
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 the entire document before you decide to [REDACTED] in the [REDACTED].

*There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in “Risk Factors.” **In particular, we are a biotechnology company seeking a [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.** You should read that section carefully before you decide to [REDACTED] in the [REDACTED].*

OVERVIEW

We are a clinical-stage biotechnology company dedicated to the development of innovative immuno-oncology therapies. We were established in the PRC in June 2015. We are one of the few biotechnology companies globally adopting a systematic approach to harness both the innate and adaptive immune systems for the treatment of cancer. Currently approved immunotherapies primarily focus on the adaptive immune system and are often confronted with limited clinical benefits due to low response rates and inevitable drug resistance and/or relapse in many cancer indications. Harnessing both the innate and adaptive immune systems allows us to overcome the limitations of current T-cell-based immunotherapies and address significant unmet medical needs of cancer patients. We have developed a robust pipeline of over ten innovative drug candidates with eight ongoing clinical programs, anchored by a deep and broad innate-immunity-based asset portfolio. Our Core Product, IMM01, is a next-generation clinical-stage CD47-targeted molecule intended to treat various hematologic malignancies, including myelodysplastic syndromes (MDS), acute myeloid leukemia (AML), chronic myelomonocytic leukemia (CMML) and classical Hodgkin lymphoma (cHL), and solid tumors, including among others, non-small cell lung cancer (NSCLC), small cell lung cancer (SCLC), head and neck squamous cell carcinomas (HNSCC) and colorectal cancer (CRC), in combination with other agents. With the differentiated molecule design, IMM01 has shown a favorable safety profile and demonstrated its ability to potently activate macrophages. IMM01 is designated as a Category I innovative drug in accordance with the requirements and classification promulgated under the Drug Administrative Law and relevant regulations and measures. We believe that the introduction of these novel innate immunity-targeted drug candidates into the field of cancer immunotherapy will further lead to robust and durable treatment responses in cancer treatment.

WE MAY NOT ULTIMATELY BE ABLE TO DEVELOP OR MARKET OUR CORE PRODUCT SUCCESSFULLY.

Our Key Products, namely IMM0306 (CD47×CD20), IMM2902 (CD47×HER2) and IMM2520 (CD47×PD-L1), are three CD47-based bispecific molecules. Both of IMM0306 and IMM2902 are the first bispecific molecules with their respective targets globally to enter clinical trials. IMM2520 is also a highly differentiated molecule with the potential to treat a broad spectrum of cancers and has demonstrated promising efficacy targeting solid tumors in preclinical studies. In addition, our pipeline also includes ten other drug candidates that address key innate and adaptive immune targets at various development stages, including CD24 antibody, CD24-targeted bispecific molecules, and three clinical and IND stage adaptive immunity-based drug assets. Our pipeline reflects our deep insight into the frontiers of cancer biology and immunology, and our expertise in turning scientific research into promising drug candidates. Our founder, Dr. Wenzhi Tian, began to explore the therapeutic potential of CD47 blockade in 2010, long before this innate immune checkpoint became widely recognized and clinically validated in the biopharmaceutical industry. Based on our comprehensive understanding of the biology underlying CD47-SIRPα interaction and its potential synergy with other tumor targets and/or

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immune checkpoints, we have built a differentiated CD47-based portfolio with favorable safety and promising efficacy profiles since our inception in 2015. In addition to CD47, we have selected and validated another promising innate immune checkpoint, CD24, in recent years. Around CD24, we are developing one IND-enabling-stage and several discovery- and preclinical-stage drug candidates, each with the potential to become the first of its class to enter into clinical stage around the world. Moreover, we are also developing drug candidates that target other promising innate and adaptive immune checkpoints, including IL-8, NKG2A and PSGL-1, to maximize the clinical and commercial value of our platform.

Our continuous innovation is driven by an experienced and stable R&D team led by Dr. Tian. Core members of our R&D team have been working with Dr. Tian for over 10 years and possess multi-disciplinary expertise in drug discovery, design and development. Emulating the “Quality-by-Design (QbD)” concept that is intended to improve drug product quality by using analytical and risk-management methodologies, we created the “Drug-by-Design (DbD)” concept that emphasizes the fundamental role of molecule design rationale in the process of large molecule drug development. This concept requires that the structure of every drug molecule be deliberately designed with a sound scientific rationale predicated on target-specific biological functions and validated in preclinical studies. Under the guidance of our “DbD” concept and the leadership of Dr. Tian, we have built a fully-integrated R&D platform. It features our proprietary technologies and know-how (including our mAb-Trap bispecific antibody platform technology) and encompasses all key functionalities throughout the innovative drug development process.

Our Business Model

Our core business model is to in-house discover, develop and commercialize next-generation immuno-oncology therapies to address significant unmet medical needs. To complement our internal efforts, we may also collaborate with third parties on the clinical development and commercialization of our drug candidates to better capture regional and global market opportunities through out-licensing, co-commercialization or other strategic collaborations. We are collaborating with Sunshine Guojian to conduct clinical trials evaluating a combination therapy using CIPTERBIN[®] (inetetamab, a HER2 mAb) and IMM01 for HER2-positive solid tumors in mainland China, and Sunshine Guojian will drive and fund relevant clinical trials. For details, please refer to the paragraphs headed “Business — Collaboration Agreements” in this document.

Our Pipeline

We have established a comprehensive pipeline of over ten drug candidates targeting critical innate and adaptive immune checkpoints, including six in clinical stage, one in IND stage and one in IND-enabling stage, with eight ongoing clinical programs, five IND/IND-enabling-stage programs, and multiple in discovery and preclinical stage. We and our key R&D personnel have self-developed each of our Core Product, Key Products and other pipeline product candidates, except that our Core Product, IMM01, was discovered, designed and initially developed by two of our current key R&D personnel before the founding of our Company. The following chart summarizes the development status of our selected drug candidates as of the Latest Practicable Date:

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Program	Target (Modality)	Indication(s)	Discovery	Preclinical	IND/IND-Enabling	Phase Ia/I	Phase Ib/II	Phase III/ Pivotal	Current Status / Upcoming Milestone ⁽¹⁾	Commercial Rights
IMM01 IMM01 + Azacitidine IMM01 + Tislezumab IMM01 + Inetamab IMM01 + Bortezomib + Dexamethasone IMM0306 IMM0306 + Monotherapy IMM0306 + Lenalidomide IMM2902 IMM2520 IMM47 IMM4701 IMM2547 ⁽⁵⁾ IMM51 ⁽⁶⁾ IMM38 ⁽⁶⁾ IMM50 ⁽⁶⁾ IMM62 ⁽⁶⁾	★ CD47 (SIRPα-Fc fusion protein)	MDS, AML, CMML ⁽²⁾	China (NMPA)						Phase Ib/II commenced in January 2022; expect to initiate pivotal trial in Q4 2023	Global
	CD47+PD-1	cHL, Solid tumor	China (NMPA)						Phase Ib/II commenced in May 2022; expect to initiate pivotal trial in Q3 2024 ⁽³⁾	Global
	CD47+HER2	HER2-positive solid tumors	China (NMPA) ⁽⁴⁾						Phase Ib/II IND approved	Global
	CD47	MM	China (NMPA)						Phase Ib/IIa IND approved	Global
	CD47xCD20 (Bispecific)	Indolent B-NHL	China (NMPA), US (FDA)						Phase Ia commenced in March 2023 in China; IND approved in the U.S.	Global
	CD47xCD20 (Bispecific)	B-NHL	China (NMPA)						Phase Ib/IIa IND approved	Global
	CD47xHER2 (Bispecific)	HER2-positive and low-expressing solid tumors	China (NMPA), US (FDA)						Phase I commenced in February 2022 in China and in June 2022 in the U.S.; expect to largely complete Phase Ia trials in China and the U.S. in 2023	Global
	CD47xPD-L1 (Bispecific)	Solid tumors	China (NMPA), US (FDA)						IND approved in China and the U.S. in Q4 2022; Phase I commenced in China in March 2023	Global
	CD24 (mAb)	Solid tumors	China (NMPA), US (FDA)						IND-enabling; expect to enter into clinical trials in mid-2023	Global
	CD47xCD24 (Bispecific)	Solid tumors							CMC	Global
	CD24xPD-L1 (Bispecific)	Solid tumors							Discovery	Global
	IL-8 (mAb)	Solid tumors							Preclinical	Global
	Undisclosed	Solid tumors							Preclinical	Global
	Undisclosed	Solid tumors							Discovery	Global
Undisclosed	Solid tumors							Discovery	Global	
Adaptive Immunity IMM2510 IMM27M IMM40H	VEGFxPD-L1 (Bispecific)	Solid tumors	China (NMPA)						Phase I commenced in August 2021 and 8th cohort ongoing in China; expect to complete Phase I in mid-2023	Global
	CTLA-4 ADCC+ (mAb)	Solid tumors	China (NMPA)						Phase I commenced in June 2022 in China; expect to complete in mid-2023; IND approved in China for Phase Ib/II trial for its combination with a PD-1 antibody ⁽⁶⁾	Global
	CD70 (mAb)	Liquid/Solid tumors	China (NMPA), US (FDA)						IND approved in China and the U.S. in August 2022	Global

★ Core Product ▲ Key Product Inmate Immunity Targets Inmate and Adaptive Immunity Targets Adaptive Immunity Targets

- Notes:
- Expected completion date for Phase Ia/I trial refers to the time when RP2D can be determined, and expected completion date for Phase Ib/II trial refers to the time when top-line data is available for regulatory discussions. Follow-up period required would not delay the initiation of the next phase clinical trials, and is thus not considered.
 - The cohort-expansion trials of this combination are mainly designed to target the first-line treatment of higher-risk MDS (patients who fall into higher-risk group categories in the original or revised International Prognostic Scoring System), unfit AML (individuals of older age with AML who are considered not eligible for intensive treatment approaches), and CMML. Particularly, we plan to seek an accelerated marketing approval through relatively small sample size studies targeting the first-line treatment of CMML, a rare type of disease with highly unmet medical needs.
 - In July 2022, we obtained the NMPA's consent for adding R/R cHL as an additional expansion cohort into the ongoing combination trial of IMM01 and tislezumab. We dosed the first patient with R/R cHL in China in January 2023.
 - The clinical trial is led and funded by Sunshine Guojian Pharmaceutical (Shanghai) Co., Ltd. ("Sunshine Guojian"). As denoted by the dotted line, Sunshine Guojian and us have obtained an IND approval for a Phase Ib/II trial of this combination therapy from the NMPA in August 2021, and therefore the parties can skip the Phase Ia stage and directly initiate a Phase Ib/II trial.
 - We will continue to conduct preclinical studies for IMM2547, IMM51, IMM38, IMM50 and IMM62, including cell line development, in vivo studies and further evaluation.
 - We are currently conducting the Phase I trial for IMM27M monotherapy, and have obtained the IND approval for a Phase Ib/II trial for its combination with a PD-1 antibody.
- * Currently we have several other drug candidates in preclinical stage and plan to further develop these candidates through collaboration, such as IMM2518, a second-generation VEGF×PD-L1 bispecific molecule and IMM5601, a CD47×CD38 bispecific molecule.

Abbreviations: MDS refers to myelodysplastic syndrome; AML refers to acute myeloid leukemia; CMML refers to chronic myelomonocytic leukemia; MM refers to multiple myeloma; B-NHL refers to B-cell non-Hodgkin lymphoma; cHL refers to classical Hodgkin lymphoma; IND refers to investigational new drug; CMC refers to chemistry, manufacturing, and controls; ADCC refers to antibody-dependent cellular cytotoxicity.

