being present at any meeting in person. A corporation may execute a form of proxy under the hand of a duly authorised officer and such a proxy is 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 an individual member. On a poll or 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.

(f) Accounts and audit

The Board shall cause true accounts to be kept of the sums of money received and expended by our Company, and the matters in respect of which such receipt and expenditure take place, and of the assets and liabilities of our Company and of all other matters required by the Cayman Companies Act or necessary to give a true and fair view of the state of our Company's affairs and to show and explain its transactions.

The accounting records shall be kept at the head office or at such other place or places as the Board thinks fit and shall always be open to inspection by the Directors. No member (other than a Director) or other person shall have any right to inspect any account or book or document of our Company except as conferred by the Cayman Companies Act or ordered by a court of competent jurisdiction or authorised by the Board or our Company in general meeting. However, an exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority of the Cayman Islands pursuant to the Tax Information Authority Act of the Cayman Islands.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before our Company at its annual general meeting, together with a copy of the Directors' report and a copy of the auditors' report, shall not less than 21 days before the date of the meeting and at the same time as the notice of annual general meeting be sent to every person entitled to receive notices of general meetings of our Company under the provisions of the Articles; however, subject to compliance with the Cayman Companies Act and all applicable rules, including the Listing Rules, our Company may send to such persons summarised financial statements derived from our Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on our Company, demand that our Company sends to him, in addition to summarised financial statements, a complete printed copy of our Company's annual financial statement and the Directors' report thereon.

At the annual general meeting in each year, the members shall by ordinary resolution appoint an auditor to audit the accounts of our Company and such auditor shall hold office until the next annual general meeting. Moreover, the members may, at any general meeting, by ordinary resolution remove the auditor at any time before the expiration of his term of office and shall, by ordinary resolution, at that meeting appoint another auditor for the remainder of his term. The remuneration of the auditors shall be fixed and approved by our Company by an ordinary resolution passed at a general meeting or in such manner as the members may by ordinary resolution determine.

The auditor shall audit the financial statements of our Company in each year in accordance with generally accepted auditing standards and prepare an auditors' report thereon to be annexed thereto. Such report shall be submitted to the members and laid before our Company in the annual general meeting.

(g) Dividends and other methods of distribution

Our Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Board.

The Articles provide dividends may be declared and paid out of the profits of our Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed. With the sanction of an ordinary resolution, dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Cayman Companies Act.

Unless and to the extent that the rights attaching to, or the terms of issue of, any share may otherwise provide: (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share; and (ii) all dividends shall be (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Board may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to our Company on account of calls or otherwise.

Whenever the Board or our Company in general meeting has resolved that a dividend be paid or declared on the share capital of our Company, the Board may further resolve either (i) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, 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 (ii) that members entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit.

Our Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of our Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Unless otherwise directed by the Board, any dividend, interest or other moneys payable in cash to the holder of shares may be paid by cheque or warrant sent through post. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to our Company. Any one of two or more joint holders may give effectual receipts for any dividends and other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever the Board or our Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends, bonuses or other distributions or the proceeds of the realisation of any of the foregoing unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of our Company until claimed and our Company shall not be constituted a trustee in respect thereof. All dividends or bonuses or other distributions unclaimed for six years after having been declared may be forfeited by the Board and shall revert to our Company.

No dividend or other monies payable by our Company on or in respect of any share shall bear interest against our Company.

(h) Inspection of corporate records

Pursuant to the Articles, our Company's register and branch register of members shall be open to inspection during business hours by any members without charge, or by any other person upon a maximum payment of HK$2.50 or such lesser sum specified by the Board, at the registered office or such other place at which the register is kept in accordance with the Cayman Companies Act or, upon a maximum payment of HK$1.00 or such lesser sum specified by the Board, at the office where the branch register of members is kept, except the register is closed in accordance with the Articles.

(i) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of our Company under Cayman Islands law, as summarised in paragraph 3(f) of this Appendix III.

(j) Procedures on liquidation

Subject to the Cayman Companies Act, our Company may at any time and from time to time be wound up voluntarily by a special resolution.

Subject to any special 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:

(i) if our Company is wound up and the assets available for distribution amongst the members of our Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the surplus assets remaining after payment to all creditors shall be distributed *pari passu* and divided among the members in proportion to the amount paid up on the shares held by them respectively; and

(ii) if our Company is wound up and the assets available for distribution amongst the members shall be insufficient to repay the whole of the paid-up capital, they 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 which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If our Company is wound up (whether the liquidation be voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Cayman Companies Act, divide among the members in specie or kind the whole or any part of the assets of our Company whether the assets shall consist of property of one kind or shall consist of properties of 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 divided as aforesaid 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 authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no members shall be compelled to accept any shares or other assets upon which there is a liability.

(k) Subscription rights reserve

The Articles provide that to the extent that they are not prohibited by and are in compliance with the Cayman Companies Act, if warrants to subscribe for shares have been issued by our Company and our Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the nominal value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the nominal value of a share on any exercise of the warrants.

3. CAYMAN ISLANDS COMPANY LAW

Our Company is incorporated in the Cayman Islands subject to the Cayman Companies Act and, therefore, operates subject to Cayman Islands law. Set out below is a summary of certain provisions of the Cayman company law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the Cayman Islands company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar. For the avoidance of doubt, special resolution used in the below summary shall have the meaning as set out in the Cayman Companies Act.

(a) Company operations

As an exempted company, our Company's operations must be conducted mainly outside the Cayman Islands. The Company is 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.

(b) Share capital

The Cayman Companies Act provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums 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 premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium.

The Cayman Companies Act provides that the share premium account may be applied by a company subject to the provisions, if any, of its memorandum and articles of association in (i) paying distributions or dividends to members; (ii) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (iii) the redemption and repurchase of shares (subject to the provisions of section 37 of the Cayman Companies Act); (iv) writing-off the preliminary expenses of the company; and (v) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

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.

The Cayman Companies Act provides that, 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, by special resolution reduce its share capital in any way (i) by special resolution and confirmation by the Grand Court of the Cayman Islands (the "**Court**"); or (ii) by special resolution supported by a solvency statement in accordance with section 14A of the Cayman Companies Act.

(c) Financial assistance to purchase shares of a company or its holding company

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

(d) 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 shareholder and the Cayman Companies Act expressly provides that 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. However, if the articles of association do not authorise the manner and terms of purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorised by an ordinary resolution of the company. At no time may a company redeem or purchase its shares unless they are fully paid. 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. 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 purchased by a company are to be treated as cancelled unless, subject to the memorandum and articles of association of the company, the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the purchase. Where shares of a company are held as treasury shares, the company shall be entered in the register of members as holding those shares, however, notwithstanding the foregoing, the company is not to be treated as a member for any purpose and must not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void, and a treasury share must not be voted, directly or indirectly, at any meeting of the company and must not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company's articles of association or the Cayman Companies Act.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

The Cayman Companies Act permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account. With the exception of the foregoing, there are no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits.

