SUMMARY

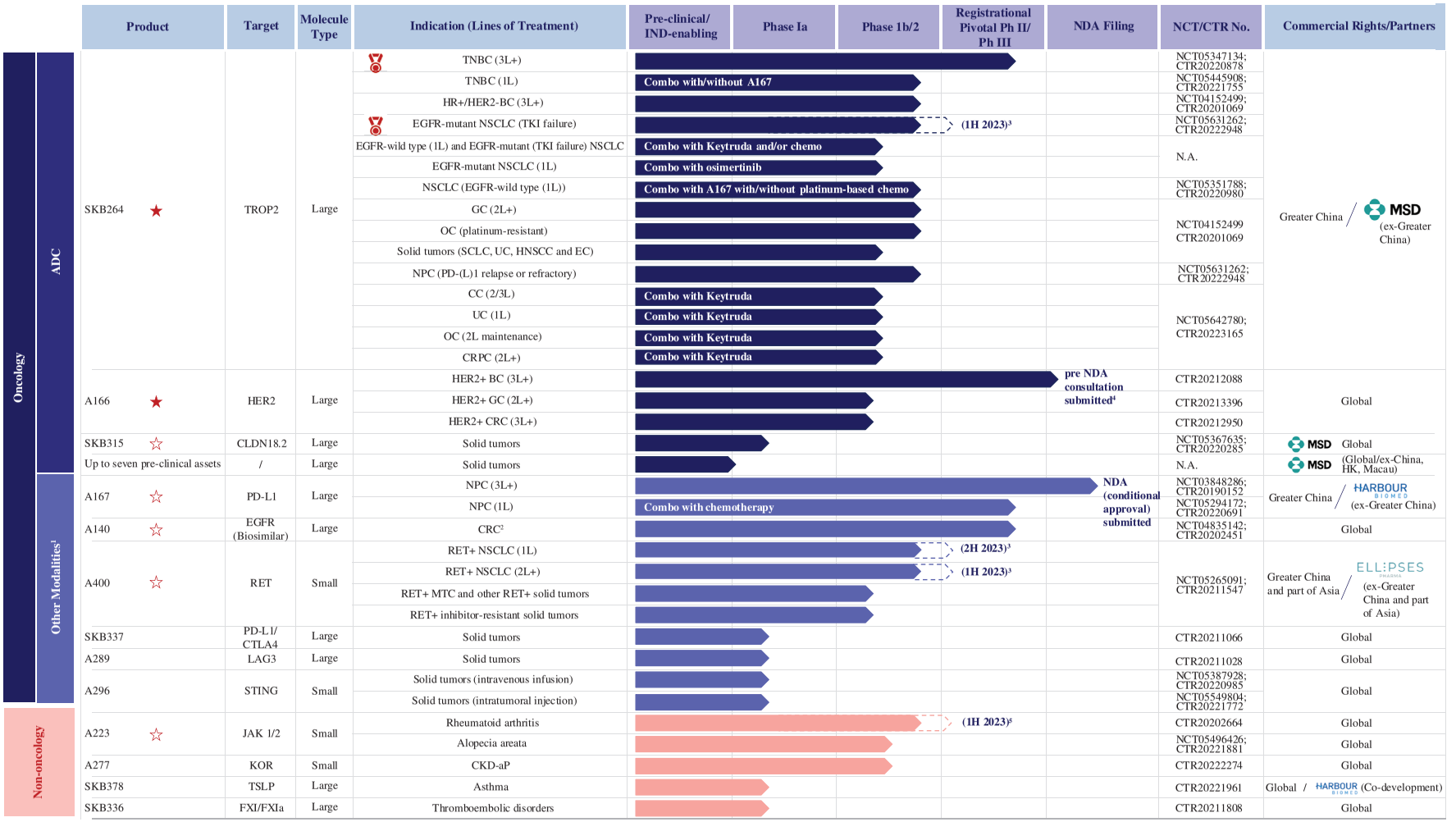
This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to [**REDACTED**] *in the* [**REDACTED**]. *There are risks associated with any* [**REDACTED**]. *Some of the risks involved in* [**REDACTED**] *in the* [**REDACTED**] *are set out in the "Risk Factors" section of this document. You should read that section carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**]. *In particular, we are a biotechnology company seeking to* [**REDACTED**] *on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules as we do not meet the requirements under Rule 8.05(1), (2) or (3) of the Listing Rules. There are unique challenges, risks and uncertainties associated with* [**REDACTED**] *in companies like ours. Your* [**REDACTED**] *decision should be made in light of these considerations.*

OVERVIEW

We are a fully integrated, innovative biopharmaceutical company committed to the R&D, manufacturing and commercialization of novel drugs to address significant unmet medical needs in China and globally. Empowered by our fully fledged innovation capabilities and a sophisticated and efficient cross-functional management system, we are dedicated to the development of differentiated treatments to improve the existing standard of care. Notably, we are a pioneer and leading developer of ADCs worldwide, with over a decade of accumulated experience in ADC development. We are one of the first biopharmaceutical companies in China, and one of the few globally, to establish a fully integrated ADC platform, *OptiDC*. According to Frost & Sullivan, we are the first China-based company to license internally discovered and developed ADC candidates to a top-ten biopharmaceutical MNC. Our collaboration with Merck Sharp & Dohme LLC (together with its affiliates, "MSD") to develop up to seven preclinical ADC assets is the largest biopharmaceutical out-license deal to date secured by a China-based company, according to Frost & Sullivan, and the world's largest biopharmaceutical partnership in terms of deal value in 2022, according to Nature Reviews Drug Discovery.

We take a systematic, indication-oriented approach to target the world's most prevalent or hard-to-treat cancers, and other diseases and conditions affecting a large and underserved population. Over the years, we have developed innovation capabilities encompassing all key drug development functionalities, including R&D, manufacturing, quality control and commercialization, which empower us to rapidly and strategically advance a differentiated and clinically valuable pipeline of 33 assets, including 13 at clinical stage.

The pipeline chart below summarizes the development status of our clinical-stage drug candidates and selected preclinical assets.



Abbreviations: TNBC: triple-negative breast cancer; BC: breast cancer; NSCLC: non-small-cell lung cancer; NPC: nasopharyngeal cancer; GC: gastric cancer; OC: ovarian cancer; SCLC: small-cell lung cancer; UC: urothelial cancer; HNSCC: head and neck squamous cell carcinoma; EC: endometrial cancer; CC: cervical cancer; CRPC: castration-resistant prostate cancer; CRC: colorectal cancer; MTC: medullary thyroid cancer; CKD-aP: chronic kidney disease-associated pruritus

Notes: 1. Including immunotherapy and targeted therapies; 2. No Ph II clinical trial is required for biosimilar drug candidates in China; 3. CDE consultation completed; 4. We received feedback from the CDE's clinical division in February 2023 agreeing for us to submit an NDA under priority review. Pending conditional approval, we plan to commence a confirmatory phase 3 trial in 1H 2023; 5. CDE consultation ongoing.