Source: Company Data

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For more information about these drug candidates, please refer to the paragraphs headed “Business — Our Drug Candidates” in this document.

Our Core Product and Key Products

Our Core Product — IMM01 (SIRP α -Fc fusion protein)

IMM01, our Core Product, is a next-generation CD47-targeted molecule. It is the first SIRP α -Fc fusion protein to enter into clinical stage in China. IMM01 is being developed for the treatment of various hematologic malignancies and solid tumors in combination with other agents. We (i) have completed the Phase I dose-escalation study of IMM01 in relapsed or refractory (R/R) lymphoma patients, (ii) have completed a Phase Ib trial to evaluate IMM01 in combination with azacitidine for the treatment of R/R MDS and R/R AML, and initiated a Phase II trial mainly for the first-line treatment of higher-risk (HR) MDS, unfit AML and CMML in June 2022, and (iii) initiated a Phase Ib/II clinical trial to evaluate IMM01 in combination with tislelizumab in May 2022 for the treatment of solid tumors, including among others, NSCLC, SCLC, HNSCC and CRC, which are all advanced solid tumors that failed to respond to or relapsed from the standard of care such as PD-1/PD-L1 inhibitors, as well as R/R cHL. We have also obtained an IND approval for the Phase Ib/IIa clinical trial to evaluate the combination of IMM01 with bortezomib and dexamethasone for the treatment of multiple myeloma (MM) from the NMPA in January 2023. With encouraging efficacy and favorable safety in monotherapy clinical trials and robust preclinical data of its combination studies, IMM01 is expected to achieve strong synergistic effects used in combination with other cancer agents.

IMM01 designed with IgG1 Fc can fully activate macrophages via a dual mechanism — simultaneously blocking the “don’t eat me” signal by disrupting CD47/SIRP α interaction and delivering the “eat me” signal through the engagement of activating Fc γ receptors on macrophages. Furthermore, the CD47-binding domain of IMM01 was specifically engineered to avoid human red blood cell (RBC) binding. With the differentiated molecule design, IMM01 has achieved a favorable safety profile and demonstrated its ability to potently activate macrophages. Among numerous drug developers of CD47-targeted molecules globally, we are one of the only two companies to have observed complete response (CR) in monotherapy clinical trials with a well tolerated safety profile, according to Frost & Sullivan. For the details on the mechanism of action, please refer to the paragraphs headed “Business — Our Innate Immune Checkpoint-Targeted Drug Candidates — IMM01 — Mechanism of Action.” IMM01 was discovered, designed and developed by key R&D personnel of our Company when they worked at their respective former employers. We acquired full ownership and related interests in IMM01 after our establishment in 2015, and since then we have continued the preclinical research and are conducting clinical trials to develop IMM01 with our internal team and resources during the Track Record Period and up to the Latest Practicable Date. We are the sole owner of the intellectual property rights and global commercial rights in relation to IMM01.

The currently approved immunotherapies primarily target T-cell immune checkpoints, including PD-1/PD-L1, CTLA-4 and LAG-3. However, only about 10% to 25% of patients across almost all major cancer types can benefit from PD-1/PD-L1 monotherapy treatment. To overcome the limitations of the current immunotherapies, mounting research highlights the potential to deploy innate immunity-targeted strategies for the treatment of a wide range of cancer indications. Among those, the CD47/SIRP α pathway has been clinically validated and became one of the most attractive next-generation cancer immunotherapeutic targets.

Given the potential broad-spectrum clinical application of CD47/SIRP α -targeted therapies, this new class of therapies presents vast market opportunities globally. 52 CD47/SIRP α -targeted drug candidates are currently under clinical development in China and globally, including fusion proteins, monoclonal antibodies, and bispecific molecules by 23 drug developers in China and 22 worldwide outside of China. According to Frost & Sullivan, the global market size of

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CD47/SIRP α -targeted therapies is expected to reach US\$13.1 billion and US\$33.7 billion in 2030 and 2035, respectively. China’s CD47/SIRP α -targeted therapy market is expected to grow to US\$2.3 billion in 2030 and US\$6.4 billion in 2035, with a higher growth rate compared to that of the global market. The prospect promised by CD47-targeted therapies was also validated by several multi-billion dollar take-over transactions of CD47 focused biotechnology companies as well as licensing deals for CD47-targeted agents backed by leading multinational pharmaceutical companies, including Gilead, Pfizer and AbbVie. According to Frost & Sullivan, as of the Latest Practicable Date, there were no commercialized CD47/SIRP α -targeted drugs globally. Barriers to the design and development of effective and safe CD47-targeted drugs include blood toxicity, antigenic sink, Fc isotype selection and resulting efficacy, as well as T-cell toxicity. Failures to overcome these barriers may result in compromised efficacy, drug resistance and severe side effects. For details, please refer to the paragraphs headed “Industry — Promising Immunotherapies Targeting Innate Immune Checkpoints — Overview of CD47/SIRP α -targeted Drugs — Scientific barriers to CD47/SIRP α -targeted drug development.” To address these potential issues, we carefully designed IMM01 with the specific engineered CD47-binding domain and IgG1 Fc to achieve enhanced efficacy balanced with well-tolerated safety profile.

Monotherapy

IMM01 single agent has demonstrated encouraging results in safety and efficacy in our Phase I dose-escalation study targeting R/R lymphoma. Among 27 evaluable patients receiving 0.003 mg/kg to 2.0 mg/kg IMM01 in the dose-escalation study, two patients achieved complete response (2 CRs), one achieved partial response (1 PR), and 13 achieved stable disease (13 SDs) (including six cases with substantial tumor shrinkage observed). Among the six patients receiving an RP2D dose of 2.0 mg/kg in this monotherapy clinical trial, one achieved complete response (1 CR), and four achieved stable disease (4 SDs), resulting in a disease control rate (DCR) of 83% in these previously heavily pre-treated R/R lymphoma patients. CR observed in one of the evaluable patients lasted for 4.9 months before it turned into a progressive disease (PD) because of new lesions and this patient was under continued treatment for another 2.5 months subsequently. Another patient achieved CR after 14 cycles of treatment. As of August 30, 2022, data obtained from the Phase I study has demonstrated that IMM01 monotherapy was well tolerated and safe up to 2.0 mg/kg. The majority of treatment-related adverse events (TRAEs)¹ observed were Grade 1 or 2. Blood toxicity events with occurrence rate of 40% or above at all grades included positive of anti-erythrocyte antibody (59%), leukopenia (55%), hemolysis (52%), thrombocytopenia (45%), hypertriglyceridemia (45%), anemia (45%), neutropenia (41%) and neutrocytosis (41%). Grade 3 or above TRAEs of IMM01 mainly included leukopenia (7%), thrombocytopenia (10%), anemia (14%) and neutropenia (3%)².

Combination of IMM01 and azacitidine

We are evaluating the combination of IMM01 and azacitidine for the first-line treatment of HR MDS, unfit AML, and CMML. Upon completion of the Phase Ib trial, we initiated a Phase II cohort expansion trial of IMM01 and azacitidine mainly for the first-line treatment of HR MDS, unfit AML and CMML in China in June 2022. Particularly, we plan to seek an accelerated

Notes: (1) Denotes TRAEs above 10%. (2) As illustrated in various studies, IMM01 would not bind with CD47 expressed on RBCs *in vitro*. This is largely because the glycosylation profiles of CD47 expressed on RBCs is distinctive from those expressed on tumor cells, and the CD47-binding domain of IMM01 is specifically modified to avoid binding with CD47 expressed on normal RBCs. However, in human body, although bloodstream is mostly floated with healthy RBCs, there are aging RBCs that may be found stuck on the walls of blood vessels. The glycosylation profiles of healthy RBCs and aging RBCs vary substantially, while aging RBCs often are poorly glycosylated and thus may not completely fend off the binding with IMM01. This difference in glycosylation profiles would likely cause IMM01 to bind with certain aging RBCs that are stuck on the walls of blood vessels in clinical trials, which only account for limited proportion in blood samples taken and tested *in vitro*, thus causing certain adverse effects, although most of the adverse events observed were Grade 1 or 2. This is also the rationale behind Gilead’s “priming dose” design, allowing CD47 antibody to first bind with and deplete aging RBCs with an initial low dose. The decrease in platelets and hemoglobin observed in our trial was also transient, which amount would steadily recover to normal level post dosing. In addition, no drug-related agglutination, hemolytic anemia, or severe anemia was observed.

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marketing approval through relatively small sample size studies targeting the first-line treatment of CMML, a rare type of disease with highly unmet medical needs. Subject to the clinical results of Phase II trial, we expect to commence a pivotal trial in China in the fourth quarter of 2023. According to Frost & Sullivan, the total incidence of MDS/CMML and AML was 460.6 thousand and 53.3 thousand in 2021 globally and in China, respectively, and is expected to increase to 547.7 thousand and 61.6 thousand in 2030 globally and in China, respectively. MDS/CMML and AML are two types of hematologic cancers that lack effective options for first-line treatments as current first-line treatments are still limited to conventional chemotherapy. Please refer to “Industry Overview — Selected Indications Analysis — Hematologic Malignancies” for further details on current treatment paradigm and unmet medical needs of MDS/CMML and AML.

As validated by multiple publicly reported clinical trials, the combination of CD47-targeted therapies and azacitidine can generate synergistic tumor-killing effects. However, since azacitidine also induces blood toxicity, its combination with CD47 antibodies (which also cause blood toxicity) may lead to exacerbated blood toxicity and serious safety issues. In contrast, based on the initial data from our ongoing Phase Ib/II clinical trial, IMM01 presents strong potential to be a combination partner with azacitidine because of its dual mechanisms and favorable safety profile. IMM01 is also safer than CD47 antibodies partly due to the significantly lower dose required (2.0 mg/kg), as compared to the typical dose of 30.0 to 45.0 mg/kg required for CD47 antibodies.

Interim data as of February 10, 2023 from the Phase Ib/II clinical trial has demonstrated favorable safety profile and promising efficacy profile. Neither DLT nor hemagglutination was observed among all 12 patients receiving the combination treatment at all three dose levels of IMM01 (1.0 mg/kg, 1.5 mg/kg, and 2.0 mg/kg) in our Phase Ib trial. Moreover, the interim data obtained from our Phase II trial as of February 10, 2023 has demonstrated that: (i) among the eight evaluable patients with 1L CMML, two reached CR (2 CRs), six reached marrow complete response (6 mCRs), with one hematological improvement (1 HI, which also achieved mCR), resulting in an overall response rate (ORR) of 100%, and (ii) among the 16 evaluable HR MDS patients who have received at least three cycles of treatment, three achieved CR (3 CRs), nine achieved mCR (9 mCRs), and seven achieved HI (7 HIs, among which 4 also achieved mCR), resulting in an ORR of 93.8%. For further details of preclinical and clinical data, please refer to the paragraphs headed “Business — Our Innate Immune Checkpoint-Targeted Drug Candidates — IMM01 — Competitive Advantages of IMM01-based Combination Therapies.”

Subject to further clinical validation, we plan to file an IND application for a Phase II study with the FDA for this combination treatment. For further details of clinical plan, please refer to the paragraphs headed “Business — Our Innate Immune Checkpoint-Targeted Drug Candidates — IMM01 — Clinical Development Plan.”

