翰思艾泰生物醫藥科技(武漢)股份有限公司

Hanx Biopharmaceuticals (Wuhan) Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code : 3378

GLOBAL OFFERING

Sole Sponsor, Overall Coordinator, Joint Global Coordinator and Joint Bookrunner

ICBC 工银国际

Overall Coordinators, Joint Global Coordinators and Joint Bookrunners

中信建投國際 CHINA SECURITIES INTERNATIONAL | CMS 招商證券國際 | 國泰海通 GUOTAI HAITONG | 海通國際 HAITONG | 建银国际 CCB International

If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

Hanx Biopharmaceuticals (Wuhan) Co., Ltd.
翰思艾泰生物醫藥科技(武漢)股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	**:**	**18,321,000 H Shares (subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	**:**	**1,832,100 H Shares (subject to reallocation)**
Number of International Offer Shares	**:**	**16,488,900 H Shares (subject to reallocation and the Over-allotment Option)**
Maximum Offer Price	**:**	**HK$32.00 per Offer Share plus brokerage of 1%, SFC transaction levy of 0.0027%, the Stock Exchange trading fee of 0.00565% and AFRC Transaction Levy of 0.00015% (payable in full on application in Hong Kong dollars, subject to refund)**
Nominal value	**:**	**RMB0.1 per H Share**
Stock code	**:**	**3378**

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Joint Global Coordinators and Joint Bookrunners

天風國際 TF INTERNATIONAL | ABCI 農銀國際 | 浦銀國際SPDBI

Joint Bookrunners

利弗莫尔证券 LIVERMORE HOLDINGS LIMITED | 老虎證券 TIGER BROKERS | 山證國際 SHANXI SECURITIES INTERNATIONAL | 貝塔國際證券 BETA INTERNATIONAL SECURITIES

A copy of this prospectus, having attached thereto the documents specified in the section headed "Documents Delivered to the Registrar of Companies in Hong Kong and Documents on Display" in Appendix VII to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (WUMP) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any of the other documents referred to above.

The final Offer Price is expected to be determined by agreement between us and the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) on the Price Determination Date. The Price Determination Date is expected to be on or around Friday, December 19, 2025. The Offer Price will be not more than HK$32.00 per Offer Share and is currently expected to be not less than HK$28.0 per Offer Share, unless otherwise announced. Investors applying for the Hong Kong Offer Shares may be required to pay, on application (subject to application channels), the maximum Offer Price of HK$32.00 per Offer Share, together with brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565%, subject to refund if the Offer Price is less than HK$32.0 per Offer Shares. If, for any reason, the Offer Price is not agreed between us and the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) on or before 12:00 noon on Friday, December 19, 2025 (Hong Kong time), the Global Offering (including the Hong Kong Public Offering) will not proceed and will lapse.

The Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters), with our consent, may reduce the indicative Offer Price range stated in this prospectus and/or reduce the number of Offer Shares being offered pursuant to the Global Offering at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction of the indicative Offer Price range and/or the number of Offer Shares will be published on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.hanxbio.com**. Further details are set out in the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus. Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus, including the risk factors set out in the section headed "Risk Factors" in this prospectus. The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. Such grounds are set out in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Hong Kong Underwriting Agreement — Grounds for Termination" in this prospectus. It is important that you refer to that section for further details.

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

ATTENTION

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering.

This prospectus is available at the websites of the Stock Exchange (**www.hkexnews.hk**) and our Company **www.hanxbio.com**. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

December 15, 2025

IMPORTANT NOTICE TO INVESTORS: FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "HKEXnews > New Listings > New Listing Information" section, and our website at www.hanxbio.com. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

To apply for the Hong Kong Offer Shares, you may:

(1) apply online through the **HK eIPO White Form** service at **www.hkeipo.hk**;

(2) apply through the **HKSCC EIPO** channel to electronically cause HKSCC Nominees to apply on your behalf, including by instructing your **broker** or **custodian** who is a HKSCC Participant to submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction.

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

If you are an **intermediary**, **broker** or **agent**, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses above.

Please refer to the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus for further details of the procedures through which you can apply for the Hong Kong Offer Shares electronically.

Your application through the **HK eIPO White Form** service or the **HKSCC EIPO** channel must be for a minimum of 100 Hong Kong Offer Shares and in one of the numbers set out in the table below. If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares. If you are applying

through the **HKSCC EIPO** channel, you are required to prefund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong.

No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment
	(HK$)		*(HK$)*		*(HK$)*		*(HK$)*
100	3,232.27	2,000	64,645.45	10,000	323,227.20	300,000	9,696,816.00
200	6,464.54	2,500	80,806.80	20,000	646,454.40	400,000	12,929,088.00
300	9,696.81	3,000	96,968.15	30,000	969,681.60	500,000	16,161,360.00
400	12,929.09	3,500	113,129.52	40,000	1,292,908.80	600,000	19,393,632.00
500	16,161.35	4,000	129,290.88	50,000	1,616,136.00	700,000	22,625,904.00
600	19,393.63	4,500	145,452.25	60,000	1,939,363.20	800,000	25,858,176.00
700	22,625.90	5,000	161,613.60	70,000	2,262,590.40	916,000[1]	29,607,611.52
800	25,858.18	6,000	193,936.32	80,000	2,585,817.60		
900	29,090.45	7,000	226,259.05	90,000	2,909,044.80		
1,000	32,322.72	8,000	258,581.75	100,000	3,232,272.00		
1,500	48,484.08	9,000	290,904.48	200,000	6,464,544.00		

Notes:

(1) Maximum number of Hong Kong Offer Shares you may apply for and this is approximately 50% of the Hong Kong Offer Shares initially offered.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

No application for any other number of Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

If there is any change in the following expected timetable of the Hong Kong Public Offering, our Company will issue an announcement to be published on the website of the Stock Exchange at ***www.hkexnews.hk*** *and the website of our Company at* ***www.hanxbio.com****.*

Hong Kong Public Offering commences . . . . . .9:00 a.m. on Monday, December 15, 2025

Latest time to complete electronic applications under the **HK eIPO White Form** service through the designated website at **www.hkeipo.hk**[2]: . . . . . 11:30 a.m. on Thursday, December 18, 2025

Application lists of the Hong Kong Public Offering open[3] . . . . . .11:45 a.m. on Thursday, December 18, 2025

Latest time for (a) completing payment of **HK eIPO White Form** applications by effecting internet banking transfer(s) or PPS payment transfer(s) and (b) giving **electronic application instructions** to HKSCC[4] . . . . . .12:00 noon on Thursday, December 18, 2025

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

Application lists of the Hong Kong Public Offering close[3] . . . . .12:00 noon on Thursday, December 18, 2025

Expected Price Determination Date[5] . . . . . .on or before 12:00 noon on Friday, December 19, 2025

Announcement of the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Public Offering to be published on the website of the Stock Exchange at **www.hkexnews.hk** and the website of our Company at **www.hanxbio.com**[6] on or before . . . . . .11:00 p.m. on Monday, December 22, 2025

The results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels (as described in the section headed "How to Apply for Hong Kong Offer Shares — B. Publication of Results" in this prospectus), including:

- in the announcement to be posted on our website and the website of the Stock Exchange at **www.hkexnews.hk** and **www.hanxbio.com** respectively . . . . . 11:00 p.m. on Monday, December 22, 2025

- from the "Allotment Results" page in the designated results of allocations website at **www.tricor.com.hk/ipo/result** or **www.hkeipo.hk/IPOResult** with a "search by ID" function from . . . . . 11:00 p.m. on Monday, December 22, 2025 to 12:00 midnight on Sunday, December 28, 2025

- from the allocation results telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from . . . . . Tuesday, December 23, 2025 to Tuesday, December 30, 2025 (excluding Saturday, Sunday and public holiday in Hong Kong)

H Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before[7] . . . . . Monday, December 22, 2025

HK eIPO White Form e-Auto Refund payment instructions/ refund cheques in respect of wholly or partially successful applications if the final Offer Price is less than the maximum Offer Price per Offer Share initially paid on application (if applicable) or wholly or partially unsuccessful applications to be dispatched on or before[8][9] ..... Tuesday, December 23, 2025

Dealings in the H Shares on the Stock Exchange expected to commence at ..... 9:00 a.m. on Tuesday, December 23, 2025

Notes :

(1) Unless otherwise stated, all times and dates refer to Hong Kong local times and dates.

(2) You will not be permitted to submit your application through the designated website **www.hkeipo.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of the application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(3) If there is/are a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, December 18, 2025, the application lists will not open or close on that day. For further details, please see the section headed "How to Apply for Hong Kong Offer Shares — E. Bad Weather Arrangements" in this prospectus.

(4) Applicants who apply for Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC via HKSCC's FINI system should refer to the section headed "How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares — 2. Application Channels" in this prospectus.

(5) The Price Determination Date is expected to be on or about Friday, December 19, 2025, and in any event, not later than 12:00 noon on Friday, December 19, 2025. If, for any reason, the Offer Price is not agreed between the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and us on or before 12:00 noon on Friday, December 19, 2025, the Global Offering will not proceed and will lapse.

(6) None of the websites or any of the information contained on the websites forms part of this prospectus.

(7) The H Share certificates are expected to be issued on Monday, December 22, 2025 but will only become valid at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional in all respects and the right of termination described in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" in this prospectus has not been exercised. Investors who trade H Shares on the basis of publicly available allocation details prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid do so entirely at their own risk.

(8) **HK eIPO White Form** e-Auto Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable per Offer Share on application. Part of the applicant's identification document number, or, if the application is made by joint applicants, part of the identification document number of the first-named applicant, provided by the applicant(s) may be printed on the refund cheque, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's identification document number before encashment of the refund cheque. Inaccurate completion of an applicant's identification document number may invalidate or delay encashment of the refund cheque.

(9) Applicants who have applied on the **HK eIPO White Form** service for 500,000 or more Hong Kong Offer Shares may collect any H Share certificates in person from our H Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong from 9:00 a.m. to 1:00 p.m. on Tuesday, December 23, 2025 or such other date as notified by us as the date of dispatch/collection of H Share certificates/e-Auto Refund payment instructions/refund cheque. Applicants being individuals who are eligible for personal collection may not authorise any other person to collect on their behalf. If you are a corporate applicant which is eligible for personal collection, your authorised representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorised representatives must produce evidence of identity acceptable to our H Share Registrar at the time of collection.

Applicants who have applied for Hong Kong Offer Shares through the **HKSCC EIPO** channel should refer to the section headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies" in this prospectus for details.

Applicants who have applied through the **HK eIPO White Form** service and paid their applications monies through single bank accounts may have refund monies (if any) dispatched to the bank account in the form of **HK eIPO White Form** e-Auto Refund payment instructions. Applicants who have applied through the **HK eIPO White Form** service and paid their application monies through multiple bank accounts may have refund monies (if any) dispatched to the address as specified in their application instructions in the form of refund cheques in favor of the applicant (or, in the case of joint applications, the first-named applicant) by ordinary post at their own risk.

H Share certificates and/or refund cheques for applicants who have applied for less than 500,000 Hong Kong Offer Shares and any uncollected H Share certificates will be dispatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications.

Further information is set out in the sections headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies."

The above expected timetable is a summary only. You should refer to the sections headed "Underwriting", "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" for details relating to the structure of the Global Offering, procedures for applications for the Hong Kong Offer Shares and the expected timetable, including conditions, effect of bad weather and the dispatch of refund cheques and Share certificates.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such case, the Company will make an announcement as soon as practicable thereafter.

Distribution of this prospectus into any jurisdiction other than Hong Kong may be restricted by law. Persons who come into possession of this prospectus (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of, and observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

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IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

This prospectus is issued by our Company solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of making, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Hong Kong Offer Shares in any jurisdiction other than Hong Kong and no action has been taken to permit the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus for purposes of a public offering and the offering and sale of the Hong Kong Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus to make your investment decision. The Hong Kong Public Offering is made solely on the basis of the information contained and the representations made in this prospectus. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not contained nor made in this prospectus must not be relied on by you as having been authorized by our Company, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of their respective directors, officers, employees, agents or representatives of any of them or any other parties involved in the Global Offering. Information contained in our website, located at ***www.hanxbio.com*** *does not form part of this prospectus.*

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CONTENTS

This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in "Risk Factors" of this prospectus. You should read that section carefully before you decide to invest in the Offer Shares. ***In particular, we are a biotech company seeking to list 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 Rules 8.05(1), (2) or (3) of the Listing Rules.*** *Our Core Product, HX009, is under the clinical stage and we will continue to incur a substantial amount of research and development expenses on our Core Product. There are unique challenges, risks and uncertainties associated with investing in companies such as ours. Your investment decision should be made in light of these considerations.*

OVERVIEW

We are a biotech company, with in-house expertise and experience in structural biology, translational medicine and clinical development. Since 2016, we have developed a product pipeline comprising of one Core Product and nine other pipeline candidates, which are (i) three clinical stage drug candidates focused on oncology, including our Core Product HX009 and Key Products HX301 and HX044; and (ii) seven preclinical stage drug candidates including antibody drug conjugate, bispecific antibody and monoclonal antibody for both autoimmune and oncology market. Prior to the Track Record Period, we also developed HX008, which was transferred to a biopharmaceutical company focusing on oncology therapeutics.

Our Core Product HX009 is a bifunctional anti-PD-1 (an immune checkpoint receptor) antibody SIRPα fusion protein developed in-house. During the Track Record Period and up to the Latest Practicable Date, we have completed the Phase I clinical trial of HX009 in Australia and China. We are currently conducting three clinical programs for HX009 in China, namely, (i) the HX009-I-01 China Study (Phase Ib) for treatment of advanced melanoma, (ii) the HX009-II-02 China Study (Phase I/II) for treatment of relapsed/refractory Epstein-Barr virus positive non-Hodgkin lymphoma, and (iii) the HX009-II-05 China Study (Phase IIa) for treatment of advanced biliary tract cancer. We also obtained the NMPA approval in February 2025 for a combination study of HX009 with trastuzumab in patients with advanced triple-negative breast cancer, and we expect the first patient enrollment for this combination study to be in 2026.

As of the Latest Practicable Date, we also have two Key Products, namely HX301 and HX044, which are in the clinical stage, focusing on the treatment of cancer. HX301 is a multi-targeted kinase inhibitor targeting critical pathways such as CSF1R, ARK5, FLT-3, and CDK4/6. We have completed the Phase I clinical study of HX301 under its NMPA approval and are currently conducting the Phase II clinical study of HX301 in combination with temozolomide for treatment of glioblastoma in China. HX044 is a novel bifunctional anti-CTLA-4 (an immune checkpoint receptor) antibody SIRPα fusion protein, which was created to enhance the CTLA-4-targeting efficacy. We are currently conducting the Phase I/IIa clinical studies of HX044 for treatment of advanced solid tumor malignancies in Australia and China.

Through the discovery, development and commercialization of precision therapies in cancers and autoimmune diseases, we are committed to developing next-generation immunotherapeutics ultimately to help patients with unmet medical needs in global market.

THERE IS NO ASSURANCE THAT WE WILL ULTIMATELY BE ABLE TO DEVELOP AND MARKET OUR CORE PRODUCT OR ANY OF OUR PIPELINE PRODUCTS SUCCESSFULLY.

As of the Latest Practicable Date, we have developed a pipeline of 10 drug candidates, including our Core Product HX009 and two Key Products HX044 and HX301, and among which, eight drug candidates focusing on oncology and two drug candidates focusing on autoimmune diseases. As of the Latest Practicable Date, our Core Product and Key Products are under clinical trials in China and Australia, separately. The following chart summarizes the development status of our pipeline products as of the Latest Practicable Date.

	Product	MoAs	Class of Drugs	Current Indication/ Therapeutic Area	Competent Authority	Treatment Line	Commercial Rights	Preclinical	Phase Ia/I	Phase Ib/II	Phase III/ Registrational	NDA/ BLA	Upcoming Milestone	Partnership
Clinical	HX009[1] ★	PD-1/SIRPα	bifunctional antibody fusion protein	R/R EBV+ NHL (monotherapy)	NMPA	2L+	Global						Complete Phase Ib clinical study by end of 2025	N/A
				Advanced Melanoma (monotherapy)	NMPA	1L/2L+							Complete Phase Ib clinical study by the second half of 2026	
				Advanced Biliary Tract Cancer (combination therapy)	NMPA	2L+							Complete Phase IIa clinical study by the third quarter of 2027	
				Advanced Triple-Negative Breast Cancer (combination therapy)	NMPA	2L+							Launch Phase IIa clinical study in 2026	
	HX301[2] ▲	CSF1R/ARK5/ CDK4/6/FLT-3	small molecule	Glioblastoma (combination therapy)	NMPA	1L	Greater China						Complete Phase IIa clinical study by end of 2028	Co-development TRAWS PHARMA
	HX044[3] ▲	CTLA-4/SIRPα	bifunctional antibody fusion protein	Advanced solid tumor malignancies (monotherapy and combination therapy)	TGA/NMPA	2L+	Global						Complete dose escalation clinical study by the fourth quarter of 2026	N/A
Pre-Clinical	HX035	OX40 epitopes	BsAb	Inflammation/autoimmune	N/A	N/A	Global						File IND application by the first quarter of 2026	
	HX038	OX40/ Undisclosed target	BsAb	Inflammation/autoimmune	N/A	N/A	Global						Complete preclinical trial by end of 2026 and file IND application by the first quarter of 2027	
	HX111	Undisclosed target	mAb-ADC	Selected T-L/L+ solid tumors	N/A	N/A	Global						To receive IND approval by the first quarter of 2026	
	HX129	TRBV12	mAb-ADC	Selected T-L/L	N/A	N/A	Global						N/A[5]	
	HX017	NKG2A	mAb	PD-1-resistant solid tumors/ viral infection	N/A	N/A	Global						N/A[5]	
	HX016-9	PD1/VEGF	BsAb	Solid tumors	N/A	N/A	Global						Complete preclinical trial and file IND application by end of 2026	
	HX016-7	PD-L1/VEGF	BsAb	Solid tumors	N/A	N/A	Global							

★ Core Product ▲ Key Product

Notes:

(1) We obtained from NMPA the clinical trial approval notification (i) for HX009 monotherapy in patients with malignancies in October 2019, (ii) for HX009 in combination with a pivotal stage drug in patients with advanced solid tumor (including BTC and advanced melanoma) in September 2024, and (iii) for HX009 in combination with trastuzumab in patients with advanced triple-negative breast cancer in February 2025. As of the Latest Practicable Date, we have completed Phase Ia of the HX009-I-01 China Study, which is a standalone and conventional Phase I clinical study. We are currently conducting Phase Ib of the HX009-I-01 China Study for the treatment of advanced melanoma, the HX009-II-02 China Study for the treatment of R/R EBV$^+$ NHL, and the HX009-II-05 China Study for the treatment of advanced biliary tract cancer, which is a combination study with a focal adhesion kinase inhibitor (aka. FAKi) drug developed by InxMed Biotech Co., Ltd. (Shanghai)* (應世生物科技(上海)有限公司).As of the Latest Practicable Date, this FAKi drug was in its pivotal trial stage (Stage III), and HX009 for this study will only be used together with this FAKi drug once it receives the market authorization approval. The dotted line represents the exempted stages for these two combination studies of HX009, which was granted as leveraging study results from other clinical trial programs of HX009 (including HX009-I-01 Australia Study and Phase Ia of the HX009-I-01 China Study) and communications with the Competent Authorities in this regard.

(2) We obtained from NMPA the clinical trial approval notification for HX301 monotherapy in patients with advanced malignancies in January 2020 and for HX301 in combination with temozolomide in patients with glioblastoma in August 2024, respectively. As of the Latest Practicable Date, we have completed Phase I clinical study of the HX301-I-01 China Study. We are currently conducting the Phase IIa clinical study of HX301 in combination with temozolomide (i.e., HX301-II-01 China Study), and have enrolled seven patients as of the Latest Practicable Date. The dotted line represents the exempted stages for the combination study of HX301, which was granted as leveraging study results from other clinical trial programs of HX301 (including HX301-I-01 China Study and Onconova 19-01 phase 1 study conducted in the U.S.) and communications with the Competent Authorities in this regard.

(3) Pursuant to the relevant laws and regulations in Australia, we submitted our Human Research Ethics Committee (HREC) application for HX044, and obtained the HREC approval dated September 10, 2024 for conducting a Phase I/IIa clinical study to evaluate the safety and tolerability of HX044 in the treatment of patients with advanced solid tumor malignancies (i.e., the HX044-I-01 Australia Study). In addition, we have obtained from NMPA the clinical trial approval notification for HX044 monotherapy and a combination study of HX044 with pucotenlimab in patients with advanced solid tumor malignancies in January and September 2025, respectively (i.e., the HX044-I-01 China Study). The advanced solid tumor targeted by our product refers to relapsed/refractory solid tumor. As of the Latest Practicable Date, we have enrolled 23 patients for the monotherapy part (with eight patients in Australia and 15 patients in China) and two patients for the combination therapy part, respectively, for the HX044-I-01 studies.

(4) Prior to the Track Record Period, we co-developed HX008 with Zhongshan Kangfang, which is, a mAb targeting PD-1 with a proven long half-life. Shortly after we obtained the clinical study approval in August 2017 and through a series of equity transfer agreements entered in between 2017 and 2019, HX008 was transferred to Lepu for a one-off cash payment of RMB350.0 million and annual royalty fee of 4.375% of the annual net sales revenue of HX008. In July and September 2022, the NMPA granted conditional marketing approval for HX008 for the treatment of MSI-H/dMMR solid tumors and inoperable or metastatic melanoma, respectively. As of the Latest Practicable Date, we have received full payment of the one-off cash payment of RMB350.0 million as the milestone payment, and approximately RMB0.7 million, RMB4.4 million and RMB13.1 million as the HX008 annual royalty fee for 2022, 2023 and 2024, respectively. For details, please refer to "Business — Collaboration Agreements — HX008 Equity Transfer Agreements" in this prospectus.

(5) The pipeline candidates were developed as preclinical candidate compounds. As of the Latest Practicable Date, we have completed the preclinical studies and achieved promising results for the respective pipeline candidates. We plan to proactively seek collaboration with industry-leading business partners to further develop these pipeline candidates.

Our core business model involves developing a strong immuno-oncology program. We developed HX008, a monoclonal antibody targeting PD-1 with a proven long half-life, which was transferred prior to the Track Record Period and later commercialized in 2022. During the Track Record Period, we primarily pivoted towards innovations by creating bi- or multi-functional molecules into our immune-oncology pipeline, including "PD-1 *plus*" molecule HX009, being our Core Product, and HX016-9; "CTLA-4 *plus*" molecule HX044, being one of our Key Products; and the "PD-L1 *plus*" molecule HX016-7. We created these new antibody modalities by utilizing our proprietary *VersatiBody* Platform, an antibody engineering platform that can be flexibly adapted to create candidate antibody drugs that meet different target biology requirements for enhancement of efficacy and reduction of toxicity.

OUR PRODUCT PIPELINE

Except for HX301, which was licensed in from Onconova Therapeutics, Inc., we developed all of our pipeline candidates in-house. We constructed our pipeline to harness both innate and adaptive arms of immunity to unleash their synergistic potential. Our pipeline is designed to address the limitations of current checkpoint inhibitor immunotherapies, such as limited response due to "cold tumors" with immune-suppressive tumor microenvironment and to other unmet medical needs, thereby bringing clinical benefits to patients with a wide range of cancer as well as other diseases indications. As of the Latest Practicable Date, we had built up a pipeline composed of 10 drug candidates, with three pipeline products in clinical stage. Except for HX301 which we own development and commercialization rights in Greater China and certain royalties for sales outside of Greater China, we own worldwide IP, development and commercial rights to all our pipeline candidates. It allows us to address critical medical needs in the global market. For details, please refer to "Business – Overview" in this prospectus. Currently, we plan to prioritize the clinical trials for our pipeline candidates in China, and have no plan for any pivotal-trial stage development, manufacturing and commercialization of our product candidates in Australia and the U.S. due to significant funding needs for pivotal-stage clinical trials and commercialization. We'll advance to these markets when clear strategic synergies arise, and may consider opportunities if collaborative prospects emerge.

Core Product – HX009

Our Core Product, HX009, is an advancement in immuno-oncology as an innovative bifunctional anti-PD-1 antibody SIRPα fusion protein, aiming at enhancing PD-1 function and creating a novel "PD-1 *plus*" molecule. HX009 is a cancer immunotherapy designed and developed by us to treat various malignancies. HX009 enhances T cell activations *via* co-targeting of $CD8^+$ Teff by blocking PD-1 and *cis* engagement with CD47 on Teff within the tumor micro-environment *via* anti-PD-1 antibody and SIRPα extracellular domain (one of the natural ligand proteins of CD47) on HX009, as well as improves macrophage phagocytosis and dendritic cell-mediated tumor antigen presentations by blocking the interaction between SIRPα on tumor-infiltrated macrophage or dendritic cells, and CD47 on tumor cells. In addition to its anti-tumor activity, HX009 also mitigates anemia and thrombocytopenia risk by minimizing off-tumor targeting to CD47 on human red blood cells and platelets *via* the reduced binding

affinity as well as tumor-targeting caused by high affinity PD-1-driving binding. Thrombocytopenia means abnormally low level of platelets in blood. Platelets are tiny blood cells that form clots to stop bleeding. When thrombocytopenia occurs, bleeding may be difficult to stop or may not stop at all. Therefore, we believe that HX009 signifies a new realm of immune checkpoint inhibitors.

We initiated first-in-human clinical trial for HX009 in Australia to evaluate the safety, tolerability and initial efficacy of HX009 in patients with advanced malignancies, which was completed in October 2022, and HX009 was well tolerated in all 21 treated subjects as concluded by the principal investigator. In addition, in October 2019, we obtained the clinical trial approval notification from NMPA, which allows us to carry out clinical trials in China of HX009 for treatment of advanced malignancies, including advanced melanoma and R/R EBV^+ NHL. Furthermore, in April 2023, we filed an IND application with FDA for our Phase Ib/II clinical study of HX009 in the U.S. for the treatment of DLBCL, and obtained the FDA Study May Proceed approval in May 2023. As of the Latest Practicable Date, we have completed Phase Ia of the HX009-I-01 China Study, which is a standalone and conventional phase I study to evaluate the safety and tolerability of HX009 for the treatment of advanced solid tumors and to preliminarily measure its anti-tumor efficacy.

We conducted the clinical studies of HX009 in accordance with the respective protocols and approvals. In September 2024, our PRC Legal Adviser, together with the Sole Sponsor and its legal advisers, conducted a face-to-face interview with a reviewer of the Office of Clinical Trial Management Department from CDE of NMPA in Beijing, and during which, it was confirmed that, among others, we have completed a conventional phase I clinical study and the HX009 NMPA Umbrella Approval has allowed the Company to conduct clinical studies under HX009-I-01 China Study before phase III without additional regulatory approval from NMPA. For details, please refer to "Business — Clinical-stage Candidates — Core Product — HX009 — Communications with Regulatory Authorities — NMPA" in this prospectus.

In September 2024, NMPA granted us the Phase IIa clinical study approval for HX009 in combination with a pivotal trial stage (Stage III) FAKi drug for the treatment of advanced malignant BTC and melanoma. The drug used in this combination study is a focal adhesion kinase inhibitor (aka. FAKi) drug developed by InxMed Biotech Co., Ltd. (Shanghai)* (應世生物科技(上海)有限公司). As of the Latest Practicable Date, this FAKi drug was in its pivotal trial stage (Stage III), and HX009 for this study will only be used together with this FAKi drug once it receives the market authorization approval. We also obtained the NMPA approval in February 2025 for a combination study of HX009 with trastuzumab in patients with advanced triple-negative breast cancer, and we expect the first patient enrollment for this combination study to be in 2026.

We are currently conducting three clinical programs for HX009 in China, namely, (i) the HX009-I-01 China Study (Phase Ib) for treatment of advanced melanoma, (ii) the HX009-II-02 China Study (Phase I/II) for treatment of R/R EBV^+ NHL, and (iii) the HX009-II-05 China

Study (Phase IIa) for treatment of advanced biliary tract cancer. For details about the clinical studies about our Core Product, please refer to "Business — Clinical Stage Candidates — Core Product HX009" in this prospectus.

Currently, we do not plan to conduct head-to-head studies for our HX009 as head-to-head trial usually refers to a comparison between the control group (existing standard treatment) and the experimental group, where the drugs administrated shall be in the same category (for example, mAb, BsAb, etc.) for the purpose of efficacy comparison, and whether a head-to-head trial is required by the competent authority generally depends on the standard treatment for the targeted indication. For the targeted indications and treatment line of HX009, there is a lack of standard treatment at this stage, therefore, we not expect head-to-head studies will be required by the competent authorities for its current targeted indications.

Key Product – HX301

Our Key Product, HX301, represents a significant advancement in cancer therapy as a multi-targeted kinase inhibitor with a unique kinase inhibition profile. Its mechanism of action lies in its role as an investigational multi-kinase inhibitor developed to combat various cancers by targeting critical pathways such as CSF1R, ARK5, FLT-3 and CDK4/6. CSF1R plays a pivotal role in the growth, survival, and polarization of myeloid lineage cells such as macrophages and it is often overexpressed in certain cancer cells such as acute myeloid leukemia, and tumor-associated macrophages including glioma-associated macrophages or microglial cells that are potentially correlating with poorer cancer prognosis. HX301 holds promise as a candidate cancer treatment by directly targeting cancer cells, such as acute myeloid leukemia, or indirectly impacting tumor-associated macrophages. Besides, as the ability to mobilise across the blood brain barrier is studied and evidenced mainly through preclinical and/or clinical results, and it was evidenced in preclinical studies that HX301 is capable of blood-brain barrier penetration with a brain: plasma exposure ratio of approximately 70%, suggesting it may also be developed as a promising treatment of glioblastoma, an aggressive malignancy with huge unmet medical need.

Pre-clinical models and Phase I safety and efficacy data demonstrate promising results of HX301, underscoring its capacity as a therapeutic option for various advanced solid tumors. In January 2020, NMPA issued the clinical trial approval notification for HX301, which allows us to conduct clinical trials of HX301 for treatment of advanced malignancies in China. In July 2024, we completed the Phase I clinical study of HX301 under the aforesaid NMPA approval, which is a phase I, open-label, multi-center study evaluating the safety, tolerability, and initial efficacy of HX301 in patients with advanced solid tumor. The efficacy results suggest that some patients achieved stable disease at doses of 80 mg or higher, and the duration of stable disease may be longer with higher doses, which provides clinical benefit support for subsequent clinical development, especially for the exploration of combination therapies.

We obtained the clinical trial approval notification from NMPA for HX301 in August 2024, which allows us to conduct clinical trials of HX301 in combination with temozolomide for the treatment of glioblastoma. We have enrolled first patient for this combination study (i.e., the HX301-II-01 China Study) in January 2025, and the HX301-II-01 China Study is currently ongoing as of the Latest Practicable Date.

Key Product – HX044

HX044 is a Key Product developed by our Group currently at clinical stage. It is an innovative clinical-stage drug for treatment of various types of advanced solid tumor malignancies, particularly PD-1-resistant solid tumors, including but not limited to NSCLC, melanoma, renal cell carcinoma, and gastrointestinal cancer. HX044 is a bifunctional anti-CTLA-4 antibody SIRPα fusion protein, with intention to create a "CTLA-4 *plus*" molecule with increased therapeutic window.

HX044 was created in-house, and we have global rights for development and commercialization. It was engineered to significantly reduce affinity for both single targeting of CTLA-4 and CD47, so that it can minimize irAEs and hematological toxicity that resulted from both single bindings in peripheral blood but much higher affinity to tumor cells. On the other hand, as demonstrated in the preclinical models, HX044 efficiently binds to Treg where co-high-expression of both targets occur, resulting in depletion of Treg as well as remodeling of tumor micro-environment significantly in favor of anti-tumor immunity as compared with anti-CTLA-4 mAbs. Therefore, HX044 is expected to broaden therapeutic window.

Pursuant to the relevant laws and regulations in Australia, we obtained the HREC approval and relevant site ethics committee approval in September 2024. We launched the Phase I/IIa clinical study to evaluate the safety and tolerability of HX044 for the treatment of advanced solid tumor malignancies in Australia, with first patient enrolled in December 2024. As of the Latest Practicable Date, we have enrolled eight patients for the HX044-I-01 Australia Study. In addition, we have obtained from NMPA the clinical trial approval notification for HX044 monotherapy and a combination study of HX044 with pucotenlimab in patients with advanced solid tumor malignancies in January and September 2025, respectively (i.e., the HX044-I-01 China Study). The advanced solid tumor targeted by our product refers to relapsed/refractory solid tumor. As of the Latest Practicable Date, we have enrolled 15 patients for the monotherapy part and two patients for the combination therapy part, respectively, for the HX044-I-01 China Study. According to the F&S Report, HX044 is the only CTLA-4/SIRPα bispecific antibody/bifunctional fusion protein under clinical study globally as of the Latest Practicable Date.

Other Product Pipeline

Our other product pipeline comprises of seven preclinical stage drug candidates including antibody drug conjugate (HX111 and HX129), bispecific antibody (HX035, HX038, HX016-9 and HX016-7) and monoclonal antibody (HX017) for both autoimmune and oncology market. We have completed the preclinical studies and achieved promising results for the respective

pipeline candidates. In October 2025, we submitted IND application of a Phase I/IIa clinical study of our leading preclinical candidate compound HX111 to NMPA (i.e., the HX001-I-01 China Study), and we expect to obtain the clinical study approval in the first quarter of 2026.

As of the Latest Practicable Date, HX129 and HX017 were developed as preclinical candidate compounds. While we do not expect to prioritize the clinical studies of HX129 and HX017 by ourselves, we plan to proactively seek collaboration with industry-leading business partners to further develop these pipeline candidates.

COMMERCIALIZED PRODUCT

HX008 is a humanized antagonist mAb against human PD-1 by using human IgG4 isotype, which can inhibit the PD-1 signal to restore the capability of the immune cells to kill cancer cells through blocking PD-1 binding to their ligands PD-L1 and PD-L2. It innovatively employs antibody engineering techniques to introduce mutations into Fc portion, thereby significantly improving its half-life and leads to strong clinical anti-tumor activity and a favorable safety and efficacy profile.

We co-developed HX008 with Zhongshan Kangfang prior to the Track Record Period. Shortly after we obtained the clinical study approval in August 2017 and through a series of equity transfer agreements entered in between 2017 and 2019, HX008 was transferred to Lepu for a one-off cash payment of RMB350.0 million and annual royalty fee of 4.375% of the annual net sales revenue of HX008. In July and September 2022, the NMPA granted conditional marketing approval for HX008 for the treatment of MSI-H/dMMR solid tumors and inoperable or metastatic melanoma, respectively. As of the Latest Practicable Date, we have received full payment of the one-off cash payment of RMB350.0 million. Benefitted from the successful commercialization of HX008, we received payment of approximately RMB0.7 million, RMB4.4 million and RMB13.1 million as the HX008 annual royalty fee as of the Latest Practicable Date in accordance with its net sales revenues recorded in 2022, 2023 and 2024, respectively. For details, please refer to "Business — Collaboration Agreements — HX008 Equity Transfer Agreements" in this prospectus.

ADDRESSABLE MARKET

Our Core Product, HX009, is a bispecific antibody fusion protein targeting both CD47 and PD-1. According to the F&S Report, as of the Latest Practicable Date, HX009 stands out with the leading position in respect of its clinical trial progress in the world among comparable CD47 targeted bispecific antibody/bifunctional fusion protein products.

Our Core Product, HX009, mainly targets for the second line treatment of the respective indications. As of the Latest Practicable Date, we were conducting clinical studies of HX009 in patients with relapsed/refractory EBV^+ NHL, advanced melanoma and advanced BTC. In addition, we expect to commence the clinical trials of HX009 for treatment of advanced TNBC in 2026.

According to the F&S Report, from 2019 to 2024, the total EBV^+ NHL market in China has increased from RMB0.3 billion to RMB0.5 billion, representing a CAGR of 10.1%, and it is forecasted to reach RMB1.6 billion and RMB2.8 billion by 2030 and 2035 respectively. According to the F&S Report, for the second line EBV^+ NHL that targeted by our HX009, the number of patients in 2024 was approximately 4.4 thousand in China and 33.6 thousand globally. Currently, there are seven innovative monotherapy pipelines targeting second line and above EBV^+ NHL.

According to the F&S Report, from 2019 to 2024, the global melanoma market has increased from US$12.6 billion to US$18.4 billion, representing a CAGR of 7.9%, and it is forecasted to reach US$23.6 billion and US$27.3 billion by 2030 and 2035 respectively. From 2019 to 2024, the total melanoma market in China has increased from US$0.2 billion to US$0.3 billion, representing a CAGR of 6.2%, and it is forecasted to reach US$0.4 billion in 2035. According to the F&S Report, for the first and second line melanoma that targeted by our HX009, the number of patients in 2024 was approximately 4.9 thousand in China and 24.3 thousand globally. Currently, there are over 50 innovative monotherapy pipelines targeting first-line and second-line or above melanoma treatment, with four in phase I/II, eight in phase II, and four in phase III.

According to the F&S Report, from 2019 to 2024, China's BTC drug market size increased from RMB1.5 million to RMB3.4 billion, representing a CAGR of 17.7%, and it is forecasted to RMB9.9 billion and RMB17.2 billion in 2030 and 2035 respectively. According to the F&S Report, for the second line BTC targeted by our HX009, the number of patients in 2024 was approximately 84.9 thousand in China and 254.6 thousand globally. Currently, there are over 85 pipeline drugs for the treatment of second-line and above BTC in clinical trials. Among them, 16 are combination pipelines. Specifically, four are in phase I, 10 are in phase I/II, and two are in phase II.

According to the F&S Report, from 2019 to 2024, China's TNBC drug market size increased from RMB3.5 billion to RMB3.8 billion in 2024, representing a CAGR of 1.9%, and it is forecasted to RMB5.0 billion and RMB5.9 billion in 2030 and 2035 respectively. According to the F&S Report, for the second line TNBC that targeted by our HX009, the number of patients in 2024 was approximately 33.5 thousand in China and 218.9 thousand globally. Currently, there are over 90 pipeline drugs for the treatment of second-line and above TNBC in clinical trials. Among them, 26 are combination pipelines. Specifically, eight are in phase I, 12 are in phase I/II, four are in phase II, and one is in phase III.

Our Key Product, HX301, is a multi-targeted kinase inhibitor targeting pathways such as CSF1R, ARK5, FLT-3 and CDK4/6. As of the Latest Practicable Date, we have completed the Phase I study of HX301 in patients with advanced solid tumor. In addition, we have obtained the HX301 NMPA GBM Combination Approval on August 19, 2024 for the combination treatment of HX301 and temozolomide in patients with glioblastoma. We have enrolled first patient for this combination study (i.e., the HX301-II-01 China Study) in January 2025, and the HX301-II-01 China Study is currently ongoing as of the Latest Practicable Date. According to the F&S Report, the market of glioblastoma in China reached RMB1.2 billion in 2024 and would enlarge to RMB3.2 billion and RMB5.4 billion by 2030 and 2035 with the CAGR of 17.9% and 10.7% respectively. Currently, there are three small molecule inhibitor for first line combination treatment of glioblastoma in clinical stage in China.

COMPETITIVE LANDSCAPE

Currently, approximately 90% of the approved immune-oncology therapies are monoclonal antibodies, and majority of other types (e.g., bispecific antibody, ADC, fusion protein) of therapies are under the development. There are more than 40 PD-1 targeted bispecific antibody drugs with more than 15 targets are under the development, including CD47, CTLA-4, LAG3, etc.. Also, more than 50 PD-L1 targeted bispecific antibody drugs with more than 15 targets are under the development, including CD47, CTLA-4, TGFβ, etc.. Most of them are still concentrated in Phase I and Phase II clinical study stage. As of the Latest Practicable Date, there were eight bispecific antibody drugs targeting both PD-1/PD-L1 and CD47 pathways under clinical development in China and globally, and HX009 developed by the Company is the only bispecific antibody fusion protein targeting both PD-1 and CD47 concurrently in both global and China market.

Currently, there are 13 CTLA-4 targeted bispecific antibody drugs under the clinical development globally. HX044 is the only CTLA-4/CD47 bispecific antibody/bifunctional fusion protein under the clinical development globally.

Global (including China) Approved PD-1/PD-L1 Bispecific Antibody Drugs

Currently, there are two approved PD-1 bispecific antibody drug, which are cadonilimab and ivonescimab.

Target	Drug Name	Company	Indications	Line of Treatment	Combination Therapy	Approval Date	Dosage	Country	Medical Insurance	Price per Treatment Cycle
PD-1, CTLA-4	Cadonilimab Kaitanni®	Akeso	Cervical Cancer	2L	Monotherapy	2022/06/28	This product is administered via intravenous infusion. The recommended dose is 6 mg/kg, given every 2 weeks until disease progression or intolerable toxicity occurs.	China	B	approximately RMB7,500
			GC/GEJC	1L	Combination with fluoropyrimidine and platinum-based chemotherapy agents	2024/09/26	This product is administered by intravenous infusion. The recommended dose is 10 mg/kg, given every 3 weeks until disease progression or intolerable toxicity occurs.			approximately RMB11,000
PD-1, VEGF	Ivonescimab Yidafang®	Akeso	EGFR-mutated locally advanced or metastatic NSCLC patient who have progressed after EGFR-TKI treatment	2L	Combination with Pemetrexed and carboplatin	2024/05/21	This product is administered via intravenous infusion. The recommended dose is 20 mg/kg, given every 3 weeks until disease progression or intolerable toxicity occurs.	China	B	approximately RMB10,000
			locally advanced or metastatic NSCLC with PD-L1 TPS≥1%, EGFR mutation-negative, and ALK-negative	1L	Monotherapy	2025/04/22			/	approximately RMB32,000

Source: NMPA, FDA, Company Website, Literature Review, Frost & Sullivan Analysis

Notes:

(1) Industry information is as of December 8, 2025.

(2) GC refers to Gastric Cancer; GEJC refers to Gastroesophageal Junction Cancer.

(3) In 2023, the annual sales of Kaitanni were RMB1,357.8 million. However, in 2024, Akeso did not disclose the annual sales of Kaitanni and Yidafang.

Global (including China) Approved CTLA-4 Bispecific Antibody Drugs

Currently, Kaitanni is the only approved CTLA-4 bispecific antibody drug.

Target	Drug Name	Company	Indications	Line of Treatment	Combination Therapy	Approval Date	Dosage	Country	Medical Insurance	Price per Treatment Cycle
PD-1, CTLA-4	Cadonilimab Kaitanni®	Akeso	Cervical Cancer	2L	Monotherapy	2022/06/28	This product is administered via intravenous infusion. The recommended dose is 6 mg/kg, given every 2 weeks until disease progression or intolerable toxicity occurs.	China	B	approximately RMB7,500
				1L	Combined with platinum based chemotherapy and Bevacizumab, or combined with or without Bevacizumab	2025/05/27				
			GC/GEJC	1L	Combination with fluoropyrimidine and platinum-based chemotherapy agents	2024/09/26	This product is administered by intravenous infusion. The recommended dose is 10 mg/kg, given every 3 weeks until disease progression or intolerable toxicity occurs.			approximately 11,000

Source: NMPA, FDA, Company Website, Literature Review, Frost & Sullivan Analysis

Notes:

(1) Industry information is as of December 8, 2025.

(2) GC refers to Gastric Cancer; GEJC refers to Gastroesophageal Junction Cancer.

Global (including China) Development of CD47 Bispecific Antibody Drugs

CD47 is a cell surface protein that acts as a key regulator of the tumour microenvironment and represents a potential target for cancer therapy. It is found to be overexpressed in different types of tumors and act as a "don't eat me" signal, which contributes to immune evasion. However, there are several obstacles and risks associated with targeting CD47. First, since CD47 is also expressed on healthy cells, CD47-targeted drugs may cause anemia and other hematological toxicities due to the phagocytosis of healthy red blood cells upon CD47 inhibition. Another challenge is that CD47 is not the only immune checkpoint molecule; others, such as PD-1, also play a role in tumour immune evasion. Targeting CD47 alone may not be sufficient for a robust anti-tumour response. Therefore, drugs with multiple targets, such as bispecific antibodies, may be needed.

Our Core Product, HX009, is a bispecific antibody fusion protein targeting both CD47 and PD-1. CD47 expressed on tumor cells protects them from phagocytosis through interaction with SIRPα on macrophages, while PD-1 dampens T cell-mediated tumor killing. For HX009, anti-CD47/SIRPα extracellular domain (one of the natural ligand proteins of CD47) and anti-PD-1 exhibit synergistic anti-tumor efficacy via CD8+ T cell activation and macrophage-mediated immune response. For details, please refer to "Business — Clinical-stage Candidates — Core Product — HX009 — Preclinical Studies of HX009" in this prospectus.

Particularly, as of the Latest Practicable Date, there are no approved CD47 targeting bispecific antibody drugs available. According to the F&S Report, as of the Latest Practicable Date, HX009 stands out with the leading position in respect of its clinical trial progress in the world among comparable CD47 targeted bispecific antibody/bifunctional fusion protein products. For details, please refer to "Industry Overview" in this prospectus.

OUR PLATFORMS

Our *VersatiBody* Platform

Our *VersatiBody* Platform is an innovative antibody technology platform that serves as the foundation for a new realm of therapeutic antibodies. This versatile platform is designed to create bi- or multi-specific antibodies, antibody-fusion proteins and/or antibody-drug-conjugates that offer enhanced therapeutic capability, with a focus on tailoring antibody-based agent to meet specific target biology requirements. The platform's innovative design allows for the development of antibody-based therapeutics, on one hand being manufacturable with desired stability as pharmaceutical products required, while on the other hand, being with desired pharmacology properties including longer half-life, reduced immunogenicity, desired pharmacodynamic properties, which can translate to better efficacy, safety, and convenience for patients. The platform's flexible design and workflow allow for the efficient creation of antibody-based molecules with these features and high successful rate.

In contrast to "one-size-fits-all" approach, the key advantage of our *VersatiBody* Platform is its adaptability that may enable the development of antibodies against a wide range of targets and opening up possibilities for treating various diseases across different therapeutic areas. This versatility is particularly valuable in the rapidly evolving landscape of biopharmaceuticals, where the ability to rapidly develop new treatments for emerging health challenges is crucial. For details, please refer to "Business – Research and Development ("R&D") – Our *VersatiBody* Platform" in this prospectus.

Our *autoRx40* Platform

Our *autoRx40* Platform is an autoimmune disease therapeutic platform based on targeting OX40 and beyond. OX40 has recently been recognized that it plays a central role in many autoimmune and inflammatory diseases, along with many other receptors, making targeting these receptors for treating many autoimmune diseases plausible.

Considering that OX40 is broadly involved in many autoimmune diseases with participation of other receptors, we developed this *autoRx40* therapeutic platform which is centered around OX40 as well as other relevant receptors. Our *autoRx40* platform is created by taking advantages of our *VersatiBody* Platform and our OX40 monoclonal antibody molecular frame which enables us to rapidly create different molecules tailored for specific disease treatments. Based on that, we have produced several drug candidates, including HX035, a bispecific antibody that targets two different OX40 epitopes and enhances antibody-dependent cellular cytotoxicity and blocks OX40-OX40L interactions, and HX038, a bispecific antibody that targets OX40 and another relevant autoimmune receptor. These candidates are developed to modulate the immune response by either depleting pathogenic cells or inhibiting their activation, thereby mitigating autoimmune responses. For details, please refer to "Business – Research and Development ("R&D") – Our *autoRx40* Platform" in this prospectus.

COLLABORATION AGREEMENTS

HX008 Equity Transfer Agreements

HX008 is a humanized mAb to PD-1, which was developed by us prior to the Track Record Period. Taizhou Hanzhong was established by Hangzhou Hanx as its wholly-owned subsidiary on November 25, 2016, which is the research and development platform for HX008. On July 19, 2019, the patent of HX008 was granted to Zhongshan Kangfang and Taizhou Hanzhong.

Given the progress in research and development of HX008, our Group transferred 40% of our equity interest in Taizhou Hanzhong to an independent third party, namely, Ningbo Houde Yimin Information Technology Co., Ltd.* (寧波厚德義民信息科技有限公司) by way of equity transfer and capital injection. Upon completion of this equity transfer in December 2017, Taizhou Hanzhong was held by Ningbo Houde Yimin and our Group as to 60% and 40%, respectively.

On September 3, 2019, we entered into an equity transfer agreement with Lepu, a subsidiary of Ningbo Houde Yimin. Pursuant to this agreement, we shall transfer our 40% equity interest in Taizhou Hanzhong to Lepu for (i) an aggregate amount of RMB350.0 million ("**One-off Cash Payment**") to be paid and equity interest to be transferred in instalments as set out in the payment schedule with no other pre-conditions attached thereto; and (ii) an annual payment of 4.375% of the net sales revenue of HX008 after its commercialization ("**Annual Fee**"). Prior to the Track Record Period, we received RMB280.0 million of the One-off Cash Payment, and on August 14, 2024, we entered into the supplemental equity transfer agreement with Lepu to confirm the completion date for the transfer of our remaining 9% equity interests in Taizhou Hanzhong and payment of the outstanding One-off Cash Payment of RMB70.0 million. Upon completion of the supplemental equity transfer on August 28, 2024, we ceased to hold any equity interests in Taizhou Hanzhong. As of the Latest Practicable Date, we have received all outstanding One-off Cash Payment as milestone payments and have received payment of approximately RMB0.7 million, RMB4.4 million and RMB13.1 million as the HX008 annual royalty fee in accordance with its net sales revenues recorded in 2022, 2023 and 2024, respectively.

Through transferring the exclusive rights for manufacturing, development and commercialization of HX008, we can leverage the manufacturing and commercialization capabilities of our market-leading business partners. In addition, benefited from Lepu's strong capabilities in anti-PD-1 antibody drugs production, the above equity transfers with Lepu enables us to receive the One-off Cash Payment and the Annual Fee as sharing from the commercialization of HX008. For details, please refer to "Business – Collaboration Agreements – HX008 Equity Transfer Agreements" in this prospectus.

HX301 Onconova Co-development Agreement

In December 2017, we entered into a license, development and commercialization agreement with Onconova Therapeutics, Inc. (the "**Onconova**") (the "**Onconova Co-development Agreement**"). Pursuant to the Onconova Co-development Agreement, Onconova grants Hangzhou Hanx an exclusive, royalty-bearing license, with the right to sublicense, under Hangzhou Hanx to develop and commercialize narazaciclib (which was further developed and named as HX301 for our pipeline) within Greater China. Such development and commercialization rights include all activities relating to research, non-clinical, preclinical and clinical, toxicology testing, statistical analysis and reporting, preparation and submission of applications for regulatory approval of the product and all activities directed to the marketing, promotion, selling or offering for sale of a product for an indication. In addition, Onconova shall pay us certain royalties for sales outside of Greater China. For details, please refer to "Business — Collaboration Agreement — HX301 Onconova Co-development Agreement" in this prospectus. Currently, Hangzhou Hanx focuses on glioblastoma combination treatment in China in respect of the development of HX301.

OUR STRENGTHS

We believe the following strengths differentiate us from our competitors:

- The only bifunctional anti-PD-1 antibody SIRPα fusion protein in clinical development, an innovative PD-1 *plus* innovative therapy
- Bringing industry-leading expertise in translational medicine to forge a strong product pipeline addressing unmet medical need
- Strong expertise and capabilities in structural biology and protein engineering empowered by proprietary technology platforms for enhanced druggability and sustainable pipeline growth
- Proven business development capabilities bring in strategic partnerships
- Experienced management team and renowned investors

OUR STRATEGIES

We plan to pursue the following opportunities and execute our key strategies accordingly:

- Advance clinical development of our product pipeline
- Continue exploring combination therapies for our product pipeline
- Enhance our research and development capabilities

- Upgrade our existing platform and build new platforms for new modality drugs
- Enhance business development and strengthen global partnerships
- Continue to build up an internal clinical development team
- Continue to attract and retain talents to fuel our expansion

RESEARCH AND DEVELOPMENT ("R&D")

We believe that our continuous dedication to research and development is instrumental in propelling our business expansion and maintaining our competitive edge. At the core of our R&D approach is a long-standing commitment to innovation in the realm of macromolecule therapeutics, with a particular focus on addressing unmet clinical needs.

Our R&D team is composed of highly skilled professionals with extensive knowledge and a profound understanding of immune-oncology, cancer biology, and autoimmune diseases, as well as translational and clinical sciences. They have been at the forefront in pinpointing compounds that can regulate various pathways associated with illnesses, which gives us a distinctive edge in fulfilling the clinical requirements for intricate conditions. Our R&D team is spearheaded by a group of renowned scientists who bring with them a wealth of experience in the realm of drug development. As of the Latest Practicable Date, under the supervision of our chairman and executive Director, Dr. Zhang, our chief business officer, Dr. Tang and led by our CEO and CSO, Dr. Li, our R&D team consisted of 20 members covering the fields of biochemistry, biology, pharmacology and clinical science. Our core R&D personnel among our management team have been working in the biopharmaceutical industry for an average of approximately 20 years. All of our core R&D personnel have been involved in and contributed to the R&D activities of the Core Product. During the Track Record Period, none of core R&D personnel left our Group. To incentivize core R&D personnel to stay with us, we have offered not only monetary compensation and bonuses but also equity incentives that vest progressively.

Our process research and CMC research team is part of our R&D team with five experienced employees responsible for both internal early stage wet lab process and method developments, covering cell development and upstream and downstream processes, conjugation and analytical, and also project management of the outsourced CMC activities, which constitute most of ongoing CMC activities at CDMO, including early cell line construction evaluation, process development and pilot.

Our R&D team is generally responsible for the worldwide development of our Core Product and other pipeline products. Our R&D team has the capacity to conduct clinical programs at various development stages in China and other jurisdictions. They have an average of approximately 10 years working experience in our industry, and almost all of them have obtained bachelor degrees or higher. For our internally discovered and developed drug candidates, we conducted drug discovery, quality assurance and clinical activities (together with the clinical development team) including: (i) orchestrating all clinical development endeavors; (ii) formulating the principal elements of clinical trials; (iii) arranging and coordinating the selection of suitable CROs for engaging clinical sites and managing clinical trials once they are underway; (iv) monitoring the clinical trials; and (v) directing extensive regulatory interactions and coordination both in China and abroad.

In line with industry practice, we collaborate with CROs to conduct and support our preclinical and clinical studies. For the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2025, we engaged 35, 37 and 28 CROs, respectively, incurring a total CRO services fees of approximately RMB6.8 million, RMB19.1 million and RMB11.7 million, respectively. We select our CROs by weighing various factors, such as their qualifications, academic and professional experience, industry reputation and service fees. To the best of our Company's knowledge, all of our CROs during the Track Record Period are Independent Third Parties.

For the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, we incurred R&D costs of RMB46.7 million, RMB74.7 million, RMB50.5 million and RMB56.2 million, respectively, representing 73.0%, 61.8%, 75.8% and 67.2% of our total operating expenses for the corresponding periods, respectively. For the same periods, we incurred RMB13.5 million, RMB19.4 million, RMB15.6 million and RMB19.4 million for the R&D of our Core Product, representing 29.0%, 25.9%, 30.9% and 34.5% of our total R&D costs incurred for the corresponding periods, respectively.

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we (i) owned seven granted patents, including two granted patents in the PRC, three granted patents in Japan and two granted patent in the U.S., among which, three patents are related to our Core Product; and (ii) have more than 11 pending patent applications, including one pending patent application in the PRC, three pending patent applications under the European Patent Convention (among which one patent is related to our Core Product) and more than seven unpublished pending patent applications under the Patent Cooperation Treaty. We have four types of patent and patent applications. As reviewed and advised by our PRC IP Legal Adviser, Jingtian & Gongcheng, all material aspects of the intellectual property rights of our Core Product and one of our Key Products (HX301) in the PRC can be covered by certain registered patents or pending patent applications. In addition, given that we have submitted PCT application with patent priority for one of our Key Products (HX044), we believe that all material aspects of our two Key Products (HX301 and HX044) can be covered globally by certain registered patents or pending patent applications.

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any proceedings in respect of, and we had not received notice of any claims of infringement of, any intellectual property rights, in which we may be a claimant or a respondent. To our best knowledge, we are not aware of any potential or material claims or disputes in relation to the infringement of intellectual properties of our products during the Track Record Period.

For details, please refer to "Business – Intellectual Property" in this prospectus.

SUPPLIERS AND RAW MATERIALS

During the Track Record Period, our suppliers primarily consisted of CROs 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, 2023 and 2024 and the eight months ended August 31, 2025, the aggregate purchases attributable to our five largest suppliers amounted to approximately RMB16.3 million, RMB28.6 million and RMB23.3 million, respectively, representing approximately 51.8%, 37.4% and 45.5% of our total purchases, respectively. For the same periods, purchases attributable to our single largest supplier amounted to approximately RMB6.4 million, RMB7.8 million and RMB6.3 million, accounting for approximately 20.4%, 10.2% and 12.4% of our total purchases, respectively.

None of our five largest suppliers in each period during the Track Record Period was our related parties. None of our Directors or their associates or, to the knowledge of our Directors, any Shareholder with over 5% of the share capital of our Company has any interest in any of our five largest suppliers in the year ended December 31, 2023 and 2024 and the eight months ended August 31, 2025.

During the Track Record Period, we have procured raw materials and consumables for the production of our drug candidates. During the Track Record Period, we did not experience any significant fluctuations in raw material prices or delays that had a material impact on our results of operations or financial position. The raw materials for our drug candidates to be used in clinical trials as well as materials for our laboratory use are generally readily available in the market through multiple suppliers.

EMPLOYEES

As of the Latest Practicable Date, we had a total of 55 employees, among which 49 were working in China and six were working in Hong Kong.

Mr. Xi, a former employee of our Group, was found to have taken advantage of his position in our Group and abused his administrative authority and misappropriated funds of our Group from around December 2016 to May 2020, pursuant to which Mr. Xi was fined and sentenced to imprison by the courts in the PRC. For further details of these incidents, please refer to the paragraph headed "Business — Risk management and internal control — Internal control — Misappropriation of funds by former employee of our Group".

OUR CONTROLLING SHAREHOLDERS

Immediately following completion of the Global Offering and the Share Split (assuming the Over-allotment Option is not exercised), Dr. Zhang Faming will hold: (i) approximately 13.06% of the issued share capital of our Company indirectly through Hanx Biopharmaceuticals (HK), a company indirectly wholly owned by Dr. Zhang through several of his wholly owned entities, namely HanxBio (BVI), Hanx Biopharmaceuticals and Caizhang Vision; (ii) approximately 40.60% of the issued share capital of our Company indirectly through CZ Biotechnology, a company owned as to 99.9% by Dr. Zhang and 0.1% by Ms. Luo Fang, the spouse of Mr. Zhang Wanming (the brother of Dr. Zhang); and (iii) approximately 2.24% of the issued share capital of our Company through Wuhan Hanx, where CZ Biotechnology is a general partner. Dr. Zhang, Ms. Luo Fang, CZ Biotechnology, Hanx Biopharmaceuticals (HK), HanxBio (BVI), Hanx Biopharmaceuticals, Wuhan Hanx and Caizhang Vision will be presumed to be a group of Controlling Shareholders under the Listing Rules and will be together interested in approximately 55.89% of the issued share capital of our Company.

Apart from our Company, Dr. Zhang also held directorship and shareholding interests in Waterstone Pharmaceuticals. Waterstone Pharmaceuticals is a company established in the PRC with limited liability on December 17, 2009 and listed on the NEEQ (stock code: 873938). It is a company principally engaged in the research and development and sales of chemical drugs for metabolic diseases such as diabetes and kidney disease. For further details of the information of Waterstone Pharmaceuticals, please refer to the paragraph headed "Relationship with our Controlling Shareholders — Our Relationship with Waterstone Pharmaceuticals" in this prospectus.

We have entered into certain transactions with Waterstone Pharmaceuticals which will constitute continuing connected transactions upon Listing. For further details of our continuing connected transactions with Waterstone Pharmaceuticals, please refer to the section headed "Connected Transactions" in this prospectus.

PRE-IPO INVESTMENTS

We have received three rounds of Pre-IPO investments since our establishment. Our Pre-IPO Investors include one sophisticated investor, namely, Beijing Lapam, which will hold approximately 9.44% of the total issued Shares of the Company upon the completion of the Global Offering, Share Split, and Conversion of Unlisted Shares into H Shares (Assuming the Over-allotment Option is not exercised). As of the Latest Practicable Date, we have utilized all the proceeds we received from the Pre-IPO Investment to finance our research and development activities pursuant to the term of the respective Pre-IPO Investment agreements. For further details of the identity and background of our Pre-IPO Investors, and the principal terms of the Pre-IPO Investments, please refer to "History, Development and Corporate Structure – Pre-IPO Investments" in this prospectus.

SUMMARY OF KEY FINANCIAL INFORMATION

Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the periods indicated. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period. During the Track Record Period and as of the Latest Practicable Date, we had not generated any revenue.

	For the Year Ended December 31		For the Eight Months Ended August 31	
	2023	2024	2024	2025
	(in thousands of RMB)			
			(unaudited)	
Other income and gains	6,664	7,681	12,313	2,626
Research and development costs	(46,663)	(74,721)	(50,523)	(56,178)
Administrative expenses	(17,220)	(46,192)	(16,116)	(27,436)
Other expenses	(33,924)	(209)	(238)	(11,413)
Interest expenses	(2,280)	(9,379)	(5,853)	(7,532)
Loss before tax	**(93,423)**	**(122,820)**	**(60,417)**	**(99,933)**
Income tax expense	8,263	5,898	11,997	12,495
Loss for the year/period	(85,160)	(116,922)	(48,420)	(87,438)
Other comprehensive income/(loss) for the year/period, net of tax	537	60	242	(423)
Total comprehensive loss for the year/period	**(84,623)**	**(116,862)**	**(48,178)**	**(87,861)**

We have incurred operating losses during the Track Record Period. Our total comprehensive loss was RMB84.6 million, RMB116.9 million, RMB48.2 million and RMB87.9 million for the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively. Substantially all of our loss resulted from research and development costs, other expenses, administrative expenses and interest expenses, as a result of the expansion of our business operations.

For details, please refer to "Financial Information – Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income" in this prospectus.

Summary of Consolidated Statements of Financial Position

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31		As of August 31	As of October 31
	2023	2024	2025	2025
	(in thousands of RMB)			
				(unaudited)
Total non-current assets	287,479	258,684	233,449	232,933
Total current assets	298,761	242,787	210,849	193,084
Total assets	**586,240**	**501,471**	**444,298**	**426,017**
Total current liabilities	62,873	197,440	226,080	220,341
Net current assets/(liabilities)	**235,888**	**45,347**	**(15,231)**	**(27,257)**
Total non-current liabilities	203,786	87,427	73,427	80,484
Total liabilities	**266,659**	**284,867**	**299,507**	**300,825**
Net assets	**319,581**	**216,604**	**144,791**	**125,192**
Capital and reserves				
Paid-in capital	9,525	11,790	11,790	11,790
Reserves	258,603	154,449	86,018	66,869
Non-controlling interests	51,453	50,365	46,983	46,533
Total equity	**319,581**	**216,604**	**144,791**	**125,192**

As of December 31, 2023 and 2024 and August 31, 2025, we maintained a net assets position of RMB319.6 million, RMB216.6 million and RMB144.8 million, respectively. Fluctuation of our net assets during the Track Record Period was primarily due to the fluctuations of equity-settled share-based compensation expense, higher administrative costs and our total comprehensive losses of RMB116.9 million and RMB87.9 million during the year ended December 31, 2024 and the eight months ended August 31, 2025, respectively. Our net current assets decreased significantly from RMB235.9 million as of December 31, 2023 to RMB45.3 million as of December 31, 2024, which were primarily resulted from (i) redemption liabilities on ordinary shares were reclassified from non-current to current liabilities; and (ii) the decrease in financial assets at fair value through profit or loss, which was in turn due to the fluctuation of the forecasted variable consideration for the disposal of HX008. We recorded net current liabilities of RMB15.2 million as of August 31, 2025, primarily due to the increase in current liabilities resulting from additional bank borrowings of RMB18.0 million.

For details, please refer to "Financial Information – Discussion of Certain Selected Items From the Consolidated Statements of Financial Position" in this prospectus.

Summary of Consolidated Statements of Cash Flows

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

	For the Year Ended December 31		For the Eight Months Ended August 31	
	2023	2024	2024	2025
	(in thousands of RMB)			
			(unaudited)	
Net cash flows used in operating activities	(51,994)	(104,894)	(67,918)	(59,390)
Net cash flows from investing activities	93,956	96,620	78,432	35,742
Net cash flows from financing activities	90,220	6,486	8,463	12,492
Net increase/(decrease) in cash and cash equivalents	132,182	(1,788)	18,977	(11,156)
Cash and cash equivalents at beginning of year	29,789	162,000	162,000	161,214
Effect of foreign exchange rate changes, net	29	1,002	369	(58)
Cash and cash equivalents at end of year	162,000	161,214	181,346	150,000

For the eight months ended August 31, 2025, our net cash flows used in operating activities were RMB59.4 million. Our loss before tax for the period was RMB99.9 million for the same period. The difference between our loss for the year and our net cash flows used in operating activities was primarily attributable to (i) decrease in other payables and accruals of RMB3.5 million, partially offset by (i) decrease in prepayments, other receivables and other assets of RMB2.1 million; (ii) equity-settled share-based compensation expense of RMB16.0 million; (iii) increase in trade payables of RMB3.9 million; and (iv) interest expenses of RMB7.5 million.

For the year ended December 31, 2024, our net cash flows used in operating activities was RMB104.9 million. Our loss before tax for the year was RMB122.8 million for the same year. The difference between our loss for the year and our net cash flows used in operating activities was primarily attributable to (i) increase in prepayments, other receivables and other assets of RMB16.3 million; (ii) income taxes paid of RMB5.8 million; (iii) bank interest income of RMB1.6 million; (iv) fair value gains on FVTPL of RMB1.6 million and (v) interest income from FVTPL of RMB1.3 million, partially offset by (i) equity-settled share-based compensation expense of RMB22.3 million; and (ii) depreciation of right-of-use assets of RMB3.4 million.

For the year ended December 31, 2023, our net cash flows used in operating activities was RMB52.0 million. Our loss before tax for the year was RMB93.4 million for the same period. The difference between our loss for the year and our net cash flows used in operating activities was primarily attributable to (i) increase in prepayments, other receivables and other assets of RMB4.4 million; (ii) interest income from FVTPL of RMB2.3 million; (iii) income taxes paid of RMB2.1 million; (iv) bank interest income of RMB1.9 million; and (v) decrease in other payables and accruals of RMB1.0 million, partially offset by (i) equity-settled share-based compensation expense of RMB15.5 million; (ii) fair value losses on FVTPL of RMB33.1 million.

For details, please refer to "Financial Information – Liquidity and Capital Resources" in this prospectus.

Going forward, we believe our liquidity requirements will be satisfied by a combination of net proceeds from the Global Offering, our proceeds from Pre-IPO Investments and transfer of our equity interests in Taizhou Hanzhong. As of August 31, 2025, our cash and cash equivalents amounted to RMB150.0 million. Other than the bank borrowings that we may obtain, we do not have any plans for material external debt financing prior to the Listing. Assuming an average cash burn rate going forward of 1.9 times the level in 2024, we estimate that our cash and cash equivalents as of August 31, 2025 will be able to maintain our financial viability for approximately 31 months, taking into account the estimated net proceeds (assuming the Over-allotment Option is not exercised, at the Offer Price of HK$28.0 per H Share, being the low-end of the indicative Offer Price range stated in this prospectus). Taking these into account, our Directors believe that we have sufficient working capital to cover at least 125% of our costs, including general, administrative and operating costs as well as research and development costs, for at least the next 12 months from the Latest Practicable Date.

KEY FINANCIAL RATIOS

	As of December 31		As of August 31
	2023	2024	2025
Current ratio[(Note)]	4.75	1.23	0.93

Note: Current ratio represents current assets divided by current liabilities as of the same date.

GLOBAL OFFERING STATISTICS

The Global Offering by us comprises:

(i) the Hong Kong Public Offering of initially 1,832,100 Offer Shares (subject to adjustment as mentioned below) for subscription by the public in Hong Kong as described in this prospectus as the Hong Kong Public Offering; and

(ii) the International Offering of initially 16,488,900 Offer Shares (subject to adjustment as mentioned below) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in accordance with Regulation S under the U.S. Securities Act as described in this prospectus as the International Offering.

	Based on the Offer Price of HK$28.0 per H Share	Based on the Offer Price of HK$32.0 per H Share
Market capitalization of our H Shares (approximately)[1]	HK$3,814.1 million	HK$4,359.0 million
Unaudited pro forma adjusted consolidated net tangible assets per H Share[2]	HK$5.39	HK$5.91

Notes:

(1) The calculation is based on the assumption that 136,218,830 H Shares will be expected to be in issue immediately upon completion of the Global Offering (comprising (i) an aggregate of 117,897,830 H Shares to be converted from Unlisted Shares; and (ii) 18,321,000 Offer Shares to be issued pursuant to the Global Offering, without taking into account Offer Shares that may be issued upon the exercise of the Over-allotment Option).

(2) The unaudited pro forma adjusted consolidated net tangible assets value per H Share is calculated after the adjustment referred to "Unaudited Pro Forma Financial Information" in Appendix II to this prospectus and on the basis of 136,218,830 H Shares in issue immediately following the completion of the Global Offering, assuming that the Over-allotment Option is not exercised.

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. Investors should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors 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 Adviser, 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. As of the Latest Practicable Date, there was no formal dividend policy or pre-determined dividend payout ratio for our Group.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$496.3 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering.

- Approximately 35%, or HK$173.7 million, will be used for the research and development of our Core Product, namely, HX009;
- Approximately 33%, or HK$163.8 million, will be used for the research and development of our Key Products, namely, HX301 and HX044;
- Approximately 17%, or HK$84.4 million, will be used for the research and development of our other important products;
- Approximately 5%, or HK$25.0 million, will be used to fund the commercialization and/or business development activities; and
- Approximately 10%, or HK$49.4 million, will be used for working capital and other general corporate purposes.

For details, please refer to "Future Plans and Use of Proceeds" in this prospectus.

RISK FACTORS

We believe that there are certain risks involved in our operations, many of which are beyond our control. These risks are set out in the section headed "Risk Factors" in this prospectus. Some of the major risks we face include:

- We may face intense competition and rapid technological change in our industry, particularly for our Core Product HX009 and the possibility that our competitors may develop therapies that are similar, or even more advanced and, effective than ours, which may adversely affect our financial condition and our ability to successfully commercialize our drug candidates.
- Adverse events or undesirable side effects caused by our drug candidates, such as our Core Product as a CD47 targeted molecules drug, could interrupt, delay or halt clinical trials, delay or prevent regulatory approval, limit the commercial profile of an approved drug, or result in significant negative consequences following any regulatory approval.

- Our business and financial prospects depend substantially on the success of our drug candidates. If we are unable to successfully complete clinical development, obtain regulatory approvals or achieve commercialization for our drug candidates, or if we experience significant delays or cost overruns in doing any of the foregoing, our business and prospects could be materially and adversely affected.

- Clinical development involves a lengthy and expensive process with uncertain outcomes, and results of earlier studies and trials may not be predictive of future trial results.

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

- We currently target a sub-group of targeted cancer, and the size of the potential market for our current or future drug candidates, including for our Core Product HX009, may be smaller than our estimates.

- We have incurred significant net losses since inception. We anticipate that we will continue to incur net losses and may fail to achieve or maintain profitability in the foreseeable future.

- The regulatory approval processes of the NMPA, the FDA and other comparable regulatory authorities are lengthy, time-consuming and unpredictable. If we are unable to obtain without undue delay of any regulatory approvals for our drug candidates in our targeted markets, our business may be subject to actual or perceived harm.

LISTING EXPENSES

Listing expenses to be borne by us are estimated to be approximately HK$53.5 million (including underwriting commission, at the Offer Price of HK$30.00 per H Share), which represent 9.7% of the gross proceeds from the Global Offering, assuming no Offer Shares are issued pursuant to the Over-allotment Option. The above listing expenses are comprised of (i) underwriting-related expenses, including underwriter commission, of HK$17.6 million, and (ii) non-underwriting-related expenses of HK$35.9 million, including (a) the legal advisors and the Reporting Accountants expenses of HK$20.7 million and (b) other fees and expenses of HK$15.2 million. During the Track Record Period, listing expenses of approximately HK$15.0 million was charged to our consolidated income statements and approximately HK$7.4 million was charged to equity. After the Track Record Period, approximately HK$9.9 million is expected to be charged to our consolidated statements of profit or loss, and approximately HK$21.2 million is expected to be charged against equity upon the Listing. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Our recent developments of our drug candidates since the end of the Track Record Period and up to the Latest Practicable Date include:

- We are currently undergoing three clinical programs for HX009 in China, namely, (i) the HX009-I-01 China Study (Phase Ib) for treatment of advanced melanoma, (ii) the HX009-II-02 China Study (Phase I/II) for treatment of R/R EBV$^+$ NHL, and (iii) the HX009-II-05 China Study (Phase IIa) for treatment of advanced biliary tract cancer in combination with a focal adhesion kinase inhibitor (aka. FAKi) drug developed by InxMed Biotech Co., Ltd. (Shanghai)* (應世生物科技(上海)有限公司). In addition, we also obtained the NMPA approval in February 2025 for a combination study of HX009 with trastuzumab in patients with advanced triple-negative breast cancer, and we expect the first patient enrollment for this combination study to be in 2026. According to the F&S Report, HX009 developed by our Company is the only bispecific antibody fusion protein targeting both PD-1 and CD47 concurrently in both global and China market as of the Latest Practicable Date.

- We are currently conducting clinical trials of HX301 in combination with temozolomide for the treatment of glioblastoma, and as of the Latest Practicable Date, we have enrolled seven patients for this combination study (i.e., the HX301-II-01 China Study).

- We are currently conducting the Phase I/IIa clinical study to evaluate the safety and tolerability of HX044 for the treatment of advanced solid tumor malignancies in Australia (i.e., the HX044-I-01 Australia Study) and China. As of the Latest Practicable Date, we have enrolled eight patients for the HX044-I-01 Australia Study. In addition, we have obtained from NMPA the clinical trial approval notification for HX044 monotherapy and a combination study of HX044 with pucotenlimab in patients with advanced solid tumor malignancies in January and September 2025, respectively (i.e., the HX044-I-01 China Study). The advanced solid tumor targeted by our product refers to relapsed/refractory solid tumor. As of the Latest Practicable Date, we have enrolled 15 patients for the monotherapy part and two patients for the combination therapy part, respectively, for the HX044-I-01 China Study. According to the F&S Report, HX044 is the only CTLA-4/SIRPα bispecific antibody/bifunctional fusion protein under clinical study globally as of the Latest Practicable Date.

Our loss for the period increased from RMB48.2 million for the eight months ended August 31, 2024 to RMB88.3 million for the eight months ended August 31, 2025, primarily because we incurred increasing research and development expenses as we continue to conduct and expand our clinical development programs and advance the research and development of pipeline product candidates that are at preclinical stages and the increasing administrative expense due to the increasing listing related expenses. Up to the Latest Practicable Date, we have three pipeline candidates, being our Core Product and Key Products, under clinical stage, we expect to continue to incur significant expenditure related to the research and development

activities and clinical studies of our pipeline candidates. We expect a significant increase in net loss for the year 2025 due to our continuous expenditures on research and development coupled with clinical development progresses while under the condition of limited source of income.

Our Directors confirm that, there has been no material adverse change in our business, financial condition and results of operations since August 31, 2025, being the latest balance sheet date of our consolidated financial statements as set out in the Accountants' Report included in Appendix I to this prospectus, and as of the date of this Prospectus.

IMPACT OF THE COVID-19

During the Track Record Period and up to the Latest Practicable Date, we had not experienced material disruptions in our operations as a result of the COVID-19 pandemic. The overall impact of the COVID-19 pandemic on our clinical activities, drug development timeline, business and results of operations has been immaterial, and especially as the COVID-19 pandemic has come under control as of the Latest Practicable Date and our Directors are of the view that it is unlikely that COVID-19 pandemic will have material adverse impact on our business going forward.

REGULATORY DEVELOPMENTS ON OVERSEAS LISTING

On February 17, 2023, the CSRC published the new regulations for the filing-based administration for overseas securities offerings and listings by domestic companies, which came into effect on March 31, 2023. The newly released set of regulations consists of Overseas Listing Trial Measures and relevant guidelines. As advised by our PRC Legal Adviser, our proposed Listing and Global Offering falls within the scope of direct overseas offering and listing of PRC domestic companies as provided for in the Overseas Listing Trial Measures, and therefore we shall be subject to the filing procedures with the CSRC. According to the Overseas Listing Trial Measures, initial public offerings or listings in overseas markets shall be filed with the CSRC within three working days after the relevant application is submitted overseas. As of the Latest Practicable Date, we had completed the required filing procedures before Listing with the CSRC.

In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below.