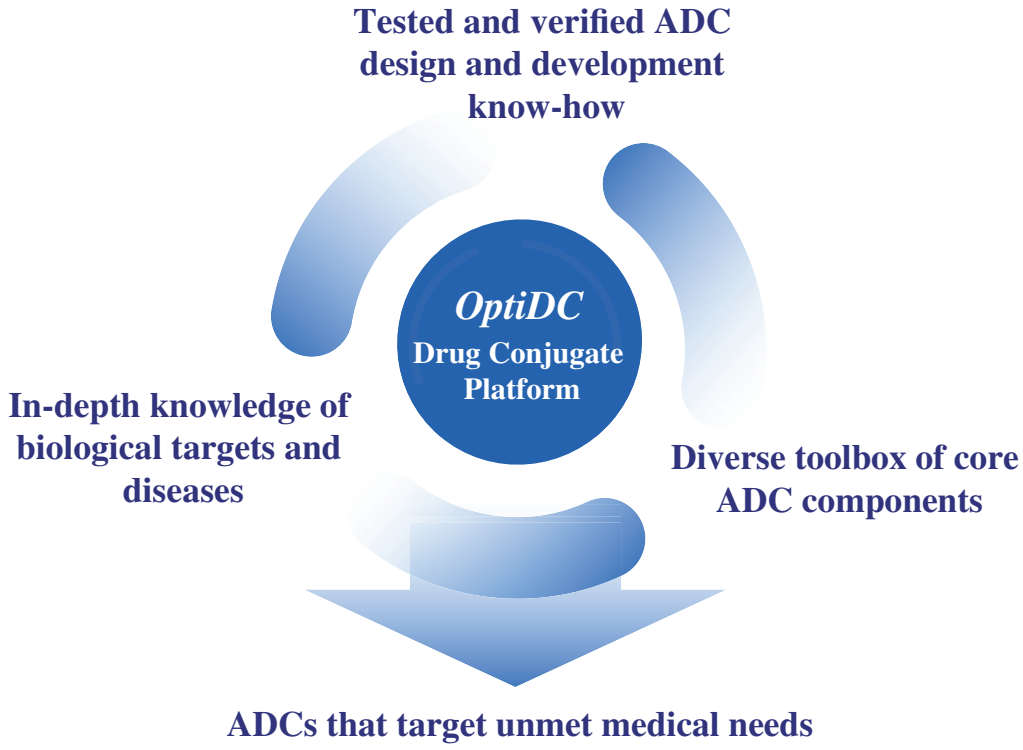
Supported by three clinically validated proprietary platforms specializing in antibody-drug conjugates (ADCs), biologics (monoclonal antibodies (mAbs) and bispecific antibodies (bsAbs)) and small molecule drugs, our robust pipeline is diverse and synergistic in drug modalities, mechanisms, and indication coverage. Our innovation capabilities are further bolstered by current good manufacturing practice (cGMP)-compliant, end-to-end manufacturing capabilities and a comprehensive quality control system. Furthermore, we are well-positioned to expand our commercialization infrastructure and market access, leveraging our Controlling Shareholder Kelun Pharmaceutical's decades-long experience, industry connections and extensive network.

The clinical value of our pipeline and our innovation capabilities are recognized by the strategic partnerships we have forged worldwide to unlock the global market potential of key assets. To date, we have entered into nine out-license agreements, including three license and collaboration agreements with MSD to develop up to nine ADC assets for cancer treatment with upfront and milestone payments totaling up to US$11.8 billion. We have also entered into collaboration and license agreements with Ellipses for A400, and with Harbour BioMed for A167 and SKB378. Our strategic partnerships are not only testaments to our robust R&D and business development capabilities, but also key drivers of our continued innovation, global influence and long-term growth.

OUR PROPRIETARY TECHNOLOGY PLATFORMS

We have established three core platforms specializing in ADC, biologics and small molecule technologies that serve as the foundation of our discovery and development of innovative medicines for unmet medical needs in selected disease areas, such as oncology, autoimmune diseases and metabolic diseases. These platforms cover the entire R&D process for different drug modalities and are fully integrated to allow robust cross-functional synergies at crucial stages of drug development.

- ***ADC Platform***. We are a pioneer and leading developer of ADCs worldwide, with over a decade of accumulated experience in ADC development. According to Frost & Sullivan, we are one of the first biopharmaceutical companies in China, and one of the few globally, to establish a fully integrated ADC development platform, which supports our systematic development of ADCs across their entire lifecycle. Our ADC platform, *OptiDC*, is supported by three capability pillars – in-depth knowledge of biological targets and diseases, tested and verified ADC design and development know-how, and a diverse toolbox of core ADC components. Through over a decade of development, we have developed a toolbox of core ADC components which gives us the versatility to engineer customized ADCs optimized for different biological targets to address unmet medical needs in a broad range of indications. We have honed our expertise in ADC process development, manufacturing and quality control, which we believe is crucial in bringing our ADCs from bench to bedside. Notably, our ADC platform is tested and verified through preclinical studies and clinical trials with over 800 patients to date.



Our platform has been tested through extensive studies and trials, including validation from over ten clinical or preclinical ADC candidates. Our ADC design strategies are exemplified by *Kthiol*, our proprietary drug-linker strategy implemented in SKB264. An optimized balance between safety and efficacy is achieved in this strategy by incorporating a novel irreversible antibody conjugating technology, a pH-sensitive toxin release mechanism, and a moderately potent toxin homogeneously loaded with DAR 7.4. Our continued advancement in ADC research and development forms a feedback loop that strengthens our platform, and enables our consistent and rapid delivery of highly competitive ADC candidates.

- ***Biologics Platform***. Our extensive biologics technology platform, while complementing our ADC platform, serves as the foundation of our immunotherapy and targeted therapy franchises. This platform is focused on mAbs and bsAbs and possesses end-to-end antibody development capabilities ranging from antibody discovery and optimization to bioprocessing and scale-up manufacturing. As of the Latest Practicable Date, we had six clinical assets and various preclinical assets developed under our biologics platform. Our clinical assets include two mAbs at pivotal phase 3 or NDA registration-stage, A167 (PD-L1) and A140 (EGFR), as well as SKB337 (PD-L1/CTLA4), A289 (LAG3), SKB378 (TSLP) and SKB336 (FXI/FXIa). Our preclinical assets are mainly antibodies with novel targets and differentiated mechanisms of action that potentially enable broad clinical applications and reduced drug resistance.

- ***Small Molecule Platform***. Our small molecule platform is driven by the integration of medicinal chemistry and computer-aided drug design (CADD) technologies, such as molecular docking, pharmacophore modeling, virtual screening and absorption, distribution, metabolism, elimination and toxicity (ADMET) prediction. These capabilities allow us to focus on compound optimization in early-stage research, which help rationalize and accelerate our preclinical drug discovery. Leveraging this platform, we have built an innovative pipeline of four clinical-stage small molecule drug candidates, including A400 (selective RET inhibitor), A223 (JAK1/2 inhibitor), A296 (STING agonist) and A277 (KOR agonist), and various preclinical assets. We are also exploring state-of-the-art technologies such as proteolysis targeting chimera (PROTAC) to navigate challenging protein targets, with one small-molecule PROTAC candidate currently at IND-enabling stage.

OUR PIPELINE

Our pipeline targets the world's most prevalent or hard-to-treat cancers, such as breast cancer (BC), non-small cell lung cancer (NSCLC), gastrointestinal (GI) cancers (including gastric cancer (GC) and colorectal cancer (CRC)), as well as non-oncology diseases and conditions affecting a large and underserved population. As of the Latest Practicable Date, we had established a robust pipeline of 13 clinical-stage drug candidates, including four in pivotal trial- or NDA registration-stage. We have also assembled a deep and differentiated portfolio of preclinical assets, including four at IND-enabling stage, to further enrich our expanding pipeline targeting significant unmet medical needs.

Our oncology franchise features diversified treatment modalities and targets different mechanisms to comprehensively treat some of the most prevalent or hard-to-treat cancers in China and worldwide, anchored by the following assets:

- ***SKB264 (sacituzumab tirumotecan)***, one of our Core Products, is a novel TROP2 ADC targeting advanced solid tumors. Drugs that successfully target TROP2 have vast market potential as TROP2 is frequently overexpressed across a broad spectrum of cancers, especially in highly prevalent or hard-to-treat cancers such as BC, NSCLC, GC and OC. The global TROP2 ADC market is expected to increase from US$0.4 billion in 2021 to US$25.9 billion by 2030, representing a CAGR of 59.8%, while the TROP2 ADC market in China is projected to grow from RMB0.4 billion in 2022 to RMB25.3 billion by 2030 at a CAGR of 67.2%.