Combination of IMM01 and tislelizumab

We intend to develop the combination therapy of IMM01 and tislelizumab for the treatment of cancers that are not responsive to or relapsed from the standard of care such as PD-1/PD-L1 inhibitors, including among others, NSCLC, SCLC, HNSCC and CRC. The total incidence of NSCLC, SCLC, HNSCC and CRC was 6.9 million and 2.3 million in 2021 globally and in China, respectively, and is expected to increase to 8.5 million and 2.9 million in 2030 globally and in China, respectively. We are currently evaluating IMM01 and tislelizumab in a Phase II trial in various advanced solid tumors that failed to respond to or relapsed from the standard of care such as PD-1/PD-L1 inhibitors. In addition, we are also evaluating this combination therapy in cHL patients who relapsed or progressed after the treatment of PD-1 inhibitors in this Phase Ib/II trial, which may allow us to pursue an accelerated marketing approval leveraging the results of relatively small sample size studies.

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So far, PD-1/PD-L1 inhibitor monotherapy only produces meaningful responses in 10% to 25% patients across almost all major cancer types. Moreover, survival benefits of current combination therapies based on PD-1/PD-L1 inhibitors are limited in many cancer types, highlighting a clear need for other effective treatment options to improve treatment outcomes for patients. Unlike CD47 antibodies that often employ an IgG4 Fc region, IMM01 is designed with IgG1 Fc that can fully activate macrophages by activating an additional “eat me” signal through Fc-FcγR engagement. Activated macrophages can then secrete certain cytokines and chemokines to recruit T cells to tumor sites, thus effectively converting “cold tumors” (tumors that lack T-cell infiltration) into “hot tumors” that are more responsive to the treatment of PD-1/PD-L1 inhibitors. Our preclinical studies have demonstrated promising synergistic antitumor effects for the combination of IMM01 with either PD-1 or PD-L1 inhibitors. For further details of preclinical data, please refer to the paragraphs headed “Business — Our Innate Immune Checkpoint-Targeted Drug Candidates — IMM01 — Competitive Advantages of IMM01-based Combination Therapies.”

We dosed the first patient for the Phase Ib trial in May 2022 and initiated the Phase II trial in December 2022. In our Phase Ib trial, a heavily pre-treated NSCLC patient with six lines of prior treatment and refractory to PD-1 inhibitors achieved PR after three cycles of treatment with target lesion shrinkage of 40%. After accumulating more clinical data, we may also further evaluate this combination therapy for the first-line treatment of those solid tumors as well as for the treatment of other cancer indications. In July 2022, we obtained the NMPA’s consent for adding R/R cHL as an additional expansion cohort into the ongoing combination trial of IMM01 and tislelizumab. We dosed the first patient with R/R cHL in January 2023. For further details of clinical plan, please refer to the paragraphs headed “Business — Our Innate Immune Checkpoint-Targeted Drug Candidates — IMM01 — Clinical Development Plan.”

Combination of IMM01 and other drugs

IMM01 has demonstrated a promising efficacy and safety profile in its Phase I monotherapy trial, which sets the stage for its combination use with other immunotherapies or targeted therapies. We are currently exploring therapeutic potential of IMM01 in combination with various other drugs for a range of cancer indications. We reached a collaboration with Sunshine Guojian, under which Sunshine Guojian will be primarily responsible for driving and funding the clinical development of the combination treatment of IMM01 and inetetamab for HER2-positive solid tumors in mainland China. For details of our collaboration with Sunshine Guojian, please refer to the paragraphs headed “Business — Collaboration Agreement.” We have also obtained an IND approval for the Phase Ib/IIa clinical trial to evaluate the combination of IMM01 with bortezomib and dexamethasone for the treatment of MM from the NMPA in January 2023. We are also conducting numerous preclinical studies to evaluate the combination use of IMM01 with other drugs. These combination studies have revealed strong synergistic potential in our mouse models.

Our Key Products

Our Key Products include IMM0306 (CD47×CD20), IMM2902 (CD47×HER2) and IMM2520 (CD47×PD-L1), which are CD47-based bispecific molecules sharing a common structure: connecting the same engineered CD47-binding domain used in IMM01 to a base antibody with antibody-dependent cellular cytotoxicity (ADCC)-enhanced human IgG1 Fc fragment. This unique structural design with the engineered CD47-binding fragment allows our CD47-based bispecific molecules to avoid RBC binding, thus enabling the adoption of an ADCC-enhanced IgG1 Fc fragment capable of inducing full macrophage activation and much improved antibody-dependent cellular phagocytosis (ADCP) and ADCC activity, which results in stronger antitumor immune responses compared to most IgG4-based CD47 bispecific antibodies. When designing these molecules, we connect the engineered CD47-binding domain to the N-terminal of the heavy chain or light chain of a base antibody against another tumor target rather than to the Fc end, which ensures undisrupted binding to CD47 and preserves the intact Fc region with full immune effector function.

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Compared to combination therapies against the same targets, our bispecific molecules are more likely to bind with two targets co-expressed on the same cancer cell, which is the prerequisite for the dual-targeting strategy to show synergistic effects. As demonstrated in our preclinical studies, our bispecific molecules can exert more potent antitumor activity than the combination therapies with same targets even at a relatively lower dose level. In addition, the symmetric structure of our bispecific molecules developed on our mAb-Trap platform minimizes mismatch during the production process, allowing for ease of manufacturing, product stability, higher titer and protein yield.

IMM0306 (CD47×CD20)

IMM0306, one of our Key Products, is the first CD47×CD20 bispecific molecule globally to enter into clinical stage. We are currently developing IMM0306 for the treatment of R/R B-cell non-Hodgkin lymphoma (B-NHL). It has a higher affinity for CD20 than CD47, which enables it to preferentially and simultaneously bind to CD20 and CD47 on malignant B cells rather than CD47-positive normal tissues and further mitigate CD47-related toxicity. For the details on the mechanism of action, please refer to the paragraphs headed “Business — Our Innate Immune Checkpoint-Targeted Drug Candidates — IMM0306 — Mechanism of Action.”

According to Frost & Sullivan, B-NHL patients account for 85% of patients with NHL, and approximately 95% of B-NHL express CD20 antigen. CD20 antibody in combination with chemotherapy is the main treatment option covering the first-line and following treatment for B-NHL. However, approximately 50% of NHL patients will eventually experience disease progression due to drug resistance, leading to R/R NHL, which remains a challenge with limited effective treatment options. For R/R B-NHL, though CD20-targeted therapy is still primarily recommended, it is generally associated with limited effectiveness due to drug resistance. As B-NHL is a malignant tumor of lymphatic system which contains numerous immune cells, simultaneously targeting innate and adaptive immunity have great potential in addressing the unmet needs of NHL treatment. For further details, please refer to the paragraphs headed “Industry Overview — Selected Indications Analysis — Hematologic Malignancies” and “Business — Our Innate Immune Checkpoint-Targeted Drug Candidates — IMM0306 — Market Opportunities and Competition.”

Our preclinical studies suggest that IMM0306 is more potent than RITUXAN[®] (rituximab, a CD20 mAb) monotherapy, even at a much lower dosing level, and it is more potent than the combination therapy of IMM01 and rituximab at a comparable dosing level. We initiated a Phase I trial for IMM0306 in R/R B-NHL in China in May 2020, of which the preliminary data demonstrated encouraging results in safety and efficacy. According to our initial clinical data as of February 27, 2023, IMM0306 was safe and well tolerated up to 2.0 mg/kg. Among the evaluable patients across four cohorts dosed from 0.8 mg/kg to 2.0 mg/kg, who had relapsed or progressed after receiving rituximab previously, two CRs and five PRs were observed. The only evaluable follicular lymphoma (FL) patient at 2.0 mg/kg who relapsed and progressed after rituximab treatment has also been confirmed as PR. At 2.0 mg/kg, one patient with primary bone diffuse large B-cell lymphoma (DLBCL) who had four lines of prior treatment has achieved PR with all measurable lesions disappeared after 65 days of treatment.

The encouraging clinical results of IMM0306 have provided further validation of our mAb-Trap platform. We commenced a Phase IIa trial for IMM0306 monotherapy for the third- or later-line treatment of FL in March 2023 and plan to seek an accelerated marketing approval through a single-arm trial. We expect to commence pivotal clinical trials in China in the third quarter of 2024. Furthermore, our IND application for the combination of IMM0306 and lenalidomide targeting front-line B-NHL was approved by the NMPA in January 2023, and we are in preparation to commence the Phase Ib trial for this combination in China. We have also received an IND approval for IMM0306 from the FDA in January 2021. With further clinical validation in the Phase I trial in China, we will then decide on our clinical development and

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collaboration strategy for IMM0306 in the U.S. For further details, please refer to the paragraphs headed “Business — Our Innate Immune Checkpoint-Targeted Drug Candidates — IMM0306 — Clinical Development Plan.”

IMM2902 (CD47×HER2)

IMM2902, one of our Key Products, is currently the only CD47×HER2 bispecific molecule that has entered into clinical stage globally. Our IMM2902 is being developed for the treatment of HER2-positive and HER2-low expressing solid tumors. IMM2902 suppresses tumor cell growth and proliferation through the blockade of HER2 and CD47/SIRPα inhibitory signals as well as the promotion of HER2 degradation, and further destroys tumor cells through enhanced ADCP, ADCC, and potentially antibody dependent cellular trogocytosis (ADCT). For the details on the mechanism of action, please refer to the paragraphs headed “Business — Our Innate Immune Checkpoint-Targeted Drug Candidates — IMM2902 — Mechanism of Action.”

According to Frost & Sullivan, HER2 overexpression is prevalent in many major cancer types, such as breast cancer (BC), gastric cancer (GC), lung cancer, CRC, esophageal cancer (EC), biliary tract cancer (BTC), HNSCC and CC. According to Frost & Sullivan, the incidence of major HER2-expressing cancers reached 13.1 million and 3.3 million globally and in China in 2021, respectively, and is expected to increase to 16.1 million and 4.3 million in 2030 globally and in China, respectively. While HER2 antibodies (such as HERCEPTIN®, trastuzumab) have been used as the standard treatment for HER2-positive BC and GC in combination with chemotherapy, patients with HER2-positive cancer will eventually develop resistance to the standard treatment, resulting in disease progression. Moreover, patients with HER2-low expression who comprise about 50% of all BC cases and over 25% of GC cases do not respond to HER2 antibodies in general. Although HER2 antibody-drug conjugates (ADCs) are showed to be active in certain HER2-low expressing tumors in clinical trials, they are often associated with severe adverse effects, such as interstitial lung disease, and can sometimes lead to fatal events. This suggests a clear need to develop novel therapeutics with a better efficacy-safety balance for patients with HER2-low expressing cancers and trastuzumab-resistant cancers. For further details, please refer to the paragraphs headed “Business — Our Innate Immune Checkpoint-Targeted Drug Candidates — IMM2902 — Market Opportunities and Competition.”