"Accountants' Report"	the accountants' report set out in Appendix I to this prospectus
"Advanced biliary tract cancer" or "Advanced BTC"	metastatic or unresectable tumors that are not amenable to local therapy with curative intent
"Advanced Melanoma"	advanced stage of melanoma, where the cancer has spread to distant parts of the body, such as the lungs, liver, brain, and bones, or to distant lymph nodes
"Advanced triple-negative breast cancer" or "Advanced TNBC"	cancer that has spread to areas away from the breast, such as the bones, liver, lungs, or brain
"affiliate"	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council
"Articles" or "Articles of Association"	the articles of association of our Company (as amended from time to time), conditionally adopted on November 15, 2024 with effect from the Listing Date, a summary of which is set out in Appendix V to this prospectus
"Australia"	Commonwealth of Australia
"Beijing Hanx"	Beijing Hanx Tai Biotech Co. Ltd.* (北京翰思泰生物科技有限公司), a company with limited liability established in the PRC on January 10, 2017 and is a non-wholly owned subsidiary of our Group
"Beijing Lapam"	Beijing Lapam Biopharmaceutical Venture Capital Center (Limited Partnership)* (北京龍磐生物醫藥創業投資中心(有限合夥)), a limited partnership established in the PRC on September 9, 2014 and one of our Pre-IPO Investors

"Betta Pharmaceuticals"	Betta Pharmaceuticals Co., Ltd. (貝達藥業股份有限公司), a company established in the PRC on January 7, 2003 and listed on the Shenzhen Stock Exchange (stock code: 300558), and is one of our Pre-IPO Investors
"Board" or "Board of Directors"	the board of directors of our Company
"business day"	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for business
"BVI"	the British Virgin Islands
"Caizhang Vision"	Caizhang Vision Limited, a company incorporated in the BVI on January 23, 2019. As of the Latest Practicable Date, it is one of our Controlling Shareholders
"Capital Market Intermediaries"	the capital market intermediaries participating in the Global Offering and has the meaning ascribed thereto under the Listing Rules
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"China" or "the PRC"	the People's Republic of China excluding, for the purpose of this prospectus, Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Company" or "our Company" or "the Company"	Hanx Biopharmaceuticals (Wuhan) Co., Ltd. (翰思艾泰生物醫藥科技(武漢)股份有限公司), a joint stock company incorporated in the PRC on December 19, 2014

"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and in the context of this prospectus, collectively refers to the controlling shareholders of our Company, being CZ Biotechnology, Dr. Zhang, Ms. Luo Fang, Caizhang Vision, Hanx Biopharmaceuticals, HanxBio (BVI), Hanx Biopharmaceuticals (HK) and Wuhan Hanx
"Conversion"	the conversion of our Company into a joint stock company as described in the section headed "History, Development and Corporate Structure" in this prospectus
"Conversion of Unlisted Shares into H Shares"	The conversion of 117,897,830 Unlisted Shares in aggregate held by 15 existing Shareholders into H Shares upon the completion of the Global Offering and the Share Split. The Company has applied for such conversion of Unlisted Shares into H Shares with the CSRC on November 26, 2024, which has been approved by CSRC on November 12, 2025, and an application has been made to the Listing Committee for such H Shares to be listed on the Stock Exchange
"Core Product"	has the meaning ascribed to it under Chapter 18A of the Listing Rules and in this context, refers to HX009
"Corporate Governance Code"	the Corporate Governance Code as set out in Part 2 to Appendix C1 to the Listing Rules
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"CZ Biotechnology"	Cai Zhang Biotechnology (Hangzhou) Co., Ltd.* (蔡張生物科技(杭州)有限責任公司), a company with limited liability established in the PRC on September 7, 2017 and is owned to 99.9% by Dr. Zhang and 0.1% by Ms. Luo Fang, respectively. As of the Latest Practicable Date, it is one of our Controlling Shareholders
"Deed of Non-Competition"	the deed of non-competition (不競爭契據) dated December 10, 2025 entered into by the Controlling Shareholders in favor of our Company (for our Company and as trustee for each of our subsidiaries)
"Director(s)"	director(s) of our Company

"Dr. Bi"	Dr. Bi Honggang (畢紅鋼), our independent non-executive Director
"Dr. Li"	Dr. Henry Qixiang Li (李其翔), our chief executive officer, chief scientific officer and an executive Director
"Dr. Li Jian"	Dr. Li Jian (李健), our executive Director
"Dr. Ke"	Dr. Ke Hang (柯航), our Supervisor
"Dr. Zhang"	Dr. Zhang Faming (張發明), our Chairman, an executive Director and one of our Controlling Shareholders
"Dr. Zhang Qiongguang"	Dr. Zhang Qiongguang (張瓊光), our independent non-executive Director
"EIT"	enterprise income tax
"FINI"	"Fast Interface for New Issuance", an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listings
"F&S" or "Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a market research and consulting company and an Independent Third Party
"F&S Report"	the independent industry report prepared by F&S and commissioned by our Company, as referred to in the section headed "Industry Overview" in this prospectus
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Greater China"	for the purpose of this prospectus, PRC, Taiwan, the Special Administrative Region of Hong Kong and the Special Administrative Region of Macau
"Group", "our Group", "the Group", "we", "us", or "our"	our Company together with its subsidiaries, and their respective predecessors

"H Share(s)"	the ordinary share(s) in the share capital of our Company with a nominal value of RMB0.1 each, which are to be subscribed for and traded in Hong Kong dollars and to be listed and traded on the Stock Exchange
"H Share Registrar"	Tricor Investor Services Limited
"Hainan Yangtze"	Hainan Yangtze Investment Co. Ltd.* (海南揚子投資有限公司), a company with limited liability established in the PRC on May 16, 2022, and is one of our Pre-IPO Investors
"Hangzhou Hanx"	Hangzhou Hanx Biopharmaceuticals, Ltd.* (杭州翰思生物醫藥有限公司), a company with limited liability established in the PRC on August 3, 2016. As of the Latest Practicable Date, Hangzhou Hanx is owned as to 85% by our Company and 15% by Wuhan Hanzhong, and is a non-wholly owned subsidiary of our Group
"Hangzhou Hanx (HK)"	Hangzhou HanX Biopharmaceuticals (HK) Co., Limited (杭州翰思生物醫藥(香港)有限公司), a company incorporated in Hong Kong with limited liability on February 19, 2024. As of the Latest Practicable Date, it is a non-wholly owned subsidiary of our Group
"Hangzhou Hongye Ruiji"	Hangzhou Hongye Ruiji Investment Partnership (Limited Partnership)* (杭州紅業睿吉投資合夥企業(有限合夥)), a limited partnership established in the PRC on May 20, 2016, and is one of our Pre-IPO Investors
"Hangzhou Taikun"	Hangzhou Taikun Equity Investment Fund Partnership (Limited Partnership)* (杭州泰鯤股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on August 10, 2021, and is one of our Pre-IPO Investors
"Hanx Biopharmaceuticals"	HanX Biopharmaceuticals Limited, a company incorporated in the Cayman Islands on January 30, 2019 and is one of our Controlling Shareholders
"Hanx Biopharmaceuticals (Australia)"	Hanx Biopharmaceuticals Pty Ltd, a company incorporated in Australia with limited liability on April 19, 2024. As of the Latest Practicable Date, it is wholly owned by our Company and is a direct wholly owned subsidiary of our Group

"Hanx Biopharmaceuticals (HK)"	Hanx Biopharmaceuticals (HK) Limited (翰思生物醫藥(香港)有限公司), a company incorporated in Hong Kong with limited liability on April 1, 2022 and is one of our Controlling Shareholders
"HanxAimtech"	HanxAimtech Biopharmaceutical Limited (翰思艾泰生物醫藥科技(香港)有限公司), a company incorporated in Hong Kong with limited liability on August 23, 2023. As of the Latest Practicable Date, it is a wholly owned subsidiary of our Group
"HanxBio (Australia)"	Waterstone Hanxbio PTY Ltd.* (澳洲華世通翰思生物有限公司), a company incorporated in Australia with limited liability on October 26, 2018. As of the Latest Practicable Date, it is wholly owned by Hangzhou Hanx and is an indirect non-wholly owned subsidiary of our Group
"HanxBio (BVI)"	HanXBio (BVI) Limited, a company incorporated in the BVI with limited liability on February 21, 2022 and is one of our Controlling Shareholders
"**HK eIPO White Form**"	the application for Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website at **www.hkeipo.hk**
"**HK eIPO White Form** Service Provider"	the **HK eIPO White Form** service provider designated by our Company, as specified on the designated website at **www.hkeipo.hk**
"HKFRSs"	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKSCC EIPO"	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant's stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is a Clearing Participant or a Custodian Participant in HKSCC to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf

"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"HKSCC Participant"	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Offer Shares"	the 1,832,100 H Shares being initially offered for subscription in the Hong Kong Public Offering, subject to reallocation as set out in the section headed "Structure of the Global Offering" in this prospectus
"Hong Kong Public Offering"	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong as set out in the section headed "Structure of the Global Offering" in this prospectus
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering listed in the section headed "Underwriting — Hong Kong Underwriters and International Underwriters" in this prospectus
"Hong Kong Underwriting Agreement"	the underwriting agreement dated December 12, 2025 relating to the Hong Kong Public Offering and entered into by, among others, us, the Sponsor-Overall Coordinator and the Hong Kong Underwriters as further described in the section headed "Underwriting — Underwriting Arrangements and Expenses" in this prospectus
"HX009-I-01 Australia Study"	clinical study of HX009 for treatment of patients with advanced malignancies (i.e., relapsed/refractory solid tumor), which was completed in October 2022
"HX009-I-01 China Study (Phase Ia)"	clinical study of HX009 for treatment of patients with advanced solid tumor (i.e., relapsed/refractory solid tumor), which was completed in July 2024

"HX009-I-01 China Study (Phase Ib)"	clinical study of HX009 for treatment of patients with advanced melanoma (i.e., unresectable/metastatic melanoma), which was ongoing as of the Latest Practicable Date
"HX009-II-02 China Study"	clinical study of HX009 for treatment of patients with relapsed/refractory lymphoma (including relapsed/refractory Epstein-Barr virus positive non-Hodgkin lymphoma), which was ongoing as of the Latest Practicable Date
"HX009-II-04 China Study"	clinical study of HX009 for treatment of patients with advanced triple-negative breast cancer (i.e., previously treated unresectable or metastatic triple-negative breast cancer with HER2-low or ultra-low), which was not commenced as of the Latest Practicable Date
"HX009-II-05 China Study"	clinical study of HX009 for treatment of patients with advanced biliary tract cancer (i.e., previously treated unresectable/metastatic biliary tract cancer), which was ongoing as of the Latest Practicable Date
"HX044-I-01 Australia Study"	clinical study of HX044 for treatment of patients with advanced solid tumor malignancies (i.e., relapsed/refractory solid tumor), which was ongoing as of the Latest Practicable Date
"HX044-I-01 China Study"	clinical study (including monotherapy and combination therapy) of HX044 for treatment of patients with advanced solid tumor malignancies (i.e., relapsed/refractory solid tumor), which was ongoing as of the Latest Practicable Date
"HX301-I-01 China Study"	clinical study of HX301 for treatment of patients with advanced solid tumor (i.e., relapsed/refractory solid tumor), which was completed in July 2024
"Independent Third Party(ies)"	a person or entity who is not considered as a connected person of our Company under the Listing Rules

"International Offer Shares"	the 16,488,900 H Shares being initially offered by us for subscription or purchase under the International Offering together with, where relevant, any additional H Shares which may be issued by us pursuant to the exercise of the Over-allotment Option, subject to reallocation
"International Offering"	the conditional offering of the International Offer Shares to institutional, professional and other investors as set out in the section headed "Structure of the Global Offering" in this prospectus
"International Underwriters"	the underwriters of the International Offering
"International Underwriting Agreement"	the international underwriting agreement expected to be entered into by, among others, us, the Sponsor-Overall Coordinator and the International Underwriters on or about the Price Determination Date in respect of the International Offering, as further described in the section headed "Underwriting — International Offering" in this prospectus
"Joint Bookrunners"	the joint bookrunners as named in the section headed "Directors, Supervisors and Parties Involved in the Global Offering"
"Joint Global Coordinators"	the joint global coordinators as named in the section headed "Directors, Supervisors and Parties Involved in the Global Offering"
"Joint Lead Managers"	the joint lead managers as named in the section headed "Directors, Supervisors and Parties Involved in the Global Offering"
"Key Product(s)"	in this context, refers to HX301, and/or HX044
"Lapam Capital"	Lapam Capital HK Co., Limited, a company incorporated in Hong Kong with limited liability on December 30, 2021, and is one of our Pre-IPO Investors
"Latest Practicable Date"	December 8, 2025, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained in this prospectus

"Lepu"	Lepu Biopharma Co., Ltd. (樂普生物科技股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange (stock code: 2157)
"Listing"	the listing of the H Shares on the Main Board of the Stock Exchange
"Listing Committee"	the listing committee of the Stock Exchange
"Listing Date"	the date, expected to be on or around Tuesday, December 23, 2025, on which the H Shares are listed on the Stock Exchange and from which dealings in the H Shares are permitted to commence on the Stock Exchange
"Main Board"	the stock market (excluding the options market) operated by the Stock Exchange and which is independent from and operated in parallel with the GEM of the Stock Exchange
"Mr. Chen"	Mr. Chen Qifeng (陳奇峰), our independent non-executive Director
"Mr. Li"	Mr. Li Kin Wai (李健威), one of our joint company secretaries
"Mr. Liao"	Mr. Liao Tong (廖彤), one of our Pre-IPO Investors
"Mr. Liu"	Mr. Liu Min (劉敏), our chief operating officer and executive Director
"Mr. Wong"	Mr. Wong Sai Hung (王世雄), our independent non-executive Director
"Mr. Xi"	Mr. Xi Gan (席甘), a former director and general manager of Hangzhou Hanx, a former director, legal representative and manager of Wuhan Hanxiong and a former manager and legal representative of Beijing Hanx
"Mr. Zhang Hui"	Mr. Zhang Hui (張輝), our chief financial officer, one of our joint company secretaries, and the secretary of our Board
"Mr. Zhang Wanming"	Mr. Zhang Wanming (張萬明), the brother of Dr. Zhang

"Mr. Zou"	Mr. Zou Zhiyong (鄒志勇), one of our Pre-IPO Investors
"Ms. Chen"	Ms. Chen Chen (陳晨), our Supervisor
"Ms. Sun"	Ms. Sun Peng (孫鵬), our Supervisor
"Ms. Xiao"	Ms. Xiao Jieyu (肖婕妤), our non-executive Director and one of our Pre-IPO Investors
"Ms. Zhang"	Ms. Zhang Lei (張磊), our chief medical officer and a member of the senior management of our Group
"NEEQ"	The National Equities Exchange and Quotations (全國中小企業股份轉讓系統)
"NMPA"	National Medical Products Administration of the PRC
"Offer Price"	the final offer price per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565%) of not more than HK$32.0 and expected to be not less than HK$28.0, at which Hong Kong Offer Shares are to be subscribed, to be determined in the manner further described in the section headed "Structure of the Global Offering" in this prospectus
"Offer Share(s)"	the Hong Kong Offer Shares and the International Offer Shares together with, where relevant, any additional H Shares which may be issued by us pursuant to the exercise of the Over-allotment Option
"Over-allotment Option"	the option expected to be granted by us to the International Underwriters, exercisable by the Sponsor-Overall Coordinator (for itself and on behalf of the International Underwriters), pursuant to which we may be required to allot and issue up to an aggregate of 2,748,100 H Shares at the Offer Price to, among other things, cover over-allocations in the International Offering, if any

"Overall Coordinators"	ICBC International Securities Limited, China Securities (International) Corporate Finance Company Limited, China Merchants Securities (HK) Co., Limited, Haitong International Securities Company Limited and CCB International Capital Limited
"PBOC"	People's Bank of China (中國人民銀行)
"PRC Company Law"	the Company Law of the PRC (《中華人民共和國公司法》), as enacted by the 5th session for the Standing Committee of the 8th National People's Congress on December 29, 1993 and became effective on July 1, 1994, as amended, supplemented or otherwise modified from time to time
"PRC Government" or "State"	the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local government entities) and its organs or, as the context requires, any of them
"PRC IP Legal Adviser"	Jingtian & Gongcheng, the legal adviser to our Company as to the intellectual property laws of the PRC
"PRC Legal Adviser"	Jingtian & Gongcheng, the legal adviser to our Company as to the laws of the PRC
"Pre-IPO Investments"	the investment made by the Pre-IPO Investors in our Company as identified in the section headed "History, Development and Corporate Structure — Pre-IPO Investment" in this prospectus
"Pre-IPO Investors"	Series A Investors, Series B Investors and Series B+ Investors
"Price Determination Date"	the date, expected to be no later than Friday, December 19, 2025, on which the Offer Price will be determined
"Regulation S"	Regulation S under the U.S. Securities Act
"Reporting Accountants"	Ernst & Young
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)

"SAMR"	the State Administration for Market Regulation (國家市場監督管理總局)
"SAT"	State Administration of Taxation of the PRC (中華人民共和國國家税務總局)
"Series A Investors"	Beijing Lapam, Betta Pharmaceuticals and Hangzhou Hongye Ruiji
"Series B Investors"	Wuhan Donggaorensi, Hangzhou Taikun, Lapam Capital, Tibet Lapam, Ms. Xiao, Mr. Liao and Mr. Zou
"Series B+ Investors"	Hainan Yangtze and Yangtze Hong Kong
"SFC"	Securities and Futures Commission of Hong Kong
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Share(s)"	ordinary shares in the share capital of the Company with a nominal value of RMB0.1 each
"Share Split"	the split of our Company's registered Shares with nominal value of RMB1 each into 10 Shares with nominal value of RMB0.1 each, which is approved on November 15, 2024 and effective upon completion of the Global Offering
"Shareholder(s)"	holder(s) of our Shares
"Shenzhen Stock Exchange"	the Shenzhen Stock Exchange
"Sole Sponsor"	ICBC International Capital Limited, a corporation registered under the SFO permitted to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
"Sponsor-Overall Coordinator"	ICBC International Securities Limited
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	supervisor(s) of our Company

"Supervisory Committee"	supervisory committee of our Company
"Taizhou Hanzhong"	Taizhou Hanzhong Biopharmaceutical Co., Ltd.* (泰州翰中生物醫藥有限公司), a limited liability company established in the PRC on November 25, 2016 and a former subsidiary of Hangzhou Hanx
"Takeovers Code"	The Codes on Takeovers and Mergers and Share Buy-backs
"Tibet Lapam"	Tibet Lapam Small and Medium Enterprise Development Fund Equity Investment Partnership (Limited Partnership)* (西藏龍磐中小企業發展基金股權投資合夥(有限合夥)), a limited partnership established in the PRC on June 2, 2022 and is one of our Pre-IPO Investors
"Track Record Period"	the two financial years ended December 31, 2023 and 2024 and the eight months ended August 31, 2025
"U.S." or "United States"	the United States of America
"U.S. dollars" or "US$"	U.S. dollars, the lawful currency of the United States
"U.S. Securities Act"	the United States Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"Unlisted Share(s)"	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1 each, which are subscribed for and paid up in Renminbi and are unlisted Shares not currently listed or traded on any stock exchange
"VAT"	value-added tax

"Waterstone Pharmaceuticals"	Waterstone Pharmaceuticals (Wuhan) Co., Ltd.* (中美華世通生物醫藥科技(武漢)股份有限公司), a company established in the PRC on December 17, 2009, listed on the NEEQ (stock code: 873938) with Dr. Zhang as one of the controlling shareholders
"Wuhan Donggaorensi"	Wuhan Donggaorensi Equity Investment Partnership (Limited Partnership)* (武漢市東高仁思股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 28, 2022 and is one of our Pre-IPO Investors
"Wuhan Hanx"	Wuhan Hanx Tai Management Consulting Partnership (Limited Partnership)* (武漢市翰思泰管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on June 3, 2024, is our employee shareholding platform and is one of our Controlling Shareholders
"Wuhan Hanxiong"	Wuhan Hanxiong Biotech Co. Ltd.* (武漢翰雄生物技術有限公司), a company established in the PRC with limited liability on November 19, 2013 and is an indirect non-wholly owned subsidiary of our Company
"Wuhan Hanzhong"	Wuhan Hanzhong Biotechnology Co., Ltd.* (武漢瀚中生物科技股份有限公司), a company established in the PRC with limited liability on July 15, 2016 and holds 15% equity interests in Hangzhou Hanx
"Yangtze Hong Kong"	Yangtze Investment (HK) Limited, a company incorporated in Hong Kong with limited liability on February 16, 2017, and is one of our Pre-IPO Investors
"Zhongshan Kangfang"	Zhongshan Kangfang Biopharmaceuticals Ltd.* (中山康方生物醫藥有限公司), an indirect wholly-owned subsidiary of an independent third party that listed on the Main Board of the Stock Exchange

Unless otherwise expressly stated or the context otherwise requires, all data in this prospectus is as of the Latest Practicable Date.

In this prospectus, the terms "associate", "close associate", "connected person", "core connected person", "connected transaction", "subsidiaries" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

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

The English names of PRC entities, PRC laws or regulations, and PRC governmental authorities referred to in this prospectus are translations from their Chinese names and are for identification purposes. If there is any inconsistency, the Chinese names shall prevail. The English translation of names or any descriptions in Chinese marked with "" is for identification purposes only.*

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

"adaptive immunity"	a type of immunity that functions as the second line of defense that identifies and eliminates specifically presented foreign substance or antigens
"ADC"	antibody drug conjugate, a class of biopharmaceutical drugs that combine monoclonal antibodies specific to surface antigens present on particular tumor cells with highly potent antitumor small molecule agents linked via a chemical linker
"ADCC"	an immune mechanism through which Fc receptor-bearing effector cells can recognize and kill antibody-coated target cells expressing tumor- or pathogen-derived antigens on their surface
"ADCP"	the mechanism by which antibody-opsonized target cells activate the Fc receptors on the surface of phagocytes to induce phagocytosis, resulting in internalization and degradation of the target cell through phagosome acidification
"AE"	adverse event, i.e., any undesirable experience associated with the use of a medical product in a patient
"affinity"	the extent or fraction to which a drug binds to receptors at any given drug concentration or the firmness with which the drug binds to the receptor. Affinity describes the strength of the attraction between two chemicals, or an antigen and an antibody
"AITL"	angioimmunoblastic T-cell lymphoma
"AML"	acute myeloid leukemia
"antibody"	a blood protein produced in response to and counteracting a specific antigen. Antibodies combine chemically with substances which the body recognizes as alien, such as bacteria, viruses, and foreign substances in the blood

"antibody fusion protein"	constructs that combine an antibody targeted to a specific antigen, typically a tumor-related antigen, with a protein that is able to amplify the immune response or induce direct damage to the cancer cell
"antigen"	molecule that stimulates an immune response by activating lymphocytes
"antigen sink"	the phenomenon of the "antigenic sink" occurs when the expression of intended targets on normal tissue prevents therapeutic antibodies or drugs from reaching their intended tumor cell targets in the body. This "antigenic sink" phenomenon can necessitate a higher dose to achieve the minimum effective concentration threshold
"APC"	antigen presenting cells, a heterogeneous group of immune cells that mediate the cellular immune response by processing and presenting antigens for recognition by certain lymphocytes such as T cells
"apoptosis"	programmed cell death, a genetically directed process of cell self-destruction that is marked by the fragmentation of nuclear DNA
"ARK5"	AMPK-associated protein kinase 5
"ATL"	adult T-cell leukaemia/lymphoma
"autoimmune"	with respect to any disorder or disease, the response that occurs when the immune system goes awry and attacks the body itself. Autoimmunity, present to some extent in everyone, is usually harmless but it can cause a broad range of human illnesses, known collectively as "autoimmune diseases"
"B cell(s)" or "B lymphocyte(s)"	a type of white blood cell, which are the results of multipotential cell differentiation in the bone marrow and mainly responsible for producing antibodies
"BC"	breast cancer
"bispecific antibody" or "BsAb"	antibodies with two binding sites directed at two different targets or two different epitopes on the same target

"BLA"	biologics license application
"B-NHL"	B-cell non-Hodgkin lymphoma
"BTC"	biliary tract cancer
"CAGR"	compound annual growth rate
"carcinoma"	a cancer that begins in the lining layer (epithelial cells) of organs
"CAR-T"	chimeric antigen receptor T cell immunotherapy
"CC"	cervical cancer
"ccRCC"	clear cell renal cell carcinoma
"CD20"	cluster of differentiation 20, a cell surface protein widely expressed on B cells
"CD40"	cluster of differentiation 40, a costimulatory protein found on antigen-presenting cells, essential in mediating immune and inflammatory responses
"CD47"	cluster of differentiation 47, also known as integrin associated protein, a membrane protein which provides a "don't eat me" signal to macrophages
"CD80"	cluster of differentiation 80, one of the proteins in the immunoglobulin superfamily, a type I transmembrane protein on activated B cells, activated monocytes, activated follicular dendritic cells, and some activated T cells, which provides a costimulatory signal to T cells during antigen presentation
"CD86"	cluster of differentiation 86, a costimulatory molecule belonging to the immunoglobulin superfamily expressed on dendritic cells, macrophages, B cells, and other antigen-presenting cells
"CD94"	a type II transmembrane glycoprotein of 30 kDa, belonging to the Ca++-dependent (C-type) lectin family
"CDK4/6"	cell cycle-independent kinase 4/6

"CDMO"	contract development and manufacturing organization, which is a pharmaceutical company that develops and manufactures drugs for other pharmaceutical companies on a contractual basis
"cell line"	a population of cells which descend from a single cell and contain the same genetic makeup, thereby producing the same proteins. The productivity of a cell line determines the cost of manufacturing and the quality of a cell line is directly related to the quality of the relevant biologics
"CEO"	chief executive officer
"cGMP"	current Good Manufacturing Practice
"chemokine"	a family of small cytokines or signaling proteins secreted by cells that induce directed chemotaxis in nearby responsive cells
"chemotherapy"	a category of cancer treatment that uses one or more anti-cancer chemotherapeutic agents as part of its standardized regimen
"clinical trial"	a research study for validating or finding the therapeutic effects and side effects of test drugs in order to determine the therapeutic value and safety of such drugs
"CLL"	chronic lymphocytic leukemia
"CMC"	chemistry, manufacturing, and controls processes, including manufacturing techniques, impurities studies, quality controls and stability studies
"CMO"	chief medical officer
"cohort"	a group of patients as part of a clinical study who share a common characteristic or experience within a defined period and who are monitored over time
"cold tumor"	tumor that is not likely to trigger a strong immune response. Cold tumor tends to be surrounded by cells that are able to suppress the immune responses and keep T cells from attacking and killing the tumor cells

"combination therapy" or "combo"	treatment in which a patient is given two or more drugs (or other therapeutic agents) for a single disease
"compound"	a substance consisting of two or more elements in union
"CR"	complete response, which means that all target lesions have disappeared during the course of treatment
"CRC"	colorectal cancer
"CRO"	contract research organization
"CSF1R"	colony-stimulating factor-1 receptor
"CSO"	chief scientific officer
"CTLA-4"	cytotoxic T-lymphocyte-associated protein 4, which down-regulates T cell immune response to cancer cells
"cytokine"	a broad and loose category of small proteins that are important in cell signaling, whose release has an effect on the behavior of cells expressing corresponding receptors/ligands
"cytotoxic"	toxic to living cells
"cytotoxicity"	the term for how toxic a substance is to cells, a cytotoxic compound can cause cell damage or death, either through necrosis or apoptosis
"dendritic cell(s)" or "DC"	cells that constantly sample their surroundings for pathogens such as viruses and bacteria, detect dangers, and initiate immune responses. Immature patrolling dendritic cells have high endocytic activity and a low T cells activation potential. Contact with a pathogen induces maturation and the expression of certain cell-surface molecules, greatly enhancing their ability to activate T cells
"DLBCL"	diffuse large B-cell lymphoma, a common type of non-Hodgkin's lymphoma that starts in lymphocytes

"DLT"	dose-limiting toxicity, side effects of a drug or other treatment that are serious enough to prevent an increase in dose of that treatment in clinical trial
"drug resistance"	the reduction in effectiveness of a drug in curing a disease
"druggability"	the ability of a target to be therapeutically modulated by medicines
"EBV$^+$ NHL"	Epstein-Barr virus positive non-Hodgkin lymphoma
"EC"	esophageal cancer
"EMT"	Epithelial mesenchymal transition
"ESCC"	esophageal squamous cell carcinoma, a high-mortality cancer with complex etiology and progression involving both genetic and environmental factors
"FAKi"	focal adhesion kinase inhibitors
"Fc" or "Fc region"	fragment crystallizable region, which is the tail region of an antibody that interacts with cell surface receptors called Fc receptors and some proteins of the complement system
"FcγR"	Fc-gamma receptor, a receptor for the Fc region of immunoglobulin
"FDA"	the Food and Drug Administration of the United States
"FLT-3"	FMS-like tyrosine kinase 3
"fusion protein"	proteins consisting of at least two domains that are encoded by separate genes
"GC"	gastric cancer
"GEJ"	gastroesophageal junction
"GLP"	a system where non-clinical health and safety studies are carried out, planned, monitored, recorded, archived and reported

"GMP"	a system for ensuring that products are consistently produced and controlled according to quality standards, which is designed to minimize the risks involved in any pharmaceutical production that cannot be eliminated through testing the final product. It is also the practice required in order to conform to the guidelines recommended by agencies that control the authorization and licensing of the manufacture and sale of pharmaceutical products
"Grade"	term used to refer to the severity of adverse events, using Grade 1, Grade 2, Grade 3, etc.
"GvHD"	a severe complication that can occur following hematopoietic stem cell transplantation. This condition arises when immunocompetent T lymphocytes from the donor graft recognize the recipient's tissues as foreign due to histocompatibility differences and initiate an immune response against them
"half-life"	the period of time required for the concentration or amount of a drug in the body to be reduced to exactly one-half of a given concentration or amount of such drug
"HCC"	hepatocellular carcinoma
"hemagglutination"	clumping together of red blood cells, a form of agglutination that involves red blood cells
"heterodimer"	a protein composed of two polypeptide chains differing in the sequence, number and kind of their amino acid residues
"HREC"	Human Research Ethics Committee
"HLA-E"	human leukocyte antigen-E
"HNSCC"	head and neck squamous cell carcinoma
"ICC"	intrahepatic cholangiocarcinoma
"ICH GCP"	an ethical, scientific and quality standard for the conduct of trials that involve human participants

"IgG"	immunoglobulin G, the most common type of antibody found in blood circulation, which plays an essential role in immune system
"IgG1"	immunoglobulin G1
"IgG4"	immunoglobulin G4
"IL"	interleukin, a type of cytokine and signaling molecule in the immune system to provoke an immune response in the body of a human or other animals
"IL-17"	interleukin-17
"IL-4R"	interleukin 4 receptor
"immune checkpoint"	regulators of the immune system, which are crucial for self-tolerance as they prevent the immune system from attacking cells indiscriminately. Certain cancers may protect themselves from attack by stimulating immune checkpoint targets
"immune checkpoint inhibitor" or "ICI"	a type of drugs that block certain proteins made by some types of immune system cells, and/or cancer cells, which help promote immune responses and allow immune cells to kill cancer cells
"immunogenicity"	the ability of a particular substance, such as an antigen or epitope, to provoke an immune response in the body of a human and other animal. In other words, immunogenicity is the ability to induce a humoral and/or cell-mediated immune responses
"immuno-oncology"	a type of cancer treatment that uses the power of the body's own immune system to prevent, control and eliminate cancer
"immuno-oncology therapy" or "immunotherapy"	a type of therapy that involves the immune system to help the body fight cancer, infection, and other diseases
"*in vitro*"	Latin for "within the glass," studies using components of an organism that have been isolated from their usual biological surroundings, such as microorganisms, cells or biological molecules

"*in vivo*"	Latin for "within the living," studies in which the effects of various biological or chemical substances are tested on whole, living organisms as opposed to a partial or dead organism, or those done in vitro
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China or the U.S.
"indication"	a sign, symptom, or medical condition that leads to the recommendation of a treatment, test, or procedure
"inhibitor"	a chemical or substance added or applied to another substance to slow down a reaction or to prevent an unwanted chemical change
"innate immunity"	an immunity system that forms the body's first line of defense and consists of proteins and cells that identify foreign substances and provide an immediate immune response
"irAEs"	immune-related adverse effect(s)
"LAG-3"	a cell surface molecule expressed on activated T cells, NK cells, B cells, and plasmacytoid dendritic cells, playing an important role in the function of these lymphocyte subsets
"leukemia"	cancer of the body's blood-forming tissues, including the bone marrow and the lymphatic system
"leukocyte"	part of the body's immune system that helps the body fight infection and other diseases
"macrophage"	a type of white blood cell that plays a role to phagocytose antigens, removes dead cells, and stimulates the action of other immune system cells
"MCL"	mantle cell lymphoma
"mCRPC"	metastatic castration-resistant prostate cancer
"MDS"	myelodysplastic syndrome

"MEM"	malignant epithelioid mesothelioma
"metastasis" or "metastases"	the stage that cancer has spread to a different part of your body part than where it started
"metastatic"	in reference to any disease, including cancer, disease producing organisms or of malignant or cancerous cells transferred to other parts of the body by way of the blood or lymphatic vessels or membranous surfaces
"MHC"	major histocompatibility complex
"MHC-I"	major histocompatibility complex class I
"MM"	multiple myeloma
"MoA(s)"	mechanism of action(s)
"monoclonal antibody" or "mAb"	a monospecific antibody against a specific epitope on an antigen made by identical immune cells that are all clones of a unique parent cell, in contrast to polyclonal antibodies which are made from hundreds of different immune cells
"monocyte"	a type of white blood cell (leukocytes) that reside in blood and tissues to find and destroy germs and eliminate infected cells
"monotherapy"	therapy that uses a single drug to treat a disease or condition
"MSI-H/dMMR"	microsatellite instability-high or mismatch repair deficient, biomarkers of tumors that have an accumulation of errors in sequences that are normally repeated
"MTD"	maximum tolerated dose, the highest dose of a drug or treatment that does not cause unacceptable side effects
"NHL"	non-Hodgkin lymphoma
"NK cell(s)"	natural killer cells, a type of cytotoxic lymphocyte, which provides rapid responses to virus-infected cell and other intracellular pathogens, and respond to tumor formation

"NKG2A"	inhibitory NK cell receptor
"NK/T"	a sub-type of Epstein–Barr virus (EBV)-related non-Hodgkin lymphomas
"NSCLC"	non-small cell lung cancer
"OC"	ovarian cancer
"ORR"	overall response rate
"OX40"	a receptor expressed on activated T cells which gives costimulatory signals to promote T cell division and survival
"OX40L"	ligand for OX40 and is stably expressed on many antigen-presenting cells
"PBMC"	peripheral blood mononuclear cell
"PC"	pancreatic cancer
"PCC"	preclinical candidate compounds
"PD-1"	programmed cell death protein 1, an immune checkpoint receptor expressed on T cells, B cells and macrophages. The normal function of PD-1 is to turn off the T cell mediated immune response as part of the process that stops a healthy immune system from attacking other pathogenic cells in the body. When PD-1 on the surface of a T cell attaches to certain proteins on the surface of a normal cell or a cancer cell, the T cell turns off its ability to kill the cell
"PD-L1"	PD-1 ligand 1, which is a protein on the surface of a normal cell or a cancer cell that binds to its receptor, PD -1, on the surface of the T cell that causes the T cell to turn off its ability to kill the cancer cell
"PD-L2"	PD-1 ligand 2, a cell surface protein expressed by activated macrophages and dendritic cells that binds PD-1 on T cells to inhibit immune responses

"Phase I clinical trial"	study in which a drug is introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion, and if possible, to gain an early indication of its effectiveness
"Phase II clinical trial"	study in which a drug is administered to a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases, and to determine dosage tolerance and optimal dosage
"Phase III clinical trial"	study in which a drug is administered to an expanded patient population generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to provide adequate information for the labeling of the product
"PK"	the activity of drugs in the body over a period of time, including the processes by which drugs are absorbed, distributed in the body, metabolized and excreted
"polymorphism"	the ability of a drug substance to crystallize into more than two different forms
"PR"	partial response, refers to an at least 30% but below 100% decrease in the size of a tumor or in the extent of cancer in the body in response to treatment, according to RECIST
"preclinical study"	studies or programs testing a therapeutic *in vitro* or *in vivo* under laboratory condition, to gather efficacy, toxicity, pharmacokinetic and safety information and to decide whether the drug is ready for clinical trials
"radiotherapy"	a type of cancer treatment that uses beams of intense energy to kill cancer cells
"RCC"	renal cell carcinoma

"receptor"	a region of tissue, or a molecule in a cell membrane, which responds specifically to a particular signal, that is any of a neurotransmitter, hormone, antigen, or other substance
"RECIST"	Response Evaluation Criteria in Solid Tumors, a set of published rules as a standard way to measure how well a cancer patient responds to treatment. It is based on whether tumors shrink, stay the same, or get bigger. The criteria were published in February 2000 by an international collaboration including the European Organisation for Research and Treatment of Cancer, National Cancer Institute of the United States, and the National Cancer Institute of Canada Clinical Trials Group. Now the majority of clinical trials evaluating cancer treatments for objective response in solid tumors use RECIST. These criteria were developed and published in February 2000, and subsequently updated in 2009
"recombinant"	the combination of genetic materials from more than one origin, or a method to express native proteins in vitro by genetic engineering
"refractory"	when used in reference to any type of cancer, cancer that does not respond to treatment. The cancer may be resistant at the beginning of treatment or it may become resistant during treatment
"relapsed"	when used in reference to any disease, including cancer, the return of a disease or the signs and symptoms of a disease after a period of improvement. With respect to cancer, the likely relapse occurs because a few of the original cancer cells survived the initial treatment. Sometimes, this is because cancer cells spread to other parts of the body and were too small to be detected during the follow-up immediately after treatment
"RP2D"	recommended Phase II dose
"R/R"	relapsed/refractory
"SCLC"	small-cell lung cancer

"SD"	stable disease. In oncology, it refers to cancer that is neither decreasing at least 30% nor increasing at least 20% in the size of a tumor or in the extent of cancer in the body in response to treatment, according to RECIST
"signaling"	the ability of a cell to receive, process and transmit signals with its environment and with itself
"SIRPα"	signal regulatory protein α, a regulatory membrane glycoprotein, which serves as an inhibitory receptor and interacts with CD47, negatively controlling effector function of innate immune cells such as phagocytosis
"solid tumor"	an abnormal mass of tissue that usually does not contain cysts or liquid areas. Solid tumors may be benign (not cancer), or malignant (cancer). Different types of solid tumors are named for the type of cells that form them
"standard of care"	treatment that is accepted by medical experts as a proper treatment for a certain type of disease and that is widely used by healthcare professionals
"STS"	soft tissue sarcomas
"T cell(s)" or "T lymphocyte(s)"	a lymphocyte of a type produced or processed by the thymus gland and actively participating in the immune response, which plays a central role in cell-mediated immunity
"TAA"	tumor-associated antigens, which derive from any protein or glycoprotein synthesized by the tumor cell
"TEAE(s)"	treatment emergent adverse event(s)
"Teff" or "Teff cell(s)"	effector T cell
"TIGIT"	T-cell immunoreceptor with immunoglobulin and immunoreceptor tyrosine-based inhibition motif domain
"TNBC"	triple-negative breast cancer
"TNFR"	tumor necrosis factor receptor
"T-L/L"	T-cell leukemia and lymphoma

"toxicity"	the degree to which a substance or a mixture of substances can harm humans or animals. It is expressed generally as a dose response
"translational medicine"	research that transforms scientific discoveries arising from laboratory, clinical or population studies into new clinical tools and applications that improve human health by reducing disease incidence, morbidity and mortality
"TRBV"	TCRβ chain variant region
"Treg" or "Treg cell(s)"	regulatory T cells
"tumor infiltrating"	the movement of cells from the blood into a tumor
"UC"	urothelial cancer
"VEGF"	vascular endothelial growth factor, a family of signaling protein critical for the growth of the new vessels and thereby development of cancer cells. VEGF binds to VEGF receptors (VEGFR), which exist as three main subtypes, including VEGFR-1, VEGFR-2 and VEGFR-3

This prospectus contains forward-looking statements that relate to our current expectations and views of future events. These forward-looking statements are contained principally in "Summary", "Risk Factors", "Industry Overview", "Business", "Financial Information", and "Future Plans and Use of Proceeds". You are strongly cautioned that these statements relate to events that involve known and unknown risks, uncertainties and other factors, including those listed in "Risk Factors", which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, these forward-looking statements can be identified by words or phrases such as "aim", "anticipate", "believe", "could", "expect", "going forward", "intend", "may", "might", "ought to", "plan", "potential", "predict", "project", "seek", "should", "will", "would" and the negative of these words and other similar expressions. These forward-looking statements include, among other things, statements relating to:

- our operations and business prospects;
- our financial condition and performance;
- our future debt levels and capital expenditure plan;
- our ability to complete the development and obtain the relevant requisite regulatory approvals of our drug candidates;
- our ability to commercialize our approved products in a timely manner;
- future developments, trends and conditions in the industries and market in which we operate or plan to operate;
- general economic, political and business conditions in the markets in which we operate;
- changes to the political and regulatory environment in the industries and markets in which we operate;
- the actions and developments of our competitors;
- the ability of third parties to perform in accordance with contractual terms and specifications;
- our ability to retain senior management and key personnel and recruit qualified staff;
- our business strategies and plans to achieve these strategies;
- our ability to defend our intellectual rights and protect confidentiality;

- the effectiveness of our quality control systems;
- change or volatility in interest rates, foreign exchange rates, equity prices, trading volumes, commodity prices and overall market trends, including those pertaining to the PRC and the industry and markets in which we operate;
- capital market developments; and
- changes on the fair valuation of our assets.

These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. In addition, these forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Actual outcomes may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the risk factors set forth in "Risk Factors".

The forward-looking statements made in this prospectus relate only to events or information as of the date on which the statements are made in this prospectus. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this prospectus completely and with the understanding that our actual future results or performance may be materially different from what we expect.

In this prospectus, statements of, or references to, our intentions or those of any of our Directors are made as of the date of this prospectus. Any of these intentions may change in light of future development.

An investment in our Shares involves significant risks. You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our Shares. Particularly, we are a biotech company seeking to list on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules. Our operations and the industry in which we operate involve certain risks and uncertainties, some of which are beyond our control and may cause you to lose all your investment in our Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations and prospects. In any such case, the market price of our Shares could decline, and you may lose all or part of your investment.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed "Forward-looking Statements" in this prospectus. You should seek professional advice from your relevant advisers regarding your prospective investment in the context of your particular circumstances.

RISKS RELATING TO THE RESEARCH AND DEVELOPMENT OF OUR DRUG CANDIDATES

Our business and financial prospects depend substantially on the success of our drug candidates. If we are unable to successfully complete clinical development, obtain regulatory approvals or achieve commercialization for our drug candidates, or if we experience significant delays or cost overruns in doing any of the foregoing, our business and prospects could be materially and adversely affected.

We have invested a significant portion of our efforts and capital resources in the development of our existing drug candidates, and we expect to incur substantial and increasing expenditures for the development and commercialization of our drug candidates in the future.

The success of our drug candidates will depend on a number of factors, including but not limited to: (i) favorable safety and efficacy data from our preclinical studies and clinical trials; (ii) sufficient resources to discover or acquire additional drug candidates and successful identification of potential drug candidates based on our research or business development methodology or search criteria and process; (iii) successful enrollment of subjects in, and completion of, clinical trials; (iv) modifications to the protocols, which may delay the clinical program, regulatory approvals or commercialization, and require us to supplement, modify, or withdraw and refile our applications for regulatory approvals; (v) the performance by CROs or other third parties we engage to conduct clinical trials and preclinical studies and their compliance with our protocols and applicable laws without damaging or compromising the

integrity of the resulting data; (vi) the capabilities and competence of our collaborators; (vii) the success of our clinical trials; (viii) receipt of regulatory approvals; (ix) the obtaining, maintenance and enforcement of patents, trademarks, trade secrets and other intellectual property protections and regulatory exclusivity for our drug candidates; (x) competitive advantages of our drug candidates; and (xi) the continued acceptable safety profile of our drug candidates following regulatory approval.

Our drug candidates were developed to represent a novel approach to address therapeutic needs compared to more commonly used medical methods, which inherently carries development risks that could result in delays and cost overruns in clinical development, regulatory approvals or commercialization. In addition, potential patients and their doctors may be inclined to use conventional standard-of-care treatments over any novel approach. Furthermore, a substantial amount of education and training may need to be provided to patients and medical personnel, which potentially increases our sales and marketing expenses.

As of the Latest Practicable Date, our drug candidates were in various phases of pre-clinical and clinical development, and we plan to file the NDA applications for our drug candidates with the FDA or NMPA in the next five years. If we encounter any challenges arising from one or more of the aforementioned factors, we could experience significant delays or difficulties in obtaining approvals for and commercializing our drug candidates, which would have a material adverse effect on our competitive position, business, financial condition and results of operations.

We may face intense competition and rapid technological change in our industry, particularly for our Core Product HX009 and the possibility that our competitors may develop therapies that are similar, or even more advanced and, effective than ours, which may adversely affect our financial condition and our ability to successfully commercialize our drug candidates.

The biopharmaceutical industry in which we operate is highly competitive and rapidly changing. While we focus on developing drug candidates with the potential to become novel or highly differentiated drugs, we face competition with respect to our current drug candidates and will face competition with respect to any drug candidates that we may seek to develop or commercialize in the future. For example, in recent years, an increasing number of biopharmaceutical companies have joined the competition in the research and development of immunology-oncology therapies for cancer, with large pharmaceutical companies leading the competition and small biopharmaceutical companies making frequent breakthroughs. Some of these competitive drugs and therapies are based on scientific approaches that are the same as or similar to our approach, and others are based on different approaches.

The increasing regulatory scrutiny on the market approval and keen market competition of HX009 in view of the increasing number and patient response on and performance of approved products such as PD-1/PD-L1 inhibitors in the market and the risks of unsuccessful clinical trial development and safety concerns on HX009 and its class of drug (e.g. safety concerns with respect to CD47 targeted molecules). We may face more competition for our

Core Product HX009, as multiple clinical trials of PD-1/PD-L1 mAbs are conducted for the first-line treatment of cancer at present and competitors are making efforts to advance from third-line or second-line to first-line therapy and continue to expand to consolidation therapy for locally advanced cancer and neo-adjuvant therapy for early or mid-stage cancer. Therefore, more PD-1/PD-L1 mAbs are expected to be approved for first-line treatment of cancer in the near future, increasing competition level for HX009.

Even if our drug candidates had been successfully developed and subsequently approved by the NMPA, the FDA or other comparable regulatory authorities, our drug candidates may still face competition in various aspects, including safety and efficacy, the timing and scope of the regulatory approvals, the availability and cost of supply, sales and marketing capabilities, price and patent status. Many of our competitors may have substantially greater financial, technical and other resources, such as more advanced commercial infrastructure, more drug candidates in late-stage clinical development, more seasoned research and development staff and well-established marketing teams than us. Our competitors may succeed in developing competing drugs and obtaining regulatory approvals before us or achieve better acceptance in the markets in which we operate or have established a competitive position.

Competition may further intensify as a result of advances in the commercial applicability of technologies and availability of capital for investment in the industry. Our competitors may succeed in developing, acquiring, or licensing on an exclusive basis, products that are more effective with a lower cost than our drug candidates, or achieve earlier patent protection, regulatory approvals, product commercialization and market penetration than we do.

We may not be able to identify, discover, acquire, in-license or develop new drug candidates, or to identify additional therapeutic opportunities for our drug candidates.

Besides the continued development of our existing drug candidates, the success of our business depends in part upon our ability to expand our drug portfolio with new drug candidates, especially white space opportunities in therapeutic areas with significant unmet medical needs and innovation gaps.

There can be no assurance that we will be successful in discovering and identifying new drug candidates in the future. Even if we succeed in identifying new drug candidates, some may present significant technical challenges during development. Drug candidates that we identify may later show side effects or other attributes that make them unmarketable or unlikely to receive regulatory approvals. We may also pursue collaboration with third parties in the discovery and development of potential drug candidates, including through co-development and licensing arrangements. However, we cannot assure you that such license and collaboration will be able to deliver the expected results.

Our Core Product HX009 is a bifunctional anti-PD-1 antibody SIRPα fusion protein. Despite that dual-targeted drugs have vast therapeutic potential, they also need to contend with safety risks, development challenges, drug resistance and the complexity of target selection. These risks need to be carefully evaluated when developing and using dual-targeted drugs, and adequate clinical and scientific studies need to be conducted to ensure their safety and efficacy.

Clinical development involves a lengthy and expensive process with uncertain outcomes, and results of earlier studies and trials may not be predictive of future trial results.

To obtain regulatory approval for the sale of our drug candidates, we are required to conduct extensive clinical trials to demonstrate the safety and efficacy of our drug candidates in human. Clinical trials are expensive, difficult to design and implement, with clinical outcomes subject to high uncertainty. We may encounter unexpected difficulties while executing our clinical development plans for our drug candidates. Failure can occur at any time or stage during the clinical development process, which would result in a material and adverse effect on our business, financial condition and results of operations.

Furthermore, the results of preclinical studies and early-stage clinical trials may not be predictive of the success of later-phase clinical trials, and favorable initial or interim results of a clinical trial do not necessarily indicate the success of final results. Drug candidates in advanced clinical trials may fail to show the desired safety and efficacy profile despite having progressed through preclinical studies and initial clinical trials.

There may be significant variability in safety or efficacy results among different trials of the same drug candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in size and demographics of the enrolled patients (such as genetic differences and patient adherence to the dosage regimen) and the dropout rate among enrolled patients in clinical trials. Differences in the number of clinical trial sites and countries involved may also lead to variability between clinical trials. We might suspend or terminate clinical trials of our drug candidates for various reasons, including change in our clinical development strategy. Therefore, the results of planned clinical trials or other future clinical trials could differ significantly from our expectation, which could result in delays in the completion of clinical trials, regulatory approvals and commencement of commercialization of our drug candidates.

If safety, efficacy, or other issues arise with any medical product used in combination with our drug candidates, we may be unable to market such drug candidate or may experience significant regulatory delays.

Our strategy to develop combination therapies depends on the safety and efficacy of each component drug within each combination therapy. If the NMPA, U.S. FDA, EMA or another comparable regulatory agency revokes or denies its approval of a component therapeutic, in either the clinical design, clinical administration, therapy approval or commercialization stage, we will be forced to terminate or redesign the clinical trials, experience significant regulatory delays or stop our commercialization efforts. In addition, if manufacturing or other issues

result in a supply shortage of any component of our combination drug candidates or if we cannot secure supply of any component of our drug candidates at commercially reasonable or acceptable prices, we may not be able to complete clinical development of our drug candidates on our current timeline or within our current budget, or at all.

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

The global biopharmaceutical market is constantly evolving, and the development of drugs faces many risks and challenges. In contrast to generic drugs, drugs emphasize novel mechanisms of actions, and discovering new molecular is challenging due to complex technological obstacles and limitations in R&D capabilities. We must continue to invest significant amounts of human and capital resources to develop or acquire technologies that will allow us to enhance our research and development capabilities. We intend to continue to enhance our technical capabilities in drug discovery and development, which are capital-and-time intensive.

Furthermore, as we have limited financial and managerial resources, we manage development risks and allocate our resources in accordance with different development timelines of our drug candidates for selected indications. As a result, we may forgo or delay pursuit of opportunities with other drug candidates or for other indications that may later prove to have greater commercial potential or a greater likelihood of success. Accordingly, our resource allocation decisions may cause us to fail to capitalize on other viable commercial products or profitable market opportunities. If we cannot accurately evaluate the commercial potential or target market for a particular drug candidate, we may lose the chances to timely commercialize such drug candidates and our prospects may be adversely affected.

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

The timely completion of clinical trials in accordance with their protocols depends, among other things, on our ability to enroll a sufficient number of subjects who timely completed the clinical trials. We may experience difficulties in subject enrollment in our clinical trials for a variety of reasons, including but not limited to: (i) our ability to recruit clinical trial investigators with the appropriate competencies and experience; (ii) clinicians' and patients' perceptions of the potential advantages and side effects of the drug candidate being studied compared to other available therapies, including any new drugs or treatments that may be approved for the indications we are investigating; (iii) our ability to obtain and maintain subject consents; (iv) the risk that subjects enrolled in clinical trials will drop out; and (v) the availability of approved therapies that are similar in mechanism to our drug candidates.

In addition, our clinical trials may compete with our competitors' clinical trials for drug candidates that are in the same therapeutic areas as our drug candidates. Such competition will likely reduce the number and types of subjects available to us, as some patients might opt to enroll in a trial conducted by our competitors instead. Even if we manage and become able to enroll a sufficient number of subjects in our clinical trials, delays in subject enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could delay or prevent the completion of these trials and adversely affect our ability to advance the development of our drug candidates.

Adverse events or undesirable side effects caused by our drug candidates could interrupt, delay or halt clinical trials, delay or prevent regulatory approval, limit the commercial profile of an approved drug, or result in significant negative consequences following any regulatory approval.

Adverse events and undesirable side effects caused by our drug candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and may result in a narrowed scope of indications or a more restrictive label of our drug candidates, a delay or denial of regulatory approval by the NMPA, the FDA or other comparable regulatory authorities, or a significant change in our clinical protocol or even our development plan. Adverse events related to our drug candidates may also affect subject recruitment or the ability of enrolled subjects to complete the trial, and could result in potential liability claims. In addition, if our drug candidates cause injury or death or are found to be otherwise unsuitable, our reputation may be damaged and we may face substantial liabilities related to product or other liability claims. For example, safety issues have been documented in literatures that the primary concerns around CD47. Other than tumor cells, CD47 is also ubiquitously expressed on human red blood cells and platelets. CD47-targeted agents are shown to cause blood toxicity in clinical trials, such as anemia, thrombocytopenia and hemagglutination. In fact, a number of clinical-stage CD47 antibodies show severe strong red blood cell binding, leading to severe adverse effects, and trial suspensions or termination. Any of these occurrences may significantly harm our reputation, business, financial condition and prospects.

Furthermore, if we identify undesirable side effects caused by our drug candidates after they receive regulatory approval, this may lead to potentially significant negative consequences which include, but are not limited to: (i) regulatory authorities may withdraw their approvals of or revoke the licenses for the drug candidate; (ii) regulatory authorities may order us to cease further development of, or delay or even deny approval of, our drug candidates for any or all targeted indications if results of our trials reveal a high and unacceptable severity or prevalence of certain adverse events; and (iii) regulatory authorities may withdraw approvals or revoke licenses of an approved drug candidate, or we may determine to do so even if not required. Furthermore, if it is assessed that our candidate drug has led to serious safety events such as rapid disease progression or death, we may be required to conduct more comprehensive risk assessment, and may also face the termination of the clinical study (either terminated by the sponsor itself or required by regulatory authorities). Even if such candidate drug is launched on the market in the future, regulatory authorities may require the addition of a black box warning in its instructions.

Any of these events could prevent us from achieving or maintaining market acceptance of any particular drug candidate that is approved and could significantly harm our business, financial condition, results of operations and prospects.

RISKS RELATING TO OUR FINANCIAL POSITION AND NEED FOR ADDITIONAL CAPITAL

We have incurred significant net losses since inception. We anticipate that we will continue to incur net losses and may fail to achieve or maintain profitability in the foreseeable future.

During the Track Record Period, we financed our operations primarily through funds from transfer of our equity interests in Taizhou Hanzhong and Pre-IPO Investments and bank borrowings. We had incurred and will continue to incur significant expenditure related to the R&D activities and clinical studies of drug candidates, which gives rise to our significant comprehensive losses since our inception. For the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, our total comprehensive losses were RMB84.6 million, RMB116.9 million, RMB48.2 million and RMB87.9 million, respectively. For details, please refer to "Financial Information — Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income".

Substantial portion of our net losses during the Track Record Period resulted from costs and expenses incurred by our R&D activities, including those in relation to our preclinical studies and clinical trials. For the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, our research and development costs were RMB46.7 million, RMB74.7 million, RMB50.5 million and RMB56.2 million, respectively. For details, please refer to "Financial Information — Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Research and Development Costs". Our ability to generate revenue and achieve profitability depends significantly on our success in advancing drug candidates into later stages of clinical development, and obtaining regulatory approvals for each drug candidate, which we may not be able to do in a timely manner or at all.

We expect to continue to incur net losses in the foreseeable future and that these net losses may increase as we carry out certain activities, including but not limited to: (i) address any technological developments; (ii) develop, maintain, expand and protect our intellectual property portfolio; (iii) attract and retain skilled personnel; (iv) enforce and defend any intellectual property claims; and (v) incur additional legal, accounting, investor relations, insurance and other expenses associated with operating as a public company following the completion of this Offering.

Even if we achieve profitability in the future, we may not be able to sustain that profitability in subsequent periods. Our net losses have had, and will continue to have, an adverse effect on our working capital and Shareholders' equity. Our failure to become and remain profitable may affect investors' perception of the potential value of our Company and

could impair our ability to raise additional capital, expand our business or continue our operations. Failure to become profitable may also adversely affect the market price of our Shares. A decline in the market price of our Shares could cause potential investors to lose all or part of their investment in our business.

We have incurred during the Track Record Period and may continue to incur net operating cash outflows, which may expose us to liquidity risk.

We had net cash flow used in operating activities of RMB52.0 million, RMB104.9 million, RMB67.9 million and RMB59.4 million for the year ended December 31, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively. We may experience net cash outflows from our operating activities from time to time. For details, please refer to "Financial Information — Liquidity and Capital Resources — Net Cash Flows Used in Operating Activities" in this prospectus. Our forecast of the period of time through which our capital resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we currently expect. If we are unable to maintain adequate working capital or obtain sufficient financings to meet our capital needs, we may be unable to continue our operations according to our plan, default on our payment obligations and fail to meet our capital expenditure requirements, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

We recorded net current liabilities as of August 31, 2025.

We recorded net current liabilities of RMB15.2 million as of August 31, 2025, which was primarily due to the redemption liabilities on ordinary shares with an amount of RMB138.5 million were recorded as current liabilities, and the redemption feature of which will automatically ceased from the date before the completion of the Listing. Net current liabilities position can expose us to the risk of shortfalls in liquidity. This in turn would require us to seek adequate financing from sources. If we are unable to maintain adequate working capital or obtain sufficient equity or debt financing to meet our capital needs, we may be unable to continue our operations according to our plans and be forced to scale back our operations, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

We may need to obtain substantial additional financing to fund our operations and expansion, and if we are unable to obtain sufficient financing, we may be unable to complete the development of our drug candidates.

During the Track Record Period, we financed our operations, including our R&D activities in relation to our preclinical studies and clinical trials, primarily through funds from transfer of our equity interests in Taizhou Hanzhong and Pre-IPO Investments and bank

borrowings. Our drug candidates require substantial investments for the completion of clinical development, regulatory review, drug manufacturing, marketing and launch before they can generate product sales revenue. Our operations have consumed substantial amounts of cash since our inception.

We expect to fund our future operations primarily with existing cash and cash equivalents, funds from transfer of our equity interests in Taizhou Hanzhong and potential future financing, and net proceeds from the Global Offering. Changes in our ability to fund our operations may affect our cash flow and results of operations. Although we are conducting this Global Offering, we may nevertheless require substantial additional capital to meet our continued operating cash requirements, especially to fund our R&D and clinical trial activities of our drug candidates.

Our ability to raise funds will also depend on the prevailing financial, economic and market conditions and factors from other aspects, such as our relationship with commercial banks, many of which are beyond our control. If adequate funds are not available to us on a timely basis, we may be required to delay, limit, reduce or terminate preclinical studies, clinical trials or other research and development activities, or the commercialization of one or more of our drug candidates, which may adversely affect our business prospects.

Our results of operations, financial condition, and prospects may be adversely affected by fair value changes and credit risk associated with our financial assets at fair value through profit or loss.

Our financial assets at fair value through profit or loss primarily included variable consideration arising from disposal of an associate and valuation uncertainty due to the use of unobservable inputs, and structured deposits and wealth management products. During the Track Record Period, our non-current financial assets at fair value through profit or loss maintained relatively stable with the amount of RMB242.4 million, RMB233.8 million and RMB210.1 million as at December 31, 2023, and 2024 and August 31, 2025, respectively. Our current financial assets at fair value through profit or loss were RMB42.4 million, RMB12.7 million and RMB22.8 million as at the same dates. We are exposed to risks in relation to the financial assets, which may adversely affect our net changes in their fair value. The financial assets at fair value through profit or loss are stated at fair value, and net changes in their fair value are recorded as other income and gains, and therefore directly affect our results of operations. The fair value of financial assets at fair value through profit or loss relies on the sales performance of HX008, which is subject to uncertainty and is out of our control. We cannot assure you that market conditions and regulatory environment will create fair value gains and we will not incur any fair value losses on our financial assets at fair value through profit or loss in the future. If we incur such fair value losses, our results of operations, financial condition and prospects may be adversely affected.

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

The value of RMB against the Hong Kong dollar, the U.S. dollar and other currencies fluctuates depends to a large extent on domestic and international economic and political developments as well as supply and demand in the local market. It is difficult to predict how market forces may impact the exchange rate between the RMB and the Hong Kong dollar, the U.S. dollar or other currencies in the future.

Any appreciation of the RMB against the Hong Kong dollar may result in the decrease in the value of our proceeds from the Global Offering. Conversely, any depreciation of the RMB against foreign currencies may adversely affect the value of, and any dividends payable on, the Shares. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. All of these factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, the Shares in foreign currency terms.

We benefit from certain government grants, the changes to which could adversely affect our profitability.

We recorded government grants (including tax refunds) of RMB2.5 million, RMB2.2 million, RMB0.2 million and RMB0.1 million for the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively. These government grants are provided to us at the discretion of the relevant government authorities, who could determine at any time to eliminate or reduce these financial incentives, and may therefore vary from period to period going forward. For details, please refer to "Financial Information — Description of Selected Components of Consolidated Statements of Profit or Loss And Other Comprehensive Income — Other Income and Gains" in this prospectus.

Since our receipt of the government grants is subject to the government's discretion and approval process, our income and gains in a particular period may be higher or lower relative to other periods partly due to the potential changes in the government grants we actually receive, in addition to any business or operational factors that we may otherwise experience. There is no assurance that we will continue to receive such government grants at a similar level or at all in the future. The discontinuation of government grants and other financial incentives currently available to us could have an adverse effect on our financial condition, results of operations, cash flows and prospects.

Share-based payments may impact our financial performance and cause shareholding dilution to our existing Shareholders.

We adopted the Stock Option Incentive Plan and the Restricted Share Incentive Scheme to ascertain the contribution made by our employees to our Group, incentivize our Group's management and key employees to enhance the competitiveness of our Group to ensure realization of our Group's future development strategy and business targets. For details, please refer to "Statutory and General Information — Employee Share Incentive Scheme" in

Appendix VI to this prospectus. For the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2025, we recorded share-based payments of RMB15.5 million, RMB22.3 million and RMB16.0 million, respectively. To further incentivize our management and key employees, we may grant additional share-based compensation in the future. Expenses incurred with respect to such share-based payments may increase our operating expenses and therefore have an adverse effect on our financial performance. Issuance of additional Shares with respect to such share-based payments may also dilute the shareholding percentage of our existing Shareholders.

RISKS RELATING TO GOVERNMENT REGULATIONS

All material aspects of the research, development and commercialization of our drug candidates are heavily regulated and such regulations are subject to change which may affect clinical development, approval and commercialization of our drugs. Any failure to comply with relevant laws and regulations and industry standards or any adverse actions by the regulatory authorities against us could negatively impact our reputation and our business, financial condition, results of operations and prospects.

All jurisdictions in which we intend to develop and commercialize our drug candidates regulate these activities in great depth and detail. Apart from our focus on the China market, we are actively seeking and screening viable opportunities for drug development and commercialization in the global market. For more details, please see "Business — Our Strategies." Such jurisdictions all strictly regulate the biopharmaceutical industry, and in doing so they employ broadly similar regulatory strategies, including regulation of product development and approval, manufacturing, and marketing, sales and distribution of products. However, there are differences in the regulatory regimes that make for a more complex and costly regulatory compliance burden for a company like us that plans to operate in these regions.

In recent years, the regulatory framework regarding the biopharmaceutical industry in China has undergone significant transformation, and it may continue evolving. Any such changes or amendments may result in increased compliance costs on our business or cause delays in, or prevent the successful development or commercialization of, our drug candidates and reduce the current benefits we believe are available to us from developing drugs. The process of obtaining regulatory approvals and maintaining compliance with appropriate laws and regulations requires the expenditure of substantial time and capital resources. Failure to comply with the applicable regulatory requirements in the jurisdictions where we operate or target to operate in the future at any time during the drug development process or approval process, or after approval, may subject us to disputes, administrative sanctions, criminal sanctions and other legal proceedings. These sanctions could include but are not limited to a regulator's refusal to approve pending applications, withdrawal of an approval, license revocation, a clinical hold, voluntary or mandatory product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government

contracts, restitution, disgorgement or civil or criminal penalties. Any occurrence of the foregoing could therefore materially adversely affect our reputation and our business, financial condition, results of operations and prospects.

The regulatory approval processes of the NMPA, the FDA and other comparable regulatory authorities are lengthy, time-consuming and unpredictable. If we are unable to obtain without undue delay of any regulatory approvals for our drug candidates in our targeted markets, our business may be subject to actual or perceived harm.

The time required to obtain approvals from the NMPA, the FDA, and other comparable regulatory authorities is often unpredictable and depends on numerous factors, including the substantial discretion of the regulatory authorities. Generally, such approvals take many years to obtain, following the commencement of preclinical studies and clinical trials. We cannot assure you that we will be able to meet regulatory requirements of different jurisdictions or that our drug candidates will be approved for sale in those jurisdictions. Additional time, effort and expense may be required to bring our drug candidates, upon regulatory approval, to the international markets in compliance with different regulatory processes.

The NMPA, the FDA or other comparable regulatory authorities may require more information to support approval, including additional preclinical or clinical data, which may result in delay or prevent regulatory approval and commercialization plans. In the case where an approval is issued, regulatory authorities may approve fewer indications, including undesired indications, of our drug candidates than the indications we applied for, or grant approvals contingent on the performance of post-marketing clinical trials. Failure to obtain regulatory approvals in a timely manner, or at all, or failure to obtain regulatory approvals with an intended scope of indications could have a negative impact on the commercial prospects of our drug candidates, and may cause reputational damage. If any of our drug candidates fails to demonstrate safety and efficacy to the satisfaction of regulatory authorities or does not otherwise produce positive results in future clinical trials, we would not be able to realize any revenue on such drug candidate despite the significant amount of resources we would have spent on its development, which could materially adversely affect our business, financial condition, results of operations and prospects.

Our future approved drug candidates will be subject to ongoing or additional regulatory obligations and continued regulatory review, which may result in significant additional expenses. We may face penalties and other negative consequences if we fail to comply with these regulatory requirements or experience unanticipated problems with our drug candidates.

Any regulatory approvals that we receive for our drug candidates may also be subject to limitations on the approved indicated uses for which the drug may be marketed or to the conditions of approval, or contain requirements for potentially costly testing and surveillance to monitor the safety and efficacy of the drug candidates. The NMPA, FDA or a comparable regulatory authority may also require a REMS program as a condition of approval of our drug candidates or following approval.

Any government investigation of alleged violations of law could cost us significant time and resources and could generate negative publicity. Moreover, regulatory policies may change or additional government regulations may be enacted that could limit or revoke regulatory approval of our drug candidates. If we are not able to maintain regulatory compliance, we may lose the regulatory approvals that we have already obtained and may not achieve or sustain profitability, which in turn could significantly harm our business, financial condition and prospects.

We face regulation and potential liability related to privacy, data protection and information security which may require significant resources and may adversely affect our business, operations and financial performance.

We routinely receive, collect, generate, store, process, transmit and maintain medical data, treatment records and other personal details of subjects enrolled in our clinical trials, along with other personal or sensitive information. As such, we are subject to the relevant local, national and international data protection and privacy laws, directives, regulations and standards that apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal data in the various jurisdictions in which we operate and conduct our clinical trials, as well as contractual obligations. These data protection and privacy law regimes continue to evolve and may result in ever-increasing public scrutiny and escalating levels of enforcement and sanctions and increased costs of compliance. Failure to comply with any of these laws could result in enforcement action against us.

In recent years, the PRC government has promulgated a serious of laws and regulations governing the various aspects of information security, data collection and privacy protection, including, among others, the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》), the Provisions on Protection of Personal Information of Telecommunication and Internet Users (《電信和互聯網用戶個人信息保護規定》), the Cybersecurity Review Measures (《網絡安全審查辦法》), the Data Security Law of the PRC (《中華人民共和國數據安全法》) which became effective from September 1, 2021, and the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) which became effective from November 1, 2021. Under the Personal Information Protection Law of the PRC, prior consent shall be obtained from the individual when personal information is being processed, unless explicitly permitted under certain circumstances.

On March 17, 2018, the General Office of the State Council promulgated the Measures for the Management of Scientific Data (《科學數據管理辦法》) (the "**Scientific Data Measures**"), which provides a broad definition of scientific data and relevant rules for the management of scientific data. According to the Scientific Data Measures, enterprises in China must seek governmental approval before any scientific data involving a state secret may be transferred abroad or to foreign parties. Further, any researcher conducting research funded at least in part by the Chinese government is required to submit relevant scientific data for management by the entity to which such researcher is affiliated before such data may be published in any foreign academic journal. We cannot assure you that we can always obtain relevant approvals for sending scientific data (such as the results of our preclinical studies or clinical trials conducted within China) abroad or to our foreign partners in China, if any. If we

are unable to obtain necessary approvals in a timely manner, or at all, our research and development of drug candidates may be hindered, which may materially and adversely affect our business, financial condition, results of operations and prospects. If the relevant government authorities consider the transmission of our scientific data to be in violation of the requirements under the Scientific Data Measures, we may be subject to fines and other administrative penalties imposed by those government authorities.

Furthermore, any data processing activities in relation to sensitive personal information such as biometrics, medical health and personal information of teenagers under fourteen years old are not allowed unless such activities have a specific purpose, are highly necessary and strict protective measures have been taken. Certain industry-specific laws and regulations may also affect the collection and transfer of personal data in China, including Administrative Regulations on Human Genetic Resources of the People's Republic of China (《中華人民共和國人類遺傳資源管理條例》), or the HGR Regulations, issued by the State Council.

In October 2020, the SCNPC promulgated the Biosecurity Law of the PRC, which became effective in April 2021 and was most recently revised in April 2024. The Biosecurity Law of the PRC (《中華人民共和國生物安全法》) reaffirms the regulatory requirements stipulated by the HGR Regulation while potentially increasing the administrative sanctions where China's human genetic resources are collected, preserved, exported or used in international cooperation in violation of applicable laws. Although we have made great efforts to comply with mandatory requirements of laws and government authorities in this regard, we cannot assure you that we will be deemed at all times in full compliance with the HGR Regulation, the Biosecurity Law of the PRC and other applicable laws in our utilizing of and dealing with China's human genetic resources. As a result, we may be exposed to compliance risks under the HGR Regulation and the Biosecurity Law of the PRC.

Numerous U.S. federal and state laws and regulations relate to the privacy and security of personal information. In particular, regulations promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996, or HIPAA, establish privacy and security standards that limit the use and disclosure of individually identifiable health information, known as "protected health information," and require the implementation of administrative, physical and technological safeguards to protect the privacy of protected health information and ensure the confidentiality, integrity and availability of electronic protected health information. Such data protection and privacy laws and regulations generally require clinical trial sponsors and operators and their personnel to protect the privacy of their enrolled subjects and prohibit unauthorized disclosure of personal information. However, these measures may not be always effective.

Any change in the applicable laws and regulations could affect our ability to use medical data and subject us to liability for the improper use of such data. Any failure or perceived failure by us to prevent information security breaches or to comply with privacy policies or privacy-related legal obligations, or any compromise of information security that results in the unauthorized release or transfer of personally identifiable information or other patient data, could cause our customers to lose trust in us and could expose us to legal claims.

We may be directly or indirectly subject to applicable anti-kickback, false claims laws, doctor payment transparency laws, fraud and abuse laws or similar healthcare and security laws and regulations, which could expose us to administrative sanctions, criminal sanctions, civil penalties, contractual damages, reputational damage and diminished profits and future earnings.

Healthcare providers, physicians and others play a primary role in the recommendation and prescription of any products for which we obtain regulatory approval. Our operations are subject to various applicable anti-kickback, false claims laws, physician payment transparency laws, fraud and abuse laws or similar healthcare and security laws and regulations in China and the U.S.. Such laws include the PRC Anti-Unfair Competition Law (《中華人民共和國反不正當競爭法》), the PRC Criminal Law (《中華人民共和國刑法》), the U.S. federal Anti-Kickback Statute, the U.S. federal False Claims Act, HIPAA, and the U.S. Physician Payments Sunshine Act. These laws may impact, among other things, our current and proposed sales and marketing activities. Violations of fraud and abuse laws may be punishable by criminal and/or civil sanctions, including penalties, fines and/or exclusion or suspension from governmental healthcare programs and debarment from contracting with governments.

Although we have put in place policies and procedures that ensure that we and our employees comply with fraud and abuse and other healthcare laws and regulations, some of our practices may be challenged under these laws. Efforts to ensure that our business arrangements with third parties comply with applicable healthcare laws and regulations will involve substantial costs. Governmental authorities could conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If any such actions are instituted against us, and if we are not successful in defending ourselves or asserting our rights, those actions could result in the imposition of civil, criminal and administrative penalties, damages, disgorgement, monetary fines, possible exclusion from participation in governmental healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business and have a significant impact on our businesses and results of operations.

In addition, we are subject to anti-bribery laws in China that generally prohibit companies and their intermediaries from making payments to government officials for the purpose of obtaining or retaining business or securing any other improper advantage. There is no assurance that policies or procedures to ensure the compliance with anti-bribery laws will prevent our agents, employees and intermediaries from engaging in bribery activities. Failure to comply with anti-bribery laws could disrupt our business and lead to severe criminal and civil penalties, including imprisonment, criminal and civil fines, loss of our export licenses, suspension of our ability to do business with the government, denial of government reimbursement for our products and/or exclusion from participation in government healthcare programs. As we expand our operations globally/pursue a global strategy and selectively advance clinical trials and pursue NDAs in other overseas markets, we may also become subject to similar laws and regulations from other jurisdictions. There are ambiguities as to what is required to comply with any of these laws and regulations, and if we fail to comply with such requirements, we could be subject to penalties and other negative consequences. If any of

the physicians or other third parties with whom we do business are found to be not in compliance with the applicable laws and regulations, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs, which may also adversely affect our business.

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

Since we have extensive operations in the PRC, our business, financial condition, results of operations and prospects are affected by economic, political and legal developments in the PRC. The overall economic growth is influenced by the governmental regulations and policies in relation to resource allocation, monetary policies, regulations of financial services and institutions, as well as preferential treatment to particular industries or companies. For example, the Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources; however, we cannot guarantee the extent to which our business operations will be able to benefit from such measures, if at all. Laws, rules and regulations may also be amended from time to time, and the application, interpretation and enforcement of such evolving laws, rules and regulations may affect our business operations. Any of the foregoing may affect our business, financial condition, results of operations and prospects.

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

PRC regulations and rules concerning mergers and acquisitions including the Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors (《關於外國投資者併購境內企業的規定》), or the M&A Rules, established additional procedures and requirements for foreign investors with respect to merger and acquisition activities. Moreover, the PRC Anti-monopoly Law requires that the anti-trust government authority shall be notified in advance of any concentration of undertaking if certain thresholds are triggered. Furthermore, the Provisions of the Ministry of Commerce on the Implementation of the Security Review System for Merger and Acquisition of Domestic Enterprises by Foreign Investors (《商務部實施外國投資者併購境內企業安全審查制度的規定》) issued by the MOFCOM, effective in September 2011, specifies that a security review is required for mergers and acquisitions by foreign investors having "national defense and security" concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise "national security" concerns. The foregoing regulations prohibit foreign investors from bypassing the security review by structuring transactions through trusts, indirect investments, leases, loans, control through contractual arrangements or offshore transactions. On December 19, 2020, the NDRC and the MOFCOM jointly promulgated the Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》), effective on January 18, 2021, setting forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, review scopes and procedures, among others.

In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time consuming, and any required approval processes, including obtaining approval from the MOFCOM or its local counterparts or other relevant government agencies may delay or inhibit our ability to complete such transactions, transactions, which could affect our ability to expand our business or maintain our market share.

Holders of H Shares may be subject to PRC income taxes.

Holders of H Shares, being non-PRC resident individuals or non-PRC resident enterprises, whose names appear on the register of members of H Shares of our Company, are subject to PRC income tax in accordance with the applicable tax laws and regulations, on dividends received from us and gains realized through the sale or transfer by other means of H shares by such shareholders.

According to the Individual Income Tax Law of the PRC and the Implementation Regulations for the Individual Income Tax Law of the PRC, both came into effect on January 1, 2019, the tax applicable to non-PRC resident individuals is proportionate at a rate of 20% for any dividends obtained from within China or gains on transfer of shares and shall be withheld and paid by the withholding agent. Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "**Arrangements**") executed on August 21, 2006, the PRC Government may levy taxes on the dividends paid by PRC companies to Hong Kong residents in accordance with the PRC laws, but the levied tax (in the case the beneficial owner of the dividends are not companies directly holding at least 25% of the equity interest in the company paying the dividends) shall not exceed 10% of the total dividends.

According to the Enterprise Income Tax Law of the PRC, which was newly revised and implemented on December 29, 2018, and the Implementation Regulations for the Enterprise Income Tax Law of the PRC, which was newly revised and implemented on April 23, 2019, if a non-resident enterprise has no presence or establishment within China, or if it has established a presence or establishment but the income obtained has no actual connection with such presence or establishment, it shall pay an enterprise income tax on its income derived from within China with a reduced rate of 10%. Pursuant to the Arrangements, dividends paid by PRC resident enterprises to Hong Kong residents can be taxed either in Hong Kong or in accordance with the PRC laws. However, if the beneficial owner of the dividends is a Hong Kong resident, the tax charged shall not exceed: (i) 5% of the total amount of dividends if the Hong Kong resident is a company that directly owns at least 25% of the capital of the PRC resident enterprise paying dividends; (ii) otherwise, 10% of the total amount of dividends.

Considering the above, non-PRC resident holders of our H Shares should be aware that they may be obligated to pay PRC income tax on the dividends and gains realized through sales or transfers by other means of the H Shares.

Changes in international relationships and trade policies may adversely impact our business, financial condition and results of operations.

Any government policies on international trade, such as capital controls or tariffs, may affect the demand for our future drug products, the competitive position of our future drug products, the hiring of scientists and other research and development personnel, and import or export of raw materials in relation to drug development and production, or may prevent us from selling our future drug products in certain countries. If any new tariffs, legislation and regulations are implemented, or if existing trade agreements are renegotiated, such changes could have an effect on our business, financial condition and results of operations. For example, the U.S. government has recently made significant changes in its trade policy and has taken certain actions that may materially impact international trade, such as imposing several rounds of tariffs. It is unknown whether and to what extent new tariffs (or other new laws or regulations) will be adopted, or the effect that any such actions would have on us or our industry.

The evolving trade disputes may escalate going forward and may result in certain types of goods, such as advanced research and development equipment and materials, becoming significantly more expensive to procure from overseas suppliers or even becoming illegal to export. Furthermore, there can be no assurance that our existing or potential service providers or collaboration partners will not alter their perception of us or their preferences as a result of adverse changes to the state of political relationships among the relevant countries or regions. Trade disputes, tensions and political concerns among the relevant countries or regions may therefore adversely affect our business, financial condition, results of operations, cash flows and prospects.

You may experience difficulties in effecting service of process or enforcing foreign judgments against us, our executive Directors or senior management.

We are a company incorporated in the PRC. Most of our Directors and senior management reside in China and most of their assets are within China. Therefore, it may be difficult for investors to directly effect service of legal process upon us or our Directors and senior management personnel in the PRC.

On July 14, 2006, China and Hong Kong signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "**Arrangement**"), which came into effect on August 1, 2008. On January 18, 2019, the PRC Supreme Court and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》), or the New Arrangement, which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of

civil and commercial matters between Hong Kong and the PRC. The Arrangement had been superseded by the New Arrangement, which took effect on January 29, 2024 through the Mainland Judgments in Civil and Commercial Matters (Reciprocal Enforcement) Ordinance (Cap. 645) (the "**Judgment Ordinance**") and relevant rules (Cap. 645A) (the "**Judgment Rules**"). The regime under the Arrangement will continue to apply to judgments (given pursuant to an exclusive jurisdiction agreement in favor of the courts in Mainland China or Hong Kong) entered into on or after August 1, 2008 and dated before the commencement date of the Judgment Ordinance and the Judgment Rules. The Judgment Ordinance and Judgment Rules will not apply retrospectively and will only apply to judgments given on or after January 29, 2024.

If we, our CROs, or our collaborative partners fail to comply with environmental, health and safety laws and regulations, we could be subject to fines or penalties and other negative consequences that could have a material adverse effect on the success of our business.

We are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our R&D facilities involve the use of hazardous and flammable materials, including chemicals and materials, and may produce hazardous wastes. We contract with third parties for the disposal of these materials and wastes, however, we cannot fully eliminate the risk of accidental contamination, biological or chemical hazards or personal injury at our facilities during the process of R&D of our drug candidates and drug products. In the event of such accident, we could be held liable for damages and clean-up costs which, to the extent not covered by existing insurance or indemnification, could materially and adversely our business. Other adverse effects could result from such liability, including reputational damage. We may also be forced to close or suspend operations at certain of our affected facilities temporarily, or permanently. As a result, any accidental contamination, biological or chemical hazards or personal injury could have a material and adverse impact on our business, financial condition, results of operations and prospects.