No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of a company's assets (including any distribution of assets to members on a winding up) may be made to the company, in respect of a treasury share.

(f) Protection of minorities and shareholders' suits

The Court ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (i) an act which is ultra vires the company or illegal; (ii) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company; and (iii) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having 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 into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder 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 or, as an alternative to a winding up order: (i) an order regulating the conduct of the company's affairs in the future; (ii) an order requiring the company to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do; (iii) an order authorising civil proceedings to be brought in the name and on behalf of the company by the shareholder petitioner on such terms as the Court may direct; or (iv) an order providing for the purchase of the shares of any shareholders of the company by other shareholders or by the company itself and, in the case of a purchase by the company itself, a reduction of the company's capital accordingly.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

(g) Disposal of assets

The Cayman Companies Act contains no specific restrictions on the power of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(h) Accounting and auditing requirements

A company must cause proper books of account to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company; and (iii) the assets and liabilities of the company.

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.

An exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority of the Cayman Islands pursuant to the Tax Information Authority Act of the Cayman Islands.

(i) Exchange control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

(j) 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 executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are a party to a double tax treaty entered into with the United Kingdom in 2010 but otherwise is not party to any double tax treaties.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision in the Cayman Companies Act prohibiting the making of loans by a company to any of its directors.

(m) Inspection of corporate records

The notice of registered office is a matter of public record. A list of the names of the current directors and alternate directors (if applicable) is made available by the Registrar of Companies for inspection by any person on payment of a fee. The register of mortgages is open to inspection by creditors and members.

Members of the Company have no general right under the Cayman Companies Act 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.

(n) Register of members

An exempted company may maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. The register of members shall contain such particulars as required by section 40 of the Cayman Companies Act. A branch register must be kept in the same manner in which a principal register is by the Cayman Companies Act required or permitted to be kept. The company shall cause to be kept at the place where the company's principal register is kept a duplicate of any branch register duly entered up from time to time.

There is no requirement under the Cayman Companies Act for an exempted company to make any returns of members to the Registrar of Companies of 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 members, as

may be required of it upon service of an order or notice by the Tax Information Authority of the Cayman Islands pursuant to the Tax Information Authority Act of the Cayman Islands.

(o) Register of directors and officers

A company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within 30 days of any change in such directors or officers.

(p) Beneficial ownership register

An exempted company is required to identify its beneficial owners and provide details of these beneficial owners to its corporate service provider (the "**CSP**") which maintain its beneficial ownership register in the Cayman Islands. A beneficial owner is defined as an individual who (a) ultimately owns or controls, whether through director or indirect ownership or control 25% or more of the shares, voting rights, or partnership interests in the company, (b) otherwise exercises ultimate effective control over the management of the company, or (c) is identified as exercising control of the company through other means. The beneficial ownership register is not a public document and is only accessible by a designated competent authority of the Cayman Islands although the Cayman Islands government may introduce regulations to allow for public access in the future. An exempted company with its shares listed on an approved stock exchange, which includes the Stock Exchange, may provide its registered office provider with details of its listed status as an alternative compliance route instead of providing details of its beneficial owners. Accordingly, as long as the shares of the Company remain listed on the Stock Exchange, the Company may opt for this alternative compliance route rather than maintain a beneficial ownership register.

(q) Winding up

A company may be wound up (i) compulsorily by order of the Court; (ii) voluntarily; or (iii) under the supervision of the Court.

The Court has authority to order winding up in a number of specified circumstances including where the members of the company have passed a special resolution requiring the company to be wound up by the Court, or where the company is unable to pay its debts, or where it is, in the opinion of the Court, just and equitable to do so. Where a petition is presented by members of the company as contributories on the ground that it is just and equitable that the company should be wound up, the Court has the jurisdiction to make certain other orders as an alternative to a winding-up order, such as making an order regulating the conduct of the company's affairs in the future, making an order authorising civil proceedings to be brought in the name and on behalf of the company by the petitioner on such terms as the Court may direct, or making an order providing for the purchase of the shares of any of the members of the company by other members or by the company itself.

A company (save with respect to a limited duration company) may be wound up voluntarily when the company so resolves by special resolution or when the company in general meeting resolves by ordinary resolution that it be wound up voluntarily because it is unable to pay its debts. In the case of a voluntary winding up, such company is obliged to cease to carry on its business (except so far as it may be beneficial for its winding up) from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

For the purpose of conducting the proceedings in winding up a company and assisting the Court therein, there may be appointed an official liquidator or official liquidators; and the court may appoint to such office such person, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court must 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.

As soon as the affairs of the 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 how the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. This final general meeting must be called by at least 21 days' notice to each contributory in any manner authorised by the company's articles of association and published in the Gazette.

(r) Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by (i) 75% in value of shareholders or class of shareholders, or (ii) a majority in number representing 75% in value of creditors, as the case may be, as are present at a meeting called for such purpose and thereafter sanctioned by the Court. Whilst a dissenting shareholder would have the right to express to the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management.

The Cayman Companies Act also contains statutory provisions which provide that a company may present a petition to the Court for the appointment of a restructuring officer on the grounds that the company (i) is or is likely to become unable to pay its debts within the meaning of section 93 of the Cayman Companies Act; and (ii) intends to present a compromise or arrangement to its creditors (or classes thereof) either, pursuant to the Cayman Companies Act, the law of a foreign country or by way of a consensual restructuring. The petition may be presented by a company acting by its directors, without a resolution of its shareholders or an express power in its articles of association. On hearing such a petition, the Court may, among other things, make an order appointing a restructuring officer or make any other order as the Court thinks fit.

(s) Take-overs

Where an offer is made by a company for the shares of another company and, the holders of not less than 90% in value of the shares which are the subject of the offer accept, the offeror may at any time within two months after the approval by the said holders, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one month of the notice objecting to the transfer. The burden is on the dissenting shareholder 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 shareholders.

(t) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Court to be contrary to public policy (e.g., for purporting to provide indemnification against the consequences of committing a crime).

(u) Economic substance requirements

Pursuant to the International Tax Cooperation (Economic Substance) Act (As Revised) of the Cayman Islands (the "**ES Act**") that came into force on 1 January 2019, a "relevant entity" is required to satisfy the economic substance test set out in the ES Act. A "relevant entity" includes an exempted company incorporated in the Cayman Islands as is the Company; however, it does not include an entity that is tax resident outside the Cayman Islands. Accordingly, for so long as the Company is a tax resident outside the Cayman Islands, including in Hong Kong, it is not required to satisfy the economic substance test set out in the ES Act.