Our preclinical studies demonstrated strong antitumor activities of IMM2902 in a variety of breast and gastric tumor models, including those with HER2-low expression and resistant to trastuzumab. We are conducting a Phase Ia/Ib clinical trial in China to evaluate IMM2902 in advanced HER2-positive and HER2-low expressing solid tumors, including BC, GC, NSCLC and BTC, with the first patient dosed in February 2022. IMM2902 was shown to be safe and well tolerated up to 2.0 mg/kg. Dosing is ongoing for higher dose level cohorts. We have also initiated the clinical trial for advanced HER2-positive and HER2-low expressing solid tumors in the U.S. with the first patient dosed in June 2022. We have received the Fast Track Designation from the FDA in July 2022. For further details, please refer to the paragraphs headed “Business — Our Innate Immune Checkpoint-Targeted Drug Candidates — IMM2902 — Clinical Development Plan.”

IMM2520 (CD47×PD-L1)

IMM2520, one of our Key Products, is a CD47×PD-L1 bispecific molecule for the treatment of solid tumors. By targeting CD47 and PD-L1 on tumor cells and with its functional IgG1 Fc, IMM2520 can simultaneously activate macrophages and T cells to achieve strong synergistic effects and induce long-lasting tumor-specific immune responses. For the details on the mechanism of action, please refer to the paragraphs headed “Business — Our Innate Immune Checkpoint-Targeted Drug Candidates — IMM2520 — Mechanism of Action.”

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As discussed above, only about 10% to 25% of cancer patients are responsive to PD-1/PD-L1 inhibitor monotherapy across almost all major types of cancer, due to “cold tumors” or non-T cell-inflamed immune-suppressive tumor microenvironment (TME). Macrophages, however, are widely distributed in a broad range of tumor types, accounting for 20% to 50% of cells in respective tumor tissues. With the capability to activate macrophages and unleash their synergistic effects with T-cell response, IMM2520 may benefit patients who are previously not responsive to or have progressed after PD-1/PD-L1 inhibitors, thus capturing the vast worldwide market opportunities. According to Frost & Sullivan, as IMM2520 is expected to provide effective treatment for solid tumors with low response rates to PD-1/PD-L1 inhibitors, it has the potential to treat a wide range of cancer indications with high macrophage infiltration, including NSCLC, SCLC, HCC, GC, HNSCC, CRC, ESCC, ovarian cancer (OC), prostate cancer, and pancreatic cancer. For further details, please refer to the paragraphs headed “Business — Our Innate Immune Checkpoint-Targeted Drug Candidates — IMM2520 — Market Opportunities and Competition.”

IMM2520 showed encouraging *in vivo* efficacy and safety in several animal models. We have obtained IND approvals for IMM2520 from the NMPA in November 2022 and from the FDA in December 2022, and dosed the first patient for the Phase I clinical trial in China in March 2023. We will primarily focus on the solid tumors generally resistant or not sensitive to the currently available immunotherapies, such as CRC, GC, lung cancer and HNSCC, among others. For further details, please refer to the paragraphs headed “Business — Our Innate Immune Checkpoint-Targeted Drug Candidates — IMM2520 — Clinical Development Plan.”

CD24-targeted Drug Candidates

In addition to CD47, we have selected and validated another promising innate immune checkpoint, CD24. We started the discovery research on CD24 as early as 2019, and have successfully identified lead drug candidates with potent target activity and *in vivo* therapeutic efficacy. Currently, we have one innovative IND-enabling-stage drug candidate (IMM47) and several discovery- and preclinical-stage molecules, including IMM4701 and IMM2547, targeting this checkpoint. CD24 is widely expressed in numerous types of solid tumors, including BC, NSCLC, CRC, HCC, renal cell carcinoma (RCC), and OC, and has been recognized as an important marker for poor prognosis of those cancers, presenting tremendous clinical potential. However, there is currently no approved or clinical-stage drug candidate targeting CD24 globally, according to Frost & Sullivan.

IMM47 (CD24 mAb)

IMM47 is a potentially global first-in-class humanized monoclonal antibody targeting CD24 for cancer treatment. We have successfully screened IMM47 despite the fact that the screening of antibodies against CD24 is highly challenging due to the relatively weak immunogenicity resulting from its small extracellular domain. With a high affinity for CD24 expressed on tumor cells, IMM47 can suppress the immune inhibitory signals sent from CD24/Siglec-10 pathway to macrophages, natural killer (NK) cells and T cells. With the ADCC-enhanced IgG1 Fc, IMM47 can specifically bind to CD24 and potentially activate macrophage and NK cell-immune responses through ADCP and ADCC. IMM47 has also been shown to significantly increase the amount of M1 macrophages in tumor tissues in our *in vivo* proof-of-concept studies. It can also activate and promote T-cell response likely through tumor antigen presentation by activated macrophages to T cells and direct blockade of CD24/Siglec-10 inhibitory signals. Our preclinical studies have demonstrated promising efficacy of IMM47. In a colon cancer model, it completely eradicated subcutaneously inoculated tumor cells in all six mice after three doses of 3.0 mg/kg (~0.3 mg/kg human equivalent dose). In addition, IMM47 can establish tumor-specific immune responses that prevent tumor growth even against re-inoculation of tumor cells in mice, demonstrating its capability to further induce T-cell-based adaptive immune activation. We expect to file IND applications for IMM47 for the treatment of solid tumors with the NMPA and the FDA in 2023, and initiate a Phase I dose-escalation study first in Australia in mid-2023. Initiating a clinical trial

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in Australia first can help us to begin global clinical trials earlier and accelerate clinical validation of IMM47. Additionally, we believe Australian trial can generate valuable clinical data on ethnically diverse populations, thus enhancing our ability to pursue collaboration opportunities with global pharmaceutical companies.

IMM4701 (CD24×CD47)

IMM4701 is a bispecific molecule that simultaneously targets CD47 and CD24. It is also developed on our mAb-Trap platform and shares a similar structure as our other CD47-based bispecific molecules. We have observed robust antitumor activity of IMM4701 in various solid tumor models, in which IMM4701 achieved 122% tumor growth inhibition (TGI) at 3.0 mg/kg (~0.3 mg/kg human equivalent dose). Further leveraging the data observed from IMM47, we plan to file IND applications with the NMPA and the FDA for the treatment of solid tumors subsequently, and further seek collaboration opportunities with global pharmaceutical companies.

Other Innate Immunity-based Drug Candidates

We have also been actively evaluating the therapeutic potential of other promising innate immune checkpoints, including IL-8, NKG2A and PSGL-1, and we aim to continue to stay at the forefront of the development of next-generation immunotherapies through scientific innovation.

Adaptive Immunity-based Drug Candidates

IMM2510 (VEGF×PD-L1)

IMM2510 is a bispecific molecule with a mAb-Trap structure targeting VEGF and PD-L1. IMM2510 can inhibit angiogenesis, leading to tumor shrinkage, and sensitize tumor cells to immune responses, while activating T cells, NK cells, and macrophages via the blockade of PD-L1/PD-1 interaction and the induction of Fc-mediated ADCC/ADCP activity. Our preclinical efficacy studies showed that IMM2510 exerted stronger synergistic antitumor activities than the combination of a VEGF blocker and a PD-L1 antibody. We are currently conducting the Phase I dose-escalation trial for IMM2510 in China in a variety of advanced solid tumors, including, but not limited to, HCC, RCC, GC, NSCLC and soft-tissue sarcomas (STS). Initial clinical results as of February 15, 2023 have shown favorable safety and promising efficacy. IMM2510 was safe and tolerable up to 10.0 mg/kg in patients with advanced solid tumors, and we are currently evaluating patients for 10.0 mg/kg dose cohort. Among the two evaluable NSCLC patients in the trial so far, we have observed PRs in both patients, with best tumor shrinkage response of 46% and 35% respectively. We expect to complete this dose-escalation study in mid-2023, and subsequently commence a cohort-expansion study.

IMM27M (CTLA-4 ADCC-enhanced mAb)

IMM27M is a new generation CTLA-4 antibody with enhanced ADCC activity. It can induce potent immune responses targeting CTLA-4 overexpressed immune-suppressive T_{reg} cells and promote T_{reg} depletion from the TME, thus enhancing T-cell antitumor response. Our preclinical studies have demonstrated that IMM27M could induce significantly stronger antitumor activity than YERVOY® (ipilimumab) and it resulted in complete tumor remission even at a dose as low as 0.3 mg/kg (~0.03 mg/kg human equivalent dose), at which ipilimumab only exhibited approximately 50% tumor growth inhibition. We have commenced the Phase I clinical trial in solid tumors, with the first patient dosed in June 2022. We had enrolled 15 patients as of February 10, 2023, and we are currently enrolling patients for the sixth cohort of 5.0 mg/kg. The preliminary data demonstrates that IMM27M is safe and well tolerated up to 3.0 mg/kg. We have observed 4 SDs in this trial so far, among whom one patient with breast carcinoma who had six lines of prior treatment has achieved SD with tumor shrinkage of 28.8% at 3.0 mg/kg, and one patient with metastatic melanoma has achieved SD with tumor shrinkage of 22.9% at 2.0 mg/kg. We expect to

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complete this trial in mid-2023. We received an IND approval from the NMPA for a Phase Ib/II study to evaluate the combination of IMM27M and a PD-1 antibody for the treatment of advanced solid tumors, such as RCC, NSCLC, GC and thymic carcinoma (TC), in March 2023. We may initiate clinical trials or explore collaboration opportunities for this combination therapy.

IMM40H (CD70 mAb)

IMM40H is a humanized IgG1 CD70 monoclonal antibody with enhanced ADCC activity. It can obstruct the activation and proliferation of T_{reg} cells through the inhibition of CD70/CD27 signaling. Our *in vitro* cell-based assay demonstrated that IMM40H had much stronger CD70-binding affinity than cusatuzumab (a CD70-targeted antibody developed by Argenx and currently in Phase II stage), allowing it to block the interaction of CD70 and CD27 more effectively. Moreover, IMM40H has also shown potent ADCC, complement-dependent cytotoxicity (CDC), and ADCP activity, resulting in strong immune attack on tumor cells and potentially potent therapeutic efficacy. Our preclinical data also suggests a favorable safety profile of IMM40H. According to Frost & Sullivan, CD70 could potentially be an effective therapeutic target for the treatment of many major CD70-positive cancer indications, including CD70-positive lymphoma, RCC, NSCLC, HNSCC and OC. We have obtained IND approvals for IMM40H from the NMPA and the FDA in August 2022, and may initiate Phase I clinical studies or pursue potential collaboration opportunities.

Our Platform

We have established an integrated platform encompassing three main functions: (i) drug discovery and preclinical development, (ii) CMC and pilot manufacturing and (iii) clinical development. Leveraging the collaboration among different functional groups, our platform empowers us with robust research and development capabilities, allowing us to efficiently discover and advance the development of next-generation immunotherapies towards commercialization. As a result, we have constructed a comprehensive pipeline consisting of over ten innovative drug candidates targeting both innate and adaptive immune systems, with eight ongoing clinical programs.