Although we maintain insurance policies that cover clinical trial liability insurance and personal insurance, these insurance policies may not provide adequate coverage against potential liabilities in respect of environmental, health and safety issues. Furthermore, we may be required to incur substantial costs to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or production efforts. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions. Moreover, there is increasing stakeholder pressure on companies to diligence environmental, social, and governance matters in the supply chain. Negative publicity regarding production methods, alleged practices or workplace or related conditions of any of our suppliers, CROs or other third parties we collaborate with who perform services for us could adversely affect our reputation and force us to locate alternatives, which could increase our costs and result in delayed supply of

components for, and manufacturing of, our drug candidates, or other disruptions to our operations. Any of the foregoing could materially adversely affect our business, financial condition, results of operations and prospects.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

If we are unable to obtain and maintain sufficient patent and other intellectual property protection for our drug candidates, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us, and our ability to successfully commercialize our drug candidates may be adversely affected.

Our commercial success depends, to a certain extent, on our ability to protect our proprietary technology and drug candidates from competition by obtaining, maintaining, defending and enforcing our intellectual property rights, including patent rights. We seek to protect the drug candidates and technology that we consider commercially important primarily by filing patent applications in China, the U.S. and other countries or regions, relying on trade secrets or pharmaceutical regulatory protection or employing a combination of these methods. As of the Latest Practicable Date, we (i) owned seven issued patents, including two issued patents in the PRC, three issued patents in Japan and two issued patent in the U.S.; and (ii) have more than 11 pending patent applications, including one pending patent application in the PRC, three pending patent applications under the European Patent Convention and more than seven unpublished pending patent applications under the Patent Cooperation Treaty. For details, please refer to "Business — Intellectual Property" in this prospectus. This process is expensive and time-consuming, and we or our business partners may not be able to file and prosecute all necessary or desirable patent applications and secure other intellectual property protection in all jurisdictions in a timely manner. It is also possible that we or our business partners will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. Moreover, we or our business partners may fail to timely identify third-party infringement of our intellectual property rights related to our drug candidates including infringement claims for our HX009 and HX301 outside of the PRC, and take necessary actions to defend and enforce our rights, or at all.

The issuance of a patent is not conclusive as to its scope, validity or enforceability, and our owned and licensed patents may be challenged in the courts or patent offices in any jurisdictions. Such challenges may result in patent claims being narrowed, invalidated or held unenforceable, which could limit our ability to stop or prevent us from stopping others from using or commercializing similar or identical technology and drug candidates, or limit the duration of the patent protection of our technology and drug candidates. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing drug candidates similar or identical to ours. Our competitors may also be able to circumvent our patent issuance by developing similar or alternative technologies or drug candidates in a non-infringing manner.

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

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and patent applications are due to be paid to the China National Intellectual Property Administration (the "**CNIPA**"), the United States Patent and Trademark Office (the "**USPTO**") and other applicable patent agencies in several stages over the lifetime of a patent. The CNIPA, the USPTO and other applicable patent agencies require compliance with a number of procedural, documentary, fee payment, and other similar provisions during the patent application process. Although an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official actions within prescribed time limits, non-payment of fees, and failure to properly legalize and submit formal documents. In any such event, our competitors might be able to enter the market, which would have a material adverse effect on our business.

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

Patents have a limited duration. Depending on the jurisdiction, various extensions may be available, but the life of a patent, and the protection it affords, is limited. For example, the expiration of a patent is generally 20 years for inventions in China and generally 20 years from the earliest date of filing of the first non-provisional patent application to which the patent claims priority in the U.S. Even if patents covering our drug candidates, their manufacture, or use are obtained, once the patent life has expired, we may be open to competition from competitive medications, including biosimilar medications. Manufacturers of generic or biosimilar drugs may challenge the scope, validity, or enforceability of our patents in court or before a patent office, and we may not be successful in enforcing or defending those intellectual property rights and, as a result, may not be able to develop or market the relevant product exclusively, which would have a material adverse effect on any potential sales of that product. Upon the expiration of our issued patents or patents that may issue from our patent applications, we will not be able to assert such patent rights against potential competitors and our business and results of operations may be adversely affected.

Given the amount of time required for the development, testing and regulatory review of new drug candidates, patents protecting such drug candidates might expire before or shortly after such drug candidates are commercialized. As a result, our owned and licensed-in patents and patent applications may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours. Even if we believe that we are eligible for certain patent term extensions, there can be no assurance that the applicable authorities, including the FDA and the USPTO in the U.S., and any equivalent regulatory authority in other countries, will agree with our assessment of whether such extensions are available, and such authorities may refuse to grant extensions to our patents, or may grant more limited extensions than we request. For example, depending upon the timing, duration and specifics of any FDA marketing approval of any drug candidates we may develop, one or more of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Action of 1984, or Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit a patent extension term of up to five years as compensation for the patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent may be extended, and only those claims covering the approved drug, a method for using it, or a method for manufacturing it, may be extended. Similarly, the amendment to the PRC Patent Law which was amended on October 17, 2020 and became effective on June 1, 2021, introduced patent extensions to patents of new drugs that launched in the PRC, which may enable the patent owner to submit applications for a patent term extension of up to a maximum length of five years. However, we may not be granted an extension because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents, or otherwise failing to satisfy applicable requirements.

Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If we are unable to obtain a patent term extension or the term of any such extension is less than we request, our competitors may obtain approval of competing products following our patent expiration, and our business could be harmed.

In addition, some of our patents and patent applications may in the future be co-owned with third parties. If we are unable to obtain an exclusive license to any such third-party co-owners' interest in such patents or patent applications, such co-owners may be able to license their rights to other third parties, including our competitors, and our competitors could market competing products and technology. Besides this, we may need the cooperation of any such co-owners of our patents in order to enforce such patents against third parties, and such cooperation may not be provided to us. Any of the foregoing could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

We may not be able to protect our intellectual property rights, or prevent unfair competition by third parties, throughout the world.

Filing, prosecuting, maintaining and defending patents for our drug candidates in all countries throughout the world could be prohibitively expensive, and our intellectual property rights in some countries can have a different scope and strength than do those in some other countries. In addition, the laws of certain countries do not protect intellectual property rights to the same extent as the laws of certain other countries. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries, or from selling or importing drugs made using our inventions in and into certain jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own drugs and further, may export otherwise infringing drugs to certain jurisdictions where we have patent protection, but where enforcement rights are not as strong as those in certain other countries. These drugs may compete with our drug candidates and our patent rights or other intellectual property rights may not be effective or adequate to prevent them from competing.

The legal systems of some countries do not favor the enforcement of patents, trade secrets and other intellectual property, particularly those relating to biopharmaceutical products, which could make it difficult in those jurisdictions for us to stop the infringement, misappropriation or other violation of our patents or other intellectual property rights, or the marketing of competing drugs in violation of our proprietary rights. Proceedings to enforce our intellectual property and proprietary rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly, could put our patent applications at risk of not issuing, and could provoke third parties to assert claims against us.

We may not prevail in any lawsuits that we initiate and any damages or remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may prove insufficient to secure a meaningful competitive and commercial advantage from the intellectual property that we develop or license. Any of the foregoing could materially adversely affect our business, financial condition, results of operations and prospects.

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

We may apply for a number of trademarks in China, the U.S. and other jurisdictions. Our registered or unregistered trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition among potential partners or customers in our markets of interest. At times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. Our efforts to enforce or protect our proprietary rights related to trademarks, trade secrets, domain names, copyrights or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely affect our competitive position, business, financial condition, results of operations, and prospects.

If we are unable to protect the confidentiality of our trade secrets and other confidential information, including unpatented know-how, our business and competitive position would be harmed.

In addition to our issued patents and patent applications, we rely on trade secrets and other confidential information, including unpatented know-how, drug development technology, and other proprietary information, to maintain our competitive position and to protect our drug candidates or drug products.

However, we may not be able to prevent the unauthorized disclosure or use of our trade secrets and other confidential information by the parties to these agreements. Any of the parties with whom we enter into confidentiality agreements may breach or violate the terms of any such agreements and may disclose our proprietary information, and we may not be able to obtain adequate remedies for any such breach or violation. Additionally, we cannot guarantee that we have entered into such agreements with each party that may have or has had access to our trade secrets or proprietary technology and processes. Enforcing a claim that a party illegally disclosed or misappropriated trade secrets or other confidential information can be difficult, expensive and time-consuming, and the outcome is unpredictable. If any of our trade secrets or other confidential information were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that technology or information to compete with us and our competitive position would be harmed.

Furthermore, many of our employees, consultants and advisors were previously employed at other biopharmaceutical companies, including our competitors or potential competitors. Although we try to ensure that our employees, consultants and advisors are under no non-competition obligations to their former employers at the time of hiring, and that they do not use the confidential information or know-how of others in their work for us, we may be subject to claims that we or these employees have used or disclosed intellectual property, including trade secrets or other confidential information, of any such individual's former employer. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to our management.

In addition, while we typically require our employees, consultants and contractors who may be involved in the R&D activities or any other activities involving development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact develops intellectual property that we regard as our own. Further, the assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, each of which may result in claims by or against us related to the ownership of such intellectual property. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs and be a distraction to our management and scientific personnel and could have a material adverse effect on our business, financial condition, results of operations and prospects.

Intellectual property and other laws and regulations in China, the U.S. or other jurisdictions are subject to change, which could diminish the value of our intellectual property and impair the intellectual property protection of our drug candidates.

Changes in intellectual property laws or their interpretation in China, the U.S. or other jurisdictions may increase the uncertainties and costs associated with the prosecution of our patents, diminish our ability to protect our inventions, obtain, maintain, defend, and enforce our intellectual property rights and, more generally, affect the scope and value of our intellectual property rights. In the PRC, intellectual property laws are constantly evolving, with efforts being made to improve intellectual property protection, such as the amendment to the PRC Patent Law which was amended on October 17, 2020 and became effective on June 1, 2021, introduced patent term compensation mechanism for eligible invention patents related to new drugs.

Such amendments in laws either of China or foreign jurisdictions may impact the value of our patent rights or our other intellectual property rights, all of which could have a material adverse effect on our patent rights and our ability to protect, defend and enforce our patent rights in the future, as well as on our competitive position, business, financial conditions, results of operations and prospects.

We may from time to time be involved in disputes and lawsuits to protect or enforce our intellectual property rights, or defend ourselves against infringement and other claims alleged by third parties, which could be expensive, time consuming and unsuccessful.

Despite measures we take to obtain and maintain patent and other intellectual property rights with respect to our drug candidates, our intellectual property rights (including those transferred or licensed from other third parties) could be challenged by external parties (including but not limited to our competitors and former employees) or invalidated. For example, although we believe that we have conducted our patent prosecution in accordance with a duty of candor and in good faith, the outcome following legal assertions of invalidity and unenforceability during patent litigation is unpredictable. On the other hand, competitors or other third parties may infringe or misappropriate our patents and other intellectual property rights. Furthermore, Mr. Xi, a former employee of our Group, may have potential dispute with the Company on the Company's patent. For details, please refer to "Business — Risk management and internal control — Internal Control — Misappropriation of funds by former employee of our Group". To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time consuming. In any infringement proceeding, a court may decide that a patent of ours is not valid or is unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. Moreover, our intellectual property rights may be subject to future claims from former employees, collaborators, or third parties to assert their rights or interests.

An adverse result in any litigation or defense proceedings could put one or more of our intellectual property rights at risk of being invalidated or interpreted narrowly, or could cause us to pay monetary compensation. Even if successful, litigation may result in substantial costs and distraction of our management and other employees. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation.

In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments. If the public, securities analysts or investors perceive these results to be negative, or perceive that the presence or continuation of these cases creates a level of uncertainty regarding our ability to increase or sustain products sales, it could have a substantial adverse effect on the price of our Shares. There is no assurance that our drug candidates and generic drug products will not be subject to the same risks.

Intellectual property rights do not necessarily protect us from all potential threats to our competitive advantages.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect our business nor permit us to maintain our competitive advantages. Examples include but not limited to: (i) others may be able to make drug candidates that are the same as or similar to our drug candidates but that are not covered by the claims of the patents that we own or may have exclusively licensed; (ii) we might not have been the first to file patent applications covering certain of our inventions; (iii) others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights; (iv) third parties might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets; and (v) we may not develop additional technologies that are patentable.

RISKS RELATING TO COMMERCIALIZATION OF OUR DRUG CANDIDATES AND PRODUCTS

The future commercial success of our drug candidates will depend on the degree of their market acceptance among physicians, patients and others in the medical community.

Even if our drug candidates receive the requisite regulatory approvals, they may fail to gain sufficient market acceptance by physicians, patients, third-party payers and other relevant parties in the medical community. If our drug candidates do not achieve an adequate level of acceptance, we may not generate significant revenue from sales of our drugs and we may not become profitable.

Even if our drugs achieve market acceptance, we may not be able to maintain that market acceptance over time if new products or technologies are introduced that are more favorably received than our drugs, are more cost effective or render our drugs obsolete. Our failure to achieve or maintain market acceptance for our future approved drug candidates would materially adversely affect our business, financial condition, results of operations and prospects.

Our drug candidates may not be covered by insurance or reimbursement programs or may become subject to unfavorable insurance policies or reimbursement practices, either of which could harm our business, and we may be subject to unfavorable pricing regulations, which could make it difficult for us to sell our drugs profitably.

The regulations that govern regulatory approvals, pricing and reimbursement for new therapeutic products vary significantly from country to country. We intend to seek approval to market our drug candidates in China, the U.S. and in other jurisdictions. In China, the pricing of drugs and biologics is subject to governmental regulation, which can be a lengthy process even after obtaining regulatory approval. Our ability to commercialize any approved drug

candidates successfully also will depend in part on the extent to which reimbursement for these drugs and related treatments will be available from government health administration authorities, private health insurers and other organizations.

A primary trend in the global healthcare industry is cost containment. Government authorities and these third-party payers have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. In China, the Ministry of Human Resources and Social Security of China, together with other government authorities, review the inclusion or removal of drugs from the China's National Drug Catalog for Basic Medical Insurance, Work-related Injury Insurance and Maternity Insurance (《國家基本醫療保險、工傷保險和生育保險藥品目錄》), or the National Reimbursement Drug List (the "NRDL"), regularly, and the tier under which a drug will be classified, both of which affect the amounts reimbursable to program participants for their purchases of those drugs.

There can be no assurance that any of our future approved drug candidates will be included in the NRDL. If we were to successfully launch commercial sales of our drugs but fail in our efforts to have our drug products included in the NRDL, our revenue from commercial sales would be highly dependent on patient self-payment, which can make our drug products less competitive. Patients may choose other drugs with similar efficiency but lower price which have been included in the NRDL. Additionally, even if the Ministry of Human Resources and Social Security of China or any of its local counterparts were to accept our application for the inclusion of products in the NRDL, our potential revenue from the sales of these products could still decrease as a result of the significantly lowered prices we may be required to charge for our products to be included in the NRDL.

In the U.S., no uniform policy of coverage and reimbursement for drugs exists among third-party payers. As a result, obtaining coverage and reimbursement approval of a drug from a government or other third-party payer is a time-consuming and costly process that could require us to provide to each payer supporting scientific, clinical and cost-effectiveness data for the use of our future approved drugs on a payer-by-payer basis, with no assurance that coverage and adequate reimbursement will be obtained. Even if we obtain coverage for a given drug, the resulting reimbursement rates might not be adequate for us to achieve or sustain profitability or may require co-payments that patients find unacceptably high. Additionally, third-party payers may not cover, or provide adequate reimbursement for, long-term follow-up evaluations required following the use of our future approved drug candidates. Patients are unlikely to use any of our future approved drug candidates unless coverage is provided and reimbursement is adequate to cover a significant portion of the cost of the drugs.

We cannot be sure that reimbursement will be available for any approved drug candidates that we commercialize nor can we predict the level of reimbursement that may be offered. Reimbursement may impact the demand for, or the price of, any approved drug candidates that we commercialize. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any drug candidates that we successfully develop.

There may also be significant delays in obtaining reimbursement for approved drug candidates, and reimbursement coverage may be more limited than the approved indications of the drug candidates by the NMPA, the FDA or other comparable regulatory authorities. Moreover, eligibility for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Payment rates may vary according to the uses of the drugs and the clinical setting in which the drugs are used, may be based on payments allowed for lower cost drugs that are already reimbursed, and may be incorporated into existing payments for other services. Our inability to promptly obtain reimbursement coverage at intended payment rates for our drug candidates and any new drug candidates that we develop could have a material adverse effect on our business, operating results, and overall financial conditions.

We currently target a sub-group of targeted cancer. The size of the potential market for our current or future drug candidates, including for our Core Product HX009, is difficult to estimate and, if any of our assumptions are inaccurate, the actual markets for our current or future drug candidates may be smaller than our estimates.

Our projections of the number of patients who have the potential to benefit from treatment with our drug candidates are based on our beliefs and estimates. These estimates have been derived from a variety of sources, including scientific literature, surveys of clinics, patient foundations, or market research and may prove to be incorrect. Further, new studies may change the estimated incidence or prevalence of these diseases, potentially leading to a smaller patient population than anticipated. Consequently, the size of the addressable patient population may ultimately be less than we expect, which could significantly impact our market potential and revenue forecasts.

Our spending on our Core Product, namely HX009, for the specific indications of relapsed/refractory EBV^+ NHL, advanced melanoma, advanced BTC and advanced TNBC, respectively, may not yield any commercially viable products, since these indications are a sub-group of the targeted cancers and the market opportunities for them may be smaller than we anticipate. For example, other players developing similar treatment methods in the target markets that may be more competitive than us, which may further limit the market opportunities of our Core product. As such, the target markets for our Core Product may not consist of as many market opportunities as we expect, which could have a material adverse effect on the profitability of our Core Product even if commercialized.

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

be approved as such. As a result, even if we obtain market approval for our drug candidates, we may not achieve the anticipated market size and revenue unless such market approval is for the intended lines of therapy or for additional indications.

If safety, efficacy, or other issues arise with any medical product that is used in combination with our drug candidates, we may be unable to market such drug candidates or may experience supply shortages or be subjected to regulatory measures, and our business could be materially harmed.

We plan to develop certain of our drug candidates for use as combination therapies. Combination therapy development carries a higher risk of failure compared to single agent development due to greater risk of combined drug toxicity as well as lower efficacy due to drug-drug interactions as well as toxicity limitations on efficacy. The development risks of failure are even higher if both agents are investigational. There are additional regulatory requirements for combination development to ensure patient safety during development, including the requirement for separate combination IND review and the trial designs which are also more complex and require close monitoring. If any regulatory agency revokes its approval of any pharmaceutical products or therapy we intend to use in combination with our drug candidates, we will be forced to terminate or re-design the clinical trials, or will not be able to market our drug candidates in combination with such revoked pharmaceutical products or therapies. For example, we are currently conducting a combination study of our Core Product, HX009, with a pivotal trial stage (Stage III) FAKi drug in patients with advanced malignant biliary tract cancer and melanoma. Currently, this FAKi drug is under the pivotal-stage (Stage III) study development, and obtaining NDA market approval on our HX009 for the treatment of BTC relies on the successful market development of this drug. Also, we are conducting a combination study of our Key Product, HX301, with temozolomide in patients with glioblastoma. The brand name for the temozolomide used in the HX301-II-01 China Study is Tazian®, which was included in the NRDL. If safety or efficacy issues arise with these or other therapies that we seek to combine with our drug candidates in the future, we may be subjected to regulatory measures, and we may be required to redesign or terminate the relevant clinical trials. In addition, if manufacturing or other issues result in a supply shortage of any component of our combination drug candidates, we may not be able to complete clinical development of our drug candidates on our current timeline, or at all.

Counterfeit products and the illegal and/or parallel import of competing drugs may reduce demand for our drug candidates, which could have a negative impact on our reputation and business.

The illegal import of competing products from countries where government price controls or other market dynamics result in lower prices may adversely affect the demand for our drug candidates and, in turn, may adversely affect our sales and profitability in China and other countries where we plan to commercialize our approved products. Unapproved foreign imports of prescription drugs are illegal under current laws of China. However, illegal imports may continue to occur or even increase as the ability of patients and other customers to obtain these lower priced imports continues to grow. Furthermore, cross-border imports from lower-priced

markets (parallel imports) into higher-priced markets could harm sales of our drugs and exert commercial pressure on pricing within one or more markets. In addition, competent government authorities may expand consumers' ability to import lower priced versions of our future approved products or competing products from outside China or other countries where we operate. Any future legislation or regulations that increase consumer access to lower priced medicines from outside China or other countries where we operate could have a material adverse effect on our business.

Furthermore, certain products distributed or sold in the pharmaceutical market may be manufactured without proper licenses or approvals, or be fraudulently mislabeled with respect to their usage or manufacturers. These products are generally referred to as counterfeit pharmaceutical products. The regulatory control and law enforcement system in relation to the counterfeit pharmaceutical products may be inadequate to discourage or eliminate the manufacturing and sale of counterfeit pharmaceutical products imitating our products. Since counterfeit pharmaceutical products in many cases have very similar appearances compared with the authentic pharmaceutical products but are generally sold at lower prices, counterfeits of our drug candidates can quickly erode the demand for our drug candidates. In addition, theft of inventory at warehouses, plants or while in-transit, which is not properly stored and which is sold through unauthorized channels, could adversely impact patient safety, our reputation and our business. A patient who receives a counterfeit pharmaceutical product may be at risk for a few dangerous health consequences, which potentially exposes us to product liability claims, government investigations, and other disputes and negative consequences. Our reputation and business could suffer harm as a result of counterfeit pharmaceutical products sold under our or our collaborators' brand name(s).

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

Products distributed or sold in the pharmaceutical market may be subject to off-label drug use. Off-label drug use is prescribing a product for an indication, dosage or in a dosage form that is not in accordance with regulatory approved usage and labeling. Even though the NMPA, the FDA and other comparable regulatory authorities actively enforce the laws and regulations prohibiting the promotion of off-label use, there remains the risk that our future marketed drug product is subject to off-label drug use and is prescribed in a patient population, dosage or dosage form that has not been approved by competent authorities. This occurrence may render our products less effective or entirely ineffective and may cause adverse drug reactions or adverse events. Any of these occurrences can create negative publicity and materially and adversely affect our business reputation, product brand, commercial operations and financial condition, including our share price. These occurrences may also expose us to liability and cause a delay in the progress of our clinical trials and may ultimately result in failure to obtain regulatory approval for our drug candidates.

RISKS RELATING TO DEPENDENCE ON THIRD PARTIES

We substantially rely on third parties to monitor, support and conduct clinical trials and preclinical studies of our drug candidates. If these third parties do not successfully carry out their contractual duties or meet expected timelines, we may not be able to obtain regulatory approval for, or commercialize, our drug candidates, and our business could be materially affected.

We have relied upon and plan to continue to rely upon third-party CROs, clinical trial sites, consultants and other third parties to monitor, support and conduct preclinical studies and clinical trials of our drug candidates. As a result, we do not have full control over their activities or the quality, timing and cost of these studies. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol and legal, regulatory and scientific standards, and our reliance on the CROs and other third parties does not relieve us of our regulatory responsibilities.

In particular, we, our CROs and our clinical investigators are required to comply with GCP, Good Laboratory Practice for Non-clinical Laboratory Studies (《藥物非臨床研究質量管理規範》) (the "**GLP**"), and other regulatory regulations and guidelines enforced by the NMPA, the FDA, and comparable regulatory authorities for all of our drug candidates in clinical development. Regulatory authorities may enforce these GCP, GLP or other regulatory requirements through periodic inspections of trial sponsors, investigators and trial sites. In addition, our clinical trials must be conducted with drug candidates or products produced under current cGMP requirements.

In addition, we may not be able to enter into arrangements with alternative CROs and other third parties in a timely manner or do so on commercially reasonable terms, if our existing relationships with these third parties terminate. Transitioning to new CROs or adding additional third parties can incur extra costs and lead to delays, which can materially affect our ability to meet our desired clinical development timelines. There can be no assurance that we will not encounter similar challenges or delays in the future or that these delays or challenges will not have a material adverse effect on our business, financial condition and prospects.

We depend on third parties to provide a stable and adequate supply of quality materials, products and equipment for our drug development needs. Any interruptions of or significant price increases in such supply could adversely affect our business.

During the Track Record Period, we relied on third parties to supply certain raw materials, products and equipment used in our research and development. We expect to continue to rely on third parties to supply raw materials, products and equipment for the research, development and commercialization of our drugs. However, any disruption in production or the inability of our suppliers to provide adequate quantities to meet our needs could impair our operations and the research and development of our drug candidates.

Moreover, we expect our demand for such raw materials, products and equipment to increase as we expand our business scale and commercialize our drug candidates, but there is no assurance that current suppliers have the capacity to meet our demand. We are also exposed to the possibility of increased costs, which we may not be able to pass on to customers and as a result, lower our profitability.

We cannot assure you that these third-party suppliers will be able to maintain and renew all licenses, permits and approvals necessary for their operations or comply with all applicable laws and regulations. Failure to do so by them may lead to interruption in their business operations, which in turn may result in shortage of the raw materials, products and equipment supplied to us, and cause delays in clinical trials and regulatory filings or even recall of our products. The non-compliance of these third parties may also subject us to potential product liability claims, result in our failure to comply with the continuing regulatory requirements, and cause us to incur significant costs, which may have a material and adverse effect on our business, financial condition and results of operations.

We are subject to risks in relation to acquisitions or strategic partnerships. We may not realize any or all benefits of such alliances or licensing arrangements, and disputes may arise between us and our current or future collaboration partners.

From time to time, we may evaluate various acquisitions and strategic partnerships, including in-licensing or acquiring complementary products, intellectual property rights, technologies or businesses. For example, we have transferred our equity interests in Taizhou Hanzhong to Lepu in return for a one-off cash payment of RMB350.0 million and an annual fee in the amount of 4.375% of the net sales revenue of HX008.

We face significant competition in identifying suitable strategic partners and the negotiation process is time-consuming and complex. Moreover, we may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for our drug candidates because they may be deemed to be at too early of a stage of development for collaborative effort and third parties may not view our drug candidates as having the requisite potential to demonstrate safety and efficacy or commercial viability. In addition, if we undertake acquisitions, we may issue dilutive securities, assume or incur debt obligations, incur large one-time expenses and acquire intangible assets that could result in significant future amortization expense. For any drug candidates that we may seek to in-license from third parties, we may face significant competition from other pharmaceutical or biopharmaceutical companies with greater resources or capabilities than us, and any agreement that we do enter into may not result in the anticipated benefits.

As a result, we may not be able to realize the benefit of current or future collaborations, strategic partnerships or the license of our third-party drugs if we are unable to successfully integrate such products with our existing operations and company culture, which could delay our timelines or otherwise adversely affect our business. We also cannot be certain that, following a strategic transaction or license, we will achieve the revenue or specific net income that justifies such transaction. If we are unable to reach agreements with suitable collaborators on a timely basis, on acceptable terms, or at all, we may have to curtail the development of a

drug candidate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to fund and undertake development or commercialization activities on our own, we may need to obtain additional expertise and additional capital, which may not be available to us on acceptable terms or at all. If we fail to enter into collaborations and do not have sufficient funds or expertise to undertake the necessary development and commercialization activities, we may not be able to further develop our drug candidates or bring them to market and generate product sales revenue, which would harm our business prospects, financial condition and results of operations.

The PRC regulations and rules concerning mergers and acquisitions, including the Anti-Monopoly Law of PRC (《中華人民共和國反壟斷法》) and the Provisions of the State Council on Thresholds for Prior Notification of Concentrations of Undertakings (《國務院關於經營者集中申報標準的規定》) issued by the State Council, and other recently adopted regulations and rules with respect to mergers and acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex. The concentration of business undertakings by way of mergers, acquisitions or contractual arrangements that allow one market player to take control of or to exert decisive impact on another market player must also be filed in advance to the MOFCOM when the threshold is crossed and such concentration shall not be implemented without the clearance of prior filing. For details, please refer to "— Risks Relating to Government Regulations — The M&A Rules and certain other PRC regulations establish certain procedures for some acquisitions of Chinese companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China" in this section.

RISKS RELATING TO OUR OPERATIONS

The continued and collaborative efforts of our senior management, scientific employees and other key employees are crucial to our success, and our business may be affected if we lose their services.

We are highly dependent on the expertise and insights of our senior management team. Recruiting and retaining qualified scientific, technical, clinical and marketing personnel in the future will also be critical to our success. The loss of the services of any of these persons could impede the achievement of our research, development and commercialization objectives. Moreover, even though our key personnel are subject to non-compete obligations for a time period, losing them may increase our competitive pressure, as they may join our competitors or start competing businesses. Furthermore, replacing executive officers, scientific employees, and other qualified personnel may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize products like those we develop.

Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel or consultants on acceptable terms given the competition among numerous biopharmaceutical companies for similar personnel. To compete effectively, we may need to offer higher compensation and other benefits, which could materially and adversely affect our financial condition and results of operations. In addition, we may not be successful in training our professionals to keep pace with technological and regulatory standards. Any inability to attract, motivate, train or retain qualified scientists or other technical personnel may have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

We may encounter difficulties in managing our growth and expanding our operations successfully.

Our future financial performance and our ability to commercialize our drug candidates will also depend, in part, on our ability to effectively manage our growth, and our management may also have to divert a disproportionate amount of its attention away from day-to-day activities in order to implement our long-term development strategies. For details, please refer to "Business — Our Strategies" in this prospectus.

If we are not able to effectively manage our growth and further expand our organization, we may not be able to successfully develop and commercialize our drug candidates and, accordingly, may not achieve our research, development and commercialization goals. Our failure to do so could materially adversely affect our business, financial condition, results of operations and prospects.

We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business, which could adversely affect our business, financial conditions, results of operations and reputation.

From time to time, we may be involved in claims, disputes and legal proceedings in our ordinary course of business or pursuant to governmental or regulatory enforcement activity. These may concern issues relating to, among others, product liability, environmental matters, breach of contract, employment or labor disputes and intellectual property rights. Any claims, disputes or legal proceedings initiated by us or brought against us by external parties (including but not limited to our competitors and former employees), with or without merit, may result in substantial costs and diversion of resources, and if we are unsuccessful, could materially harm our reputation. Furthermore, Mr. Xi, a former employee of our Group, may have potential dispute with the Company on the operation of Hangzhou Hanx. For details, please refer to "Business — Risk management and internal control — Internal Control — Misappropriation of funds by former employee of our Group". Furthermore, claims, disputes or legal proceedings against us may be due to actions taken by our counterparties, such as our suppliers, CROs and other service providers. Even if we are able to seek indemnity from them, they may not be able to indemnify us in a timely manner, or at all, for any costs that we incur as a result of such claims, disputes and legal proceedings.

We may be subject to potential conflicts of interest with our minority Shareholders, which could bring about disputes or legal, arbitral or administrative proceedings.

Even though we have substantial numbers of corporate governance measures in place to prevent potential conflicts of interest that may arise between our minority Shareholders and us, the interests of our minority Shareholders may still deviate from ours under certain circumstances where we may be subject to disputes, legal, arbitral or administrative proceedings instituted by our minority Shareholders. Any such disputes or proceedings could harm our reputation, business, results of operations and prospects.

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

We believe that market awareness and recognition of our corporate reputation, and the maintenance of a positive corporate reputation, is crucial to the success of our business. However, our reputation is vulnerable to potential threats that can be difficult or impossible to control, and costly or impossible to remediate. While we will continue to promote our brands to remain competitive, we may not be successful in doing so. In addition, we may engage various third parties to advance our clinical development programs, expand our commercialization network and increase market access for our drugs, which can make it increasingly difficult to effectively manage our brand reputation, as we have relatively limited control over these third parties.

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

Increased labor costs could slow our growth and affect our operations.

Our operations depend in part on the skills and know-how of our employees. In recent years, the average labor cost in the global pharmaceutical market, particularly for highly skilled and experienced personnel, has been steadily increasing as the competition for qualified employees has become more intense. If we face labor shortages or significant increases in labor costs, higher employee turnover rates or changes to labor laws and regulations, our operating costs could increase significantly, which could materially adversely affect our results of operations and financial condition. In addition, share options and other share-based incentives granted under our existing or future share-based incentive arrangements and scheme could adversely affect our costs and our results of operations. For details, please refer to "— Risks Relating to Our Financial Position and Need for Additional Capital — Share-based payments may impact our financial performance and cause shareholding dilution to our existing Shareholders" in this section.

We may be subject to additional social insurance fund and housing provident fund contributions and late fees or fines imposed by relevant regulatory authorities.

Pursuant to the PRC laws and regulations, we are required to participate in the employee social welfare plan administered by local governments. Such plan consists of pension insurance, medical insurance, work-related injury insurance, maternity insurance, unemployment insurance and housing provident fund. According to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), an employer shall go through the housing provident fund contribution registration with the housing provident fund management center, and apply for the establishment of housing provident fund account for employees. The amount we are required to contribute for each of our employees under such plan should be calculated based on the actual income of our employees, together with the minimum and maximum level as from time to time prescribed by national laws and regulations and local authorities. During the Track Record Period and up to the Latest Practicable Date, some of our Group companies did not pay social insurance for their employees on the contribution bases determined on their actual salaries. Any failure to make timely and adequate social welfare contribution for its employees may trigger an order of correction from competent authority requiring the employer to make up the full amount of such overdue social welfare contribution within a specified period of time, and the competent authority may further impose fines or penalties. Pursuant to the relevant PRC laws and regulations, if any of the relevant social insurance authorities is of the view that the social insurance contributions we made for our employees do not comply with the requirements under the relevant PRC laws and regulations, it may order us to pay the outstanding balance within a prescribed time period plus a late fee of 0.05% of the total outstanding balance per day. If we fail to do so within the prescribed period as requested by the relevant social insurance authorities, we may be subject to a fine ranging between one to three times of the total outstanding balance.

We are subject to risks associated with leasing properties.

We have leased certain properties in the PRC in our business operations. Pursuant to the Measures for Administration of Lease of Commodity Properties (《商品房屋租賃管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) on December 1, 2010 and became effective on February 1, 2011, both lessors and lessees are required to file the lease agreements for registration and obtain property leasing filing certificates for their leases. The failure to file and obtain property leasing filing certificates for such leases, as required under PRC laws, may subject us to a fine ranging from RMB1,000 to RMB10,000 for each agreement not filed. As of the Latest Practicable Date, the lease agreements with respect to two properties we lease in the PRC for our business operations had not been registered and filed with the relevant PRC government authorities. We estimate that the maximum penalty we may be subject to for these unregistered lease agreements will be approximately RMB20,000. As advised by our PRC Legal Adviser, failure to register such lease agreements with the relevant PRC government authorities does not affect the validity of the relevant lease agreements but the relevant PRC government authorities may order us or the lessors to, within a prescribed time limit, register the lease agreements. In order to ensure on-going compliance with the PRC law and regulations relating to the registration of executed lease agreements, we will continue to liaise with the lessors and try to

register all the unregistered leases. For one of the leased properties of Hangzhou Hanx, the landlord has not leased such property in accordance with the intended use specified on the land use right certificate. If the title of any leased properties were successfully challenged, we may be forced to relocate our operations on the affected properties and we may have to cease our operation activities in the event we face challenges in relation to our properties. If we fail to find suitable replacement properties or terms acceptable to us for the affected operations, our business, financial condition and results of operations may be materially and adversely affected. During the Track Record Period and as of the Latest Practicable Date, we had not received any such request or suffered any such fine from the relevant PRC government authorities. We believe that the failure to register these lease agreements will not have any material adverse impact on our results of operations.

We cannot assure you that we are able to renew our lease on commercially acceptable terms upon expiry, or at all. If the title of any of our leased properties is controversial or the validity of the relevant lease is challenged by any third party, or if we fail to renew our lease upon expiry, we may be compelled to relocate from the affected premises. Such relocation may result in additional expenses or business interruption, which could, in turn, have an adverse effect on our business, results of operations and financial condition.

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

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

The occurrence of a disaster or a prolonged outbreak of an epidemic illness, including the COVID-19 pandemic, or other adverse public health developments could materially disrupt our business and operations. For example, the extent to which COVID-19 affects our results of operations going forward will depend on the future developments of the pandemic. These uncertain and unpredictable factors include, but are not limited to, adverse effects of the pandemic on the economy, potential delays of our ongoing and future clinical trials, and disruptions to the operations of our business partners and CROs. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening other risks described in this prospectus, including those relating to our ability to initiate or continue clinical trials for our drug candidates.

Acts of war or terrorism may also injure our employees, cause loss of lives, disrupt our business network and destroy our markets. Any of the foregoing events and other events beyond our control could have an adverse effect on the overall business sentiment and environment, cause uncertainties in the regions where we conduct business, cause our business to suffer in ways that we cannot predict and materially and adversely impact our business, financial condition and results of operations.

We may be unable to detect, deter and prevent all instances of bribery, fraud or other misconduct committed by our employees or third parties.

We may be exposed to fraud, bribery or other misconduct committed by our employees or third parties that could subject us to financial losses and sanctions imposed by governmental authorities, which may adversely affect our reputation. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any instances of fraud, bribery, or other misconduct involving employees and other third parties that had any material and adverse impact on our business and results of operations. However, we cannot assure you that there will not be any such instances in the future. Although we consider our internal control policies and procedures to be adequate, we may be unable to prevent, detect or deter all such instances of misconduct by our employees or third parties. Any such misconduct committed against our interests, which may include past acts that have gone undetected or future acts, may have a material adverse effect on our business, results of operations and reputation.

Medical liability claims or lawsuits against us beyond our insurance coverage could result in expensive and time-consuming litigation, payment of substantial damages and increases in our insurance rates.

We face an inherent risk of medical liability as a result of the clinical testing and any future commercialization of our drug candidates inside and outside China. For example, we may be sued if our drug candidates cause or are perceived to cause injury or are found to be otherwise unsuitable during clinical testing. Any such medical liability claims may include allegations of defects in design, a failure to warn of dangers inherent in the drug, negligence, strict liability or a breach of warranties. Even successful defense would require significant financial and management resources.

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

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

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

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

Global economies could suffer dramatic downturns as the result of a deterioration in the credit markets and related financial crisis as well as a variety of other factors including, extreme volatility in security prices, severely diminished liquidity and credit availability, ratings downgrades of certain investments and declining valuations of others. In the past, governments have taken unprecedented actions in an attempt to address and rectify these extreme market and economic conditions by providing liquidity and stability to the financial markets. If these actions are not successful, the return of adverse economic conditions may cause a significant impact on our ability to raise capital, if needed, on a timely basis and on acceptable terms.

In addition, concerns over the recent Russian-Ukraine conflict and the Palestinian-Israel conflict, unrest and terrorist threats in the Middle East and other territories, among others, add uncertainties to the financial markets worldwide. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term. We are unable to predict all the risks and uncertainties that we face as a result of current economic, political, social and regulatory developments, and many of these risks are beyond our control. All such factors may materially and adversely affect our business and operations as well as our financial performance.

RISKS RELATING TO THE GLOBAL OFFERING

We may be required to be subject to filings with the CSRC for the listing and trading of our Shares on the Stock Exchange.

On February 17, 2023, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Trial Measures**") and five supporting guidelines (collectively, the "**Trial Measures and Supporting Guidelines**"), which came into effect on March 31, 2023. The Trial Measures and Supporting Guidelines will regulate both direct and indirect overseas offering and listing of PRC domestic companies' securities by adopting a filing-based regulatory regime. Pursuant to the Trial Measures and Supporting Guidelines, where an issuer submits an application for initial public offering to competent overseas regulators, such issuer must file with the CSRC within three business days after such application is submitted. The Trial Measures and Supporting Guidelines also require subsequent reports to be filed with the CSRC on material events, such as change of control or voluntary or forced delisting of the issuer(s) who have completed overseas offerings and listings. Based on the foregoing, we are required to comply with the filing procedure of the CSRC. We cannot assure you that we will be able to complete filings procedures in connection with overseas offerings and listings on timely basis. Any failure to complete filings procedures may have a material adverse effect on the overseas offerings and listings.

There has been no prior public market for our Shares and there can be no assurance that an active trading market for our Shares would develop, especially taking into account that certain of our existing Shareholders may be subject to a lock-up period, and the market price for our Shares may decline or became volatile.

No public market currently exists for our Shares. The initial Offer Price for our Shares to the public will be the result of negotiations between our Company and the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters), and the Offer Price may differ significantly from the market price of the Shares following the Global Offering. We have applied to the Stock Exchange for the listing of, and permission to deal in, the Shares. A listing on the Stock Exchange, however, does not guarantee that an active and liquid trading market for our Shares will develop, or if it does develop, that it will be sustained following the Global Offering, or that the market price of the Shares will rise following the Global Offering.

In particular, certain part of the Shares in issue as of the date of this prospectus will be subject to a lock-up period from the Listing Date, which may significantly affect the liquidity and trade volume of our Shares in the short term following the Global Offering. A listing on the Stock Exchange does not guarantee that an active and liquid trading market for our Shares will develop, especially during the period when a certain portion of our Shares may be subjected to lock-up, or if it does develop, that it will sustain following the Global Offering, or that market price of the Shares will rise following the Global Offering.

The price and trading volume of our Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. In particular, the business, results of operations and the market price of the shares of other companies engaging in similar business may affect the price and trading volume of our Shares. In addition to market and industry factors, the price and trading volume of our Shares may be highly volatile for reasons specific to our business, such as the results of clinical trials of our drug candidates, the results of our applications for approval of our drug candidates, regulatory developments and healthcare policies directly affecting us, fluctuations in our cash flows, investments and expenditures, relationships with our suppliers, movements or activities of key personnel or actions taken by competitors, among others. Moreover, shares of other biopharmaceutical companies listed on the Stock Exchange have experienced price volatility in the past, and it is possible that our Shares may be subject to changes in price not directly related to our performance.

Future sales or perceived sales of our Shares in the public market by major Shareholders following the Global Offering could materially and adversely affect the price of our Shares.

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

Potential investors will incur immediate and significant dilution as a result of the Global Offering.

The Offer Price of the Offer Shares is higher than the net tangible asset value per Share immediately prior to the Global Offering. Therefore, purchasers of the Offer Shares in the Global Offering will experience an immediate and significant dilution in pro forma net tangible assets, and our existing Shareholders will receive an increase in the pro forma adjusted net tangible assets per Share on their Shares. As a result, if we were to distribute our net tangible assets to the Shareholders immediately following the Global Offering, potential investors would receive less than the amount they paid for their H Shares. In addition, holders of our H Shares may experience a further dilution of their interest if the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) exercise the Over-allotment Option or if we issue additional Shares in the future at a price lower than our net tangible asset value per Share at the time of issuance. For details, please refer to "Unaudited Pro Forma Financial Information" in Appendix II to this prospectus.

Raising additional capital may cause dilution to our Shareholders, restrict our operations or require us to relinquish rights to our technologies or drug candidates.

We may finance our future cash needs through equity offerings, licensing arrangements or other collaborations, government funding arrangements, debt financings, or any combination thereof. In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe that we have sufficient funds for our current or future operating plans. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms may include liquidation or other preferences that adversely affect your rights as a holder of our H Shares. The incurrence of additional indebtedness or the issuance of certain equity securities could result in increased fixed payment obligations and could also result in certain additional restrictive covenants, such as limitations on our ability to incur additional debt or issue additional equity, limitations on our ability to acquire or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. In addition, issuance of additional equity securities, or the possibility of such issuance, may cause the market price of our H Shares to decline.

Our Controlling Shareholders have substantial control over our Company and their interests may not be aligned with the interests of the other Shareholders.

Our Controlling Shareholders have substantial influence over our business, including matters relating to our management, policies and decisions regarding acquisitions, mergers, expansion plans, consolidations and sales of all or substantially all of our assets, election of Directors and other significant corporate actions. Immediately after completion of the Global Offering, assuming the Over-allotment Option is not exercised, our Controlling Shareholders will hold approximately 55.89% of the issued share capital in our Company. This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive other Shareholders of an opportunity to receive a premium for their Shares as part of a sale of our Company and might reduce the price of our Shares. These events may occur even if they are opposed by our other Shareholders. In addition, the interests of our Controlling Shareholders may differ from the interests of our other Shareholders. We cannot assure you that our Controlling Shareholders will not exercise their substantial influence over us and cause us to enter into transactions or take, or fail to take, actions or make decisions that conflict with the best interests of our other Shareholders.

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

Our Board has complete discretion as to whether to distribute dividends. Even if our Board decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions (if any) received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our Board.

Accordingly, the return on your investment in our Shares will likely depend entirely upon any future price appreciation of our Shares. There is no guarantee that our Shares will appreciate in value after the Global Offering or even maintain the price at which you purchased the Shares. You may not realize a return on your investment in our Shares and you may even lose your entire investment in our Shares. For details, please refer to "Financial information — Dividend" in this prospectus.

Facts, forecasts and statistics in this prospectus are derived from a third-party report and government sources and may not be fully reliable.

Certain facts, forecasts and statistics in the prospectus relating to the pharmaceutical industry in and outside China are obtained from various government sources we generally believe to be reliable, and we cannot guarantee either the quality or reliability of such source materials. We believe that the information originated from appropriate sources and was extracted and reproduced after taking reasonable care. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. However, neither we, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators nor our or their respective affiliates or advisors have verified the facts, forecasts and statistics nor ascertained the underlying economic assumptions relied upon in those facts, forecasts and statistics obtained from these sources. Due to possibly flawed or ineffective collection methods or discrepancies between published information and factual information and other problems, the statistics in this prospectus relating to the pharmaceutical industry in and outside China may be inaccurate, and you should not place undue reliance on it. We make no representation as to the accuracy of such facts, forecasts and statistics obtained from various sources. Moreover, these facts, forecasts and statistics involve risk and uncertainties and are subject to change based on various factors and should not be unduly relied upon.

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

This prospectus contains certain statements and information that are forward-looking and uses forward-looking terminology such as "aim," "anticipate," "believe," "could," "expect," "estimate," "goals," "going forward," "intend," "may," "might," "objective," "ought to," "outlook," "plan," "potential," "predict," "projection," "schedule," "seek," "should," "target," "vision," "will," "would" and other similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations or warranties by us that our plans and objectives will be achieved, and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this

prospectus, whether as a result of new information, future events, or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this prospectus are qualified by reference to this cautionary statement.

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

Prior to the publication of this prospectus, there has been coverage in the media regarding us and the Global Offering, which contained among other things, certain financial information, projections, valuations and other forward-looking information about us and the Global Offering. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for the accuracy or completeness of such media coverage or forward-looking statements.

We make no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the media. We disclaim any information in the media to the extent that such information is inconsistent or conflicts with the information contained in this prospectus. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this prospectus only and should not rely on any other information.

In preparation of the Global Offering, our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, an applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong and, under normal circumstances, at least two of the Company's executive directors must be ordinarily resident in Hong Kong.

Since our Group's headquarters and principal place of business are located in the PRC, most of the business operations of our Group are managed and conducted in Wuhan, the PRC, and all of our executive Directors ordinarily reside outside Hong Kong, our Company considers that it would be practically difficult and commercially unreasonable and undesirable for our Company to arrange for two executive Directors to be ordinarily resident in Hong Kong, either by means of relocation of existing executive Directors or appointment of additional executive Directors. Our Company does not have and does not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rules 8.12 and 19A.15 of the Listing Rules. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules. We will ensure that there is an effective channel of communication between us and the Stock Exchange by way of the following arrangements:

(a) pursuant to Rule 3.05 of the Listing Rules, we have appointed two authorized representatives, who will act as the Company's principal channel of communication with the Stock Exchange. The two authorized representatives appointed are Dr. Zhang, our Chairman and executive Director, and Mr. Li, our Company's company secretary. Each of them has confirmed that they can be readily contactable by phone, facsimile and email to deal promptly with enquiries from the Stock Exchange, and will also be available to meet with the Stock Exchange to discuss any matter on short notice. Although Dr. Zhang resides in the PRC, he possesses valid travel document to visit Hong Kong and is able to renew such travel document when it expires. Mr. Li ordinarily resides in Hong Kong. As and when the Stock Exchange wishes to contact the Directors on any matter, each of the authorized representatives will have means to contact all of the Directors at all times. Our Company will also inform the Stock Exchange promptly in respect of any change in the authorized representatives;

(b) in addition to the appointment of the authorized representatives and pursuant to Rule 3.20 of the Listing Rules, to facilitate communication with the Stock Exchange, the contact details of each Director, including his/her mobile phone number, office number, facsimile number and e-mail address have been provided to each of the

authorized representatives, our company secretaries, the Compliance Advisor (as defined below) who have means to contact all Directors at all times as and when the Stock Exchange wishes to contact the Directors on any matter and the Stock Exchange. In the event that a Director expects to travel or is otherwise out of office, he/she will endeavor to provide his/her phone number of the place of his/her accommodation to the authorized representatives or maintain an open line of communication via his/her mobile phone;

(c) furthermore, each Director who is not ordinarily resident in Hong Kong either possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period as and when required;

(d) pursuant to Rule 3A.19 of the Listing Rules, our Company has appointed Red Sun Capital Limited as our compliance advisor (the "**Compliance Advisor**") for the period commencing from the date of our Listing until the date on which our Company announces our financial results and distributes our annual report for the first full financial year after the date of our Listing pursuant to the requirement under Rule 13.46 of the Listing Rules. The Compliance Advisor will act as our Company's additional and alternative channel of communication with the Stock Exchange, and its representatives will be readily available to answer enquiries from the Stock Exchange;

(e) in addition to the Compliance Advisor's role and responsibilities after the Listing to provide advice to our Company on the continuing obligations under the Listing Rules and applicable laws and regulations, our Company will retain other professional advisers (including legal advisers and accountants) to (i) inform our Company in a timely manner of any amendment or supplement to the Listing Rules and any new or amended laws, regulations or codes in Hong Kong applicable to our Company; (ii) to provide advice to our Company on the continuing requirements under the Listing Rules and applicable Hong Kong laws and regulations; and (iii) to provide advice to our Company on the application of the Listing Rules and other applicable Hong Kong laws and regulations relating to our Company after the Listing; and

(f) meetings between the Stock Exchange and our Directors could be arranged through the Company's authorized representatives or the Compliance Advisor, or directly with the Directors within a reasonable time frame. The Company will promptly inform the Stock Exchange of any changes of the Company's authorized representatives and/or the Compliance Advisor.

JOINT COMPANY SECRETARIES

Rule 8.17 of the Listing Rules provides that we must appoint a company secretary who satisfies Rule 3.28 of the Listing Rules. Rule 3.28 of the Listing Rules provides that our company secretary must be a person who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of a company secretary.

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, and the Chapter 3.10 of the Guide, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

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

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

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

Pursuant to Note 2 to Rule 3.28 of the Listing Rules, and the Chapter 3.10 of the Guide, in assessing "relevant experience", the Stock Exchange will consider the following of the individual:

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

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

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

(d) professional qualifications in other jurisdictions.

Our Company considers that while it is important for the company secretary to be familiar with the relevant securities regulation in Hong Kong, he/she also needs to have experience relevant to our Company's operations, nexus to the Board and close working relationship with the management of our Company in order to perform the function of a company secretary and to take the necessary actions in the most effective and efficient manner. It is for the benefit of our Company to appoint a person who has been a member of the senior management for a period of time and is familiar with our Company's business and affairs as company secretary.

We have appointed Mr. Zhang Hui, our chief financial officer, and Mr. Li as the joint company secretaries of our Company. Mr. Li is a Chartered Secretary and an Associate of both The Hong Kong Charted Governance Institute and The Chartered Governance Institute in the United Kingdom, therefore meets the qualification requirements under Note to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules. Mr. Zhang Hui, however, does not possess the qualifications set out in Rule 3.28 of the Listing Rules. We believe that Mr. Zhang Hui, by virtue of his knowledge and experience in handling financial management and corporate development matters, is capable of discharging his functions as a joint company secretary. For more details of Mr. Zhang Hui and Mr. Li's biographical information, see "Directors, Supervisors and Senior Management" in this prospectus.

We have therefore applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules on the conditions that: (i) Mr. Zhang Hui must be assisted by Mr. Li, who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the waiver period; (ii) the waiver can be revoked if there are material breaches of the Listing Rules by our Company; and (iii) before the end of the three-year period, our Company must demonstrate and seek the Stock Exchange's confirmation that Mr. Zhang Hui (i.e. the proposed company secretary not fulfilling the requirement under Rule 3.28), having had the benefit of Mr. Li's (i.e. the qualified person) assistance during the three-year period, has attained the relevance experience under note to Rule 3.28 and is capable of discharging the functions of company secretary so that a further waiver would not be necessary. We expect that Mr. Zhang Hui will acquire the qualifications or relevant experience required under Rule 3.28 of the Listing Rules prior to the end of the three-year period after the Listing. We will liaise with the Stock Exchange before the end of the three-year period to enable it to assess whether Mr. Zhang Hui, having had the benefit of Mr. Li's assistance for three years and has acquired relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

EXEMPTION FROM STRICT COMPLIANCE WITH SECTION 342(1) OF THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE IN RELATION TO PARAGRAPH 27 OF PART I AND PARAGRAPH 31 OF PART II OF THE THIRD SCHEDULE TO THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

According to section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the prospectus shall include the matters specified in Part I of the Third Schedule thereto and the reports specified in Part II of the Third Schedule thereto.

According to paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, our Company is required to include in the prospectus a statement as to the gross trading income or sales turnover (as the case may be) of our Company during each of the three financial years immediately preceding the issue of the prospectus as well as an explanation of the method used for the computation of such income or turnover and a reasonable breakdown of the more important trading activities. According to paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, our Company is required to include in its prospectus a report prepared by our Company's auditor with respect to the profits and losses and assets and liabilities of our Company for each of the three financial years immediately preceding the issue of the prospectus.

According to section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from compliance with the relevant requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interest of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

According to Rule 4.04(1) of the Listing Rules, the accountant's report contained in the prospectus must include, among others, the results of the company in respect of each of the three financial years immediately preceding the issue of the prospectus or such shorter period as may be acceptable to the Stock Exchange.

According to Rule 18A.06 of the Listing Rules, an eligible biotech company shall comply with Rule 4.04 of the Listing Rules modified so that references to "three financial years" or "three years" in that rule shall instead reference to "two financial years" or "two years," as the case may be.

Accordingly, we have applied to the SFC for, and the SFC has granted, a certificate of exemption from strict compliance with the requirements under section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, on the conditions that the particulars of the exemption are set forth in this prospectus and this prospectus will be issued on or before December 15, 2025, on the following grounds:

(a) we are a clinical-stage biopharmaceutical company dedicated to the development of immuno-oncology program, and falls within the scope of biotech company as defined under Chapter 18A of the Listing Rules;

(b) the Accountants' Report for the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2025 has been prepared and is set out in Appendix I to this prospectus in accordance with Rule 18A.06 of the Listing Rules;

(c) we are a pre-revenue biotech company and during the Track Record Period, we did not generate any revenue from our drug candidates under development, and we will continue to incur significant research and development and other expenses related to our ongoing operations. For details of our major activities, see "Business" in this prospectus;

(d) notwithstanding that the financial results set out in this prospectus are only for the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2025, other information required to be disclosed under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance has been adequately disclosed in this prospectus pursuant to the relevant requirements;

(e) given that Chapter 18A of the Listing Rules provides that the minimum track record period for biotech companies in terms of financial disclosure is two years, strict compliance with the requirements of section 342(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance and paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance would be unnecessary and/or irrelevant for our Company;

(f) our Directors and the Sole Sponsor confirm that after performing all due diligence work which they consider appropriate, up to the date of this prospectus, there has been no material adverse change to the financial and trading positions or prospects of our Company since August 31, 2025 (immediately following the date of the latest audited statement of financial position in the Accountants' Report set out in Appendix I to this prospectus) to the date of this prospectus and there has been no event which would materially affect the information shown in the Accountants' Report as set out in Appendix I and the section headed "Financial Information" in this prospectus and other parts of the prospectus; and

(g) our Directors are of the view that the Accountants' Report covering the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2025 included in this prospectus, together with other disclosure in this prospectus, have already provided the potential investors with adequate and reasonably up-to-date information in the circumstances to form a view on the track record of our Company, and our Directors confirm that all information which is necessary for the investing public to make an informed assessment of our Group's business, assets and liabilities, financial position, trading position, management and prospects has been included in this prospectus. Therefore, the exemption would not prejudice the interest of the investing public.

CONSENT IN RESPECT OF THE PROPOSED SUBSCRIPTION OF H SHARES BY A CONNECTED CLIENT

Guotai Junan Investments (Hong Kong) Limited (in connection with the Kunyang OTC Swaps)

Paragraph 1C(1) of Appendix F1 to the Listing Rules (the "Placing Guidelines") provides that no allocations will be permitted to "connected clients" of the overall coordinator(s), any syndicate member(s) (other than the overall coordinator(s)) or any distributor(s) (other than syndicate member(s)), without the prior written consent of the Stock Exchange. Paragraph 1B(7) of the Placing Guidelines provides that "connected client" in relation to an exchange participant includes any client which is a member of the same group of companies as such exchange participant.

Guotai Junan Investments (Hong Kong) Limited ("GTINV") and Guotai Haitong Securities Co., Ltd. ("GTHT") will enter into a series of cross border delta-one OTC swap transactions (the "Kunyang OTC Swaps") with each other and with Kunyang New Pattern No. 1 Private Securities Investment Fund (鯤洋新格局1號私募證券投資基金) (the "GTHT Ultimate Client (Kunyang)"), pursuant to which GTINV will hold the Offer Shares on a non-discretionary basis to hedge the Kunyang OTC Swaps while the economic risks and returns of the underlying Offer Shares are passed to the GTHT Ultimate Client (Kunyang), subject to customary fees and commissions. The Kunyang OTC Swaps will be fully funded by the GTHT Ultimate Client (Kunyang). During the terms of the Kunyang OTC Swaps, all economic returns of the Offer Shares subscribed by GTINV will be passed to the GTHT Ultimate Client (Kunyang) and all economic loss shall be borne by the GTHT Ultimate Client (Kunyang) through the Kunyang OTC Swaps, and GTINV will not take part in any economic return or bear any economic loss in relation to the Offer Shares. Despite GTINV holding the legal title to the Offer Shares, it will not exercise the voting rights attaching to the relevant Offer Shares during the terms of the Kunyang OTC Swaps according to its internal policy.

Haitong International Securities Company Limited ("Haitong International Securities") is one of the Overall Coordinators, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and the Underwriters of the Global Offering. GTINV and Haitong International Securities are indirectly wholly-owned subsidiaries of GTHT. Accordingly, GTINV is a connected client of Haitong International Securities for the purpose of the Placing Guidelines.

We have applied for, and the Stock Exchange has granted, its consent under paragraph 1C(1) of the Placing Guidelines to allow GTINV to subscribe for Offer Shares as a Cornerstone Investor on the following basis and conditions, consistent with paragraph 6 of Chapter 4.15 of the Guide for New Listing Applicants:

(a) any Offer Shares to be allocated to GTINV will be held on behalf of independent third parties and details of the allocation will be disclosed in the allotment results announcement;

(b) the cornerstone investment agreement with GTINV does not contain any material terms which are more favourable to GTINV than those in the other cornerstone investment agreements;

(c) no preferential treatment has been, nor will be, given to GTINV by virtue of its relationship with Haitong International Securities in any allocation of Offer Shares in the International Offering, other than the assured entitlement under the relevant cornerstone investment agreement;

(d) the Overall Coordinators have provided the Stock Exchange with the identities of the ultimate beneficial owner(s) of the Offer Shares to be held through the Kunyang OTC Swaps and, where applicable, details of the Kunyang OTC Swaps under which the subscription by GTINV is made; and

(e) details of the cornerstone investment by GTINV and the allocation of the Offer Shares to it will be disclosed in the section headed "Cornerstone Investors" in this prospectus and in the allotment results announcement.

TFI Investment Fund SPC (acting for and on behalf of its segregated portfolio, TFI Lakeside SP)

TFI Lakeside SP (the "TFI Fund") is a segregated portfolio of TFI Investment Fund SPC, an exempted company incorporated under the laws of the Cayman Islands and registered as a segregated portfolio company and is an Independent Third Party. 100% of the management shares of TFI Investment Fund SPC are held by TFI Asset Management (Cayman) Ltd. The investment manager of the TFI Fund is TFI Asset Management Limited. Both TFI Asset Management (Cayman) Ltd. and TFI Asset Management Limited are indirectly wholly owned by Tianfeng Securities Co., Ltd. (a company listed on the Shanghai Stock Exchange (stock code: 601162)). TFI Asset Management Limited is a company incorporated in Hong Kong and licensed by the SFC to carry out Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 9 (asset management) regulated activities under the SFO in Hong Kong by the SFC. No single participating investor holds 30% or more interests in the TFI Fund.

TFI Securities and Futures Limited ("TFI Securities") is one of the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and the Underwriters of the Global Offering. As TFI Securities is also wholly owned by Tianfeng Securities, TFI Investment Fund SPC is a connected client of TFI Securities for the purpose of the Placing Guidelines.

TFI Investment Fund SPC (acting for and on behalf of its segregated portfolio, TFI Lakeside SP) intends to subscribe for Offer Shares as a Cornerstone Investor under the International Offering pursuant to a cornerstone investment agreement with the Company (the

"TFI Cornerstone Investment Agreement"). TFI Investment Fund SPC (acting for and on behalf of its segregated portfolio, TFI Lakeside SP) will hold the Offer Shares on a discretionary basis for and on behalf of its underlying clients and accounts, all of whom are independent third parties.

We have applied for, and the Stock Exchange has granted, its consent under paragraph 1C(1) of the Placing Guidelines to allow TFI Investment Fund SPC to subscribe for Offer Shares as a Cornerstone Investor as a connected client of TFI Securities on the following basis and conditions as required under paragraph 6 of Chapter 4.15 of the Guide for New Listing Applicants:

(a) any Offer Shares to be allocated to TFI Investment Fund SPC (acting for and on behalf of its segregated portfolio, TFI Lakeside SP) will be held on behalf of independent third parties and details of the allocation will be disclosed in the allotment results announcement;

(b) the TFI Cornerstone Investment Agreement does not contain any material term which is more favourable to TFI Investment Fund SPC (acting for and on behalf of its segregated portfolio, TFI Lakeside SP) than those in the other cornerstone investment agreements;

(c) no preferential treatment has been, nor will be, given to TFI Investment Fund SPC (acting for and on behalf of its segregated portfolio, TFI Lakeside SP), Associates and subsidiaries of TFI Securities by virtue of their relationships with TFI Securities in any allocation of Offer Shares in the International Offering, other than the assured entitlement under the TFI Cornerstone Investment Agreement;

(d) TFI Securities has not participated and will not participate in the decision-making process or relevant discussions relating to allocation of securities to TFI Investment Fund SPC (acting for and on behalf of its segregated portfolio, TFI Lakeside SP), or other Associates and subsidiaries of TFI Securities;

(e) the Overall Coordinators have provided the Stock Exchange with the background and details of TFI Investment Fund SPC — TFI Lakeside SP as a collective investment scheme not authorized by the SFC;

(f) each of the Company, the Overall Coordinators, TFI Securities and TFI Investment Fund SPC (acting for and on behalf of its segregated portfolio, TFI Lakeside SP) has provided the Stock Exchange with written confirmations in accordance with Chapter 4.15 of the Guide for New Listing Applicants; and

(g) details of the cornerstone investment by TFI Investment Fund SPC (acting for and on behalf of its segregated portfolio, TFI Lakeside SP) and the allocation of Offer Shares to it will be disclosed in the section headed "Cornerstone Investors" in this prospectus and in the allotment results announcement.

DIRECTORS' RESPONSIBILITY STATEMENT

This prospectus, for which our Directors (including any proposed director named as such in this prospectus) collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this prospectus misleading.

CSRC FILING

We submitted a filing to the CSRC to apply for the Global Offering and listing of the H Shares on the Stock Exchange on November 26, 2024. The CSRC issued the notification on completion of filing on November 12, 2025. As advised by our PRC Legal Adviser, our Company has completed all necessary filings with the CSRC and no other approvals from the CSRC are required to be obtained for the listing of the H Shares on the Stock Exchange.

INFORMATION ON THE GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this prospectus sets out the terms and conditions of the Hong Kong Public Offering. The Global Offering comprises the Hong Kong Public Offering of initially 1,832,100 Offer Shares and the International Offering of initially 16,488,900 Offer Shares (subject, in each, to reallocation on the basis as set out in the section headed "Structure of the Global Offering" in this prospectus).

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out in this prospectus. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters and any of their respective directors, officers, partners, agents, employees or advisers or any other party (collectively, the "**Relevant Persons**") involved in the Global Offering.

The Listing is sponsored by the Sole Sponsor and the Global Offering is managed by the Overall Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters subject to the terms and conditions of the Hong Kong Underwriting Agreement. The International Offering is expected to be fully underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement, which is expected to be entered into on or around the Price Determination Date.

The Offer Price is expected to be determined between the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and our Company on the Price Determination Date. The Price Determination Date is expected to be on or around Friday, December 19, 2025 and, in any event, not later than 12:00 noon on Friday, December 19, 2025 (unless otherwise determined between the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and our Company). If, for any reason, the Offer Price is not agreed among us and the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters), the Global Offering will not proceed and will lapse. For full information about the Underwriters and the underwriting arrangements, please refer to the section headed "Underwriting" in this prospectus.

Neither the delivery of this prospectus nor any subscription or acquisition made under it shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

PROCEDURES FOR APPLICATION FOR THE HONG KONG OFFER SHARES

The procedures for applying for the Hong Kong Offer Shares are set forth in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING

Details of the structure of the Global Offering, including its conditions, are set forth in the section headed "Structure of the Global Offering" in this prospectus.

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his/her acquisition of Offer Shares to, confirm that he/she is aware of the restrictions on offers and sale of the Offer Shares described in this prospectus.

No action has been taken to permit a public offering of the Offer Shares or the general distribution of this prospectus in any jurisdiction other than in Hong Kong. Accordingly, this prospectus may not be used for the purposes of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions and pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been offered and sold, and will not be offered and sold, directly or indirectly in the US or the PRC.

APPLICATION FOR LISTING OF THE H SHARES ON THE STOCK EXCHANGE

We have applied to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, (a) the H Shares to be issued pursuant to the Global Offering; and (b) the H Shares to be converted from the Unlisted Shares.

No part of our Shares or loan capital is listed or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought on any other stock exchange as of the date of this prospectus or in the near future.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the H Shares on the Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to the Company by or on behalf of the Stock Exchange.

COMMENCEMENT OF DEALINGS IN THE H SHARES

Dealings in the H Shares on the Stock Exchange are expected to commence on Tuesday, December 23, 2025. The H Shares will be traded in board lots of 100 H Shares each. The stock code of the H Shares will be 3378.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. Investors should seek the advice of their stockbroker or other professional advisors for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made to enable the H Shares to be admitted into CCASS.

PROFESSIONAL TAX ADVICE RECOMMENDED

You should consult your professional advisors if you are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of, or dealing in, the H Shares or exercising any rights attaching to the H Shares. We emphasise that none of us, the Relevant Persons, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering accepts responsibility for any tax effects or liabilities resulting from your subscription, purchase, holding or disposing of, or dealing in, the H Shares or your exercise of any rights attaching to the H Shares.

H SHARE REGISTER OF MEMBERS AND STAMP DUTY

All of the Offer Shares issued pursuant to applications made in the Hong Kong Public Offering and the International Offering will be registered on our H Share register of members to be maintained in Hong Kong by our H Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. Our principal register of members will be maintained at our current registered office in the PRC.

Dealings in the H Shares registered in our H Share register of members will be subject to Hong Kong stamp duty. For further details on Hong Kong stamp duty, please seek professional tax advice.

Unless determined otherwise by our Company, dividends payable in respect of our H Shares will be paid to the Shareholders listed on the H Share register of members of our Company in Hong Kong, by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder of our Company.

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars.

Unless otherwise specified, amounts denominated in Hong Kong dollars and Renminbi have been translated, for the purpose of illustration only, into United States dollars in this prospectus at the following exchange rates:

HK$1.00:RMB0.90919

US$1.00:HK$7.7832

US$1.00:RMB7.0764

No representation is made that the amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars can be or could have been, at the relevant dates, converted at the above rates or any other rates or at all.

LANGUAGE

If there is any inconsistency between the English version of this prospectus and the Chinese translation of this prospectus, the English version of this prospectus shall prevail unless otherwise stated. However, if there is any inconsistency between the names of any of the entities mentioned in the English version of this prospectus which are not in the English language and their English translations, the names in their respective original language shall prevail.

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments, or have rounded to a set number of decimal places. Accordingly, figures shown as totals in certain tables or charts may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Dr. Zhang Faming (張發明)	Unit 601 Unit 1, Block 42 Hengda Huafu No. 22 Luoyu East Road Wuhan East Lake New Technology Development Area Wuhan, Hubei PRC	American
Dr. Henry Qixiang Li (李其翔)	3561 Voyager Ct. Oceanside California USA	American
Mr. Liu Min (劉敏)	Unit 4-1-504, Lidao 2046 Xiongchu Avenue Hongshan District Wuhan, Hubei PRC	Chinese
Non-executive Directors		
Dr. Li Jian (李健)	Unit 202 Building 18 No. 24 Wenhua Road Taishan District Taian, Shandong PRC	Chinese
Ms. Xiao Jieyu (肖婕妤)	Unit 202, Unit 1, Building 9 Hailun Chuntian Phase I 44R2 Block, Sixin South Road Zhuankou Development District Wuhan, Hubei PRC	Chinese
Independent non-executive Directors		
Dr. Bi Honggang (畢紅鋼)	Unit 202 Building 12 Green Court 2 No. 650 Bi Yun Road Pudong New Area Shanghai PRC	American

Name	Address	Nationality
Mr. Chen Qifeng (陳奇峰)	Unit 902 Unit 2 Building 20 Xindi Dongfang Mingzhu Wanlong 5th Road Xingfu Avenue Jiangan District Wuhan, Hubei PRC	Chinese
Mr. Wong Sai Hung (王世雄)	Flat D 6/F Block 4 City Garden 233 Electric Road North Point Hong Kong	Chinese (Hong Kong)
Dr. Zhang Qiongguang (張瓊光)	Unit 816, Building 7 Ketai Apartment Kegu Third Street Tongzhou District Beijing PRC	Chinese

SUPERVISORS

Name	Address	Nationality
Dr. Ke Hang (柯航)	Unit 202 Building 3 Block 3 No. 21 Zhongnan Road Wuchang District Wuhan, Hubei PRC	Chinese
Ms. Sun Peng (孫鵬)	Unit 1002, No. 138, Lane 1688 Landian Road, Zhoupu Town Pudong New Area Shanghai PRC	Chinese
Ms. Chen Chen (陳晨)	Unit 307, Building E9 Talent Apartment Guanggu 3rd Road Hongshan District Wuhan, Hubei PRC	Chinese

For details of the biographies and other relevant information of the Directors and Supervisors, please refer to "Directors, Supervisors and Senior Management" in this prospectus.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Sole Sponsor	**ICBC International Capital Limited** 37/F, ICBC Tower 3 Garden Road Hong Kong
Sponsor-Overall Coordinator	**ICBC International Securities Limited** 37/F, ICBC Tower 3 Garden Road Hong Kong
Overall Coordinators	**China Securities (International) Corporate Finance Company Limited** 18/F, Two Exchange Square 8 Connaught Place Central Hong Kong **China Merchants Securities (HK) Co., Limited** 48/F, One Exchange Square Central Hong Kong **Haitong International Securities Company Limited** 30/F, Suites 3001-10 and 3015-16 One International Finance Centre No. 1 Harbour View Street Central Hong Kong **CCB International Capital Limited** 12/F, CCB Tower 3 Connaught Road Central Central Hong Kong
Joint Global Coordinators	**ICBC International Securities Limited** 37/F, ICBC Tower 3 Garden Road Hong Kong

China Securities (International) Corporate Finance Company Limited
18/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

China Merchants Securities (HK) Co., Limited
48/F, One Exchange Square
Central
Hong Kong

Haitong International Securities Company Limited
30/F, Suites 3001-10 and 3015-16
One International Finance Centre
No. 1 Harbour View Street
Central
Hong Kong

CCB International Capital Limited
12/F, CCB Tower
3 Connaught Road Central
Central
Hong Kong

TFI Securities and Futures Limited
16/F, Two Pacific Place
88 Queensway
Admiralty
Hong Kong

ABCI Capital Limited
11/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

SPDB International Capital Limited
33/F, SPD Bank Tower
One Hennessy
1 Hennessy Road
Hong Kong

Joint Bookrunners

ICBC International Securities Limited
37/F, ICBC Tower
3 Garden Road
Hong Kong

China Securities (International) Corporate Finance Company Limited
18/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

China Merchants Securities (HK) Co., Limited
48/F, One Exchange Square
Central
Hong Kong

Haitong International Securities Company Limited
30/F, Suites 3001-10 and 3015-16
One International Finance Centre
No. 1 Harbour View Street
Central
Hong Kong

CCB International Capital Limited
12/F, CCB Tower
3 Connaught Road Central
Central
Hong Kong

TFI Securities and Futures Limited
16/F, Two Pacific Place
88 Queensway
Admiralty
Hong Kong

ABCI Capital Limited
11/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

SPDB International Capital Limited
33/F, SPD Bank Tower
One Hennessy
1 Hennessy Road
Hong Kong

Livermore Holdings Limited
Unit 1214A, 12/F
Tower II Cheung Sha Wan Plaza
833 Cheung Sha Wan Road
Kowloon
Hong Kong

Tiger Brokers (HK) Global Limited
23/F, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

Shanxi Securities International Limited
Unit A, 29/F, Tower 1
Admiralty Center
18 Harcourt Road
Admiralty
Hong Kong

Beta International Securities Limited
Room 3326, 33/F, China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Sheung Wan
Hong Kong

Joint Lead Managers

ICBC International Securities Limited
37/F, ICBC Tower
3 Garden Road
Hong Kong

China Securities (International) Corporate Finance Company Limited
18/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

China Merchants Securities (HK) Co., Limited
48/F, One Exchange Square
Central
Hong Kong

Haitong International Securities Company Limited
30/F, Suites 3001-10 and 3015-16
One International Finance Centre
No. 1 Harbour View Street
Central
Hong Kong

CCB International Capital Limited
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3 Connaught Road Central
Central
Hong Kong

TFI Securities and Futures Limited
16/F, Two Pacific Place
88 Queensway
Admiralty
Hong Kong

ABCI Securities Company Limited
10/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

SPDB International Capital Limited
33/F, SPD Bank Tower
One Hennessy
1 Hennessy Road
Hong Kong

Livermore Holdings Limited
Unit 1214A, 12/F
Tower II Cheung Sha Wan Plaza
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Unit A, 29/F, Tower 1
Admiralty Center
18 Harcourt Road
Admiralty
Hong Kong

Beta International Securities Limited
Room 3326, 33/F, China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Sheung Wan
Hong Kong

Legal advisers to the Company	*As to Hong Kong Law:* **Jingtian & Gongcheng LLP** Suite 3203-3209, 32/F, Edinburgh Tower The Landmark 15 Queen's Road Central Hong Kong *As to the PRC law:* **Jingtian & Gongcheng** 34/F, Tower 3 China Central Place 77 Jianguo Road Beijing PRC
Legal advisers to the Sole Sponsor and the Underwriters	*As to Hong Kong Law:* **Ashurst Hong Kong** 43/F, Jardine House 1 Connaught Place Central Hong Kong *As to the PRC law:* **Commerce & Finance Law Offices** 12-15/F, China World Office 2 No. 1 Jianguomenwai Avenue Beijing PRC
Auditor and Reporting Accountants	**Ernst & Young** *Certified Public Accountants and Registered Public Interest Entity Auditor* 27/F, One Taikoo Place 979 King's Road Quarry Bay Hong Kong
Industry consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Suite 2504, Wheelock Square 1717 Nanjing West Road Shanghai PRC

Registered address, head office and principal place of business in the PRC	Building A8, Phase II Bio-Innovation Park No. 1 Jiufeng 1st Road East Lake New Technology Development Zone Wuhan, Hubei PRC
Principal place of business in Hong Kong	3/F, Building 2W Science Park Avenue Hong Kong Science Park Shatin New Territories Hong Kong
Company website	**http://www.hanxbio.com** *(information contained in the website does not form part of this prospectus)*
Joint company secretaries	Mr. Li Kin Wai (李健威) *(ACG, HKACG)* Room 1918, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong Mr. Zhang Hui (張輝) Unit 2704 E8 Building Talent Apartment Optics Valley Biotech City Hongshan District Wuhan, Hubei PRC
Authorized representatives	Dr. Zhang Faming (張發明) Unit 601 Unit 1, Block 42 Hengda Huafu No. 22 Luoyu East Road Wuhan East Lake New Technology Development Area Wuhan, Hubei PRC Mr. Li Kin Wai (李健威) *(ACG, HKACG)* Room 1918, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong

Board committees

Audit committee
Mr. Chen Qifeng (陳奇峰) *(Chairperson)*
Mr. Wong Sai Hung (王世雄)
Ms. Xiao Jieyu (肖婕妤)

Nomination committee
Dr. Zhang Faming (張發明) *(Chairperson)*
Dr. Bi Honggang (畢紅鋼)
Dr. Zhang Qiongguang (張瓊光)
Ms. Xiao Jieyu (肖婕妤)
Mr. Chen Qifeng (陳奇峰)

Remuneration committee
Mr. Wong Sai Hung (王世雄) *(Chairperson)*
Dr. Henry Qixiang Li (李其翔)
Dr. Bi Honggang (畢紅鋼)

Compliance advisor

Red Sun Capital Limited
Room 2703, 27/F
China Insurance Group Building
141 Des Voeux Road Central
Hong Kong

Receiving bank

Industrial and Commercial Bank of China (Asia) Limited
33/F., ICBC Tower
3 Garden Road
Central
Hong Kong

H Share Registrar

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Principal bank

China Merchants Bank (Wuhan Optics Valley Technology Branch)
No. 1, No. 475 Guanshan Avenue
East Lake New Technology
Development District
Wuhan, Hubei
PRC

The information and statistics set out in this section and other sections of this prospectus were extracted from the report prepared by an independent third party source, F&S, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged F&S to prepare the F&S Report, an independent industry report, in connection with the Global Offering. The information from official government sources has not been independently verified by us, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors and advisers, or any other persons or parties involved in the Global Offering, and no representation is given as to its accuracy, fairness and completeness.

SOURCE OF INFORMATION

We engaged F&S, a market research consultant, to prepare the F&S Report for use in this prospectus. The information from F&S disclosed in this prospectus is extracted from the F&S Report and is disclosed with the consent of F&S. In preparing the F&S Report, F&S collected and reviewed publicly available data such as government-derived information, annual reports, trade and medical journals, industry reports and other available information gathered by not-for-profit organizations as well as market data collected by conducting interviews with industry key opinion leaders.