4. GENERAL

Ogier, our Company's legal counsel as to Cayman Islands law, have sent to our Company a letter of advice summarising certain aspects of Cayman Islands company law. This letter, together with a copy of the Cayman Companies Act, is available on display as referred to in the paragraph headed "Documents to be Delivered to the Registrar of Companies and on Display — Documents available on display" in Appendix V to this document. Any person wishing to have a detailed summary of Cayman Islands company law 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 COMPANY

1. Incorporation

Our Company was incorporated in the Cayman Islands under the Companies Act as an exempted company with limited liability on May 24, 2019. Our Company has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on February 9, 2026 and our Company's principal place of business in Hong Kong is at 46/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Ms. Ho Wing Nga of 46/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong has been appointed as the authorized representative of our Company for the acceptance of service of process and notices in Hong Kong.

As our Company was incorporated in the Cayman Islands, our operation is subject to the relevant law of the Cayman Islands and its constitution which comprises a memorandum of association and the articles of association. A summary of the relevant aspects of the Companies Act and certain provisions of Articles of Association is set out in Appendix III to this document.

2. Changes in share capital of our Company

There has been no alteration in the share capital of our Company within two years immediately preceding the date of this document.

Immediately following completion of the Conversion and the [**REDACTED**], assuming that the [**REDACTED**] is not exercised and without taking into account any Shares that may be issued under the Pre-[**REDACTED**] Equity Incentive Plan or the Convertible Loan Agreements, the authorized share capital of our Company will be US$50,000 divided into 5,000,000,000 Shares of a par value of US$0.00001 each, of which 383,433,811 Shares will be issued fully paid or credited as fully paid, and 4,616,566,189 Shares will remain unissued. Other than pursuant to the general mandate to issue Shares referred to in the paragraph headed "— A. Further Information about Our Company — 4. Written resolutions of the then Shareholders passed on [●] 2026" in this Appendix, the Directors do not have any present intention to issue any of the authorized but unissued share capital of our Company and, without prior approval of our Shareholders in general meetings, no issue of Shares will be made which would effectively alter the control of our Company.

3. Changes in share capital of our subsidiaries

Our Company's subsidiaries are referred to in the accountants' report, the text of which is set out in Appendix I to this document.

Save as disclosed below, there has been no alternation in the share capital of our subsidiaries within two years immediately preceding the date of this document.

Nanjing Yinling

On July 11, 2024, the registered capital of Nanjing Yinling increased from RMB2,228,478 to RMB4,126,811.

4. Written resolutions of the then Shareholders passed on [●], 2026

Pursuant to the written resolutions of the then Shareholder entitled to vote at general meetings of our Company, which were passed on [●], among others:

(a) the Memorandum of Association and the Articles of Association were approved and conditionally adopted in substitution for and to the exclusion of the then effective amended and restated memorandum and articles of association of our Company with effect from the [**REDACTED**];

(b) conditional on (i) the Stock Exchange granting the approval for the [**REDACTED**] of, and permission to deal in, the Shares in issue and Shares to be issued and allotted as mentioned in this document including the Shares which may be issued and allotted pursuant to the full conversion of the loans under the Convertible Loan Agreements and the exercise or vesting of any awards under the Pre-[**REDACTED**] Equity Inventive Plan; (ii) the [**REDACTED**] having been duly determined; (iii) the obligations of the [**REDACTED**] under the [**REDACTED**] becoming unconditional and not being terminated in accordance with the terms of such agreement (or any conditions as specified in this document), in each case on or before the dates and times specified in the [**REDACTED**]; and (iv) the [**REDACTED**] having been duly executed by the [**REDACTED**] and our Company:

(i) the [**REDACTED**] was approved and our Directors were authorized to issue and allot the [**REDACTED**] pursuant to the [**REDACTED**], and our Directors were authorized to determine the [**REDACTED**] for, and to allot and issue the [**REDACTED**];

(ii) a general unconditional mandate was given to our Directors to exercise all powers of our Company to allot, issue and deal with Shares or securities convertible into Shares and to make or grant offers, agreements or options which would or might require Shares to be allotted, issued or dealt with, otherwise than pursuant to the [**REDACTED**] or pursuant to a right issue or pursuant to the exercise of any subscription rights attaching to any warrants or any option scheme or similar arrangement which may be allotted and issued by our Company from time to time on a specific authority granted by the Shareholders in general meeting or, pursuant to the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles, Shares not exceed 20% of the aggregate number of issued Shares immediately following completion of the [**REDACTED**], such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles or any applicable laws, or until revoked or varied by an ordinary resolution of Shareholders in general meeting, whichever is the earliest;

(iii) a general unconditional mandate (the "**Repurchase Mandate**") was given to our Directors to exercise all powers of our Company to repurchase its own Shares on the Stock Exchange or on any other approved 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 in accordance with all applicable laws and the requirements of the Listing Rules and of any other stock exchange (as applicable), such number of Shares will represent up to 10% of the number of the Shares in issue immediately following the completion of the [**REDACTED**], such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles or any applicable laws, or until revoked or varied by an ordinary resolution of Shareholders in general meeting, whichever occurs first; and

(iv) the general mandate as mentioned in paragraph (ii) above be extended by the addition to the number of Shares which may be allotted, issued or agreed conditionally or unconditionally to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the number of Shares repurchased by the Company pursuant to the Repurchase Mandate referred to in paragraph (iii) above.

5. Repurchase of our Shares

This section includes information relating to the repurchases of securities, including information required by the Stock Exchange to be included in this document concerning such repurchase.

(a) Provisions of the Listing Rules

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important restrictions are summarized below:

(i) Shareholders' approval

All proposed repurchase of Shares must be approved in advance by an ordinary resolution of our Shareholders in a general meeting, either by way of general mandate or by specific approval in relation to a particular transaction.

Pursuant to the written resolutions of all Shareholders passed on [●] 2026, a general unconditional mandate (the "**Repurchase Mandate**") was given to our Directors to exercise all powers of our Company to repurchase Shares (Shares which may be listed on the Stock Exchange) with a total nominal value of not more than 10% of the aggregate nominal value of our share capital in issue or to be issued immediately following completion of the [**REDACTED**], further details of which have been described above in the paragraph headed "A. Information about our Company — 4. Written resolutions of the then Shareholders passed on [●] 2026" in this appendix.

(ii) Source of funds

Any repurchase of Shares by us must be paid out of funds legally available for the purpose in accordance with our Articles of Association, the Listing Rules and the Companies Act. We are not permitted to repurchase our 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 from time to time.

(iii) Shares to be repurchased

The Listing Rules provide that the Shares which are proposed to be bought-back by us must be fully-paid up.