Our solid drug discovery and preclinical platform includes advanced hybridoma technology, high-throughput screening, strong immunoassay and bioassay technology, and a proprietary mAb-Trap bispecific platform. These integrated platforms allow us to efficiently conduct screening for lead compounds and druggability analysis. Our advanced hybridoma technology, together with the high-throughput screening technology, can effectively and quickly screen out antibodies with optimized properties. Our mAb-Trap platform was built to design bispecific molecules that connect engineered binding domains to the heavy chain or light chain of a base antibody. The molecule structure designed on this platform can be best suited for the targets we have selected. Moreover, the bispecific molecules developed on this platform have a symmetric structure, akin to that of native antibodies, allowing for ease of manufacturing, product stability, higher titer and protein yield. Leveraging this mAb-Trap platform, we have constructed a number of bispecific molecules and four of them have entered into clinical development stage, including IMM0306 (Phase II trial in China), IMM2902 (Phase Ia/Ib trial in China and the U.S.), IMM2510 (Phase I trial in China) and IMM2520 (Phase I trial in China). In fact, average protein yield for IMM0306, IMM2902, and IMM2520 ranges from 3.8 g/L to 4.6 g/L, much higher than the industry average for bispecific molecules of 1.0 g/L to 3.0 g/L. Bispecific molecules designed on the mAb-Trap platform will then be evaluated for *in vitro* pharmaceutical activities with immunoassay and bioassay. Our established preclinical development function enables us to perform studies concerning proof-of-concept *in vivo* efficacy, preclinical pharmacokinetic and pharmacodynamic, and toxicological in animals. Based on the *in vitro* activity, *in vivo* efficacy and quality data, we will select a lead molecule for further evaluation. Leveraging our strong drug discovery and preclinical development capabilities, we are

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developing over ten drug candidates at various stages. These in-house developed drug candidates all have the potential to be either first-in-class or best-in-class drugs if successfully advanced to the market.

Our CMC team is responsible for, among other relevant functions, cell line development, upstream and downstream process development, formulation development, analytical method development and validation, and pilot manufacturing. For cell line development, we developed CHO-K1 host cell line with the glutamine synthetase gene knocked out via gene editing. We have also developed and optimized the cell line screening techniques which significantly help shorten the time for the development of stable expression cell lines with much higher titer.

We have established substantial pilot manufacturing capabilities with the production scale of 450L and are able to manufacture high-quality drug candidates in-house in an efficient and cost-effective manner. In addition, we have already commenced the construction of our new manufacturing facility occupying a site area of approximately 28.7 thousand square meters in Zhangjiang Science City, Pudong New Area of Shanghai, which is designed to meet the stringent cGMP standards. We plan to complete the first stage of construction by 2025, and plan to commence second stage of construction depending on the schedule of the regulatory approval and the sales ramp-up of our drug portfolio in the future.

Our capable clinical development function is responsible for clinical trial design and implementation, as well as translational medicine. We also engage CROs and consultants in China and the U.S. to support our clinical trials. We have established long-standing partnerships with hospitals and principal investigators throughout China and the U.S., which enables us to conduct multiple large-scale clinical trials. In addition, our medical function allows us to analyze preclinical and clinical data to guide our clinical strategy, the design and timely adjustments of clinical development plans.

For further details, please refer to the paragraphs headed “Business — Our Platform.”

OUR COMPETITIVE STRENGTHS

We believe the following strengths have contributed to our success and differentiated us from our competitors:

- science-driven biotechnology company with a rich next-generation immuno-oncology pipeline harnessing both the innate and adaptive immune systems;
- deep and broad innate immunity-based portfolio targeting a wide range of solid and hematologic tumors to address critical unmet medical needs;
- scientifically and structurally differentiated molecule design based on our “drug-by-design (DbD)” concept to achieve potent efficacy and favorable safety;
- integrated proprietary R&D engine anchored around our deep understanding of tumor immunology, continuously driving the discovery and development of innovative next-generation immunotherapies; and
- seasoned management team with a track record of drug innovation and clinical development, led by a renowned immunologist founder and backed by blue chip investors.

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OUR STRATEGIES

Leveraging our strengths, we plan to implement the following strategies:

- to advance the development of our drug candidates to unleash their therapeutic potential and address significant unmet medical needs;
- to expand our global footprint and maximize the clinical and commercial value of our drug candidates through global clinical trials and accretive partnerships;
- to continuously enrich our innovative pipeline through fundamental biological research and translational medicine;
- to upscale our GMP-compliant manufacturing capacity; and
- to enlarge our talent pool to support our continuous growth.

OUR CUSTOMERS AND SUPPLIERS

Customers

During the Track Record Period, since we had not obtained regulatory approval for the commercial sale of any of our drug candidates, we had not generated any revenue from sales of any drug products. Our revenue was generated from out-licensing fee, sales of cell strain and other products and testing services during the Track Record Period. For further details, please refer to the paragraphs headed “Financial Information — Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Revenue.” For the years ended December 31, 2022 and 2021, the aggregate sales to our five largest customers were RMB0.5 million and RMB5.0 million, representing 84.6% and 98.8% of our total sales, respectively. Revenue from our single largest customer accounted for 28.1% and 93.3% of our total sales amount for the same periods, respectively.

Suppliers

During the Track Record Period, our suppliers primarily consisted of CROs, CMO/CDMOs, and suppliers of equipment, devices and construction services. We select our suppliers by considering their product quality, costs, delivery standards, industry reputation and compliance with relevant regulations and industry standards.

For the years ended December 31, 2022 and 2021, the aggregate purchases attributable to our five largest suppliers amounted to RMB58.1 million and RMB55.9 million, respectively, representing 30.2% and 32.4% of our total purchases, respectively. Purchases attributable to our single largest supplier amounted to RMB16.8 million and RMB17.8 million for the same periods, accounting for 8.7% and 10.3% of our total purchases, respectively. All of our five largest suppliers during the Track Record Period operate their business in the PRC, except for one major supplier in 2022 that operates its business in the U.S. We believe that we have maintained strong and stable relationships with our major suppliers.

COLLABORATION AGREEMENT

Collaboration with Sunshine Guojian

On January 18, 2021, we entered into a joint drug development collaboration agreement with Sunshine Guojian. Pursuant to this agreement, the parties will collaborate to conduct clinical studies to evaluate the combination therapy of inetetamab and IMM01 for the treatment of HER2-positive solid tumors in mainland China (excluding Hong Kong, Macau and Taiwan).

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Pursuant to the agreement, Sunshine Guojian is responsible for the design of the clinical study protocol, coordination with the CROs and regulatory filings related to each phase of clinical studies. Sunshine Guojian has final decision-making authority with respect to all material matters in relation to the clinical studies, including but not limited to, the preparation and modification of the clinical trial protocols, of this combination therapy for selected indications.

Each party will supply its product for the purpose of clinical studies at its own cost. All costs incurred in the clinical studies in mainland China will be borne by Sunshine Guojian, except for certain costs to be borne by us as provided in the agreement, including the cost of supplying IMM01, the costs of assigning our own representatives to participate in the clinical development and regulatory communications and providing related technology support. Each party retains ownership of intellectual property rights in its own product. Any new data generated and intellectual property rights (including patents) arising from collaborated clinical studies will be jointly owned by both parties. We retain full rights to commercialize IMM01 worldwide.

For details, please refer to the paragraphs headed “Business — Collaboration Agreement.”

RELATIONSHIP WITH CROs AND CMOs/CDMOs

As is customary in the pharmaceutical industry, we use CROs to conduct and support our preclinical studies and clinical trials under our close supervision and overall management. We currently also collaborate with CMOs/CDMOs for the manufacturing of a portion of our drug candidates for preclinical studies and clinical trials. During the Track Record Period and up to the Latest Practicable Date, all the CROs and CMOs/CDMOs that we collaborate with were independent third parties.

For further details, please refer to the paragraphs headed “Business — Our Platform — CMC and Pilot Manufacturing” and “Business — Our Platform — Clinical Development.”

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we owned (i) four issued patents and five allowed patent applications in the PRC, (ii) six issued patents and two allowed patent applications in the U.S., (iii) nine issued patents and two allowed patent applications in other jurisdictions, and (iv) 29 patent applications, including two pending PRC patent applications and one PRC patent application filed as a priority application, one pending Hong Kong patent application, six pending U.S. patent applications, six PCT patent applications which have entered national phases, four pending PCT patent applications which may enter various contracting states in the future, and 9 pending patent applications in other jurisdictions, relating to certain of our drug candidates and technologies. Specifically, in relation to our Core Product, IMM01, as of the Latest Practicable Date, we owned one patent family, which includes one issued patent in the PRC, one issued patent in the U.S. and one issued patent in Japan with expiration dates in 2035, as well as two pending patent applications in the U.S., one allowed patent application in the European Union (EU) and one PCT patent application which has entered national phases. As to our Key Products, as of the Latest Practicable Date, (i) in relation to IMM0306, we owned one patent family, which includes two issued patents in the PRC, one issued patent in the U.S. and one issued patent in Japan with expiration dates ranging from 2037 to 2038, one allowed patent application in the EU and one PCT patent application which has entered national phases; (ii) in relation to IMM2902, we owned one patent family, which includes one issued patent in Japan, one issued patent and one pending patent application in the U.S., one pending patent application in the PRC, one pending patent application in Hong Kong, one pending patent application in the EU, and one PCT patent application which has entered national phases; and (iii) in relation to IMM2520, we owned one patent family, which includes one issued patent in Japan with an expiration date in 2041, one allowed patent application

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in the PRC, one allowed patent application in the U.S., one pending patent application in the EU, and one pending PCT patent application which may enter various contracting states in the future. For further details on our intellectual property rights, see “Business — Intellectual Property.”

Our IMM01 was discovered, designed and developed by Dr. Deqiang Jing¹ and Dr. Wenzhi Tian², both of whom are currently key R&D personnel of the Company, when Dr. Jing was a consultant at Hanyu and Dr. Tian worked at Huabo Biopharm, respectively. For the purpose of developing the product, Hanyu entered into a technology development agreement with Huabo Biopharm in March 2014, under which Huabo Biopharm was engaged to provide CRO-like technical service for the production of two recombinant proteins, HY03M and HY03MM (which are described in the IMM01 patent family), by using the target gene DNA provided by Hanyu, and Hanyu was required to pay a service fee to Huabo Biopharm. As a result, all the products of the CRO-like technical service along with their legal rights shall belong to Hanyu. During the discovery process, Dr. Jing made substantive contributions to, among others, the structure and sequence designs, biological activity analysis, and animal studies of the IMM01 molecule and Dr. Tian made substantive contributions to the related inventions of IMM01 patent family by, among others, providing suggestions on the sequence, vector construction, protein expression, and bio-assay analysis. In August 2015, the Company entered into a patent application assignment agreement with Hanyu, pursuant to which all rights in a Chinese patent application (No. 201510203619.7) and the inventions disclosed therein in relation to the target molecule (which was later developed to IMM01) were transferred from Hanyu to the Company. The Company obtained the full rights to IMM01 based on the assignment agreement, and Hanyu does not retain any rights to IMM01 according to this assignment agreement, as confirmed by the IP legal advisor. The initial Chinese patent application filed by Hanyu listed Lijuan Liu, Dr. Deqiang Jing and Hua Wang as inventors. However, as confirmed by Hanyu in supplemental agreements to the assignment agreement, and confirmed in the interview with relevant personnel, Dr. Tian and Dr. Jing are the only inventors that made substantive contributions to the inventions of IMM01. Under the supplemental agreements, Hanyu also confirmed that the Company may list the correct inventors in the U.S. patents and patent applications as well as other foreign patents and patent applications in the patent family which were filed subsequently after the transfer of the patent rights. The Company did not correct the inventorship of the Chinese patent (CN106146670B) since the relevant patent application was already filed at the time of transfer. As advised by JunHe LLP, the intellectual property legal advisor to the Company, the error in inventorship in this Chinese patent would not affect the ownership rights or validity of this Chinese patent since this Chinese patent has been granted and the error in inventorship does not form a legal ground to challenge the validity of a patent under the Chinese patent laws and regulations, and the Company fully owns the intellectual property rights and global commercial rights in relation to IMM01. Hanyu was officially deregistered in July 2020 and no longer exists as a legal entity.