  Positioned to be the first domestically developed TROP2 ADC in China, SKB264 utilizes a differentiated drug design to improve ADC stability and maintain ADC bioactivity, thus enhancing its targeting ability and reducing its off-target and on-target off-tumor toxicity, potentially leading to a broader therapeutic window. Preliminary clinical data from SKB264's global phase 1/2 trial showed that SKB264 demonstrated encouraging ORRs across multiple types of heavily pretreated advanced solid tumors, highlighted by an ORR of 43.6% and 42.9% in heavily pre-treated TNBC and HR+/HER2– BC patients, respectively. SKB264 also demonstrated a potentially favorable safety profile. Based on non-head-to-head cross-trial comparisons, SKB264 demonstrated lower incidence of neutropenia (56%

vs 78% for all grades, 26% vs 49% for ≥ grade 3) and diarrhea (4% vs 59% for all grades, 0% vs 11% for ≥ grade 3) compared with Trodelvy; and no incidence of treatment-related interstitial lung disease (ILD) compared with that reported in DS-1062-treated patients (6% for all grades and 2% for ≥ grade 3). We are also exploring SKB264's early-line potential in combination therapy. Based on preliminary results from a phase 2 trial conducted in China, SKB264 in combination with A167 demonstrating a promising ORR of 85.7% as a first-line therapy in advanced TNBC patients.

Supported by its promising proof-of-concept results, SKB264 was granted Breakthrough Therapy Designation by the NMPA for advanced TNBC in July 2022 and for EGFR-TKI failed EGFR-mutant advanced NSCLC in January 2023. In May 2022, we granted MSD exclusive development and commercialization rights for SKB264 outside Greater China. See "Business – Our License and Collaboration Arrangements – License and Collaboration Agreement with MSD for SKB264" for details.

We are actively advancing a multi-strategy clinical development plan to explore SKB264's potential as a monotherapy and in combination therapies to treat various solid tumors, including BC, NSCLC and other major cancers. For details, see "Business – Our Pipeline – Oncology Franchise – ADCs – SKB264 – Clinical Development Plan."

- ***A166 (trastuzumab botidotin)***, another Core Product, is a differentiated HER2 ADC in pivotal phase 2 stage positioned to target multiple cancer indications with high prevalence and unmet medical needs, with the potential to be one of the first domestically developed ADCs for HER2-positive (HER2+) BC in China. HER2 overexpression is widely recognized as a major driver of some of the most prevalent cancers, including BC and GI cancers.

  Configured with a potent cytotoxic payload, clinically proven mAb and site-specific conjugation technology, A166 demonstrated promising efficacy in heavily pre-treated advanced HER2+ BC patients with an ORR of 73.9% at RP2D and in advanced HER2+ GC patients with an ORR of 31.3%, based on preliminary results from our ongoing phase 1 dose expansion study and ongoing phase 1b trial in China. A166 also showed a differentiated safety profile, as A166's most frequent TRAEs were mainly ocular and peripheral nerve-related and were reversible, while cardiac, haematological, GI and lung toxicities were uncommon (< 10%) and mostly mild, differentiated from those of Kadcyla, DS-8201 and Aidixi. In addition to the pivotal phase 2 trial for HER2+ BC, we are exploring the therapeutic potential of A166 in multiple ongoing phase 1b clinical trials in China for other HER2+ solid tumors, including GC and CRC.

- ***SKB315*** is a novel CLDN18.2 ADC targeting advanced solid tumors. As of the Latest Practicable Date, there were no CLDN18.2-targeting therapies approved globally. Due to its selective expression in some of the most prevalent and lethal cancers that have limited effective treatments such as GC and PC, CLDN18.2 has been a promising target pursued by multiple biopharmaceutical and biotech companies for in-house development and licensing deals. In June 2022, we out-licensed the global development and commercialization rights for SKB315, currently in phase 1a clinical trial, to MSD. With a differentiated payload-linker design and an in-house developed humanized CLDN18.2 antibody, SKB315 demonstrated encouraging efficacy and safety across various preclinical *in vivo* tumor models with heterogeneous CLDN18.2 expression, indicating its promising therapeutic potential.

- ***A167 (tagitanlimab)***, our PD-L1 mAb, is expected to be our first commercialized product and the backbone of our immunotherapy franchise, with an NDA submitted to the NMPA for recurrent or metastatic nasopharyngeal carcinoma (RM-NPC) in November 2021 and conditional marketing approval expected in the second half of 2023. We are actively exploring A167's potential as an early-line treatment in combination with our ADC assets to maximize the clinical value of our oncology franchise, beginning with two ongoing phase 2 trials – a phase 2 trial of SKB264 in combination with A167 with or without chemotherapy, as an early-line treatment for advanced EGFR-wild type and EGFR-mutant NSCLC and a phase 2 trial of SKB264 with or without A167 as a first-line treatment for advanced TNBC.

- ***A140***, a pivotal phase 3 biosimilar of EGFR mAb cetuximab. A140 has potential to be the first cetuximab biosimilar in China with an anticipated NDA filing in the second half of 2023, providing increased accessibility and affordability for a widely used therapeutic targeting a key pathway in many cancers, starting with rat sarcoma virus (RAS) wild-type mCRC, recurrent and/or metastatic HNSCC (RM-HNSCC) and locally advanced HNSCC (LA-HNSCC). A140 demonstrated pharmacokinetic (PK) equivalence to cetuximab in a phase 1 trial, with clinical equivalence being evaluated in a pivotal phase 3 trial.

- ***A400***, a phase 1/2-stage second-generation selective RET inhibitor, is positioned to be the first domestically developed selective RET inhibitor for NSCLC, medullary thyroid cancer (MTC) and other solid tumors with a high prevalence of RET alterations. We have designed A400 with a novel proprietary molecular structure to potentially address selective RET inhibitor resistance while maintaining target selectivity, efficacy and safety with reduced manufacturing cost and difficulty. Based on preliminary results from its ongoing phase 1/2 trial, A400 demonstrated promising anti-tumor efficacy in patients with advanced RET+ solid tumors, highlighted by ORR of 74% and 77% at RP2D for 1L and 2L+ advanced RET+ NSCLC, respectively. Notably, A400 also demonstrated therapeutic potential in selective RET inhibitor-resistant patients with an ORR of 43% and DCR of 86% at RP2D, as well as a potentially favorable safety profile differentiated from approved first-generation selective RET inhibitors. In March 2021, we granted to Ellipses, a U.K.-based international drug development company, an exclusive license to develop, manufacture and commercialize A400 outside Greater China and certain Asian countries.

We will also continue to accelerate the R&D of our preclinical oncology assets. For example, we are developing over ten novel preclinical ADC assets with their respective targets expressed across a broad spectrum of solid tumors. In December 2022, we entered into an exclusive license and collaboration agreement with MSD to develop up to seven preclinical ADC assets. Under this agreement, we granted MSD exclusive global licenses to research, develop, manufacture and commercialize multiple ADC assets and exclusive options to obtain additional exclusive licenses to certain other ADC assets. We retain the right to research, develop, manufacture and commercialize certain licensed and option ADCs for China, Hong Kong and Macau. For details, see "Business – Our License and Collaboration Arrangements – License and Collaboration Agreement with MSD for Up to Seven Preclinical ADC Assets."

Our non-oncology franchise covers a range of diseases and conditions with large patient populations and significant unmet medical needs, with a primary focus on immune-mediated diseases, including rheumatoid arthritis (RA) and alopecia areata (AA).