(b) Reasons for repurchases

Our Directors believe that it is in the best interests of our Company and our Shareholders for our Directors to have general authority from our Shareholders to enable them to repurchase Shares in the market. Such repurchase 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 repurchase will benefit our Company and our Shareholders.

(c) Funding of repurchase

In repurchasing Shares, we may only apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws and regulations of the Cayman Islands.

On the basis of our Company's current financial position as disclosed in this document and taking into account its current working capital position, our Directors consider that, if the Repurchase Mandate is exercised in full, it might have a material adverse effect on our working capital and/or gearing position as compared with the position disclosed in this document. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as it would, in the circumstances, have a material adverse effect on our working capital requirements or the gearing levels which in the opinion of our Directors are from time to time appropriate for us.

(d) General

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) currently intends to sell any Shares to us.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws and regulations of the Cayman Islands.

If, as a result of any repurchase of Shares, a shareholder's proportionate interest in the voting rights is increased, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a shareholder or a group of shareholders acting in concert could obtain or consolidate control of us and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchase pursuant to the Repurchase Mandate.

We have not made any repurchase of our own securities in the past six months.

No core connected person (as defined in the Listing Rules) has notified us that he/she has a present intention to sell Shares to us, or has undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

Our Group has entered into the following contracts (not being contract entered into in the ordinary course of business) within the two years immediately preceding the date of this document that are or may be material:

(a) Zhejiang Fund Convertible Loan Agreement;

(b) Wanlian Guangsheng Convertible Loan Agreement;

(c) the agreement dated January 6, 2026 entered into among our Company, Exegenesis HK Limited, Exegenesis Bio Co., Exegenesis Bio Singapore Pte. Ltd., Hangzhou Exegenesis, Nanjing Yinling Biotech Co., Ltd. (南京因領生物科技有限公司), Hangzhou CoJourney, Guangzhou Jiayin Biotech Co., Ltd., Hangzhou Jiayin, Landes Therapeutics Ltd, Dr. Wu, Ms. Wang, Mr. Ye and the Pre-[**REDACTED**] Investors, pursuant to which certain terms of shareholders' agreement dated August 16, 2022 were amended; and

(d) the [**REDACTED**].

2. Intellectual Property Rights

As at the Latest Practicable Date, the following intellectual property rights are material to our Group's business:

(a) Trademarks

As at the Latest Practicable Date, our Group had registered the following trademarks which, in the opinion of our Directors, are material to our business:

No.	Trademark	Registered owner	Class	Registration number	Registration date	Expiry date
1	Exegenesis	Hangzhou Jiayin	5	41074311	May 7, 2020	May 6, 2030
2	Exegenesis	Hangzhou Jiayin	44	41080495	May 7, 2020	May 6, 2030
3		Hangzhou Exegenesis	44	56583633	December 28, 2021	December 27, 2031
4		Hangzhou Exegenesis	44	52288699	September 21, 2021	September 20, 2031
5	RtAAV	Hangzhou Jiayin	44	83226392	July 28, 2025	July 27, 2035
6	RtAAV	Hangzhou Jiayin	5	83225773	July 27, 2025	July 27, 2035
7	RtAAV	Hangzhou Jiayin	42	83219357	July 28, 2025	July 27, 2035
8	AAVarta	Hangzhou Exegenesis	44	58932549	February 28, 2022	February 27, 2032
9	AAVarta	Hangzhou Exegenesis	5	58930690	February 28, 2022	February 27, 2032
10	AAVarta	Hangzhou Exegenesis	42	58916514	February 28, 2022	February 27, 2032
11	AAVarta	Hangzhou Exegenesis	10	58914267	February 28, 2022	February 27, 2032
12		Exegenesis HK Limited	5, 35, 42	307105185	November 25, 2025	November 24, 2035
13	因领	Hangzhou Exegenesis	5	88435622	May 21, 2026	May 20, 2036

As at the date of this document, an application has been made for the registration of trademarks in Hong Kong which, in the opinion of our Directors are material to our business:

No.	Trademark	Registered Owner	Place of registration	Class	Application number	Application date
1	嘉因生物	Exegenesis HK Limited	Hong Kong	5, 35, 42	TM246045	November 24, 2025

(b) Patents

As at the Latest Practicable Date, we have registered the following patents in the PRC which, in the opinion of our Directors are material in relation to our Company's business:

No.	Patent Name	Patentee(s)	Patent No.	Patent Type	Date of Application
1	Polynucleotides for the treatment of phenylketonuria (用於治療苯丙酮尿症的多核苷酸)	Hangzhou Jiayin, Hangzhou Exegenesis and Binjiang Institute of Zhejiang University (浙江大學濱江研究院)	ZL202411746383.7	Invention	November 29, 2024
2	Fusion molecules targeting VEGF and angiopoietin and their applications (靶向VEGF和血管生成素的融合分子及其用途)	Hangzhou Jiayin	ZL202280031671.7	Invention	March 30, 2022
3	A viral packaging plasmid and its applications (一種病毒包裝質粒及其應用)	Hangzhou Jiayin	ZL202411451265.3	Invention	October 17, 2024
4	Nucleic acid constructs and their use in treating spinal muscular atrophy (核酸構建體及其用於治療脊髓性肌肉萎縮症的用途)	Hangzhou Jiayin	ZL202180067807.5	Invention	August 4, 2021
5	Construction and Application of Induced Stable Cell Lines with Downregulated Endogenous SMN (下調內源性SMN的誘導型穩定細胞株的構建及其應用)	Hangzhou Jiayin	ZL202411190181.9	Invention	August 28, 2024
6	A sterile isolator (一種無菌隔離器)	Hangzhou Jiayin	ZL202120089040.3	Design	January 13, 2021
7	Fusion molecules targeting VEGF and angiopoietin and their Applications (靶向VEGF和血管生成素的融合分子及其用途)	Hangzhou Jiayin	MOJ009639	Invention	July 18, 2025

(c) Domain Names

As at the Latest Practicable Date, we have registered the following domain names which, in the opinion of our Directors are material to our business:

No.	Domain name	Registrant	Date of registration	Expiration date
1	exegenesisbio.com	Hangzhou Jiayin	October 21, 2019	October 21, 2030
2	exegenesisbioinc.com	Hangzhou Jiayin	March 14, 2023	March 14, 2027

(d) Software Copyrights

As at the Latest Practicable Date, we have registered the following copyrights which, in the opinion of our Directors are material to our business:

No.	Copyright	Registrant	Registration number	Registration date
1	Artificial Intelligence Algorithm-Based Gene and Cell Therapy Application System V1.0 (基於人工智能算法的基因和細胞療法應用系統V1.0)	Hangzhou Jiayin	2020SR6431993	November 24, 2020
2	Bioinformatics and Artificial Intelligence Algorithm-Based Gene Expression Regulation System V1.0 (基於生物信息學和人工智能算法的基因表達調控系統V1.0)	Hangzhou Jiayin	2020SR6431994	November 24, 2020