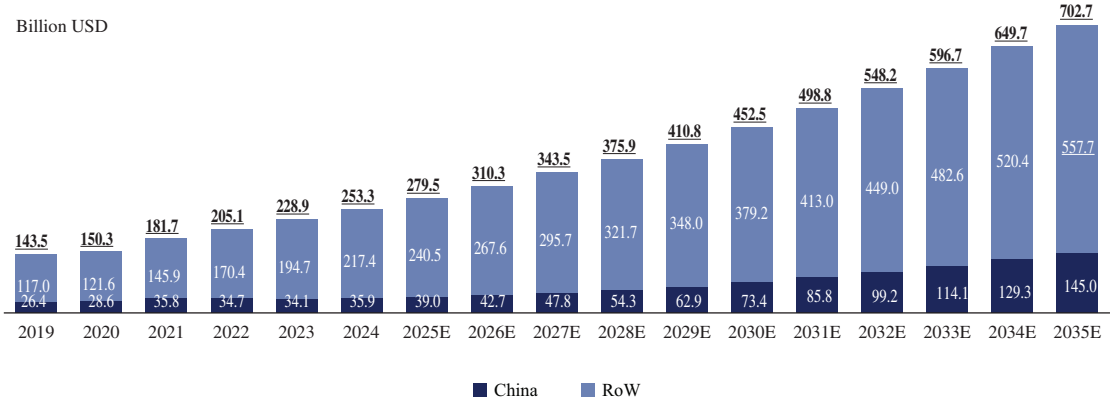
F&S has exercised due care in collecting and reviewing the information so collected and independently analyzed the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. We agreed to pay F&S a fee of RMB630,000 for the preparation and update of the F&S Report, which is not contingent on the Global Offering proceeding.

OVERVIEW OF ONCOLOGY DRUG MARKET

Accompanying with the growth of economy and healthcare demand, the global and China pharmaceutical market kept increasing in recent years, among which, the therapeutic area of oncology takes the largest and the second-largest segment in the global and China pharmaceutical market, respectively. According to the F&S Report, the global incidence of cancer increased from 18.5 million in 2019 to 21.3 million in 2024 at a CAGR of 2.9%, and is expected to further increase to 24.5 million and 27.1 million in 2030 and 2035, respectively, representing a CAGR of 2.3% from 2024 to 2030 and 2.1% from 2030 to 2035. The global oncology drug market reached US$253.3 billion in 2024, and it is expected to increase to US$452.5 billion and US$702.7 billion in 2030 and 2035, respectively, representing a CAGR of 10.2% from 2024 to 2030 and 9.2% from 2030 to 2035. The China oncology drug market reached US$35.9 billion in 2024, and it is expected to increase to US$73.4 billion and US$145.0 billion in 2030 and 2035, respectively, representing a CAGR of 12.6% from 2024 to 2030 and 14.6% from 2030 to 2035.

Global and China Oncology Drug Market, 2019-2035E

Period	CAGR		
	China	RoW	Global
2019-2024	6.3%	13.2%	12.0%
2024-2030E	12.6%	9.7%	10.2%
2030E-2035E	14.6%	8.0%	9.2%



Source: Annual report, Expert interview, Literature Review, Frost & Sullivan Analysis

Developments of Oncology Therapies

With changes of lifestyle, increased life expectancy, and effective control of other diseases, cancer has become one of the leading threats to human health. Tumors begin with the breakdown of orderly processes in the body, leading to abnormal differentiation of local cells, uncontrolled proliferation, and evasion of surveillance and pursuit by the body's immune system. The primary challenge in treating cancer is targeting cancerous cells. Cancer cells are mutations of a patient's normal cells and therefore closely resemble a patient's own cells. Cancer cells have the ability to both invade nearby tissues and spread to distant regions of the body. To treat cancer, the therapy must be able to distinguish between cancerous cells and healthy cells. Traditional cancer treatments are very much limited by this targeting problem.

Conventional treatment methods such as surgery, radiotherapy and chemotherapy have been widely utilized to treat cancer. Surgery can remove the tumor and nearby tissue during an operation. It is best for early stage tumors that are constrained in one area but is limited for cancers that have metastasized. Radiotherapy uses high doses of radiation to kill cancer cells and shrink tumors including solid tumors and leukemia. However, it affects nearby healthy cells, causing side effects such as fatigue, hair loss and skin changes. Chemotherapy uses one or more anti-cancer drugs to stop or slow the growth of cancer cells. However, it targets all fast growing cells, causing side effects such as fatigue, hair loss, easy bruising and bleeding, and infection.

More recent advances in genetics and cell biology have paved the way for a number of potential new therapies that can target cancerous cells more precisely while being less harmful to healthy cells. These alternative new therapies such as precision oncology and immuno-oncology are generally used when the traditional therapies are not suitable or effective. Below sets forth the mechanisms of action of three of the major oncology therapies:

- *Targeted Therapy* inhibits the growth of cancer cells by acting on specific targets that are mutated and expressed in associating with tumor cell proliferation and survival. It is less harmful to normal cells than traditional therapies.

- *Immuno-oncology Therapy* acts on immune systems including immune checkpoints that regulate the innate immune response to clear tumor cells. With the immune system fully activated, immune-oncology therapies could potentially lead to more durable anti-tumor activities.

- *Combination Therapy* uses multiple therapies as a combination. The combination of immune-oncology with chemotherapy, targeted drugs and other immune-oncology therapies are all potential therapeutic strategies with synergistic effect due to their synergistic MoAs and different toxicology profile.

According to the F&S Report, immuno-oncology therapy, particularly immune checkpoint inhibitors, has gained significant advances in recent years and benefited cancer patients with superior clinical benefits. Furthermore, it has the tendency to shift toward first-line treatment.

OVERVIEW OF IMMUNO-ONCOLOGY THERAPY

Over the last decade, immuno-oncology therapy has revolutionized cancer treatment. Immuno-oncology therapy is designed to stimulate the patient's own immune system to generate or augment an antitumor immune response in order to control or eradicate cancer cells. The immuno-oncology therapies comprise those activating innate immunity and those activating adaptive immunity. Due to its ability to provide durable remissions while being generally well-tolerated in patients of advanced cancers, the discovery and development of immuno-oncology therapies in recent years mark a milestone in cancer treatment. Below sets forth the major mechanisms of immuno-oncology therapy:

- *Immune Therapy Targeting Innate Immunity*

  Innate immune effectors include natural killer cells, polymorphonuclear, macrophages, and monocytes, which can engage in direct tumoricidal activity or exert Fc-mediated effector functions against antibody-opsonized tumor cells utilizing multiple mechanisms. The related signaling pathways include CD47/SIRPα, KIR-HLA, CD94-NKG2A, CD24, etc..

- *Immune Therapy Targeting Adaptive Immunity*

  By initiating and promoting the adaptive immunity or inhibiting the adaptive immune resistance, tumor growth can be effectively inhibited or controlled. The adaptive immune resistance is a process in which immune system try to attack the cancer, but cancer changes in a reactive fashion to protect itself from the attack. Inhibiting adaptive immune resistance is the mechanistic basis of responses to PD-1 or PD-L1 blocking antibodies, and may be of relevance for the development of other cancer immunotherapy strategies. The related signaling pathways include CD28-CD80/CD86, CTLA-4-CD80/CD86.

Nowadays, anti-tumor immunotherapy is playing an increasingly important role in the field of cancer therapy. Encouraging data have been seen in trials of various malignant tumors, with improved efficacy and reduced adverse effects through exploration of new immuno-oncology targets and new modalities such as bispecific antibody and combination therapy.

Exploration and Developments of Immuno-oncology Therapies

Immuno-oncology therapies are emerging cancer therapies in global market, including the therapies of cytokines, therapeutic cancer vaccine, immune checkpoint inhibitors and adoptive cell transfer therapies. Immuno-oncology therapies are expected to bring increasing clinical benefits to patients across almost all major cancer types around the world.

Considering their structure and mechanism of action, antibody like-drugs (generalized as the term antibody) including monoclonal antibody, bispecific antibody, antibody drug conjugate (ADC) and fusion protein is an emerging pillar of cancer immune checkpoint therapies. Currently, the majority of the immuno-oncology therapies on the market revolve around T cells, such as PD-1, PD-L1 and CTLA-4 inhibitors, and CAR-T cell therapies, while other immune cell types that can be mobilized, including macrophage and NK cells, are still at development stage.

The most widely prescribed and efficacious single agent immune checkpoint antibody therapies that have been discovered and successfully developed to date are PD-1/PD-L1 and CTLA-4 monoclonal antibodies. In addition to PD-1/PD-L1 and CTLA-4, there are also a number of other immune checkpoints that are being explored in clinical trials, which also exhibit unique functions in regulating distinct aspects of immunity.

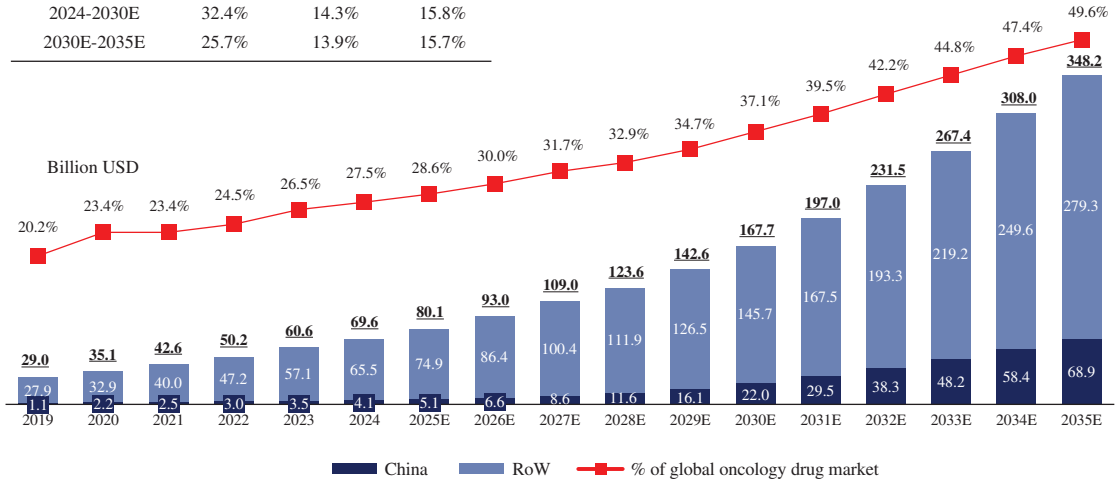
Global and China Immuno-oncology Therapy Market

According to the F&S Report, in 2024, China immuno-oncology therapies market has reached US$4.1 billion, growing from US$1.1 billion in 2019. It is expected to increase to US$22.0 billion and US$68.9 billion in 2030 and 2035 respectively, with the CAGR of 32.4% from 2024 to 2030 and 25.7% from 2030 to 2035. In addition, the percentage of global immuno-oncology therapy market to global oncology drug market increased significantly from 20.2% in 2019 to 27.5% in 2024. The global immuno-oncology therapy market is projected to represent 49.6% of the market share of global oncology drug market in 2035.

Currently, approximately 90% of the approved immune-oncology therapies are monoclonal antibodies, and majority of other types (e.g., bispecific antibody, ADC, fusion protein) of therapies are under the development. As of the Latest Practicable Date, checkpoint antibodies market are mainly composed of checkpoints PD-1/PD-L1 and CTLA-4. The following chart sets forth the historical and projected immuno-oncology therapy market size in the global market and China, and the global market share of immuno-oncology therapy as a percentage of the global oncology market for the periods indicated:

Global Immuno-Oncology Therapy Market by Region, 2019-2035E

Period	CAGR		
	China	RoW	Global
2019-2024	30.8%	18.6%	19.1%
2024-2030E	32.4%	14.3%	15.8%
2030E-2035E	25.7%	13.9%	15.7%



Source: Annual report, Expert interview, Literature Review, Frost & Sullivan Analysis

Growth Drivers of Global and China's Immuno-oncology Therapy Market

Increasing Addressable Patient Population

The incidence of cancer has increased both in global market and China, and is expected to continuously grow due to increasing lifespan, aging of population, modern sedentary lifestyle, and obesity. For instance, increasing lifespans and population aging play a fundamental role, as cancer risk rises with age due to accumulated genetic damage and declining cellular repair mechanisms. Additionally, based on large cohort studies reviewed, the International Agency for Research on Cancer concluded there is consistent evidence that higher amounts of body fat are associated with an increased risk of several cancers. The increasing incidence rate combined with improving healthcare access and affordability, and the growing demand for effective cancer treatments will fundamentally drive the continuous growth of immune-oncology therapy market.

Furthermore, currently approved immune-oncology therapies generally encounter low response rates, high recurrence rates and other limitations, presenting attractive market opportunities for immunotherapies to further improve treatment outcomes. For example, BTC is one of the targeted indication of our Core Product. According to the F&S Report, the incidence of BTC in China reached 139,800 in 2024, which is expected to increase to 161,100 in 2030 and 179,100 in 2035, representing a CAGR of 2.4% between 2024 and 2030 and 2.1% between 2030 and 2035, respectively. Meanwhile, global incidence of BTC in 2024 reached 419,100, which is estimated to rise to 505,000 in 2030 and 582,900 in 2035, representing a CAGR of 3.2% and 2.9%, respectively. Another growth driver of our products can be remarked by the capability of our Key Product HX301 in respect of blood-brain barrier penetration. HX301 has demonstrated a brain: plasma exposure ratio of about 70%, suggesting it could be developed as a promising treatment of glioblastoma, an aggressive malignancy with huge unmet medical need.

Indication Expansion and Advancement of Treatment Line of Immuno-oncology Therapies

The development of immunotherapies in previously untapped indications benefits a growing patient population. PD-1/PD-L1 inhibitors, for instance, were initially approved for the treatment of melanoma in 2014 and have now been approved for clinical treatment in a wide range of cancers, such as Hodgkin lymphoma, NSCLC, HNSCC, HCC, RCC and UC. In addition, immune-oncology therapies that initially approved for second or later line treatments have been gradually advanced towards first-line treatment. For example, pembrolizumab was approved in 2015 for the treatment of metastatic NSCLC patients with ≥1% tumor cells expressing PD-L1 who relapsed or progressed after chemotherapy, and its combination with chemotherapy was later approved in 2018 for the first-line treatment of metastatic NSCLC regardless of PD-L1 expression levels. Our Key Product HX009 also remarks such trend of addressing unmet clinical needs and advancing treatment line. For example, HX009 is a 1L/2L+ treatment for melanoma patients, and it is the only PD-1/CD47 bispecific antibody fusion protein targeting melanoma globally. Also, for treatment of biliary tract cancer, preferred first-line therapies in China for BTC are combined therapies comprising chemotherapy and targeted monoclonal antibodies, which calls for novel treatment with combination therapies. Clinical use of immunotherapy in the frontline treatment can significantly increase its addressable patient population and treatment duration, thus further drive the immunotherapy market size.

Emerging Immune Targets

Since the approval of CTLA-4 inhibitor in 2011 and especially the approval of over ten PD-1/PD-L1 inhibitors worldwide, the immune-oncology therapy market has maintained a high rate of booming growth, with a CAGR of 19.1% and 30.8% globally and in China, respectively, from 2019 to 2024. The emergence of immuno-oncology targets, including CD47, OX40, TIGIT and others, is continuously enriching the pool of potential drug candidates. HX009 of our Company, as an example, is the only PD-1/CD47 bispecific antibody fusion protein

targeting melanoma and biliary tract cancer globally. This development suggests that the pipeline for promising targeted therapies may grow. As a result, the market for immuno-oncology treatments is anticipated to experience further growth.

Limitations of Current Immune Checkpoint Inhibitors

The rapid development of immune checkpoint inhibitors has revealed some safety concerns that potentially cause harm to the body of the patients. For example, red blood cell related toxicity constitutes the major concern in CD47-targeted drugs. Meanwhile, the safety concerns also impede the broader application of CTLA-4 blockers. According to the F&S Report, based on the safety results of approved CTLA-4 monoclonal antibody, the rate of serious adverse reactions generally amounts to over 50%.

In addition, although T cell immune checkpoint inhibitors, such as PD-1/PD-L1 antibodies, are widely used in the clinic (including in the frontline treatment), according to the responsive rate of major indications to PD-1/PD-L1 inhibitors listed below, there are only about approximately 10% to 29% of patients across almost all major cancer types that can benefit from PD-1/PD-L1 monotherapy treatment.

Responsive Rate of Major Indication to PD-1/PD-L1 Inhibitors

	NSCLC	SCLC	CRC	GC	HNSCC	HCC	ESCC	BTC	RCC	OC	CC	UC	STS
PD-1	19-20%	12-19%	<10%	13-14%	13-16%	16-17%	19-20%	3-22%	22%	8-15%	14%	20-29%	5-18%
PD-L1	14%	2-10%						5%		10%		13-24%	

Notes:

(1) The response rates are based on the latest label from FDA and NMPA except for CRC, GC, SCLC, OC, BTC and STS, which are based on the published clinical results.

(2) Only monotherapy clinical results are listed.

(3) Results of adjuvant therapy are excluded. Results may vary from different cancer sub-types or clinical trials.

(4) The clinical results listed are from general cancer population regardless of PD-1/PD-L1 expression, except for the response rate of CC, which is restricted in PD-L1 positive population (combined positive score ≥1).

(5) NSCLC refers to non-small cell lung cancer; SCLC refers to small cell lung cancer; RCC refers to renal cell carcinoma; HNSCC refers to squamous carcinoma of head and neck; UC refers to urothelial carcinoma; HCC refers to hepatocellular carcinoma; CC refers to cervical cancer; GC refers to gastric cancer; ESCC refers to esophageal squamous cell; CRC refers to colorectal cancer; OC refers to ovarian cancer; BTC refers to biliary tract cancers; and STS refers to soft-tissue sarcomas.

Despite the therapeutic benefits, it has risen an urgent need to overcome such limitations of immune-oncology treated patients, which requires robust scientific understanding and good development strategies so that the adverse event can be kept manageable and minimal, and the overall response rate can be improved significantly.

Recent Developments of Immune Checkpoint Inhibitors

Currently, the majority of immune checkpoint inhibitors are single targeting, which bear limitations as discussed above hence arose the need for new treatment strategies, especially the ones that can effectively leverage previously well-studied targets and create synergic effect based upon them. In particular, both combination therapy and bispecific antibodies are synergic strategies of these types, with clinical evidence showing that synergistic combination and bispecific strategies enabling the dual activation of innate and adaptive immune systems, as well as combination of immunotherapies with other treatments, can induce enhanced tumor-killing effects and improve clinical outcomes.

The significance of combined immunotherapy is to improve the therapeutic effect, reduce drug resistance, prolong survival, and improve the quality of life through the synergistic effect of multiple mechanisms. It has revealed by ongoing trials that PD-1/PD-L1 in combination with targeted therapies such as VEGF inhibitor may lead to enhanced T cell infiltration due to the tumor micro-environment modulation. With the investigation on more potent combination such as PD-1/PD-L1 inhibitor with CD47-targeted drugs, the varieties of treatment combinations will be enriched and a tremendous market potential is thus presented. It is expected that these synergic treatment strategies will be more diverse in the future, leading to an enhanced efficacy.

Bispecific antibodies as a new approach to cancer immunotherapy have garnered widespread attention and research. These antibodies can block multiple signaling pathways involved in tumor progression, enhance the tumor-killing ability of immune cells, and reduce the toxicity of immunotherapy. In 2022, cadonilimab, as the world's first PD-1/PD-L1 targeted bispecific antibody drug, was approved for marketing, marking a new chapter in the treatment of tumors with bispecific antibodies. With continuous technological advancements and increasing market demand, it is expected that the supply of bispecific antibody market will continue to increase in the coming years, providing more innovative and effective options for cancer treatment.

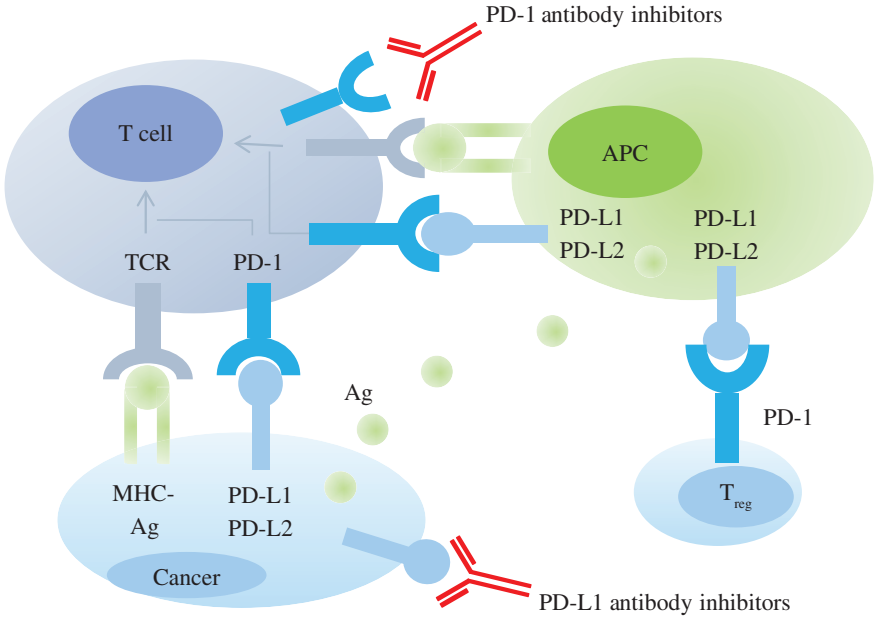
Generally, bispecific antibody refers to an engineered antibody containing two antigen-binding sites for different epitopes. The structure of bispecific antibodies may or may not resemble conventional monoclonal antibodies, comprising two heavy peptide chains and two light peptide chains. They may developed into therapeutics, such as those for treating cancer and inflammatory and autoimmune diseases. Meanwhile, bifunctional fusion protein refers to the fusion of two protein domains from different gene sources (e.g. nature proteins) by a linker peptide. The fusion protein acquires distinct functions derived from each component domain. Many protein drugs are fused to part of an antibody to achieve optimized therapeutic effects, such as treating cancer and autoimmune diseases.

In respect of the Company's pipeline products, in particular HX009 and HX044, they have the characteristics of a hybrid of both bispecific antibody and bifunctional fusion protein, comprised of antibody and a fused protein. HX009 developed by our Group, constructed by grafting the extracellular CD47-binding domain of human SIRPα protein at the C-terminus of the heavy chain of PD-1, can have elevated avidity (i.e., apparent affinity) to bind to CD47 on Teff because of cis-binding, where effective PD-1 binding will be the driver binder of the BsAb. Meanwhile, the SIRPα domain has substantially reduced CD47 binding affinity, aiming at reducing binding to $CD47^+$ red blood cells and megakaryocytes to reduce hemotoxicity, and also to reduce the anti-CD47 antigen sink effect due to the broad expression of CD47 among normal tissues. PD-1 has little systemic expression, but is over expressed in tumor micro-environment, so HX009 can target on tumor while weaken the binding to $CD47^+$ red blood cells in the system, and it has also demonstrated safety and efficacy in its preclinical and clinical studies.

OVERVIEW OF PD-1/PD-L1 ANTIBODY INHIBITORS MARKET

Mechanism of PD-1/PD-L1 Antibody Inhibitors Therapy

PD-1 and its ligand PD-L1 perform an important role in tumor progression and tumor's survival by escaping tumor immune surveillance in TME. PD-1 is a common immunosuppressive member on the surface of T cells and plays an imperative part in down-regulating the immune system and advancing self-tolerance. PD-L1 is overexpressed on the surface of malignant tumor cells, as well as other immune cells, where it binds to PD-1, inhibits the proliferation of PD-1-positive T cells, and participates in the immune evasion of tumors leading to rapid tumor growth. The PD-1/PD-L1-based pathway is of great value in immunotherapy of cancer. The diagram below illustrates the mechanism of PD-1/PD-L1 antibody inhibitors therapy:



Source: Frost & Sullivan Analysis

Notes:

(1) When PD-1 binds PD-L1/PD-L2, the T cell receives an inhibitory signal. The inhibition via PD-1 and its ligands lead to T-cell anergy and blockade of a productive antitumor immune response.

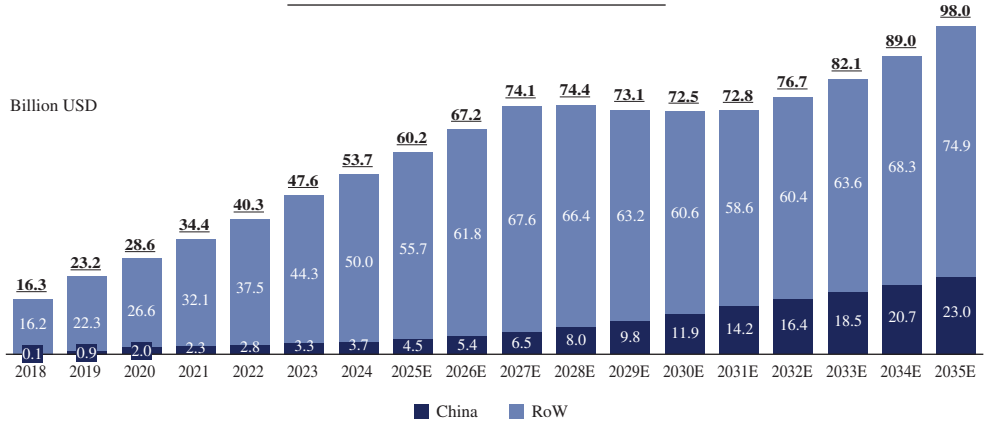
(2) PD-1 and PD-L1 antibody inhibitors can block the binding of PD-1 and PD-L1, block the negative regulatory mechanism, and reactivate the immune response of T cells to tumors, thereby achieving an anti-tumor effect.

Global and China PD-1/PD-L1 Antibody Drug Market Size

According to the F&S Report, the global PD-1/PD-L1 antibody drug market has grown rapidly in the past five years, from US$23.2 billion in 2019 to US$53.7 billion in 2024, with a CAGR of 18.3%. With more and more monoclonal and bispecific antibody launched, it is expected to reach US$72.5 billion in 2030 and US$98.0 billion in 2035, with a CAGR of 5.1% from 2024 to 2030 and 6.2% from 2030 to 2035. The chart below illustrates the global and China PD-1/PD-L1 antibody drug market size for the periods indicated:

Global PD-1/PD-L1 Antibody Drug Market, 2019-2035E

Period	CAGR		
	China	RoW	Global
2019-2024	32.7%	17.5%	18.3%
2024-2030E	21.5%	3.3%	5.1%
2030E-2035E	14.1%	4.3%	6.2%



Source: Annual report, Expert interview, Literature Review, Frost & Sullivan Analysis

Note:

(1) As the core patents of Keytruda and Opdivo will expire in 2028, numerous generic drugs will be launched, which is expected to lead to a slight decline in the global antibody drug market then. According to the F&S Report, as the patent for the original PD-1/PD-L1 expires, the number of generic drugs will surge, revenue will fall due to competition, and the market size of such drugs that are experiencing patent cliff (all of them are mAb) will drop in the short run. However, the market will increase in the long run with the increasing number of innovative drugs approved. According to the Industry Consultant, innovative drugs with novel targets or BsAb drugs (such as the pipeline products developed by our Company) are less likely to experience such market drop resulted from the patent cliff of the abovementioned mAb drugs. Therefore, we do not expect such patent cliff will have material adverse impact on the course of development and commercial prospects of the Company's Core Product and product candidates.

As of the Latest Practicable Date, global and China PD-1/PD-L1 antibody drugs have been marketed for indications including melanoma, non-small cell lung cancer, small cell lung cancer, head and neck squamous cell carcinoma, lymphoma, urothelial carcinoma, colorectal cancer, hepatocellular carcinoma, Merkel cell carcinoma, renal cell carcinoma, esophageal cancer, adenocarcinoma of esophagogastric junction, endometrial carcinoma, cutaneous squamous cell cancer, triple-negative breast cancer, gastric cancer, gastroesophageal junction cancer, basal cell carcinoma, nasopharyngeal carcinoma, malignant pleural mesothelioma, biliary tract cancer, alveolar soft part sarcoma, endometrial cancer, medullary thyroid cancer, squamous carcinoma of the anal canal and cervical cancer.

Entry Barriers of PD-1/PD-L1 Antibody Drug Market

- ***Intensified Market Competition:*** The market is increasingly crowded with multiple PD-1/PD-L1 inhibitors, making it difficult for new entrants to compete. This is exacerbated by the fact that the market competition is intensified, with several agents approved across various cancer indications, leading to a complex landscape that is challenging to navigate. PD-1/PD-L1 bispecific antibodies, with their potential for high efficacy and low toxicity, hold broad market prospects in a competitive landscape and provide new therapeutic options for cancer immunotherapy. With the advancement of clinical research and the development of new strategies, it is anticipated that this field will witness more breakthroughs and commercial opportunities.

- ***Regulatory Scrutiny:*** There is growing regulatory pressure, with demands for local data and head-to-head comparisons against the latest standard of care. This raises the evidence bar for new entrants and increases development risk. The FDA's comments on current PD-1/PD-L1 development trends and its position in recent reviews indicate that relevant regulatory reviews will become increasingly stringent. The FDA's requirements for local data and direct comparison with the latest treatment standards have raised the threshold for evidence, increasing both innovation costs and development risks. Meanwhile, the NMPA has also strengthened its supervision of innovative drug approvals, with more strict approval requirements and more cautious approval of homogeneous studies and pseudo-innovative drugs.

- ***Complicated and Costly Clinical Trials:*** Facing the complex landscape of the PD-1/PD-L1 market, regulatory authorities are increasingly challenged by market to assess the incremental benefits of new PD-1/PD-L1 therapies, especially combination therapies. Consequently, regulatory authorities will push for head-to-head trials related to therapeutic standards and may even compare them with competitive new PD-1/PD-L1 therapies. Therefore, newly developed PD-1/PD-L1 antibodies need to undergo more extensive clinical trials to prove their safety and efficacy. These trials are usually costly and time-consuming, and are more challenging for new entrants.

Growth Drivers of PD-1/PD-L1 Antibody Market

- ***Continuous Research and Advancement:*** The PD-1/PD-L1 inhibitor landscape has grown to cover a wide range of cancers, catering to diverse patient needs. Ongoing clinical trials aim to expand treatment indications and address unmet clinical needs. Combination therapies with PD-1/PD-L1 inhibitors and PD-1/PD-L1 bispecific antibodies have shown significant benefits in progression-free and overall survival, addressing resistance and toxicity issues. Future research is expected to further broaden the market for these inhibitors.

- ***Advancement to First-Line Treatment:*** At present, multiple clinical trials of PD-1/PD-L1 mAbs are conducted for the first-line treatment of cancer. Companies are making efforts to advance from third-line or second-line to first-line therapy and continue to expand to consolidation therapy for locally advanced cancer and neo-adjuvant therapy for early or mid-stage cancer. Hence, more PD-1/PD-L1 mAbs are expected to be approved for first-line treatment of cancer in the near future. The advancement of PD-1/PD-L1 mAbs as first-line treatments has significantly expanded the immuno-oncology market but also led to increased drug resistance. This resistance, often caused by alternative immune checkpoint activations, creates a growing demand for second-line therapies. HX009, as a bifunctional anti-PD-1 antibody-SIRPα fusion protein, addresses this need by co-targeting CD8+ T effector cells and engaging CD47 within the tumor microenvironment, enhancing immune response and overcoming resistance. Given the trend towards combination therapies to circumvent resistance, HX009's dual-targeting mechanism aligns well with this approach, positioning it as a promising second-line treatment. Thus, the increased resistance to first-line PD-1/PD-L1 treatments actually increases the market potential for HX009, benefiting both the market and the company's development and future commercialization efforts.

- ***Favorable Policy:*** Since 2016, the National Health Commission, the National Development and Reform Commission and other departments of China have successively issued policies to support and standardize the development of the anti-tumor drug industry, including accelerating approval of new drugs, prioritizing review and approval, and strengthening the clinical application management of anti-tumor drugs. For example, the China National Medical Products Administration issued the "*Technical Guidelines for Clinical Development of Bispecific Antibody Anti-Tumor Drugs*", which provide detailed guidance on developing bispecific antibody drugs and conducting clinical trials. This helps company to accelerate the product development. Meanwhile, diverse policies such as National Reimbursement Drug List negotiations, inclusion in medical insurance, and tax concessions for imported anti-cancer drugs have continuously improved the accessibility of anti-cancer drugs and reduced the drug burden of cancer patients. As of the Latest Practicable Date, there were 16 PD-1 and 10 PD-L1 mAbs have been approved, and two new PD-1 bispecific antibody drugs has been launched for cancer treatment. The favorable drug approval policy and medical insurance policy are expected to continue to expand the capacity of China's PD-1/PD-L1 antibody market.

Global (including China) Approved PD-1/PD-L1 Bispecific Antibody Drugs

Currently, there are two approved PD-1 bispecific antibody drug, which are cadonilimab and ivonescimab.

Target	Drug Name	Company	Indications	Line of Treatment	Combination Therapy	Approval Date	Dosage	Country	Medical Insurance	Price per Treatment Cycle
PD-1, CTLA-4	Cadonilimab Kaitanni®	Akeso	Cervical Cancer	2L	Monotherapy	2022/06/28	This product is administered via intravenous infusion. The recommended dose is 6 mg/kg, given every 2 weeks until disease progression or intolerable toxicity occurs.	China	B	approximately RMB7,500
			GC/GEJC	1L	Combination with fluoropyrimidine and platinum-based chemotherapy agents	2024/09/26	This product is administered by intravenous infusion. The recommended dose is 10 mg/kg, given every 3 weeks until disease progression or intolerable toxicity occurs.			approximately RMB11,000
PD-1, VEGF	Ivonescimab Yidafang®	Akeso	EGFR-mutated locally advanced or metastatic NSCLC patient who have progressed after EGFR-TKI treatment	2L	Combination with Pemetrexed and carboplatin	2024/05/21	This product is administered via intravenous infusion. The recommended dose is 20 mg/kg, given every 3 weeks until disease progression or intolerable toxicity occurs.	China	B	approximately RMB10,000
			locally advanced or metastatic NSCLC with PD-L1 TPS≥1%, EGFR mutation-negative, and ALK-negative	1L	Monotherapy	2025/04/22			/	approximately RMB32,000

Source: NMPA, FDA, Company Website, Literature Review, Frost & Sullivan Analysis

Notes:

(1) Industry information is as of December 8, 2025.

(2) GC refers to Gastric Cancer; GEJC refers to Gastroesophageal Junction Cancer.

(3) In 2023, the annual sales of Kaitanni were RMB1,357.8 million. However, in 2024, Akeso did not disclose the annual sales of Kaitanni and Yidafang.

Competitive Landscape of PD-1 Targeted Bispecific Antibody/Bifunctional Fusion Protein

As of the Latest Practicable Date, more than 40 PD-1 targeted bispecific antibody drugs with more than 15 targets are under the development, including CD47, CTLA-4, LAG3, etc., and most of them are still in Phase I and Phase II. As of the Latest Practicable Date, there was no approved CD47/PD-1 bispecific antibody/bifunctional fusion protein products globally, and HX009 developed by the Company is the only bispecific antibody fusion protein targeting both PD-1 and CD47 concurrently in both global and China market.

Global (excluding China) Competitive Landscape of PD-1 Targeted Bispecific Antibody/Bifunctional Fusion Protein Pipeline

Target	Drug Name /Code	Company	Indications	Clinical Stage	First Posted Date
PD-1, CD47	HX009	Hanx Bio	Advanced Solid Tumor	Phase I*	2019/09/20
PD-1, PD-L1	CTX-8371	Compass Therapeutics	NSCLC, TNBC, HNSCC, Malignant Melanoma	Phase I	2023/11/29
PD-1, IL21	AMG256	Amgen+Innovent	Advanced Solid Tumors	Phase I	2020/04/27
PD-1, HER2	SSGJ705	3SBio+3s guojian	Advanced or Metastatic HER2-expressing Solid Tumors	Phase I	2021/12/06
PD-1, LILRB2	BSI-585	Celldex Therapeutics	Solid Tumor	Phase I	2023/03/29
PD-1, IL15	SOT201	Sotio Biotech	Advanced/Metastatic Solid Tumor	Phase I	2023/12/08
	ASKG915	Aosaikang+AskGene	Advanced Solid Tumors	Phase I	2023/05/22
PD-1,TGFβR2	INCA33890	Merus+Incyte	Solid Tumors	Phase I	2023/05/01
PD-1, CD3	ONO-4685	Merus+Ono Pharmaceutical	Relapsed or Refractory T Cell Lymphoma	Phase I	2021/10/15
			T Cell Lymphoma and CLL/SLL	Phase I	2024/08/29
PD-1, IL2R	PTX-912	Proviva Therapeutics	Locally Advanced/Metastatic Solid Tumors	Phase I	2023/12/19
	TEV-56278	Teva	Advanced Solod Tumor	Phase I	2024/06/28
PD-1, IL2RA	IBI363	Innovent	Advanced Solid Malignancies	Phase II	2024/02/25
		Innovent+Fortvita	Advanced Squamous Lung Cancer	Phase III	2025/10/15
	REGN10597	Regeneron	Advanced Solid Organ Malignancies	Phase I/II	2024/05/14
PD-1, IL12R	PF-07921585	Pfizer	NSCLC, UC, RCC, melanoma, HNSCC, and microsatellite stable colorectal cancer	Phase I	2024/08/30
PD-1, IL2/15Rβγc	ANV600	Anaveon	Advanced Solid Tumor	Phase I/II	2024/06/19
	Eciskafusp alfa	Roche	Locally advanced / unresectable or metastatic disease	Phase I	2020/03/11
			Non-muscle Invasive Bladder Cancer	Phase I	2025/02/10
	AWT020	Anwita Biosciences	Advanced Cancer	Phase I	2023/10/23
	SOT201	SOTIO Biotech	Advanced/Metastatic Cancer	Phase I	2023/12/08
PD-1, LAG3	Tebotelimab	MacroGenics+Zai Lab	GC, Gastroesophageal Junction Cancer	Phase II/III	2019/09/09
			Advanced Solid Tumors	Phase I	2017/07/17
	INCA32459	Merus+Incyte Corporation	Advanced Malignancies	Phase I	2022/10/13
	SSGJ-709	3Sbio	Advanced Malignant Tumors	Phase I	2025/06/11
PD-1, TIM-3	AZD7789	AstraZeneca	HL	Phase I/II	2022/02/01
			Metastatic Gastric or Gastroesophageal Junction Adenocarcinoma	Phase II	2023/01/27
	Lomvastomig	Roche	Solid Tumors	Phase I	2018/10/17
			Advanced or Metastatic Esophageal Squamous Cell Carcinoma	Phase II	2021/03/08
PD-1，VEGF	AI-081	OncoC4	Advanced Solid Tumor	Phase I/II	2024/10/08
	Ivonescimab	Akeso / Summit Therapeutics	Metastatic Colorectal Cancer	Phase III	2025/11/14
			BTC	Phase II	2024/07/26
			Cutaneous Squamous Cell Carcinoma	Phase II	2024/08/22
			Advanced, Metastatic Salivary Gland Cancers	Phase II	2025/01/28
			Pleural Mesothelioma	Phase II	2025/02/18
			Advanced or Metastatic Gastric/Gastroesophageal Adenocarcinoma	Phase II	2025/02/20
			Advanced, Metastatic Salivary Gland Cancers	Phase II	2025/02/26
			Endometrial and Cervical Cancers	Phase II	2025/04/13
			Advanced Clear Cell Renal Cell Carcinoma	Phase II	2025/04/23
			Thymic Cancer	Phase II	2025/05/20
			TNBC	Phase II	2025/06/12
			Advanced HER2 Negative Gastroesophageal Adenocarcinomas	Phase II	2025/07/17
			Resectable Stage II-IV Head and Neck Cancer	Phase II	2025/07/30
			Active Brain Metastases From NSCLC	Phase II	2025/11/19
			Glioblastoma	Phase I/II	2024/11/04
	SSGJ-707	3SBio	Colorectal Cancer	Phase III	2025/10/30
			NSCLC	Phase III	2025/10/30
			SCLC	Phase II/III	2025/11/12
			Hepatocellular Carcinoma	Phase I/II	2025/11/12
			Renal Cell Carcinoma	Phase I/II	2025/11/12
PD-1, FCGR2B	S-4321	Seismic Therapeutic	NA	Phase I	2025/03/10
PD-1, TIGIT	Rilvegostomig	AstraZeneca	BTC	Phase III	2023/10/26
			NSCLC	Phase III	2024/10/03
			Gastric Cancer	Phase III	2025/01/07
			Hepatocellular Carcinoma	Phase III	2025/04/10
			Endometrial Cancer	Phase III	2025/05/25
			Advanced or Metastatic Solid Tumors	Phase I/II	2025/08/11
PD-1, CTLA4	Volrustomig /MEDI5752	AstraZeneca	NSCLC	Phase III	2023/08/09
			Locally Advanced Cervical cancer	Phase III	2023/10/12
			Unresectable Pleural Mesothelioma	Phase III	2023/10/24
			HNSCC	Phase III	2023/11/13
			Advanced Clear Cell Renal Cell Carcinoma	Phase III	2025/06/02
			Locally Advanced Unresectable or Metastatic Gastric or Gastroesophageal Junction Adenocarcinoma	Phase II	2023/01/27
			HCC, BTC	Phase II	2023/03/20
			Advanced Solid Tumor	Phase II	2023/06/05
			Metastatic Colorectal Cancer	Phase II	2025/01/27
			RCC	Phase I	2020/08/21
			Soft Tissue Sarcoma	Phase I	2023/04/20
	Vudalimab	Xencor+Icon Bio	mCRPC	Phase II	2021/08/13
			Advanced Gynecologic and Genitourinary Malignancies	Phase II	2021/09/02
			BTC	Phase II	2022/03/17
			Advanced Cervical Cancer	Phase II	2022/07/22
			NSCLC	Phase I/II	2023/12/15
	Lorigerlimab /MGD019	MacroGenics	Metastatic Cancer, Cervical Cancer	Phase II	2022/07/26
			Prostate Cancer	Phase II	2023/05/08
			Colorectal Cancer With Radiographic Occult Molecular Residual Disease	Phase II	2025/07/18
			HCC, RCC, OC, Pancreatic Ductal Carcinoma	Phase I	2022/03/24
			Rectal Cancer，Rectal Cancer Recurrent	Phase II	2025/11/03
PD-1, VEGFR2	OTP-01	Ottimo Pharma	Breast cancer, Solid tumor, Epithelial Ovarian cancer	Phase I/II	2025/12/05

Source: CDE, Clinical trial, Company Website, Literature Review, Frost & Sullivan Analysis

Notes:

(1) The clinical stage refers to the latest clinical trials as well as the first posted date.

(2) First posted date refers to the date on which the study record was first available on **Chinadrugtrials.org.cn** or **Clinicaltrials.gov**.

(3) The Company obtained the FDA Study May Proceed approval in relation to the phase Ib/II study of HX009 in the U.S. for treatment of DLBCL in May 2023.

(4) Company information is from the Company, and industry information is as of the Latest Practicable Date.

China Competitive Landscape of PD-1 Targeted Bispecific Antibody/Bifunctional Fusion Protein Pipeline

Target	Drug Name /Code	Company	Indications	Clinical Stage/CDE acceptance date	First Posted Date
PD-1, CD47	HX009	Hanx Bio	TNBC	IND	2024/12/06
			Melanoma BTC	Phase II	2024/11/14
			Relapsed/Refractory Lymphoma	Phase I/II	2022/01/12
			Advanced Malignant Solid Tumor Unresectable/Metastatic Advanced Melanoma	Phase I	2019/11/12
PD-1, CD73	AK131	Akeso	Advanced Solid Tumor	Phase Ia/Ib	2023/12/11
PD-1, TIGIT	Rilvegostomig /AZD2936	AstraZeneca	NSCLC	Phase III	2024/12/19
			BTC	Phase III	2025/01/06
			HER2+ Gastric Cancer	Phase III	2025/02/24
			HCC	Phase III	2025/04/09
			Locally Advanced Resectable Gastroesophageal Adenocarcinoma	Phase II	2025/07/03
	ZG005	Zelgen+Gensun Biopharma	HCC	Phase III	2024/08/28
			BTC	Phase II	2025/03/04
			Advanced Solid Tumors	Phase II	2025/03/26
			Cervical Cancer	Phase I/II	2023/12/28
			Advanced neuroendocrine carcinoma	Phase I/II	2024/05/28
			Refractory / Recurrent lymphoma	Phase I/II	2025/03/13
			NSCLC	Phase I/II	2025/03/25
			Advanced Cervical Cancer	Phase I/II	2025/07/23
			Advanced Solid Tumors	Phase I/II	2025/08/27
	IBI321	Eli Lilly+Innovent	Advanced Malignancies	Phase Ib	2022/04/19
	BC008-1A	REMD Biotherapeutics+ Buchang Biopharma	Solid Tumors	Phase I	2023/02/02
			Neuroglioma	Phase I	2024/11/19
PD-1, IL2	IBI363	Innovent+Fortvita	Melanoma	Phase II	2025/01/22
			Advanced Solid Tumor/Lymphoma	Phase Ia/Ib	2022/07/11
			Advanced Malignancies	Phase I	2024/05/09
			Advanced Squamous Lung Cancer	Phase III	2025/10/15
	KY-0118	Novatim	Advanced/Metastatic Solid Tumor	Phase I	2022/12/8
	SHR-5495	Hengrui Medicine	Advanced Solid Tumors	Phase I	2023/09/27
PD-1, HER2	IBI315	Innovent+Hanmi	HER2+ Advanced Malignancies	Phase Ia/Ib	2019/11/04
	SSGJ-705	3SBio	Advanced or Metastatic HER2-expressing Solid Tumors	Phase II	2025/06/19
PD-1, PD-L1	SSGJ-706	3SBio	Advanced Non-Small Cell Lung Cancer	Phase II	2025/09/12
			Gastrointestinal Cancers	Phase II	2025/11/18
			Advanced Malignancy	Phase I	2024/07/25
PD-1, VEGF	SSGJ-707	3Sbio+Hanbio+3sguojian	NSCLC	Phase III	2025/05/16
			Metastatic Colorectal Cancer	Phase II	2024/07/01
			Advanced Gynecological Cancer	Phase II	2024/08/06
	RC148	Remegen	Solid Tumor	Phase I	2023/08/10
			NSCLC	Phase I	2025/02/19
	JS207	Junshi Bio	NSCLC	Phase II	2025/03/07
			Advanced Colorectal Cancer	Phase II	2025/03/10
			HCC	Phase II	2025/04/10
			TNBC	Phase II	2025/06/26
	LM-299	LaNova Pharmaceutical Technology	Advanced Solid Tumor	Phase I/II	2024/09/14
	MHB039A	Minghui Pharmaceutical	Advanced Breast Cancer or Other Advanced Malignant Solid Tumors	Phase II	2025/08/19
			Advanced Solid Tumor	Phase I/II	2024/03/01
			Advanced Lung Cancer	Phase I/II	2025/11/17
	SCTB14	SinoCelltech Ltd.	NSCLC	Phase III	2025/11/28
	Ivonescimab	Akeso / Summit Therapeutics	BTC	Phase III	2024/08/25
			Recurrent or Metastatic Head and Neck Squamous Cell Carcinoma (R/M HNSCC)	Phase III	2024/09/11
			Metastatic Colorectal Cancer	Phase III	2025/03/11
			TNBC	Phase III	2025/01/08
			Metastatic Pancreatic Cancer	Phase III	2025/04/24
			SCLC	Phase III	2025/05/21
			Advanced Gynecological Tumors	Phase II	2021/03/04
			HCC	Phase II	2022/06/23
			Recurrent Ovarian Cancer	Phase II	2024/08/08
			Esophageal Squamous Cell Carcinoma	Phase II	2024/11/06
			soft tissue sarcoma	Phase II	2025/04/27
			PD-1 Resistant Recurrent or Metastatic Nasopharyngeal Carcinoma	Phase II	2025/06/24
			pMMR/MSS Mid-low Rectal Cancer	Phase II	2025/09/09
			NSCLC patients With Actionable Genomic Alterations (AGA) Who Have Failed to Previous TKI Treatment	Phase II	2025/09/08
			Metastatic Mucosal Melanoma	Phase I	2024/05/16
			NSCLC	Phase I	2025/12/05
PD-1, TGF-β	LBL-015	Leads Biolabs	Advanced Solid Tumor	Phase I/II	2021/09/22
	TQB2868	Chia Tai-tianqing	Metastatic Pancreatic Cancer	Phase III	2025/09/10
			HCC	Phase Ib/II	2023/02/27
	JS201	Junshi Bio	Advanced Malignancies	Phase I	2021/05/21
PD-1, IL15	IAP0971	SUNHO Bio	Advanced Malignancies	Phase I/IIa	2022/06/02
			NMIBC	Phase I/II	2023/12/18
			NSCLC	Phase Ib/II	2024/01/18
	ASKG915	Aosaikang + AskGene Pharma	Advanced Malignancies	Phase I	2023/09/15
	JMT108	Jinmante Biotechnology	Solid Tumors	Phase I/II	2025/03/12
			Melanoma	Phase I/II	2025/12/02

Target	Drug Name /Code	Company	Indications	Clinical Stage/CDE acceptance date	First Posted Date
PD-1,CTLA4	Cadonilimab	Akeso	HCC	Phase III	2022/08/08
			Nasopharyngeal Carcinoma	Phase III	2022/10/19
			NSCLC	Phase III	2023/07/13
			Advanced/Metastatic Renal Cell Carcinoma	Phase II	2022/01/04
			Advanced Ovarian Cancer	Phase II	2022/06/24
			mCRC	Phase II	2023/02/18
			Pancreatic Cancer	Phase II	2023/03/21
			Advanced Endometrial Cancer	Phase II	2023/04/21
			Vulvar Cancer	Phase II	2023/06/27
			HNHCC	Phase II	2023/09/04
			HER2-expression Locally Advanced or Metastatic Urothelial Carcinoma	Phase II	2023/12/12
			Advanced Soft Tissue Sarcoma	Phase II	2024/04/16
			TNBC	Phase II	2024/04/16
			SCLC	Phase II	2024/05/06
			Melanoma	Phase II	2024/09/30
			Esophageal squamous cell carcinoma	Phase II	2025/12/02
	Volrustomig /MEDI5752	AstraZeneca	Recurrent or Metastatic Cervical Cancer	Phase III	2025/01/24
			Advanced or Metastatic HNSCC	Phase III	2025/01/14
			Pleural Mesothelioma	Phase III	2024/12/27
			NSCLC	Phase III	2025/01/24
			GC	Phase II	2023/02/01
			BTC/HCC	Phase II	2023/03/24
			Colorectal Cancer	Phase II	2025/01/27
	Danvilostomig /SI-B003	Biokin Pharma	Locally Advanced or Metastatic Esophageal Cancer, Gastric Cancer, Colorectal Cancer and Other Gastrointestinal Tumors	Phase II	2023/08/23
			SCLC	Phase II	2023/06/21
			Advanced or Metastatic Non-small Cell Lung Cancer, Nasopharyngeal Carcinoma and Other Solid Tumors	Phase II	2023/07/10
			Locally Advanced or Metastatic Urothelial Carcinoma and Other Solid Tumors	Phase II	2023/07/28
			Recurrent or Metastatic HNSCC	Phase II	2024/11/01
PD-1, LAG3	AK129	Akeso	Locally advanced or metastatic HER2-negative gastric cancer or gastroesophageal junction adenocarcinoma	Phase I/II	2024/07/17
			Recurrent or refractory classic Hodgkin's lymphoma	Phase I/II	2024/08/25
			Advanced Solid Tumor	Phase I/II	2025/03/25
	SSGJ-709	3SBio	Advanced Solid Tumors	Phase I	2025/12/04
PD-1, 4-1BB	IBI319	Adimab+Eli Lilly+ Innovent	Solid Tumors or Hematological Tumors	Phase Ia/Ib	2021/01/08
	BAT7111	Bio-Thera Solutions	Advanced Solid Tumors	Phase I/II	2025/05/15
PD-1, CD40	YH008	Eucure Technology	Advanced Solid Tumors	Phase I	2023/09/27
PD-1, TIM-3	BIS5	L&L Biopharma	Advanced Solid Tumors	Phase II	2024/05/20
	Sabestomig /AZD7789	AstraZeneca	NSCLC	Phase I/IIa	2023/01/28
PD-1,IL21R	CD-001	CD(Suzhou)Biopharma	Advanced Solid Tumors	Phase I	2025/01/03
PD-1,IL2/15Rβγc	AWT020	Junshi Biosciences	Advanced Solid Tumors	Phase I	2025/02/11
PD-1,IL10R	FP008	Zhuhai Fapon Biopharma	Advanced Solid Tumors	Phase I	2025/05/16

Source: CDE, Clinical trial, Company Website, Literature Review, Frost & Sullivan Analysis

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(3) ccRCC refers to Clear Cell Renal Cell Carcinoma; AML refers to Acute Myeloid Leukemia; and MDS refers to Myelodysplastic Syndrome.

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Competitive Landscape of PD-L1 Targeted Bispecific Antibody/Bifunctional Fusion Protein

Currently, more than 50 PD-L1 targeted bispecific antibody drugs with more than 15 targets are under the development, including CD47, CTLA-4, TGFβ, etc, and most of them are still in Phase I and Phase II.

Global (excluding China) Competitive Landscape of PD-L1 Targeted Bispecific Antibody/Bifunctional Fusion Protein Pipeline

Target	Drug Name/ Code	Company	Indications	Clinical Stage	First Posted Date
PD-L1, CD27	CDX-527	Celldex Therapeutics	Solid Tumors	Phase I	2020/06/22
PD-L1, CD47	LB101	LogicBio Therapeutics	Advanced Solid Tumor	Phase I/II	2023/04/20
	BAT7104	Bio-Thera	Advanced Malignant Solid Tumors	Phase Ib/II	2024/07/22
	IBI322	Innovent	Advanced Malignant Tumors Lymphomas	Phase I	2020/04/08
PD-L1, PD-1	LY3434172	Adimab+Eli Lilly+Innovent	Advanced Cancer	Phase I	2019/05/03
	CTX-8371	Compass Therapeutics	NSCLC, HNSCC, TNBC, HL, Malignant Melanoma,	Phase I	2023/11/29
PD-L1, PD-L2	IMGS-001	ImmunoGenesis	Solid Tumors	Phase I	2023/08/28
PD-L1, TIGIT	HLX301	Fosun Pharma	Locally Advanced or Metastatic Solid Tumors	Phase I/II	2021/11/01
	HB0036	Huahai Pharma+ Huabo Bio+Huaota Bio	Advanced Solid Tumor NSCLC	Phase I/II	2022/06/14
PD-L1, TGF-β	CN202	Curon Bio	Solid Tumor, Hematologic Malignancies	Phase I/II	2021/08/31
	BJ-005	BJ Bio	Advanced Solid Tumor or Lymphoma	Phase I	2021/11/10
PD-L1, NKG2A	XB628	Exelixis	Recurrent Advanced or Metastatic Solid Tumors	Phase I	2025/04/23
PD-L1, 4-1BB	Acasunlimab/ GEN1046	BioNTech+Genmab	PD-L1-positive Metastatic NSCLC	Phase III	2024/10/08
			Melanoma	Phase II	2025/05/14
	PRS-344/ S095012	Pieris Pharma+Servier	Solid Tumor	Phase I/II	2021/12/16
	AP203	AP Bio	Locally Advanced or Metastatic Solid Tumors, NSCLC, HNSCC, ESCC	Phase I/II	2022/07/25
	MCLA-145	Merus+Incyte	Advanced Cancer, Solid Tumor, B-cell Lymphoma	Phase I	2019/04/19
	FS222	Iontas+invoX+F-star	Advanced Cancer, Metastatic Cancer	Phase I	2021/02/05
	ABL503	I-Mab+ABL Bio+ HANDOK	Advanced Solid Tumor	Phase I	2021/02/21
	Xirestomig/ YN051	Antengene Biologics	Advanced Solid Tumor	Phase I	2021/08/03
	BH3120	Hanmi Pharma	Advanced or Metastatic Solid Tumors	Phase I	2024/01/31
PD-L1, VEGF	BNT327	BioNTech+Biotheus	mTNBC	Phase II	2024/06/07
			Small-cell Lung Cancer	Phase II	2024/06/07
	PM8002	BioNTech	NSCLC	Phase III	2024/11/26
			SCLC	Phase III	2024/12/02
			Triple Negative Breast Cancer	Phase III	2025/09/05
			Untreated, Unresectable, or Metastatic Colorectal Cancer	Phase II/III	2025/10/27
			Previously Untreated Advanced or Metastatic Gastric, Gastroesophageal Junction, or Esophageal Adenocarcinoma	Phase II/III	2025/10/27
			Solid Tumor	Phase II	2025/04/23
			Advanced Colorectal Cancer	Phase I/II	2025/07/23
			Advanced Solid Tumor	Phase I/II	2025/08/29
PD-L1, IL2/15Rβγc	SIM0237	Simcere Pharma+Xianxiang Pharma+Simcere Zaiming	Locally Advanced Unresectable or Metastatic Solid Tumor	Phase I	2023/03/23
PD-L1, OX40	EMB-09	EPIMAB Bio	Advanced Solid Tumor	Phase I	2022/03/02
PD-L1, LAG-3	ABL 501	ABLBio+HANDOK	Advanced Solid Tumor	Phase I	2021/11/01
PD-L1, PD-L2	IMGS-001	ImmunoGenesis	Solid Tumor	Phase I	2023/08/28

Source: CDE, Clinical trial, Company Website, Literature Review, Frost & Sullivan Analysis

Notes:

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(2) First posted date refers to the date on which the study record was first available on **Chinadrugtrials.org.cn** or **Clinicaltrials.gov**.

(3) The Company obtained the FDA Study May Proceed approval in relation to the phase Ib/II study of HX009 in the U.S. for treatment of DLBCL in May 2023.

(4) Company information is from the Company, and industry information is as of the Latest Practicable Date.

China Competitive Landscape of PD-L1 Targeted Bispecific Antibody/Bifunctional Fusion Protein Pipeline

Target	Drug Name /Code	Company	Indications	Clinical Stage	First Posted Date
PD-L1, 4-1BB	LBL-024	Leads Biolabs	Advanced Solid tumors	Phase II	2025/01/21
			Advanced Solid Tumours (BTC&HCC)	Phase II	2025/08/08
			Advanced Neuroendocrine Cancer	Phase I/II	2023/12/07
			Advanced Melanoma	Phase I/II	2025/08/01
	PM1003	Biotheus	Advanced Solid Tumors	Phase I/II	2021/09/30
	ATG-101	AtG Therapeutics	Advanced/Metastatic Solid Tumor, Mature B-cell Non-Hodgkin Lymphoma	Phase I	2022/03/29
	HK010	Anke Bio+HankeMab	Advanced Malignant Tumor	Phase I	2023/02/06
	BH3120	Hanmi Pharma	Advanced or Metastatic Solid Tumors	Phase I	2024/01/31
	QLF31907	Qilu Pharma	Advanced Solid Tumors	Phase I/II	2024/04/24
			Advanced Malignant Melanoma, Advanced UC	Phase II	2023/03/21
PD-L1, IL15	SIM0237	Simcere Pharma+Xianxiang Pharma	NMIBC	Phase I	2023/12/18
	BAT7205	Bio-Thera	Advanced Solid Tumors	Phase I	2024/04/01
PD-L1, LAG-3	IBI323	Innovent	Advanced Malignant Tumors	Phase I	2021/06/01
PD-L1, CLDN-18.2	Q-1802	QureBio	Digestive Tract Cancers	Phase I/II	2023/05/16
			Advanced Solid Tumors	Phase I	2021/04/14
PD-L1, CTLA-4	SKB337	Kelun Pharma+Klus Pharma	Advanced Solid Tumors	Phase I	2021/05/20
	Erfonrilimab / KN046	Alphamab	Advanced Squamous NSCLC	Phase III	2020/07/27
			Advanced Pancreatic Cancer	Phase III	2021/12/03
			Advanced Unresectable or Metastatic ESCC	Phase II	2019/04/25
			Locally Advanced HER2-positive Solid Tumors	Phase II	2020/08/20
			Advanced HCC	Phase II	2020/09/02
			Digestive System Cancers	Phase II	2023/10/20
			Advanced Gastrointestinal Tumors	Phase I/II	2020/11/03
PD-L1, CD47	6MW3211	Mabwell Bio	Advanced Lung Cancer	Phase II	2022/06/13
			Advanced ccRCC	Phase II	2022/06/28
			Relapsed and Refractory Lymphoma	Phase II	2022/07/04
			AML, MDS	Phase II	2023/01/31
			Advanced Malignant Tumors	Phase I/II	2021/08/24
	IBC0966	ImmuneOnco	Advanced Malignant Tumors	Phase I/II	2021/07/08
	IBI322	Innovent	Advanced Malignant Tumors	Phase I	2020/03/30
			Hematologic Malignancy	Phase I	2021/03/19
	SG12473	Shangjian Bio	Advanced Malignant Tumors	Phase I	2021/05/13
	SH009	Sanhome Pharma	Advanced Malignant Tumors	Phase I	2022/07/01
			NSCLC	Phase I	2025/05/16
	IMM2520	ImmuneOnco	Advanced Solid Tumors	Phase I	2023/02/07
	BAT7104	Bio-Thera Solutions	Advanced Cancer	Phase I	2022/02/22
PD-L1, VEGF	PM8002	BioNTech+Biotheus	TNBC	Phase III	2024/05/24
			SCLC	Phase III	2024/09/27
			NSCLC	Phase II/III	2023/03/13
			Malignant Mesothelioma	Phase II	2022/05/05
			Hepatocellular Carcinoma	Phase II	2022/06/08
			Kidney Cancer	Phase II	2022/11/04
			Neuroendocrine Tumors	Phase II	2022/12/22
			Advanced Endometrial Cancer	Phase II	2023/02/02
			MSS or MSI-L/pMMR metastatic colorectal cancer	Phase II	2025/05/26
			Pancreatic Cancer	Phase II	2025/12/05
			Advanced Colorectal Cancer	Phase I/II	2025/07/23
			Advanced Solid Tumors	Phase I/II	2025/08/29
	HB0025 (Sotiburafusp alfa)	Huaota+Huabo Bio+Huahai Bio	Kidney Cancer	Phase II	2022/11/04
			Advanced Endometrial Cancer	Phase II	2023/02/02
			TNBC	Phase II	2025/05/21
			Colorectal cancer	Phase II	2025/12/08
			Advanced Solid Tumors	Phase I/II	2023/07/13
	IMM2510	ImmuneOnco	Advanced Solid Tumors	Phase I	2021/06/15
			NSCLC	Phase II	2024/12/26
	B1962	Tasly Pharmaceutical	Solid Tumors	Phase II	2024/11/07
			Advanced Colorectal Cancer	Phase II	2024/12/27
	CVL006	Fukang Health Technology	Advanced Solid Tumors	Phase I	2024/11/08
	SG1408	Shangjian Bio	Advanced Malignant Solid Tumors	Phase I	2022/11/02
PD-L1, VEGF	Palverafusp alfa	ImmuneOnco	NSCLC, TNBC	Phase II	2024/12/26
			Advanced Solid Tumors	Phase I	2021/06/15
	HLX37	Shanghai Henlius Biotech	NSCLC	Phase I	2025/12/03
			Solid tumor	Phase I	2025/12/03
PD-L1, CD40	B901	FutureGen	Solid Tumors	Phase I/II	2025/06/13

Target	Drug Name /Code	Company	Indications	Clinical Stage	First Posted Date
PD-L1,TGF-β	SHR-1701	Hengrui+Suncadia Bio	Gastric cancer	NDA	2024/09/20
			Non-squamous NSCLC	Phase III	2021/11/17
			Cervical cancer	Phase III	2021/11/22
			SCCHN	Phase II	2020/12/08
			Advanced Malignant Solid Tumors	Phase II	2021/07/22
			Locally Advanced Rectal Cancer	Phase II	2022/03/28
			Pancreatic Cancer	Phase Ib/II	2020/11/09
			Relapsed or Advanced NSCLC	Phase Ib/II	2022/08/15
			HER2-Positive Advanced GC/GEJC	Phase Ib/II	2023/01/06
			Nasopharyngeal Carcinoma	Phase I	2020/02/20
	HB0028	Huaota Bio+Huabo Bio	Advanced Malignant Solid Tumors	Phase I/II	2022/08/09
	6MW3511	Mabwell Bio	Advanced Malignant Solid Tumors	Phase I/II	2022/09/01
	BPB-101	Betta Pharma	Advanced Solid Tumors	Phase I/II	2023/03/23
	PM8001	Biotheus+Mabwell Bio	Advanced Solid Tumors	Phase I/IIa	2020/06/24
			Lung Cancer	Phase I	2021/11/17
	BJ-005	BJ Bio	Advanced Solid Tumors	Phase I/IIa	2022/03/09
	Y101D	Youzhiyou Biopharma	HC, Solid Tumors	Phase Ib/II	2023/03/17
			Advanced/Metastatic Pancreatic Cancer	Phase I	2023/01/29
			Solid Tumors	Phase I	2021/07/22
	GT90008	Gensun Bio+Kintor Pharma	Advanced Solid Tumors	Phase I	2022/05/31
	QLS31901	Qilu Pharma	Advanced Malignant Tumors	Phase I	2021/06/02
	TST005	Transcenta	Solid Tumors	Phase I	2022/07/01
PD-L1, TIGIT	HB0036	Huahai Pharma+Huabo Bio+Huaota Bio	Solid Tumors	Phase I/II	2022/12/09
	HLX301	Fosun Pharma	Solid Tumors or Lymphomas	Phase I/II	2022/05/30
	PM1022	Biotheus+Adimab	Advanced Tumors	Phase I	2022/03/15
	SH006	Sanhome Pharma	Advanced Solid Tumors	Phase I	2022/07/01
PD-L1, OX40	EMB-09	Epimab Bio	Locally Advanced or Metastatic Solid Tumor	Phase I	2023/06/14
PD-1, PD-L1	SSGJ-706	3SBio	Advanced Non-Small Cell Lung Cancer	Phase II	2025/09/12
			Gastrointestinal Cancers	Phase II	2025/11/18
			Advanced Malignancy	Phase I	2024/07/25
PD-L1, LILRB2	SPX-303	Sparx Bio	Solid Tumor | HNSCC | RCC | CRC	Phase I	2024/02/14

Notes:

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(3) ccRCC refers to Clear Cell Renal Cell Carcinoma; AML refers to Acute Myeloid Leukemia; and MDS refers to Myelodysplastic Syndrome.

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Clinical Limitations of Current PD-1/PD-L1 Treatment

Although the emergence of PD-1/PD-L1 inhibitors has brought new treatment for many cancer patients, the tumor cells and tumor micro-environment can limit the effect of PD-1/PD-L1 inhibitors, and there are only limited number of patients can benefit from these drugs. In addition, the resistance of PD-1/PD-L1 inhibitors brings new challenges to patients who fail to achieve therapeutic effect.

- ***Limited Number of Benefited Patients***

  Immune regulation targeting PD-1 and PD-L1 is affected by a variety of immune signaling pathways, including Src homology-2 protein tyrosine phosphatase signaling pathway, INFγ-JAK-STAT signaling pathway, etc.. Although significant and lasting effects have been achieved in some patients, the overall response rate is relatively low in patients receiving treatment. The monotherapy response rate of PD-1/PD-L1 is rarely

higher than 29%, which means that about 71% of patients with PD-1/PD-L1 reactive cancer need to seek other treatments. In addition, the therapeutic effect of PD-1/PD-L1 inhibitors is usually related to tumor immune micro-environment (including infiltration of $CD8^+$ T lymphocytes in tumor tissue, and expression of PD-L1), tumor immunogenicity (including tumor mutation load, clonal neoantigen load, and microsatellite status) and tumor gene mutation. These factors generally vary among patients, and the therapeutic effect is also different.

- ***PD-1/PD-L1 Resistance***

  Even though immune checkpoint blockade targeting PD-1/PD-L1 has a promising therapeutic efficacy in different tumors, a majority of patients acquired resistance during treatment caused by the activation of alternative immune checkpoints.

  In light of the clinical limitations of anti-PD-1/PD-L1 monotherapy, there is a growing trend towards combination therapies and bispecific antibodies to circumvent resistance to PD-1/PD-L1 blockade.

Recent Developments of PD-1/PD-L1 Treatment

The number of clinical trials for combination therapies has surged, with therapies targeting VEGF and CTLA-4, showing better results than single treatments. The FDA has approved multiple PD-1/PD-L1 combination therapies, for example, nivolumab (PD-1 antibody) and ipilimumab (CTLA-4 antibody) combination as first-line treatment for adult patients with pleural mesothelioma who are not candidates for surgery. There are more PD-1/PD-L1 combination therapies are anticipated to be approved, which will enhance the efficacy of cancer treatment.

New explorations on mechanism of action for PD-1/PD-L1 treatment have surged through the emerging bispecific antibodies. Dual targeting of discrete checkpoints, such as CD47, PD-1/PD-L1 or CTLA-4, can be synergistic with regard to their anti-tumor effects. BsAbs further differentiate from mono-specific approaches by engaging surface targets across two different cell types (i.e., trans-binding), on the same cell surface (i.e., cis-binding), or soluble proteins at or near the cell surface. In terms of cis-binding, relative cell surface expression levels can be exploited to enhance cell binding selectivity through the adjustment of binding arm affinities. Currently, there are two approved PD-1 bispecific antibody drug.

OVERVIEW OF CTLA-4 ANTIBODY DRUG MARKET

Mechanism of Action of CTLA-4

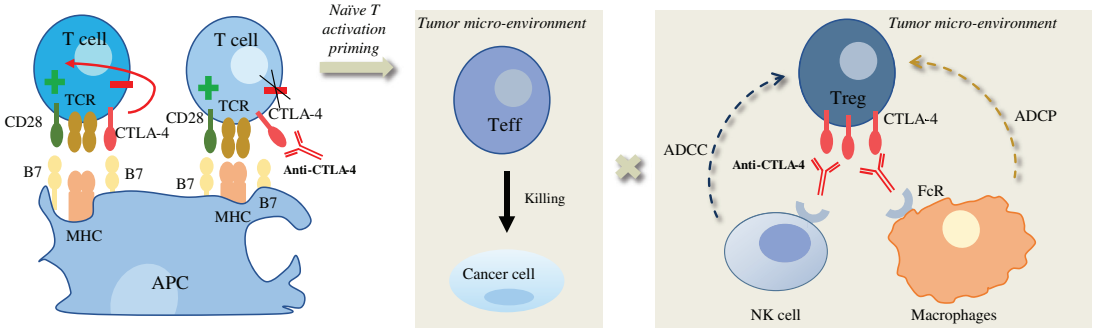
CTLA-4 is a protein receptor expressed constitutively on T cells and Tregs that functions as an inhibitory immune checkpoint and down-regulates immune responses. The immune system's detection and elimination of cancer cells are facilitated in part by a subset of T cells known as Teff cells. The effectiveness of Teff cells in detecting and eliminating cancer cells

partly depends on other T cells known as Tregs, which could suppress immune function. Tregs interact with Teff cells and produce molecules that reduce the activity of Teff cells. The key to the immune regulation function of CTLA-4 is to control T cells activating via the inhibitory function of Tregs.

Activation of T cells requires two signals. One is the binding of the T cell receptor to the MHC-antigen peptide complex presented by antigen presenting cells. The other one is the binding of B7 molecules on the APC to the co-stimulatory molecule CD28 on the surface of T cells. With higher affinity than CD28, inhibitory CTLA-4 binds to B7 ligands on antigen presenting cells and provides a brake for T cell activation. Anti-CTLA-4 antibodies were proposed to release brakes of naïve T cells and allow them to be activated in the lymphoid organs and then migrate to tumors to cause tumor rejection.

Selective depletion of Tregs in the tumor micro-environment results in increased tumor immunity. Higher levels of CTLA-4 on intratumoral Tregs allow their selective depletion by anti-CTLA-4 antibodies, through antibody-dependent cellular phagocytosis by macrophages and/or antibody-dependent cellular cytotoxicity by NK cells. In addition, the anti-tumor effect induced by the binding of the Fc terminus of anti-CTLA-4 antibodies to Fc receptors (FcγRs) has been a research hotspot in recent years. Anti-CTLA-4 antibodies with strong FcγR binding ability can inhibit tumor growth and drive immune remodeling, which is not only caused by Treg depletion and CTLA-4 blockade, but also by FcγR binding and type I interferon. Mechanism of actions of IgG1 type anti-CTLA-4 mAb described thus far include blockade of CTLA-4 binding to its ligands of CD80/CD86 on antigen presenting cells, ADCC-/ADCP-mediated depletion of tumor-infiltrate Treg via its Fc function and the remodeling of innate immunity in tumor micro-environment through FcγR-engagement.

The diagram below illustrates the mechanism of action of CTLA-4:



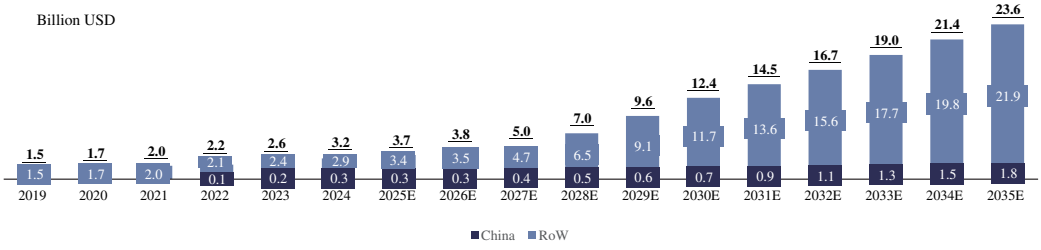
Source: Literature Research, Frost & Sullivan Analysis

Global and China CTLA-4 Antibody Drug Market Size

As of the Latest Practicable Date, there are two CTLA-4 monoclonal antibody drugs approved on the market. According to the F&S Report, the global CTLA-4 antibody drug market has grown from US$1.5 billion in 2019 to US$3.2 billion in 2024, with a CAGR of 16.3%. The global CTLA-4 antibody drug market is expected to reach US$12.4 billion in 2030, and US$23.6 billion in 2035 with a CAGR of 25.5% from 2024 to 2030 and a CAGR of 13.8% from 2030 to 2035. In terms of the China market, it started from US$0.3 billion in 2024 and is expected to reach US$0.7 billion by 2030, with a CAGR of 19.0% from 2024 to 2030. Following fast expansion, China market is expected to reach approximately US$1.8 billion by 2035, with a CAGR of 19.1% from 2030 to 2035. The chart below illustrates the global CTLA-4 antibody drug market size for the periods indicated:

Global CTLA-4 Antibody Drug Market, 2019-2035E

Period	CAGR		
	China	RoW	Global
2019-2024	-	14.4%	16.3%
2024-2030E	19.0%	26.0%	25.5%
2030E-2035E	19.1%	13.4%	13.8%



Source: Frost & Sullivan analysis

Note: Market size for CTLA-4-targeted drugs, including monoclonal antibody, bispecific antibody, antibody conjugate drug (ADC), fusion protein.

Entry Barriers of CTLA-4 Antibody Drug Market

- ***Toxicity and Safety Concerns:*** CTLA-4 antibody inhibitors, such as ipilimumab, are known to cause significant irAEs, which can be associated with substantial morbidity and mortality. These side effects limit the therapy's applicability and require careful management, posing a barrier to the development and adoption of new CTLA-4 antibody drugs.

- ***Limited Efficacy:*** The value of anti-CTLA-4 antibodies in cancer therapy is well established. However, the broad application of currently available anti-CTLA-4 therapeutic antibodies is hampered by their narrow therapeutic index. It is therefore challenging to develop the next generation of anti-CTLA-4 therapeutics with improved safety and efficacy. Response rates to CTLA-4 monotherapies are approximately 10.9%,

which are generally lower compared to PD-1/PD-L1 inhibitors. This lower efficacy can make it challenging for new CTLA-4 drugs to demonstrate superior or non-inferior outcomes in clinical trials, particularly when compared to established treatments.

- ***Competition from Established Therapies:*** The market for cancer immunotherapies is already saturated with established PD-1/PD-L1 inhibitors, which have proven efficacy and a more favorable safety profile for some patient populations. This competition makes it difficult for new CTLA-4 targeting therapies to gain a foothold.

Growth Drivers of CTLA-4 Antibody Drug Market

- ***Continuous Expansion of Indications to Address Unmet Clinical Needs:*** Many cancer patients lack access to the CTLA-4 antibody drugs, creating significant unmet needs. As indications expand, more patients will benefit, driving growth in the CTLA-4 antibody drug market. Looking ahead, the focus of CTLA-4 drug development will continue to be on expanding indications to address unmet clinical needs, providing broader patient access to these therapies.

- ***Enhancement of Drug Efficacy:*** CTLA-4 antibody drugs have achieved an overall response rate of 39% in metastatic NSCLC treatments, reflecting their superior anti-tumor efficacy. Continued advancements in antibody technology and therapeutic strategies are expected to further improve objective response rates. This exceptional efficacy not only enhances clinical outcomes but also increases physicians' confidence in prescribing these drugs, thus fueling the market's expansion.

- ***CTLA-4 Bispecific as a Development Trend:*** CTLA-4 is a pivotal target in immune checkpoint inhibition, playing a crucial role in tumor immunotherapy. With a deepening understanding of the tumor micro-environment, CTLA-4 bispecific drugs have emerged as a promising development trend. These drugs simultaneously target CTLA-4 and additional pathways, such as PD-1, PD-L1, and CD47, aiming to enhance therapeutic efficacy while minimizing side effects. The approval of Akeso's cadonilimab, the first global CTLA-4 bispecific drug, represents a significant breakthrough, heralding a new era of innovation and opportunity in dual-target drug development.

- ***Advancement in Treatment Line for Improved Accessibility:*** The combination of CTLA-4 and PD-1 antibody therapies is endorsed by the American Society of Clinical Oncology as a first-line treatment for non-small cell lung cancer and hepatocellular carcinoma. Additionally, the Chinese Society of Clinical Oncology recommends these therapies as a second-line treatment for cervical cancer. As more CTLA-4 drugs are integrated into first- and second-line cancer treatments, patients' access to these life-saving therapies is expected to increase significantly, further improving treatment accessibility and availability across broader patient populations.

Global (including China) Approved CTLA-4 Bispecific Antibody Drugs

Currently, Kaitanni is the only approved CTLA-4 bispecific antibody drug.

Target	Drug Name	Company	Indications	Line of Treatment	Combination Therapy	Approval Date	Dosage	Country	Medical Insurance	Price per Treatment Cycle
PD-1, CTLA-4	Cadonilimab Kaitanni®	Akeso	Cervical Cancer	2L	Monotherapy	2022/06/28	This product is administered via intravenous infusion. The recommended dose is 6 mg/kg, given every 2 weeks until disease progression or intolerable toxicity occurs.	China	B	approximately RMB7,500
				1L	Combined with platinum based chemotherapy and Bevacizumab, or combined with or without Bevacizumab	2025/05/27				
			GC/GEJC	1L	Combination with fluoropyrimidine and platinum-based chemotherapy agents	2024/09/26	This product is administered by intravenous infusion. The recommended dose is 10 mg/kg, given every 3 weeks until disease progression or intolerable toxicity occurs.			approximately 11,000

Source: NMPA, FDA, Company Website, Literature Review, Frost & Sullivan Analysis

Note:

(1) *Industry information is as of December 8, 2025. 2. GC refers to Gastric Cancer; GEJC refers to Gastroesophageal Junction Cancer.*

Competitive Landscape of CTLA-4 Targeted Bispecific Antibody/Bifunctional Fusion Protein Pipeline

Currently, there are 13 CTLA-4 targeted bispecific antibody drugs under the clinical development globally. HX044 is the only CTLA-4/CD47 bispecific antibody/bifunctional fusion protein under the clinical development globally.