Our non-oncology franchise is headlined by A223, potentially one of the first small molecule JAK1/2 inhibitors developed domestically for multiple autoimmune diseases with large patient populations, including RA and AA, in China. A223 has demonstrated an encouraging safety profile in three completed trials and two ongoing trials, where most treatment-emergent adverse events (TEAEs) were mild or moderate with no incidence of black box warning-related safety issues commonly reported by approved JAK inhibitors. Based on preliminary clinical data from its phase 2 trial, A223 demonstrated promising anti-rheumatic efficacy in moderate-to-severe RA patients, with A223 2 mg achieving substantial and statistically significant ACR20 difference of 35.1% (63.6% vs. 28.6%) and ACR50 difference of 33.7% (39.4% vs. 5.7%) at week 12 compared with placebo. Notably, based on non-head-to-head comparison, the ACR20 and ACR50 differences achieved by A223 2 mg are greater than those of Olumiant 4 mg, the approved dosage of Olumiant in China, in Chinese patients with moderate-to-severe RA (ACR20 difference vs. placebo: 30.8%; ACR50 difference vs. placebo: 20.7%). These promising clinical results indicates the potential of A223 to be an effective treatment option with improved efficacy and safety for RA. Besides RA, we also target AA, a common autoimmune disease that affected approximately 3.9 million people in China in 2021.

In addition to A223, we are also evaluating three other clinical-stage assets (A277, SKB378 and SKB336) and various preclinical assets to target indications ranging from chronic kidney disease (CKD)-associated pruritus (CKD-aP), moderate-to-severe asthma, thromboembolic disorders, to other diseases and conditions with large patient populations and significant unmet medical needs. Apart from our existing assets, we will continue to develop novel non-oncology drug candidates to address highly prevalent chronic diseases currently without effective treatments, including autoimmune and metabolic diseases.

WE MAY NOT BE ABLE TO SUCCESSFULLY DEVELOP AND/OR MARKET OUR CORE PRODUCTS, OR ANY OF OUR DRUG CANDIDATES.

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths have contributed to our success and differentiated us from our competitors: (i) world-leading ADC development platform, *OptiDC*, with a competitive ADC drug portfolio to address significant unmet medical needs globally; (ii) robust and comprehensive pipeline of anti-tumor drugs harnessing our multi-platform technology expertise, with strong monotherapy and combination therapy potential; (iii) well-selected non-oncology pipeline strategically targeting diseases and conditions with immense unmet medical needs; (iv) fully integrated innovation capabilities across R&D, manufacturing, quality control and commercialization; (v) cross-border business development capabilities enabling world-class collaborations and strategic partnerships; and (vi) visionary and experienced leadership backed by our Controlling Shareholder and renowned investors.

OUR DEVELOPMENT STRATEGIES

We intend to capitalize on our competitive strengths by pursuing the following development strategies: (i) rapidly advance our indication-oriented oncology pipeline towards commercialization; (ii) advance and expand our differentiated non-oncology drug portfolio; (iii) enhance our fully integrated innovation capabilities; (iv) continue to seek and deepen strategic partnerships to extend the potential of our technology platforms and maximize the value of our pipeline; and (v) optimize our integrated operation system to become a leading global biopharmaceutical company.

LICENSE AND COLLABORATION ARRANGEMENTS

We believe that an open and collaborative mindset is crucial to the success of our global strategy. Along each step of our drug development plans – from drug discovery to commercialization – we proactively pursue external collaborations, licensing arrangements and other strategic partnerships to create synergies with our pipeline and technology platforms. Set forth below is a summary of the major terms from our key license and collaboration agreements. For details, see "Business – Our License and Collaboration Arrangements."

License and Collaboration Agreement with MSD for SKB264

In May 2022, we entered into an amended and restated exclusive license and collaboration agreement with MSD (as may be amended from time to time, the "SKB264 Out-license Agreement"), under which we granted to MSD an exclusive, royalty-bearing and sublicensable license to develop, use, manufacture and commercialize ("Exploit") our TROP2 ADCs, including SKB264 (the "Licensed Compounds," also known as "MK2870" in MSD's portfolio) and products containing one or more such TROP2 ADCs (the "SKB264 Licensed Products") outside Greater China. MSD, an Independent Third Party, is a U.S.-based multinational biopharmaceutical company focused on researching, developing and commercializing innovative pharmaceutical products. We also granted MSD a non-exclusive and sublicensable license to use certain of our patents, know-how and clinical data to develop, use and manufacture the Licensed Compounds and the SKB264 Licensed Products within Greater

China, solely for the purpose of Exploiting the Licensed Compounds and the SKB264 Licensed Products outside Greater China. In turn, MSD granted to us an exclusive, sublicensable, royalty-free license to use certain of its patents, know-how and clinical data solely for Exploiting the Licensed Compounds and the SKB264 Licensed Products within Greater China. We retain the right to Exploit the Licensed Compounds and the SKB264 Licensed Products for any and all purposes within Greater China. Based on such retained rights, we will continue to advance our clinical development plan for SKB264 in China.

In partial consideration of the SKB264 Out-license Agreement, we are eligible to receive four one-time payments totaling up to US$102.0 million, of which US$47.0 million had been paid as of the Latest Practicable Date. In addition, MSD agrees to make quarterly payments in connection with SKB264's ongoing research and development activities. Further, we are entitled to future payments up to an aggregate of (i) US$380.0 million upon the achievement of specified development milestones, and (ii) US$780.0 million upon the achievement of sales-based milestones. MSD also agrees to pay us tiered royalties ranging from mid-single-digit to low-double-digit percentage on future annual net sales of the SKB264 Licensed Products outside Greater China, on a product-by-product and country-by-country basis.

License and Collaboration Agreement with MSD for SKB315

In June 2022, we entered into a license and collaboration agreement with MSD, under which we granted to MSD an exclusive, royalty-bearing, sublicensable license to develop, use, manufacture and commercialize ("Exploit") SKB315, our CLDN18.2 ADC, and products based on SKB315 (the "SKB315 Licensed Products") globally (the "SKB315 Out-license Agreement"). We also granted MSD an exclusive and sublicensable license to use our patents and know-how relating to SKB315 to Exploit our CLDN18.2-directed antibodies for medical diagnosis globally, to the extent useful for Exploiting SKB315 and SKB315 Licensed Products. Pursuant to the SKB315 Out-license Agreement, we shall carry out certain activities in support of the clinical development of SKB315 and SKB315 Licensed Products, under the oversight and direction of a joint steering committee ("JSC") and pursuant to a collaboration plan which may be amended by the JSC from time to time (the "Collaboration Plan").

In partial consideration of the SKB315 Out-license Agreement, MSD paid us an upfront payment of US$35.0 million in September 2022. We are eligible to receive future milestone payments, conditioned upon the achievement of specified development and regulatory milestones, up to an aggregate amount of US$416.0 million. Further, we are entitled to future milestone payments of up to an aggregate of US$485.0 million, conditioned upon the achievement of specified sales-based milestones. MSD also agrees to pay us tiered royalties ranging from mid-single-digit to low-double-digit percentage on future annual net sales of the SKB315 Licensed Products, on a product-by-product and country-by-country basis.

License and Collaboration Agreement with MSD for Up to Seven Preclinical ADC Assets

In December 2022, we entered into an exclusive license and collaboration agreement with MSD to develop up to seven preclinical ADC assets for the treatment of cancer. Under this agreement, we granted MSD exclusive global licenses to research, develop, manufacture and commercialize multiple preclinical ADC assets ("Licensed ADCs") and exclusive options to obtain additional exclusive licenses to certain other preclinical ADC assets ("Option ADCs"). We retain the right to research, develop, manufacture and commercialize certain Licensed ADCs and Option ADCs for China, Hong Kong and Macau.