We are aware of certain issued patents in the U.S. belonging to third parties that may potentially cover our CD47-based drug candidates and may not expire before our anticipated commercial launch of relevant drug candidates in the U.S. As reviewed and advised by our legal advisor as to intellectual property law, JunHe LLP³, the scope of the relevant patent claims is too broad and the patent claims are obvious over prior art or lack written description and enablement support, the validity and enforceability of the third-party patents are thus questionable; as a result, if such third parties bring the legal proceedings against us, the risk that we will be determined by courts or other competent authorities in the U.S. to have infringed on such patent rights of the

¹ Dr. Deqiang Jing is our senior director in the clinical department. He was engaged as a consultant by Shanghai Hanyu Biopharmaceuticals Co., Ltd (上海翰譽生物科技有限公司) (“**Hanyu**”) from February 2014 to July 2020.

² Dr. Wenzhi Tian is our founder, chief executive officer and chief scientific officer. He co-founded Huabo Biopharm (Shanghai) Co., Ltd. (華博生物醫藥技術(上海)有限公司) (“**Huabo Biopharm**”) and served as its general manager from June 2011 to April 2015.

³ A U.S. based international law firm, Locke Lord LLP, was specifically engaged to conduct analysis of a certain U.S. patent.

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third parties is remote. However, in the hypothetical worst-case scenario that such patent infringement claims against us do arise, the court subsequently rules against us and we also lose all the subsequent appeal regarding the infringement claims (“**Hypothetical Worst-case Scenario**”), we may not be able to commercialize the products in the U.S. unless and until we obtain a license under the applicable patents or such patents expire. Any such license arrangement may require us to pay royalties and other fees to the third parties. We may not be able to obtain a license from third parties, or the terms of the license may not be commercially viable. Such Hypothetical Worst-case Scenario could further expose us to diversion of our resources and our management’s attention. Even if in the Hypothetical Worst-case Scenario, the commercialization of our CD47-based drug candidates in PRC would not be impacted since the potentially relevant patents are U.S. patents which can only have effects in the U.S. For details, please refer to the paragraphs headed “Risk Factors — Key Risks Relating to Our Business, Business Operations, Intellectual Property Rights and Financial Prospects — Third parties may initiate legal proceedings alleging that we are infringing, misappropriating or otherwise violating their intellectual property rights, the outcome of which would be uncertain.” As advised by our intellectual property legal advisor, JunHe LLP, the risk that potential objections or claims from other parties (including, without limitation, Hanyu, Huabo Biopharm, Hua Wang and Lijuan Liu, or any of their respective associates) would affect us in respect of IMM01 in the PRC and U.S. would be remote, save for the above mentioned potentially relevant patents, for which risks that we will be determined by courts or other competent authorities in the U.S. to have infringed on such patent rights of the third parties is remote.

In addition, in 2019, we signed a technology transfer agreement with an independent third party, pursuant to which such third party acquired certain rights and interests (including one patent application in China relating to IMM2505) from us to develop and commercialize IMM2505 in China (including Hong Kong, Macau and Taiwan). The Chinese patent application of IMM2505 has not been issued, and is currently under the CNIPA’s substantive examination. If such patent application of IMM2505 is approved with the currently pending claims, it may potentially cover IMM2520. However, based on the opinion of our legal advisor as to intellectual property law, JunHe LLP, the currently pending claims of the Chinese patent application relating to IMM2505 are too broad and lack inventiveness over prior art, considering (i) bispecific molecules binding to both CD47 and PD-L1 have been disclosed in the prior art; (ii) the amino acid sequence of SIRP extracellular Ig-like domain (which binds to CD47) is known in the prior art; (iii) various PD-L1 antibodies with different amino acid sequences have been disclosed in the prior art; and (iv) the first office action issued by the CNIPA raises novelty or inventiveness rejections on the pending claims. In addition, the issued patents in the U.S. and Japan regarding IMM2505 were granted with claims reciting specific amino acid sequences of the PD-L1 antibody and SIRP extracellular Ig-like domain. Therefore, it is expected that the pending claims of the Chinese patent application regarding IMM2505 would be narrowed down during prosecution by further limiting the amino acid sequences of the PD-L1 antibody portion of IMM2505, similar to our issued patents in the U.S. and Japan. For details, please refer to the paragraphs headed “Risk Factors — Key Risks Relating to Our Business, Business Operations, Intellectual Property Rights and Financial Prospects — 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, our current or any future patents may be challenged and invalidated even after issuance.”

Based on the views of our legal advisor as to intellectual property law and our Directors, our drug candidates are unlikely to have infringed the patents or patent applications of third parties in mainland China and the U.S.

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During the Track Record Period and up to the Latest Practicable Date, (i) we were not involved in any legal, arbitral or administrative proceedings in respect of, and we had not received notice of any material claims of infringement, misappropriation or other violations of third-party intellectual property; and (ii) we were not involved in any proceedings in respect of any intellectual property rights that may be threatened or pending and that may have an influence on the research and development for any of our drug candidates in which we may be a claimant or a respondent.

OUR SINGLE LARGEST SHAREHOLDER

As of the Latest Practicable Date, Dr. Tian, our founder of the Group, chairman of our Board, chief executive officer, chief scientific officer and executive Director, was able to exercise approximately 33.29% of the voting rights in our Company through: (i) 70,182,990 Shares directly held by him and (ii) an aggregate of 48,356,955 Shares held by our Employee Shareholding Platforms, namely Jiaxing Changxian, Jiaxing Changyu and Halo Investment II. Both Jiaxing Changxian and Jiaxing Changyu are limited partnerships incorporated in the PRC of which their respective executive partners are controlled by Dr. Tian. Halo Investment II is a company limited by shares incorporated in the BVI with Dr. Tian controlling the exercise of its voting rights in the Company. For further details on the Employee Shareholding Platforms, see “History, Development and Corporate Structure — Employee Shareholding Platforms.” Immediately upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Dr. Tian will be entitled to exercise the voting rights of approximately [REDACTED]% of the enlarged issued share capital of our Company. Accordingly, Dr. Tian will remain as our Single Largest Shareholder after the [REDACTED].

OUR [REDACTED]

Since the establishment, our Company has undertaken a series of capital increases to raise funds for the development of our business and to bring in new shareholders. The Pre-[REDACTED] Investments include: (i) Series Pre-A Financing; (ii) Series A Financing; (iii) Series Pre-B Financing; (iv) Series B Financing; (v) Series B+ Financing; and (vi) Series C Financing and we raised a total of approximately US\$215.7 million from the Pre-[REDACTED] Investments. Our [REDACTED] will be subject to lock-up arrangements at the time of the [REDACTED] pursuant to the PRC Company Law. Generally, under these lock-up arrangements, each [REDACTED] will not, at any time during the period commencing on the [REDACTED] and ending on a date which is 12 months from the [REDACTED], offer, pledge, sell, transfer or otherwise dispose of their Shares. For details, see “History, Development and Corporate Structure — Pre-[REDACTED] Investments.”

Our [REDACTED] consist of private equity funds and private limited liabilities companies, among which some have a specific focus on the healthcare industry. LAV, ZJ Leading VC, Lapam Capital, Shanghai Milestone Asset, LYFE Capital, Greater Bay Area Fund, Zhangjiang Sci & Tech and Sunshine Life are our Sophisticated Investors pursuant to the Guidance Letter HKEX-GL92-18 issued by the Stock Exchange. For details, see “History, Development and Corporate Structure — Pre-[REDACTED] Investments — Information About Our [REDACTED].”

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

This summary historical data of financial information set forth below have been derived from, and should be read in conjunction with our consolidated audited financial statements, including the accompanying notes, set forth in the Accountants’ Report set out in Appendix I to this document, as well as the information set forth in the section headed “Financial Information.” Our financial information was prepared in accordance with IFRSs.

SUMMARY

Summary Data from Consolidated Statements of Profit or Loss

We currently have no products approved for commercial sale and have not generated any revenue from product sales. We have not been profitable and have incurred operating losses during the Track Record Period. We recognized revenue of RMB5.1 million and RMB0.5 million in 2021 and 2022, respectively. Our revenue was generated from out-licensing fee received under the technology transfer agreement with an independent third party signed in 2019, sales of cell strain and other products, as well as provision of testing services.

In 2021 and 2022, we had net loss of RMB732.9 million and RMB402.8 million, respectively. The changes in our net loss mainly resulted from the increases in our research and development expenses and administrative expenses, as well as the recognition of loss from changes in fair value of financial liabilities at FVTPL related to our investors’ preferred rights in 2021 and the subsequent derecognition of the same since January 31, 2022. For detailed discussion of the fluctuation of our net loss, see “Financial Information — Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income.” Our research and development expenses increased from RMB176.0 million in 2021 to RMB277.3 million in 2022. The significant increase was mainly attributable to (i) an increase of RMB54.0 million in clinical trial expenses for IMM01, primarily in relation to the initiation of its combination trials with azacitidine and tislelizumab respectively, as well as IMM2902, (ii) an increase of RMB27.0 million in non-cash share-based payments and an increase of RMB22.9 million in salaries and related benefit costs, mainly due to (a) the additional amortization in connection with the restricted shares granted in 2022, and (b) the expansion of our clinical team, and (iii) an increase of RMB3.9 million in preclinical and CMC expenses, primarily due to the increased manufacturing expenses of IMM01 for the use in its combination trials with azacitidine and tislelizumab respectively, as well as IND-enabling expenses associated with IMM47. Our administrative expenses increased from RMB48.3 million in 2021 to RMB92.8 million in 2022, mainly attributable to (i) an increase of RMB42.8 million in non-cash share-based payments, primarily due to the additional amortization in connection with the restricted shares granted in 2022, and (ii) an increase of RMB7.7 million in salaries and related benefit costs due to the headcount expansion and compensation raise of our management and administrative functions as a result of our business growth. In addition, our adjusted net loss (non-IFRS measure) was RMB182.5 million and RMB225.8 million in 2021 and 2022, respectively. We define adjusted net loss (non-IFRS measure) as loss for the year adjusted by adding back loss from changes in fair value of financial liabilities at FVTPL, share-based payments and [REDACTED] expenses.

The following table sets forth summary data from our consolidated statements of profit or loss and other comprehensive expenses for the period indicated.

	For the Year Ended December 31,	
	2021	2022
	<i>(in thousands of RMB)</i>	
Revenue	5,067	538
Other income	10,381	14,657
Other gains and losses, net	(518,347)	(29,436)
Research and development expenses	(175,954)	(277,346)
Administrative expenses	(48,319)	(92,796)
[REDACTED]	[REDACTED]	[REDACTED]
Finance costs	(891)	(787)
Loss before tax	(732,949)	(402,894)
Income tax expense	—	—
Loss for the year	(732,949)	(402,894)

SUMMARY

NON-IFRS MEASURE

To supplement our consolidated statements of profit or loss and other comprehensive expenses which are presented in accordance with IFRSs, we also use adjusted net loss as a non-IFRS measure, which is not required by, or presented in accordance with, IFRSs. We believe that the presentation of the non-IFRS measure when shown in conjunction with the corresponding IFRS measures provides useful information to management and investors in facilitating a comparison of our operating performance from year to year. In particular, the non-IFRS measure eliminates impact of certain expenses, including loss from changes in fair value of financial liabilities at FVTPL (which ceased to be recorded since January 31, 2022), share-based payments and [REDACTED] expenses. Such non-IFRS measure allows investors to consider metrics used by our management in evaluating our performance.