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of interest

(1) Disclosure of interests of Directors and chief executive of our Company

The following table sets out the interests and short positions of our Directors and chief executive of our Company immediately following completion of the Conversion and the [**REDACTED**] in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in 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 entered in the register referred to therein, or which will be required to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, once our Shares are [**REDACTED**]:

Interests and short positions in the Shares, underlying Shares and debentures and associated corporations:

Name	Capacity/Nature of Interest	Type of Shares	Number of Shares	Approximate Percentage of Interest in the Total Share Capital of our Company Upon the Completion of the Conversion and the [REDACTED][(1)]
Dr. Wu	Interest in controlled corporation[(2)]	Ordinary Shares	[**REDACTED**]	[**REDACTED**]%
	Beneficial owner[(3)]	Ordinary Shares	[**REDACTED**]	[**REDACTED**]%
Dr. Ye	Beneficial owner[(4)]	Ordinary Shares	[**REDACTED**]	[**REDACTED**]%
Dr. Song	Beneficial owner[(5)]	Ordinary Shares	[**REDACTED**]	[**REDACTED**]%

Notes:

(1) Assuming the [**REDACTED**] is not exercised and without taking into account any Shares which may be issued upon the exercise or vesting of any awards under the Pre-[**REDACTED**] Equity Incentive Plan or any conversion of loans under the Convertible Loan Agreements.

(2) Landes Therapeutics Ltd is owned as to 54.87% by Dr. Wu. Dr. Wu is therefore deemed to be interested in the 101,566,880 Shares beneficially owned by Landes Therapeutics under the SFO.

(3) Represents the [35,519,125] Share Options granted to Dr. Wu pursuant to the Pre-[**REDACTED**] Equity Incentive Plan.

(4) Represents the 10,992,842] Share Options granted to Dr. Ye pursuant to the Pre-[**REDACTED**] Equity Incentive Plan.

(5) Represents the [6,752,712] Share Options granted to Dr. Song pursuant to the Pre-[**REDACTED**] Equity Incentive Plan.

(2) Substantial Shareholders

Save as disclosed in the section headed "Substantial Shareholders" in this document, immediately following the completion of the Conversion and the [**REDACTED**], our Directors are not aware of any other person (not being a Director or chief executive of our Company) who will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

2. Particulars of the Directors' Service Contracts

Each of our Directors [entered] into a service contract or a letter of appointment with our Company. The service contracts and letters of appointment may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations.

3. Remuneration of Directors

For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, the aggregate amounts of emoluments (including salaries, bonus and other benefits, retirement benefit scheme contributions and share-based payments) granted to our Directors was RMB45.0 million, RMB33.6 million and RMB28.7 million, respectively.

Save as disclosed in this document, no other emoluments have been paid or are payable, in respect of the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 by us to our Directors.

Under the arrangements currently in force, we estimate that the aggregate amounts of emoluments (including salaries, bonus and other benefits, retirement benefit scheme contributions and share-based payments) payable to our Directors (including the emolument of Ms. Song Chunjuan who became our Director on January 6, 2026) for the year ending December 31, 2026 will be approximately RMB68.2 million.

4. Agency fees or commissions received

Save as disclosed in the section headed "[**REDACTED**] — [**REDACTED**]" in this document, no commissions, discounts, agency fee, brokerages or other special terms in connection with the issue or sale of any capital of any member of our Group was granted within the two years immediately preceding the date of this document.

5. Disclaimers

Save as disclosed in this document:

(a) Save as disclosed in the paragraph headed "C. Further Information about our Directors, and Substantial Shareholders" in this Appendix, none of our Directors or our chief executive has any interest or short position in the Shares, underlying Shares or debentures of us or any of our associated corporations (within the meaning of Part XV the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to us and the Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Issuers once the Shares are [**REDACTED**] on the Stock Exchange;

(b) Save as disclosed in the section headed "Relationship with Controlling Shareholders", none of our Directors is a director or employee of a company which is expected to have an interest in the Shares falling to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO once the Shares are [**REDACTED**] on the Stock Exchange;

(c) Save as disclosed in the section headed "History, Reorganization and Corporate Structure" in this document, none of our Directors nor any of the parties listed in the section headed "D. Other Information — 8. Qualifications and Consents of Experts" in this Appendix is interested in the promotion of our Company, 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 our Company or any of our subsidiaries, or are proposed to be acquired or disposed of by or leased to our Company or any of our subsidiaries;

(d) Save as disclosed in the section headed "Connected Transactions", none of our Directors nor any of the parties listed in the section headed "E. Other Information — 8. Qualifications and Consents of Experts" in this Appendix is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our business;

(e) Save in connection with the [**REDACTED**], none of the parties listed in the section headed "E. Other Information — 8. Qualifications and Consents of Experts" in this Appendix: (i) is interested legally or beneficially in any securities of our Company or any of our subsidiaries; or (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of our Company or any of our subsidiaries; and

(f) None of our Directors or their respective close associates (as defined in the Listing Rules) or the existing Shareholders (who, to the knowledge of our Directors, owns more than 5% of our issued share capital) has any interest in any of the five largest customers or the five largest suppliers of our Group in each year during the Track Record Period.

D. PRE-[REDACTED] EQUITY INCENTIVE PLAN

The following is a summary of the principal terms of the Pre-[**REDACTED**] Equity Incentive Plan adopted by a resolution of the Board on July 30, 2022. The terms of the Pre-[**REDACTED**] Equity Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules as the Pre-[**REDACTED**] Equity Incentive Plan will not involve the grant of options by us to subscribe for new Shares once we have become a [**REDACTED**] issuer.

1. Purpose of the Pre-[REDACTED] Equity Incentive Plan

The purpose of the Pre-[**REDACTED**] Equity Incentive Plan is to advance the interests of our Company's shareholders by enhancing our Company's ability to attract, retain and motivate persons who make (or are expected to make) important contributions to our Company by providing such persons with equity ownership opportunities and thereby better aligning the interests of such persons with those of our Company's shareholders.

2. Participants and the Basis of Determining Eligibility

The Administrator (as defined below) may, from time to time, grant Awards under the Pre-[**REDACTED**] Equity Incentive Plan to any employees, directors (including executive and non-executive directors) and consultants of our Company or any of its subsidiaries who, in the absolute discretion of the Administrator, has contributed or will contribute to our Group (collectively, "**Eligible Participants**").

The Pre-[**REDACTED**] Equity Incentive Plan is administered by the Board or a committee duly authorized by the Board (the "**Administrator**").