MSD has agreed to pay us a non-refundable upfront payment of US$175.0 million. We are eligible to receive future milestone payments, conditioned upon the achievement of specified development, regulatory and sales-based milestones, up to an aggregate amount of US$9.3 billion, if we do not retain mainland China, Hong Kong and Macau rights for the Option ADCs, plus tiered royalties on net sales for any commercialized ADC product. Unless terminated earlier in accordance with its terms, this agreement will remain in effect until expiration of the respective royalty obligations, upon which all licenses granted to MSD under the agreement shall become fully paid-up, perpetual and irrevocable. MSD has the right to terminate this agreement in whole or in part with respect to a given collaboration program at any time, in its sole discretion, by giving us a 60 days' advance written notice, provided that no termination shall become effective until we receive the aforementioned upfront payment.

Collaboration and Licensing Agreement with Harbour BioMed for A167

In August 2018, we entered into a strategic collaboration and licensing agreement with Harbour BioMed, under which we granted to Harbour BioMed an exclusive, royalty-bearing, sublicensable license to develop, manufacture and commercialize A167 (also known as "HBM9167" in Harbour BioMed's portfolio), our PD-L1 mAb, outside Greater China (as amended and supplemented, the "A167 Out-license Agreement"). Harbour BioMed, an Independent Third Party, is a biopharmaceutical company engaged in the discovery and development of differentiated antibody therapeutics in immunology and oncology disease areas. Under the A167 Out-license Agreement, Harbour BioMed was granted the rights to use our patents and know-how relating to A167 to develop, manufacture and commercialize monotherapies or combination therapies based on A167 (the "A167 Licensed Products") outside Greater China, subject to certain rights we have retained to develop combination therapies based on A167 and any agent(s) developed by us or in which we own at least a 50% interest. Under the A167 Out-license Agreement, Harbour BioMed to pay us an upfront payment and several milestone payments based on the research and development activities and commercialization progress of A167. Harbour BioMed also agrees to pay us tiered royalties a high single-digit to low double-digit percentage of the annual net sales of the A167 Licensed Products across Greater China subject to certain adjustments as set out therein, with a royalty term of 15 years commencing upon the first commercial sale of the A167 Licensed Products. Unless terminated earlier in accordance with its terms, the A167 Out-license Agreement will remain in effect until the expiry of the royalty term.

Collaboration and License Agreement with Ellipses for A400

In March 2021, we entered into a collaboration and license agreement with Ellipses, under which we granted to Ellipses an exclusive, royalty-bearing, sublicensable license to develop, manufacture and commercialize A400 (also known as "EP0031" in Ellipses's portfolio), our RET inhibitor, in all countries excluding Greater China, North Korea, South Korea, Singapore, Malaysia and Thailand (collectively, the "Licensed Territory") (as amended and supplemented, the "A400 Out-license Agreement"). Ellipses, an Independent Third Party, is a U.K.-based international drug development company focused on the development of innovative cancer treatments. In consideration of the A400 Out-license Agreement, Ellipses agreed to pay us preclinical development payments, technology transfer fee and cost of manufacturing materials, subject to certain conditions as set forth therein. Furthermore, we are entitled to receive (i) sharing of revenue as low double-digit percentages of the total payments received by Ellipses in consideration for any sub-license agreement(s), if executed, or (ii) tiered royalties as low-teen percentages of the annual net sales of the A400 Licensed Products on a product-by-product basis, subject to adjustments as stipulated between the parties, if Ellipses or an affiliate directly commercializes the Licensed Products itself, in each case of (i) and (ii) within a payment term and subject to certain conditions as set forth therein.

Cooperative Development Agreement with Harbour BioMed for SKB378

In May 2019, we entered into a cooperative development agreement with Harbour BioMed (Suzhou) Co., Ltd. (recently renamed NONA BIOSCIENCES (SUZHOU) CO., LTD.), an indirect wholly owned subsidiary of Harbour BioMed, to jointly develop SKB378 (also known as "HBM9378" in Harbour BioMed's portfolio), our anti-TSLP mAb, utilizing Harbour BioMed's H2L2 antibody platform and related know-how (as amended and supplemented, the "SKB378 Co-development Agreement"). Under the SKB378 Co-development Agreement, at the drug discovery and development stage, Harbour BioMed and we each assume certain responsibilities in SKB378's preclinical and clinical studies, as well as regulatory affairs, pursuant to a co-development plan agreed between the parties. The parties equally share all costs related to SKB378's clinical development plans across territories, including expenses associated with the application for IND and marketing approvals in the respective jurisdiction.

OUR FULLY INTEGRATED INNOVATION CAPABILITIES

We have developed fully integrated innovation capabilities encompassing all key drug development functionalities, including R&D, manufacturing, quality control and commercialization. Our innovation capabilities are governed by a sophisticated and efficient cross-functional management system, which provides a framework for our internal teams to engage in constructive dialogue and evaluation, particularly when making critical decisions for each drug development plan. Meanwhile, we implement a dynamic global business development strategy to maximize the commercial value of our pipeline in major international markets, leveraging our profound experience in forging strategic partnerships worldwide.

Our in-house R&D capabilities, built on three clinically validated proprietary technology platforms, give us control and visibility over our R&D process, reduces our reliance on CROs and enable us to ensure the quality and efficiency of our drug development programs. Our innovation capabilities are further bolstered by cGMP-compliant, end-to-end manufacturing capabilities that cover the entire development lifecycle of ADCs, including two 2,000 litre (L) single-use bioreactors, one 300 L ADC conjugation tank with a maximum annual production capacity of 40 batches of ADC drug substance and facilities for payload-linker synthesis, antibody formulation and ADC formulation, as well as a comprehensive quality control system. We are building up our commercialization infrastructure in anticipation of our late-stage drug candidates' commercial launch in China, leveraging our Controlling Shareholder Kelun Pharmaceutical's decades-long experience, industry connections and extensive network.

Our innovation capabilities are recognized by the breadth, depth and commercial value of the strategic partnerships we have forged worldwide, including three license and collaboration agreements with MSD to develop up to nine ADC assets for cancer treatment. These landmark transactions speak to the quality and soundness of our innovation capabilities in every key step of our ADC development process, from drug discovery to manufacturing and quality control.

Research and Development

We conduct our research and development activities primarily through an in-house R&D team, and engage CROs from time to time to support our preclinical research and clinical trials. For the year ended December 31, 2021 and the nine months ended September 30, 2021 and 2022, our costs and expenses in relation to R&D activities, which represented our cost of sales and research and development expenses, were RMB748.2 million, RMB549.4 million and RMB696.4 million, respectively. Our R&D team comprises industry veterans with extensive experience of driving drug development programs at leading biopharmaceutical companies, including MNCs such as Pfizer, Wyeth, GlaxoSmithKline, Johnson & Johnson, Bristol-Myers Squibb and Novartis. As of September 30, 2022, our R&D team had over 750 members, over half of whom held a master's or higher degree, mainly in medical science, pharmacology, biology and chemistry. For details, please see "Business – Research and Development."

Manufacturing

To date, our manufacturing activities are primarily limited to supporting our drug development process. Anticipating future commercialization, we are building up our own cGMP-compliant pilot-scale and manufacturing capabilities to ensure delivery of high-quality drug products. Our manufacturing facilities are designed in compliance with the NMPA and FDA's regulatory requirements and cGMP standards in China, the U.S. and Europe. Our main manufacturing site has a total floor area of over 10,600 m^2, including approximately 9,400 m^2 designated for commercial-scale production, which is one of the few facilities in China with cGMP-compliant, end-to-end capabilities covering the entire development lifecycle of ADCs from cell culture and purification, antibody production, syntheses of payloads and linkers, ADC conjugation to formulation, fill and finish. We also engaged, and will continue to engage, industry-recognized CMOs to supplement our in-house capacity so as to enhance efficiency

and reduce operational and regulatory compliance costs. We believe it is cost-effective and efficient to engage CMOs for certain manufacturing activities as it reduces the capital expenditure required for setting up and maintaining the necessary production lines, and allows us to focus on the core processes of ADC manufacturing. For details, see "Business – Manufacturing."