Global (excluding China) Competitive Landscape of CTLA-4 Targeted Bispecific Antibody/Bifunctional Fusion Protein Pipeline

Target	Drug Name /Code	Company	Indications	Clinical Stage	First Posted Date
CTLA4, CD47	HX044	Hanx Bio	Advanced Solid Tumor Malignancies	Phase I/IIa	2024/10/21
CTLA4，PD-1	Volrustomig /MEDI5752	AstraZeneca	NSCLC	Phase III	2023/08/09
			Locally Advanced Cervical cancer	Phase III	2023/10/12
			Unresectable Pleural Mesothelioma	Phase III	2023/10/24
			HNSCC	Phase III	2023/11/13
			Advanced Clear Cell Renal Cell Carcinoma	Phase III	2025/06/02
			Locally Advanced Unresectable or Metastatic Gastric or Gastroesophageal Junction Adenocarcinoma	Phase II	2023/01/27
			HCC, BTC	Phase II	2023/03/20
			Advanced Solid Tumor	Phase II	2023/06/05
			Metastatic Colorectal Cancer	Phase II	2025/01/27
			RCC	Phase I	2020/08/21
			Soft Tissue Sarcoma	Phase I	2023/04/20
	Vudalimab	Xencor+Icon Bio	mCRPC	Phase II	2021/08/13
			Advanced Gynecologic and Genitourinary Malignancies	Phase II	2021/09/02
			BTC	Phase II	2022/03/17
			Advanced Cervical Cancer	Phase II	2022/07/22
			NSCLC	Phase I/II	2023/12/15
	Lorigerlimab /MGD019	MacroGenics	Metastatic Cancer, Cervical Cancer	Phase II	2022/07/26
			Prostate Cancer	Phase II	2023/05/08
			Colorectal Cancer With Radiographic Occult Molecular Residual Disease	Phase II	2025/07/18
			Colorectal Cancer	Phase II	2025/07/18
			HCC, RCC, OC, Pancreatic Ductal Carcinoma	Phase I	2022/03/24
	Cadonilimab	Akeso	Cervical Cancer	Phase II	2020/05/07
			Advanced Liver Cancers	Phase II	2025/01/21
			Extensive Stage Small Cell Lung Cancer	Phase I/II	2022/07/08
CTLA-4, IL2/15Rβγc	SIM0323	GI Innovation / Simcere Pharmaceutical	Advanced Solid Tumors	Phase I/II	2019/02/21
	JK08	Salubris Biotherapeutics	Unresectable Locally Advanced or Metastatic Cancer	Phase I/II	2021/07/27
CTLA-4, IL2R	EGL-001	Egle Therapeutics	Advanced And/or Metastatic Solid Tumors	Phase I/II	2024/10/02
CTLA-4, LAG3	XmAb 841 (Bavunalimab)	Xencor	Advanced Solid Tumors	Phase I	2019/02/21

Source: CDE, Clinical trial, Company Website, Literature Review, Frost & Sullivan Analysis

Notes:

(1) The clinical stage refers to the latest clinical trials as well as the first posted date.

(2) First posted date refers to the date on which the study record was first available on **Chinadrugtrials.org.cn** or **Clinicaltrials.gov**.

(3) Company information is from the Company, and industry information is as of the Latest Practicable Date.

(4) HNSCC refers to head and neck squamous cell carcinoma; NSCLC refers to non-small cell lung cancer; RCC refers to renal cell carcinoma; GC refers to gastric cancer; BC refers to breast cancer; OC refers to ovarian cancer; TNBC refers to triple negative breast cancer; HCC refers to hepatocellular carcinoma; BTC refers to biliary tract cancer; EC refers to endometrial cancer; mCRPC refers to metastatic castration-resistant prostate cancer; CRC refers to colorectal cancer; UC refers to urothelial cancer; and ESCC refers to esophageal squamous cell carcinoma.

China Competitive Landscape of CTLA-4 Targeted Bispecific Antibody/Bifunctional Fusion Protein Pipeline

Target	Drug Name /Code	Company	Indications	Clinical Stage	First Posted Date
CTLA-4, CD47	HX044	Hanx Bio	Advanced Solid Tumor Malignancies	Phase I/IIa	2024/10/21
CTLA4, PD-1	Cadonilimab	Akeso	HCC	Phase III	2022/08/08
			Nasopharyngeal Carcinoma	Phase III	2022/10/19
			NSCLC	Phase III	2023/07/13
			Advanced/Metastatic Renal Cell Carcinoma	Phase II	2022/01/04
			Advanced Ovarian Cancer	Phase II	2022/06/24
			mCRC	Phase II	2023/02/18
			Pancreatic Cancer	Phase II	2023/03/21
			Advanced Endometrial Cancer	Phase II	2023/04/21
			Vulvar Cancer	Phase II	2023/06/27
			HNHCC	Phase II	2023/09/04
			HER2-expression Locally Advanced or Metastatic Urothelial Carcinoma	Phase II	2023/12/12
			Advanced Soft Tissue Sarcoma	Phase II	2024/04/16
			TNBC	Phase II	2024/04/16
			SCLC	Phase II	2024/05/06
			Melanoma	Phase II	2024/09/30
			Esophageal squamous cell carcinoma	Phase II	2025/12/02
	Volrustomig /MEDI5752	AstraZeneca	Recurrent or Metastatic Cervical Cancer	Phase III	2025/01/24
			Advanced or Metastatic HNSCC	Phase III	2025/01/14
			Pleural Mesothelioma	Phase III	2024/12/27
			NSCLC	Phase III	2025/01/24
			GC	Phase II	2023/02/01
			BTC/HCC	Phase II	2023/03/24
			Colorectal Cancer	Phase II	2025/01/27
			Colorectal cancer	Phase II	2025/08/27
	Danvilostomig /SI-B003	Biokin Pharma	Locally Advanced or Metastatic Esophageal Cancer, Gastric Cancer, Colorectal Cancer and Other Gastrointestinal Tumors	Phase II	2023/08/23
			SCLC	Phase II	2023/06/21
			Advanced or Metastatic Non-small Cell Lung Cancer, Nasopharyngeal Carcinoma and Other Solid Tumors	Phase II	2023/07/10
			Locally Advanced or Metastatic Urothelial Carcinoma and Other Solid Tumors	Phase II	2023/07/28
			Recurrent or Metastatic HNSCC	Phase II	2024/11/01
CTLA-4, PD-L1	SKB337	Kelun Pharma	Advanced Solid Tumors	Phase I	2021/05/20
	Erfonrilimab / KN046	Alphamab	Advanced Squamous NSCLC	Phase III	2020/07/27
			Advanced Pancreatic Cancer	Phase III	2021/12/03
			Advanced Unresectable or Metastatic ESCC	Phase II	2019/04/25
			Locally Advanced HER2-positive Solid Tumors	Phase II	2020/08/20
			Advanced HCC	Phase II	2020/09/02
			Digestive System Cancers	Phase II	2023/10/20
			Advanced Gastrointestinal Tumors	Phase I/II	2020/11/03
CTLA-4, CD28	SG1827	Shangjian Bio	Advanced Solid Tumors	Phase I	2023/09/25

Source: CDE, Clinical trial, Company Website, Literature Review, Frost & Sullivan Analysis

Notes:

(1) The clinical stage refers to the latest clinical trials as well as the first posted date.

(2) First posted date refers to the date on which the study record was first available on **Chinadrugtrials.org.cn** or **Clinicaltrials.gov**.

(3) Company information is from the Company, and industry information is as of the Latest Practicable Date.

(4) HNSCC refers to head and neck squamous cell carcinoma; NSCLC refers to non-small cell lung cancer; ICC refers to intrahepatic cholangiocarcinoma; GC refers to gastric cancer; TNBC refers to triple negative breast cancer; BTC refers to biliary tract cancer; and ESCC refers to esophageal squamous cell carcinoma.

Limitation of First Generation CTLA-4 Treatment

CTLA-4 is a pivotal target in immune checkpoint inhibitor, playing a crucial role in tumor immunotherapy. The first generation anti CTLA-4 antibody is an immune checkpoint inhibitor that enhances T cell activity and improves anti-tumor immune response. While CTLA-4 antibody drugs have proven effective, they can trigger irAEs, such as rashes and colitis, which may lead to treatment discontinuation or compromise patient outcomes, and such dose-dependent toxicity has hindered its potential application.

Recent Development of Second Generation CTLA-4 Treatment

The primary mechanism of action for second-generation CTLA-4 antibodies involves the clearance of tumor-infiltrated Tregs. This mechanism is based on the study that CTLA-4 inhibitors can deplete Tregs locally within tumors that express high levels of CTLA-4. This is achieved through antibody-dependent cellular cytotoxicity (ADCC) and antibody-dependent cellular phagocytosis (ADCP), which are mediated by the Fc receptor of the antibody. Many second-generation CTLA-4 monoclonal antibodies are being developed using Fc segment genetic engineering technology, thereby boosting the immune response to cancer cells. To address the safety issues, numerous companies have endeavored to mitigate the toxicity of CTLA-4 therapies through innovative approaches, such as developing acid-sensitive CTLA-4 inhibitors, refining antibody design, and employing bispecific antibodies.

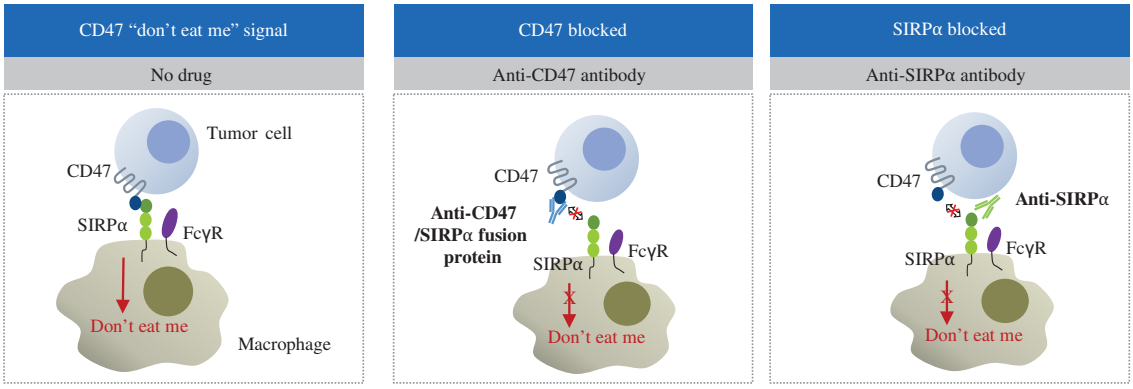
In addition, with a deepening understanding of the tumor micro-environment, dual-target CTLA-4 drugs have emerged as a promising development trend. These drugs simultaneously target CTLA-4 and additional pathways, such as PD-1, PD-L1, and CD47, aiming to enhance therapeutic efficacy while minimizing side effects. The mechanism of action of bispecific anti-CTLA-4 antibodies, taking HX044 as an example, involves both CTLA-4 and CD47 targets and efficiently binds to Tregs, where co-high-expression of both targets occur, due to cis-binding, resulting in depletion of Tregs as well as remodeling of tumor microenvironment in favor of anti-tumor immunity. The dual engagement of these two targets helps to modulate the balance between immune activation and suppression, which is important for achieving an optimal anti-tumor response. The approval of Akeso's cadonilimab, the first global bispecific CTLA-4 drug, represents a significant breakthrough, heralding a new era of innovation and opportunity in bispecific drug development.

OVERVIEW OF CD47/SIRPα TARGETED DRUG MARKET

Overview and Mechanism of CD47/SIRPα Targeting

CD47 is a kind of protein molecule expressed on the surface of many kinds of tumor cells, and it plays a pivotal role in this balance by delivering a "don't eat me" signal upon binding to the SIRPα receptor on macrophages. Through the "don't eat me" signal delivered by the CD47/SIRPα signal pathway, tumor cells can activate the downstream pathway of macrophages, inhibit the rearrangement of macrophage cytoskeleton, inhibit the phagocytosis of macrophages on tumor cells, and escape the innate immunity system.

CD47/SIRPα targeted drug works through multiple mechanisms, among which blocking "don't eat me" signal is the most important mechanism. Simple blockade of the CD47/SIRPα interaction could block the "don't eat me" signal, but this only partially activate macrophages. To fully activate them, it is necessary to activate receptors such as FcγRs so that "eat me" signal is generated. Efficient CD47/SIRPα targeted drug can simultaneously release the CD47/SIRPα check and activate macrophages through Fc-FcγR interaction. The diagrams below illustrate the mechanism of actions of CD47/SIRPα pathway and its targeted drugs:



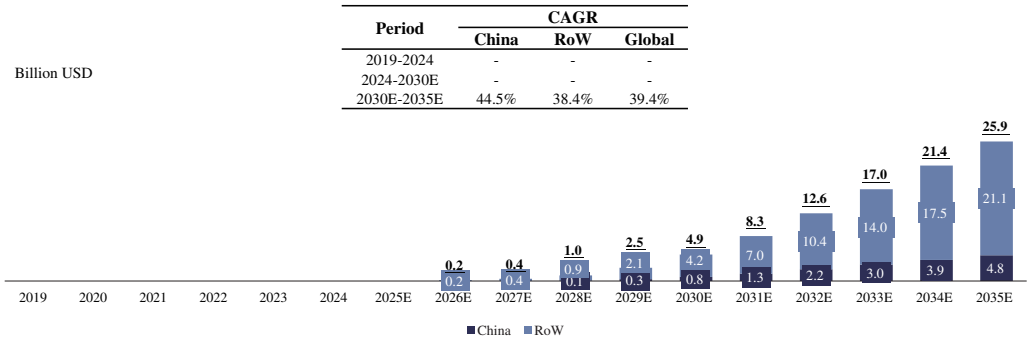
Source: Literature Review, Frost & Sullivan Analysis

Global CD47 Targeted Therapies Market

Safety issues have been documented in literatures that the primary concerns around CD47. Other than tumor cells, CD47 is also ubiquitously expressed on human red blood cells and platelets. CD47-targeted agents are shown to cause blood toxicity in clinical trials, such as anemia, thrombocytopenia and hemagglutination. In fact, a number of clinical-stage CD47 antibodies show severe strong red blood cell binding, leading to severe adverse effects, and trial suspensions or termination. For details, see "Risk Factors — Risks Relating to the Research and Development of Our Drug Candidates — Adverse events or undesirable side effects caused by our drug candidates could interrupt, delay or halt clinical trials, delay or prevent regulatory approval, limit the commercial profile of an approved drug, or result in significant negative consequences following any regulatory approval" in this prospectus.

As of the Latest Practicable Date, there are no approved CD47 targeted drugs available, and the first drug is expected to generate sales upon commercialization in 2026. It is expected that the market will expand rapidly with approval of CD47 targeted innovative drugs. The global market of CD47 therapies is projected to expand rapidly from US$0.2 billion in 2026 to US$4.9 billion in 2030, and further increase to US$25.9 billion in 2035 at a CAGR of 39.4% between 2030 and 2035. China's CD47 targeted therapies market is expected to grow at a higher speed compared to the global market, which is expected to grow from US$0.1 billion in 2028 to US$0.8 billion in 2030, and further reach US$4.8 billion in 2035 at a CAGR of 44.5% between 2030 to 2035.

Global CD47 Targeted Therapies Market, 2019-2035E



Source: Frost & Sullivan analysis

Note: Market size for CD47-targeted drugs, including monoclonal antibody, bispecific antibody, antibody conjugate drug (ADC), fusion protein.

Growth Drivers of CD47-Targeted Drug Market

- ***Bispecific Antibody and Fusion Protein:*** Compared with using multiple drugs, specifically designed bispecific antibody and fusion protein would have more benefits. The BsAbs targeting multiple antigens on the same type of target cell may increase the therapeutic window of anti-cancer drugs by increasing potency and decreasing off-tumor effects. At present, many pharmaceutical companies are undertaking relevant researches. Bispecific antibodies of PD-1 and CTLA-4 have obtained good clinical trial data. Bispecific antibody and fusion protein are expected to be a good choice of design in CD47-targeted drug market.

- ***Indication Expansion:*** Although it has been proved that CD47 is widely expressed in various solid tumor cells, the killing effect of macrophages on a wide range of solid tumors have not yet been fully studied. Though the majority of the clinical evidence has been accumulated around hematological tumor, few studies investigating solid tumors have obtained good experimental results. As mentioned above, using bispecific antibody or fusion protein could help get better treatment outcomes, and this could improve the chance of CD47-targeted drugs being expanded to more tumor types. With the investigation going deeper and accumulation of clinical data, it is expected that in the future, CD47-targeted drugs will be expanded to be used in solid tumors, benefiting a larger population.

Competitive Landscape of CD47/PD-1, CD47/CTLA-4 and CD47/PD-L1 Targeted Bispecific Antibody/Bifunctional Fusion Protein Pipeline

Global (excluding China) Competitive Landscape of CD47/PD-1, CD47/CTLA-4 and CD47/PD-L1 Targeted Bispecific Antibody/Bifunctional Fusion Protein Pipeline

Our Core Product, HX009, is a bispecific antibody fusion protein targeting both CD47 and PD-1. According to the F&S Report, as of the Latest Practicable Date, HX009 stands out with the leading position in respect of its clinical trial progress in the world among comparable CD47 targeted bispecific antibody/bifunctional fusion protein products. The following chart illustrates comparisons of clinical-stage CD47/PD-1, CD47/CTLA-4 and CD47/PD-L1 bispecific antibody/bifunctional fusion protein worldwide:

Target	Drug Name/ Code	SIRPα Fusion Protein	Company	Indications	Clinical Stage	First Posted Date
CD47, PD-1	HX009	Yes	the Company	Advanced Solid Tumor	Phase I	2019/09/20
CD47, CTLA4	HX044	Yes	the Company	Advanced Solid Tumor Malignancies	Phase I/II	2024/10/21
CD47, PD-L1	LB101	No	LogicBio	Advanced Solid Tumor	Phase I/II	2023/04/20
	BAT7104	No	Bio-Thera	Advanced Solid Tumor	Phase Ib/II	2024/07/22
	IBI322	No	Innovent	Advanced Malignant Tumors Lymphomas	Phase I	2020/04/08

Source: CDE, Clinical trial, Company Website, Literature Review, Frost & Sullivan Analysis

Notes:

(1) The clinical stage refers to the latest clinical trials as well as the first posted date.

(2) First posted date refers to the date on which the study record was first available on **Chinadrugtrials.org.cn** or **Clinicaltrials.gov**.

(3) The Company obtained the FDA Study May Proceed approval in relation to the phase Ib/II study of HX009 in the U.S. for treatment of DLBCL in May 2023.

(4) Company information is from the Company, and industry information is as of the Latest Practicable Date.

(5) B-NHL refers to B-cell non-Hodgkin lymphoma; NSCLC refers to non-small cell lung cancer; HNSCC refers to head and neck squamous cell carcinoma; OC refers to ovarian cancer; GC refers to gastric cancer; BC refers to breast cancer; LC refers to lung cancer; CLL refers to chronic lymphocytic leukemia; DLBCL refers to diffuse large B-cell lymphoma; MCL refers to mantle cell lymphoma; and SLL refers to small lymphocytic lymphoma.

China Competitive Landscape of CD47/PD-1, CD47/CTLA-4 and CD47/PD-L1 Targeted Bispecific Antibody/Bifunctional Fusion Protein Pipeline

Target	Drug Name/ Code	SIRPα Fusion Protein	Company	Indications	Clinical Stage	First Posted Date/ CDE Acceptance Date
CD47, PD-1	HX009	Yes	the Company	TNBC	IND	2024/12/06
				Melanoma BTC	Phase II	2024/11/14
				Relapsed/Refractory Lymphoma	Phase I/II	2022/01/12
CTLA-4, CD47	HX044	Yes	the Company	Advanced malignant solid tumor	Phase I	2025/03/03
CD47, PD-L1	6MW3211	No	Mabwell Bio	Advanced Lung Cancer	Phase II	2022/06/13
				Advanced clear cell RCC	Phase II	2022/06/28
				Relapsed/Refractory Lymphoma	Phase II	2022/07/04
				AML/MDS	Phase II	2023/01/31
				Advanced Malignant Tumor	Phase I/II	2021/08/24
	IBC0966	Yes	ImmuneOnco	Advanced Malignancies	Phase I/II	2021/07/08
	IBI322	No	Innovent	Advanced Malignant Tumor	Phase I	2020/03/30
				Malignant Hematological Tumor	Phase I	2021/03/19
	SG12473	No	Shangjian Bio	Advanced Malignant Tumor	Phase I	2021/05/13
	BAT7104	No	Bio-Thera	Advanced Solid Tumor	Phase Ib/II	2022/02/22
	SH009	No	Nanjing Sanhome Pharmaceutical	Advanced Solid Tumor	Phase I	2025/04/02
				NSCLC	Phase I	2025/05/16

Source: CDE, Clinical trial, Company Website, Literature Review, Frost & Sullivan Analysis

Notes:

(1) The clinical stage refers to the latest clinical trials as well as the first posted date.

(2) First posted date refers to the date on which the study record was first available on **Chinadrugtrials.org.cn** or **Clinicaltrials.gov**.

(3) Company information is from the Company, and industry information is as of the Latest Practicable Date.

Limitations and Potential Solutions of CD47-Targeted Drug Development

CD47 is a cell surface protein that acts as a key regulator of the tumour microenvironment and represents a potential target for cancer therapy. It is found to be overexpressed in different types of tumors and act as a "don't eat me" signal, which contributes to immune evasion. Macrophages are distributed in the micro-environment of tumors, and have been proved to induce effective anti-tumor immune response via phagocytosis.

Although CD47-targeted drugs have great potential in activation of macrophages, there are many concerns pertaining safety in development of CD47-targeted drugs, such as blood toxicity, antigen-sink (a bioavailability phenomenon influenced by saturation of receptors which results in high demand for dose level), on-target/off-tumor effects, and T cell apoptosis.

- ***Off-target Effects and Blood Toxicity:*** Safety issues have been the primary concerns around CD47. Other than tumor cells, CD47 is also ubiquitously expressed on human red blood cells and platelets. Growing studies are recognizing the toxicities associated to targeting CD47, whose ubiquitous expression causes off-tumor killing of non-cancerous

cells, especially red blood cells and platelets resulting in hemagglutination and anemia. In fact, a number of clinical-stage CD47 antibodies show severe strong red blood cell binding, leading to severe adverse effects, and trial suspensions or termination.

- ***Antigen-Sink:*** The antigen-sink effect of CD47-targeted drugs refers to the fact that due to the widespread expression of CD47 on normal cells, the drug may require a larger initial dose and/or frequent administration to effectively block CD47, which may affect the concentration and efficacy of the drug on tumor cells. This effect may result in the drug not reaching sufficient concentration on tumor cells, thereby reducing the therapeutic effect.

- ***T Cell Apoptosis:*** CD47 is expressed on immature and mature T cells. Upon binding with CD47 antibody, T cells may undergo apoptosis, for which reason antibody candidates have to be screened and those have this activity have to be excluded.

The absence of any approved CD47-targeted drug to date is understood as the cumulative result of specific clinical-development challenges, rather than as a definitive verdict on the biological validity of the target itself. For example, on July 1, 2025, Pfizer announced the termination of its Phase II trial evaluating maplirpacept in R/R DLBCL, explicitly attributing the decision to enrollment feasibility rather than pharmacologic concerns. According to the subsequent update on the U.S. federal clinical trials database, the study was closed due to the "inability to recruit the planned number of subjects," having enrolled only six patients since its initiation in August 2023. Pfizer emphasized that the decision was not based on any safety or efficacy findings. Notably, Pfizer continues to investigate maplirpacept's potential in combination strategies, with an ongoing Phase I/II trial pairing it with Roche's bispecific antibody glofitamab (Columvi) in the same DLBCL setting, which remains active as of the latest update. In contrast, the discontinuation of Gilead Sciences' magrolimab program in hematologic cancers was decisively driven by unfavorable clinical data. On February 7, 2024, Gilead announced that it had discontinued the Phase III ENHANCE-3 study in acute myeloid leukemia and that the U.S. FDA had placed all magrolimab studies in myelodysplastic syndromes and acute myeloid leukemia on full clinical hold. This decision was based on interim analysis which indicated futility and an observed increased risk of death. The detailed final analysis, later presented at the European Hematology Association Congress on June 14, 2024, substantiated these concerns: with a median follow-up of 7.6 months in the magrolimab arm versus 7.4 months in the control arm, the combination of magrolimab with venetoclax and azacitidine demonstrated a median overall survival of 10.7 months compared to 14.1 months with the control regimen (hazard ratio, 1.178; 95% confidence interval, 0.848–1.637). The complete response rate within six treatment cycles was also lower in the magrolimab arm (41.3% vs. 46.0%). Furthermore, the addition of magrolimab led to a higher incidence of fatal adverse events (19.0% vs. 11.4%), primarily driven by grade 5 infections (11.1% vs. 6.5%) and respiratory events (2.6% vs. 0%). These results, which aligned with earlier futility signals from the ENHANCE and ENHANCE-2 trials, led Gilead to discontinue all development of magrolimab in blood cancers. While several CD47-directed candidates have faltered, such

failures do not negate the pathway's documented ability to unleash macrophage-mediated anti-tumor immunity; instead, they highlight that the clinical potential of CD47-targeted agents depends largely on the specific design and execution of each drug program.

Possible solutions to the above safety concerns include (i) efficient discovery and development platforms to screen appropriate molecules. Such platforms help to figure out structures that have no or minimal effect on T lymphocytes and red blood cell beforehand, while maintaining high efficacy; (ii) specific administration dosing such as priming dosing strategy (i.e., a lower initial dose followed by a higher maintenance dose) to reduce the frequency of adverse events; and (iii) greater drug delivery methods like tumor-targeting nano-particles to enhance targeted delivery of drugs. In general, companies with in-depth understanding of underlying science and capability to develop highly efficient antibody screening platform will be more competitive compared with the peers. Currently, such companies are also exploring possible solutions through synergistic effects achieved from targeting additional targets such as PD-1. For example, HX009 by the Company is a specifically designed bifunctional anti-PD-1 antibody SIRPα fusion protein, which is designed to improve both efficacy and safety over the two respective single-targeting immune checkpoint inhibitors. As documented in literatures, HX009 is capable of inducing stronger T cell activation than anti-PD-1 mAb alone via additional PD-1-driven, *cis*-binding to surface PD-1 and CD47 on T cells. Also, such mechanism is capable to significantly reduce CD47 binding affinity through SIRPα domain, and therefore may address the CD47-related safety issues.

Synergistic Analysis of CD47 with Other Targets

CD47 monoclonal antibody can block the CD47/SIRPα pathway and alleviate the inhibition of macrophage phagocytosis. Blocking CD47 increases macrophage recruitment to tumors. Phagocytosis following anti-CD47 treatment can cause the secretion of chemokines and cytokines that recruit additional immune cells to tumors, enhancing the immune response. Based upon such understanding, additional targets were attempted to be added on top of CD47 pathway target, aiming to achieve a synergistic effect, which is expected to have a stronger anti-tumor effect.

For drugs that target both PD-1 and CD47, the anti-CD47 antibody can block the CD47/SIRPα axis and activate the phagocytosis of tumor cells by macrophages, thereby achieving the purpose of curing tumors. In addition, anti-PD-1 antibodies block the binding of PD-1 to its ligand PD-L1 or PD-L2, thereby reversing the tumor immune micro-environment, restoring the anti-tumor activity of T cells, and inhibiting tumor growth. Meanwhile, PD-1 has little systemic expression, but is expressed in tumor micro-environment, so bispecific antibody targeted PD-1 has tumor targeting effect, than bring more binding to CD47 in tumors. HX009 developed by our Company, constructed by grafting the extracellular CD47-binding domain of human SIRPα protein, could have high avidity (i.e., apparent affinity) to bind to CD47 on Teff because of cis-binding, where high affinity PD-1 binding would be the driver binder of the BsAb. The SIRPα domain has significantly reduced CD47 binding affinity, aiming at reducing binding to $CD47^+$ red blood cells and megakaryocytes to minimize hemotoxicity, and also to

reduce the anti-CD47 antigen sink effect due to the broad expression of CD47 among normal tissues. In this way, innate immunity and cellular immune responses are improved through multiple links. Therefore, bispecific antibodies targeting both human PD-1 and CD47 could enhance anti-tumor activity and reduce hemotoxicity based on rational design.

For drugs that target both CD47 and CTLA-4, it could also block CD47, the "don't eat me" signal, and take advantage of the high expression of CTLA-4 on Tregs and abundant Fc receptor — expressing active phagocytes inside the tumor micro-environment, causing synergistic antitumor immunity/efficacy and avoid both peripheral irAE and hemotoxicities. Depletion of Tregs is an attractive strategy to promote antitumor immunity. One strategy that could deplete Treg cells is blockade of the "don't eat me" signal, CD47, which prevents Treg cells from being targets of phagocytosis. The CTLA-4 antibody also possesses the ability to deplete Treg cells. HX044 developed by our Company efficiently binds to Treg, where co-high-expression of both targets occur, due to cis-binding, resulting in depletion of Tregs as well as remodeling of tumor micro-environment in favor of anti-tumor immunity, significantly more so than anti-CTLA-4 monoclonal antibody, as clearly demonstrated in the preclinical models.

OVERVIEW OF AUTOIMMUNE DISEASE AND OX40-BASED MECHANISM

Overview of Autoimmune Disease

An autoimmune disease is a condition in which the body's immune system mistakenly attacks the body. There are more than one hundred different types of autoimmune disorders, which can affect almost any part of the body, including the heart, brain, nerves, muscles, skin, eyes, joints, lungs, kidneys, glands, the digestive tract, and blood vessels.

Autoimmune diseases can be divided into organ-specific and systemic autoimmune diseases based on the self-antigens targeted by immune cells. The exact underlying pathophysiology of these illnesses is still unknown, while autoimmune diseases arise in the context of a break in the immune tolerance to self. The mechanisms for the abrogation of immune self-tolerance appear to be multifactorial, including genetic and environmental, which will lead to unregulated immune activation against self-antigens and subsequent tissue destruction. B cells and T cells recognize self-antigens and dominate the phenotype of the patient with autoimmunity, although other immune components including antigen-presenting cells and complement are involved in various steps from initiation of the autoimmune response to tissue destruction.

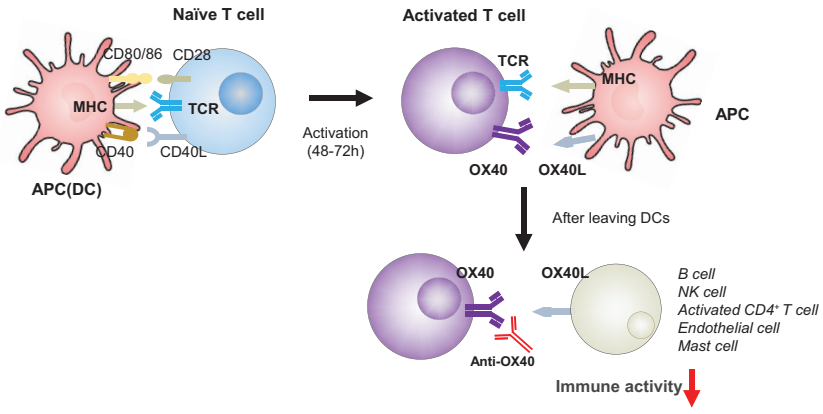
The global autoimmune disease therapeutics market is roughly to be valued at US$143.1 billion in 2024. Most importantly, it's anticipated that the autoimmune disease market will keep growing due to an increasing prevalence of autoimmune diseases, newly developed diagnostics technologies, rising awareness of autoimmune diseases, urgent calls for novel therapeutics, etc. Therefore, the global autoimmune disease therapeutics market is expected to grow at a value of US$234.8 billion by 2035 with a CAGR of 4.6% during the forecast period.

Treatment Revolution for Autoimmune Diseases

Treatments with anti-inflammatory agents were generally effective for alleviating of pain, fever, and inflammatory responses, but were limited to treating the symptoms of the disease. Gradually, treatments with targeted biologics were developed, which target the underlying sources of autoimmune disease, and therefore improve physical functioning and prevents irreversible damage, making disease remission possible.

Mechanism of Action of OX40

OX40 is a type I transmembrane glycoprotein, and a member of the NGFR/TNFR superfamily with co-activation function, which is a critical co-stimulator of T cell responses. OX40 plays an important role in memory T cell formation. OX40 is transiently induced by signaling following T-cell receptor engagement after antigen recognition, peaking 48 to 72 hours in activated T cells, including activated $CD4^+$ and $CD8^+$ T cells, as well as in neutrophils, natural killer cells and natural killer T cells. OX40L (the ligand for OX40) is also a member of the TNFR superfamily. OX40L is mainly expressed on activated antigen-presenting cells, such as dendritic cells, activated B cells, and macrophages. Apart from antigen-presenting cells, OX40L also expressed on hematopoietic cells such as activated NK cells, mast cells or the responding $CD4^+$ T cells, and non-hematopoietic cells. The diagram below illustrates the mechanism of action of OX40:



As illustrated in the diagrams, the OX40 signals to activated OX40-expressing T cells are first provided by professional antigen-presenting cells during 48 to 72 hours after antigen recognition. After the first interaction, the OX40-expressing T cells may leave DCs and interact with other OX40L-expressing cells during the effector phase, such as B cells, nature killer cells, activated $CD4^+$ T cells, endothelial cells, or mast cells, which results in the multi-channel activation of T cells through OX40-OX40L signaling. OX40-OX40L blockade may ameliorate autoantigen-specific T cell responses and reduce immune activity in autoimmunity diseases.

Blocking OX40-OX40L signaling transduction has produced strong therapeutic effects in clinical trial of autoimmune and inflammatory diseases as well as demonstrated encouraging anti-inflammation activities in atopic dermatitis in clinical trials. On September 24, 2024,

Amgen announced the success of its Phase III trial of OX40 monoclonal antibody rocatinlimab for the treatment of atopic dermatitis, which will mark the debut of the first OX40-targeting drug on the market, simultaneously leading a novel mechanism of action within immunotherapy. This development heralds a new era in the research and development of OX40-directed therapeutics.

SELECTED INDICATIONS ANALYSIS

Lymphoma

Lymphomas are hematologic cancers involving lymphoceles of the immune system. According to the F&S Report, China incidence of lymphoma has increased from 80,000 in 2019 to 88,700 in 2024 with a CAGR of 2.1%. It is estimated to be 99,200 in 2030 and 108,000 in 2035 with a CAGR of 1.9% and 1.7% respectively. Meanwhile, global incidence of lymphoma has increased from 602,600 in 2019 to 675,400 in 2024 with a CAGR of 2.3%. It is estimated to be 743,400 in 2030 and 815,000 in 2035 with a CAGR of 1.6% and 1.9% respectively.

The two main categories of lymphomas are Hodgkin's lymphomas and the NHL, and NHL accounts for around 90% of lymphoma with varieties of subtypes. NHL is an umbrella term for a group of independent diseases with strong heterogeneity, which develop in the lymphatic system. According to the F&S Report, China incidence of NHL has increased from 75,800 in 2019 to 84,200 in 2024 with a CAGR of 2.1%. It is estimated to be 94,500 in 2030 and 103,500 in 2035 with a CAGR of 1.9% and 1.8% respectively. Meanwhile, global incidence of NHL has increased from 521,500 in 2019 to 588,800 in 2024 with a CAGR of 2.5%. It is estimated to be 652,400 in 2030 and 718,900 in 2035 with a CAGR of 1.7% and 2.0% respectively.

Epstein-Barr virus (EBV) is a DNA virus belonging to the human herpesvirus γ subfamily, capable of infecting the host's B lymphocytes as well as T cells and NK cells. EBV infection can lead to a variety of lymphocyte proliferative diseases, including non-neoplastic proliferative diseases and neoplastic diseases. EBV^+ accounts for approximately 16% of NHL cases. R/R EBV^+ NHL is a type of non-Hodgkin lymphoma caused by EBV infection, where the cancer either relapses (returns after initial treatment) or becomes refractory (stops responding to treatment). NHL can be classified into B-cell and T-cell types, and is a cancer that originates from B lymphocytes. It is a B-cell type NHL. One of the major causes of DLBCL is EBV virus infection.

According to the F&S Report, global incidence of EBV^+ NHL has increased from 83.4 thousand in 2019 to 94.2 thousand in 2024 with a CAGR of 2.5%, and it is estimated to be 104.4 thousand in 2030 and 115.0 thousand in 2035 with a CAGR of 1.7% and 2.0% respectively. Meanwhile, China incidence of EBV^+ NHL has increased from 12.1 thousand in 2019 to 13.5 thousand in 2024 with a CAGR of 2.1%, and it is estimated to be 15.1 thousand in 2030 and 16.5 thousand in 2035 with a CAGR of 1.9% and 1.8% respectively. For the second line EBV^+ NHL that targeted by our HX009, the number of patients in 2024 was approximately

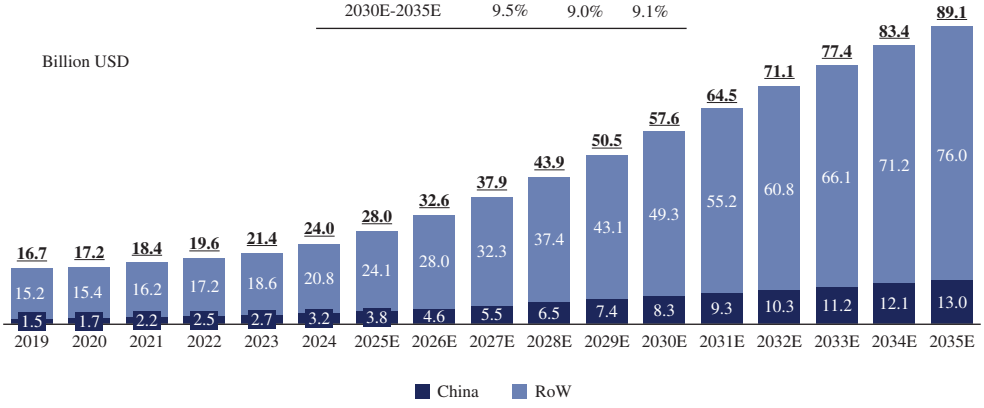
4.4 thousand in China and 33.6 thousand globally. In China, around 81% of advanced R/R EBV+ NHL received further treatment and the treatment rate is around 41%. Globally, the corresponding first line and second line treatment rate are about 85% and 42%, respectively.

Market Size

According to the F&S Report, from 2019 to 2024, the global lymphoma market has increased from US$16.7 billion to US$24.0 billion, representing a CAGR of 7.5%. Furthermore, the rapid increase in global lymphoma market will continue in the near future. The global lymphoma market is forecasted to reach US$57.6 billion and US$89.1 billion by 2030 and 2035 respectively, which represents a CAGR of 15.7% from 2024 to 2030 and a CAGR of 9.1% from 2030 to 2035. The market of lymphoma in China reached US$3.2 billion in 2024, the market would enlarge to US$8.3 billion and US$13.0 billion by 2030 and 2035 with the CAGR of 17.4% and 9.5% respectively. The chart below illustrates the historical and forecasted global lymphoma market size in the periods indicated:

Global Historical and Forecasted Lymphoma Market, 2019-2035E

Period	CAGR		
	China	RoW	Total
2019-2024	16.1%	6.5%	7.5%
2024-2030E	17.4%	15.5%	15.7%
2030E-2035E	9.5%	9.0%	9.1%

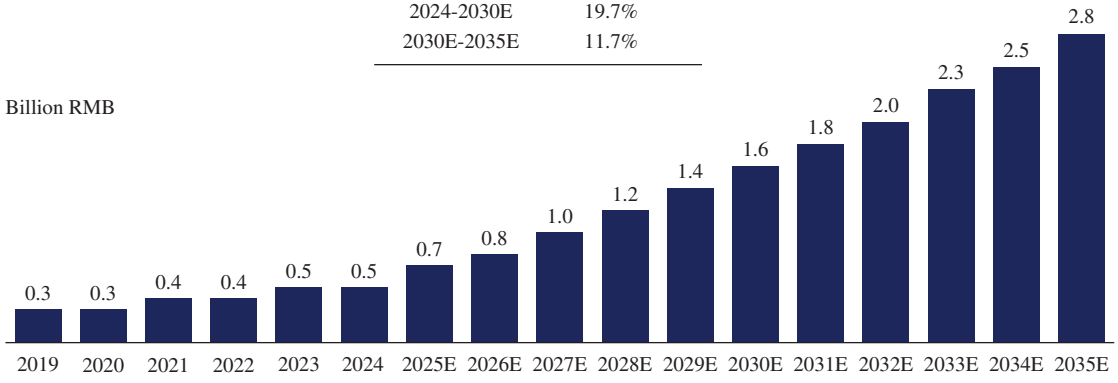


Source: Literature Review, Annual report, Expert interview, Frost & Sullivan Analysis

According to the F&S Report, from 2019 to 2024, the total EBV+ NHL market in China has increased from RMB0.3 billion to RMB0.5 billion, representing a CAGR of 10.1%. Furthermore, the rapid increase in China's EBV+ NHL market will continue in the near future. The total EBV+ NHL market of China is forecasted to reach RMB1.6 billion and RMB2.8 billion by 2030 and 2035 respectively, which represents a CAGR of 19.7% from 2024 to 2030 and a CAGR of 11.7% from 2030 to 2035.

Historical and Forecasted EBV+ NHL Market in China, 2019-2035E

Period	CAGR
	China
2019-2024	10.1%
2024-2030E	19.7%
2030E-2035E	11.7%



Source: Literature Review, Annual report, Expert interview, Frost & Sullivan Analysis

Unmet Clinical Needs

- ***Drug resistance:*** The current treatment for NHL generally includes radiation therapy, chemotherapy, stem cell transplantation and biologics. 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.

- ***High recurrence and limited salvage therapy:*** For r/r B-cell NHL, CD20-targeted therapy is still primarily recommended, but it is generally associated with limited efficacy because of drug resistance and side effects such as infusion-related reactions. For r/r T cell NHL, though novel immunotherapies (PD-1/PD-L1 inhibitors) and targeted therapies have been developed, the current treatment options are still mainly limited to chemotherapy. Although some lymphoma patients can be cured, about 60% of patients are still facing the problem of relapse and refractory treatment. It is rare for lymphoma patients to have effective treatment drugs. For patients who are ineligible or unable to undergo transplantation due to advanced age, poor physical condition, comorbidities, organ dysfunction, and/or lack of response to salvage chemotherapy, the available options for salvage therapy are limited, leading to an overall poor prognosis.

- ***Limited Treatment for EBV+ NHL:*** Tumors associated with EBV are often malignant, with poor prognosis and difficult treatment. Traditional surgery, chemotherapy, and radiotherapy have poor efficacy against these malignant tumors and can lead to severe adverse reactions. Currently, there are no specific drugs targeting EBV+ NHL on the market. Immune checkpoint inhibitors show potential in EBV+ NHL. For example, nivolumab appears safe in patients with EBV-associated lymphoproliferative disorders and NHL without unexpected toxicities in a phase II study.

China Competitive Landscape of EBV+ NHL Targeted Therapy Pipelines

There are 12 pipelines of targeted therapy pipelines for EBV+ NHL treatment in China.

Target	Drug Name /Code	Company	Indications	Treatment Strategy	Treatment Line	Clinical Stage	First Posted Date	Modality
CD47,PD-1	HX009	Hanx Bio	R/R Lymphoma	Mono	2L+	Phase II	2022/01/22	Antiboby-based fusion protein
CD19	Relmacabtagene Autoleucel	JW Therapeutics	DLBCL, PMBCL	Mono	2L+	Phase III	2022/07/08	CAR-T
	Tafasitamab	Baxter Oncology GmbH, InnoCare, Inset Pharmaceutical Technology (Shanghai) Co., Ltd	DLBCL	Combo with Chemotherapy	2L+	Phase III	2024/04/28	mAb
	SNC103	Simnova Biotechnology	DLBCL	Mono	3L+	Phase I	2024/03/18	CAR-NK
	MC-1-50	Precision Biotech	DLBCL	Mono	2L/3L	Phase I	2023/12/15	CAR-T
ROR1	Zilovertamab Vedotin	MSD	DLBCL	Combo with Chemotherapy	1L	Phase III	2024/12/17	ADC
				Mono	3L+	Phase II	2022/06/24	
PI3K,CSNK1A1	HZ-H08905	HangZhou HealZen	r/r NHL	Mono	2L+	Phase II	2025/11/10	Small molecule
TIGIT	Ociperlimab	BeiGene	DLBCL	Combo with BGB-A317 or rituximab	NA	Phase I/II	2022/02/18	mAb
CD47,PD-1	BRG 01	Biosyngen	R/R Lymphoma	Mono	2L=	Phase I	2023/09/08	CAR-T
CD20,CD3	Epcoritamab	Genmab, AbbVie	DLBCL	Combo with Chemotherapy	1L	Phase III	2023/06/05	BsAb
	SCTB35	SinoCelltech Ltd.	R/R B-Cell NHL	Mono	3L+	Phase I	2024/03/25	BsAb
EBV antigens	WGc-043	WestGene Biopharma	R/R EBV+ NHL	Mono	2L/3L	Phase I	2024/10/17	mRNA Vaccine

Source: CDE, Clinical trial, Company Website, Literature Review, Frost & Sullivan Analysis

Note: The pipeline drugs listed in the table have enrolment criteria that include patients with EBV+NHL.

China Competitive Landscape of Second Line and Above EBV+NHL Monotherapy Pipelines

Target	Drug Name /Code	Company	Indications	Treatment Strategy	Treatment Line	Clinical Stage	First Posted Date	Modality
CD47,PD-1	HX009	Hanx Bio	R/R Lymphoma	Mono	2L+	Phase II	2022/01/22	Antiboby-based fusion protein
CD19	Relmacabtagene Autoleucel	JW Therapeutics	DLBCL, PMBCL	Mono	2L+	Phase III	2022/07/08	CAR-T
	SNC103	Simnova Biotechnology	DLBCL	Mono	3L+	Phase I	2024/03/18	CAR-NK
	MC-1-50	Precision Biotech	DLBCL	Mono	2L/3L	Phase I	2023/12/15	CAR-T
ROR1	Zilovertamab Vedotin	MSD	DLBCL	Mono	3L+	Phase II	2022/06/24	ADC
PI3K,CSNK1A1	HZ-H08905	HangZhou HealZen	r/r NHL	Mono	2L+	Phase II	2025/11/10	Small molecule
CD47,PD-1	BRG 01	Biosyngen	R/R Lymphoma	Mono	2L=	Phase I	2023/09/08	CAR-T
CD20,CD3	SCTB35	SinoCelltech Ltd.	R/R B-Cell NHL	Mono	3L+	Phase I	2024/03/25	BsAb
EBV antigens	WGc-043	WestGene Biopharma	R/R EBV+ NHL	Mono	2L/3L	Phase I	2024/10/17	mRNA Vaccine

Source: CDE, Frost & Sullivan Analysis

Note: The pipeline drugs listed in the table have enrolment criteria that include patients with EBV+NHL.

China Competitive Landscape of Approved Targeted Drugs for EBV+ NHL Treatment

As of the Latest Practicable Date, there was no approved bispecific antibodies in China for EBV+NHL. As of the same date, among both monotherapy and combination therapy with chemotherapy, there was one drug approved for EBV+ NHL treatment.

Target	Drug Name	Company	Drug type	Treatment Line	Indications	Pirce per Treatment Cycle	Date of Approval
CD20	Rituximab	Roche + Biogen	Monoclonal antibody	2L	EBV+ NHL	RMB19,000	2000/01/01

Source: CDE, Frost & Sullivan Analysis

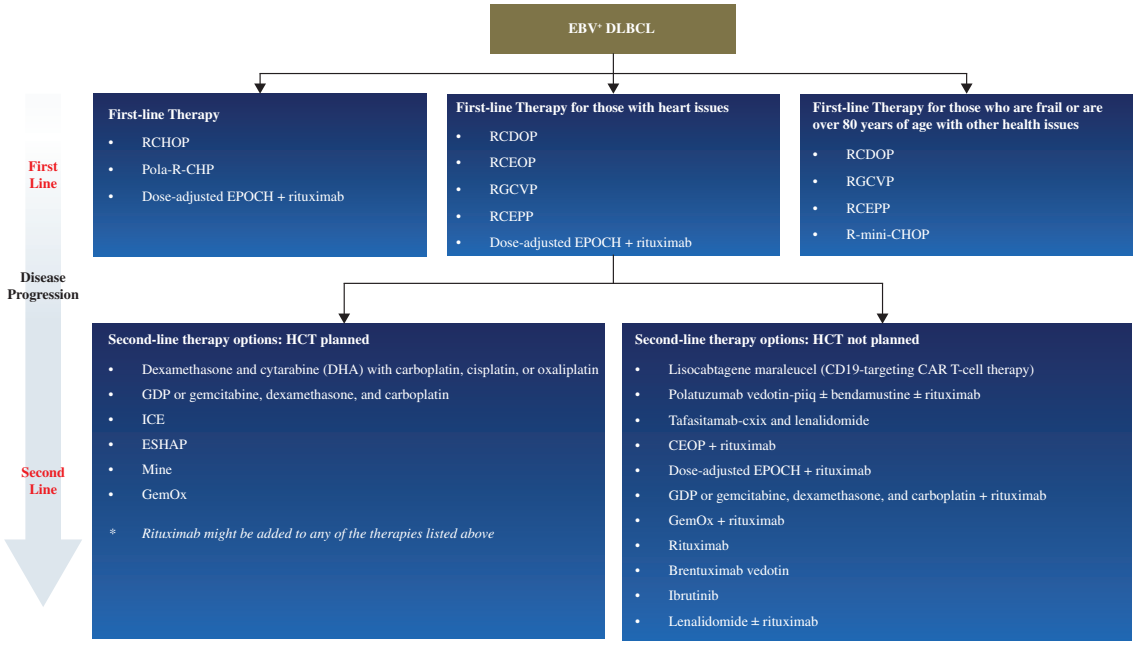
Treatment Paradigm of EBV+ NHL

There is no specific treatment paradigm for EBV+ NHL in the CSCO. For the NHL patients, the common clinical treatments are chemotherapy combined with monoclonal antibodies, including (i) CHOP (Cyclophosphamide, Doxorubicin, Vincristine and Prednisolone); (ii) R (Rituximab) + CHOP; (iii) R + CODOX-M (Cyclophosphamide, Doxorubicin, Vincristine with Intrathecal Methotrexate and Cytarabine followed by high-dose systemic Methotrexate); (iv) R + EPOCH (Etoposide, Prednisone, Vincristine, Cyclophosphamide, Doxorubicin); (v) R + HyperCVAD (Cyclophosphamide, Vincristine, Doxorubicin, Dexamethasone), and (vi) DDGP (Cisplatin, Dexamethasone, Gemcitabine and Pegaspargase). HX009 is a bispecific antibody targeting both PD-1 and CD47. Compared to the monoclonal antibody rituximab for the same disease stage, HX009 demonstrates synergistic anti-tumour efficacy through dual mechanisms of CD8+ T cell activation and macrophage-mediated immune response.

The abovementioned common clinical treatments for NHL patients are also the current standard of care for EBV+ NHL patients. EBV+ NHL includes both B-cell type and T/NK cell type, major types of which are EBV+ DLBCL, Burkitt's lymphoma and Extranodal NK/T cell lymphoma. Common clinical treatments for EBV+ NHL are similar in China and the U.S..

Treatment Paradigm of EBV+ DLBCL in China

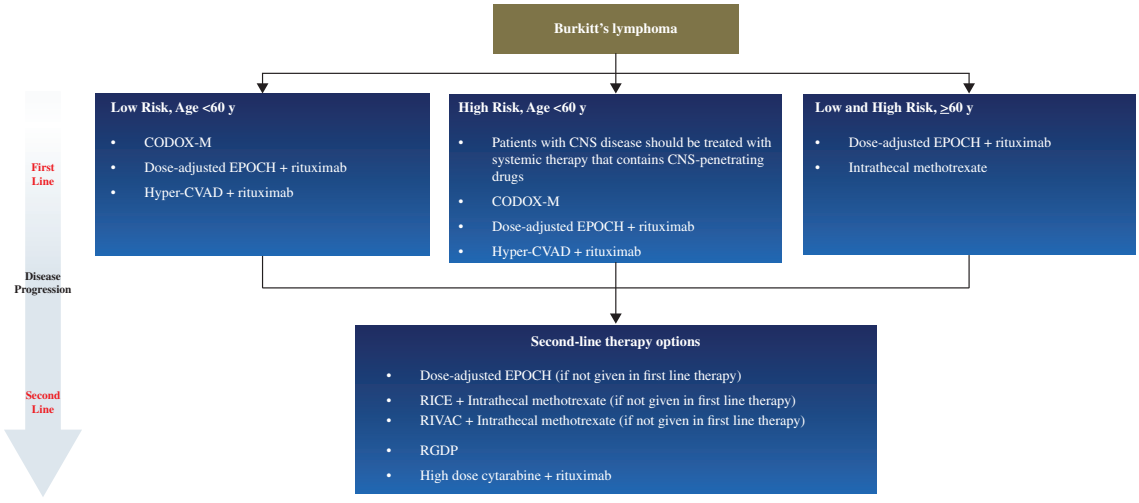
R-CHOP is the preferred first-line clinical treatment for EBV+ B cell type (DLBCL). The treatment regimen includes Rituximab, a monoclonal antibody; three chemotherapy drugs: cyclophosphamide, doxorubicin, and vincristine; and a steroid called prednisone. The R-CHOP therapy is an improved chemotherapy based on traditional CHOP therapy by introducing Rituximab. R-CHOP shows both higher 10-year progression-free survival (PFS, 36.5%) and overall survival (OS, 43.5%) compared to that of CHOP therapy (20% and 27.6%, respectively). However, R-CHOP therapy is also limited by side effects, including febrile neutropenia, infection, thrombocytopenia, and relapsed/refractory conditions.



Source: Frost & Sullivan Analysis

Treatment Paradigm of Burkitt's Lymphoma in China

For Burkitt's lymphoma, preferred clinical therapies are CODOX-M with Rituximab, EPOCH with Rituximab, and Hyper-CVAD. CODOX-M is a combination therapy used to treat high-grade lymphomas. It is a highly effective regimen for the treatment of Burkitt's lymphoma, with a 74% 3-year PFS, a 77% 3-year OS, and low relapse rates. However, there are side effects including neutropenia, thrombocytopenia, tumour lysis syndrome, sepsis, and seizures. Another effective clinical treatment is EPOCH with Rituximab (EPOCH-R). It is used to treat aggressive forms of NHL. Clinical studies reveal that within the adult population, dose-adjusted EPOCH-R has an 84.5% 5-year event-free survival rate and an 87% OS. The therapy is also tolerated by all age groups. Major side effects include neutropenia, thrombocytopenia, and mucositis. Hyper-CVAD with Rituximab (Hyper-CVAD-R) is a combination of chemotherapy, steroid drugs, and a monoclonal antibody. Clinical studies showed that the 3-year OS, EFS, and disease-free survival rates were 89%, 80%, and 88%, respectively, for Hyper-CVAD-R. The therapy is limited by the universal side effect of myelosuppression and associated infections. Elderly patients also had worse treatment outcomes compared to their younger counterparts because of the excessive burden of toxicity.



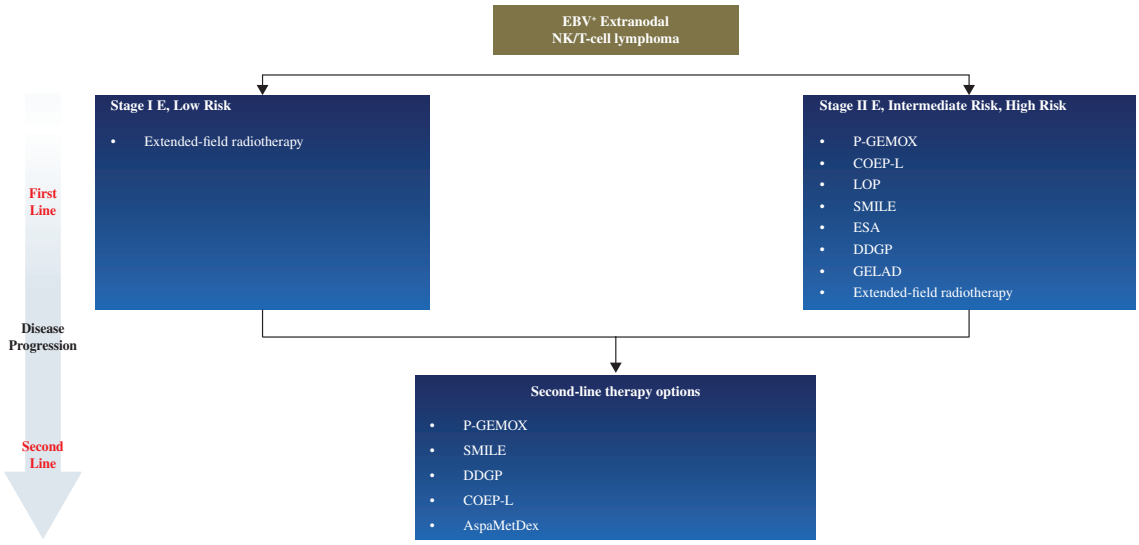
Source: Frost & Sullivan Analysis

Treatment Paradigm of EBV$^+$ Extranodal NK/T-cell lymphoma in China

For EBV$^+$ Extranodal NK/T-cell lymphoma, the disease is sensitive to L-asparaginase, and DDGP therapy is the preferred first-line method for this indication. Clinical studies showed that the two-year PFS and OS rates were 81.4% and 87.1%, respectively. The overall response rate (ORR) and complete response rate were 91.3% and 60%, respectively. Major adverse effects were myelosuppression, digestive tract toxicities, and coagulation disorders.

P-GEMOX is a first line therapy for Extranodal NK/T-cell lymphoma treatment, the overall response rate can be 88.8%, three-year progression free survival rate can be 57.8%.

SMILE is considered as a standard of care for second-line treatment of EBV+ Extranodal NK/T-cell lymphoma. The five-year overall survival can achieve 52.3%, and objective response rate is 68.2%.



Source: Frost & Sullivan Analysis

In the treatment paradigm of EBV+ NHL, HX009 of our Company is a 2L+ treatment for R/R EBV+ NHL patients. As of the Latest Practicable Date, HX009 is the only PD-1/CD47 bispecific antibody fusion protein targeting R/R EBV+ NHL globally.

Melanoma

Melanoma is the most serious type of skin cancer and it can also form in eyes and inside the body, such as in the nose or throat. It develops in melanocytes — the cells that produce the pigment melanin that colors the skin, hair and eyes. Signs and symptoms are often new spots or moles on the skin which change in size, shape, and color. The spot can cause bleeding and looks different from other lesions. Important signs include skin sore that does not heal and moles that are red, swollen, itchy, tender, bleeding, or painful. Diagnosis of melanoma is based on clinical manifestation, physical exam and biopsy. For melanoma targeted by our products, the advanced stage refers to cases where the cancer has spread to distant parts of the body, such as the lungs, liver, brain, and bones, or to distant lymph nodes. For advanced melanoma, imaging tests including CT, MRI, PET-CT, ultrasound, and isotope bone scans are recommend to look for signs of metastasis.

According to the F&S Report, China incidence of melanoma has increased from 8,200 in 2019 to 9,200 in 2024, representing a CAGR of 2.4%. It is estimated to be 10,300 in 2030 and 11,100 in 2035, representing a CAGR of 2.0% and 1.5%, respectively. Meanwhile, global incidence of melanoma has increased from 294,600 in 2019 to 351,600 in 2024 with a CAGR of 3.6%. It is estimated to be 376,600 in 2030 and 405,200 in 2035 with a CAGR of 1.2% and 1.5% respectively. For the first and second line melanoma that targeted by our HX009, the number of patients in 2024 was approximately 4.9 thousand in China and 24.3 thousand globally. In China, around 93% advanced melanoma patients receive 1L treatment and 58% patients who progressed after first-line treatment receive 2L and above treatment.

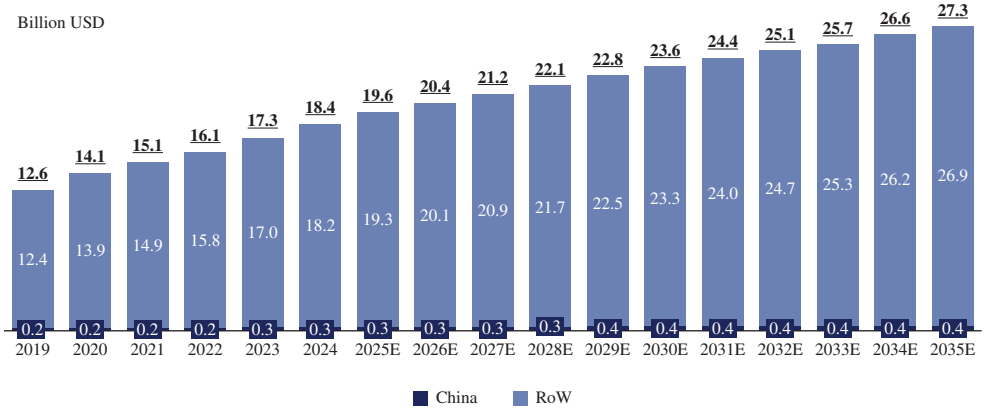
Currently, no drug targeting CD47 has been approved for clinical use and our Core Product HX009 is the only CD47 targeted bispecific antibody fusion protein for melanoma under clinical study globally.

Market Size

According to the F&S Report, from 2019 to 2024, the global melanoma market has increased from US$12.6 billion to US$18.4 billion, representing a CAGR of 7.9%. Furthermore, the rapid increase in global melanoma market will continue in the near future. The global melanoma market is forecasted to reach US$23.6 billion and US$27.3 billion by 2030 and 2035 respectively, which represents a CAGR of 4.2% from 2024 to 2030 and a CAGR of 2.9% from 2030 to 2035. From 2019 to 2024, the total melanoma market in China has increased from US$0.2 billion to US$0.3 billion, representing a CAGR of 6.2%. The total melanoma market of China is forecasted to reach US$0.4 billion in 2035. The chart below illustrates the historical and forecasted global melanoma market size in the periods indicated:

Global Historical and Forecasted Melanoma Market, 2019-2035E

Period	CAGR		
	China	RoW	Total
2019-2024	6.2%	8.0%	7.9%
2024-2030E	6.0%	4.2%	4.2%
2030E-2035E	1.9%	2.9%	2.9%



Source: Literature Review, Annual report, Expert interview, Frost & Sullivan Analysis

Beyond 2030, the melanoma market, along with the other three core indications, will continue to expand in absolute terms, yet growth rates are expected to moderate due to combined pricing and demographic pressures. While patent expiries, biosimilar competition, and sustained pricing pressure from national reimbursement schemes systematically erode drug prices, the incidence for these indications growth is also slowing down due to improved prevention and earlier detection.

China Competitive Landscape of First and Second Line and Above Melanoma Monotherapy Pipelines (Phase II and Beyond)

There are over 150 pipelines drugs of targeted therapy for melanoma treatment in China. There are over 50 monotherapy pipelines targeting first-line and second-line or above melanoma treatment, with five in phase I/II, eight in phase II, and three in phase III.

Target	Drug Name /Code	Company	Indications	Treatment Line	Clinical Stage	First Posted Date	Modality
CD47,PD-1	HX009	Hanx Bio	Malignant Melanoma	1L/2L+	Phase II	2024/11/14	Antiboby-based fusion protein
CTLA4	Ipilimumab	Bristol Myers Squibb	Advanced Melanoma	1L	Phase III	2015/10/23	mAb
CSF2R	BS001	Binhui Biotechnology	Melanoma	3L	Phase III	2023/01/10	oncolytic virus
	OrienX-010	OrienGene Biotechnology	Malignant Melanoma	2L	Phase II	2017/12/23	oncolytic virus
MEK1,MEK2	Tunlametinib	KeChow PharmaTianjin Binjiang Pharmaceutical Co., Ltd	Melanoma	2L	Phase III	2023/06/30	Small molecule
HER2	Disitamab vedotin	Remegen Co.,Ltd.	HER2 Positive Melanoma	2L/3L	Phase II	2021/11/11	ADC
BRAF V600E	HLX-208	Suzhou NeuPharma Co., Ltd.	Advanced Melanoma (BRAF V600 Mutation)	1L/2L	Phase II	2021/11/16	Small molecule
PD-L1,4-1BB	QLF31907	QILU PHARMACEUTICAL	Melanoma	1L/2L	Phase II	2023/03/11	BsAb
PD-L1,4-1BB	QLF31907	QILU PHARMACEUTICAL CO.,LTD	Advanced Melanoma and UC	2L/3L	Phase II	2023/03/21	BsAb
IL2RA,PD-1	IBI363	Innovent	Advanced Melanoma	1L	Phase II	2023/10/07	BsAb/ Antiboby-based fusion protein
NA	GC101 TIL	Junsai Biotechnology	Advanced Melanoma	2L/3L	Phase II	2024/12/16	Tumor-Infiltrating Lymphocyte Therapy
c-Met,RET,VEGFR	ST-1898	BEIJING SCITECH-MQ PHARMACEUTICALS LIMITED	Advanced Melanoma	2L/3L	Phase I/II	2023/10/16	Small molecule
IL12R,PD-1	MVR-T3011	Shenzhen ImmVira Pharmaceutical Technology Co., Ltd	Advanced Melanoma	1L	Phase I/II	2023/12/05	oncolytic virus
MCAM	AMT-253	Multitude Therapeutics (Shanghai) Co., Ltd	Melanoma and Other Solid Tumor	2L/3L	Phase I/II	2024/01/12	ADC
TLR4	BG136	CP Pharmaceutical Qingdao Co., Ltd	Advanced Melanoma	2L/3L	Phase I/II	2025/04/10	Small molecule
IGSF8	XBH25	GV20 Therapeutics	Advanced Solid Tumor (Including Melanoma)	2L/3L	Phase I/II	2025/07/08	mAb
IL15R,PD-1	JMT108	Shanghai Jinmante Biotechnology	Unresectable or metastatic advanced malignant melanoma	2L/3L	Phase I/II	2025/12/02	Antibody class fusion protein

Source: CDE, Clinical trial, Company Website, Literature Review, Frost & Sullivan Analysis

Note: Table includes only Phase II+ first and second line and above monotherapies due to there are over 50 ongoing first and second line and above monotherapies.

China Competitive Landscape of Approved Targeted Drug for Melanoma Treatment

As of the Latest Practicable Date, there was no approved bispecific antibodies in China for melanoma.

Target	Drug Name	Company	Modality	Line of Treatment	Indications	Treatment Strategy	Date of Approval
PD-1	Toripalimab	Junshi Shanghai/Suzhou UNION	mAb	1L	Melanoma	Mono	2025/04/22
				2L			2018/12/17
PD-1	Pembrolizumab	MSD	mAb	1L	Melanoma	Mono	2024/09/10
				2L			2018/07/20
MEK2, MEK1	Tunlametinib	Kezhou/Binjiang	Small molecule	2L	NRAS-mutated advanced melanoma patients who have failed prior anti-PD-1/PD-L1 therapy	Mono	2024/03/12
PD-1	Pucotenlimab	Akeso/Hansoh	mAb	2L	Melanoma	Mono	2022/09/20
MEK1, MEK2	Trametinib	Japan Tobacco	Small molecule	1L	BRAF V600 mutation-positive unresectable or metastatic melanoma	Combo with Dabrafenib	2019/12/18
				Adjuvant			2020/03/05
BRAF	Dabrafenib	GSK	Small molecule	1L	BRAF V600 mutation-positive unresectable or metastatic melanoma	Combo with Trametinib	2019/12/18
				Adjuvant			2020/03/05
BRAF	Vemurafenib	Plexxikon/Daiichi Sankyo	Small molecule	1L/2L	BRAF V600 mutation-positive unresectable or metastatic melanoma	Mono	2017/03/10

Source: CDE, Frost & Sullivan Analysis

China Competitive Landscape of Approved First Line and Second Line Targeted Monotherapy Drug for Melanoma Treatment

As of the Latest Practicable Date, there are five first and second line targeted monotherapy drug approved for melanoma.

Target	Drug Name	Company	Drug type	Line of Treatment	Indication	Annual Treatment Cost (RMB)	Date of Approval
BRAF	Vemurafenib	Daiichi Sankyo	Chemical Drug	1L	Unresectable or with BRAF V600 mutation positivity determined by a detection method approved by the CFDA.	approximately RMB100,000	1L: 2017/3/10
PD-1	Pembrolizumab	MSD	Monoclonal antibody	1L/2L	Melanoma	approximately RMB50,000	2L: 2018-07-20 1L: 2024-09-10
PD-1	Toripalimab	Junshi Biosciences	Monoclonal antibody	1L/2L	Melanoma	approximately RMB58,000	2L: 2018-12-17 1L: 2025-04-22
PD-1	Pucotenlimab	Akeso	Monoclonal antibody	2L	Melanoma	approximately RMB20,000	2L: 2022-09-20
MEK1, MEK2	Tunlametinib	KeChow Pharma	Chemical Drug	2L	Patients with advanced NRAS-mutant melanoma who have failed anti-PD-1/ PD-L1 therapy	approximately RMB240,000	2L: 2024-03-12

Source: CDE, Literature Review, Frost & Sullivan Analysis

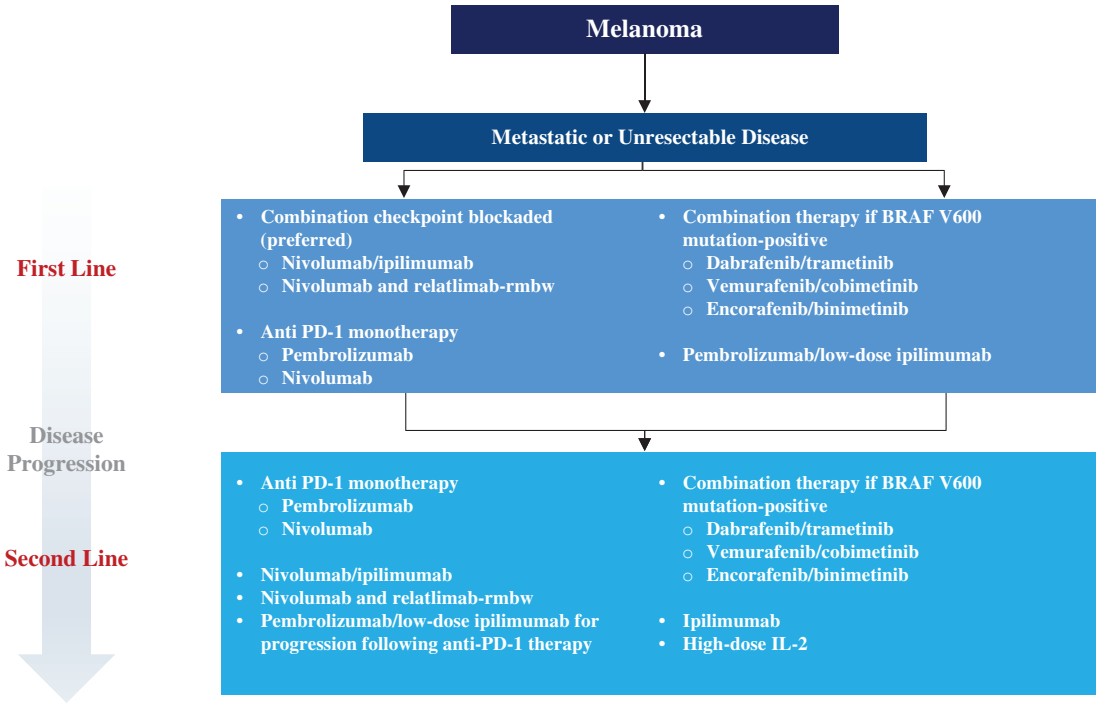
Treatment Paradigm of Advanced Melanoma

Advanced melanoma populations receive similar treatments in the U.S. and China. In China, preferred first-line therapies are Dabrafenib with trametinib, temozolomide, and tunlametinib. Dabrafenib with trametinib is a combination therapy targeting BRAF V600 mutated Advanced Melanoma. Clinical studies showed that the ORR of this therapy was 61%, and PFS was 7.9 months. The most common adverse effects were pyrexia and anemia. Temozolomide is also a preferred first-line therapy in China. It was shown that the median survival time for Temozolomide was 7.7 months and median PFS was 1.9 months. Overall, Temozolomide therapy was well tolerated, and patients showed improvement or maintenance of physical functioning as the clinical study progressed. Major side effects were moderate nausea and vomiting. Combined therapy of endostatin and dacarbazine is another first line treatment of advanced melanoma. The progression free survival was 4.5 months. Tunlametinib is another approved therapy for treating advanced melanoma. Clinical studies showed that the ORR of tunlametinib was 35.8%, median PFS was 4.2 months, and median OS was 13.7 months. PD-1 is considered as standard of care for second-line treatment of melanoma. Take pembrolizumab as example, the progression-free survival measured at 12 months is 5.5 months, and the objective response rate is 33.7%, meaning that 66.3% patients do not have complete response or partial response after pembrolizumab treatment.

In the treatment paradigm of melanoma, HX009 of our Company is a 1L/2L+ treatment for melanoma patients, and it is the only PD-1/CD47 bispecific antibody fusion protein targeting melanoma globally. Compared to the monoclonal antibody pembrolizumab for the same disease stage, HX009 demonstrates synergistic anti-tumor efficacy through dual mechanisms: CD8+ T cell activation and macrophage-mediated immune response.

Treatment Paradigm of Melanoma in the US

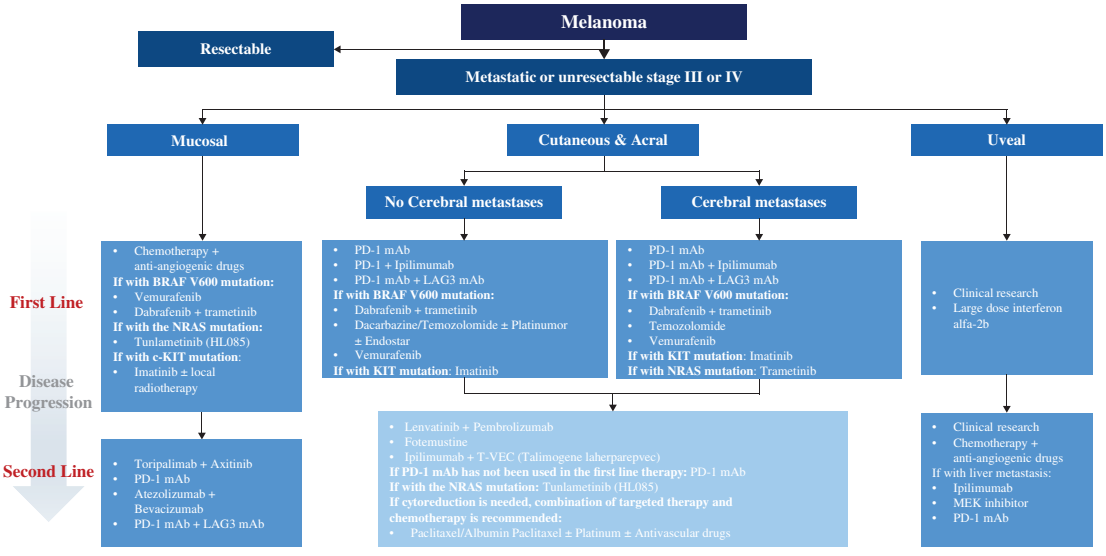
There are different types of treatment for patients with melanoma and five of them are standard treatments including surgery, chemotherapy, radiation therapy, immunotherapy, targeted therapy. New vaccine treatment is being tested for clinical uses to treat melanoma. The prognosis and treatment options depend on various factors, including the thickness, the location of the tumor and the speed of cell dividing.



Source: NCCN Guideline 2024, Frost & Sullivan analysis

Treatment Paradigm of Melanoma in China

The reduction of tumor burden, improvement of tumor-related symptoms, quality of life, and prolonging survival can be achieved by systemic therapy for patients with advanced melanoma. Common therapies include targeted therapy, chemotherapy, immunotherapy, response evaluation criteria of systemic therapy and symptomatic supportive therapy.



Source: CSCO Melanoma Diagnosis and Treatment Guidelines 2024, Frost & Sullivan analysis

Unmet Clinical Needs

- ***High malignancy and highly metastatic:*** Melanoma is the malignancy with the high rate of dissemination to the brain. 50% to 80% of patients with advanced melanoma will develop liver metastases, and 8% to 46% of patients with melanoma will develop brain metastases.

- ***Limitations of chemotherapy and surgery:*** (i) chemotherapy: traditional cytotoxic drugs including dacarbazine, temozolomide, fluoxetine, paclitaxel, albumin paclitaxel, cisplatin and carboplatin, are not effective in advanced melanomas with an overall response rate of 10% to 15%; and (ii) surgery: acral lentiginous melanoma is more common among Chinese patients than Caucasians. When considering complete tumor removal, the functions of limbs should be fully considered as much as possible, especially finger function.

- ***Lack of medical evidence among Chinese patients:*** Most of the current progression of immune checkpoint inhibitors for malignant melanoma is based on data from Caucasians in Western countries, but the benefit to Chinese patients is limited, mainly due to different pathological subtypes. The patients in western countries are mainly skin type melanoma (about 90%), while the acral and mucosa types are dominant among Chinese patients, accounting for 41.8% and 22.6% respectively. Compared to cutaneous malignant melanoma, acral and mucosal melanomas are generally considered more aggressive malignancies, exhibiting low response rates to immunotherapy and chemotherapy. In a retrospective analysis of 52 patients between August 2012 and March 2016, the objective response rate of ipilimumab, pembrolizumab and pembrolizumab plus ipilimumab were 0%, 25% and 20%, respectively. In the KEYNOTE-151 study, which was a phase Ib study of second-line pembrolizumab for Chinese patients with advanced or metastatic melanoma, the objective response rates in mucosal and acral melanoma of Chinese advanced melanoma patients were 13.3% and 15.8% respectively under the treatment of pembrolizumab, median progression-free survival 2.8 months, and median overall survival 12.1 months. In China, new treatment strategies need to be explored for patients who are resistant to PD-1 inhibitors.

Glioblastoma

Glioblastoma, also known as glioblastoma multiforme (GBM), is one of the common brain tumors resided in the central nervous system. Glioblastoma is the most malignant astrocytic tumor, accounting for 52% of primary brain tumors. Most glioblastomas are primary tumors, and their pathogenesis is different from secondary tumors. The molecular changes of primary glioblastoma are mainly amplification and overexpression of epidermal growth factor receptor, while the mutation of p53 (a major tumor suppressor cell factor) is the main cause of secondary glioblastoma.

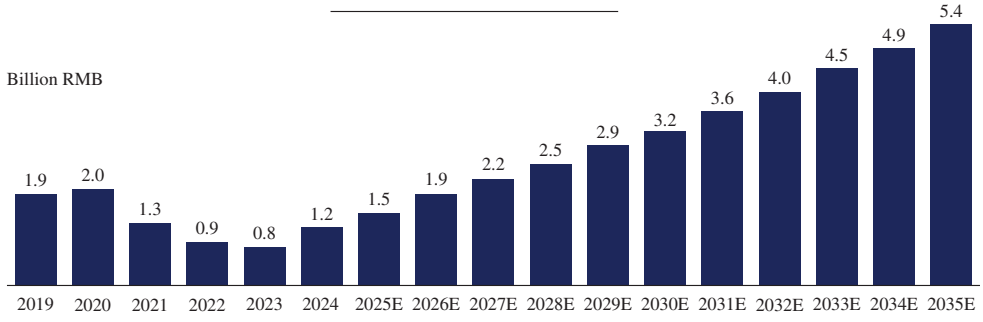
According to the F&S Report, the incidence of glioblastoma in China has reached 45,000 in 2024 from 37,800 in 2019 with a CAGR of 3.5%. The incidence is projected to grow to 51,400 in 2030 with a CAGR of 2.3% and 56,800 by 2035, representing a CAGR of 2.0%. For the first-line glioblastoma targeted by our HX301 was approximately 36.5 thousand in 2024 in China. Around 81.0% glioblastoma patients receive first-line treatment.