3. Offer and Grant of Awards

An offer shall be made to an Eligible Participant (when offered a grant of an Award, the "**Participant**") by an award agreement (the "**Award Agreement**") which states such information and in such form as our Administrator may from time to time determine. The Pre-[**REDACTED**] Equity Incentive Plan allows for the grant of Share Options, Restricted Share Units ("**RSUs**") and Other Share-Based Awards (collectively, "**Awards**").

4. Maximum Number of Shares

Subject to adjustment as described in paragraph 9 below, the total number of Shares which may be issued upon exercise or settlement of all Awards to be granted under the Pre-[**REDACTED**] Equity Incentive Plan is 72,283,148 Ordinary Shares.

If any Award expires, is terminated, or is cancelled without having been fully exercised, the unused Shares covered by such Award shall again be available for the grant of Awards under the Pre-[**REDACTED**] Equity Incentive Plan.

5. Terms of Awards

(a) Exercise Price / Purchase Price

(i) **Options**: The exercise price per Share for any Option granted under the Pre-[**REDACTED**] Equity Incentive Plan shall be determined by the Administrator but shall not be less than the fair market value of a Share on the date of grant.

(ii) **RSUs**: The issue price or purchase price, if any, shall be determined by the Administrator and set forth in the applicable Award Agreement. a specific Purchase Price is determined at the time of grant and documented in the agreement. The Grantee is required to pay this purchase price upon settlement of the vested units.

(b) Types of Awards

(iii) **Options**: An option to purchase Ordinary Shares of our Company. Options may be granted as Incentive Stock Options or Non-Qualified Stock Options under the U.S. Internal Revenue Code.

(iv) **RSUs**: An unfunded, unsecured right to receive, on the applicable settlement date, one Ordinary Share or an amount in cash or other consideration equal to the value thereof.

6. Rights are Personal to the Participant

An Award shall be personal to the Participant and, except as otherwise determined by the Administrator, shall not be sold, assigned, transferred, pledged or otherwise encumbered, other than by will or the laws of descent and distribution.

7. Vesting and Exercise of Awards

The terms and conditions of each Award, including the vesting schedule, exercisability, and settlement terms, are determined by the Administrator and set forth in the applicable Award Agreement:

(a) Vesting Schedule for both Options and RSUs

A four-year vesting schedule applies as follows, subject to the specific conditions for each award type:

(i) First Year: Fifteen percent (15%) of the Award shall vest on the first (1st) anniversary of the Grant Date.

(ii) Second Year: An additional twenty percent (20%) shall vest in equal monthly installments over the twelve months following the first anniversary of the Grant Date.

(iii) Third Year: An additional twenty-five percent (25%) shall vest in equal monthly installments over the twelve months following the second anniversary of the Grant Date.

(iv) Fourth Year: The remaining forty percent (40%) shall vest in equal monthly installments over the twelve months following the third anniversary of the Grant Date.

(b) Specific Vesting Conditions

(i) For Options: Vesting is subject to the Participant's continuous service with the Group.

(ii) For RSUs: Vesting is subject to a dual condition: the Participant's continuous service and the condition that no RSU shall vest prior to our Company becoming a publicly listed company. Any vesting milestones met prior to an IPO will only become effective upon the IPO.

(c) Exercise of Vested Options

Vested Options may be exercised by delivering a written exercise notice and full payment of the exercise price and any applicable withholding taxes.

(d) Settlement of Vested RSUs

Vested RSUs will be settled within thirty business days after our Company receives a written settlement request from the Grantee. The purchase price may be paid in cash, through a cashless program, or in other manners determined by the Administrator.

8. Ranking of Shares

The Shares to be allotted upon the exercise or settlement of an Award shall be subject to all the provisions of the Articles of Association and shall rank *pari passu* in all respects with the fully paid Shares in issue on the date of issue. Grantees shall not have any shareholder rights (including voting or dividend rights) with respect to the Shares underlying their Awards prior to the exercise or settlement and delivery of such Shares.

9. Effect of Alterations to Capital

In the event of any dividend, reorganization, merger, consolidation, share split, recapitalization or other similar corporate transaction or event affecting the Shares, the Administrator may equitably adjust (i) the number and kind of Shares subject to the Pre-[**REDACTED**] Equity Incentive Plan, (ii) the number and kind of Shares subject to any outstanding Awards, and (iii) the exercise or grant price with respect to any Award, in order to prevent dilution or enlargement of the benefits intended to be made available under the Pre-[**REDACTED**] Equity Incentive Plan.

10. Lapse of Award

(a) Upon Termination of Service:

(iii) **For Options:**

- *General Termination:* Any vested portion of the Option generally remains exercisable for 30 days following the date of the Participant's termination of service (other than for cause, death, or disability).
- *Termination by Death, Disability, or Retirement:* Any vested portion of the Option remains exercisable for one year following such termination.
- *Termination for Cause:* All Options, whether vested or unvested, are immediately forfeited and cancelled upon a termination of service for cause.

(iv) **For RSUs:**

- *General Termination:* All unvested RSUs are forfeited.
- *Termination without Cause:* Vested RSUs shall remain outstanding.
- *Termination for Cause or Resignation where Cause is present:* All RSUs, whether vested or unvested, are forfeited without payment.

(b) Forfeiture for Other Reasons

Both Option and RSU agreements stipulate that the Administrator/Company has the right to cancel or forfeit all Awards (vested and unvested) without payment if the Participant makes any unauthorized use or disclosure of confidential information or trade secrets, or commits a material breach of a written agreement with our Company (such as an employment, confidentiality, or non-compete agreement).

11. Right to Repurchase

Unless otherwise provided, before any Shares acquired under the Pre-[**REDACTED**] Equity Incentive Plan may be transferred, our Company shall have a right to repurchase such Shares (the "**Right to Repurchase**"). The purchase price for such repurchased Shares shall be determined in the sole discretion of the Administrator, with reference to factors including but not limited to the fair market value at the time of grant and the duration of the Participant's service. The Right to Repurchase shall terminate upon our Company becoming a publicly [**REDACTED**] company.

12. Lock-Up Period

Each Participant agrees that, in connection with an initial public offering of our Company's securities, they will not, without the prior written consent of the managing underwriter, for a period not to exceed 180 days from the date of the final prospectus, offer, pledge, sell or otherwise dispose of any Shares or securities convertible into Shares.

13. Alteration

The Administrator may amend, suspend or terminate the Pre-[**REDACTED**] Equity Incentive Plan at any time, provided that no amendment shall materially and adversely affect any outstanding Award without the consent of the affected Participant, unless such change is permitted under the terms of the Pre-[**REDACTED**] Equity Incentive Plan or required by applicable law.

14. Termination

The Pre-[**REDACTED**] Equity Incentive Plan shall remain in effect for a term of ten years from its date of adoption, unless terminated earlier by the Board. In the event of termination, no further Awards shall be granted, but Awards previously granted shall remain outstanding and continue to be governed by the terms of the Pre-[**REDACTED**] Equity Incentive Plan and their respective Award agreements.