Quality Control

We operate a comprehensive quality control system which extends across all key stages of the R&D, manufacturing and commercialization processes. This system is established and refined in accordance with the rigorous regulations and guidelines in China, the U.S. and Europe. We pay close attention to the evolving cGMP standards and regulatory developments in these target markets and update our internal procedures accordingly, striving for the highest international standards in patient safety and regulatory compliance. We strive to upgrade and improve our comprehensive quality control system, benchmarking against the highest international standards adopted by biopharmaceutical MNCs, to ensure patient safety and regulatory compliance. For details, see "Business – Quality Control."

Commercialization

During the Track Record Period and as of the Latest Practicable Date, we did not have any commercialized drug candidate or a commercialization team. However, we are well-positioned to develop our commercialization infrastructure and market access, leveraging our Controlling Shareholder Kelun Group's decades-long experience, industry connections and extensive network. Guided by Kelun Group's leading industry position, strong brand image and profound resources as one of China's largest and most established pharmaceutical companies, we are planning to develop our own commercialization team and network, with an initial focus on Class III hospitals and leading physicians across China's extensive local markets. We will also continue to refine our commercialization strategies for each late-stage drug candidate, first prioritizing therapeutic areas with significant unmet medical needs in China, such as BC, NSCLC and GI cancers, while offering synergistic treatment options enabled by our robust and differentiated pipeline to optimize patient outcome. For details, see "Business – Commercialization."

Business Development

We have established robust, cross-border business development capabilities with local presence across multiple jurisdictions, from Chengdu, Beijing and Shanghai in China to New Jersey in the U.S. Our business development team is led by seasoned professionals with decades-long experience and insights in sourcing and executing licensing deals and collaborations. They work closely with our scientists and team leaders on each project, and are involved as early as the drug discovery stage to identify and capture partnership opportunities. Our business development competencies are exemplified by a proven track record in forging strategic partnerships worldwide, which in turn reflect the increasing recognition we have received from peers and leaders in the global biopharmaceutical industry. To date, we have

entered into nine out-license agreements, including three license and collaboration agreements with MSD to develop up to nine ADC assets for cancer treatment, as well as collaboration and license agreements with Ellipses Pharma for A400 and with Harbour BioMed for A167 and SKB378. For details, see "Business – Business Development."

INTELLECTUAL PROPERTY

Intellectual property rights are important to the success of our business, and we are committed to the development and protection of our intellectual properties. We have a global portfolio of patents to protect our drug candidates and technologies. As of the Latest Practicable Date, we owned (i) 63 issued patents in China, (ii) 20 issued patents in the U.S., (iii) 46 issued patents in other jurisdictions, and (iv) 253 pending patent applications, including 108 in China, 15 in the U.S., 17 under the Patent Cooperation Treaty (PCT) and 113 in other jurisdictions. With respect to our two Core Products, SKB264 and A166, we owned five issued patents in China and eight issued patents in other jurisdictions, as well as 21 pending patent applications, including six in China, five in the U.S., two under the PCT and eight in other jurisdictions, including Europe, Canada, Japan and Hong Kong as of the Latest Practicable Date. For details, please see "Business – Intellectual Property."

SUMMARY OF KEY FINANCIAL INFORMATION

The summary of the key financial information set forth below have been derived from and should be read in conjunction with our consolidated financial statements, including the accompanying notes, set forth in the Accountants' Report in Appendix I to this document, as well as the information set forth in the section headed "Financial Information."

Summary of Consolidated Statements of Profit or Loss

We recognized revenue of RMB32.3 million, RMB26.4 million and RMB624.0 million, respectively, in the year ended December 31, 2021 and the nine months ended September 30, 2021 and 2022, which was primarily in relation to the licensing and collaboration agreements we entered into. We incurred net losses during the Track Record Period as we invested significant capital into the research and development of our extensive drug pipeline, and building up our technology platforms, manufacturing facilities and other capabilities to complement and support our business. For the year ended December 31, 2021 and the nine months ended September 30, 2021 and 2022, we had net losses of RMB889.8 million, RMB658.2 million and RMB321.2 million, respectively.

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

	For the year ended December 31,	For the nine months ended September 30,	
	2021	2021	2022
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
		(Unaudited)	
Revenue	32,322	26,373	623,991
Cost of sales	(20,525)	(16,744)	(182,762)
Gross profit	11,797	9,629	441,229
Other net income/(expense)	34,843	21,782	(28,091)
Administrative expenses	(96,174)	(77,437)	(63,594)
Research and development expenses	(727,670)	(532,676)	(513,623)
Loss from operations	(777,204)	(578,702)	(164,079)
Finance costs	(112,591)	(79,459)	(110,430)
Loss before taxation	(889,795)	(658,161)	(274,509)
Income tax	–	–	(46,717)
Loss for the year/period attributable to equity shareholders of the Company	(889,795)	(658,161)	(321,226)
Other comprehensive (expense)/income for the year/period (after tax)			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of an overseas subsidiary	(3,910)	(663)	18,410
Other comprehensive (expense)/income for the year/period	(3,910)	(663)	18,410
Total comprehensive expense for the year/period attributable to equity shareholders of the Company	(893,705)	(658,824)	(302,816)

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated:

	As of December 31, 2021	As of September 30, 2022
	(RMB'000)	*(RMB'000)* *(Unaudited)*
Total non-current assets	514,617	653,347
Total current assets	298,341	532,923
Total current liabilities	3,444,914	4,036,203
Net current liabilities	3,146,573	3,503,280
Total assets less current liabilities	(2,631,956)	(2,849,933)
Total non-current liabilities	11,930	93,918
Net liabilities	2,643,886	2,943,851

We recorded net liabilities and net current liabilities as of December 31, 2021 and September 30, 2022, mainly attributable to bank loans and other borrowings of RMB2,388.0 million and RMB2,876.1 million, respectively, as of the same dates. These amounts primarily represented our borrowings from Kelun Pharmaceutical to support our operations. Pursuant to a share subscription and debt-to-equity swap agreement between us, Kelun Pharmaceutical and the other then Shareholders on January 3, 2023, we settled RMB2.5 billion of the outstanding balance of such borrowings by issuing equity to Kelun Pharmaceutical. As of the Latest Practicable Date, the remaining balance of our borrowings from Kelun Pharmaceutical had been repaid in full by cash. For further details, see "History and Corporate Structure – Corporate History – Establishment and Major Shareholding Changes of Our Company – 4. Series B Financing – Share Subscription by Kelun Pharmaceutical" and "Financial Information – Material Related Party Transactions."

Summary of Consolidated Statements of Cash Flows

The following table sets forth the components of our consolidated statements of cash flows for the periods indicated:

	For the year ended December 31,	For the nine months ended September 30,	
	2021	2021	2022
	RMB'000	*RMB'000*	*RMB'000*
		(Unaudited)	
Net cash used in operating activities	(485,942)	(447,022)	(45,176)
Net cash used in investing activities	(94,384)	(131,047)	(172,562)
Net cash generated from financing activities	647,316	648,111	329,649
Net increase in cash and cash equivalents	66,990	70,042	111,911
Cash and cash equivalents at beginning of year/period	16,189	16,189	81,793
Effect of foreign exchange rate changes	(1,386)	(447)	6,726
Cash and cash equivalents at the end of year/period	81,793	85,784	200,430

Our primary uses of cash during the Track Record Period were to fund our research and development activities, the construction of manufacturing facilities, and purchase of equipment, machinery and intangible assets. We recorded net cash used in operating activities of RMB485.9 million and RMB45.2 million for the year ended December 31, 2021 and the nine months ended September 30, 2022, respectively. During the Track Record Period, we financed our operations primarily through borrowings from Kelun Pharmaceutical, payments received in accordance with our license and collaboration agreements, and proceeds from Series A Financing. As of January 31, 2023, the latest practicable date for determining our indebtedness, we had cash and cash equivalents of RMB1,074.6 million.