We define adjusted net loss (non-IFRS measure) as loss for the year adjusted by adding back loss from changes in fair value of financial liabilities at FVTPL, share-based payments and [REDACTED] expenses. Loss from changes in fair value of financial liabilities at FVTPL represents the increase in fair value of the equity interests with preferred rights held by our investors, which is non-cash in nature. We no longer recognized such liabilities since January 31, 2022, as our investors’ certain preferred rights, including liquidation preferences, redemption rights and anti-dilution rights, were terminated on the same date. Share-based payments are expenses arising from granting restricted shares to selected employees, senior management, directors and consultants, the amount of which is non-cash in nature. [REDACTED] expenses are the expenses arising from activities in relation to the proposed [REDACTED] and [REDACTED], and are excluded from our net loss.

The use of the non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for, or superior to, analysis of our results of operations or financial condition as reported under IFRSs. In addition, the non-IFRS financial measure may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.

	For the Year Ended December 31,	
	2021	2022
	<i>(in thousands of RMB)</i>	
Loss for the year	(732,949)	(402,894)
<i>Adjusted for:</i>		
Loss from changes in fair value of financial liabilities at FVTPL	511,517	55,510
Share-based payments	34,017	103,829
[REDACTED] expenses	[REDACTED]	[REDACTED]
Adjusted net loss (non-IFRS measure) for the year	(182,529)	(225,831)

Note: We define adjusted net loss (non-IFRS measure) as loss for the year adjusted by adding back loss from changes in fair value of financial liabilities at FVTPL, share-based payments and [REDACTED] expenses, among which, loss from changes in fair value of financial liabilities at FVTPL is an item that we ceased to record since January 31, 2022 as a result of the termination of our investors’ certain preferred rights on the same day. We believe the net loss as adjusted by eliminating impact of such items provides useful information to management and investors in facilitating a comparison of our operating performance from year to year.

SUMMARY

Summary Data from Consolidated Statements of Financial Position

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

	As of December 31,	
	2021	2022
	<i>(in thousands of RMB)</i>	
Total non-current assets	188,737	188,107
Total current assets	704,098	651,871
Total assets	892,835	839,978
Total current liabilities	2,477,831	51,737
Net current (liabilities) assets	(1,773,733)	600,134
Total non-current liabilities	13,443	9,020
Total liabilities	2,491,274	60,757
Net (liabilities) assets	(1,598,439)	779,221

We recorded net current assets of RMB600.1 million as of December 31, 2022, as compared to net current liabilities of RMB1,773.7 million as of December 31, 2021. The increase of net current assets was primarily due to a decrease of RMB2,431.6 million in financial liabilities at FVTPL; partially offset by (i) a decrease of RMB33.1 million in bank balances and cash, (ii) a decrease of RMB8.2 million in pledged bank deposits, and (iii) a decrease of RMB10.9 million in prepayments and other receivables

We have terminated our investors’ preferred rights and no longer recorded any financial liabilities at FVTPL since January 31, 2022. As a result, we recorded net assets of RMB779.2 million as of December 31, 2022, as compared to net liabilities of RMB1,598.4 million as of December 31, 2021. For further information, see our consolidated statements of changes in equity set forth in the Accountants’ Report in Appendix I to this document.

Summary Data from Consolidated Cash Flow Statements

Our primary uses of cash are to fund the preclinical and clinical development of our drug candidates, administrative expenses and other recurring expenses. Our net cash used in operating activities was RMB190.5 million and RMB238.7 million in 2021 and 2022, respectively, primarily due to the significant research and development expenses and administrative expenses we incurred during the Track Record Period without generating any revenue from sales of our drug candidates. Our operating cash flow will continue to be affected by our research and development expenses. During the Track Record Period and up to the Latest Practicable Date, we have primarily funded our working capital requirements through proceeds from private equity financings. Our management closely monitors uses of cash and cash balances and strives to maintain a healthy liquidity for our operations. Going forward, we believe our liquidity requirements will be satisfied by a combination of [REDACTED] from the [REDACTED], funds received from potential out-licensing arrangements and cash generated from our operations after the commercialization of our drug candidates. With the continuing expansion of our business, we may require further funding through public or private [REDACTED], debt financings, collaboration arrangements or other sources. As of December 31, 2022, our bank balances and cash amounted to RMB635.2 million.

SUMMARY

The following table sets forth summary data from our consolidated statements of cash flows for the years indicated:

	For the Year Ended December 31,	
	2021	2022
	<i>(in thousands of RMB)</i>	
Net cash used in operating activities	(190,541)	(238,710)
Net cash (used in) from investing activities	(108,722)	49
Net cash from financing activities	793,033	179,380
Net increase (decrease) in cash and cash equivalents	493,770	(59,281)
Cash and cash equivalents at beginning of year	183,674	668,326
Effect of foreign exchange rate changes, net	(9,118)	26,167
Cash and cash equivalents at end of year	668,326	635,212

The Directors are of the opinion that, taking into account the financial resources available to us, including cash and cash equivalents, internally generated funds, financial assets, the estimated [REDACTED] from the [REDACTED] and our cash burn rate, which is the average monthly cash used in operations plus payments for property, plant and equipment, we have sufficient working capital to cover at least 125% of our costs, including research and development costs, general, administrative and operating costs, for at least the next 12 months from the date of this document.

Our Directors believe that, by taking into account our cash and cash equivalents of RMB635.2 million as of December 31, 2022 and assuming that our cash burn rate going forward will be approximately 1.7 times of the cash burn rate for the year ended December 31, 2022, we can remain financially viable for approximately [44] months from December 31, 2022 if taking into account the estimated RMB[REDACTED] of the [REDACTED] from the [REDACTED] (being the lower-end of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per H Share). We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing, if needed, with a minimum buffer of 12 months.

KEY FINANCIAL RATIOS

The table below sets forth our key financial ratios as of the dates indicated:

	As of December 31,	
	2021	2022
Current ratio ⁽¹⁾	0.28	12.60

Note:

(1) Current ratio represents current assets divided by current liabilities as of the same date.

SUMMARY

[REDACTED] STATISTICS

The statistics in the following table are based on the assumptions that [REDACTED] H Shares will be [REDACTED] pursuant to the [REDACTED], 210,485,039 Unlisted Shares will be converted into H Shares and the [REDACTED] is not exercised:

	Based on the [REDACTED] of HK\$[REDACTED]	Based on the [REDACTED] of HK\$[REDACTED]
[REDACTED] of our Shares ⁽¹⁾	HK\$[REDACTED]	HK\$[REDACTED]
[REDACTED] of our H Shares ⁽²⁾	HK\$[REDACTED]	HK\$[REDACTED]
Unaudited [REDACTED] adjusted consolidated net tangible assets per Share ⁽³⁾	HK\$[REDACTED]	HK\$[REDACTED]

Notes:

- (1) The calculation of [REDACTED] is based on [REDACTED] Shares expected to be in issue immediately upon completion of the [REDACTED].
- (2) The calculation of the [REDACTED] of our H Shares is based on the [REDACTED] H Shares, comprising [REDACTED] H Shares to be [REDACTED] under the [REDACTED] and 210,485,039 H Shares to be converted from Unlisted Shares, expected to be in [REDACTED] immediately upon completion of the [REDACTED].
- (3) The unaudited [REDACTED] adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share is arrived at on the basis that [REDACTED] Shares were in [REDACTED] assuming that the [REDACTED] had been completed on December 31, 2022 and it does not take into account of (i) any Share which may be [REDACTED] and [REDACTED] upon the exercise of the [REDACTED] or (ii) under the general mandates for the [REDACTED] and [REDACTED] of Shares granted to the directors of our Company.

DIVIDEND

We have never declared or paid any dividends on our ordinary shares or any other securities. 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 intend to declare or pay any dividends in the foreseeable future. [REDACTED] should not [REDACTED] 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 subject to our Articles of Association and the PRC Company Law, 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. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits as determined in accordance with its articles of association and the accounting standards and regulations in China. As confirmed by our PRC Legal Advisor, according to the PRC law, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net 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 net profit to our statutory common reserve fund as described above.

USE OF [REDACTED]

We estimate that the aggregate [REDACTED] to our Company from the [REDACTED] will be approximately HK\$[REDACTED], after deducting [REDACTED], fees and estimated expenses in connection with the [REDACTED] paid and payable by us taking into account any additional discretionary incentive fee and assuming that the [REDACTED] is

SUMMARY

not exercised and an [REDACTED] of HK\$[REDACTED] per H Share, being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per H Share. We currently intend to apply such [REDACTED] from the [REDACTED] for the following purposes:

- (a) approximately [REDACTED]%, or HK\$[REDACTED], will be used for ongoing and planned clinical trials, preparation for registration filings, and planned commercial launch of our Core Product, IMM01 (SIRP α -Fc fusion protein), of which
 - (i) [REDACTED]%, or HK\$[REDACTED], will be used for funding an ongoing Phase II trial and planned pivotal clinical trials for the combination therapy of IMM01 and azacitidine for the treatment of MDS/AML, and CMML in China, the preparation of relevant registration filings and other regulatory matters;
 - (ii) [REDACTED]%, or HK\$[REDACTED], will be used for funding ongoing and planned clinical trials of the combination therapy of IMM01 and tislelizumab in China, the preparation of relevant registration filings and other regulatory matters;
 - (iii) [REDACTED]%, or HK\$[REDACTED], will be used for funding the launch and commercialization of IMM01 in combination therapies.
- (b) approximately [REDACTED]%, or HK\$[REDACTED], will be used for ongoing and planned clinical trials, preparation for registration filings, and planned commercial launch of our Key Products, IMM0306 (CD47 \times CD20), IMM2902 (CD47 \times HER2) and IMM2520 (CD47 \times PD-L1), of which
 - (i) approximately [REDACTED]%, or HK\$[REDACTED], will be used for ongoing and planned clinical trials of IMM0306 for the treatment of R/R B-NHL in China, the preparation of relevant registration filings, other regulatory matters, and planned commercial launch in China;
 - (ii) approximately [REDACTED]%, or HK\$[REDACTED], will be used for the ongoing clinical trials of IMM2902 for the treatment of advanced HER2-positive and HER2-low expressing solid tumors in China and the U.S., the planned pivotal clinical trial of IMM2902 in China, the preparation of relevant registration filings, other regulatory matters, and planned commercial launch; and
 - (iii) approximately [REDACTED]%, or HK\$[REDACTED], will be used for planned clinical trials of IMM2520 in China for the treatment of solid tumors, particularly those resistant or not sensitive to the currently available immunotherapies, such as CRC, GC, lung cancer and HNSCC, among others.
- (c) approximately [REDACTED]%, or HK\$[REDACTED], will be used for the ongoing pre-clinical development and planned clinical trials of IMM47 (CD24 mAb) and IMM4701 (CD47 \times CD24);
- (d) approximately [REDACTED]%, or HK\$[REDACTED], will be used for the ongoing clinical trials of IMM2510 (VEGF \times PD-L1) and IMM27M (CTLA4 ADCC-enhanced mAb), as well as the clinical development of IMM40H (CD70 mAb);
- (e) approximately [REDACTED]%, or HK\$[REDACTED], will be used for construction of our new manufacturing facility in Zhangjiang Science City, Shanghai;
- (f) approximately [REDACTED]%, or HK\$[REDACTED], will be used for our continuous preclinical research and development of multiple discovery-stage assets, as well as CMC to support the clinical trials including pivotal trials for various assets; and

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- (g) approximately [REDACTED]%, or HK\$[REDACTED], will be used for working capital and general corporate purposes.