15. Details of the Outstanding Awards

As of the Latest Practicable Date, Awards in respect of an aggregate of 72,283,148 Ordinary Shares have been granted to 17 Participants under the Pre-[**REDACTED**] Equity Incentive Plan, including (i) Options to subscribe for a total of 67,777,835 Ordinary Shares, which were not yet exercised by the relevant grantees as of the Latest Practicable Date, and (ii) RSUs in respect of a total of 4,505,313 Ordinary Shares, which remained unvested as of the Latest Practicable Date.

The total of 72,283,148 Shares underlying the outstanding Awards represents approximately [**REDACTED**]% of the issued share capital of our Company immediately upon completion of the Conversion and the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and excluding any Shares which may be issued upon the exercise or vesting of any awards under the Pre-[**REDACTED**] Equity Incentive Plan or the conversion of loans under the Convertible Loan Agreements). If all outstanding Awards under the Pre-[**REDACTED**] Equity Incentive Plan are exercised or settled in full, there would be a dilutive effect on the earnings per Share of our Company.

Details of the outstanding Awards are set out below:

Name	Address	Date of grant	Option period	Exercise price per Share	Number of Shares under the option granted	Approximate percentage of the issued share capital of our Company after completion of the Conversion and the [REDACTED][(note)]
				(US$)		
Wu Zhenhua . .	2533 Long Meadow Road Lansdale PA 19446-6087 United States of America	February 25, 2021	From February 25, 2021 to February 24, 2031	0.1108	7,064,390	[REDACTED]%
		August 15, 2022	From August 15, 2022 to August 14, 2032	0.2799	10,925,402	[REDACTED]%
		September 15, 2022	From September 15, 2022 to September 14, 2032	0.2799	1,913,070	[REDACTED]%
		September 15, 2023	From September 15, 2023 to September 14, 2033	0.2799	2,834,178	[REDACTED]%
		September 15, 2024	From September 15, 2024 to September 14, 2034	0.2739	1,913,070	[REDACTED]%
		November 15, 2025	From November 15, 2025 to November 14, 2035	0.2739	1,500,000	[REDACTED]%
		April 9, 2026	From April 9, 2026 to April 8, 2036	0.2739	9,227,306	[REDACTED]%
		August 10, 2026	From August 10, 2026 to August 9, 2036	0.2739	141,709	[REDACTED]%
				Sub-total:	35,519,125	[REDACTED]%
Ye Guojie . . .	Room 701, Building 4 Guangtai Ripples Mansion Qiantang District Hangzhou Zhejiang Province PRC	February 25, 2021	From February 25, 2021 to February 24, 2031	0.1108	3,399,824	[REDACTED]%
		August 15, 2022	From August 15, 2022 to August 14, 2032	0.2799	5,063,230	[REDACTED]%
		April 9, 2026	From April 9, 2026 to April 8, 2036	0.2739	2,529,788	[REDACTED]%
				Sub-total:	10,992,842	[REDACTED]%

Name	Address	Date of grant	Option period	Exercise price per Share	Number of Shares under the option granted	Approximate percentage of the issued share capital of our Company after completion of the Conversion and the [REDACTED][(note)]
				(US$)		
Song Chunjuan	1230 Wembley Drive Wayne PA 19087 United States of America	January 21, 2022	From January 21, 2022 to January 20, 2032	0.2248	850,253	[REDACTED]%
		August 15, 2022	From August 15, 2022 to August 14, 2032	0.2799	708,544	[REDACTED]%
		September 15, 2023	From September 15, 2023 to September 14, 2033	0.2799	935,279	[REDACTED]%
		September 15, 2024	From September 15, 2024 to September 14, 2034	0.2739	1,006,133	[REDACTED]%
		November 15, 2025	From November 15, 2025 to November 14, 2035	0.2739	722,715	[REDACTED]%
		April 9, 2026	From April 9, 2026 to April 8, 2036	0.2739	2,529,788	[REDACTED]%
				Sub-total:	6,752,712	[REDACTED]%
Wang Lijun . .	157 Elderberry Lane Brisbane CA 94005 United States of America	February 25, 2021	From February 25, 2021 to February 24, 2031	0.1108	2,686,084	[REDACTED]%
		August 15, 2022	From August 15, 2022 to August 14, 2032	0.2799	3,921,466	[REDACTED]%
		April 9, 2026	From April 9, 2026 to April 8, 2036	0.2739	2,529,788	[REDACTED]%
				Sub-total:	9,137,338	[REDACTED]%
Mahen Gundecha . .	403 Trolley Way West Chester PA 19382 United States of America	July 17, 2021	From July 17, 2021 to July 16, 2031	0.2248	3,542,722	[REDACTED]%
		August 15, 2022	From August 15, 2022 to August 14, 2032	0.2799	212,563	[REDACTED]%
		September 15, 2023	From September 15, 2023 to September 14, 2033	0.2799	212,563	[REDACTED]%
		September 15, 2024	From September 15, 2024 to September 14, 2034	0.2739	247,990	[REDACTED]%
		November 15, 2025	From November 15, 2025 to November 14, 2035	0.2739	212,563	[REDACTED]%
				Sub-total:	4,428,401	[REDACTED]%

Name	Address	Date of grant	Option period	Exercise price per Share	Number of Shares under the option granted	Approximate percentage of the issued share capital of our Company after completion of the Conversion and the [REDACTED][(note)]
				(US$)		
Li Shaoyong . .	15 AUTUMN RIDGE DR HOPKINTON, Massachusetts 01748 United States of America	February 25, 2021	From February 25, 2021 to February 24, 2031	0.1108	819,879	[REDACTED]%
		January 21, 2022	From January 21, 2022 to January 20, 2032	0.2248	14,171	[REDACTED]
		September 15, 2023	From September 15, 2023 to September 14, 2033	0.2799	14,171	[REDACTED]
		September 15, 2024	From September 15, 2024 to September 14, 2034	0.2739	85,025	[REDACTED]%
		November 15, 2025	From November 15, 2025 to November 14, 2035	0.2739	14,171	[REDACTED]
				Sub-total:	947,417	[REDACTED]%
Total:					**67,777,835**	[REDACTED]%

* *Less than 0.00%*

Note: The above table assumes the [**REDACTED**] is not exercised and does not take into account any Shares which may be issued upon the exercise of any options granted under the Pre-[**REDACTED**] Equity Incentive Plan, any options that may be granted under the Post-[**REDACTED**] Share Scheme, or upon conversion of any loans under the Convertible Loan Agreements.