We expect to fund our future operations primarily with existing cash and cash equivalents, payments received from our license and collaboration agreements, and [**REDACTED**] from the [**REDACTED**]. Upon the successful commercialization of one or more of our drug candidates, we expect to fund our operations in part with income generated from sales of our commercialized drug products. As our business continues to expand, we may require further funding through equity offerings, debt financing, license and collaboration arrangements, and other sources.

Although we recorded significant net current liabilities during the Track Record Period, our Directors are of the view that we have sufficient working capital to cover at least 125% of our costs, including research and development expenses and administrative expenses (including any production costs), for at least the next 12 months from the date of this document, taking into account (i) the recent settlement of borrowings from banks and Kelun Pharmaceutical, as a result of which our net current liabilities decreased to RMB1,264.6 million as of January 31, 2023, (ii) the capital resources available to fund our operations, including existing cash and cash equivalents, payments received from our license and collaboration agreements, proceeds from our Series B Financing and [**REDACTED**] from the [**REDACTED**], and (iii) our cash burn rate, which is the average monthly amount of net cash used in operating activities, payment for property, plant and equipment and payment for intangible assets. For details, see "Financial Information – Liquidity and Capital Resources – Working Capital Sufficiency."

Key Financial Ratios

The following table set forth our key financial ratios[(1)] as of the dates:

	As of December 31, 2021	As of September 30, 2022
Current ratio (%)	8.7	13.2
Quick ratio (%)	7.2	11.8

Note:

(1) For details, see "Financial Information – Key Financial Ratios."

Cash Operating Costs

The following table provides information regarding our cash operating costs for the periods indicated:

	For the year ended December 31,	For the nine months ended September 30,	
	2021	2021	2022
	RMB'000	*RMB'000*	*RMB'000*
		(Unaudited)	
Costs relating to research and development of our Core Products			
Staff cost	51,085	40,868	55,350
Trial and testing expenses	61,769	43,626	60,879
Raw materials and others	15,046	13,829	14,711
Subtotal	127,900	98,323	130,940
Costs relating to research and development of our other drug candidates			
Staff cost	183,071	146,457	165,684
Trial and testing expenses	143,068	102,686	175,908
Raw materials and others	53,211	45,224	45,688
Subtotal	379,350	294,367	387,280
Total	507,250	392,690	518,220
Workforce employment costs[(1)]	74,258	59,407	40,743
Direct production costs[(2)]	–	–	–
Product marketing[(3)]	–	–	–
Non-income taxes, royalties and other governmental charges	–	–	–
Contingency allowances	–	–	–

Notes:

(1) Workforce employment costs represent total non-research and development personnel costs mainly including salaries and benefits.

(2) We had not commenced product manufacturing as of the Latest Practicable Date.

(3) We had not commenced product sales as at the Latest Practicable Date.

SUMMARY OF MATERIAL RISK FACTORS

Our business faces risks including those set out in the section headed "Risk Factors." As different [**REDACTED**] may have different interpretations and criteria when determining the significance of a risk, you should read the "Risk Factors" section in its entirety before you decide to [**REDACTED**] in our Company. Some of the major risks that we face include: (i) we have incurred significant net losses since inception. We anticipate that we will continue to incur net losses and may fail to achieve or maintain profitability in the future; (ii) our business and prospects depend substantially on the success of our drug candidates. If we are unable to successfully complete clinical development, obtain regulatory approvals or achieve commercialization for our drug candidates, or if we experience significant delays or cost overruns in doing any of the foregoing, our business and prospects could be materially and adversely affected; (iii) we have entered into license and collaboration agreements with third parties in the development of our drug candidates, and may seek additional licensing and collaboration opportunities in the future, and we may not realize the benefits of such partnerships as expected; (iv) we may need to obtain substantial additional financing to fund our operations and expansion, and if we fail to do so, we may be unable to complete the development and commercialization of our drug candidates; (v) clinical development involves a lengthy and expensive process with uncertain outcomes, and results of earlier studies and trials may not be predictive of future trial results; (vi) if we are unable to obtain and maintain adequate patent and other intellectual property protection for our drug candidates throughout the world, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us, and our ability to successfully commercialize our drug candidates may be adversely affected; (vii) the future commercial success of our drug candidates will depend on the degree of their market acceptance among physicians, patients and others in the medical community; (viii) the manufacturing of biopharmaceutical products is a complex process which requires significant expertise and capital investment, and we have limited experience in manufacturing biopharmaceutical products on a large commercial scale; and (ix) our future success depends in part on our ability to retain our senior management, scientific employees and other qualified personnel.

OUR CONTROLLING SHAREHOLDER

As of the Latest Practicable Date, Kelun Pharmaceutical was directly interested in approximately 59.75% of the total issued Shares of our Company. In addition, our Employee Incentive Platforms, namely Kelun Huicai, Kelun Huineng, Kelun Huizhi and Kelun Huide, were directly interested in approximately 15.52% of the total issued Shares of our Company. Kelun Jingchuan, a wholly-owned subsidiary of Kelun Pharmaceutical, is the general partner of each of our Employee Incentive Platforms. As such, Kelun Pharmaceutical was entitled to exercise the voting rights attaching to the Shares held by our Employee Incentive Platforms. Therefore, as of the Latest Practicable Date, Kelun Pharmaceutical was able to exercise approximately 75.27% of the voting rights attaching to the Shares of our Company. Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), Kelun Pharmaceutical will be entitled to exercise approximately [**REDACTED**]% voting rights attaching to the Shares directly held by it and those held by our Employee Incentive Platforms. Accordingly, Kelun Pharmaceutical will continue to be the Controlling Shareholder of our Company upon the completion of the [**REDACTED**]. Pursuant to the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange (《深圳證券交

易所股票上市規則》) where Kelun Pharmaceutical is listed, Mr. LIU Gexin is the actual controller of Kelun Pharmaceutical. Accordingly, we also regard Mr. LIU Gexin as our Controlling Shareholder. Therefore, Kelun Pharmaceutical and Mr. LIU Gexin are considered as a group of Controlling Shareholders of our Company.

There is a clear business delineation of business between our Group and the Remaining Kelun Group. The Remaining Kelun Group is an integrated research-driven and market-oriented pharmaceutical company primarily focusing on: (i) manufacturing of IV (intravenous) fluids solution products and antibiotics intermediates; and (ii) research and development of generic drugs. In contrast, the overall business of our Group is at the pre-commercialization stage with R&D, manufacturing and commercialization of novel drugs to address significant unmet medical needs. For details, see "Relationship with Our Controlling Shareholders" in this document.

CONNECTED TRANSACTIONS

Prior to the [**REDACTED**], our Group has entered into certain transactions in our ordinary and usual course of business with parties who will, upon the [**REDACTED**], become connected persons of our Company. We will continue to engage in certain connected transactions after the [**REDACTED**]. For details of such one-off connected transactions and continuing connected transactions of our Company following the [**REDACTED**], see "Connected Transactions."

We have applied for, and the Stock Exchange [has granted] us, (i) a waiver from strict compliance with the requirement to set a term of not exceeding three years under Rule 14A.52 of the Listing Rules in respect of the Trademark License Agreement; and (ii) a waiver from strict compliance with the requirements to set a term of not exceeding three years and monetary annual caps under Rules 14A.52 and 14A.53 of the Listing Rules in respect of the License Agreement. For details, see "Connected Transactions."