Market Size

According to the F&S Report, the market of glioblastoma in China reached RMB1.2 billion in 2024, primarily due to the inclusion of temozolomide in the volume-based procurement program in 2022, which led to a contraction in market size. The market enlarge to RMB3.2 billion and RMB5.4 billion by 2030 and 2035 with the CAGR of 17.9% and 10.7% respectively. The chart below illustrates the historical and forecasted glioblastoma market size in China in the periods indicated:

Historical and Forecasted Glioblastoma Market in China, 2019-2035E

Period	CAGR
2019-2024	-8.6%
2024-2030E	17.9%
2030E-2035E	10.7%



Source: Literature Review, Annual report, Expert interview, Frost & Sullivan Analysis

Note: The inclusion of temozolomide in the volume-based procurement program in 2022 led to a contraction in market size then.

China Competitive Landscape of First Line Glioblastoma Combination Therapy Pipelines

There are over 45 pipelines drugs of targeted therapy for glioblastoma treatment in China. Currently, there are three small molecule inhibitor for first line combination treatment of glioblastoma in clinical stage in China.

Target	Drug Name/Code	Company	Indications	Line of treatment	Clinical Stage	First Posted Date	Modality
CSF1R/ARK5/CDK4/6/FLT-3	HX301	Hanx Bio	Glioblastoma	1L	Phase II	2024/11/21	Small molecule
TOP1	Pegylated irinotecan	JenKem	Glioblastoma	1L	Phase III	2022/08/12	Small molecule
PRKCB	Enzastaurin	Xcelience	Glioblastoma	1L	Phase III	2021/01/13	Small molecule

Source: CDE, Frost & Sullivan Analysis

Note: Table includes only therapies for the same indication and line of treatment

China Competitive Landscape of Approved Targeted Drug for Glioblastoma Treatment

Target	Drug Name	Company	Modality	Line of Treatment	Indications	Treatment Strategy	Date of Approval
c-Met	Bozitinib	CrownBio	Small molecule	2L	Glioblastoma	Mono	2024/04/17
VEGFA	Bevacizumab	Roche	mAb	2L	Glioblastoma	Mono	2020/09/14

Source: CDE, Frost & Sullivan Analysis

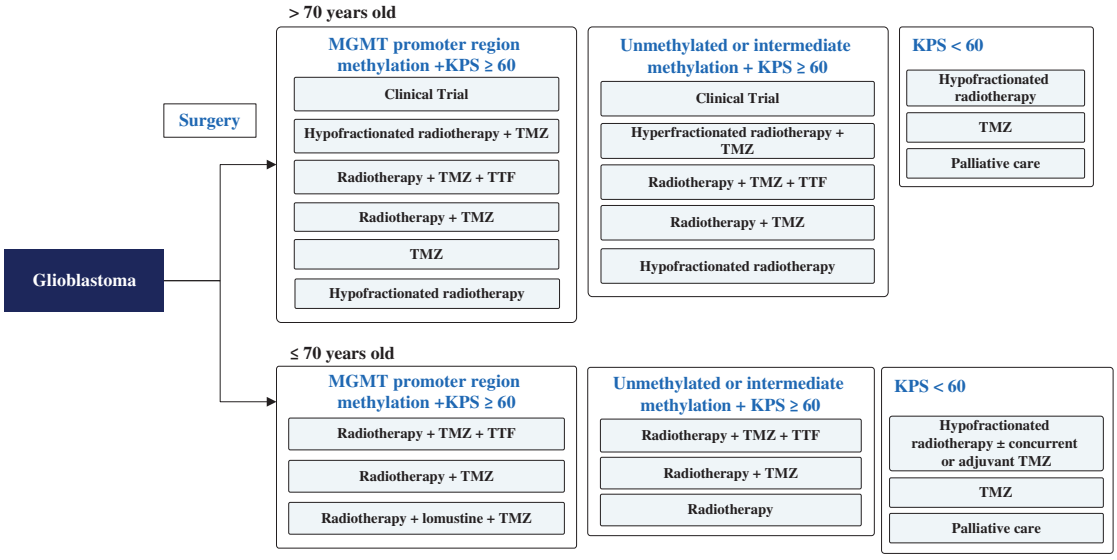
Treatment Paradigm of Glioblastoma

U.S. and China have similar treatment paradigms, both using temozolomide combined with radiotherapy as the preferred clinical treatment. Temozolomide is a small molecule drug that can cross the blood-brain barrier to affect the central nervous system. Clinical results showed that compared to radiotherapy alone, introducing temozolomide improves treatment efficiency. The median survival of radiotherapy with temozolomide was 14.6 months and the two-year survival rate was 26.5%, while that of radiotherapy alone was 12.1 months and 10.4%. Adverse effects include neutropenia and thrombocytopenia. The standard-of-care drugs for first line glioblastoma in China are chemotherapies combined with monoclonal antibodies, including temozolomide and bevacizumab.

In the treatment paradigm of glioblastoma, HX301 of our Company is a 1L treatment for glioblastoma patients. HX301 is a small molecule kinase inhibitor, while temozolomide is a traditional cytotoxic drug that functions by damaging cellular DNA. Small molecule inhibitors of protein kinases show fewer side effects than traditional cytotoxic therapies. Compared to bevacizumab, HX301 can effectively penetrate the blood-brain barrier, while it is difficult for bevacizumab, a monoclonal antibody, to penetrate and reach cancer cells.

Treatment Paradigm of Glioblastoma in the U.S.

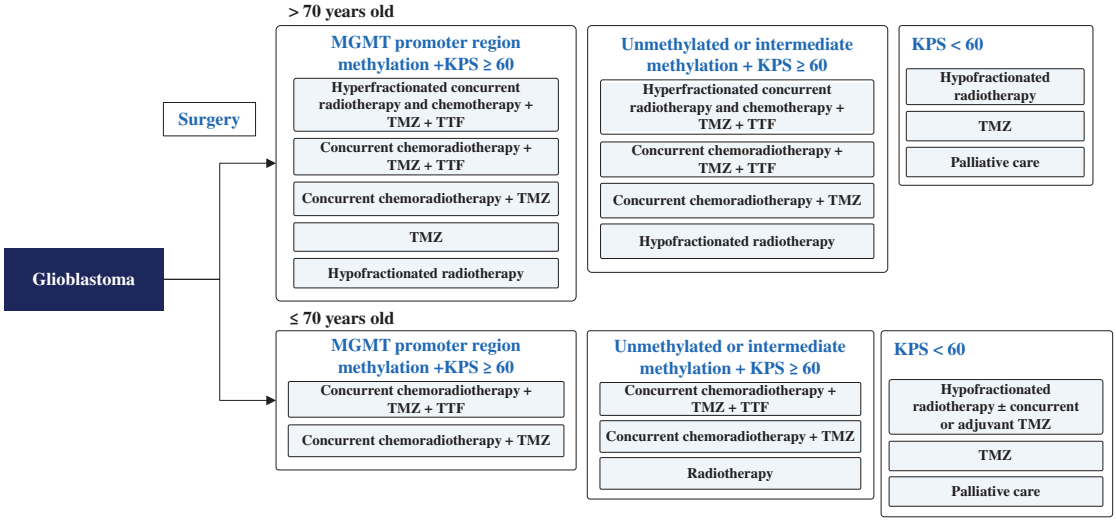
In the U.S., current treatment options for recurrent glioblastoma include surgery, chemoradiotherapy combined with temozolomide and the use of tumor treating fields. These treatments are used as the first line therapy and are accepted as standard of care for treating glioblastoma in the U.S..



Note: KPS= Karnofsky score, TTF=Tumor Treating Fields, TMZ=Temozolomide
Source: NCCN, Frost & Sullivan Analysis

Treatment Paradigm of Glioblastoma in China

Glioblastoma is the most common primary brain cancer, and the recurrence of glioblastoma has become an important clinical issue because most patients relapse at the primary site. In China, current treatment options for recurrent glioblastoma include surgery, chemoradiotherapy combined with temozolomide and the use of bevacizumab.



KPS = Karnofsky score, TTF = Tumor Treating Fields, TMZ = Temozolomide
Source: CSCO, Frost & Sullivan Analysis

Unmet Clinical Needs

- ***High difficulty and poor prognosis of glioblastoma surgery***: Surgery is the cornerstone of glioblastoma treatment, and maximum safe resection is the principle of glioblastoma surgery. However, glioblastoma surgery can be challenging due to the infiltrative nature of these tumors, which can spread into surrounding healthy brain tissue. As a result, achieving complete tumor removal without causing damage to critical areas of the brain can be extremely difficult. Furthermore, even with advances in neurosurgical techniques, it is often not possible to safely remove all cancerous cells, leading to the potential for tumor recurrence. Additionally, the location of glioblastoma within the brain, especially in areas that control vital functions such as movement, speech, and vision, can further complicate the surgical approach. The invasiveness of glioblastoma surgery also presents inherent risks, including the possibility of neurological deficits, post-operative complications, and an extended recovery period for patients.

- ***Blood-brain barrier posing a challenge for drug delivery***: The blood-brain barrier is a physical and physiological barrier that is highly selective and regulates the passage of molecules from the circulatory system into the brain parenchyma. The blood-brain barrier restricts the entry of many chemotherapy drugs and other medications into the brain at effective concentrations, limiting their ability to target and treat glioblastoma. This means that even if a drug is effective against glioblastoma cells in laboratory studies, it may not reach these cells at a high enough concentration to be effective when administered systemically. The blood-brain barrier hinders the treatment of glioblastoma, so it is particularly important to select suitable nanoparticles that can penetrate the blood-brain barrier and precisely target tumor cells.

- ***Chemotherapy resistance reduces treatment efficacy***: According to current evidence-based medical evidence, temozolomide-based chemotherapy has played a major role in the treatment of glioblastoma, but the clinical effect is still poor. The five-year survival rate for glioblastoma patients is only 6.9%, and the average length of survival for glioblastoma patients is estimated to be only eight months. Resistance to chemotherapy can occur through various mechanisms, including heterogeneity, hypermutation, immune evasion, and alternative splicing in tumor activation. Addressing the challenge of resistance to therapy is crucial for improving the overall outcomes for patients with glioblastoma and for advancing the field of glioblastoma treatment towards more effective and personalized therapeutic interventions.

- ***Lack of treatments targeted macrophage***: The glioblastoma micro-environment plays a critical role during tumor development and treatment course. Unlike most other solid tumors, the glioblastoma micro-environment is dominated by macrophages and microglia (collectively known as tumor-associated macrophages), which provide various potential points of intervention for therapeutic approaches in glioblastoma patients. However, there are no drug targeted macrophage on the market currently and giant potential is left to be discovered.

Biliary Tract Cancer

BTC is the second most common type of liver and bile duct cancer worldwide, typically comprised of cholangiocarcinomas and gallbladder cancers, patients with ampullary cancer are also included in some cases. BTC's most common symptom is jaundice, characterized by a deep yellow color in the eyes and skin due to bile duct obstruction. BTC is a common malignant tumor of the biliary system. Early symptoms include abdominal discomfort, decreased appetite, weight loss, etc. Advanced BTC targeted by our products is metastatic or unresectable tumors that are not amenable to local therapy with curative intent. In later stages, symptoms may include jaundice, abdominal pain, fever, etc. The concealed nature of the gallbladder often leads to late-stage detection, resulting in a poor prognosis.

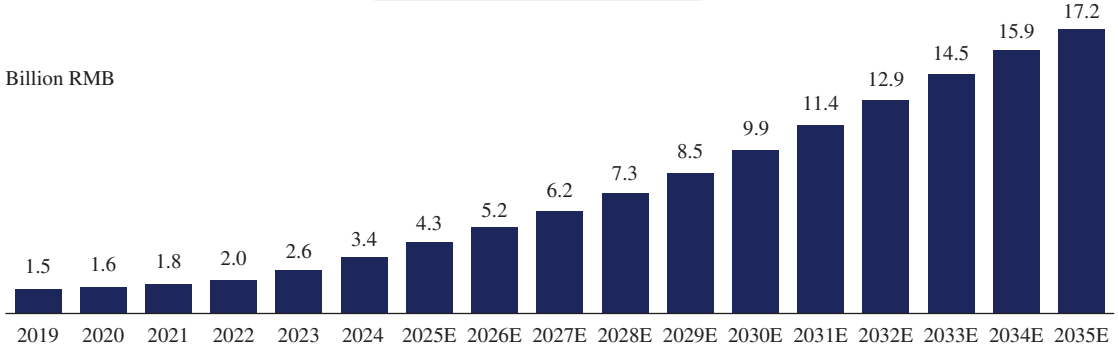
According to the F&S Report, the incidence of BTC in China reached 139,800 in 2024. This number is expected to increase to 161,100 in 2030 and 179,100 in 2035, representing a CAGR of 2.4% between 2024 and 2030 and 2.1% between 2030 and 2035, respectively. Meanwhile, global incidence of BTC in 2024 reached 419,100. It is estimated to rise to 505,000 in 2030 and 582,900 in 2035, representing a CAGR of 3.2% and 2.9%, respectively. For the second line BTC targeted by our HX009, the number of patients in 2024 was approximately 84.9 thousand in China and 254.6 thousand globally. Around 89% advanced BTC patients receive 1L treatment and approximately 63% to 74% of patients who progressed after first-line treatment receive 2L and above treatment.

Market Size

From 2019 to 2024, China's BTC drug market size increased from RMB1.5 billion in 2019 to RMB3.4 billion in 2024, with a CAGR of 17.7% from 2019 to 2024. The market size will climb to RMB9.9 billion and RMB17.2 billion in 2030 and 2035 respectively.

Historical and Forecasted of China BTC Drug Market Size, 2019-2035E

Period	CAGR
2019-2024	17.7%
2024-2030E	19.4%
2030E-2035E	11.6%



Source: Frost & Sullivan Analysis

China Competitive Landscape of Second Line and Above BTC Combination therapy Pipelines

As of the Latest Practicable Date, there are over 170 pipelines drugs of targeted therapy for BTC treatment in China, there were over 100 pipeline drugs for the treatment of monotherapy BTC in clinical trial, and there were over 85 pipeline drugs for the treatment of second-line and above BTC in clinical trials. Among them, 16 are combination pipelines (the same kind of therapy as our HX009). Specifically, four are in phase I, 11 are in phase I/II, and two are in phase II.

Target	Drug Name /Code	Company	Indications	Treatment Line	Combination	Clinical Stage	First Posted Date	Modality
CD47,PD-1	HX-009	Hanx Bio	BTC	2L+	Combination therapy with IN10018	Phase II	2024/11/14	Antiboby-based fusion protein
EGFR,HER3	Izalontamab brengitecan	Baili-Bio	BTC	2L+	Combination therapy with PD1/PDL1 inhibitor	Phase II	2025/05/12	bsADC
-	Imifoplatin	SciClone Pharmaceuticals	Solid tumor (Including BTC)	1L/2L	Combination therapy with gemcitabine	Phase I/II	2019/05/30	Small molecule
AURKA,AURKB, CSF1R,JAK1,JAK2, VEGFR,FGFR	Tinengotinib	Ankang Biological Technology	Solid tumor (Including BTC)	2L+	Combination with chemotherapy	Phase I/II	2021/11/08	Small molecule
TGFBR1	GFH018	GenFleet Therapeutics	Solid tumor (Including BTC)	1L/2L+	Combination therapy with toripalimab	Phase I/II	2022/07/01	Small molecule
B7-H4	Puxitatug samrotecan	AstraZeneca	BTC, OC, TNBC	2L+	Combination therapy with rilvegostomig	Phase I/II	2022/10/19	ADC
HER2	IAH 0968	SUNHO (China) BioPharmaceutical	BTC	1L/2L+	Combination therapy with gemcitabine and cisplatin	Phase I/II	2022/12/05	mAb
CLDN-18.2	RC118	Remegen	Solid tumor (Including BTC)	1L/2L+	Combination therapy with toripalimab	Phase I/II	2023/05/10	ADC
HER3	DB-1310	Duality Biologics	Solid tumor (Including BTC)	1L/2L+	Combination therapy with trastuzumab	Phase I/II	2023/06/09	ADC
c-Met	RC108	Remegen	Solid tumor (Including BTC)	1L/2L+	Combination therapy with toripalimab	Phase I/II	2023/09/11	ADC
IL10R, CLDN-18.2	LB4330	L&L Biopharma	Solid tumor (Including BTC)	1L/2L+	Combination therapy with LB1410	Phase I/II	2024/05/20	BsAb/ Antiboby-based fusion protein
TIGIT,TGFB	AK130	Akeso	BTC	2L+	Combination therapy with Ivonescimab	Phase I/II	2025/04/08	Antiboby-based fusion protein
PD-L1,VEGF	IMM2510 (Palverafusp alfa)	ImmuneOnco Biopharmaceuticals (Shanghai)	Solid tumor (Including BTC)	2L+	Combination therapy with IMM01	Phase I/II	2025/09/09	BsAb
PTGER4	KF-0210	Keythera	Solid tumor (Including BTC)	1L/2L+	Combination therapy with atezolizumab	Phase I	2021/06/25	Small molecule
HER2	Anvatabart opadotin	Zhejiang Xinma	Solid tumor (Including BTC)	2L+	Combination therapy with docetaxel	Phase I	2022/09/09	ADC
-	CG-7321	Chengdu Cyanogen	Solid tumor (Including BTC)	1L/2L+	Combination with other antitumor agents	Phase I	2024/03/05	Small molecule
PRMT5	AMG 193	Patheon pharma Amgen	BTC, GC, PC	1L/2L+	Combination therapy with docetaxel	Phase I	2024/07/26	ndMG

Source: CDE, Frost & Sullivan Analysis

Note: Table includes only therapies for the same indication and line of treatment

China Competitive Landscape of Approved Targeted Drug for BTC Treatment

As of the Latest Practicable Date, there was one approved bispecific antibodies in China for BTC. The approved drug is Ziihera® (zanidatamab for injection), a HER2-targeting bispecific antibody developed by BeiGene. It was approved in China on 27 May 2025 for the treatment of unresectable locally advanced or metastatic biliary tract cancer that is HER2-high-expressing (IHC 3+) after prior systemic therapy, making it the first and currently only bispecific antibody approved for this indication in China.

Target	Drug Name	Company	Modality	Line of Treatment	Indications	Combination Therapy	Date of Approval
PD-L1	Durvalumab	AstraZeneca	mAb	1L	BTC	Combo with Gemcitabine and Cisplatin	2023/11/07
PD-1	Pembrolizumab	MSD	mAb	1L	BTC	Combo with Gemcitabine and Cisplatin	2024/01/30
HER2	Zanidatamab	Zymeworks	bsAb	2L	Patients with unresectable locally advanced or metastatic biliary-tract cancer whose tumors show high HER2 expression (IHC 3+) and who have received prior systemic therapy.	Mono	2025/05/27
FGFR1, FGFR2, FGFR3	Pemigatinib	Incyte	Small molecule	2L	Adult patients with advanced, metastatic, or unresectable cholangiocarcinoma who have received at least one prior systemic therapy and whose tumors test positive for FGFR2 fusion or rearrangement.	Mono	2022/03/29

Source: CDE, Frost & Sullivan Analysis

China Competitive Landscape of Second Line and Above BTC Combination therapy

As of the Latest Practicable Date, there are two targeted drug approved for BTC which are combination therapy.

Target	Drug Name	Company	Drug type	Line of Treatment	Indications	Combination Therapy	Annual Treatment Cost (RMB)	Date of Approval
PD-L1	Durvalumab	AstraZeneca	Monoclonal antibody	1L	Biliary tract cancer	Combination of Gemcitabine and Cisplatin	~430,000	2023/11/07
PD-1	Pembrolizumab	MSD	Monoclonal antibody	1L	Biliary tract cancer	Combination of Gemcitabine and Cisplatin	~200,000	2024/01/30

Source: CDE, Literature Review, Frost & Sullivan Analysis

Treatment Paradigm of BTC

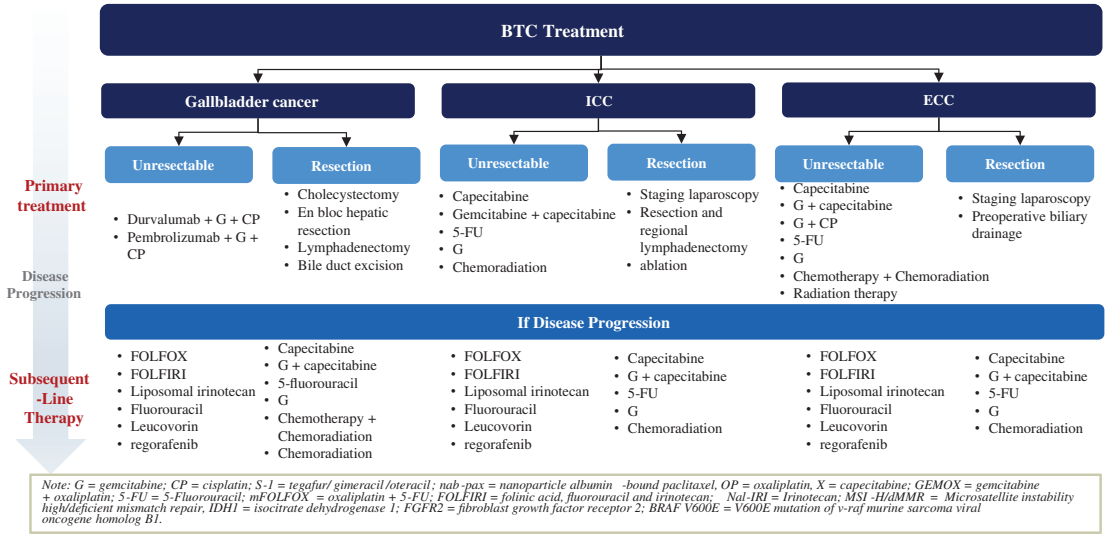
U.S. and China have similar treatment paradigms, and preferred first-line therapies in China for BTC are combined therapies comprising chemotherapy and targeted monoclonal antibodies. For patients tolerant to intense chemotherapy, preferred combinations are: Gemcitabine with Cisplatin and Durvalumab; Gemcitabine with Cisplatin and Pembrolizumab; Gemcitabine with Cisplatin alone; Gemcitabine with Tegafur; and Capecitabine with Oxaliplatin. A previous study showed that the combination of Gemcitabine with Cisplatin

increased advanced BTC patient OS from 8.1 to 11.7 months. The combination of Gemcitabine with Tegafur had an OS of around 15.1 months. The OS was 10.6 months for the treatment with Capecitabine and Oxaliplatin. Combining Gemcitabine with Cisplatin and Durvalumab increased patient OS to 12.8 months and PFS to 7.2 months. When Gemcitabine and Cisplatin are combined with Pembrolizumab, the median treatment OS was 12.7 months. For intolerant patients, only Gemcitabine should be used. Adverse effects of combined therapies include, but are not limited to, neutropenia, anaemia, worse of liver function and thrombocytopenia.

For advanced BTC patients without specific gene mutations, PD-1 inhibitors are standard second-line therapy. Take pembrolizumab as an example, The PFS measured at 26 months is 6.5 months, and objective response rate is 28.7%, meaning that 71.3% patients do not have complete response or partial response after pembrolizumab treatment. In the treatment paradigm of BTC, HX009 of our Company is a 2L+ treatment for BTC patients, and it is the only PD-1/CD47 bispecific antibody fusion protein targeting BTC globally. Compared to the monoclonal antibody pembrolizumab targeting the same stage of disease, HX009 has synergistic anti-tumor efficacy via CD8+ T cell activation and macrophage-mediated immune response.

Treatment Paradigm of BTC in the U.S.

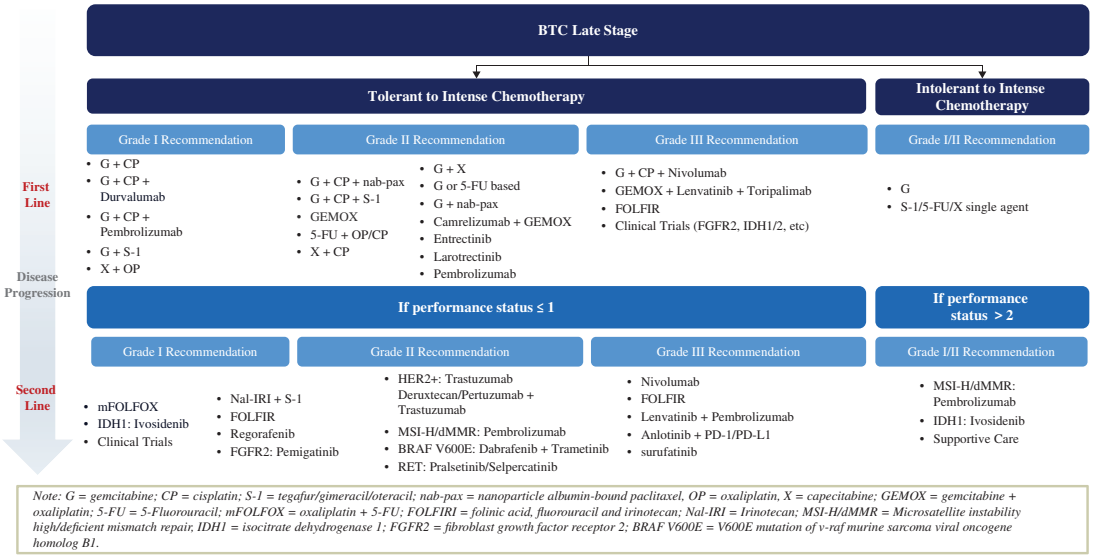
BTC treatment paradigm in the U.S. can be classified according to resectable and unresectable conditions. Surgery is a primary treatment method to remove all of the cancer for resectable BTC. Systemic therapy is applied when BTC disease is unresectable, this involves chemotherapy, targeted therapy and immunotherapy. This is the current standard of care in the U.S.. The primary treatments are accepted as standard of care in the U.S..



Source: NCCN, Frost & Sullivan Analysis

Treatment Paradigm of BTC in China

BTC exhibits heterogeneity in clinical and pathological aspects, with poor response to chemotherapy and prognosis. Patients with BTC who undergo surgical resection have a very high recurrence rate. For advanced unresectable or metastatic patients, systemic therapy is the only treatment option available. For advanced or metastatic BTC patients, the representative first-line treatment regimen is gemcitabine combined with cisplatin.



Source: CSCO, Frost & Sullivan Analysis

Unmet Clinical Needs

- ***Limitations of current therapies***: Surgical intervention is a critical approach in curing BTC. However, over 65% of patients are diagnosed too late for curative surgical resection, resulting in a five-year survival rate of approximately 5% to 15%. Even among those who undergo surgical treatment, the recurrence rate within one year remains as high as 67%. For advanced BTC patients who are ineligible for surgery, treatment primarily revolves around medication and localized therapy, yet outcomes are limited, leading to poor prognosis. There is an urgent need to explore more effective comprehensive treatment strategies.

- ***High mutation frequency***: BTC exhibits high heterogeneity at the genomic, epigenetic, and molecular levels, requiring further research to understand its different subtypes' molecular characteristics and therapeutic targets. The frequency of somatic mutations such as TP53, CDKN2A/B, KRAS, and SMAD4 is relatively high in BTC patients, yet effective targeted treatment methods are currently lacking. The increase expression of CD47 protects cancer from immune surveillance. Interfering of CD47-SIRPα interaction has demonstrated potential uses in the treatment of BTC. Additionally, the low mutation frequency of targeted therapy drugs limits the potential beneficiaries, necessitating further clinical research to explore combination therapy approaches.

- ***Limited treatment options***: Currently approved targeted drugs are relatively scarce, and mostly reserved for first-line combination therapy. The low mutation frequency of targeted therapy limits the potential beneficiaries. There is insufficient evidence for the combination therapy of precision-targeted treatments, highlighting the urgent need for more clinical research.

Triple-Negative Breast Cancer

Triple-negative breast cancer (TNBC) is a type of breast cancer defined by immunohistochemistry as being negative for estrogen receptor, progesterone receptor, and human epidermal growth factor receptor 2 (HER2). It accounts for approximately 15% of all breast cancer cases globally. TNBC is typically diagnosed more frequently in younger and premenopausal women. Advanced TNBC targeted by our products refers to cancer that has spread to areas away from the breast, such as the bones, liver, lungs, or brain.

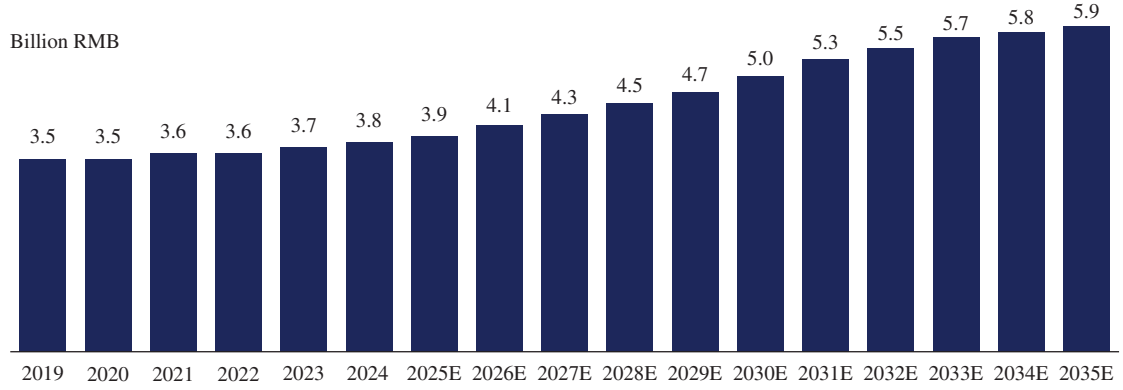
According to the F&S Report, the incidence of TNBC in China reached 55,900 in 2024. This number is expected to increase to 59,600 in 2030 and 61,200 in 2030, representing a CAGR of 1.1% between 2024 and 2030 and 0.5% between 2030 and 2035. Global incidence of TNBC in 2024 reached 364,900. It is estimated to rise to 394,300 in 2030 and 422,800 in 2035, representing a CAGR of 1.3% and 1.4% respectively. For the second line TNBC that targeted by our HX009, the number of patients in 2024 was approximately 33.5 thousand in China and 218.9 thousand globally. Around 60% advanced TNBC patients failed first line treatment and receive second line and above treatment.

Market Size

From 2019 to 2024, China's TNBC drug market size increased from RMB3.8 billion in 2024, representing a CAGR of 1.9% from 2019 to 2024. The market size will climb to RMB5.0 billion and RMB5.9 billion in 2030 and 2035 respectively.

Historical and Forecasted TNBC Market in China, 2019-2035E

Period	CAGR
2019-2024	1.9%
2024-2030E	4.8%
2030E-2035E	3.3%



Source: Literature Review, Annual report, Expert interview, Frost & Sullivan Analysis

China Competitive Landscape of Second Line and above TNBC Combination Therapy Pipelines

As of the Latest Practicable Date, there were over 170 pipelines drugs of targeted therapy for TNBC treatment in China, and there are over 90 pipeline drugs for the treatment of second-line and above TNBC in clinical trials. Among them, 25 are combination pipelines (the same kind of therapy as our HX009). Specifically, seven are in phase I, 14 are in phase I/II, and four are in phase II.

Target	Drug Name /Code	Company	Indications	Treatment Line	Combination	Clinical Stage	First Posted Date/ CDE Acceptance Date	Modality
PD-1, CD47	HX009	Hanx Bio	TNBC	2L/3L	Combination therapy with Trastuzumab deruxtecan	IND	2025/02/17	Antiboby-based fusion protein
BET	ZEN-3694	Zenith Epigenetics	TNBC	2L+	Combination therapy with Talazoparib	Phase II	2022/09/14	Small molecule
CDK4,CDK6	BEBT-209	BeBetter Med	TNBC	2L+	Combination with systemic chemotherapy (carboplatin and gemcitabine, nab-paclitaxel, or eribulin)	Phase II	2022/12/09	Small molecule
EGFR,HER3	Izalontamab brengitecan	Baili-Bio	Solid Tumor (Including TNBC)	1L/2L+	Combination therapy with SI-B003	Phase II	2023/07/10	bsADC
Nectin-4	9MW2821	Maiweikang New Drug Development Co.	TNBC	2L+	Combination therapy with PD-1 Inhibitor	Phase II	2024/07/02	ADC
AKT/PDL1	Afuresertib + LAE005	Cambrex/Laekna	Solid Tumor (Including TNBC)	2L+	Combination therapy with Nab-paclitaxel	Phase I/II	2021/03/15	Small molecule/mAb
AURKA,AURKB, CSF1R,JAK1, JAK2,VEGFR, FGFR	Tinengotinib	Ankang Biological Technology	Solid tumor (Including TNBC)	2L+	Combination with chemotherapy	Phase I/II	2021/11/08	Small molecule
TLR8	DN1508052	De Novo Pharmatech	Solid tumor (Including TNBC)	2L+	Combination therapy with toripalimab	Phase I/II	2021/12/31	Small molecule
FAK	Ifebemtinib	InxMed Biotechnology	Solid tumor (Including TNBC)	2L+	Combination therapy with doxorubicin hydrochloride liposome, toripalimab	Phase I/II	2022/02/10	Small molecule
PARP1	Saruparib	AstraZeneca	Solid tumor (Including TNBC)	1L/2L+	Combination with chemotherapy	Phase I/II	2022/03/03	Small molecule
PI3Kδ	BGB-10188	BeiGene	Solid tumor (Including TNBC)	2L+	Combination therapy with zanubrutinib, tislelizumab	Phase I/II	2022/03/14	Small molecule
TROP2	DB-1305	Duality Biologics	Solid tumor (Including TNBC)	1L/2L+	Combination therapy with pembrolizumab	Phase I/II	2022/08/18	ADC
B7-H4	Puxitatug samrotecan	AstraZeneca	BTC, OC, TNBC	2L+	Combination therapy with rilvegostomig	Phase I/II	2022/10/19	ADC
CSF1R,VEGFR 2,DDR	C019199	Haixi Pharmaceuticals	Solid tumor (Including TNBC)	2L+	Combination therapy with sintilimab	Phase I/II	2023/06/30	Small molecule
c-Met	RC108	Remegen	Solid tumor (Including TNBC)	2L+	Combination therapy with toripalimab	Phase I/II	2023/09/11	ADC
PI3Kα	JS105	Junshi Runjia Pharmaceutical	Solid Tumor (Including TNBC)	2L+	Combined with fulvestrant, dalirucizumab, toripalimab, nab - paclitaxel, fluzoparib, pyrotinib, and capecitabine.	Phase I/II	2023/11/27	Small molecule
ER	HRS-8080	Hengrui Medicine	Breast Cancer (Including TNBC)	1L/2L+	Combination therapy with HRS-A1811, SHR-A2009, adebrelimab	Phase I/II	2023/12/05	Small molecule
PD-L1,VEGF	CVL006	Zhejiang Fukang Pharmaceutical Co., Ltd, Fukang (Shanghai) Health Technology Co., Ltd	Solid tumor (Including TNBC)	1L+	Combination therapy with Pemetrexed, Carboplatin, SKB264, DS-8201a, Enfortumab Vedotin	Phase I/II	2025/09/02	BsAb/ Antiboby-based fusion protein
CCR8	BMS-986340	Bristol Myers Squibb	Solid tumor (Including TNBC)	2L+	Combination therapy with nivolumab or docetaxel	Phase I/II	2025/11/17	mAb
PD-L1	PF-08046054	BSP Pharmaceuticals S.p.A, Seagen, Pfizer Investment CO., Ltd	Solid tumor (Including TNBC)	2L+	Combination therapy with pembrolizumab	Phase I	2022/01/26	ADC
CDK2	Tagtociclib	Pfizer	Solid tumor (Including TNBC)	3L+	Combination therapy with letrozole and fulvestrant	Phase I	2022/08/15	Small molecule
PD-L1,VEGF	Palverafusp alfa	ImmuneOnco	Solid tumor (Including TNBC)	2L+	Combination therapy with IMM27M	Phase I	2024/06/14	BsAb
FAP-α,4-1BB	BI765179	Boehringer Ingelheim	Solid tumor (Including TNBC)	1L/2L+	Combination therapy with ezabenlimab	Phase I	2025/01/03	BsAb
PARP1	HS-10502	Hansoh Pharmaceutical	Solid tumor (Including TNBC)	2L+	Combination with chemotherapy	Phase I	2025/01/13	Small molecule
/	KFA115	Novartis	Solid tumor (Including TNBC)	2L+	Combination therapy with pembrolizumab	Phase I	2025/03/07	Small molecule
POLQ	SYN818	SynRx Therapeutics	Solid tumor	2L+	Combination therapy with Olaparib Tablets	Phase I	2025/08/25	Small molecule

Source: CDE, Frost & Sullivan Analysis

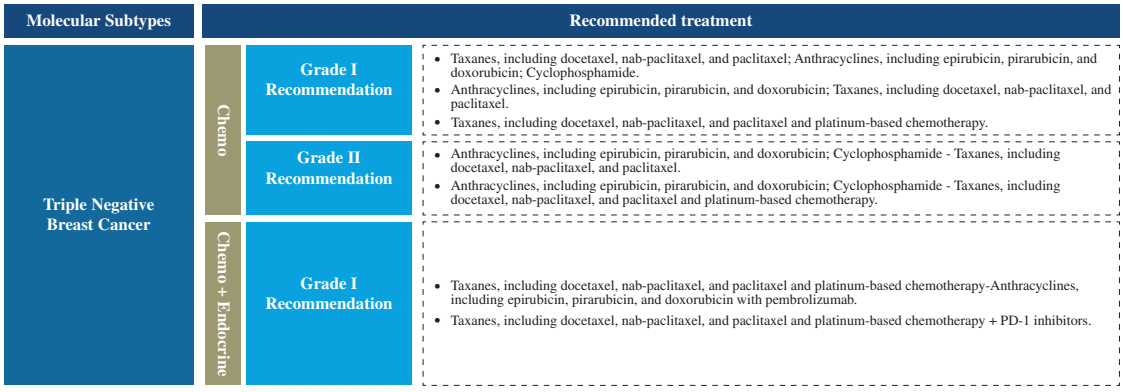
Note: Table includes only therapies for the same indication and line of treatment

China Competitive Landscape of Approved Targeted Drug for TNBC Treatment

Target	Drug Name	Company	Modality	Line of Treatment	Indications	Treatment Strategy	Date of Approval
PARP1, PARP2, PARP3	Olaparib	AstraZeneca	Small molecule	Adjuvant	Adult patients with early-stage, high-risk, human epidermal growth factor receptor 2 (HER2)-negative breast cancer who harbour a deleterious or suspected deleterious germline BRCA mutation (gBRCAm) and have received neoadjuvant or adjuvant chemotherapy.	Mono	2024/12/25
PARP	Fluzoparib	Jiangsu Hengrui	Small molecule	1L, 2L	Adult patients with germline BRCA-mutated (gBRCAm), human epidermal growth factor receptor 2 (HER2)-negative metastatic breast cancer who have received chemotherapy in the neoadjuvant, adjuvant, or metastatic setting.	Mono Combo with Rivoceranib	2024/12/01
VEGFR2	Rivoceranib	Adcentrx	Small molecule	1L, 2L	Adult patients with germline BRCA-mutated (gBRCAm), human epidermal growth factor receptor 2 (HER2)-negative metastatic breast cancer who have received chemotherapy in the neoadjuvant, adjuvant, or metastatic setting.	Combo with Fluzoparib	2024/12/01
TROP2	Sacituzumab tirumotecan	Kelun-Biotech	ADC	2L	TNBC	Mono	2024/11/22
PD-1	Toripalimab	Junshi Shnghai/Suzhou UNION	mAb	1L	For recurrent or metastatic TNBC patients who are PD-L1 positive (CPS ≥ 1) as assessed by a fully validated test.	Combo with Abraxane	2024/06/18
PD-1	Pembrolizumab	MSD	mAb	Adjuvant, New Adjuvant	For the treatment of patients with early-stage, high-risk triple-negative breast cancer (TNBC) whose tumors express PD-L1 (Combined Positive Score (CPS) ≥ 20) as assessed by a fully validated test.	Combo with Chemotherapy	2022/11/01
TROP2	Sacituzumab govitecan	Immunomedics/Gilead	ADC	2L	triple negative breast cancer	Mono	2022/06/07

Source: CDE, Frost & Sullivan Analysis

Treatment Paradigm of TNBC in China



Source: CSCO 2024, Frost & Sullivan Analysis

Note: The treatments listed are arranged according to their level of evidence, with treatments supported by more rigorous and reliable research listed first.

The standard-of-care drugs for second line (i.e., Grade 1 recommendation for second line) TNBC in China are chemotherapies including taxanes such as docetaxel combined with carboplatin. HX009 is a bispecific antibody targeting both PD-1 and CD47. Compared to chemotherapy drugs, HX009 is a targeted therapy. Antibody-targeted therapies show fewer side effects and greater effectiveness compared to chemotherapy. The primary objective of the HX009-II-04 China Study is to evaluate the safety and tolerability of HX009 in combination with Enhertu® in patients with HER2- low or ultra-low expressing unresectable locally advanced or metastatic triple-negative breast cancer. The price reduction of Enhertu® is overall a significant positive development for the commercialization of combination therapies that include it. By lowering the treatment cost, the price cut enhances patient access and accelerates the adoption of Enhertu® as the backbone of combination regimens. This increased usage directly benefits its combination partners, as their products are positioned to be used alongside a more widely accessible and rapidly scaling therapy. For any partner agent administered alongside Enhertu®, every additional Enhertu® patient automatically becomes a potential user of the combo drug, so the price reduction functions as a demand amplifier that boosts market penetration and overall sales of the companion product.

Unmet Clinical Needs

- ***Complex resistance problem:*** Endocrine therapy has been the cornerstone treatment for HR+/HER2- advanced breast cancer patients for a long time. As patients with HR+/HER2- metastatic breast cancer become resistant to endocrine-based therapy, their primary treatment option is limited to single-agent chemotherapy. In this setting, it is common to receive multiple lines of chemotherapy regimens over the course of treatment, and the prognosis remains poor. The emergence of CDK4/6 inhibitors has helped address some patients' resistance to endocrine therapy. However, with continued treatment, nearly 30-40% patients may develop resistance to CDK4/6 inhibitors, leading to disease progression.

- ***Limited treatment options:*** TNBC is a subtype of breast cancer that accounts for approximately 15% to 20% of all breast cancers and is associated with characteristics such as younger age at onset, high invasiveness, and poor prognosis compared to HR+ or HER2+ breast cancers. The five-year survival rate for advanced TNBC patients is only 12%. Due to the lack of hormonal and HER2-targeted therapies, TNBC is insensitive to hormone therapy and targeted treatments, with chemotherapy remaining the standard treatment approach. CSCO recommends chemotherapy regimens that include anthracyclines and taxanes (such as the AC-T regimen). However, overall, the survival benefits of chemotherapy alone are limited, and the prognosis remains relatively poor, underscoring the urgent need for more effective treatment options.

- ***Expanding to first-line treatment:*** While the emergence of drugs such as small molecule targeted drugs and immune checkpoint inhibitors has improved the prognosis for breast cancer patients to some extent, their application is limited by factors such as the presence of target mutations, PD-L1 expression, requiring very strict patient selection criteria. Therefore, there is still a need to continue exploring new first-line treatment options that benefit a broader population.

LAWS AND REGULATIONS IN THE PRC

Drug Regulatory Regime

Major Regulatory Authorities

The drug industry in the PRC is mainly administered by three governmental agencies: the NMPA, a department under the SAMR, the National Health Commission of the PRC (中華人民共和國國家衛生健康委員會) (the "**NHC**") and the National Healthcare Security Administration (國家醫療保障局) (the "**NHSA**").

The NMPA, which inherits the drug supervision function from its predecessor the China Food and Drug Administration (國家食品藥品監督管理總局) (the "**CFDA**"), is the primary drug regulator responsible for almost all of the key stages of the life-cycle of pharmaceutical products, including non-clinical researches, clinical trials, marketing approvals, manufacturing, advertising and promotion, distribution and pharmacovigilance.

The NHC, formerly known as the National Health and Family Planning Commission (the "**NHFPC**"), is China's chief healthcare regulator. It is primarily responsible for formulating national healthcare policy and regulating public health, medical services, and health contingency system, coordinating the healthcare reform, and overseeing the operation of medical institutions and practicing of medical personnel.

The NHSA, established in May 2018, is responsible for formulating and implementing policies, plans and standards on medical insurance, maternity insurance and medical assistance, administering healthcare security funds, formulating a uniform medical insurance catalogue and payment standards on drugs, medical disposables and healthcare services, formulating and administering the bidding and tendering policies for drugs and medical disposables.

Reform of the Drug Approval System

According to the Administrative Measures for Drug Registration (《藥品註冊管理辦法》) (the "**Circular 27**"), which was most recently promulgated on January 22, 2020 and took effect on July 1, 2020, upon completion of pharmacological and toxicological studies, clinical trials and other research supporting the marketing registration of drugs, determination of quality standards, completion of validation of commercial-scale production processes, and preparation for acceptance of verification and inspection for drug registration, the applicant may apply for the New Drug Approval (the "**NDA**"). The NMPA shall evaluate the application pursuant to applicable laws and regulations. The applicant must obtain the NDA before the drugs can be manufactured and sold in the PRC.

If (i) a drug is used for the treatment of severe life-threatening diseases currently lacking effective treatment and the data of clinical trials of the drug can prove the efficacy and forecast the clinical value of the drug; (ii) a drug which is urgently needed for public health and the data of clinical trials of the drug can show the efficacy and forecast the clinical value of the drug; or (iii) a vaccine which is urgently needed to deal with major public health emergencies or deemed to be urgently needed by the NHC, and by assessment the benefit of the vaccine outweighs the risk, the applicant may apply for the conditional NDA during the clinical trials of the drug or vaccine.

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

On August 9, 2015, the State Council promulgated the Opinions on the Reform of Evaluation and Approval System for Drugs and Medical Devices (《關於改革藥品醫療器械審評審批制度的意見》) (the "**Reform Opinions**"), which established a framework for reforming the evaluation and approval system for drugs and medical devices. The Reform Opinions indicated enhancing the standard of approval for drug registration and accelerating the evaluation and approval process for innovative drugs.

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

On March 4, 2016, the General Office of the State Council promulgated the Guiding Opinions on Promoting the Sound Development of the Medical Industry (《關於促進醫藥產業健康發展的指導意見》), which aims to accelerate the development of innovative drugs and biological products with major clinical needs, to speed up the promotion of green and intelligent pharmaceutical production technologies, to strengthen scientific and efficient supervision, and to promote the development of industrial internationalization.

On October 8, 2017, the General Office of Chinese Communist Party's Central Committee and the General Office of the State Council jointly issued the Opinion on Strengthening the Reform of the Drug and Medical Device Review and Approval Process to Encourage Drug and Medical Device Innovation (《關於深化審評審批制度改革鼓勵藥品醫療器械創新的意見》) (the "**Innovation Opinion**"), which sought to streamline the clinical trial process and shorten the timeline. The Innovation Opinion provided special fast-track approval for new drugs and medical devices in urgent clinical need, and drugs and medical devices for rare diseases.

On December 21, 2017, the CFDA promulgated the Opinions on Implementing Priority Review and Approval to Encourage Drug Innovation (《關於鼓勵藥品創新實行優先審評審批的意見》), which further clarified that a fast-track clinical trial approval or drug registration pathway will be available to innovative drugs. The aforementioned opinion was repealed by the Announcement of NMPA on Issuing Three Documents including Working Procedures for Review of Breakthrough Therapeutics (Trial) (issued and took effect on July 7, 2020) (《國家藥監局關於發佈<突破性治療藥物審評工作程序(試行)>等三個文件的公告》).

On May 17, 2018, the NMPA and NHC jointly promulgated the Circular on Issues Concerning Optimizing Drug Registration Review and Approval (《關於優化藥品註冊審評審批有關事宜的公告》), which further simplified and accelerated the clinical trial approval process.

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

On March 31, 2023, the China's Center for Drug Evaluation under the NMPA (國家藥品監督管理局藥品審評中心) (the "**CDE**") issued the CDE's Standards for Accelerating the Review Work for Marketing Approval Applications of Innovative Drugs (Trial) (《藥審中心加快創新藥上市許可申請審評工作規範(試行)》), which encouraged the development process of the innovative drugs of breakthrough therapy drug program, for children and for rare diseases, and is expected to expedite the marketing process of these drugs to meet relevant patients' medication needs.

Principal Regulatory Provisions

Laws and Regulations on New Drugs

Research and Development of New Drugs

The Drug Administration Law of the PRC (《中華人民共和國藥品管理法》) (the "**Drug Administration Law**") promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") in September 1984, last amended on August 26, 2019 and became effective on December 1, 2019, and the Implementation Regulations of the Drug Administration Law of the PRC (《中華人民共和國藥品管理法實施條例》) (the "**Implementation Regulations**") promulgated by the State Council in August 2002 and last amended on December 6, 2024 and became effective on January 20, 2025, have laid down the legal framework for the establishment and maintenance of pharmaceutical manufacturing and trading enterprises, as well as for the administration of pharmaceutical products including the development and manufacturing of new drugs. According to the Drug Administration Law and the Implementation Regulations, the PRC encourages the research and development of new drugs, and protects the legal rights and interests in the research and development of new drugs. The developer and clinical trial applicant of any new drug shall truthfully submit the new drug's manufacturing method, quality specifications, results of pharmacological and toxicological tests and the related data, documents and samples to the NMPA for approval before any clinical trial is conducted.

Non-clinical Research and Animal Testing

The non-clinical safety evaluation study for drugs for the purpose of applying for drug registration shall be conducted in accordance with the Administrative Measures for Good Laboratories Practice (《藥物非臨床研究質量管理規範》), which was promulgated in August 2003 and amended in July 2017 by the CFDA. In April 2007, the CFDA issued The Administrative Measures for Certification of Good Laboratory Practice (《藥物非臨床研究質量管理規範認證管理辦法》), last amended on January 19, 2023 and taking effect on July 1, 2023, which set forth the requirements for an institution to apply for a Certification of Good Laboratory Practice to undertake non-clinical research on drugs.

The State Science and Technology Commission, now known as the Ministry of Science and Technology (科學技術部), promulgated the Regulations for the Administration of Affairs Concerning Experimental Animals (《實驗動物管理條例》) on November 14, 1988, which were most recently amended by the State Council on March 1, 2017. The State Science and Technology Commission and the State Bureau of Quality and Technical Supervision (now merged into the SAMR) jointly promulgated the Administration Measures on Good Practice of Experimental Animals (《實驗動物質量管理辦法》) on December 11, 1997. The Ministry of Science and Technology and other regulatory authorities promulgated the Administrative Measures on the Certificate for Experimental Animals (Trial) (《實驗動物許可證管理辦法(試行)》) on December 5, 2001. All of these laws and regulations require a Certificate for Use of Laboratory Animals for performing experimentation on animals.

Pathogenic Microorganism Laboratories

Pursuant to the Regulations on Administration of Bio-safety in Pathogenic Microorganism Laboratories (《病原微生物實驗室生物安全管理條例》) promulgated by the State Council, effective on November 12, 2004, and latest amended on December 6, 2024 and became effective on January 20, 2025, pathogenic microorganism laboratories are classified into four levels, namely bio-safety levels 1, 2, 3 and 4 in terms of bio-safety protection levels in accordance with national standards on biosafety of laboratories. Laboratories at bio-safety levels 1 and 2 shall only engage in laboratory activities related to highly pathogenic microorganisms which can be carried out in laboratories at bio-safety levels 1 and 2 as specified in the pathogen microorganism catalog. The construction, alternation or expansion of a laboratory at bio-safety level 1 or 2 shall be filed for record with the local counterparts of NHC. The entity launched a pathogenic microorganism laboratory shall develop a scientific and strict management system, regularly inspect the implementation of the regulations on bio-safety, and regularly inspect, maintain and update the facilities, equipment and materials in the laboratory, to ensure its compliance with the national standards.

Application for Clinical Trial and Drug Clinical Trial Registration

According to the Decision on Adjusting the Approval Procedures of Certain Administrative Approval Items for Drugs (《關於調整部分藥品行政審批事項審批程序的決定》) promulgated by the CFDA on March 17, 2017, the decision on the approval of clinical trials of drugs shall be made by the CDE from May 1, 2017. According to the Circular 27, drug clinical trials shall be divided into Phase I clinical trial, Phase II clinical trial, Phase III clinical trial, Phase IV clinical trial, and bioequivalence trial. In accordance with Circular 27 and the Announcement on Adjusting Evaluation and Approval Procedures for Clinical Trials for Drugs (《關於調整藥物臨床試驗審評審批程序的公告》) issued in July 2018, if a clinical trial applicant does not receive any negative or questioned opinions from the CDE within 60 days after the date when the trial application is accepted and the fees are paid, the Applicant can proceed with the clinical trial in accordance with the trial protocol submitted to the CDE.

After obtaining the approval of clinical trial from the NMPA, the applicant must complete the clinical trial registration at the Drug Clinical Trial Information Platform for public disclosure in accordance with the Circular on Drug Clinical Trial Information Platform (《關於藥物臨床試驗信息平台的公告》), which came into effect in September 2013. The applicant shall complete the initial registration of the trial within one month after obtaining the approval of clinical trial to obtain an exclusive trial registration number, and then complete the subsequent information registration before the first patient is enrolled in the trial and submit the registration for public disclosure for the first time.

Conduct of Clinical Trial

Typically, pursuant to Circular 27, drug clinical trials in China shall go through four phases — Phase I clinical trial, Phase II clinical trial, Phase III clinical trial and Phase IV clinical trial. Based on the characteristics of drugs and research objective, the research contents shall include clinical pharmacology research, exploratory clinical trial, confirmatory clinical trial and post-marketing research clinical. The NMPA requires that the different phases of clinical trials in China shall receive ethics committee approval respectively and comply with the relevant requirements of quality management standards for clinical trials of drugs in PRC. The sponsor shall submit safety update reports on the CDE website regularly during the research and development period. The sponsor shall promptly report to the CDE regarding suspicious and unexpected serious adverse reaction and other potential serious safety risks arising in the course of the clinical trial. Based on the severity of the safety risks, the sponsor may be required to adopt measures to strengthen risk control, and may be required to suspend or terminate the clinical trial of drugs where necessary.

According to Circular 27, where a drug approved to carry out clinical trials intends to add new indications (or functional indications) or add combination with other drugs, the applicant shall submit a new drug clinical trial application, and the new drug clinical trial may only be conducted after approval.

However, according to the Technical Guiding Principles for Clinical Trials of Anti-tumor Drugs (《抗腫瘤藥物臨床試驗技術指導原則》) issued by the CFDA on May 15, 2012, the clinical study staging of anti-tumor drugs is not a fixed developmental sequence. The rapid development of anti-tumor drug research theories and technologies is likely to have an impact on future anti-cancer drug development models. Therefore, applicants can actively explore more scientific and rational research methods and promptly seek advice from the drug registration department under the NMPA.

According to the Technical Guidelines for Clinical Trials of Anticancer Drug Combination Therapy (《抗腫瘤藥聯合治療臨床試驗技術指導原則》) issued by the (CDE) on December 30, 2020, before initiating combination therapy with anticancer drugs, there should first be sufficient rational basis for the combination therapy as its theoretical foundation, and then comprehensive evaluation should be conducted according to the clinical trial data characteristics of each single drug to carry out combination therapy clinical trials based on scientific evidence; the overall principle of clinical trial design for anticancer drug combination therapy is to design based on in-depth mechanistic research data, explore the clinical advantages of combination therapy, and ultimately confirm clinical value; for rare malignant tumors or those with very limited benefit from existing treatments, factorial design requirements will be considered based on the clinical benefits and needs of combination therapy; for complex scenarios of anticancer drug combination therapy, applicants are encouraged to communicate with the Center for Drug Evaluation to jointly promote the scientific and orderly development of combination therapy with anticancer drugs.

On November 15, 2021, the CDE introduced the Guiding Principles for Clinical Research and Development of Anti-tumor Drugs Oriented by Clinical Value (《以臨床價值為導向的抗腫瘤藥物臨床研發指導原則》) (the "**Guiding Principle**"), for anti-tumor drugs, which states that the fundamental purpose of the drug market is to address the needs of patients, and emphasizes that drug research and development should be based on patient needs and clinical value.

After obtaining clinical trial approval, the applicant shall conduct clinical trials at qualified clinical trial institutions. The qualified clinical trial institutions refers to institutions that have the conditions to conduct clinical trials in accordance with the requirements and technical guidelines set forth in the Regulations for the Administration of Drug Clinical Trial Institutions (《藥物臨床試驗機構管理規定》), which came into effect on December 1, 2019. Such clinical trial institutions shall be subject to filing requirements, with the exception of institutions that only engage in analysis of biological samples which shall not be subject to such filing requirements. The NMPA is responsible for setting up a filing management information platform for the registration, filing and operation management of drug clinical trial institutions, as well as the entry, sharing and disclosure of information from the supervision and inspection activities conducted by the drug regulatory authorities and competent healthcare authorities.

Clinical trials must be conducted in accordance with the Good Clinical Practice for Drug Trials (《藥物臨床試驗質量管理規範》), promulgated by NMPA and NHC on April 23, 2020 and effective on July 1, 2020, which stipulates the requirements for the procedures of conducting clinical trials, including pre-clinical trial preparation, trial protocols, protection of testees' rights and interests, duties of researchers, sponsors and monitors, as well as data management and statistical analysis.

According to the Announcement on Adjusting Evaluation and Approval Procedures for Clinical Trials for Drugs (《關於調整藥物臨床試驗審評審批程序的公告》), where the application for clinical trial of new investigational drug has been approved, upon the completion of Phases I and II clinical trials and prior to Phase III clinical trial, the applicant shall submit the application for communication meetings to the CDE to discuss with the CDE the key technical questions including the design of Phase III clinical trial protocol. According to the Administrative Measures for Communication on the Research, Development and Technical Evaluation of Drugs (《藥物研發與技術審評溝通交流管理辦法》), revised by the CDE on December 10, 2020, during the research and development periods and in the registration applications of, among others, the innovative new drugs, the applicants may propose to conduct communication meetings with the CDE. The communication meetings can be classified into three types. Type I meetings are convened to address key safety issues in clinical trials of drugs and key technical issues in the research and development of breakthrough therapeutic drugs. Type II meetings are held during the key research and development stages of drugs, mainly including meetings before submitting the clinical trial

application, meetings upon the completion of Phase II trials and prior to Phase III trials, meetings before submitting the marketing application for a new drug, and meetings for risk evaluation and control. Type III meetings refer to other meetings not classified as Type I or Type II.

New Drug Registration

Pursuant to Circular 27, upon completion of clinical trials, determination of quality standards, completion of validation of commercial-scale production processes and completion of other related preparation works, the applicant may apply with the NMPA for the marketing authorization. The NMPA then determines whether to approve the application according to applicable laws and regulations and with the comprehensive evaluation opinion provided by the CDE of the NMPA.

The applicant must obtain the marketing authorization for a new drag before the drug can be manufactured and sold in the China market. According to Circular 27, the holders of any of the following drugs can apply for conditional approval of such drugs: (i) drugs which are used for the treatment of severe life-threatening diseases currently lacking effective treatment and the data of clinical trials can confirm their efficacy and forecast their clinical value; (ii) drugs which are urgently needed for public health and data of clinical trials can demonstrate their efficacy and forecast their clinical value; and (iii) vaccines which are urgently needed to deal with major public health emergencies or other vaccines which the NHC deems to be urgently needed, the benefits of both of which are assessed to be outweigh the risk.

Regulations relating to International Multi-Center Clinical Trials and Acceptance of Overseas Clinical Trial Data

On January 30, 2015, the CFDA promulgated the Notice on Issuing the International Multi-Center Clinical Trial Guidelines (Trial) (《關於發佈國際多中心藥物臨床試驗指南(試行)的通告》) (the "**IMCT Guidelines**"), which took effect on March 1, 2015, to provide guidance for the regulation of application, implementation and administration of international multi-center clinical trials in China. Pursuant to the IMCT Guidelines, international multi-center clinical trial applicants may simultaneously perform clinical trials in different centers using the same clinical trial protocol. Where the applicant plans to make use of the data derived from the international multi-center clinical trials for application to the CFDA for approval of NDA, such international multi-center clinical trials shall satisfy the requirements set forth in the Drug Administration Law and the Implementation Regulations and relevant laws and regulations.

On July 6, 2018, the NMPA issued the Technical Guiding Principles for the Acceptance of the Overseas Clinical Trial Data of Drugs (《接受藥品境外臨床試驗數據的技術指導原則》) (the "**Guiding Principles**"), which provides that overseas clinical data can be submitted for all kinds of registration applications in China, including the clinical trial authorization and NDA. The Guiding Principles clearly list the basic principles and requirements on the acceptance of overseas clinical trial data, and distinguish different levels of acceptance based

on the quality of the data itself and different circumstances. The Guiding Principles require that the applicant shall ensure that the overseas clinical trial data are truthful, complete, accurate and traceable, and the generating process of the overseas clinical trial data shall comply with the relevant requirements of the Good Clinical Practice of the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH-GCP).

Marketing Authorization Holder Mechanism

Under the authorization of the SCNPC, the General Office of the State Council issued the Pilot Plan for the Drug Marketing Authorization Holder System (《藥品上市許可持有人制度試點方案》) on May 26, 2016, which provides a detailed pilot plan for the marketing authorization holder system, or MAH System, for drugs in 10 provinces (cities) in China and the plan ended on November 4, 2018. The pilot period was later extended to November 4, 2019 by the SCNPC.

Pursuant to the Drug Administration Law, China implements the marketing authorization holder mechanism for management of the drug industry. The drug marketing authorization holder refers to an enterprise or a drug research and development institution that has obtained the drug registration certificate. The drug marketing authorization holder shall be responsible for non-clinical research, clinical trials, production and operation, post-marketing research, adverse reaction monitoring, reporting and processing of drugs in accordance with the provisions of the law.

The marketing authorization holders may manufacture drugs by themselves or entrust a pharmaceutical manufacturing enterprise to manufacture drugs. Likewise, they may sell drugs by themselves or entrust a pharmaceutical distribution enterprise to sell drugs. However, marketing authorization holders may not entrust a pharmaceutical manufacturing enterprise to produce blood products, narcotic drugs, psychotropic drugs, medical-use toxic drugs or pharmaceutical precursor chemicals, except as otherwise stipulated by the drug regulatory department under the State Council. The drug marketing authorization holder shall establish a drug quality assurance system and be equipped with special personnel to take charge of quality management on drugs independently. The drug marketing authorization holder shall regularly review the quality management system of the drug manufacturer and the drug distributor, and supervise its continuous quality assurance and control capabilities. Where the marketing authorization holder is an overseas enterprise, its designated domestic enterprise shall perform the obligations of the marketing authorization holder and jointly assume responsibilities of the marketing authorization holder with the overseas enterprise.

Gathering, Collection and Filing of Human Genetic Resources

Pursuant to the Service Guide for Administrative Licensing of Gathering, Collection, Deal, Export and Exit Approval of Human Genetic Resources of Human genetic resources (《人類遺傳資源採集、收集、買賣、出口、出境審批行政許可事項服務指南》) promulgated by the Ministry of Science and Technology in July 2015 and the Notice on the Implementation of the Administrative License for the Gathering, Collection, Deal, Export and Exit of Human

Genetic Resources (《關於實施人類遺傳資源採集、收集、買賣、出口、出境行政許可的通知》) promulgated by the Ministry of Science and Technology in August 2015, the gathering and collection of human genetic resources though clinical trials by a foreign-invested sponsor shall be approved by the China Human Genetic Resources Management Office. The General Office of the Ministry of Science and Technology promulgated the Notice on Optimizing the Administrative Examination and Approval Process of Human Genetic Resources (《關於優化人類遺傳資源行政審批流程的通知》) in October 2017, which has simplified the approval process for the gathering and collection of human genetic resources for the marketing of drugs in China.

Pursuant to the Regulations on the Management of Human Genetic Resources of the People's Republic of China (《中華人民共和國人類遺傳資源管理條例》) promulgated by the State Council in May 2019 and came into effect on July 1, 2019, and the last amendment became effective on May 1, 2024, the state supports the rational use of human genetic resources for scientific research, development of the biomedical industry, improvement of diagnosis and treatment technology, improvement of China's ability to guarantee biosafety and improvement of the level of people's health. Foreign organizations, individuals and institutions established or actually controlled by them shall not gather or preserve Chinese genetic resources in China, or provide Chinese genetic resources to foreign countries. In addition, the gathering, preservation, utilization and external provision of Chinese genetic resources shall conform to ethical principles and conduct ethical review in accordance with relevant regulations. On May 26, 2023, the Ministry of Science and Technology issued the Implementing Rules of the Administrative Regulations on Human Genetic Resources (《人類遺傳資源管理條例實施細則》), effective from July 1, 2023, which further provided specific provisions on the collection, preservation, utilization and external provision of human genetic resources of the PRC.

On October 17, 2020, the PRC Biosecurity Law (《中華人民共和國生物安全法》) (the "**Biosecurity Law**") was promulgated by the SCNPC, taking effect from April 15, 2021 and latest amended on April 26, 2024. The Biosecurity Law establishes a comprehensive legislative framework for the pre-existing regulations in such areas as epidemic control of infectious diseases for humans, animals and plants; research, development, and application of biology technology; biosecurity management of pathogenic microbials laboratories; security management of human genetic resources and biological resources; countermeasures for microbial resistance; and prevention of bioterrorism and defending threats of biological weapons.

Regulations of Biological Products

According to Circular 27, drug registration shall be subject to registration and administration by categories, namely Chinese medicine, chemical medicine and biological products etc. Biological product registration shall be categorized in accordance with biological product innovative medicine, biological product improved new medicine, marketed biological products (including biosimilars), etc. In order to cooperate with the implementation of the Circular 27, the NMPA formulated the Registration Classification of Biological Products and

Requirements for Application Materials (《生物製品註冊分類及申報資料要求》), and the Registration Classification of Biological Products part came into effect on July 1, 2020 while the Requirements for Application Materials part came into effect on October 1, 2020.

According to Guidelines on the Acceptance and Review for Registration of Therapeutic Biological Products (Trial) (《治療用生物製品註冊受理審查指南(試行)》), in general, therapeutic biological products under Categories 13 to 15 shall conduct Phase III clinical trial only and may submit plans for Phase III clinical trial and relevant clinical application materials.

Special Examination and Approval Procedures

On November 18, 2005, the CFDA promulgated the Procedures of the CFDA for the Special Examination and Approval of Drugs (《國家食品藥品監督管理局藥品特別審批程序》), which stipulates that in the case of any threatening or actual public health emergency, the CFDA shall take a series of measures to facilitate the approval procedures so that the drugs needed in responding to the public health emergency can be approved as soon as possible.

Administrative Protection and Monitoring Periods for New Drugs

According to the Implementation Regulations, to protect public health, the NMPA may provide for administrative monitoring periods of up to five years for new drugs approved to be manufactured, to consistently monitor the safety of such new drugs. During the monitoring period of a new drug, the NMPA will not approve any other enterprises' applications to manufacture or import a similar new drug.

Laws and Regulations on the Manufacturing of Drugs

Contract Manufacturing of Drugs

Pursuant to the Administrative Regulations for the Contract Manufacturing of Drugs (《藥品委託生產監督管理規定》) issued by the CFDA in August 2014, only when a drug manufacturer temporarily lacks manufacturing conditions due to technology upgrade or is unable to ensure market supply due to insufficient manufacturing capabilities, can such drug manufacturer entrust the manufacturing of the drug to another domestic drug manufacturer. Such contract manufacturing arrangements shall be approved by the provincial branch of the NMPA.

The Administrative Measures on Supervision of Drug Manufacturing (《藥品生產監督管理辦法》) promulgated by the SAMR on January 22, 2020 and effective on July 1, 2020 further implements the drug marketing authorization holder system as stipulated in the Drug Administration Law. Drug marketing authorization holders entrusting others to manufacture drugs shall enter into outsourcing agreements and quality agreements with qualified drug

manufacturing enterprises and submit the relevant agreements together with the actual manufacturing site application materials to the competent drug administrative authority in order to apply for the Drug Manufacturing Certificate.

Advertising of Drugs

According to the Advertising Law of the PRC (《中華人民共和國廣告法》), which was promulgated by the SCNPC on October 27, 1994 and last amended on April 29, 2021, certain contents such as statement on cure rate or efficiency shall not be included in the advertisement of drugs.

According to the Interim Administrative Measures for the Review of Advertisements for Drugs, Medical Devices, Health Food, and Formula Food for Special Medical Purposes (《藥品、醫療器械、保健食品、特殊醫學用途配方食品廣告審查管理暫行辦法》) issued by the SAMR on December 24, 2019 and came into effect on March 1, 2020, the advertisements for drugs shall not be released without being reviewed and the contents of a drug advertisement shall be based on the drug instructions approved by the drug administration departments.

Product Liability

The Product Quality Law of the PRC (《中華人民共和國產品質量法》), as amended and effective as of December 29, 2018, applies to all production and sale activities in the PRC. Pursuant to the Product Quality Law of the PRC, products offered for sale must satisfy relevant quality and safety standards. Violations of state or industrial standards for health and safety and any other related violations may result in civil liabilities and administrative penalties, such as compensation for damages, fines, suspension or shutdown of business, as well as confiscation of products illegally produced and sold and the proceeds from such sales.

According to the Civil Code of the PRC (《中華人民共和國民法典》) promulgated by the National People's Congress (the "**NPC**") on May 28, 2020 and effective from January 1, 2021, where a patient suffers damage due to defects in a drug, the patient may claim for compensation from the holder of the marketing approval for the drug, manufacturer or the medical institution. Where the patient claims for compensation from the medical institution, the medical institution, after making compensation, shall have the right of recovery against the liable holder of the marketing approval for the drug or manufacturer.

The Law of the PRC on the Protection of the Rights and Interests of Consumers (《中華人民共和國消費者權益保護法》) was promulgated on October 31, 1993, and was amended on August 27, 2009, and October 25, 2013, to protect the lawful rights and interests of consumers in purchasing, using or accepting goods or services for the purpose of daily life consumption.

The State Council promulgated the Implementation Regulations of the Law of the PRC on the Protection of Consumers' Rights and Interests (《中華人民共和國消費者權益保護法實施條例》) on March 15, 2024, which came into effect on July 1, 2024. The State aimed to strengthen the protection of the lawful rights and interests of consumers and have in place a common governance system for the protection of consumers' rights and interests that integrates law-abiding operators, industry self-discipline, consumer participation, government supervision and social oversight.

Other PRC Regulations Relating to the Pharmaceutical Industry

National Essential Drug List

According to the Opinions of the General Office of the State Council on Improving the National Essential Drugs System (《關於完善國家基本藥物制度的意見》) issued on September 13, 2018 and effective therefrom, the Circular on the Printing and Distribution of the Administrative Measures for the National Essential Drug List (《關於印發國家基本藥物目錄管理辦法的通知》) issued on February 13, 2015 and effective therefrom, and the National Essential Drug List (2018 version) (《國家基本藥物目錄(2018年版)》) (the "**National Essential Drug List**") issued by the NHC on September 30, 2018 and effective from November 1, 2018, basic healthcare institutions funded by the government, which primarily include county-level hospitals, county-level Chinese medicine hospitals, rural clinics and community clinics, shall store up and use drugs listed in the National Essential Drug List. The drugs listed in the National Essential Drug List shall be purchased by centralized tender process and shall be subject to the price control by the National Development and Reform Commission (國家發展和改革委員會) (the "**NDRC**"). Remedial drugs listed in the National Essential Drug List are all listed in the medical insurance catalogue and the entire amount of the purchase price of such drugs is entitled to reimbursement.

Price Controls and Two-invoice System

Instead of direct price controls which were historically used in China, the government regulates prices mainly by establishing a consolidated procurement mechanism, revising medical insurance reimbursement standards and strengthening regulation of medical and pricing practices.

According to the Certain Regulations on the Trial Implementation of Centralised Tender Procurement of Drugs by Medical Institutions (《醫療機構藥品集中招標採購試點工作若干規定》) promulgated on July 7, 2000 and the Notice of NMPA on Further Improvement on the Implementation of Centralised Tender Procurement of Drugs by Medical Institutions (《國家藥品監督管理局關於進一步做好醫療機構藥品集中招標採購工作的通知》) promulgated on July 23, 2001, not-for-profit medical institutions established by county or higher level government are required to implement centralised tender procurement of drugs.

The Ministry of Health promulgated the Working Regulations of Medical Institutions for Procurement of Drugs by Centralised Tender and Price Negotiations (for Trial Implementation) (《醫療機構藥品集中招標採購和集中議價採購工作規範(試行)》) on March 13, 2002, which provides rules for the tender process and negotiations of the prices of drugs, operational procedures, a code of conduct and standards or measures of evaluating bids and negotiating prices. According to the Notice of the Financial Planning Department of Ministry of Health on Issue of Opinions on Further Regulating Centralised Procurement of Drugs by Medical Institutions (《衛生部財務規劃司關於印發<進一步規範醫療機構藥品集中採購工作的意見>的通知》) promulgated on January 17, 2009, not-for-profit medical institutions owned by the government at the county level or higher or owned by state-owned enterprises (including

state-controlled enterprises) shall purchase pharmaceutical products by online centralized procurement. Each provincial government shall formulate its catalogue of drugs subject to centralised procurement. Except for drugs in the National List of Essential Drugs (the procurement of which shall comply with the relevant rules on National List of Essential Drugs), certain pharmaceutical products which are under the national government's special control, such as toxic, radioactive and narcotic drugs and traditional Chinese medicines, in principle, all drugs used by not-for-profit medical institutions shall be covered by the catalogue of drugs subject to centralised procurement. The Opinions of the General Office of the State Council on Improvement of the Policy of Production, Circulation and Use of Drugs (《國務院辦公廳關於進一步改革完善藥品生產流通使用政策的若干意見》) promulgated on January 24, 2017 by the General Office of the State Council aims to deepen the reform of medicine health system, improve the quality of the drug and regulate the distribution and use of the drug. The Notice of the General Office of the State Council on Issuing Pilot Plan of Centralised Procurement and Use of the Drug Organised by the State (《國務院辦公廳關於印發國家組織藥品集中採購和使用試點方案的通知》) promulgated on January 1, 2019 aims to improve the pricing mechanism of the drug, which also further regulates the scope and mode of centralized procurement.

The centralized tender process takes the form of public tender operated and organized by provincial or municipal government agencies. The centralised tender process is in principle conducted once every year in the relevant province or city in China. The bids are assessed by a committee composed of pharmaceutical and medical experts who will be randomly selected from a database of experts approved by the relevant governmental authorities. The committee members assess the bids based on a number of factors, including but not limited to, bid price, product quality, clinical effectiveness, product safety, qualifications and reputation of the manufacturer, after-sale services and innovation. Only pharmaceuticals that have won in the centralised tender process may be purchased by public medical institutions funded by the governmental or state-owned enterprise (including state-controlled enterprises) in the relevant region.

In order to further optimize the order of purchasing and selling pharmaceutical products and reduce circulation steps, under the 2016 List of Major Tasks in Furtherance of the Healthcare and Pharmaceutical Reforms (《深化醫藥衛生體制改革2016年重點工作任務》) issued by the General Office of the State Council on April 21, 2016, the "two-invoice system" (兩票制) will be fully implemented in the PRC. According to the Circular on Issuing the Implementing Opinions on Carrying out the Two-invoice System for Drug Procurement among Public Medical Institutions (for Trial Implementation) (《印發關於在公立醫療機構藥品採購中推行"兩票制"的實施意見(試行)的通知》) (the "**Two-Invoice System Notice**"), which came into effect on December 26, 2016, the two-invoice system means one invoice between the pharmaceutical manufacturer and the pharmaceutical distributor, and one invoice between the pharmaceutical distributor and the medical institution, and thereby only allows a single level of distributor for the sale of pharmaceutical products from the pharmaceutical manufacturer to the medical institution.

According to the Two-Invoice System Notice and the Several Opinions of the General Office of the State Council on Further Reforming and Improving the Policies on Drug Production, Circulation and Use (《國務院辦公廳關於進一步改革完善藥品生產流通使用政策的若干意見》) issued on January 24, 2017, the two-invoice system would be promoted in pilot provinces (or autonomous regions and municipalities directly under the central government) involved in the comprehensive medical reform program and pilot cities for public hospital reform on a priority basis, and encouraged to be implemented nationwide in 2018.

Coverage of the National Medical Insurance Program

The national medical insurance program was first adopted according to the Decision of the State Council on Establishing the Urban Employees' Basic Medical Insurance System (《國務院關於建立城鎮職工基本醫療保險制度的決定》) issued by the State Council on December 14, 1998, under which all employers and their employees in urban cities are required to enroll in the basic medical insurance program and the insurance premium is jointly contributed by the employers and employees. On July 10, 2007, the State Council issued the Guiding Opinions of the State Council on the Pilot Urban Resident Basic Medical Insurance (《國務院關於開展城鎮居民基本醫療保險試點的指導意見》), which further expanded the coverage of the basic medical insurance program, and accordingly the urban non-employed residents of the pilot districts may voluntarily enroll in the Urban Resident Basic Medical Insurance. In addition, on January 3, 2016, the Opinions of the State Council on Integrating the Basic Medical Insurance Systems for Urban and Rural Residents (《國務院關於整合城鄉居民基本醫療保險制度的意見》) issued by the State Council required the integration of the urban resident basic medical insurance and the new rural cooperative medical care system and the establishment of a unified basic medical insurance system, which will cover all urban and rural residents other than rural migrant workers and persons in flexible employment arrangements who participate in the basic medical insurance for urban employees. The participants of the medical insurance programs are eligible for full or partial reimbursement of the cost of the medicines included in the national medical insurance catalogue.

Pursuant to the Notice of the Tentative Administrative Measures of the Scope of Basic Medical Insurance Coverage for Pharmaceutical Products for Urban Employees (《關於印發城鎮職工基本醫療保險用藥範圍管理暫行辦法的通知》) jointly issued by the Ministry of Labor and Social Security, the Ministry of Finance and other authorities on May 12, 1999, a pharmaceutical product listed in the medical insurance catalogue must be clinically necessary, safe, effective, reasonably priced, easy to use, available in sufficient quantity, and must meet any of the following requirements: (i) being included in the pharmacopoeia of the PRC, (ii) satisfying the standards as set out by the NMPA, or (iii) having been approved by the NMPA for imported.