In addition, a total of 11 grantees, who are employees of our Group, have been granted a total of 4,505,313 RSUs as at the Latest Practicable Date, the details of which are set out below:

Date of grant	Grant price (US$) per Share	Number of Shares	Approximate percentage of the issued share capital of our Company after completion of the Conversion and the [REDACTED][(1)]
July 17, 2021	0.03528	1,579,026	[**REDACTED**]%
August 15, 2022	0.03528	283,417	[**REDACTED**]%
September 15, 2023 . . .	0.03528	92,111	[**REDACTED**]%
September 15, 2024 . . .	0.03528	797,111	[**REDACTED**]%
November 15, 2025 . . .	0.03528	1,753,648	[**REDACTED**]%

Note: The above table assumes the [**REDACTED**] is not exercised and does not take into account any Shares which may be issued upon the exercise of any options granted under the Pre-[**REDACTED**] Equity Incentive Plan, any options that may be granted under the Post-[**REDACTED**] Share Scheme, or upon conversion of any loans under the Convertible Loan Agreements.

All grantees of the RSUs are not connected persons of our Company nor associates of connected persons of our Company. The Shares underlying the RSUs held by each of the grantees represented less than 1% of the issued share capital of our Company as at the Latest Practicable Date.

Consideration for the grant of Options and RSUs

The Grantees under the Pre-[**REDACTED**] Equity Incentive Plan as referred to in the table above are not required to pay for the grant of any Option under the Pre-[**REDACTED**] Equity Incentive Plan.

In addition to such other performance-based vesting conditions (if any) set forth in the respective Grantee's award agreement and unless otherwise approved by our Board in writing, (i) the vesting schedule requires continued employment of or service by the respective Grantee through each applicable vesting date as a condition to the vesting of the applicable percentage of the Option and the rights and benefits under this Pre-[**REDACTED**] Equity Incentive Plan and the respective Grantee's award agreement; and (ii) employment or service for only a portion of the respective Vesting period, even if a substantial portion, will not entitle the respective Grantee to any proportionate vesting of the Option.

Save as disclosed in this section under paragraphs headed "D. Pre-[**REDACTED**] Equity Incentive Plan — 15. Details of the Outstanding Awards", no Option has been granted by our Company to any other Director, senior management, connected person and other Grantee.

We will ensure compliance with the minimum public float requirement of Rule 8.08 of the Listing Rules.

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to impose on our Company or any of our subsidiaries.

2. Litigation

As of the Latest Practicable Date, our Company was not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against us, that would have a material adverse effect on our results of operations or financial conditions.

3. Sole Sponsor

The Sole Sponsor has made an application on our behalf to the Stock Exchange for the [**REDACTED**] of, and permission to deal in, the Shares in issue, the Shares to be issued as mentioned in this document.

The Sole Sponsor satisfies the independence criteria applicable to the sponsor as set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor will receive an aggregate fee of US$[**REDACTED**] to act as the sponsor to our Company in connection with the [**REDACTED**].

4. Compliance Advisor

Our Company has appointed Mango Financial Limited as our compliance advisor in compliance with Rule 3A.19 of the Listing Rules.

5. Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred material preliminary expenses in relation to the incorporation of our Company.

6. Taxation of holder of Shares

(a) Hong Kong

The sale, purchase and transfer of Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

(b) Cayman Islands

There is no stamp duty 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.

(c) Consultation with professional advisers

Intending holders of the Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the Shares. It is emphasized that none of our Company, our Directors or the other parties involved in the [**REDACTED**] will accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in the Shares or exercise of any rights attaching to them.

7. Promoters

We do not have any promoter for the purpose of the Listing Rules. Within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoter in connection with the [**REDACTED**] and the related transactions described in this document.

8. Qualifications and Consents of Experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this document:

Name	Qualification
CCB International Capital Limited	A licensed corporation under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), and Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
Zhong Lun Law Firm	Legal advisors to our Company as to PRC laws (including intellectual property laws)
Ogier	Legal advisors to our Company as to Cayman Islands laws
Morgan, Lewis & Bockius LLP	Legal advisors to our Company as to United States laws
Deloitte Touche Tohmatsu	Registered public interest entity auditor
Frost & Sullivan (Beijing), Inc., Shanghai Branch Co.	Independent industry consultant

Each of the experts listed above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its report and/or letter and/or opinion and/or references to its name and qualifications included herein in the form and context in which they respectively appear.

Save as disclosed in this document, none of the experts named above has any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

9. Binding Effect

[**REDACTED**]

10. Bilingual Document

[**REDACTED**]

11. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in our Company's financial or trading position or prospects since June 30, 2026 (being the date to which our latest audited consolidated financial statements were made up).

12. Miscellaneous

(a) Save as disclosed in this document, within the two years immediately preceding the date of this document:

(i) no share or loan capital of our Company or any of its subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;

(ii) save in connection with the [**REDACTED**], no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries; and

(iii) save in connection with the [**REDACTED**], no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share or debenture in our Company.

(b) Save as disclosed in this document, no share or loan capital of our Company or any of its subsidiary is under option or is agreed conditionally or unconditionally to be put under option.

(c) Save as disclosed in this document, no founder, management or deferred shares of our Company or any of its subsidiary have been issued or have been agreed to be issued.

(d) Save as disclosed in this document, our Company has no outstanding convertible debt securities or debentures.

(e) The English text of this document shall prevail over their respective Chinese text.

(f) There is no arrangement under which future dividends are waived or agreed to be waived.

(g) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document.

(h) Save for the proposed [**REDACTED**] on the Stock Exchange, none of our equity and debt securities is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of the material contracts referred to in "B. Further Information About Our Business — 1. Summary of Material Contracts" of Appendix IV to this document; and

(b) the written consents referred to in "E. Other Information – 8. Qualifications and Consents of Experts" of Appendix IV to this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be on display on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.exegenesisbio.com** during a period of 14 days from the date of this document:

(1) the Memorandum and Articles of Association;

(2) the Accountants' Report from Deloitte, the text of which is set out in Appendix I to this document;

(3) the audited financial statements of the Group for each of the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026;

(4) the report on unaudited [**REDACTED**] financial information from Deloitte, the texts of which is set out in Appendix II to this document;

(5) the PRC legal opinions prepared by Zhonglun Law Firm, our legal advisors as to the PRC law, in respect of certain aspects of our Group;

(6) the material contracts referred to in the paragraph headed "B. Further Information about Our Business — 1. Summary of Material Contracts" of Appendix IV to this document;

(7) the written consents referred to in the paragraph headed "E. Other Information — 8. Qualifications and Consents of Experts" of Appendix IV to this document;

(8) the service contracts and letters of appointment with Directors, referred to in the paragraph headed "C. Further Information about Our Directors and Substantial Shareholders — 2. Particulars of the Directors' Service Contracts" of Appendix IV to this document; and

(9) the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., the summary of which is set forth in the section headed "Industry Overview" in this document.