PRE-[REDACTED] INVESTORS

Since the establishment of our Company, we have received several rounds of equity financing from our Pre-[**REDACTED**] Investors. Our diverse base of Pre-[**REDACTED**] Investors consists Sophisticated Investors such as IDG Capital, SDIC and LAV, which held approximately 4.80%, 3.69% and 0.6%, respectively, of the total issued share capital of our Company as of the Latest Practicable Date. Pursuant to applicable PRC laws, the Pre-[**REDACTED**] Investors shall not dispose of any of the Shares held by them within 12 months following the [**REDACTED**]. For details of our Pre-[**REDACTED**] Investments, see "History and Corporate Structure – Pre-[**REDACTED**] Investments" in this document.

DIVIDENDS

We did not declare or pay dividends on our Shares during the Track Record Period. We currently expect to retain all future [**REDACTED**] for use in the operation and expansion of our business and do not anticipate paying cash dividends in the foreseeable future. The declaration and payment of any dividends in the future will be determined by our Board of Directors and subject to our Articles of Association and the PRC Company Law, and will depend on a number of factors, including the successful commercialization of our products as well as our [**REDACTED**], capital requirements, overall financial condition and contractual restrictions. As confirmed by our PRC Legal Advisor, any future profit that we make will have

to be applied to make up for our historically accumulated losses in accordance with the PRC laws, after which we will be obliged to allocate 10% of our profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient profit to our statutory common reserve fund as described above. In light of our accumulated losses as disclosed in this document, it is unlikely that we will be eligible to pay a dividend out of our profits in the foreseeable future.

[**REDACTED**] STATISTICS[(1)]

	Based on an [REDACTED] of HK$[REDACTED]	**Based on an [REDACTED] of HK$[REDACTED]**
[**REDACTED**] of our Shares[(2)]	HK$[**REDACTED**]	HK$[**REDACTED**]
Unaudited [**REDACTED**] adjusted consolidated net tangible (liabilities)/assets of the Group per Share[(3)]	HK$[**REDACTED**]	HK$[**REDACTED**]

Notes:

(1) All statistics in this table are on the assumption that the [**REDACTED**] are not exercised.

(2) The calculation of [**REDACTED**] is based on [**REDACTED**] expected to be in issue immediately after completion of the [**REDACTED**].

(3) The [**REDACTED**] adjusted consolidated net tangible assets/(liabilities) of our Group attributable to owners of our Company per Share is calculated after making the adjustments referred to in "Appendix II – [**REDACTED**] Forma Financial Information."

[**REDACTED**]

We estimate that we will receive [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**] million, after deducting [**REDACTED**], fees and estimated expenses payable by us in connection with the [**REDACTED**], and assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the [**REDACTED**] of the indicative [**REDACTED**] range stated in this document. We currently intend to apply these [**REDACTED**] for the following purposes: (i) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used for the research, development and commercialization of our Core Products, namely, SKB264 and A166, including (a) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used for clinical trial development and commercialization for SKB264, and (b) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used for clinical trial development and commercialization A166, (ii) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used for the research, development and commercialization of our other key products, including A140, A167, A400 and A223, (iii) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to fund the continued development of our proprietary technology platforms for ADCs, biologics and small molecules, advance our other existing pipeline assets, and explore and develop new drug candidates, (iv) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to fund the expansion of our manufacturing capabilities and quality control system, and (v) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used for working capital and other general corporate purposes. For further details, please see "Future Plans and [**REDACTED**]."

[**REDACTED**]

[**REDACTED**] to be borne by us are estimated to be approximately HK$189.3 million (including [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the [**REDACTED**] of the indicative [**REDACTED**] range of HK$[**REDACTED**] to HK$[**REDACTED**] per Share), representing approximately [**REDACTED**]% of the estimate [**REDACTED**] from the [**REDACTED**] assuming no [**REDACTED**] are [**REDACTED**] pursuant to the [**REDACTED**]. In the nine months ended September 30, 2022, the [**REDACTED**] charged to profit or loss were RMB[**REDACTED**] million (approximately HK$[**REDACTED**] million) and the issue costs capitalized to deferred issue costs were RMB[**REDACTED**] million (approximately HK$[**REDACTED**] million). After September 30, 2022, approximately HK$[**REDACTED**] million is expected to be charged to our consolidated statements of profit or loss, and approximately HK$[**REDACTED**] million is expected to be accounted for as a deduction from equity upon the [**REDACTED**]. The [**REDACTED**] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Business Development

Since the end of the Track Record Period, we have continuously developed our business and continued to advance our pipeline. In December 2022, we entered into an exclusive license and collaboration agreement with MSD to develop up to seven preclinical ADC assets for the treatment of cancer. Under this agreement, we granted MSD exclusive global licenses to research, develop, manufacture and commercialize multiple preclinical ADC assets and exclusive options to obtain additional exclusive licenses to certain other preclinical ADC assets. We retain the right to research, develop, manufacture and commercialize certain of these ADCs for China, Hong Kong and Macau. For details, see "Business – Our License and Collaboration Arrangements – License and Collaboration Agreement with MSD for Up to Seven Preclinical ADC Assets."

We received IND approvals from the FDA in November 2022 for a global phase 2 basket study of SKB264 in combination with Keytruda for selected solid tumors, which we commenced in December 2022 in China. In January 2023, we received IND approval from the NMPA for SKB264's phase 2 basket study as combination therapies (including with Keytruda, osimertinib and chemotherapy) for advanced EGFR-wild type and EGFR-mutant NSCLC, and SKB264 was granted Breakthrough Therapy Designation for EGFR-TKI failed EGFR-mutant advanced NSCLC by the NMPA. We completed our Series B Financing in February 2023.

As we strive to rapidly advance our pipeline and enhance our integrated innovation capabilities, we expect that we will continue to recognize net losses in 2023, primarily because we will continue to incur significant costs and expenses in relation to our R&D activities as we carry out and expand our preclinical and clinical development programs.

Regulatory Development

On February 17, 2023, the CSRC released the Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "Trial Measures"), together with five interpretative guidelines thereof, which will become effective on March 31, 2023 (the "Implementation Date"). The Trial Measures stipulated that domestic companies that seek to issue securities overseas, both directly and indirectly, shall complete the filing procedures and report relevant information to the CSRC. On the same date, the CSRC also released the Notice on the Arrangements for the Filing Management of Overseas Listing of Domestic Companies (《關於境內企業境外發行上市備案管理安排的通知》), which stipulated that prior to the Implementation Date, the CSRC would carry on its works on a normal basis pursuant to relevant regulations for the accepted applications for administrative approval for the overseas securities [**REDACTED**], under which circumstance if such companies could not obtain administrative approval prior to the Implementation Date, these companies shall complete the filing procedures with the CSRC. For details, please see "Risk Factors – Risks Relating to Doing Business in China – We are required to comply with certain filing requirements and other procedures with the China Securities Regulatory Commission or other PRC regulatory authorities in connection with this [**REDACTED**], and failure to do so may result in negative consequences."

As of the Latest Practicable Date, our Company had submitted overseas [**REDACTED**] application to the CSRC pursuant to the currently effective rules and regulations and obtained the acceptance letter. In accordance with such currently effective rules and regulations, we shall obtain an approval letter from the CSRC for the [**REDACTED**], following such acceptance letter. However, there remains uncertainty as to our applicable regulatory procedures under the Trial Measures and how long such regulatory procedures may take.

No Material Adverse Change

After performing due diligence work which our Directors consider appropriate and sufficient and after due and careful consideration, our Directors confirm that, except as disclosed in this document and up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since September 30, 2022, which is the end date of the periods reported on in the Accountants' Report included in Appendix I to this document, and there is no event since September 30, 2022 that would materially affect the information as set out in the Accountants' Report included in Appendix I to this document.