According to the Tentative Administrative Measures of the Scope of Basic Medical Insurance Coverage for Pharmaceutical Products for Urban Employees, the Ministry of Labor and Social Security and other relevant governmental authorities have the power to determine the medicines to be included in the national medical insurance catalogue, which is divided into two parts of Part A and Part B. Provincial governments are required to include all Part A

medicines listed in the national medical insurance catalogue in their provincial medical insurance catalogue, but have the discretion to adjust upwards or downwards by no more than 15% from the total number of Part B medicines listed in the national medical insurance catalogue. As a result, the contents of Part B of the provincial medical insurance catalogues may differ from region to region in the PRC. Patients purchasing medicines included in Part A of the medical insurance catalogue are entitled to reimbursement in accordance with the regulations in respect of basic medical insurance. Patients purchasing medicines included in Part B of the medical insurance catalogue are required to pay a certain percentage of the purchase price and the remainder shall be reimbursed in accordance with the regulations in respect of basic medical insurance. The percentage of reimbursement for Part B medicines is decided by local authorities and as a result may differ from region to region.

Medical Insurance Reimbursement Standards

According to the Decision of the State Council on Establishing the Urban Employees' Basic Medical Insurance System, the Opinions on the Establishment of the New Rural Cooperative Medical System (《關於建立新型農村合作醫療制度意見的通知》) issued by the General Office of the State Council on January 16, 2003, the Guiding Opinions of the State Council on the Pilot Urban Resident Basic Medical Insurance and the Opinions of the State Council on Integrating the Basic Medical Insurance Systems for Urban and Rural Residents, medical insurance shall be available to all employees and residents in both rural and urban areas.

According to the Notice on Printing and Distribution of the Opinion on the Management of Diagnosis and Treatment Items, Scope and Payment Standards of Medical Service Facilities Covered by the Urban Employees Basic Medical Insurance Program (《關於印發<城鎮職工基本醫療保險診療項目管理、醫療服務設施範圍和支付標準意見>的通知》) issued on June 30, 1999, the basic medical insurance program may cover a portion of the costs of diagnostic and treatment devices and diagnostic testing. The scope and rate of reimbursement shall be decided by provincial policies.

On June 20, 2017, the General Office of the State Council issued the Guidance on Further Deepening the Reform of the Payment Method of Basic Medical Insurance (《關於進一步深化基本醫療保險支付方式改革的指導意見》), which aimed to implement a diverse medical insurance payment mechanism that includes diagnosis-related groups, per-capita payments, and per-bed-day payments.

By 2020, such new reimbursement mechanism will be implemented across the country, replacing the current reimbursement method based on service category and product price. Local medical insurance authorities shall implement the total budget control for their respective administrative regions and determine the amount of reimbursement to public hospitals based on their performance and the expenditure targets of the individual basic medical insurance funds.

Laws and Regulations on Intellectual Properties

Patent

Patents in the PRC are mainly protected by the Patent Law of the PRC (《中華人民共和國專利法》), which was promulgated by the SCNPC on March 12, 1984, last amended on October 17, 2020 and became effective on June 1, 2021, and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), which were promulgated by the State Council on June 15, 2001, last amended on December 11, 2023 and became effective on January 20, 2024. The Patent Law of the PRC and its Implementation Rules provide for three types of patents, "invention", "utility model" and "design." "Invention" refers to new technical solution relating to a product, a process or improvement thereof; "utility model" refers to new technical solution relating to the shape, structure, or their combination, of a product, which is suitable for practical use; and "design" refers to a new design of the shape, pattern, or a combination thereof, as well as a combination of the color, shape and pattern, of the entirety or a portion of a product, which creates an esthetic feeling and is suitable for industrial application. The duration of a patent right for "invention" is 20 years, the duration of a patent right for "utility model" is 10 years, and the duration of a patent right for "design" is 15 years, from the date of application. According to the Patent Law of the PRC, for the purpose of public health, the patent administrative department of the State Council may grant mandatory licensing to manufacture and export patented drugs to countries or regions in comply with provisions of the relevant international treaty participated by the PRC.

Compared with the prior legislation, the main changes contained in the last amended PRC Patent Law are concentrated on the following aspects: (i) clarifying the incentive mechanism for inventor or designer relating to service inventions; (ii) extending the duration of design patent; (iii) establishing a new system of "open licensing" (開放許可); (iv) establishing a drug patent linkage system (藥品專利鏈接制度); (v) improving the distribution of burden of proof in patent infringement cases; (vi) increasing the compensation for patent infringement; and (vii) patent term adjustment for compensating unreasonable delays of relevant authorities in the examination of patent applications. In order to compensate for the time spent on drug marketing registration and approval procedures, for patents relating to new drugs approved for marketing in the PRC, the patent term may be extended upon request of the patent holder by up to five years as determined by the competent patent authorities, and the total valid period of a patent right shall not exceed 14 years after the relevant new drug marketing authorization is approved.

Trade Secret

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》), promulgated by the SCNPC in September 1993, last amended on June 27, 2025 and came into effect on October 15, 2025, the term "trade secrets" refers to technical, operational or other commercial information that is unknown to the public, and is of commercial value for which the right holder has taken corresponding confidentiality measures. Under the Anti-Unfair Competition Law of the PRC, business persons are prohibited from infringing others'

trade secrets by: (1) acquiring a trade secret from the right holder by theft, bribery, fraud, coercion, electronic intrusion, or any other illicit means; (2) disclosing, using, or allowing another person to use a trade secret acquired from the right holder by any means as specified in the item (1) above; (3) disclosing, using, or allowing another person use a trade secret in its possession, in violation of its confidentiality obligation or the requirements of the right holder for keeping the trade secret confidential; (4) abetting a person, or tempting, or aiding a person into or in acquiring, disclosing, using, or allowing another person to use the trade secret of the right holder in violation of his or her non-disclosure obligation of the requirements of the right holder for keeping the trade secret confidential. If a third party knows or should have known that an employee or a former employee of the right holder of a trade secret or any other entity or individual has committed an above motioned illegal act but still acquires, discloses, uses, or allows another person to use the trade secret, the third party shall be deemed to have committed a misappropriation of the others' trade secrets. The parties whose trade secrets are being misappropriated may petition for administrative corrections, and regulatory authorities shall stop the illegal activities, confiscate illegal income, and impose fine on the infringing parties.

Trademark

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982, last amended on April 23, 2019 and became effective on November 1, 2019, the period of validity for a registered trademark is 10 years, commencing from the date of registration. Upon expiry of the period of validity, the registrant shall go through the formalities for renewal within twelve months prior to the date of expiry as required if the registrant needs to continue to use the trademark. Where the registrant fails to do so, a grace period of six months may be granted. The period of validity for each renewal of registration is 10 years, commencing from the day immediately after the expiry of the preceding period of validity for the trademark. In the absence of a renewal upon expiry, the registered trademark shall be canceled. Industrial and commercial administrative authorities have the authority to investigate any behavior in infringement of the exclusive right under a registered trademark in accordance with the law. In case of a suspected criminal offense, the case shall be timely referred to a judicial authority and decided in accordance with applicable laws.

Copyright

Copyright in the PRC is primarily protected by the Copyright Law of the PRC (《中華人民共和國著作權法》), which was promulgated by the SCNPC on September 7, 1990, last amended on November 11, 2020 and became effective on June 1, 2021, and Implementation Regulations of the Copyright Law of PRC (《中華人民共和國著作權法實施條例》), which was promulgated by the State Council on August 2, 2002 last amended on January 30, 2013, and became effective on March 1, 2013. These law and regulation provide provisions on the classification of works and the obtaining and protection of copyright.

Domain Name

In accordance with the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) which was issued by the Ministry of Information Technology on August 24, 2017 and came into effect on November 1, 2017, the Ministry of Industry and Information Technology is responsible for supervision and administration of domain name services in the PRC and communications administrative bureaus at provincial levels shall conduct supervision and administration of the domain name services within their respective administrative jurisdictions. Domain name registration services shall, in principle, be subject to the principle of "first apply, first register." A domain name registrar shall, in the process of providing domain name registration services, ask the applicant for which the registration is made to provide authentic, accurate and complete identity information on the holder of the domain name and other domain name registration related information.

Regulations on Data Security

On November 7, 2016, the SCNPC promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the "**Cybersecurity Law**"), which became effective from June 1, 2017. Regarding network operation security, the Cybersecurity Law requires network operators to implement technical measures and other necessary measures in accordance with laws, regulations, and mandatory requirements of national and industry standards to ensure network security, maintain stable operation, effectively respond to cybersecurity incidents, prevent cybercrimes, and protect the integrity, confidentiality, and availability of network data. In terms of personal information protection, the Cybersecurity Law outlines the basic principles and requirements for protecting personal information.

On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) (the "**Data Security Law**"), which became effective from September 1, 2021. According to the Data Security Law, a data classification protection system shall be established to protect data by classification. Entities engaged in data processing activities shall, in accordance with the laws and regulations, establish a sound whole-process data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to ensure data security. The Data Security Law also establishes a national security review system for data processing activities that affect or may affect national security.

According to the Civil Code of the PRC, personal information of natural persons is protected by law. Any organization or individual that needs to obtain personal information of others shall obtain legally and ensure the information security, and shall not illegally collect, use, process, transmit, trade, provide or disclose personal information of others. The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) (the "**Personal Information Protection Law**"), promulgated by the Standing Committee of the National People's Congress on August 20, 2021, and effective from November 1, 2021, further emphasizes and details the obligations and responsibilities of personal information processors in their processing activities. It establishes a comprehensive system of rules for personal

information processing, including requirements for explicit and reasonable purposes, additional protections for sensitive personal information, specific agreements for external provision and entrusted processing to ensure security, and adherence to specific rules for storage, deletion, disclosure, and automated decision-making. Personal information processors must have appropriate organizational, institutional, and technical measures in place. The Personal Information Protection Law provides four compliance paths for the cross-border provision of personal information: undergoing a security assessment organized by the Cyberspace Administration of China (中國國家互聯網信息辦公室) (the "**CAC**"), signing and filing a standard contract for cross-border personal information transfer with the provincial CAC, applying for personal information protection certification, and adhering to international treaties or agreements that China has joined or participated in.

The "CAC", jointly with the other 12 governmental authorities, promulgated the Cybersecurity Review Measures (《網絡安全審查辦法》) on December 28, 2021, which became effective on February 15, 2022. Pursuant to Article 2 of the Cybersecurity Review Measures, to ensure the security of the supply chain of critical information infrastructure, security of network and data and safeguard national security, a cybersecurity review is required when national security has been or may be affected where critical information infrastructure operators (關鍵信息基礎設施運營者) purchase network product or service and network platform operators (網絡平台運營者) conduct data process activities. In addition, Article 7 of the Cybersecurity Review Measures stipulates that when a network platform operator in possession of personal information of over one million users intends to "list abroad" (國外), it must apply to CAC for a cybersecurity review.

According to the Measures on Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》) (the "**Security Assessment Measures**"), which was promulgated by the CAC on July 7, 2022 and came into effect on September 1, 2022, data processors shall apply for cross-border security assessment with the CAC through the local provincial-level cyberspace administration department under any of the following circumstances: (i) cross-border transfer of important data by data processors; (ii) cross-border transfer of personal information by critical information infrastructure operators and data processors that process more than 1 million personal information; (iii) cross-border transfer of personal information by data processors that have made cross-border transfer of personal information of 100,000 people or sensitive personal information of 10,000 people cumulatively since January 1 of the previous year; and (iv) other circumstances where an application for security assessment of cross-border data transfer is required as prescribed by the CAC.

According to the Provisions on Promoting and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》), (the "**Cross-border Data Provisions**"), promulgated by the CAC on March 22, 2024, and effective on the same day, unless exempted by the Cross-border Data Provisions, data processors must apply for a security assessment for cross-border data transfer with the provincial CAC at their location if they meet one of the following conditions: (i) critical information infrastructure operators (CIIOs) providing personal information or important data abroad; (ii) data processors other than CIIOs providing important data abroad, or cumulatively transferring personal information of more than 1 million individuals (excluding sensitive personal information) or more than 10,000 individuals' sensitive personal information abroad since January 1 of the current year. These provisions replace the requirements for data security assessments related to cross-border transfers under the Security Assessment Measures. Additionally, if data has not been designated or publicly announced as important data by relevant departments or regions, data processors are not required to declare a security assessment for the cross-border provision of such data as important data.

Regulations in Relation to Company Establishment, Foreign Investment and Outbound Investment

Company Establishment

The establishment, operation and management of corporate entities in China are governed by the Company Law of the PRC (《中華人民共和國公司法》) (the "**Company Law**"), which was promulgated by the SCNPC on December 29, 1993 and lasted revised on December 29, 2023 and effective from July 1, 2024. The last amendment of the Company Law became effective on July 1, 2024. The major revisions made by the last amendment of the Company Law included improvement of the system for the establishment and exit of companies, optimization of organizational structures of companies, improvement of capital system of companies, strengthening the responsibilities of the controlling shareholder and management staff, enhancing the social responsibilities of companies, etc.

Foreign Direct Investment

According to the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**FIL**"), which was promulgated by the National People's Congress on March 15, 2019 and came into effect on January 1, 2020, and the Regulations for Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), which was promulgated by the State Council on December 26, 2019 and came into effect on January 1, 2020, the foreign investment refers to the investment activities in China carried out directly or indirectly by foreign natural persons, enterprises or other organizations, including the following: (i) Foreign Investors establishing foreign-invested enterprises in China alone or collectively with other investors; (ii) Foreign Investors acquiring shares, equities, properties or other similar rights of Chinese domestic enterprises; (iii) Foreign Investors investing in new projects in China alone or collectively with other investors; and (iv) Foreign Investors investing through other ways prescribed by laws and regulations of the State Council. The State adopts the management system of pre-establishment national treatment and negative list for

foreign investment. The pre-establishment national treatment refers to granting to Foreign Investors and their investments, in the stage of investment access, the treatment no less favorable than that granted to domestic investors and their investments; the negative list refers to special administrative measures for access of foreign investment in specific fields as stipulated by the State. The State will grant national treatment to foreign investments outside the negative list. The negative list will be released by or upon approval of the State Council.

Foreign investment in China is subject to the Catalogue for the Encouraged Investment Industries (2022 Edition) (《鼓勵外商投資產業目錄(2022年版)》) issued on October 26, 2022 and took effect on January 1, 2023, and the Special Administrative Measures for the Access of Foreign Investment (Negative List) (2024 Edition) (《外商投資准入特別管理措施(負面清單)》)(2024年版) issued on September 6, 2024, which together comprise the encouraged foreign-invested industries catalogue and the special administrative measures for the access of foreign investments to the restricted or the prohibited foreign-invested industries. The latter sets out restrictions such as percentage of shareholding and qualifications of senior management. According to the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》) which took effect on January 1, 2020, foreign investments that are not subject to special access administrative measures are only required to complete an online filing to the commerce departments.

Regulations relating to Outbound Investment

Pursuant to the Administrative Measures on Outbound Investments (《境外投資管理辦法》) issued by the Ministry of Commerce of the PRC (商務部) (the "**MOFCOM**") on March 16, 2009 and amended on September 6, 2014, the MOFCOM and the provincial competent departments of commerce shall subject the outbound investments of enterprises to filing or approval, depending on the actual circumstances of such investments. Outbound investments of enterprises involving sensitive country or region, or sensitive industry shall be subject to approval. Other outbound investments of enterprises shall be subject to filing.

Pursuant to the Administrative Measures for the Outbound Investments of Enterprises (《企業境外投資管理辦法》) issued by the NDRC on December 26, 2017 and effective from March 1, 2018, if an enterprise in the territory of the PRC (the "**Investor**") intends to make outbound investments, it shall go through the formalities, such as approval or filing, for the outbound investment project (the "**Project**"), report relevant information and cooperate in the supervisory inspections. The sensitive Projects invested directly by the Investor or through the foreign enterprises controlled by the Investor shall be subject to approval. The non-sensitive Projects invested directly by the Investor, which involve the direct contribution of assets, rights and interests, or provision of financing or guarantee by the Investor, shall be subject to filing. The aforementioned sensitive Projects include the Projects involving sensitive country or region, or sensitive industry. The Catalogue of Sensitive Sectors for Outbound Investment (2018 Edition) (《境外投資敏感行業目錄(2018年版)》) issued by the NDRC on January 31, 2018 and effective from March 1, 2018 listed in detail the sensitive sectors.

Laws and Regulations on Labor and Employee Incentives

Labor, Social Insurance and Housing Provident Funds

According to the Labor Law of the PRC (《中華人民共和國勞動法》), which was promulgated by the SCNPC in July 1994 and last amended and came into effect in December 2018, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), which was promulgated by the SCNPC in June 2007 and amended in December 2012 and came into effect in July 2013, and the Implementing Regulations of the Labor Contracts Law of the PRC (《中華人民共和國勞動合同法實施條例》), which was promulgated by the State Council and came into effect in September 2008, labor contracts in written form shall be executed to establish labor relationships between employers and employees. In addition, wages shall not be lower than local minimum wages. The employers must establish a system for labor safety and sanitation, strictly comply with national rules and standards, provide education regarding labor safety and sanitation to its employees, provide employees with labor safety and sanitation conditions and necessary protection materials in compliance with national rules, and carry out regular health examinations for employees engaged in work involving occupational hazards.

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was promulgated by the SCNPC in October 2010 and last amended and came into effect in December 2018, and the Interim Regulations on the Collection and Payment of Social Security Funds (《社會保險費徵繳暫行條例》), which was promulgated by the State Council in January 1999 and last amended in March 2019, and the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》), which was promulgated by the State Council in April 1999 and last amended in March 2019, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance and maternity insurance and to housing provident funds. Any employer who fails to make the required contributions may be fined and ordered to compensate the deficit within a stipulated time limit.

According to the Interpretation II by the Supreme People's Court of the PRC on Legal Issues in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), promulgated by the Supreme People's Court on August 1, 2025 and effective from September 1, 2025, any agreement between a PRC employer and an employee or an employee's undertaking to the employer on the non-contribution of social insurance shall be deemed invalid by the people's court. If an employee requests to terminate the employment agreement and seek economic compensation on the grounds that the employer has failed to pay social insurance contributions in accordance with the applicable laws, the people's court shall support such claims.

Employee Stock Incentive Plans

On February 15, 2012, the State Administration of Foreign Exchange of the PRC (國家外匯管理局) (the "**SAFE**") issued the Circular on Issues concerning the Foreign Exchange Administration for Domestic Individuals Participating in Share Incentive Plans of Overseas Publicly Listed Companies (《關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》) (the "**Share Incentive Rules**"). Under the Share Incentive Rules and relevant rules and regulations, PRC citizens or non-PRC citizens residing in China for a continuous period of not less than one year, who participate in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be a PRC domestic company participating in such stock incentive plan, and complete certain procedures. In addition, the State Taxation Administration of the PRC (國家税務總局) (the "**STA**") has issued circulars concerning employee share options or restricted shares. Under these circulars, employees working in the PRC who exercise share options, or whose restricted shares vest, will be subject to PRC individual income tax. The domestic qualified agent have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income tax of those employees related to their share options or restricted shares. If the employees fail to pay, or the PRC domestic companies fail to withhold, their individual income tax according to relevant laws, rules and regulations, the PRC domestic companies may face sanctions imposed by the tax authorities or other relevant PRC governmental authorities.

Laws and Regulations on Environmental and Fire Control

Environmental Protection

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) (the "**Environmental Protection Law**"), which was promulgated by the SCNPC on December 26, 1989, came into effect on the same day, last amended on April 24, 2014 and came into effect on January 1, 2015, outlines the authorities and duties of various environmental protection regulatory agencies. The Ministry of Ecology and Environment is authorized to issue national standards for environmental quality and emissions, and to monitor the environmental protection scheme of the PRC. Meanwhile, local environment protection authorities may formulate local standards which are more rigorous than the national standards, in which case, the concerned enterprises must comply with both the national standards and the local standards.

Environmental Impact Appraisal

According to the Administration Rules on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》), which was promulgated by the State Council on November 29, 1998, amended on July 16, 2017 and became effective on October 1, 2017, depending on the impact of the construction project on the environment, an construction employer shall submit an environmental impact report or an environmental impact statement, or file a registration form. As to a construction project, for which an environmental impact report or the environmental impact statement is required, the construction employer shall,

before the commencement of construction, submit the environmental impact report or the environmental impact statement to the relevant authority at the environmental protection administrative department for approval. If the environmental impact assessment documents of the construction project have not been examined or approved upon examination by the approval authority in accordance with the law, the construction employer shall not commence the construction. According to the Environmental Impact Appraisal Law of the PRC (《中華人民共和國環境影響評價法》) (the "**Environmental Impact Appraisal Law**"), which was promulgated by the SCNPC on October 28, 2002, amended on July 2, 2016 and December 29, 2018, for any construction projects that have an impact on the environment, an entity is required to produce either a report, or a statement, or a registration form of such environmental impacts depending on the seriousness of effect that may be exerted on the environment.

The Law of the PRC on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》) was last revised by the SCNPC on June 27, 2017 and implemented on January 1, 2018. The law stipulates that the discharge of water pollutants shall not exceed the prescribed water pollutant discharge standards and the total discharge control targets of key water pollutants. Enterprises, institutions and other production and operation units directly or indirectly discharging industrial waste water and medical sewage to waters and enterprises, institutions and other production and operation units required to obtain pollutant discharge license before discharging waste water and sewage must obtain the pollutant discharge license. The pollutant discharge license specifies requirements on the types, concentration, total amount and discharging direction of the water pollutants to be discharged. The specific measures for pollutant discharge licensing shall be prescribed by the State Council. In addition, according to the Administrative Measures for the Licensing of Discharge of Urban Sewage into the Drainage Network (《城鎮污水排入排水管網許可管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development (住房和城鄉建設部) of the PRC on January 22, 2015, last revised on December 1, 2022 and effective on February 1, 2023, enterprises, institutions and individual industrial and commercial enterprises engaged in manufacturing, construction, catering and medical activities must apply for a license for the discharge of sewage into the drainage network before discharging sewage into urban facilities.

On April 1, 2024, Ministry of Ecology and Environment (生態環境部) promulgated the Measures for Pollutant Discharge Permitting Administration (《排污許可管理辦法》), which came into effect on July 1, 2024. According to the Measures for Pollutant Discharge Permitting Administration, enterprises, public institutions and other producers and business operators shall, in accordance with factors such as the amount of pollutants produced, the amount of pollutants discharged and the extent of their impact on the environment, carry out the management of pollutant discharge permits with a focus, simplified management and pollutant discharge registration. The specific scope of pollutant discharging entities under priority pollutant discharge permitting administration or those under summary pollutant discharge permitting administration shall be governed by the classification administration list of pollutant discharge permitting for fixed pollution sources. The pollutant discharging entity that, in accordance with the law, shall apply for a pollutant discharge permit in accordance with the law and discharge pollutants in accordance with the relevant provisions. Those who has not

obtained a discharge permit shall not discharge pollutants. The pollutant discharge registration entity that needs to fill out a pollutant discharge registration form shall register its pollutant discharge on the National Pollutant Discharge Permit Management Information Platform.

Fire Control

Pursuant to the Fire Protection Law of the PRC (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998, and last amended on April 29, 2021 and effective therefrom, the Department of Emergency Management under the State Council and the local people's governments at or above county level shall supervise and administer the matters of fire protection, while the fire control and rescue institutions of such people's governments shall be responsible for implementation. The design of fire control of the construction projects must comply with the national technical standards of fire control. If the design of fire control of a construction project has not been examined pursuant to the relevant laws or failed to pass the examination, the construction of such project is not allowed. If a completed construction project has not gone through the fire safety inspection or failed to satisfy the requirements of fire safety upon inspection, such project is not allowed to be put to use or business.

Laws and Regulations on Foreign Exchange and Taxation

Foreign Exchange Administration

The principal law governing foreign currency exchange in the PRC is the PRC Administrative Regulations on Foreign Exchange (《中華人民共和國外匯管理條例》) (the "**Foreign Exchange Regulations**"), which was promulgated by the State Council on January 29, 1996 and most recently revised on August 5, 2008. According to the Foreign Exchange Regulations, international payments in foreign currencies and transfer of foreign currencies under current items shall not be restricted. Foreign currency transactions under the capital account are still subject to limitations and require approvals from, or registration with, the SAFE or its local counterpart and other relevant PRC governmental authorities.

Pursuant to the Regulation of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) issued by the People's Bank of China on June 20, 1996 which became effective on July 1, 1996, foreign-invested enterprises may only buy, sell or remit foreign currencies at banks authorized to conduct foreign exchange business after providing valid commercial supporting documents and, in the case of transactions under the capital account, obtaining approvals from the SAFE or its local counterpart.

According to the Circular on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the "**Circular 19**"), which was promulgated by the SAFE on March 30, 2015, came into effect on June 1, 2015 and revised on December 30, 2019 and March 23, 2023, a foreign-invested enterprise may, according to its actual business needs, settle with a bank the portion of the foreign exchange capital in its

capital account, i.e., a bank account opened by a foreign-invested enterprise where the foreign shareholder(s) are required to remit and deposit the amount of respective capital contributions, for which the relevant foreign exchange bureau has confirmed monetary contribution rights and interests (or for which the bank has registered the account-crediting of monetary contribution). Meanwhile, the use of such RMB should still comply with the restrictions set in the Circular 19 that it cannot be directly or indirectly used for making payments beyond the business scope of the enterprise or payments prohibited by national laws and regulations, investing in securities unless otherwise provided by laws and regulations, granting the entrust loans in RMB (unless permitted by the scope of business), repaying the inter-enterprise borrowings (including advances by the third party) repaying the bank loans in RMB that have been lent to a third party, and paying the expenses related to the purchase of real estate not for self-use, except for the foreign-invested real estate enterprises.

According to the Circular on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) issued by the SAFE on April 10, 2020 which took effect therefrom, the reform to facilitate the payments of proceeds under the capital accounts shall be promoted nationwide by the SAFE. Provided that the use of funds is true and compliant, and in compliance with the current administrative provisions on the use of the proceeds under the capital accounts, enterprises satisfying the requirements are not required to provide the banks with supporting documents to prove authenticity for each transaction beforehand when making domestic payments with the proceeds under the capital accounts, such as the capital funds and the proceeds of foreign debt or overseas listing. On June 9, 2016, the SAFE promulgated the Notice on Reforming and Standardizing the Administrative Provisions on Capital Account Foreign Exchange Settlement (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the "**Circular 16**") and revised on December 4, 2023. According to the Circular 16, enterprises registered in China could settle the external debts in foreign currencies to RMB at their own discretion. The SAFE Circular 16 sets a uniform standard for discretionary settlement of foreign currencies under capital accounts (including but not limited to foreign currency capital and external debts), which is applicable to all enterprises registered in China.

Dividend Distribution

On January 18, 2017, the SAFE promulgated the Notice on Improving the Verification of Authenticity and Compliance to Further Promote Foreign Exchange Control (《關於進一步推進外匯管理改革完善真實合規性審核的通知》), which stipulates several capital control measures with respect to outbound remittance of profits from domestic entities to offshore entities, including the following: (i) under the principle of genuine transaction, banks shall check board resolutions regarding profit distribution, the original version of tax filing records and audited financial statements; and (ii) domestic entities shall hold income to account for previous years' losses before remitting the profits. Moreover, domestic entities shall make detailed explanations of sources of capital and utilization arrangements, and provide board resolutions, contracts and other proof when completing the registration procedures in connection with an outbound investment.

Taxation

Individual Income Tax

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (the "**IIT Law**") promulgated by the SCNPC on September 10, 1980, last amended on August 31, 2018 and effective on January 1, 2019, and the Implementation Regulations for the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》) (the "**Implementation Regulations for the IIT Law**") last amended by the State Council on December 18, 2018 and implemented on January 1, 2019, dividend income derived by individual investors from PRC domestic enterprises (no matter the place of payment is in the PRC or not) shall be subject to individual income tax at a tax rate of 20% and shall be withheld by the PRC domestic enterprises, except for tax-exempt income stipulated in international conventions and agreements to which the PRC Government is a party, as well as other tax-exempt income and tax reduction circumstances stipulated by the State Council.

Pursuant to the IIT Law and the Implementation Regulations for the IIT Law, gains on transfer of properties (including gains derived by individuals from the transfer of priced securities, equity, shares of property in a partnership enterprise) in subject to individual income tax at the rate of 20%. Pursuant to the Circular on Declaring that Individual Income Tax Continues to Be Exempted over Individual Gains from Transfer of Shares (Cai Shui Zi [1998] No. 61) (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知(財稅字[1998]61號》)) issued jointly by the Ministry of Finance and the STA on March 30, 1998 and implemented therefrom, from January 1, 1997, gains of individuals from the transfer of shares of listed companies continue to be exempted from individual income tax.

Enterprise Income Tax

The Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the "**EIT Law**"), promulgated by the NPC on March 16, 2007, came into effect on January 1, 2008 and amended on February 24, 2017 and December 29, 2018 by the SCNPC, as well as the Implementation Rules of the EIT Law (《中華人民共和國企業所得稅法實施條例》) (the "**Implementation Rules**"), promulgated by the State Council on December 6, 2007, came into force on January 1, 2008, last amended on December 6, 2024 and became effective on January 20, 2025, are the principal law and regulation governing enterprise income tax in the PRC. According to the EIT Law and its Implementation Rules, enterprises are classified into resident enterprises and non-resident enterprises. Resident enterprises refer to enterprises that are legally established in the PRC, or are established under foreign laws but whose actual management bodies are located in the PRC. And non-resident enterprises refer to enterprises that are legally established under foreign laws and have set up institutions or sites in the PRC but with no actual management body in the PRC, or enterprises that have not set up institutions or sites in the PRC but have derived incomes from the PRC. A uniform income tax rate of 25% applies to all resident enterprises and non-resident enterprises that have set up institutions or sites in the PRC to the extent that such incomes are derived from their set-up institutions or sites in the PRC, or such income are obtained outside the PRC but have an actual connection

with the set-up institutions or sites. And non-resident enterprises that have not set up institutions or sites in the PRC or have set up institutions or sites but the incomes obtained by the said enterprises have no actual connection with the set-up institutions or sites, shall pay enterprise income tax at the rate of 10% in relation to their income sources from the PRC. The Circular on Issues Relating to the Withholding and Remittance of Enterprise Income Tax by PRC Resident Enterprises on Dividends Distributed to Overseas Non-Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》) issued by the STA on November 6, 2008 and implemented therefrom, further clarified that a PRC resident enterprise shall withhold enterprise income tax at a rate of 10% on the dividends of the year 2008 and onwards distributed to overseas non-resident enterprise shareholders of H shares. An enterprise income tax preference shall be granted to industries and projects strongly supported and encouraged by the state; an enterprise income tax shall be levied on high-tech enterprises at a reduced rate of 15%.

Pursuant to the EIT Law and the Implementation Rules, income from equity investment between qualified resident enterprises such as dividends and bonuses, which refers to investment income derived by a resident enterprise from direct investment in another resident enterprise, is tax-exempt income. Moreover, the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Incomes (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》) was promulgated by the STA on August 21, 2006 and was most recently amended by the Fifth Protocol ratified by the STA on July 19, 2019 and came into effect on December 6, 2019. The Arrangement stipulates that a PRC resident enterprise which distributes dividends to its Hong Kong shareholders should pay income tax according to PRC laws; however, if the beneficiary of the dividends is a Hong Kong resident enterprise, which directly holds no less than 25% equity interests of the aforementioned enterprise (i.e. the dividend distributor), the tax levied shall be 5% of the distributed dividends. If the beneficiary is a Hong Kong resident enterprise, which directly holds less than 25% equity interests of the aforementioned enterprise, the tax levied shall be 10% of the distributed dividends. Meanwhile, the Announcement of the State Taxation Administration on Certain Issues Concerning the "Beneficial Owners" in the Tax Treaties (《國家税務總局關於税收協定中"受益所有人"有關問題的公告》), promulgated by the STA on February 3, 2018 and came into effect on April 1, 2018, has stipulated some factors that are unfavorable to the determination of "beneficial owner."

In addition, under the Circular of the STA on Relevant Issues Concerning the Implementation of Dividend Clauses in Tax Treaties (《國家税務總局關於執行税收協定股息條款有關問題的通知》), which was promulgated by the STA and came into effect on February 20, 2009, all of the following requirements should be satisfied where a tax resident of the counterparty to the tax treaty needs to be entitled to such tax treatment specified in the tax treaty for the dividends paid to it by a PRC resident enterprise: (i) such tax resident who obtains dividends should be a company as provided in the tax treaty; (ii) the equity interests and voting shares of the PRC resident enterprise directly owned by such a tax resident reach

a specified percentage; and (iii) the capital ratio of the PRC resident enterprise directly owned by such a tax resident reaches the percentage specified in the tax treaty at any time within 12 consecutive months prior to acquiring the dividends.

*Value-Added Tax (the "**VAT**")*

The major PRC laws and regulations governing value-added tax are the Interim Regulations on Value-added Tax of the PRC (《中華人民共和國增值税暫行條例》) issued on December 13, 1993 by the State Council, came into effect on January 1, 1994, and revised on November 10, 2008, February 6, 2016 and November 19, 2017, as well as the Implementation Rules for the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值税暫行條例實施細則》) issued on December 25, 1993 by the Ministry of Finance (中華人民共和國財政部) (the "**MOF**"), came into effect on the same day and revised on December 15, 2008 and October 28, 2011, any entities and individuals engaged in the sale of goods, supply of processing, repair and replacement services, and import of goods within the territory of the PRC are taxpayers of VAT and shall pay the VAT in accordance with the law and regulation. The rate of VAT for sale of goods is 17% unless otherwise specified, such as the rate of VAT for sale of transportation is 11%.

With the VAT reforms in the PRC, the rate of VAT has been changed several times. The MOF and the STA issued the Notice of on Adjusting VAT Rates (《財政部、國家税務總局關於調整增值税税率的通知》) on April 4, 2018 to adjust the tax rates of 17% and 11% applicable to any taxpayer's VAT taxable sale or import of goods to 16% and 10%, respectively, this adjustment became effect on May 1, 2018. Subsequently, the MOF, the STA and the General Administration of Customs jointly issued the Announcement on Relevant Policies for Deepening the VAT Reform (《財政部、税務總局、海關總署關於深化增值税改革有關政策的公告》) on March 20, 2019 to make a further adjustment, which came into effect on April 1, 2019. The tax rate of 16% applicable to the VAT taxable sale or import of goods shall be adjusted to 13%, and the tax rate of 10% applicable thereto shall be adjusted to 9%.

Laws and Regulations on Overseas Securities Offering and Listing by Domestic Companies

Regulations relating to Overseas Listing

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Trial Measures**") and relevant five guidelines. The Trial Measures will comprehensively improve and reform the existing regulatory regime for overseas offering and listing of PRC domestic companies' securities and will regulate both direct and indirect overseas offering and listing of PRC domestic companies' securities by adopting a filing-based regulatory regime.

According to the Trial Measures, a domestic company seeking direct overseas offering and listing shall file with the CSRC, submit the filing report, legal opinions and other relevant materials as required under the Trial Measures, and state the shareholders' information and other matters in a truthful, accurate and complete manner. Where a domestic company submits an application for initial public offering to the competent overseas regulators, such domestic company shall file with the CSRC within three business days after such application is submitted. The Trial Measures also require subsequent reports to be filed with the CSRC on material events, such as a change-of-control event, or voluntary or forced delisting of the issuer who has completed the overseas offering and listing. If the issuer fails to complete the filing procedure or conceals any material fact or falsifies any major content in its filing documents, it may be subject to administrative penalties, such as order to rectify, warnings, fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings and fines.

On the same day, the CSRC also held a press conference for the release of the Trial Measures and issued the Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies (《關於境內企業境外發行上市備案管理安排的通知》), which, among others, clarified that, a domestic company that has already obtained the approval document from the CSRC for overseas public offering and listing may proceed with the overseas listing within the validity period of the approval document. Where the overseas listing has not been completed upon the expiration of the approval document, filing procedures specified in the Trial Measures shall be made as required.

On February 24, 2023, the CSRC and other related government authorities promulgated the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "**Confidentiality Provisions**"), which was implemented on March 31, 2023. Pursuant to the Confidentiality Provisions, an enterprise within the territory of China shall, in accordance with laws, report to the competent authority having the power of approval and licensing for approval and report to the confidentiality administration authority at the same level for filing when providing or disclosing in public the documents or materials that involve state secrets or working secrets of state organs, or providing or disclosing in public by means of its overseas listing entity to related securities company, securities service institutions, overseas regulators, other institutions and persons. An enterprise within the territory of China shall perform corresponding procedures in accordance with related provisions of the state when providing accounting archives or their duplicates to related securities companies, securities service institutions, overseas regulators, other institutions and individuals. Working papers produced within the territory of China by securities companies and securities service institutions for the overseas securities issuance and listing of the enterprise within the territory of China shall be retained within the territory of China. When it is necessary to send the working papers overseas, they shall complete the approval procedure in accordance with related provisions of China.

H-share Full Circulation

"Full circulation" means listing and circulating on the Hong Kong Stock Exchange of the domestic unlisted shares of an H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On November 14, 2019, the CSRC issued the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請"全流通"業務指引》) (the "**Guidelines for the Full Circulation**"), which was partly revised on August 10, 2023 according to the Decision on Revising and Abolishing Part of Securities and Futures Policy Documents by CSRC (《中國證券監督管理委員會關於修改、廢止部分證券期貨制度文件的決定》).

According to the Guidelines for the Full Circulation, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met, and the corresponding H-share listed company may be entrusted to file the said application for full circulation. To apply for full circulation, an H-share listed company shall file the application with the CSRC according to the administrative filing procedures necessary for the Overseas Listing Trial Measures. After the application for full circulation has been approved by the CSRC, the H-share listed company shall submit a report on the relevant situation to the CSRC within 15 days after the registration with CSDCC of the shares related to the application has been completed.

On December 31, 2019, China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司) (the "**CSDCC**") and the Shenzhen Stock Exchange (深圳證券交易所) (the "**SZSE**") jointly announced the Measures for Implementation of H-share Full Circulation Business (《H股"全流通" 業務實施細則》) (the "**Measures for Implementation**"). The businesses in relation to the H-share full circulation business, such as cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc. are subject to the Measures for Implementation.

In accordance with the Notice of China Securities Depository and Clearing Co., Ltd Shenzhen Branch on the Release of China Securities Depository and Clearing Co., Ltd Shenzhen Branch H-shares "Full Circulation" Business Guidelines (《中國結算深圳分公司關於發布<中國證券登記結算有限責任公司深圳分公司H股"全流通"業務指南的通知》) which was promulgated by CSDC Shenzhen Branch on September 20, 2024 and came into effect on September 23, 2024, it specified the business preparation, account arrangement, cross-border share transfer registration and overseas centralized custody, etc. And China Securities Depository and Clearing (Hong Kong) Co., Ltd also promulgated the Guide to the Program for Full Circulation of H-shares (《中國證券登記結算(香港)有限公司H股"全流通"業務指南》) to specify the relevant escrow, custody, agent service of China Securities Depository and Clearing (Hong Kong) Co., Ltd, arrangement for settlement and delivery and other relevant matters.

LAWS AND REGULATIONS OF AUSTRALIA

Legal Framework for Clinical Trials

Clinical trials in Australia are regulated by the Therapeutic Goods Administration ("**TGA**"). These trials must adhere to various laws and regulations at both the Commonwealth and State/Territory levels, including the *Therapeutic Goods Act 1989* (Cth) and the *Therapeutic Goods Regulations 1990* (Cth). Additionally, they must comply with the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH)

Guidelines for Good Clinical Practice (the "**ICH GCP Guidelines**"), as well as the National Statement on Ethical Conduct in Human Research (the "**National Statement**"). Both the ICH GCP Guidelines and the National Statement are incorporated by reference in the *Therapeutic Goods Regulations 1990*.

There are two approval pathways for clinical trials in Australia: the Clinical Trial Notification ("**CTN**") scheme and the Clinical Trial Approval ("**CTA**") scheme. The CTN scheme involves notifying the TGA about the clinical trial without requiring any evaluation by the TGA. The CTA scheme necessitates both notification and a comprehensive evaluation and assessment by the TGA prior to the trial's initiation. The CTN scheme is typically employed for early-phase studies where sufficient preclinical safety data is available, while the CTA scheme is generally reserved for high-risk or novel treatments with limited known safety data. The choice between these two schemes is primarily determined by the trial sponsor and the relevant Human Research Ethics Committee ("**HREC**"), although the CTA scheme is mandatory for certain biological medicines. Approval from the research institute conducting the trial, following a review by its HREC, is required prior to the commencement of clinical trials in Australia. HRECs are also tasked with overseeing these trials.

Regarding safety reporting obligations, clinical trials in Australia must adhere to the "Note for Guidance on Clinical Safety Data Management: Definitions and Standards for Expedited Reporting" (CPMP/ICH/377/95), as annotated by the TGA, and the National Health and Medical Research Council ("**NHMRC**") Guidance on Safety Monitoring and Reporting in Clinical Trials Involving Therapeutic Goods.

Clinical trials in Australia must have a trial sponsor that is a legal Australian entity. The Australian trial sponsor is responsible for the initiation, management, and financing (or arranging financing) of the clinical trial and holds legal responsibility for its conduct. The trial sponsor does not need to be the manufacturer of the product under investigation. The manufacturer may rely on the trial results when seeking registration of the product on the Australian Register of Therapeutic Goods.

Clinical trials in Australia must follow the ICH GCP Guidelines, as annotated by the TGA. These annotations provide additional guidance on compliance with the National Statement, informed consent in special circumstances, trial conduct responsibilities (including management, data handling, and record keeping), and the manufacturing, packaging, labeling, and coding of investigational products, as well as reporting adverse drug reactions. Approval of a clinical trial in Australia is contingent upon adherence to the ICH GCP Guidelines as annotated by the TGA, and compliance with the National Statement is also mandatory. The National Statement outlines the ethical standards applicable to all human research, including clinical trials, in Australia.

Additionally, per the ICH GCP Guidelines as annotated by the TGA, products used in clinical trial must comply with the applicable good manufacturing practices ("**GMP**"). For investigational products manufactured in Australia, the relevant manufacturing standards are set out in the Therapeutic Goods (Manufacturing Principles) Determination 2020 (Cth). Generally, therapeutic goods (other than blood, blood components, haematopoietic progenitor cells and biologicals that do not comprise or contain live animal cells, tissues or organs) must be manufactured in accordance with the Guide to Good Manufacturing Practice for Medicinal Products (PE 009-16, 1 February 2022) published by PIC/S.

Under both the CTN and CTA schemes, the clinical trial sponsor must submit to the TGA detailed information including the proposed dosage form, route of administration, formulation, dosage, and frequency of administration of the product prior to the trial's initiation. Should there be a proposal to modify the dosage following the completion of a Phase I clinical trial, such a change must be notified to the TGA (if the trial falls under the CTN scheme) or approved by the TGA (if the trial falls under the CTA scheme). Any such change will also require review and approval by the HREC overseeing the trial.

LAWS AND REGULATIONS OF THE UNITED STATES

Laws and Regulations of New Drug Developments

In the U.S., the FDA regulates drugs under the Federal Food, Drug, and Cosmetic Act (the "FDCA"), its implementing regulations and biologics under the FDCA and the Public Health Service Act (the "PHSA") and their implementing regulations. Both drugs and biologics also are subject to other federal, state and local statutes and regulations, such as those related to competition. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, and local statutes and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process or following approval may subject an applicant to administrative actions or judicial sanctions. These actions and sanctions could include, among other actions, the FDA's refusal to approve pending applications, withdrawal of an approval, license revocation, a clinical hold, untitled or warning letters, voluntary or mandatory product recalls or market withdrawals, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement and civil or criminal fines or penalties.

Once a product candidate is identified for development, it enters preclinical testing, which includes laboratory evaluations of product chemistry, toxicity, formulation and stability, as well as animal studies. Preclinical testing is conducted in accordance with the FDA's Good Laboratory Practice regulations. A sponsor of IND must submit the results of the preclinical testing, manufacturing information, analytical data, the clinical trial protocol, and any available clinical data or literature to the FDA. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA raises concerns or questions and places the trial on a clinical hold within that 30-day period. The FDA may also impose clinical holds or partial clinical holds at any time during clinical trials due to safety concerns or non-compliance. An

IND applicant may proceed with a clinical investigation once the applicant has been notified, typically through a study may proceed letter with or without non-holding comments, by FDA that the investigation may proceed or after 30 days if the IND is not placed on clinical hold, which is an order issued by FDA to the sponsor of an IND application to delay a proposed clinical investigation or to suspend an ongoing investigation.

All clinical trials, which involve the administration of the investigational product to humans, must be conducted under the supervision of one or more qualified investigators in accordance with the Good Clinical Practice regulations, including the requirement that all research subjects provide informed consent in writing before their participation in any clinical trial. Further, an Institutional Review Board ("IRB") must review and approve the plan for any clinical trial before it commences at any institution, and the IRB must conduct continuing review and reapprove the study at least annually. Each new clinical protocol and any amendments to the protocol must be submitted for FDA review, and to the IRBs for approval. An IRB can suspend or terminate approval of a clinical trial at its institution if the trial is not being conducted in accordance with the IRB's requirements or if the product has been associated with unexpected serious harm to subjects.

Clinical trials generally are conducted in three sequential phases, known as Phase I, Phase II and Phase III, and may overlap.

- Phase I clinical trials generally involve a small number of healthy volunteers or disease-affected patients who are initially exposed to a single dose and then multiple doses of the product candidate. The primary purpose of these clinical trials is to assess the metabolism, pharmacologic action, side effect, tolerability and safety of the product candidate.

- Phase II clinical trials involve studies on disease-affected patients to evaluate proof of concept and/or determine the dose required to produce the desired benefits. At the same time, safety and further PK and PD information is collected, possible adverse effects and safety risks are identified and a preliminary evaluation of efficacy is conducted.

- Phase III clinical trials generally involve a large number of patients at multiple sites and are designed to provide the data necessary to demonstrate the effectiveness of the product for its intended use, its safety in use and to establish the overall benefit/risk relationship of the product and provide an adequate basis for product labeling.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA. Safety reports must be submitted to the FDA and the investigators 15 calendar days after the trial sponsor determines that the information qualifies for reporting. The sponsor also must notify the FDA of any unexpected fatal or life-threatening suspected adverse reaction as soon as possible but in no case later than 7 calendar days after the sponsor's initial

receipt of the information. Sponsors of clinical trials of FDA-regulated products, including drugs, are required to register and disclose certain clinical trial information, which is publicly available at **www.clinicaltrials.gov**.

Concurrent with clinical trials, companies usually complete additional animal studies and must also finalize a process for manufacturing the product in commercial quantities in accordance with GMP requirements. The process of obtaining regulatory approvals and compliance with appropriate federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements may subject an applicant to administrative or judicial sanctions.

Review and Approval Processes

The results of product development, preclinical studies and clinical trials, along with descriptions of the manufacturing process, analytical tests conducted on the product, proposed labeling and other relevant information, are submitted to the FDA as part of an NDA or a BLA. Unless deferred or waived, NDAs or BLAs, or supplements must contain data adequate to assess the safety and effectiveness of the product for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The submission of an NDA or a BLA is subject to the payment of a substantial user fee and an annual prescription drug product program fee.

Within 60 days of its receipt, the FDA reviews the NDA/BLA to ensure that it is sufficiently complete for substantive review before it accepts the NDA/BLA for filing. After accepting the NDA/BLA filing, the FDA begins an in-depth substantive review to determine, among other things, whether a product is safe and effective for its intended use. The FDA also evaluates whether the product's manufacturing is GMP-compliant to assure the product's identity, strength, quality and purity. Before approving the NDA/BLA, the FDA typically will inspect whether the manufacturing processes and facilities are in compliance with GMP requirements and adequate to assure consistent production of the product within required specifications. The FDA may refer the NDA/BLA to an advisory committee, a panel of experts, for review whether the application should be approved and under what conditions and considers such recommendations when making decisions.

The FDA may refuse to approve the NDA/BLA if the applicable regulatory criteria are not satisfied or may require additional clinical data or other data and information. The FDA will issue a complete response letter describing all of the specific deficiencies that the FDA identified in the NDA/BLA that must be satisfactorily addressed before it can be approved. The deficiencies identified may be minor, for example, requiring labeling changes, or major, for example, requiring additional clinical trials. Additionally, the complete response letter may include recommended actions that the applicant might take to place the application in a condition for approval. The applicant may either resubmit the NDA/BLA, addressing all of the deficiencies identified in the letter, or withdraw the application or request an opportunity for a hearing.

The regulatory approval may be limited to specific diseases and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product. Further, the FDA may require that certain contraindications, warnings or precautions be included in the product labeling. In addition, the FDA may require post-approval studies, including Phase IV clinical trials, to further assess a product's safety and effectiveness after NDA/BLA approval and may require testing and surveillance programs to monitor the safety of approved products that have been commercialized.

FDA Acceptance of Foreign Clinical Studies

Pursuant to Title 21 of the Code of Federal Regulations ("21 CFR") 312.120 and 314, FDA recognizes that sponsors may choose to conduct multinational clinical studies under a variety of scenarios. Multinational studies may include domestic sites conducted under an IND, foreign sites conducted under an IND, and/or foreign sites not conducted under an IND. Some sponsors may even seek to rely solely on foreign clinical data as support for an IND or application marketing approval in the U.S. An application based solely on foreign clinical data meeting U.S. criteria for marketing approval may be approved if: (1) the foreign data are applicable to the U.S. population and U.S. medical practice; (2) the studies have been performed by clinical investigators of recognized competence; and (3) the data may be considered valid without the need for an on-site inspection by FDA or, if FDA considers such an inspection to be necessary, FDA is able to validate the data through an on-site inspection or other appropriate means. Failure of an application to meet any of these criteria will result in the application not being approvable based on the foreign data alone. FDA will apply this policy in a flexible manner according to the nature of the drug and the data being considered.

INTRODUCTION

Overview

We are an innovative biotech company, with in-house expertise and experience in structural biology, translational medicine and clinical development. The history of our Group can be traced back to 2017 when our Company acquired equity interests in Hangzhou Hanx and Dr. Zhang, our executive Director and Chairman, became a director of Hangzhou Hanx. Since then, we focus on therapeutic mechanisms that are proven theoretically, where, we believe, we are able to overcome the scientific and clinical barriers to deliver new and effective medicines, by utilizing our key expertise in structural biology, translational medicine, and clinical oncology. This expertise helps us to establish biologic discovery and development platforms to readily identify drug-like candidate pipelines, which are suitable for targeting various diseases. As of the Latest Practicable Date, we have developed a pipeline of eight drug candidates focusing on oncology and two drugs candidates focusing on autoimmune, which were under clinical or pre-clinical development, including our Core Product, HX009, and two Key Products, HX044 and HX301. Our pipeline development strategy is based on validated targets and pathways, supported by unique target biology, translational evidences and clinical feasibility, as well as on molecules of druggable structure. We position ourselves to deliver next-generation immuno-oncology treatments such as HX009, HX044 and HX016 to combat PD-1 resistance, ADC molecules HX111 to treat specific malignancies with precision, and novel autoimmune treatments, such as BsAbs bifunctional antibody HX035 and HX038.

Guided by our mission and vision, we are committed to exploring the next-generation immunotherapeutics through discovery, development and commercialization of products for precision therapies in cancers and autoimmune diseases, aiming at addressing unmet medical needs in global market, and thus ultimately to help patients around the world.

Business development milestones

The following table illustrates the key milestones of our business and corporate developments:

Time	Milestones
January 2017	Our Company acquired equity interests in Hangzhou Hanx
	Series A Investors invested in Hangzhou Hanx and Beijing Hanx
September 2017	We entered into a partnership collaboration for the development of HX008

Time	Milestones
December 2017	We entered into a partnership collaboration with Traws Pharma, Inc. (formerly known as Onconova Therapeutics, Inc.), a company listed on NASDAQ (stock code: TRAW), for the co-development of HX301
October 2019	We enrolled the first patient in clinical study for HX009-I-01 in Australia
	We obtained the HX009 NMPA Umbrella Approval for clinical trials of HX009, a cancer immunotherapy for the treatment of a variety of malignancies
June 2020	We enrolled the first patient in clinical study for HX009-I-01 in China
December 2021	We enrolled the first patient in clinical study for HX009-II-02 in China
July 2022	NMPA granted the first conditional marketing approval for HX008 for the treatment of various solid tumors with MSI-H/dMMR
October 2022	We completed the HX009-I-01 Australia Study
October 2022	Principal investigator of the HX009-I-01 Australia Study issued the HX009-I-01 Australia CSR
May 2023	We obtained the FDA Approval for Phase Ib/II clinical trial of HX009 in the U.S.
October 2023	Series B Investors invested in our Company
June 2024	Series B+ Investors invested in our Company
August 2024	We received clinical trial approval regarding a combination clinical study protocol for HX301 from NMPA (i.e., the HX301 NMPA GBM Combination Approval)

Time	Milestones
September 2024	We received clinical trial approval letter for HX044 in Australia from HREC
	We received clinical trial approval regarding a combination clinical study protocol for HX009 from NMPA (i.e., the HX009 NMPA BTC Combination Approval)
December 2024	We enrolled the first patient in clinical study for HX044-I-01 in Australia
January 2025	We enrolled the first patient in clinical study for HX009-II-05 in China
	We enrolled the first patient in clinical study for HX301-II-01 in China
	We obtained the NMPA Umbrella Approval for clinical trials of HX044, an innovative clinical-stage drug for treatment of various types of advanced solid tumor malignancies, particularly PD-1-resistant solid tumors
February 2025	We received clinical trial approval regarding a combination clinical study protocol for HX009 from NMPA (i.e., the HX009 NMPA TNBC Combination Approval)

CORPORATE DEVELOPMENT

Our Company

The following sets forth the corporate history and shareholding changes of our Company.

Establishment of our Company and early development

Our Company was established as a limited liability company in the PRC on December 19, 2014 with a registered capital of RMB2.5 million. Since its establishment and until 2017, our Company has no operation and was controlled by Mr. Qiao Peng since its establishment and until May 2017, and Ms. Luo Fang and Mr. Zhang Junmin since May 2017 and until December 2017, each of whom is a relative of Dr. Zhang. As confirmed by Dr. Zhang, it was the understanding between Dr. Zhang and each of these individuals that he/she was holding the equity interest in the Company for and on behalf of Dr. Zhang and shall act on the instruction of Dr. Zhang in exercising his/her right as a shareholder in the Company. In December 2017,

Dr. Zhang through CZ Biotechnology (wholly-owned by Dr. Zhang at the relevant time) acquired the entire equity interests in our Company at nil consideration as the relevant equity interest of our Company were held by the relevant individuals for and on behalf of Dr. Zhang and has not been paid up at the time of the transfer. After the completion of the equity transfer, Mr. Zhang Junmin, brother of each of Dr. Zhang and Mr. Zhang Wanming, subscribed for 1% equity interests in our Company. Upon completion of the above equity transfer and subscription, our Company has become an investment holding company for Dr. Zhang and Mr. Zhang Junmin.

Investment by Series A Investors

In around end of 2022, Dr. Zhang decided to move the headquarter of our Group from Hangzhou to Wuhan. Therefore, Dr. Zhang decided to use our Company as the holding company of our Group and conducted a series of group restructuring. On January 1, 2023, our Company entered into an asset reorganization agreement (the "**Asset Reorganization Agreement**") with Series A Investors (which were then shareholders of Hangzhou Hanx), Hangzhou Ganming Investment Management Partnership (Limited Partnership)* (杭州甘明投資管理合夥企業(有限合夥)) ("**Hangzhou Ganming**"), Mr. Zhang Junmin, CZ Biotechnology and Hangzhou Hanx. Pursuant to the Asset Reorganization Agreement, (i) Beijing Lapam agreed to transfer its 12.5% equity interests in Hangzhou Hanx to our Company at a consideration of approximately RMB16.51 million, which would be offset by the capital increase payment to be paid by Beijing Lapam for the subscription of 14.71% equity interests in our Company; (ii) Hangzhou Hongye Ruiji agreed to transfer its 12.5% equity interests in Hangzhou Hanx to our Company at a consideration of approximately RMB16.51 million, which would be offset by the capital increase payment to be paid by Hangzhou Hongye Ruiji for the subscription of 14.71% equity interests in our Company; (iii) Betta Pharmaceuticals agreed to transfer its 6.25% equity interests in Hangzhou Hanx to our Company at a consideration of approximately RMB8.25 million, which would be offset by the capital increase payment to be paid by Betta Pharmaceuticals for the subscription for 7.35% equity interests in our Company. The considerations for the above equity transfers were determined with reference to the appraised value of Hangzhou Hanx of approximately RMB132.05 million as appraised by an independent valuer.

The above equity transfers in relation to the subscription of equity interests in our Company have been completed on May 6, 2023 when the equity transfers of our Company have been registered with the local administration for market regulation. For further details of the investments by Series A Investors in Hangzhou Hanx and our Company, please refer to the paragraphs headed "Our major subsidiaries and major shareholding changes — Hangzhou Hanx" and "Pre-IPO Investments" in this section below.

Furthermore, pursuant to the Asset Reorganization Agreement, (i) Hangzhou Ganming agreed to transfer its remaining 26.25% equity interests in Hangzhou Hanx to our Company at a consideration of RMB33.17 million, which is determined with reference to the appraised value of Hangzhou Hanx of approximately RMB132.05 million as appraised by an independent valuer; and (ii) Mr. Zhang Junmin agreed to transfer its 1% equity interest in our Company to

CZ Biotechnology at a consideration of RMB1. The consideration was agreed between Dr. Zhang and Mr. Zhang Junmin taking into consideration our Company had no operation at the time of transfer and Mr. Zhang Junmin was not a shareholder of Hangzhou Hanx. Furthermore, pursuant to the terms of the Asset Reorganization Agreement, Hanx Biopharmaceutical (HK) would subscribe for 20% equity interests in our Company for equity interests incentive purpose, which was completed on May 6, 2023.

Upon completion of the above, the shareholding structure of our Company as of May 6, 2023 was as follows:

Name of shareholder	Equity interests	Approximate percentage of shareholding
	(RMB' million)	*(%)*
CZ Biotechnology[1]	5.53	50.59
Hanx Biopharmaceuticals (HK)[2]	2.19	20.00
Hangzhou Hongye Ruiji	1.29	11.76
Beijing Lapam	1.29	11.76
Betta Pharmaceuticals	0.64	5.88
Total:	**10.94**	**100**

Note:

1. CZ Biotechnology was established on September 7, 2017 and was wholly-owned by Dr. Zhang at the time of establishment. Since January 19, 2021 and up to the Latest Practicable Date, CZ Biotechnology has been owned as to 99.9% by Dr. Zhang and 0.1% by Mr. Zhang Wanming (which was subsequently transferred to his spouse, Ms. Luo Fang, on 9 October 2025 pursuant to statutory probate procedures after the decease of Mr. Zhang Wanming). CZ Biotechnology, Ms. Luo Fang and Dr. Zhang are our Controlling Shareholders.

2. Hanx Biopharmaceuticals (HK) was incorporated in Hong Kong on April 1, 2022 with limited liability and is wholly-owned by HanxBio (BVI), a company incorporated in BVI with limited liability on February 21, 2022, which is one of our Controlling Shareholders.

Investment by Series B Investors in October 2023

On May 6, 2023, Series B Investors (except Hangzhou Taikun), Pacific Essence Limited, Series A Investors, CZ Biotechnology, Dr. Zhang and our Company entered into a subscription agreement (the "**Series B Subscription Agreement**"). Pursuant to the Series B Subscription Agreement, Series B Investors (except Hangzhou Taikun) and Pacific Essence Limited agreed to subscribe for approximately RMB0.78 million registered capital in our Company at a total consideration of approximately RMB91.38 million. The consideration was determined with reference to the agreed valuation of our Group between parties to the Series B Subscription Agreement. For further details of Series B Investors and their investments in our Company, please refer to the paragraph headed "Pre-IPO Investments" in this section below.

As confirmed by our Directors, due to change in its investment plan, Pacific Essence Limited, Dr. Zhang and our Company entered into a termination agreement on September 6, 2023, pursuant to which Pacific Essence Limited transferred its rights and obligation under the Series B Subscription Agreement to Hangzhou Taikun. On October 10, 2023, the Series B Investors, Pacific Essence Limited, CZ Biotechnology, Dr. Zhang, Hanx Biopharmaceuticals (HK) and our Company entered into a supplemental agreement to the Series B Subscription Agreement ("**Series B Subscription Supplemental Agreement**"), pursuant to which the parties to the Series B Subscription Supplemental Agreement agreed the transfer of rights and obligation of Pacific Essence Limited under the Series B Subscription Agreement to Hangzhou Taikun at nil consideration.

Upon completion of the investments by Series B Investors on October 13, 2023, the shareholding structure of our Company was as follows:

Name of shareholder	Equity interests	Approximate percentage of shareholding
	(RMB' million)	*(%)*
CZ Biotechnology	5.53	47.22
Hanx Biopharmaceuticals (HK)	2.19	18.67
Hangzhou Hongye Ruiji	1.29	10.98
Beijing Lapam	1.29	10.98
Betta Pharmaceuticals	0.64	5.49
Wuhan Donggaorensi	0.34	2.92
Hangzhou Taikun	0.26	2.19
Tibet Lapam	0.12	1.02
Lapam Capital	0.06	0.51
Ms. Xiao[1]	0.0034	0.03
Total:	**11.71**	**100**

Note:

1. Mr. Liao and Mr. Zou have entered into nominee shareholding arrangement with Ms. Xiao in May 2023 such that Ms. Xiao would hold (i) approximately 0.0181% equity interests in our Company on behalf of Mr. Liao; and (ii) approximately 0.0015% equity interests in our Company on behalf of Mr. Zou with effect from the date when Ms. Xiao becomes a Shareholder. For further details, please refer to the note under the shareholding chart in the paragraph headed "Corporate Development — Our Company — Conversion and subsequent share transfer" in this paragraph below.

Investment by Series B+ Investors in June 2024

On June 12, 2024, Hainan Yangtze entered into an equity transfer agreement with Hanx Biopharmaceuticals (HK), Dr, Zhang, CZ Biotechnology and our Company, pursuant to which Hanx Biopharmaceuticals (HK) agreed to transfer approximately 0.87% equity interests in our Company to Hainan Yangtze at a consideration of approximately RMB10.65 million. On June 15, 2024, Yangtze Hong Kong entered into a subscription agreement with Hainan Yangtze,

Series A Investors, Series B Investors, Hanx Biopharmaceuticals (HK), CZ Biotechnology, Dr. Zhang and our Company. Pursuant to the subscription agreement, Yangtze Hong Kong agreed to subscribe for approximately 0.66% equity interests in our Company in an amount of RMB10.65 million.

Hainan Yangtze and Yangtze Hong Kong are the Series B+ Investors. They are both members of Genscript Biotech Corporation, a company listed on the Main Board of the Stock Exchange (stock code: 1548). Upon completion of the equity transfers and subscription on July 16, 2024, Genscript Biotech Corporation owned in aggregate approximately 1.53% equity interests in our Company through approximately 0.87% and 0.66% equity interests in our Company held by Hainan Yangtze and Yangtze Hong Kong, respectively. For further details of the investment by Series B+ Investors, basis of the consideration and background of the Series B+ Investors, please refer to the paragraph headed "Pre-IPO Investments — Information about our Pre-IPO Investors" in this section below.

Name of shareholder	Equity interests	Approximate percentage of shareholding
	(RMB' million)	*(%)*
CZ Biotechnology	5.53	46.91
Hanx Biopharmaceuticals (HK)	2.08	17.68
Hangzhou Hongye Ruiji	1.29	10.91
Beijing Lapam	1.29	10.91
Betta Pharmaceuticals	0.64	5.45
Wuhan Donggaorensi	0.34	2.90
Hangzhou Taikun	0.26	2.17
Tibet Lapam	0.12	1.01
Hainan Yangtze	0.10	0.87
Yangtze Hong Kong	0.08	0.66
Lapam Capital	0.06	0.51
Ms. Xiao	0.0034	0.03
Total:	**11.79**	**100**

Transfer of equity interests to Wuhan Hanx

On September 29, 2024, Hanx Biopharmaceuticals (HK) transferred approximately 2.58% equity interests in our Company to Wuhan Hanx, a limited partnership established in the PRC on June 3, 2024 and is our employee shareholding platform, at a consideration of RMB2,785,594, which is determined with reference to the total exercise prices of the options granted to the limited partners of Wuhan Hanx pursuant to our stock incentive scheme. For further details of our stock incentive scheme, please refer to the paragraphs headed "Our Incentive Scheme" in this section below and "Statutory and General Information — D. Employee Share Incentive Scheme" in Appendix VI to this prospectus.

Name of shareholder	Equity interests	Approximate percentage of shareholding
	(RMB' million)	*(%)*
CZ Biotechnology	5.53	46.91
Hanx Biopharmaceuticals (HK)	1.78	15.09
Hangzhou Hongye Ruiji	1.29	10.91
Beijing Lapam	1.29	10.91
Betta Pharmaceuticals	0.64	5.45
Wuhan Donggaorensi	0.34	2.90
Wuhan Hanx	0.30	2.58
Hangzhou Taikun	0.26	2.17
Tibet Lapam	0.12	1.01
Hainan Yangtze	0.10	0.87
Yangtze Hong Kong	0.08	0.66
Lapam Capital	0.06	0.51
Ms. Xiao	0.0034	0.03
Total:	**11.79**	**100**

Conversion and subsequent share transfer

On November 1, 2024, our Company was converted into a joint stock company with limited liability. Immediately after the Conversion, our Company had a share capital of approximately RMB11,789,783 divided into 11,789,783 Shares with a nominal value of RMB1 each. Our Shareholders and their respective shareholding percentages remain unchanged immediately before and after the Conversion. Upon completion of the Conversion on November 1, 2024, the shareholding of our Company was as follows:

	Before the Conversion		After the Conversion	
Name of shareholder	Equity interests	Approximate percentage of shareholding	Number of Unlisted Shares	Approximate percentage of shareholding
	(RMB' million)	*(%)*		*(%)*
CZ Biotechnology	5.53	46.91	5,530,000	46.91
Hanx Biopharmaceuticals (HK)	1.78	15.09	1,779,364	15.09
Hangzhou Hongye Ruiji	1.29	10.91	1,286,047	10.91
Beijing Lapam	1.29	10.91	1,286,047	10.91
Betta Pharmaceuticals	0.64	5.45	643,023	5.45
Wuhan Donggaorensi	0.34	2.90	341,606	2.90
Wuhan Hanx	0.30	2.58	304,507	2.58
Hangzhou Taikun	0.26	2.17	256,205	2.17
Tibet Lapam	0.12	1.01	119,562	1.01

	Before the Conversion		After the Conversion	
Name of shareholder	Equity interests	Approximate percentage of shareholding	Number of Unlisted Shares	Approximate percentage of shareholding
	(RMB' million)	*(%)*		*(%)*
Hainan Yangtze	0.10	0.87	102,408	0.87
Yangtze Hong Kong	0.08	0.66	77,994	0.66
Lapam Capital	0.06	0.51	59,604	0.51
Ms. Xiao	0.0034	0.03	3,416	0.03
Total:	**11.79**	**100**	**11,789,783**	**100**

On October 8, 2024, Ms. Xiao entered into share transfer agreements with Mr. Liao and Mr. Zou separately, pursuant to which Ms. Xiao transferred: (i) 2,135 Unlisted Shares (equivalent to RMB2,135 equity interests in our Company before the Conversion) to Mr. Liao; and (ii) 171 Unlisted Shares (equivalent to RMB171 equity interests in our Company before the Conversion) to Mr. Zou at nil consideration to unwind the nominee shareholding arrangement between Ms. Xiao and Mr. Liao and Mr. Zou. Upon completion of the above shares transfer on November 7, 2024 the shareholding of our Company is as follows:

Name of shareholder	Number of Unlisted Shares	Approximate percentage of shareholding
		(%)
CZ Biotechnology	5,530,000	46.91
Hanx Biopharmaceuticals (HK)	1,779,364	15.09
Hangzhou Hongye Ruiji	1,286,047	10.91
Beijing Lapam	1,286,047	10.91
Betta Pharmaceuticals	643,023	5.45
Wuhan Donggaorensi	341,606	2.90
Wuhan Hanx	304,507	2.58
Hangzhou Taikun	256,205	2.17
Tibet Lapam	119,562	1.01
Hainan Yangtze	102,408	0.87
Yangtze Hong Kong	77,994	0.66
Lapam Capital	59,604	0.51
Ms. Xiao[1]	1,110	0.0094
Mr. Zou[1]	171	0.0015
Mr. Liao[1]	2,135	0.0181
Total:	**11,789,783**	**100**

Note:

1. Mr. Liao and Mr. Zou has each entered into a nominee shareholding agreement with Ms. Xiao in May 2023. Pursuant to the nominee shareholding agreements, Ms. Xiao would hold: (i) equity interests in an amount of RMB2,135 in our Company on behalf of Mr. Liao; and (ii) equity interests in an amount of approximately RMB171 in our Company on behalf of Mr. Zou with effect from the date when Ms. Xiao becomes a Shareholder. As confirmed by Ms. Xiao, Mr. Liao and Mr. Zou, there is no dispute between them in relation to the above nominee shareholding arrangements. Furthermore, as advised by our PRC Legal Adviser, the above nominee shareholding arrangement have been unwound as of the Latest Practicable Date and such arrangement did not violate the laws and regulations of the PRC. As confirmed by Ms. Xiao, Mr. Liao and Mr. Zou, the Shares of Ms. Xiao, Mr. Liao and Mr. Zou in our Company were funded by their own financial resources and were independent from Wuhan Donggaorensi, its general partner and its ultimate controller. Furthermore, Wuhan Donggaorensi also confirmed that it has not imposed any requirement on its employees and former-employees requiring them to vote unanimously with Wuhan Donggaorensi. Ms. Xiao, Mr. Liao and Mr. Zou also confirmed that they have exercised their voting rights independent of Wuhan Donggaorensi.

Share Split upon Listing

As approved by our Shareholders' meeting held on November 15, 2024, the ordinary Shares of the Company will be split on a one-for-ten basis, and the nominal value of the Shares will be changed from RMB1 each to RMB0.1 each. Immediately after completion of the Listing, the registered share capital of the Company will be RMB13,621,883 with 136,218,830 Shares with a nominal value of RMB0.1 each.

As advised by our PRC Legal Adviser, in relation all changes in the registered capital and equity of our Company, as well as the equity transfer of our Company, (i) they are in compliance with the provisions of the laws and regulations of the PRC in all material respects; and (ii) we have obtained the necessary approvals or completed the required filings with the competent authorities.

Our major subsidiaries and major shareholding changes

The following table sets out the details of our major subsidiaries that are material to us as of the Latest Practicable Date:

Name	Principal business scope	Principal activities	Date of establishment	Place of establishment/ incorporation	Shareholding
				(%)	
Hangzhou Hanx	Technology development, provision of biological products, biological technology and medical technology consultancy services.	Research and development and clinical trial of HX009 and HX301	August 3, 2016	PRC	The Company (85%) Wuhan Hanzhong (15%)[1]

Name	Principal business scope	Principal activities	Date of establishment	Place of establishment/ incorporation	Shareholding
				(%)	
HanxBio (Australia) . . .	Conducting clinical trials for our Company's products in Australia.	Clinical trial of HX009	October 26, 2018	Australia	Hangzhou Hanx (100%)
Hanx Biopharmaceuticals (Australia)	Conducting clinical trials for the Company's products in Australia.	Research and development and clinical trial of HX044	April 19, 2024	Australia	Our Company (100%)

Note:

1. Wuhan Hanzhong is a company established with limited liability in the PRC on July 15, 2016. To the best knowledge of our Directors, Wuhan Hanzhong is an investment holding company and has no business operation as of the Latest Practicable Date. Since its establishment and as of the Latest Practicable Date, it is owned as to 60% by Mr. Xi, a former employee of our Group, and 40% by Ms. Xi Jingxuan (席婧璇), the daughter of Mr. Xi.

Hangzhou Hanx

Hangzhou Hanx was established in the PRC with limited liability on August 3, 2016.

Wuhan Hanxiong was established on November 19, 2013. At the time of its establishment, it was owned as to 90% by Mr. Xi and 5% by each of Mr. An Jun (安軍, an ex-employee of our Company) and Mr. Xi Shengzhou (席昇州, a relative of Mr. Xi), respectively. Wuhan Hanxiong was an investment holding company with no substantial business since its establishment.

In around 2013, Dr. Zhang initiated the idea for the development of HX008 when he was working in Waterstone Pharmaceuticals. In December 2013, Waterstone Pharmaceuticals entered into a co-development agreement with Zhongshan Kangfang for the research and development of HX008. Dr. Zhang was responsible for leading and supervising the relevant workstream in Waterstone Pharmaceuticals at the relevant time. However, Waterstone Pharmaceuticals subsequently decided not to pursue the research and development of HX008 as, to the best knowledge of Dr. Zhang, Waterstone Pharmaceuticals decided to focus on other research and development pipeline, and terminated the abovementioned co-development agreement in December 2015. At the relevant time, the screening process of PD-1 monoclonal antibody inhibitors had commenced and relevant analytical methods and immunological screening protocols had been established. Seeing the potential in HX008, Dr. Zhang sought to resume its development through another entity.

In order to reduce the administrative cost and time required for establishing a new company and as confirmed by Dr. Zhang, Dr. Zhang decided to use Wuhan Hanxiong as a platform and entity to enter into the relevant co-agreement with Zhongshan Kangfang such that the research and development of HX008 can continue seamlessly. As such, in January 2016, Wuhan Hanxiong entered into an agreement with Zhongshan Kangfang under which Zhongshan Kangfang would continue the research and development of HX008 while Wuhan Hanxiong would continue to, among others, provide technical guidance, supervise the progress and assess the results of the research and development of HX008, pay for the relevant expense as required or incurred by Zhongshan Kangfang, as well as conduct other relevant research and development work. As confirmed by our Company, save as disclosed above, the founding shareholders of Wuhan Hanxiong, namely Mr. Xi, Mr. An Jun and Mr. Xi Shengzhou, have no other relationship with our Shareholders, directors or senior management, or their respective associates. As confirmed by Dr. Zhang, Dr. Zhang also arranged Ms. Huang Ying (黄鶯, an ex-employee of our Group) and Mr. Zhou Hu (周虎, an ex-employee of our Group), to be shareholders of Wuhan Hanxiong and assisted in the initial set up of HX008's research and development platform.

To facilitate the Pre-IPO Investments from the Series A Investors, our Company underwent an internal reorganization comprising the following key steps:

(i) Hangzhou Hanx was established on August 3, 2016 with a registered capital of RMB10 million and was wholly-owned by Wuhan Hanxiong. At the time of the establishment of Hangzhou Hanx, Wuhan Hanxiong was owned as to 97% by Mr. Xi, 2% by Ms. Huang Ying and 1% by Mr. Zhou Hu, respectively;

(ii) subsequent to the establishment of Hangzhou Hanx, the relevant rights and obligations related to the research and development of HX008 were succeeded by Hangzhou Hanx from Wuhan Hanxiong, after which Wuhan Hanxiong ceased to have any business operation; and

(iii) on December 27, 2016, our Company (controlled by Dr. Zhang through its relatives, which was the Shareholders of the Company at the relevant time), Hangzhou Ganming and Wuhan Hanzhong (controlled by the then shareholders of Wuhan Hanxiong) agreed to acquire 40%, 38.18% and 21.8% equity interests in Hangzhou Hanx from Wuhan Hanxiong at a consideration of RMB400,000, RMB400,000 and RMB200,000, respectively. The consideration was determined with reference to the then registered capital of Hangzhou Hanx considering its nature of an internal reorganization. Upon completion of the above equity transfers on January 19, 2017, Hangzhou Hanx was owned as to 40% by our Company; approximately 38.18% by Hangzhou Ganming and approximately 21.8% by Wuhan Hanzhong, respectively.

As confirmed by our Directors, at the time when Hangzhou Hanx was acquired by our Company, Hangzhou Hanx was primarily acting as a platform for the research and development of HX008 and other than that, Hangzhou Hanx had not conducted any substantial business operation itself at the relevant time.

As confirmed by Dr. Zhang, Dr. Zhang did not have any trust, voting arrangements or any other arrangements or agreements with any parties in written form on the beneficial interest of Wuhan Hanxiong, Hangzhou Hanx, Hangzhou Ganming and/or the Company since their respective establishment. Regarding Wuhan Hanxiong and Hangzhou Hanx, Dr. Zhang confirms that he has been financing the initial setup of Wuhan Hanxiong and Hangzhou Hanx as a research and development platform of HX008 since 2015 and 2016 respectively, notwithstanding that he did not hold any equity interest therein during the relevant period as it was considered that there were solely transitional arrangements primarily to reduce time required for establishing a new company at that time as a entity was required to enter into the relevant co-agreement with Zhongshan Kangfang shortly after the termination of the relevant co-development by Waterstone Pharmaceuticals in December 2015 such that the research and development of HX008 can continue seamlessly. The amount of fund provided by Dr. Zhang in the relevant period amounted to RMB5,500,000.

On January 6, 2017, Series A Investors entered into an investment agreement (the "**Hangzhou Hanx Investment Agreement**") with Wuhan Hanxiong and Hangzhou Hanx. Pursuant to the terms of the Hangzhou Hanx Investment Agreement, Series A Investors agreed to subscribe for in aggregate 31.25% equity interests in Hangzhou Hanx at a total consideration of RMB25 million, where Beijing Lapam would first subscribe for equity interests in Beijing Hanx and subscribe for the equity interests in Hangzhou Hanx by using the equity interests in Beijing Hanx held by Beijing Lapam. The consideration was determined with reference to the agreed valuation of Hangzhou Hanx of approximately RMB55 million at the time prior to the investments by the Series A Investors, which has taken into account the clinical progress of the existing R&D pipeline and the newly developed candidate drugs in the pipeline at that time. The amount of equity interests subscribed for by the Series A Investors was determined with reference to the agreed valuation between parties to the Hangzhou Hanx Investment Agreement. In light of the above:

1. on March 30, 2017, (i) Hangzhou Hongye Ruiji subscribed for approximately RMB1.82 million equity interests (representing approximately 14.29% equity interests in Hangzhou Hanx at that time) at a consideration of RMB10 million; (ii) Betta Pharmaceutical subscribed for approximately 7.14% equity interests in Hangzhou Hanx at a consideration of RMB5 million; and

2. on April 10, 2017, Beijing Lapam subscribed for approximately 33.33% equity interests in Beijing Hanx at a consideration of RMB10 million. On September 12, 2018, Beijing Lapam withdrew its investment in Beijing Hanx and subscribed for approximately RMB1.82 million equity interests in Hangzhou Hanx (representing approximately 12.5% equity interests at that time).