See the section headed “Future Plans and Use of [REDACTED] — Use of [REDACTED]” for details.

RISK FACTORS

Our operations and the [REDACTED] involve certain risks and uncertainties, some of which are beyond our control and may affect your decision to [REDACTED] in us and/or the value of your [REDACTED]. See the section headed “Risk Factors” for details of our risk factors, which we strongly urge you to read in full before making an investment in our Shares. Some of the major risks we face include:

- We depend substantially on the success of our clinical-stage and preclinical stage drug candidates. If we are unable to successfully complete development, obtain regulatory approval and commercialize our drug candidates, or if we experience significant delays in doing any of the foregoing, our business, financial condition, results of operations and prospects will be materially harmed.
- If clinical trials of our drug 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 may ultimately be unable to complete, the development and commercialization of our drug candidates.
- We have no track record with very limited experience in launching and marketing approved drugs, and we may not be able to successfully create or increase market awareness of our drugs or sell our products, which will materially affect our ability to generate sales revenue.
- We have incurred significant net losses since inception. We expect that we will continue to incur net losses for the foreseeable future and we may not be able to generate sufficient revenue to achieve or maintain profitability. [REDACTED] are at risk of losing substantially all of their investments in our H Shares.
- We face substantial competition and our competitors may discover, develop or commercialize competing drugs faster or more successfully than we do.
- Third parties may initiate legal proceedings alleging that we are infringing, misappropriating or otherwise violating their intellectual property rights, the outcome of which would be uncertain.
- All material aspects of the research, development, manufacturing and commercialization of our drug candidates are heavily regulated and are subject to change. Any failure to comply with existing regulations and industry standards or any adverse actions by the drug-approval authorities against us could negatively impact our reputation and our business, financial condition, results of operations and prospects.
- We have entered into collaborations with our partners and may form or seek additional collaborations or strategic alliances or enter into licensing arrangements in the future. Please refer to the paragraphs headed “Business — Collaboration Agreement” for further details. We may not realize any or all benefits of such alliances or licensing arrangements, and disputes may arise between us and our collaboration partners.

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[REDACTED] EXPENSES

[REDACTED] expenses to be borne by us are estimated to be approximately HK\$ [REDACTED] (including [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per H Share), which represent [REDACTED]% of the [REDACTED] from the [REDACTED], assuming no Shares are [REDACTED] pursuant to the [REDACTED]. The above [REDACTED] expenses are comprised of (i) [REDACTED]-related expenses of RMB[REDACTED], including (a) the sponsors fee of RMB[REDACTED], and (b) the [REDACTED] of RMB[REDACTED], and (ii) non-[REDACTED]-related expenses of RMB[REDACTED], including (a) the legal advisors and the reporting accountants expenses of RMB[REDACTED], and (b) other fees and expenses of RMB[REDACTED]. In 2021 and 2022, [REDACTED] expenses were RMB[REDACTED] (approximately HK\$[REDACTED]) and RMB[REDACTED] (approximately HK\$[REDACTED]), respectively, and the deferred [REDACTED] were RMB[REDACTED] (approximately HK\$[REDACTED]) and RMB[REDACTED] (approximately HK\$[REDACTED]), respectively. After December 31, 2022, approximately HK\$[REDACTED] is expected to be charged to our consolidated statements of profit or loss and other comprehensive expenses and approximately HK\$[REDACTED] is expected to be accounted for as a deduction from equity upon the [REDACTED]. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate. For details on our [REDACTED] expenses, see note 11 and note 21 to the Accountants' Report set out in the Appendix I to this document.

RECENT DEVELOPMENTS

Our recent developments of our drug candidates since the end of the Track Record Period include:

- Following the completion of the Phase Ib trial to evaluate the combination therapy of IMM01 and azacitidine for the treatment of R/R MDS and R/R AML, we have initiated a Phase II trial mainly for the first-line treatment of HR MDS, unfit AML and CMML in June 2022. Interim data as of February 10, 2023 from the Phase Ib/II trial has demonstrated a favorable safety and promising efficacy profile. Neither DLT nor hemagglutination was observed among all 12 patients receiving the combination treatment at all three dose levels of IMM01 (1.0 mg/kg, 1.5 mg/kg, and 2.0 mg/kg) in our Phase Ib trial. Moreover, the interim data obtained from our Phase II trial as of February 10, 2023 has demonstrated that: (i) among the eight evaluable patients with 1L CMML, two reached CR (2 CRs), six reached mCR (6 mCRs), and one reached HI (1 HI, which also achieved mCR), resulting in an ORR of 100%, and (ii) among the 16 evaluable HR MDS patients who have received at least three cycles of treatment, three achieved CR (3 CRs), nine achieved mCR (9 mCRs), and seven achieved HI (7 HIs, among which 4 also achieved mCR), resulting in an ORR of 93.8%.
- We have obtained an IND approval of a Phase Ib/II trial to evaluate IMM01 in the combination therapy of IMM01 and tislelizumab in solid tumors, including among others, NSCLC, SCLC, HNSCC, CRC, from the NMPA. We dosed the first patient for this Phase Ib/II trial in May 2022 and initiated the Phase II trial in December 2022. In addition, we obtained the NMPA's consent for adding R/R cHL as an additional expansion cohort into this ongoing trial in July 2022, and dosed the first patient with R/R cHL in January 2023.
- We have also observed favorable efficacy and safety data from the ongoing Phase I clinical trial for IMM0306 since January 2022. According to our initial clinical data as of February 27, 2023, IMM0306 was safe and well tolerated up to 2.0 mg/kg. Among the evaluable patients across four cohorts dosed from 0.8 mg/kg to 2.0 mg/kg, who had relapsed or progressed after receiving rituximab previously, two CRs and five PRs were

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observed. The only evaluable FL patient at 2.0 mg/kg who relapsed and progressed after rituximab treatment has also been confirmed as PR. At 2.0 mg/kg, one patient with primary bone DLBCL who had four lines of prior treatment has achieved PR with all measurable lesions disappeared after 65 days of treatment. All these R/R B-NHL patients have been previously treated with and progressed after rituximab. We commenced a Phase IIa trial for IMM0306 monotherapy for the third- or later-line treatment of FL in March 2023 and plan to seek an accelerated marketing approval through a single-arm trial. Furthermore, our IND application for the combination of IMM0306 and lenalidomide targeting front-line B-NHL was approved by the NMPA in January 2023, and we are in preparation to commence the Phase Ib trial for this combination in China.

- We have initiated a Phase Ia/Ib trial for IMM2902 in advanced HER2-positive and HER2-low expressing solid tumors, including BC, GC, NSCLC and BTC, in China, and are enrolling the sixth cohort for this dose-escalation study in China. We have also initiated the clinical trial for advanced HER2-positive and HER2-low expressing solid tumors in the U.S. In July 2022, we received the Fast Track Designation for IMM2902 from the FDA.
- We have obtained IND approvals for IMM2520 from the NMPA in November 2022 and from the FDA in December 2022. We dosed the first patient for the Phase I clinical trial in China in March 2023.

Expected Increase in Net Loss

Since the end of the Track Record Period, our business has continuously grown, but we expect that our net loss will continue to increase in 2023, as compared to that in 2021 and 2022, primarily because (i) as we continue to carry out and expand our clinical development programs and advance the research and development of preclinical assets, we expect to incur increasing research and development expenses; and (ii) we expect to incur an increase in [REDACTED] expenses in connection with our proposed [REDACTED].

IMPACT OF THE COVID-19 OUTBREAKS

Since late 2019, COVID-19 has spread rapidly globally. We have employed various measures to mitigate any impact the COVID-19 outbreaks may have on our operations in China and the U.S. and the development of our drug candidates, including offering personal protection equipment such as masks to our employees, regularly checking the body temperature of our employees and closely monitoring their health conditions. After the initial outbreak in late 2019, from time to time, especially since late 2021 and throughout 2022, there had been scattered outbreaks of COVID-19 in multiple regions of China and various control measures were taken to contain the COVID-19 spread. In late 2022, China began to modify its COVID-19 policy, and most of the travel restrictions and quarantine requirements were lifted in December 2022.

The COVID-19 outbreaks since March 2022 in Shanghai and certain other regions in China and the quarantine measures taken to contain the spread did not have material impact on us, primarily because (i) the outbreaks only affected our clinical trial sites in certain regions for a limited period of time, such as Shanghai from March to May 2022, Henan province and Liaoning province in October 2022, whereas the clinical trial sites located in COVID-19 low-risk areas were not impacted; (ii) during late March to May 2022 when the quarantine measures were in place in Shanghai, we had several essential workers voluntarily stayed at our facilities to ensure the continued research and development and CMC activities, and for the same reason, manufacturing of our product candidates was not interrupted and was able to continuously support our clinical development activities; (iii) we had resumed daily operations since the beginning of June 2022 in a way that our office had reopened, our employees had returned to office, and our research, clinical

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development and CMC activities were fully recovered; since then and up to the Latest Practicable Date, we had not been subject to further suspension of our daily operations; (iv) for our drug candidates manufactured by CDMOs, we were informed that they were not severely affected by the outbreaks; (v) we had adequate raw materials for the continued manufacturing of our product candidates; and (vi) the construction of our manufacturing facilities was impacted due to the resurgence of COVID-19 in Shanghai; however, as we plan to work with our CMO/CDMO partners and reserve their manufacturing capacities in advance to meet the drug supply demands for pivotal trials and initial product launch of our product candidates, we expect limited impact of such potential delay on our operations and financial performance. The expected development progress of our drug candidates has taken into account the temporary delays and disruptions on our ongoing clinical trials and manufacturing capabilities caused by the previous COVID-19 outbreaks in Shanghai and certain other regions in China. However, as the COVID-19 outbreaks are with limited precedent, it is not possible to predict the impact on our business or our industry in a precise way.

In view of the above situation, our Directors confirmed that the COVID-19 outbreaks did not have a material adverse impact on our business operations and financial performance as of the Latest Practicable Date, as (i) there had been no material disruption of our ongoing clinical trials or research and development efforts; and (ii) we had not encountered any material supply chain disruption. We cannot foresee whether COVID-19 will have a material and adverse impact on our business going forward. See “Risk Factors — Key Risks Relating to Our Business, Business Operations, Intellectual Property Rights and Financial Prospects — The COVID-19 pandemic could adversely impact our business, including our clinical trials.” We will closely monitor and evaluate any impact of such outbreak on us and adjust our precautionary measures according to its developments. We will also continue to monitor the COVID-19 situation as well as various regulatory and administrative measures adopted by local governments to prevent and control the outbreak.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, as of the date of this document, there has been no material adverse change in our financial or trading position, indebtedness, contingent liabilities or prospects of our Group since December 31, 2022, the end of the period reported in the accountants’ report set out in Appendix I to this document, and there is no event since December 31, 2022 that would materially affect the information contained in the accountants’ report set out in Appendix I to this document.