Beijing Hanx is established in the PRC with limited liability on January 10, 2017. As confirmed by our Directors, Beijing Hanx has no operation since its establishment. Upon completion of the above subscriptions on September 12, 2018, the shareholding structure of Hangzhou Hanx was as follows:

Name of shareholder	Equity interests	Approximate percentage of shareholding
	(RMB' million)	*(%)*
Our Company[2, 3]	4	27.50
Hangzhou Ganming[1,2]	3.82	26.25
Wuhan Hanzhong[2]	2.18	15
Hangzhou Hongye Ruiji	1.82	12.5
Beijing Lapam[3]	1.82	12.5
Betta Pharmaceutical	0.91	6.25
Total:	**14.55**	**100**

Notes:

1. Hangzhou Ganming is a limited partnership established in the PRC on December 15, 2016. It is an investment holding vehicle. At the time of its acquisition of Hangzhou Hanx in December 2016, Hangzhou Ganming was owned as to 56.51% by Mr. Zhang Junmin (brother of Dr. Zhang), 28.50% by Mr. Xi, 8.57% by Ms. Huang Ying, 3.21% by Mr. Zhou Hu, 1.07% by each of Mr. Liu Tianli (劉天禮, an Independent Third Party), Mr. Zhu Wenan (朱文安, an Independent Third Party) and Ms. Mo Yachun (莫雅淳, an ex-employee of our Group), respectively. Mr. Xi was the general partner of Hangzhou Ganming at that time. As confirmed by Dr. Zhang, the registered capital of Hangzhou Ganming contributed by Mr. Zhang Junmin was provided by Dr. Zhang and therefore, even though there were no trust, voting arrangements or any other arrangements or agreements in written form between Dr. Zhang and Mr. Zhang Junmin as such, it was the understanding between Dr. Zhang and Mr. Zhang Junmin that Mr. Zhang Junmin was holding the relevant equity interest for and on behalf of Dr. Zhang at the relevant time and shall act on the instruction of Dr. Zhang in exercising his right as a equity holder and limited partner in Hangzhou Ganming. On November 10, 2017, Hangzhou Ganming held a partners' meeting and unanimously agreed to the withdrawal of Ms. Mo Yachun and Mr. Zhang Junmin, as well as the admission of CZ Biotechnology as a new partner holding a 55.44% partnership interest. On September 25, 2018, Hangzhou Ganming held a partners' meeting and unanimously resolved that CZ Biotechnology replaced Mr. Xi as the general partner. The corresponding industrial and commercial registration was completed on May 23, 2019. Throughout the Track Record Period and as of the Latest Practicable Date, Hangzhou Ganming has been owned as to approximately 55.44% by CZ Biotechnology, approximately 28.5% by Mr. Xi, approximately 10.71% by Ms. Huang Ying, approximately 3.21% by Mr. Zhou Hu and approximately 1.07% by each of Mr. Liu Tianli and Mr. Zhu Wenan. CZ Biotechnology has been the general partner of Hangzhou Ganming during the Track Record Period and as of the Latest Practicable Date.

2. Upon completion of the Hangzhou Hanx Investment Agreement, the shareholding of our Company in Hangzhou Hanx reduced from 40% to approximately 27.5%. In order to maintain control over Hangzhou Hanx, in 2018, our Company entered into an acting in concert agreement in relation to the management of Hangzhou Hanx with Wuhan Hanzhong and Hangzhou Ganming. Pursuant to the acting in concert agreement, Wuhan Hanzhong, our Company and Hangzhou Ganming agreed to act in concert in relation to the operation of Hangzhou Hanx and shareholders' actions at the shareholders' meeting of Hangzhou Hanx. If they fail to reach a consensus for a certain resolution in the shareholders' meeting, the one with the most voting power in Hangzhou Hanx has the final decision-making power. As advised by our PRC Legal Adviser, as of the Latest Practicable Date, the acting in concert agreement has not been terminated.

3. Beijing Lapam is a financial investor and has not been involved in the management and business decision making process of Hangzhou Hanx when it was a shareholder of Hangzhou Hanx from September 12, 2018 to January 10, 2023 (the "**Relevant Period**") and that of our Company since it has become a Shareholder. Pursuant to the entrustment confirmation and undertaking entered into by our Company, Dr. Zhang (our executive Director and a director of Hangzhou Hanx as appointed by our Company), Beijing Lapam and Mr. Yu Zhihua (余治華) (a director of Hangzhou Hanx as appointed by Beijing Lapam) ("**Mr. Yu**") dated October 21, 2024, it is confirmed that: among others, having considered (i) our Company and its designated director (being Dr. Zhang) are familiar with the operation and management of Hangzhou Hanx; (ii) the size of investment in Hangzhou Hanx is not material to Beijing Lapam; and (iii) Beijing Lapam was only a financial investor in Hangzhou Hanx, in order to enhance the efficiency in operation, Beijing Lapam had irrevocably entrusted, confirmed and authorized our Company (through its designated director) to exercise the rights of Beijing Lapam's designated director (being Mr. Yu) in the directors meetings of Hangzhou Hanx for the Relevant Period.

Pursuant to the terms of the Asset Reorganization Agreement, (i) Beijing Lapam, Betta Pharmaceuticals transferred their equity interests in Hangzhou Hanx to our Company on January 10, 2023; (ii) Hangzhou Ganming transferred its 26.25% equity interests in Hangzhou Hanx to our Company at a consideration of approximately RMB33.17 million. The relevant consideration has been settled on March 3, 2025; and (iii) Hangzhou Hongye Ruiji transferred its 12.5% equity interests in Hangzhou Hanx to our Company on March 13, 2023. Upon completion of the above transfers on March 13, 2023, Hangzhou Hanx has been owned as to 85% by our Company and 15% by Wuhan Hanzhong since then. For details, please refer to the paragraph headed "Corporate Development — Investment by Series A Investors" in this section above.

HanxBio (Australia)

HanxBio (Australia) is a company incorporated in Australia with limited liability on October 26, 2018. It is the clinical trial platform for HX009 and is responsible for the HX009-I-01 Australia Study. It has been wholly owned by Hangzhou Hanx since its incorporation.

Hanx Biopharmaceuticals (Australia)

Hanx Biopharmaceuticals (Australia) is a company incorporated in Australia with limited liability on April 19, 2024. It is the research and development and clinical trial platform for HX044. It has been wholly owned by our Company since its incorporation.

DISPOSED SUBSIDIARY

Taizhou Hanzhong

Taizhou Hanzhong, a research and development platform for HX008, was established by Hangzhou Hanx as its wholly owned subsidiary on November 25, 2016. In December 2017, Ningbo Houde Yimin Information Technology Co., Ltd. (寧波厚德義民信息科技有限公司) ("**Ningbo Houde Yimin**"), the largest shareholder of Lepu and an independent third party, acquired 38.46% equity interest in Taizhou Hanzhong from Hangzhou Hanx at a consideration of RMB50 million and further subscribed for RMB2,692,300 registered capital in Taizhou

Hanzhong by way of injection of new capital for a consideration of RMB70 million, after which Taizhou Hanzhong was held by Ningbo Houde Yimin and Hangzhou Hanx as to 60% and 40%, respectively. After this transaction, Taizhou Hanzhong has ceased to be our subsidiary.

In 2019 and 2024, Hangzhou Hanx entered into further equity transfer agreements with Lepu to transfer its 40% equity interests in Taizhou Hanzhong at a cash consideration of RMB350 million, and an annual payment of 4.375% of the net sales revenue of HX008 after its commercialization. The transfer of equity interests in Taizhou Hanzhong to Lepu has been completed on August 28, 2024. For further details, please refer to the paragraph headed "Business — Collaboration Agreements — HX008 Equity Transfer Agreements" in this prospectus.

As advised by our PRC Legal Adviser, the transfer of equity interests in Taizhou Hanzhong has been properly and legally completed, and all applicable regulatory approvals have been obtained.

Save as disclosed above, we have not conducted any disposal of subsidiaries during the Track Record Period and as of the Latest Practicable Date.

ACQUISITIONS DURING THE TRACK RECORD PERIOD

During the Track Record Period and as of the Latest Practicable Date, our Group did not have any acquisitions or mergers that we consider to be material to us.

OUR INCENTIVE SCHEME

On August 22, 2024, our Company approved the stock incentive plan which includes: (i) the stock option incentive plan (the "**Stock Option Incentive Plan**"), which comprises options to subscribe Unlisted Shares granted to the eligible PRC employees (the "**PRC Stock Options**") and the eligible foreign and Hong Kong employees (the "**Foreign and Hong Kong Stock Options**"); and (ii) the restricted share incentive scheme (the "**Restricted Share Incentive Scheme**") granted to Dr. Li, our executive Director, and Ms. Zhang, one of our senior management members.

The Stock Option Incentive Plan

The PRC Stock Options

The PRC Stock Options are options to purchase units of Wuhan Hanx, which is an entity established as an employee shareholding platform for the purpose of holding the PRC Stock Options. Wuhan Hanx is a direct Shareholder holding 304,507 Unlisted Shares as of the Latest Practicable Date (which will become 3,045,070 H Shares upon Listing). All of the PRC Stock Options have been granted to 24 eligible PRC employees (the "**Eligible PRC Employees**"), with 25% of the PRC Stock Options granted have been vested to and exercised by each of the Eligible PRC Employees.

As of the Latest Practicable Date, Wuhan Hanx is owned as to approximately 75% by CZ Biotechnology and 25% by the Eligible PRC Employees in the following manner: (i) 17.95% by Mr. Liu, our executive Director; (ii) 1.73% by Ms. Sun our Supervisor; (iii) 1.39% by Dr. Ke our Supervisor; (iv) 0.11% by Ms. Chen our Supervisor; and (v) 3.82% by 20 employees of our Group (approximately 1.08% by Mr. Yang Tao (楊濤), approximately 0.67% by Mr. Peng Feiyu (彭飛宇), approximately 0.63% by Mr. Wang Shuai (王帥), approximately 0.58% by Ms. Lei Juan (雷娟), approximately 0.1% by Ms. Li Jialin (李佳霖), approximately 0.07% by each of Ms. Chen Cen (陳岑), Mr. Zhong Ren (鍾仁) and Mr. Xu Jianling (許健翎), approximately 0.06% by each of Ms. Ren Liping (任莉萍) and Ms. Yu Ting (余婷), approximately 0.05% by each of Mr. Tian Chen (田琛) and Ms. Liao Hongxiu (廖紅秀), approximately 0.04% by each of Mr. Mo Yunlong (莫蕓隆), Ms. Liu Chang (劉暢), Ms. Liu Shuang (劉爽), Ms. Ma Junjiao (馬俊姣), Ms. Ha Shaohong (哈紹紅), Ms. Zhang Meng (張萌) and Ms. Gao Xinbao (高欣寶) and approximately 0.03% by Mr. Yan Liangbo (晏良波)).

Dr. Zhang, through CZ Biotechnology which is a general partner of Wuhan Hanx, is able to exercise the voting rights attached to the Shares held by Wuhan Hanx.

Foreign and Hong Kong Stock Options

The Foreign and Hong Kong Stock Options consist of options to subscribe for shares of HanxBio (BVI), an investment holding company and the employee shareholding platform for the Foreign and Hong Kong Stock Option and the Restricted Share Incentive Scheme, granted to four eligible foreign and Hong Kong employees, namely Dr. Zhang (our Chairman, an executive Director and one of our Controlling Shareholders), Dr. Li, Ms. Zhang and Mr. Zhang Hui (our chief financial officer and one of our joint company secretaries).

As of the Latest Practicable Date, all of the Foreign and Hong Kong Stock Options have been granted to Dr. Zhang, Dr. Li, Ms. Zhang and Mr. Zhang Hui. These Foreign and Hong Kong Stock Options represent an effective interests of 1,533,407 Unlisted Shares (which will become 15,334,075 H Shares upon Listing) held by Hanx Biopharmaceuticals (HK), an investment holding company and a wholly-owned subsidiary of HanxBio (BVI). In relation to the options granted to Dr. Zhang, 75% of the options have been vested to Dr. Zhang, and Dr. Zhang has exercised 25% of the options granted. His relevant shares of HanxBio (BVI) are held by Hanx Biopharmaceuticals, a company indirectly wholly-owned by Dr. Zhang. In relation to the options granted to Dr. Li and Ms. Zhang, two-third of the options have been vested to each of Dr. Li and Ms. Zhang, both of them have not exercised such options. In relation to the options granted to Mr. Zhang Hui, 50% of the options have been vested to Mr. Zhang Hui, and Mr. Zhang Hui has exercised 25% of the options granted, and the shares of HanxBio (BVI) are held by himself.

The Restricted Share Incentive Scheme

The Restricted Share Incentive Scheme comprises restricted shares units of HanxBio (BVI) granted to Dr. Li and Ms. Zhang, representing an effective interests of 245,956 Unlisted Shares (which will become 2,459,565 H Shares upon Listing) held by Hanx Biopharmaceuticals (HK). As of the Latest Practicable Date, all the restricted shares units of HanxBio (BVI) have been vested to Dr. Li and Ms. Zhang.

As of the Latest Practicable Date, HanxBio (BVI) is owned as to approximately: (i) 81.57% by Hanx Biopharmaceuticals; (ii) 7.68% by Dr. Li; (iii) 6.14% by Ms. Zhang, and (iv) 4.61% by Mr. Zhang Hui. As such, Dr. Zhang, through Hanx Biopharmaceuticals, is able to exercise the voting rights attached to the Shares held by HanxBio (BVI).

No further share option will be granted under the Stock Option Incentive Plan and no further restricted shares unit will be granted under the Restricted Share Incentive Scheme after the Listing. The terms of the Stock Option Incentive Plan and the Restricted Share Incentive Scheme are not subject to the provisions of Chapter 17 of the Listing Rules.

For further details of the Stock Option Incentive Plan and the Restricted Share Incentive Scheme of our Company, please refer to the paragraph headed "Statutory and General Information – D. Employee Share Incentive Scheme" in Appendix VI to this prospectus.

PRE-IPO INVESTMENTS

The table below summarizes the principal terms of the Pre-IPO Investments:

	Series A Investors			Series B Investors							Series B+ Investors	
Investors	**Hangzhou Hongye Ruiji**	**Beijing Lapam**	**Betta Pharmaceuticals**	**Hangzhou Taikun**	**Wuhan Donggaorensi**	**Tibet Lapam**	**Lapam Capital**	**Ms. Xiao**	**Mr. Liao**	**Mr. Zou**	**Hainan Yangtze**	**Yangtze Hong Kong**
Date of investment agreement(s)	Hangzhou Hanx Investment Agreement: January 6, 2017 Asset Reorganization Agreement: January 1, 2023			Series B Subscription Agreement: May 6, 2023 Series B Subscription Supplemental Agreement: October 10, 2023							June 12, 2024	June 15, 2024
Approximate amount of consideration paid	RMB16.51 million	RMB16.51 million	RMB8.25 million	RMB30 million	RMB40 million	RMB14 million	RMB6.98 million	RMB130,000[3]	RMB250,000[3]	RMB20,000[3]	RMB10.65 million	RMB10.65 million

	Series A Investors			Series B Investors							Series B+ Investors	
Investors	Hangzhou Hongye Ruiji	Beijing Lapam	Betta Pharmaceuticals	Hangzhou Taikun	Wuhan Donggaorensi	Tibet Lapam	Lapam Capital	Ms. Xiao	Mr. Liao	Mr. Zou	Hainan Yangtze	Yangtze Hong Kong
Basis of consideration[4] . .	Hangzhou Hanx Investment Agreement: the agreed valuation of Hangzhou Hanx of approximately RMB55 million at the time prior to the investments by the Series A Investors Asset Reorganization Agreement: the appraised value of Hangzhou Hanx of approximately RMB132.05 million as appraised by an independent valuer			The appraised value of our Company of approximately RMB1,376 million as approximately by an independent valuer							This was equity transfer between Hainan Yangtze and Hanx Biopharmaceuticals (HK) and the appraised value of our Company of approximately RMB1,218 million, which is agreed between the parties to the agreement with reference to the appraised value of our Company of approximately RMB1,615 million as appraised by an independent valuer; and taking into account certain discount to such appraised value considering the terms of such equity transfer was negotiated between the parties to the equity transfer agreement (as compared with Pre-IPO Investment involving subscription of equity interest of the Company of which the terms of such investment would require approvals from shareholders of the Company at the relevant time) and to the best knowledge of the Company, the need for cashflow by the transferor at the relevant time	The appraised value of our Company of approximately RMB1,615 million as appraised by an independent valuer

	Series A Investors			Series B Investors							Series B+ Investors	
Investors	**Hangzhou Hongye Ruiji**	**Beijing Lapam**	**Betta Pharmaceuticals**	**Hangzhou Taikun**	**Wuhan Donggaorensi**	**Tibet Lapam**	**Lapam Capital**	**Ms. Xiao**	**Mr. Liao**	**Mr. Zou**	**Hainan Yangtze**	**Yangtze Hong Kong**
Date of payment of the consideration in full	Hangzhou Hanx Investment Agreement: March 13, 2017 Asset Reorganization Agreement: May 6, 2023	Hangzhou Hanx Investment Agreement: October 17, 2018 Asset Reorganization Agreement: April 7, 2023	Hangzhou Hanx Investment Agreement: January 23, 2017 Asset Reorganization Agreement: April 7, 2023	October 20, 2023	October 24, 2023	November 8, 2023	November 3, 2023	October 27, 2023	October 27, 2023	October 27, 2023	August 2, 2024	August 21, 2024
Approximate investment cost per Share (RMB)[1]	1.28	1.28	1.28	11.71	11.71	11.71	11.71	11.71	11.71	11.71	10.4	13.65
Approximate discount to the IPO price[2]	95.31%	95.31%	95.31%	57.07%	57.07%	57.07%	57.07%	57.07%	57.07%	57.07%	61.87%	49.96%
Approximate shareholding in our Company upon Listing (assuming the Over-allotment Option is not exercised)	9.44%	9.44%	4.72%	1.88%	2.51%	0.88%	0.44%	0.01%	0.02%	0.001%	0.75%	0.57%

Investors	Series A Investors			Series B Investors							Series B+ Investors	
	Hangzhou Hongye Ruiji	Beijing Lapam	Betta Pharmaceuticals	Hangzhou Taikun	Wuhan Donggaorensi	Tibet Lapam	Lapam Capital	Ms. Xiao	Mr. Liao	Mr. Zou	Hainan Yangtze	Yangtze Hong Kong
Special rights	Certain special rights (the "**Special Rights**"), including but not limited to the repurchase right (which were granted to relevant Pre-IPO Investors to request CZ Biotechnology, Dr. Zhang and/or the Company to repurchase the equity interest in the Company held by them should certain triggering events as set out in the relevant investment agreements occur), anti-dilution right, profit-sharing right, most-favorable treatment right, director nomination right and information right, were granted to the Pre-IPO Investors. The Pre-IPO Investors have agreed to terminate their repurchase rights with effect from the date of the listing application of our Company. Furthermore, the Pre-IPO Investors have agreed to terminate other special rights upon Listing. In the event: (i) the application for Listing is withdrawn or rejected by the Stock Exchange; or (ii) the CSRC filing of the application for Listing is rejected by the CSRC; or (iii) the Company failed to complete the Listing on the Stock Exchange by December 31, 2025 (whichever earlier), the Special Rights will be resumed automatically. For the avoidance of doubt, Hangzhou Hongye Ruiji, Beijing Lapam, Mr. Liao and Mr. Zou were not granted any redemption rights in relation to the equity interest in the Company and the Company has not assumed any repurchase obligation.										
Lock-up period	The Shares held by the Pre-IPO Investors are not subject to any lock-up period pursuant to the terms of their Pre-IPO Investments. However, according to PRC Company Law, the Pre-IPO Investors shall not transfer their Shares in the Company within one year from the Listing Date.											
Net Proceeds from the Pre-IPO Investments[5]	RMB10 million	RMB10 million	RMB5 million	RMB30 million	RMB40 million	RMB14 million	USD0.97 million	RMB130,000	RMB250,000	RMB20,000	No proceed was received by our Company as it was equity transfer between Hainan Yangtze and Hanx Biopharmaceuticals (HK)	RMB9.56 million

Investors	Series A Investors			Series B Investors							Series B+ Investors	
	Hangzhou Hongye Ruiji	Beijing Lapam	Betta Pharmaceuticals	Hangzhou Taikun	Wuhan Donggaorensi	Tibet Lapam	Lapam Capital	Ms. Xiao	Mr. Liao	Mr. Zou	Hainan Yangtze	Yangtze Hong Kong
Use of proceeds	Pursuant to the Hangzhou Hanx Investment Agreement, all proceeds shall be used for pre-clinical study application and clinical study of long-acting PD-1 program, and other drug development matters, including but not limited to HX008, as approved by our Board.			Pursuant to the terms of the Series B Subscription Agreement and the Series B Subscription Supplemental Agreement, unless with prior written consent form Series B Investors, our Company is not allowed to use the proceeds for purpose other than research and development of core pipeline new drugs.							50% of the consideration amount in relation to the equity transfer shall be utilized towards the Company for its use with the timing and manner to be agreed by Hainan Yangtze and Hanx Biopharmaceuticals (HK). As of the Latest Practicable Date, Hainan Yangtze and Hanx Biopharmaceuticals (HK) have agreed that such consideration shall be extended to the Company in form of a loan with a term of five years on normal commercial terms or better. As advised by our PRC Legal Adviser, the relevant equity transfer was completed and registered on July 15, 2024 and the relevant consideration was settled on August 2, 2024.	The proceeds shall mainly be used for HX009 related research and production. Unless with prior written consent form the Series B+ Investors, our Company is not allowed to use the proceeds for purpose other than research and development of core pipeline new drugs.

	Series A Investors			Series B Investors							Series B+ Investors	
Investors	Hangzhou Hongye Ruiji	Beijing Lapam	Betta Pharmaceuticals	Hangzhou Taikun	Wuhan Donggaorensi	Tibet Lapam	Lapam Capital	Ms. Xiao	Mr. Liao	Mr. Zou	Hainan Yangtze	Yangtze Hong Kong
Strategic benefits to our Company	Our Directors are of the view that our Group could benefit from the Pre-IPO Investment as it demonstrated such investor's confidence in our business operation and provided our Group with additional capital to fund our research and development and operation. In addition, the Pre-IPO Investor will strengthen and diversify the Shareholders' portfolio.											

Notes:

1. Cost per Share equals to the approximate amount of total consideration paid by the Pre-IPO Investor divided by the amount of equity interests/number of Shares in issue held by the Pre-IPO Investor upon completion of the Listing and assuming the Over-allotment Option is not exercised.

2. Calculated on the basis of the Offer Price of HK$30.00, the mid-point of the proposed range of the Offer Price.

3. At the time of the Series B Investment, Ms. Xiao held the equity interests in our Company on behalf of Mr. Liao and Mr. Zou. As of the Latest Practicable Date, the nominee shareholding arrangements between Ms. Xiao and each of Mr. Liao and Mr. Zou have been unwound. For further details, please refer to the paragraph headed "Corporate Development — Our Company — Conversion and subsequent share transfer" in this section above.

4. The key reasons for the material increase in valuation of our Company are set forth below:

    1. the increase in valuation from the time of Hangzhou Hanx Investment Agreement (January 2017) to that at the time of Asset Reorganization Agreement (January 2023) in relation to the investments by the Series A Investors was mainly due to: (i) the marketing approval for HX008 was granted by NMPA in 2022 and receipt of payment in relation to the transfer of HX008; (ii) the completion of the HX009-I-01 Australia Study in October 2022 and the commencement of the HX009-I-01 China Study (Phase Ia) in May 2020 and HX009-II-02 China Study in December 2021; and (iii) the commencement of HX301-I-01 China Study in September 2020;

    2. the increase in valuation from the time of Asset Reorganization Agreement (January 2023) to that of investments by Series B Investors (May 2023) was mainly due to the grant of the Study May Proceed approval by FDA with non-holding clinical suggestions of HX009 in May 2023; and (ii) receipt of milestone payments in relation to HX008;

    3. the increase in valuation from the time of investments by Series B Investors (May 2023) to that of investments by Series B+ Investors (June 2024) was mainly due to: (i) completion of our Phase Ia of the HX009-I-01 China Study in February 2024; (ii) the acceptance of the HX301-II-01 China Study Protocol by the NMPA in May 2024; and (iii) receipt of milestone payments and royalty fees in relation to HX008; and

4. the valuation increased from the time of investments by Series B+ Investors (June 2024) to the time of Listing mainly because: For our Core Product HX009 (i) we have completed Phase Ia of the HX009-I-01 China Study in July 2024, and are undergoing Phase Ib of the HX009-I-01 China Study; (ii) we commenced the HX009-II-02 China Study for treatment of R/R lymphoma (including R/R EBV^+NHL) in December 2021, and were under the normal observation process as of the Latest Practicable Date with the expectation to complete this clinical study by 2025; (iii) we commenced the HX009-II-05 China Study in January 2025, which is a Phase IIa combination study with a pivotal trial stage (Stage III) FAKi drug for the treatment of advanced BTC; (iv) we also obtained the NMPA approval in February 2025 for a combination study of HX009 with trastuzumab in patients with advanced triple-negative breast cancer, and we expect the first patient enrollment for this combination study to be in 2026; for our Key Product HX301, (v) we completed the Phase I clinical study for treatment of advanced solid tumor in July 2024; (vi) we commenced the Phase IIa combination study for treatment of glioblastoma in January 2025; for our Key Product HX044, (vii) we commence the HX044-I-01 clinical studies in Australia and China in December 2024 and March 2025, respectively. In addition, (viii) we received of milestone payments and royalty fees in relation to HX008; and (ix) there would be premium attached to the Shares of the Company as they become freely tradeable when our Company becomes a public company.

5. As of the Latest Practicable Date, we have utilized all the net proceeds received from the Pre-IPO Investments for research and developments in accordance to the terms of the respective Pre-IPO Investment agreements.

Information about our Pre-IPO Investors

Series A Investors

Beijing Lapam. . . . . Beijing Lapam is our sophisticated investor (as defined under Chapter 2.3 of the Guide for New Listing Applicants issued by the Stock Exchange) having made meaningful investment in our Company. It is a limited partnership established in the PRC on September 9, 2014 and is principally engaged in venture capital investment, with an investment focus on innovative drugs and medical devices enterprises. As of September 30, 2024, it has approximately RMB1.55 billion of assets under management, representing its investments in our Company and other biopharmaceutical companies, including but limited to our Company, Binhui Biopharmaceutical Co., Ltd.* (武漢濱會生物科技股份有限公司) (a company listed on the NEEQ, stock code: 874271), Beijing Biostar Pharmaceuticals Co., Ltd.* (北京華昊中天生物醫藥股份有限公司) (a company listed on the Stock Exchange, stock code: 2563) and Beijing Kawin Technol Sha-hld Co Ltd* (北京凱因科技股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 688687). To the best knowledge of our Director, the general partner of Beijing Lapam is Beijing Lapam Investment Management Consulting Center (General Partnership)* (北京龍磐投資管理諮詢中心(普通合夥)) ("**Beijing Lapam Investment**"), which owns approximately 1.03% partnership interest of Beijing Lapam. Among the limited partners of Beijing Lapam, (i) none of the limited partners holds more than one-third of the partnership interests in Beijing Lapam; and (ii) all of the limited partners are Independent Third Parties. Beijing Lapam Investment is ultimately controlled by Mr. Yu, who is appointed as a director of Hangzhou Hanx as the board representative of Beijing Lapam, who is also the executive partner of Beijing Lapam Investment and controls Beijing Lapam Investment through Tibet Lapam Management Consulting Center (Limited Partnership)* (西藏龍盤管理諮詢中心(有限合夥)) ("**Tibet Lapam Management Consulting Center**"). Tibet Lapam Management Consulting Center is owned as to more than 50% by Mr. Yu through his approximately 48.51% direct interests in Tibet Lapam Management Consulting Center and approximately 4% interests through Beijing Lapam Management Consulting Co., Ltd.* (北京龍磐管理顧問有限公司)*, the general partner of Tibet Lapam Management Consulting Center and is owned as to approximately 76.47% by Mr. Yu. Furthermore, Mr. Zhang Junmin also holds 5% equity interests in Tibet Lapam Management Consulting Center as a limited partner.

Mr. Yu has extensive experience in business management and investment with a focus on healthcare industry. As of the Latest Practicable Date, Beijing Lapam Investment had total assets under management of over RMB10 billion and its investment portfolio has included companies across biopharmaceutics sectors, including RemeGen Co., Ltd (榮昌生物製藥(煙台)股份有限公司) (a company listed on the Stock Exchange, stock code: 9995), CANbridge Pharmaceuticals Inc. (北海康成製藥有限公司) (a company listed on the Stock Exchange, stock code: 1228), Clover Biopharmaceuticals, Ltd. (三葉草生物製藥有限公司) (stock code: 2197) and ImmuneOnco Biopharmaceuticals (Shanghai) Inc. (宜明昂科生物醫藥技術(上海)股份有限公司) (a company listed on the Stock Exchange, stock code: 1541).

Betta Pharmaceuticals . . . . Betta Pharmaceuticals is a company established in the PRC on January 7, 2003, listed on the Shenzhen Stock Exchange (stock code: 300558), and is principally engaged in the production and sales of medicine. The controlling shareholder of Betta Pharmaceuticals is Mr. Ding Lieming (丁列明), the chairman of the board of directors, the general manager and chief executive officer of Betta Pharmaceuticals, who holds: (i) approximately 0.24% shares of Betta Pharmaceuticals directly; (ii) approximately 19.13% shares of Betta Pharmaceuticals indirectly through Ningbo Kaiming Investment Management Partnership (Limited Partnership)* (寧波凱銘投資管理合夥企業(有限合夥)), where Mr. Ding Lieming is an executive partner; and (iii) approximately 2.37% shares of Betta Pharmaceuticals indirectly through Zhejiang Beicheng Investment Management Partnership (Limited Partnership)* (浙江貝成投資管理合夥(有限合夥)), where Mr. Ding Lieming is an executive partner.

Hangzhou Hongye Ruiji . . Hangzhou Hongye Ruiji is a limited partnership established in the PRC on May 20, 2016, it is principally a partnership established for the purpose of investment in our Company. As of December 31, 2024, it had approximately RMB10 million assets under management, representing the value of Hangzhou Hongye Ruiji's investment in our Company. To the best knowledge of our Directors, it is owned as to: (i) approximately 90.91% by Yanglin Holdings Limited* (楊林控股有限公司), which is owned as to 90% by Mr. Lu Guanlin (陸關林) and 10% by Ms. Yang Ajuan (楊阿娟); and (ii) approximately 9.09% by Hangzhou Hongye Taiji Investment Management Partnership (Limited Partnership)* (杭州紅業泰吉投資管理合夥企業(有限合夥)) ("**Hangzhou Hongye Taiji**"). Hangzhou Hongye Taiji is the general partner of Hangzhou Hongye Ruiji and is owned as to: (i) 90% by Hangzhou Hongye Investment Management Co.* (杭州紅業投資管理有限公司), which is also the general partner of Hangzhou Hongye Taiji and is wholly owned by Mr. Zhang Yeyan (張業焱), brother of Mr. Zhang Yeyan (張業炎), a director of Hangzhou Hanx; and (ii) 10% by Mr. Lu Yang (陸洋).

Series B Investors

Wuhan Donggaorensi . . . . . Wuhan Donggaorensi is a limited partnership established in the PRC on December 28, 2022, and is principally engaged in project and business investment businesses. Wuhan Donggaorensi is a fund established for the purpose of investment in our Company. As of December 31, 2024, it had approximately RMB43 million of assets under management, representing the value of Wuhan Donggaorensi's investment in our Company. To the best knowledge of our Directors, it is owned as to: (i) approximately 58.14% by Wuhan Optics Valley Bio-industry Base Construction Investment Co.* (武漢光谷生物產業基地建設投資有限公司), which is indirectly wholly owned by Wuhan East Lake New Technology Development Zone Management Committee* (武漢東湖新技術開發區管理委員會); (ii) approximately 40.70% by Wuhan East Lake High-Tech Group Co.* (武漢東湖高新集團股份有限公司) ("**East Lake Group**"), a company listed on the Shanghai Stock Exchange (stock code: 600133); and (iii) approximately 1.16% by Wuhan East Lake High-Tech Equity Investment Management Co. Ltd.* (武漢東湖高新股權投資管理有限公司) ("**East Lake Investment**"), which is wholly owned by East Lake Group. East Lake Investment is the general partner of Wuhan Donggaorensi. To the best knowledge of our Directors, Wuhan Donggaorensi is ultimately controlled by the East Lake Group, and each of Wuhan Donggaorensi and its general partner and limited partners is an Independent Third Party.

Hangzhou Taikun. . . . . Hangzhou Taikun is a limited partnership established in the PRC on August 10, 2021, and is principally engaged in project and business investment businesses. Hangzhou Taikun is a fund with an investment focus on innovative drugs and medical devices enterprises. As of December 31, 2024, it had approximately RMB6 billion of assets under management, representing its investments in our Company and other biopharmaceutical companies, including but limited to Tianjin Minxiang Biomedical Technology Co., Ltd.* (天津民祥生物醫藥股份有限公司) (a company listed on the NEEQ, stock code: 834738). To the best knowledge of our Directors, it is owned as to: (i) approximately 49% by Hangzhou Tigermed Equity Investment Partnership (Limited Partnership)* (杭州泰格股權投資合夥企業(有限合夥)) ("**Hangzhou Tigermed Investment**"). Hangzhou Tigermed Investment is a limited partnership which is ultimately wholly owned by Hangzhou Tigermed Consulting Co., Ltd. (杭州泰格醫藥科技股份有限公司) ("**Hangzhou Tigermed**"), a company listed on the Shenzhen Stock Exchange (stock code: 300347). Shanghai Tigermed Co., Ltd. (上海泰格醫藥科技有限公司), a wholly owned subsidiary of Hangzhou Tigermed, is the general partner of Hangzhou Tigermed Investment; (ii) approximately 25% by Hangzhou High-Tech Venture Capital Co., Ltd.* (杭州高新創業投資有限公司), a company indirectly wholly owned by Hangzhou High-tech Industrial Development Zone (Binjiang) Finance Bureau* (杭州高新區(濱江)財政局); (iii) approximately 25% by Hangzhou Industrial Investment Co.* (杭州產業投資有限公司), which is indirectly wholly owned by State-owned Assets Supervision and Administration Commission of Hangzhou People's Government* (杭州市人民政府國有資產監督管理委員會); and (iv) approximately 1% by Hangzhou Tailong Venture Capital Partnership (Limited Partnership)* (杭州泰瓏創業投資合夥企業(有限合夥)), the general partner of Hangzhou Taikun and is owned as to 99% by Hangzhou Tigermed Investment and 1% by an Independent Third Party.

Tibet Lapam	Tibet Lapam is a limited partnership established in the PRC on June 2, 2022, and is principally engaged in venture capital investment. It is a fund with an investment focus on innovative drugs and medical devices enterprises. As of September 30, 2024, it had an assets under management of approximately RMB1 billion, representing its investments in our Company and other private biopharmaceutical companies. Its general partner is Tibet Ruihan Enterprise Management Consulting Center (Limited Partnership)* (西藏瑞瀚企業管理諮詢中心(有限合夥)) ("**Tibet Ruihan**"), which owns approximately 1.01% interests in Tibet Lapam. Tibet Ruihan is ultimately controlled by Mr. Yu. To the best knowledge of our Directors, among the limited partners of Tibet Lapam, (i) none of the limited partners holds more than one-third of the partnership interest in Tibet Lapam; (ii) all of the limited partners are independent third parties.
Lapam Capital	Lapam Capital is a company incorporated in Hong Kong with limited liability on December 30, 2021, and is principally engaged in project and business investment businesses. It is a fund with an investment focus on innovative drugs and medical devices enterprises. As of December 31, 2024, it had an assets under management of approximately USD75.8 million, representing its investments in our Company and other private biopharmaceutical companies. Lapam Capital is wholly-owned by Lapam Biotech Fund I, L.P. ("**Lapam Biotech**"), a limited partnership established in the Cayman Islands on June 7, 2021. Its general partner is Lapam Capital Management CO., LTD, a company incorporated in the Cayman Islands on July 7, 2021. To the best knowledge of our Directors, it is ultimately controlled by Ms. Sun Hui (孫慧), the spouse of Mr. Yu. Among the limited partners of Lapam Biotech, (i) none of the limited partners holds more than one-third of the partnership interest in Lapam Biotech; (2) all of the limited partners are independent third parties.
Ms. Xiao	Ms. Xiao is our non-executive Director. For further details of Ms. Xiao, please refer to the paragraph headed "Directors, Supervisors and Senior Management — Directors — Non-executive Directors" in this prospectus.
Mr. Liao	Mr. Liao is an employee of East Lake Investment, and a member of the investment team responsible for the investment in our Company.

Mr. Zou	Mr. Zou is a former employee of East Lake Investment, and a former member of the investment team responsible for the investment in our Company.

Series B+ Investors

Hainan Yangtze	Hainan Yangtze is a company established in the PRC on May 16, 2022 and to the best knowledge of our Directors, it is principally engaged in pharmaceutical related investment. Hainan Yangtze is wholly-owned by Yangtze Hong Kong.
Yangtze Hong Kong	Yangtze Hong Kong is a company incorporated in Hong Kong with limited liability on February 16, 2017, and to the best knowledge of our Directors, it is principally engaged in pharmaceutical related investment. Yangtze Hong Kong is wholly-owned by Yangzte Holdings (BVI) Limited, a member of Genscript Biotech Corporation, a company principally engaged in provision of life-science services and products and listed on the Main Board of the Stock Exchange (stock code: 1548).

Save as: (i) the Pre-IPO Investments in our Company; (ii) Mr. Yu, the ultimate beneficial owner of Beijing Lapam and Tibet Lapam, a director of and a board representative of Beijing Lapam in Hangzhou Hanx an indirect shareholder of Waterstone Pharmaceuticals through Beijing Lapam (Limited Partnership)* (北京龍磐創業投資中心(有限合夥)) as disclosed in the paragraph headed "Relationship with our Controlling Shareholders — Our Relationship with Waterstone Pharmaceuticals" in this prospectus; (iii) Ms. Sun Hui, the ultimate beneficial owner of Lapam Capital and the spouse of Mr. Yu; and (iv) Mr. Zhang Yeyan (張業炎), the brother of Mr. Zhang Yeyan (張業焱), an ultimate beneficial owner of Hangzhou Hongye Ruiji and a director of Hangzhou Hanx, to the best knowledge of our Director, all of the Pre-IPO Investors and their ultimate beneficial owners are Independent Third Parties, and have no historical and current relationship with the Company and its connected persons and among each other.

Compliance with Pre-IPO Investment Guidance

The Sole Sponsor confirms that the Pre-IPO Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants published by the Stock Exchange, on the basis that (i) the Listing will take place more than 120 clear days after the completion of the Pre-IPO Investments, and (ii) no special rights will survive the Listing.

PUBLIC FLOAT

Upon completion of the Global Offering, Share Split and the Conversion of Unlisted Shares into H Shares (assuming no exercise of the Over-allotment Option), (i) 76,138,710 H Shares (representing approximately 55.89% of our total issued Shares upon Listing) held by CZ Biotechnology, Hanx Biopharmaceuticals (HK) and Wuhan Hanx (being our Controlling Shareholders); (ii) 14,652,130 H Shares (representing approximately 10.76% of our total issued Shares upon Listing) held by Beijing Lapam, Tibet Lapam and Lapam Capital (companies controlled by Mr. Yu, a director of and a board representative of Beijing Lapam in Hangzhou Hanx, or his close associate); and (iii) 11,100 H Shares (representing approximately 0.01% of our total issued Shares upon Listing) held by Ms. Xiao (being our non-executive Director) will not count towards the public float.

As a result of the foregoing, to the best of our Directors' knowledge, information and belief and having made all reasonable inquiries, immediately upon the completion of the Global Offering, Share Split and the Conversion of Unlisted Shares into H Shares (assuming no exercise of the Over-allotment Option), an aggregate of 45,416,890 H Shares (including the issue of 18,321,000 H Shares pursuant to the Global Offering) representing approximately 33.34% of our total issued Shares upon Listing will be counted towards the public float. Pursuant to Rule 19A.13A(1) of the Listing Rules, where the expected market value at the time of listing of our Company's H Shares does not exceed HK$6 billion, at least 25% of the total number of H Shares must at the time of the Listing be held by the public. Based on the Offer Price of HK$28.00, HK$30.00 and HK$32.00 per Offer Share (being the low-end, mid-point and the upper-end of the indicative Offer Price range, respectively), the expected market capitalization of the Company's H Shares would not exceed HK$6 billion. As such, our Directors are of the view that our Company will be able to satisfy the public float requirement under Rule 19A.13A(1) of the Listing Rules.

FREE FLOAT

Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000.

Under the applicable PRC laws, all existing Shareholders (including the Pre-IPO Investors) are subject to statutory restriction on transfer within a period of one year from the Listing Date. Each of the Cornerstone Investors has agreed to a lock-up period of six months from the Listing Date. As such, H Shares held by all existing Shareholders and the Cornerstone investors upon the Listing shall not be counted towards the free float of the H Shares of the Company at the time of Listing. Based on the Offer Price of HK$28.00, HK$30.00 and HK$32.00 per Offer Share (being the low-end, mid-point and the upper-end of the indicative Offer Price range, respectively) the 14,986,600, 15,208,800 and 15,403,200 H Shares to be issued pursuant to the Global Offering are expected to be held by the public and will not be subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise). Based on the low-end, mid-point and the upper-end of the indicative Offer Price range, respectively, our Company will satisfy the free float requirements under Rule 19A.13C of the Listing Rules.

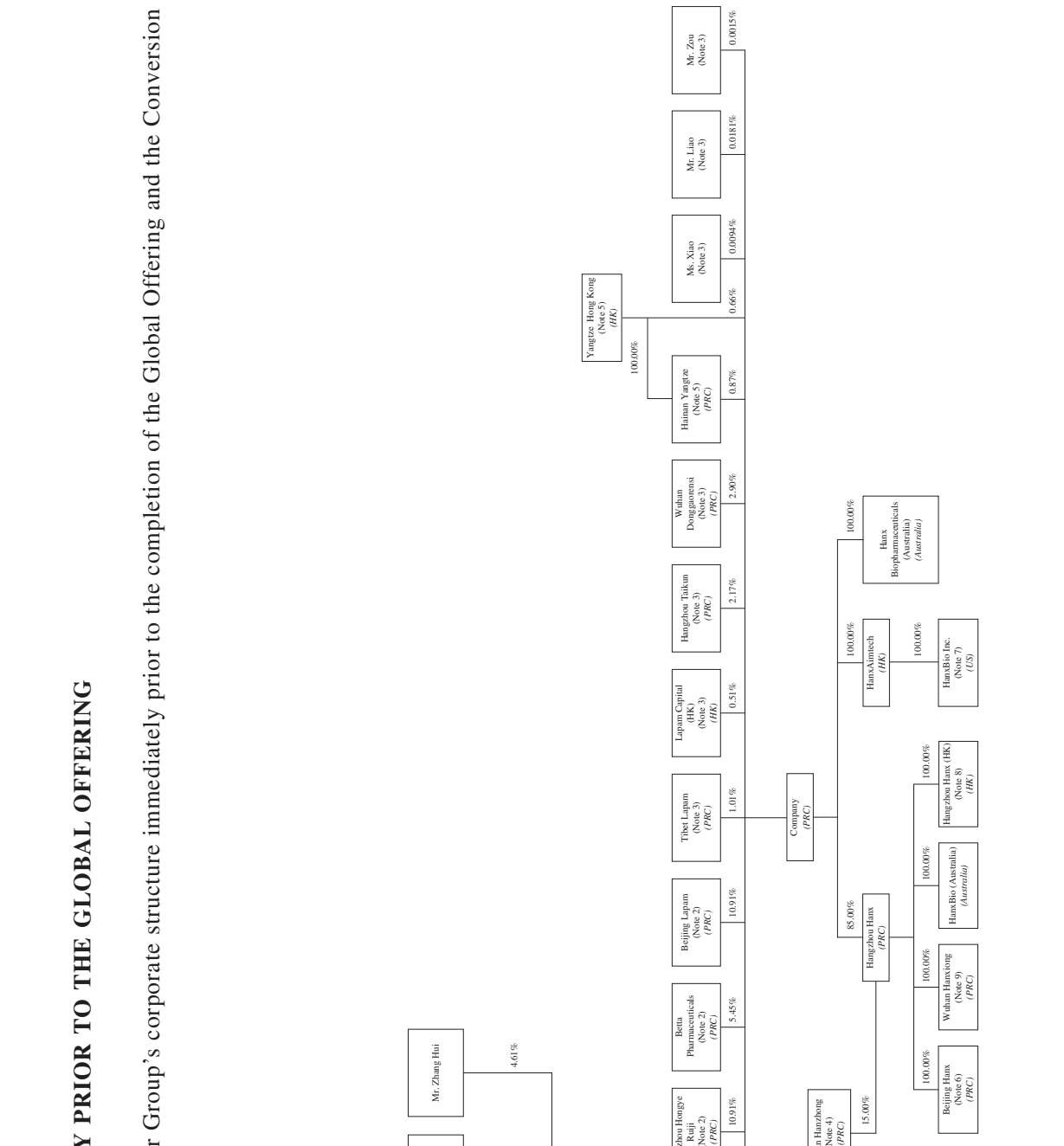
SHAREHOLDING STRUCTURE OF OUR COMPANY

Our Company has applied for the Conversion of Unlisted Shares into H Shares, which involves 11,789,783 Shares held by 15 Shareholders. The table below is a summary of the shareholding structure of our Company as of the Latest Practicable Date and following the completion of the Global Offering, Share Split and the Conversion of Unlisted Shares into H Shares (assuming the Over-allotment Option is not exercised):

	As of the Latest Practicable Date		Upon completion of the Share Split		Immediately following the completion of the Global Offering, Share Split, and Conversion of Unlisted Shares into H Shares (Assuming the Over-allotment Option is not Exercised)					
	Unlisted Shares		Unlisted Shares		H Shares		Unlisted Shares		Total Shares	
Shareholder	Number of Shares	Percentage of Shareholding in the Unlisted Shares	Number of Shares	Percentage of Shareholding in the Unlisted Shares	Number of Shares	Percentage of Shareholding in the H Shares	Number of Shares	Percentage of Shareholding in the Unlisted Shares	Number of Shares	Percentage of Shareholding in the total issued Shares
		(%)		*(%)*		*(%)*		*(%)*		*(%)*
CZ Biotechnology	5,530,000	46.91	55,300,000	46.91	55,300,000	40.60	0	0	55,300,000	40.60
Hanx Biopharmaceuticals (HK)	1,779,364	15.09	17,793,640	15.09	17,793,640	13.06	0	0	17,793,640	13.06
Wuhan Hanx	304,507	2.58	3,045,070	2.58	3,045,070	2.24	0	0	3,045,070	2.24
Hangzhou Hongye Ruiji	1,286,047	10.91	12,860,470	10.91	12,860,470	9.44	0	0	12,860,470	9.44
Beijing Lapam	1,286,047	10.91	12,860,470	10.91	12,860,470	9.44	0	0	12,860,470	9.44
Tibet Lapam	119,562	1.01	1,195,620	1.01	1,195,620	0.88	0	0	1,195,620	0.88
Betta Pharmaceuticals	643,023	5.45	6,430,230	5.45	6,430,230	4.72	0	0	6,430,230	4.72
Wuhan Donggaorensi	341,606	2.90	3,416,060	2.90	3,416,060	2.51	0	0	3,416,060	2.51
Hangzhou Taikun	256,205	2.17	2,562,050	2.17	2,562,050	1.88	0	0	2,562,050	1.88
Yangtze Hong Kong	180,402	1.53	1,804,020	1.53	1,804,020	1.32	0	0	1,804,020	1.32
Lapam Capital	59,604	0.51	596,040	0.51	596,040	0.44	0	0	596,040	0.44
Ms. Xiao	1,110	0.0094	11,100	0.0094	11,100	0.0081	0	0	11,100	0.0081
Mr. Zou	171	0.0015	1,710	0.0015	1,710	0.0013	0	0	1,710	0.0013
Mr. Liao	2,135	0.0181	21,350	0.0181	21,350	0.0157	0	0	21,350	0.0157
Public Shareholders	0	0	0	0	18,321,000	13.45	0	0	18,321,000	13.45
Total:	**11,789,783**	**100**	**117,897,830**	**100**	**136,218,830**	**100**	**0**	**0**	**136,218,830**	**100**

OUR STRUCTURE IMMEDIATELY PRIOR TO THE GLOBAL OFFERING

The following chart sets forth our Group's corporate structure immediately prior to the completion of the Global Offering and the Conversion of Unlisted Shares into H Shares.



Notes:

1. Wuhan Hanx is our employee shareholding platform. For further details, please refer to the paragraph headed "Our Incentive Scheme" in this section above.

2. For further details of the background of Series A Investors, please refer to the paragraph headed "Pre-IPO Investments — Information about our Pre-IPO Investors" in this section above.

3. For further details of the background of Series B Investors, please refer to the paragraph headed "Pre-IPO Investments — Information about our Pre-IPO Investors" in this section above.

4. Wuhan Hanzhong is a company established with limited liability in the PRC on July 15, 2016. As of the Latest Practicable Date and to the best knowledge of our Directors, it has no operation, and is owned as to 60% by Mr. Xi, the former employees of Hangzhou Hanx and 40% by Ms. Xi Jingxuan (席婧璇), the daughter of Mr. Xi.

5. For further details of the background of Series B+ Investors, please refer to the paragraph headed "Pre-IPO Investments — Information about our Pre-IPO Investors" in this section above.

6. Beijing Hanx is established in the PRC with limited liability on January 10, 2017. As confirmed by our Directors, Beijing Hanx has no operation since its establishment.

7. HanxBio Inc. is incorporated in the United States with limited liability on December 13, 2023. As confirmed by our Directors, it has no business operation since its incorporation.

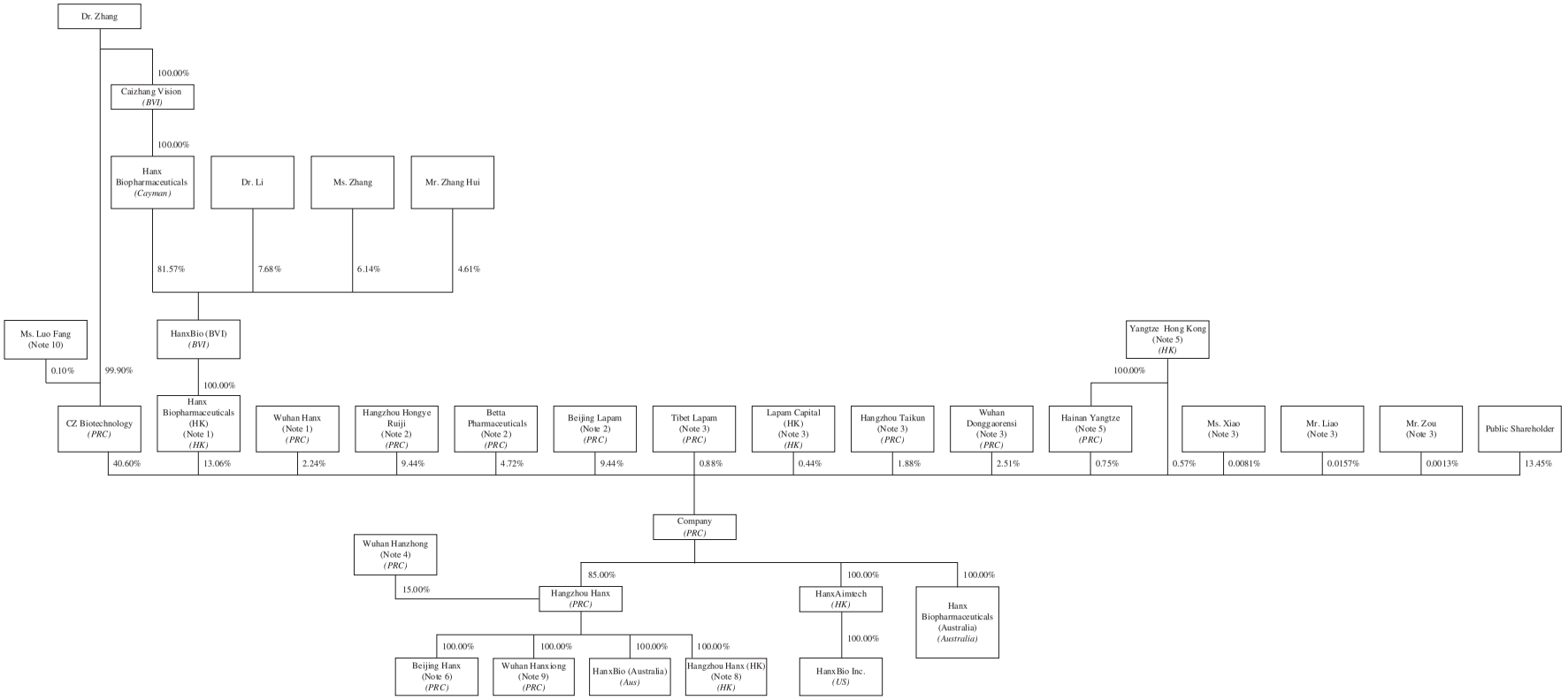
8. Hangzhou Hanx (HK) is a company incorporated in Hong Kong with limited liability on February 19, 2024. As confirmed by our directors, it has no business operation since its incorporation.

9. On October 18, 2018, the then shareholders (namely Mr. Xi, Mr. Zhou Hu and Ms. Huang Ying, which held approximately 97%, 2% and 1% of Wuhan Hanxiong, respectively) of Wuhan Hanxiong transferred all their equity interests in Wuhan Hanxiong to Hangzhou Hanx at a consideration of RMB1 million, which was determined with reference to the then registered capital of Wuhan Hanxiong. Wuhan Hanxiong has become a wholly-owned subsidiary of our Group since then. As confirmed by our Company, Wuhan Hanxiong has no business operation at the time of acquisition by Hangzhou Hanx and as of the Latest Practicable Date.

10. On 9 October 2025, 0.1% equity interests in CZ Biotechnology held by Mr. Zhang Wanming was transferred to Mr. Zhang Wanming's spouse, Ms. Luo Fang pursuant to statutory probate procedures after the decease of Mr. Zhang Wanming.

OUR STRUCTURE IMMEDIATELY FOLLOWING THE GLOBAL OFFERING

The following chart sets forth our Group's corporate structure immediately after the Global Offering, the Share Split and the Conversion of Unlisted Shares into H Shares (assuming no exercise of the Over-allotment Option)



Notes:

Please refer to notes 1-9 in the paragraph headed "Our Structure Immediately prior to the Global Offering" in this section above.

OVERVIEW

We are an innovative biotech company, with in-house expertise and experience in structural biology, translational medicine and clinical development for the development of next-generation immunotherapeutics. Immunity plays a critical role in almost all aspects of human physiological functions, as well as the pathogenesis of many human diseases, particularly in cancers and autoimmune or inflammatory disorders. Interventions of immunological processes have recently demonstrated to be evidently productive as part of the treatments of these diseases, and its underlying therapeutic mechanism, immuno-oncology and immune checkpoint inhibitors in particular, has revolutionized the landscape of cancer treatment by harnessing the power of the immune system. It represents a promising and evolving approach to cancer therapies, offering a targeted treatment option with potentially long-term benefits as compared to conventional treatments. We have been exploring the therapeutic mechanisms with the focus on immune checkpoint inhibitors, which, we believe, are fundamental for overcoming the scientific and clinical barriers to deliver new and effective medicines.

From the therapeutic mechanisms perspective, the majority of the immuno-oncology therapies approved on the market currently revolve around T cells, such as PD-1, PD-L1 and CTLA-4 immune checkpoint inhibitors, while others involve different immune cells including macrophage and natural killer cells. However, these currently approved immune checkpoint inhibitors therapies faces several limitations. For instance, the PD-1/PD-L1 inhibitors only yield meaningful responses in a fraction of patients, despite of its efficacy as a proven valuable treatment option for a wide range of cancers. According to the F&S Report, only about 10% to 29% of patients across almost all major cancer types can benefit from PD-1/PD-L1 monotherapy treatment as demonstrated from the response rate. Intensive researches have been carried out to overcome these limitations. The first effort is to identify additional agents affecting immune checkpoint functions beyond PD-1/PD-L1, including agents targeting CTLA-4, CD47, LAG-3, TIGIT, CD40 and OX40. However, little progress has been made in this area as none has been clinically validated by today. CTLA-4 antibody has been adopted as a cancer therapy, even prior to PD-1, but yet to be broadly used given its high incidence of dose-limiting irAEs. While CD47 has emerged as an immune checkpoint for both innate and adaptive immunity targetable for immune checkpoint inhibitors based cancer immunotherapy, the severe hematological toxicity impedes its clinical development according to the F&S Report. The second approach involves enhancing the currently approved immune checkpoint inhibitors to overcome the limitations. For instance, creating bi- or multi-functional antibody modalities in addition to the PD-1/PD-L1 inhibitions, which can be regarded as "PD-1/PD-L1 *plus*" molecules. Recent successful example in the industry has validated such approach, pointing to a new direction of immune checkpoint inhibitors based immune-oncology therapy development.

We are committed to develop a strong immuno-oncology program since the very beginning of our Group. During the Track Record Period, we primarily pivoted towards innovations based on the abovementioned second approach by creating bi- or multi-functional molecules into our immune-oncology pipeline, including "PD-1 *plus*" molecule HX009 (being our Core Product) and HX016-9; "PD-L1 *plus*" molecule HX016-7; and "CTLA-4 *plus*" molecule HX044 (being one of our Key Products). We created these new antibody modalities by utilizing our proprietary *VersatiBody* Platform, an antibody engineering platform that can be flexibly adapted to create candidate antibody drugs that meet different target biology requirements for enhancement of efficacy and reduction of toxicity.

Our Core Product, HX009, is the first and only bifunctional anti-PD-1 antibody SIRPα fusion protein as of the Latest Practicable Date according to the F&S Report. It stands out with the globally leading position in respect of its clinical trial progress among analogous bispecific antibody and bifunctional fusion protein products targeting PD-1/PD-L1 and CD47. HX009 was created to enhance the efficacy of PD-1 antibody while address the safety concerns of CD47-targeting by using specifically designed bispecific molecule targeting two immune checkpoints (i.e., PD-1 and CD47) simultaneously. We believe that HX009 represents a substantial advancement in cancer immunotherapy, underscoring our commitment of overcoming obstacles to optimize patient outcomes and redefine the standard of care in cancer treatment. Meanwhile, one of our Key Products, HX044, being a novel bifunctional anti-CTLA-4 antibody SIRPα fusion protein, was created to enhance the CTLA-4-targeting efficacy, while lowering systemic toxicities associated with both targeting. HX044 also represents a promising cancer immunotherapy that can compensate that of PD-1 treatment due to different and complement mechanism of actions.

With our in-depth and unique understanding of the target biology of certain targets and their association with a variety of malignancies, along with the recent maturation of ADC technology, we also developed ADC drug candidates for unmet medical needs in oncology by leveraging our *VersatiBody* Platform, creating candidate HX111.

Furthermore, with the recent understanding of molecular pathogenesis of many autoimmune disorders, new therapies are being developed. Several receptor targets have been explored for creation of antibody therapy modalities, including OX40, OX40L, IL-4R, IL-17 and CD19. Some of such researches have been extended from original immune-oncology research and now validated in the clinics. Our Company, while extensively focuses on novel antibody modalities for immune-oncology, also expanded into exploration of novel antibody modalities for the treatment of autoimmune diseases, particularly by exploiting novel OX40-targeting and beyond. With recognition of the potentially central role of OX40 in many autoimmune diseases, we have also built our own autoimmune therapeutic platform based on bispecific antibody of OX40-targeting and beyond, the *autoRx40* Platform. By using *autoRx40* Platform and *VersatiBody* Platform together, we have been generating novel autoimmune drug candidates, including bispecific antibody HX035 and HX038.

Leveraging our key expertise in structural biology, translational medicine, and clinical oncology, we are able to establish biologic discovery and development platforms to readily generate drug candidate pipelines, which allows us to optimize and efficiently execute clinical development strategy targeting disease indications of unmet medical need. Our pipeline development strategy is based on validated targets and pathways, supported by unique target biology, translational evidences and clinical feasibility, as well as on molecules of druggable structure. We position ourselves to deliver next-generation immuno-oncology treatments such as HX009, HX044 and HX016 to combat PD-1 resistance, the ADC drug candidates including HX111 to treat specific malignancies with precision, and novel autoimmune treatments, such as bispecific antibody HX035 and HX038.

We take into consideration a fast-to-market strategy when selecting indications for our pipeline products to conduct clinical studies, where effective treatment options are scarce or limited. Our rationale behind these strategic indication selections is to expedite the regulatory approval process and facilitate the commercial launch of our products.

Guided by our mission and vision, we are committed to exploring the next-generation immunotherapeutics through discovery, development and commercialization of products for precision therapies in cancers and autoimmune diseases, aiming at unmet medical needs in global market, and thus ultimately to help patients around the world.

As of the Latest Practicable Date, we have developed a pipeline of a total of 10 drug candidates, including our Core Product, HX009, and two Key Products, HX044 and HX301 among which, eight drug candidates focusing on oncology and two drug candidates focusing on autoimmune diseases. As of the Latest Practicable Date, our Core Product and Key Products are under clinical trials in China and Australia. The following chart summarizes the development status of our pipeline products as of the Latest Practicable Date.

	Product	MoAs	Class of Drugs	Current Indication/ Therapeutic Area	Competent Authority	Treatment Line	Commercial Rights	Preclinical	Phase Ia/I	Phase Ib/II	Phase III/ Registrational	NDA/ BLA	Upcoming Milestone	Partnership
Clinical	HX009[1] ★	PD-1/SIRPα	bifunctional antibody fusion protein	R/R EBV+ NHL (monotherapy)	NMPA	2L+	Global						Complete Phase Ib clinical study by end of 2025	N/A
				Advanced Melanoma (monotherapy)	NMPA	1L/2L+							Complete Phase Ib clinical study by the second half of 2026	
				Advanced Biliary Tract Cancer (combination therapy)	NMPA	2L+							Complete Phase IIa clinical study by the third quarter of 2027	
				Advanced Triple-Negative Breast Cancer (combination therapy)	NMPA	2L+							Launch Phase IIa clinical study in 2026	
	HX301[2] ▲	CSF1R/ARK5/ CDK4/6/FLT-3	small molecule	Glioblastoma (combination therapy)	NMPA	1L	Greater China						Complete Phase IIa clinical study by end of 2028	Co-development TRAWS PHARMA
	HX044[3] ▲	CTLA-4/SIRPα	bifunctional antibody fusion protein	Advanced solid tumor malignancies (monotherapy and combination therapy)	TGA/NMPA	2L+	Global						Complete dose escalation clinical study by the fourth quarter of 2026	N/A
Pre-Clinical	HX035	OX40 epitopes	BsAb	Inflammation/autoimmune	N/A	N/A	Global						File IND application by the first quarter of 2026	
	HX038	OX40/ Undisclosed target	BsAb	Inflammation/autoimmune	N/A	N/A	Global						Complete preclinical trial by end of 2026 and file IND application by the first quarter of 2027	
	HX111	Undisclosed target	mAb-ADC	Selected T-L/L+ solid tumors	N/A	N/A	Global						To receive IND approval by the first quarter of 2026	
	HX129	TRBV12	mAb-ADC	Selected T-L/L	N/A	N/A	Global						N/A[5]	
	HX017	NKG2A	mAb	PD-1-resistant solid tumors/ viral infection	N/A	N/A	Global						N/A[5]	
	HX016-9	PD1/VEGF	BsAb	Solid tumors	N/A	N/A	Global						Complete preclinical trial and file IND application by end of 2026	
	HX016-7	PD-L1/VEGF	BsAb	Solid tumors	N/A	N/A	Global							

★ Core Product ▲ Key Product

Notes:

(1) We obtained from NMPA the clinical trial approval notification (i) for HX009 monotherapy in patients with malignancies in October 2019, (ii) for HX009 in combination with a pivotal stage drug in patients with advanced solid tumor (including BTC and advanced melanoma) in September 2024, and (iii) for HX009 in combination with trastuzumab in patients with advanced triple-negative breast cancer in February 2025. As of the Latest Practicable Date, we have completed Phase Ia of the HX009-I-01 China Study, which is a standalone and conventional Phase I clinical study. We are currently conducting Phase Ib of the HX009-I-01 China Study for the treatment of advanced melanoma, the HX009-II-02 China Study for the treatment of R/R EBV+ NHL, and the HX009-II-05 China Study for the treatment of advanced biliary tract cancer, which is a combination study with a focal adhesion kinase inhibitor (aka. FAKi) drug developed by InxMed Biotech Co., Ltd. (Shanghai)* (應世生物科技(上海)有限公司). As of the Latest Practicable

Date, this FAKi drug was in its pivotal trial stage (Stage III), and HX009 for this study will only be used together with this FAKi drug once it receives the market authorization approval. The dotted line represents the exempted stages for these two combination studies of HX009, which was granted as leveraging study results from other clinical trial programs of HX009 (including HX009-I-01 Australia Study and Phase Ia of the HX009-I-01 China Study) and communications with the Competent Authorities in this regard.

(2) We obtained from NMPA the clinical trial approval notification for HX301 monotherapy in patients with advanced malignancies in January 2020 and for HX301 in combination with temozolomide in patients with glioblastoma in August 2024, respectively. As of the Latest Practicable Date, we have completed Phase I clinical study of the HX301-I-01 China Study. We are currently conducting the Phase IIa clinical study of HX301 in combination with temozolomide (i.e., HX301-II-01 China Study), and have enrolled seven patients as of the Latest Practicable Date. The dotted line represents the exempted stages for the combination study of HX301, which was granted as leveraging study results from other clinical trial programs of HX301 (including HX301-I-01 China Study and Onconova 19-01 phase 1 study conducted in the U.S.) and communications with the Competent Authorities in this regard.

(3) Pursuant to the relevant laws and regulations in Australia, we submitted our Human Research Ethics Committee (HREC) application for HX044, and obtained the HREC approval dated September 10, 2024 for conducting a Phase I/IIa clinical study to evaluate the safety and tolerability of HX044 in the treatment of patients with advanced solid tumors malignancies (i.e., the HX044-I-01 Australia Study). In addition, we have obtained from NMPA the clinical trial approval notification for HX044 monotherapy and a combination study of HX044 with pucotenlimab in patients with advanced solid tumor malignancies in January and September 2025, respectively (i.e., the HX044-I-01 China Study). The advanced solid tumor targeted by our product refers to relapsed/refractory solid tumor. As of the Latest Practicable Date, we have enrolled 23 patients for the monotherapy part (with eight patients in Australia and 15 patients in China) and two patients for the combination therapy part, respectively, for the HX044-I-01 studies.

(4) Prior to the Track Record Period, we co-developed HX008 with Zhongshan Kangfang, which is, a mAb targeting PD-1 with a proven long half-life. Shortly after we obtained the clinical study approval in August 2017 and through a series of equity transfer agreements entered in between 2017 and 2019, HX008 was transferred to Lepu for a one-off cash payment of RMB350.0 million and annual royalty fee of 4.375% of the annual net sales revenue of HX008. In July and September 2022, the NMPA granted conditional marketing approval for HX008 for the treatment of MSI-H/dMMR solid tumors and inoperable or metastatic melanoma, respectively. As of the Latest Practicable Date, we have received full payment of the one-off cash payment of RMB350.0 million as the milestone payment, and approximately RMB0.7 million, RMB4.4 million and RMB13.1 million as the HX008 annual royalty fee for 2022, 2023 and 2024, respectively. For details, please refer to "Business — Collaboration Agreements — HX008 Equity Transfer Agreements" in this prospectus.

(5) The pipeline candidates were developed as preclinical candidate compounds. As of the Latest Practicable Date, we have completed the preclinical studies and achieved promising results for the respective pipeline candidates. We plan to proactively seek collaboration with industry-leading business partners to further develop these pipeline candidates.

- **Core Product — HX009**

Our Core Product, HX009, is an advancement in immuno-oncology as an innovative bifunctional anti-PD-1 antibody SIRPα fusion protein, aiming at enhancing PD-1 function and creating a novel "PD-1 *plus*" molecule. HX009 is a cancer immunotherapy designed and developed by us to treat various malignancies. HX009 enhances T cell activations via co-targeting of $CD8^+$ Teff by blocking PD-1 and *cis* engagement with CD47 on Teff within the tumor micro-environment *via* anti-PD-1 antibody and SIRPα extracellular domain (one of the natural ligand proteins of CD47) on HX009, as well as improves macrophage phagocytosis and dendritic cell-mediated tumor antigen presentations by blocking the interaction between SIRPα on tumor-infiltrated macrophage or dendritic cells, and CD47 on tumor cells. With its potential to achieve solid anti-tumor activity, HX009 also mitigates anemia and thrombocytopenia risk by reducing off-tumor targeting to CD47 on human red blood cells and platelets via the reduced binding affinity as well as tumor-targeting caused by high affinity PD-1-driving binding, we believe that HX009 signifies a new realm of immune checkpoint inhibitors.

We initiated first-in-human clinical trial for HX009 in Australia to evaluate the safety, tolerability and initial efficacy of HX009 in patients with advanced malignancies, which was completed in October 2022, and HX009 was well tolerated in all 21 treated subjects as concluded by the principal investigator. In addition, in October 2019, we obtained the clinical trial approval notification from NMPA, which allows us to carry out clinical trials in China of HX009 for malignant tumors including advanced melanoma and R/R EBV^+ NHL. Furthermore, in April 2023, we filed an IND application with FDA for our phase Ib/II study of HX009 in the U.S. for treatment of DLBCL, and obtained the FDA Study May Proceed approval in May 2023. In September 2024, NMPA granted us the clinical trial approval for HX009 regarding a combination clinical study, which is a Phase IIa clinical study protocol for the combination treatment of HX009 with a pivotal trial stage (Stage III) FAKi drug[1] in patients with advanced malignant BTC and melanoma. We also obtained the NMPA approval in February 2025 for a combination study of HX009 with trastuzumab in patients with advanced triple-negative breast cancer, and we expect the first patient enrollment for this combination study to be in 2026.

As of the Latest Practicable Date, we have completed Phase Ia of the HX009-I-01 China Study, which is a standalone and conventional phase I study to evaluate the safety and tolerability of HX009 in patients with advanced solid tumors and to preliminarily measure its anti-tumor efficacy. We are currently conducting three clinical programs for HX009 in China, namely, (i) the HX009-I-01 China Study (Phase Ib) for treatment of advanced melanoma, (ii) the HX009-II-02 China Study (Phase I/II) for treatment of R/R EBV^+ NHL, and (iii) the HX009-II-05 China Study (Phase IIa) for treatment of advanced biliary tract cancer. We also obtained the NMPA approval in February 2025 for a combination study of HX009 with

1 The pivotal trial stage (Stage III) FAKi drug used in the HX009-II-05 China Study is a focal adhesion kinase inhibitor (aka. FAKi) developed by InxMed Biotech Co., Ltd. (Shanghai)* (應世生物科技(上海)有限公司). As of the Latest Practicable Date, this FAKi drug was under its pivotal trial stage (Stage III), and obtain NDA market approval on our HX009 for the treatment of BTC relies on the successful market development of this drug.

trastuzumab in patients with advanced triple-negative breast cancer, and we expect the first patient enrollment for this combination study to be in 2026. For details about the clinical studies about our Core Product, please refer to "— Clinical-stage Candidates — Core Product — HX009" in this prospectus.

HX009's smooth and promising clinical progression underscores its potential to address significant unmet medical needs across diverse oncological landscapes, offering promising market opportunities in several key indications. For example, lymphoma associated with EBV are often more malignant, with poor prognosis and difficulties in treatment. Traditional treatments such as chemotherapy and radiotherapy have poor efficacy against the EBV^+ associated lymphoma. Currently, there are no approved drugs for the treatment of EBV^+ NHL on the market. EBV^+ NHL has been found to have co-upregulated PD-L1 and CD47, along with enhanced tumor immunogenicity, which makes it an ideal or appropriate indication for HX009. Another example sets within the realm of R/R melanoma, HX009 emerges as a promising solutions with transformative potential. Despite advancements in melanoma treatment, certain patients are still experiencing disease relapse or unresponsiveness to existing therapies (including PD-1 mAbs), highlighting an urgent need for innovative modalities with treatment efficacy. Researches have implicated that the failure of response to PD-1 mAb may be caused by the lack of CD47 blocking on Teff within the tumor micro-environment. It is therefore expected that simultaneous blockade of PD-1 and CD47 by HX009 may enhance anti-tumor immunity in these immuno-oncology resistant melanomas. According to the F&S Report, HX009 is the only PD-1/CD47 targeted bispecific antibody/bifunctional fusion protein for melanoma under clinical study globally as of the Latest Practicable Date. Furthermore, in the realm of advanced BTC, the demand for effective therapeutic approaches intensifies due to the complexity and high mortality rates of advanced BTC. By addressing these pressing market needs with its unique mechanism of action and promising clinical data, HX009 has the potential to carve a substantial niche in the advanced BTC therapeutics landscape by combining with other agent of unique MoAs.

- **Key Product — HX301**

Our Key Product, HX301, represents a significant advancement in cancer therapy as a multi-targeted kinase inhibitor with a unique kinase inhibition profile. Its mechanism of action lies in its role as an investigational multi-kinase inhibitor developed to combat various cancers by targeting critical pathways such as CSF1R, ARK5, FLT-3 and CDK4/6. Notably, HX301 exhibits remarkable potency in inhibiting CSF1R, with subnanomolar IC_{50} *in vitro*. CSF1R plays a pivotal role in the growth, survival, and polarization of myeloid lineage cells such as macrophages, and it is often overexpressed in certain cancer cells such as acute myeloid leukemia, and tumor-associated macrophages including glioma-associated macrophages or microglial cells that are potentially correlating with poorer cancer prognosis. HX301 holds promise as a candidate cancer treatment by directly targeting cancer cells, such as acute myeloid leukemia, or indirectly impacting tumor-associated macrophages.

In December 2017, we entered into a license, development and commercialization agreement with Onconova Therapeutics, Inc. (the "**Onconova**", predecessor of Traws Pharma, Inc. after a business combination in April 2024) (the "**Onconova Co-development Agreement**"). Pursuant to the Onconova Co-development Agreement, Onconova grants Hangzhou Hanx an exclusive, royalty-bearing license, with the right to sublicense, under Hangzhou Hanx to develop and commercialize narazaciclib (which was further developed and named as HX301 for our pipeline) within Greater China. Such development and commercialization rights include all activities relating to research, non-clinical, preclinical and clinical, toxicology testing, statistical analysis and reporting, preparation and submission of applications for regulatory approval of the product and all activities directed to the marketing, promotion, selling or offering for sale of a product for an indication. On the other hand, Hangzhou Hanx grants Onconova to develop and manufacture narazaciclib outside Greater China. In addition, Onconova shall pay us certain royalties for sales outside of Greater China. Currently, Hangzhou Hanx focuses on glioblastoma combination treatment in China in respect of the development of HX301.

Pre-clinical models and phase I safety and efficacy data demonstrate promising results of HX301, underscoring its potential as a therapeutic option for various advanced solid tumors. In January 2020, NMPA issued the clinical trial approval notification for HX301, which allows us to conduct clinical trials of this product for advanced malignancies in China. In July 2024, we completed the Phase I clinical study of HX301 under the aforesaid NMPA approval, which is a phase I, open-label, multi-center study evaluating the safety, tolerability, and initial efficacy of HX301 in patients with advanced solid tumor. The efficacy results suggest that some patients achieved stable disease at doses of 80 mg or higher, and the duration of stable disease may be longer with higher doses, which provides clinical benefit support for subsequent clinical development, especially for the exploration of combination therapies.

We submitted a phase II clinical study protocol to NMPA for the combination with temozolomide to evaluate the safety and tolerability of HX301 combined with temozolomide in the treatment of patients with glioblastoma. In August 2024, NMPA issued the clinical trial approval notification for HX301, which allows us to conduct clinical trials of HX301 in combination with temozolomide in the treatment of patients with glioblastoma. We have enrolled first patient for this combination study (i.e., the HX301-II-01 China Study) in January 2025, and the HX301-II-01 China Study is currently ongoing as of the Latest Practicable Date.

Glioblastoma is a disease resided within brain, containing glioblastoma tumor cells and blood-originated macrophage and brain-originated microglial cells, which make up tumor micro-environment and are essential for glioblastoma growth. The central nervous system is protected by the blood-brain barrier, which strictly regulates the entry of substances. The existence of the blood-brain barrier excludes the vast majority of cancer therapeutics. HX301's capability to penetrate the blood-brain barrier suggests its potential for development as a treatment for glioblastoma, addressing an area of significant unmet medical need. HX301 targets tumor micro-environment while temozolomide targets glioblastoma tumor cells, making it a promising treatment for glioblastoma and to be expected to have synergistical effectiveness. Market opportunities for HX301 as well as its combination with temozolomide

are particularly compelling in the treatment of glioblastoma. According to the F&S Report, the market of glioblastoma in China reached RMB1.2 billion in 2024, and the market would enlarge to RMB3.2 billion and RMB5.4 billion by 2030 and 2035 with the CAGR of 17.9% and 10.7%, respectively. As HX301 progresses through clinical trials and regulatory approvals, it holds the promise of addressing critical gaps in cancer therapy and improving outcomes for patients worldwide. We expect to proactively seek collaborations with industry-leading biopharmaceutical companies to further enhance the development and commercialization potential of HX301, leveraging synergies and expertise to advance clinical research and accelerate the delivery of innovative therapies to patients in need.

- **Key Product — HX044**

HX044 is a Key Product developed by our Group currently at clinical stage. It is an innovative clinical-stage drug for treatment of various types of malignancies, particularly PD-1-resistant solid tumors, including but not limited to NSCLC, melanoma, renal cell carcinoma, and gastrointestinal cancer. HX044 is a bifunctional anti-CTLA-4 antibody SIRPα fusion protein, with intention to create a "CTLA-4 *plus*" molecule with increased therapeutic window.

HX044 was created in-house, and we have global rights for development and commercialization. It was engineered to significantly reduce affinity for both single targeting of CTLA-4 and CD47, so that it can minimize irAEs and hematological toxicity that resulted from both single bindings in peripheral blood but much higher affinity to tumor cells. On the other hand, as clearly demonstrated in the preclinical models, HX044 efficiently binds to Treg where co-high-expression of both targets occur, resulting in depletion of Treg as well as remodeling of tumor micro-environment significantly in favor of anti-tumor immunity as compared with anti-CTLA-4 mAbs. Therefore, HX044 has broadened therapeutic window.

Pursuant to the relevant laws and regulations in Australia, we obtained the HREC approval and relevant site ethics committee approval in September 2024. We launched the Phase I/IIa clinical study to evaluate the safety and tolerability of HX044 in the treatment of patients with advanced solid tumor malignancies in Australia, with first patient enrolled in December 2024. As of the Latest Practicable Date, we have enrolled eight patients for the HX044-I-01 Australia Study. In addition, we have obtained from NMPA the clinical trial approval notification for HX044 monotherapy and a combination study of HX044 with pucotenlimab in patients with advanced solid tumor malignancies in January and September 2025, respectively (i.e., the HX044-I-01 China Study). The advanced solid tumor targeted by our product refers to relapsed/refractory solid tumor. As of the Latest Practicable Date, we have enrolled 15 patients for the monotherapy part and two patients for the combination therapy part, respectively, for the HX044-I-01 China Study. According to the F&S Report, HX044 is the only CTLA-4/SIRPα bispecific antibody/bifunctional fusion protein under clinical study globally as of the Latest Practicable Date.

- **Commercialized Product — HX008**

HX008 is a humanized antagonist mAb against human PD-1 by using human IgG4 isotype, which can inhibit the PD-1 signal to restore the capability of the immune cells to kill cancer cells through blocking PD-1 binding to their ligands PD-L1 and PD-L2. It innovatively employs antibody engineering techniques to introduce mutations into Fc portion, thereby significantly improving its half-life and leads to strong clinical anti-tumor activity and a favorable safety and efficacy profile.

We co-developed HX008 with Zhongshan Kangfang prior to the Track Record Period. Shortly after we obtained the clinical study approval in August 2017 and through a series of equity transfer agreements entered in between 2017 and 2019, HX008 was transferred to Lepu for a one-off cash payment of RMB350.0 million and annual royalty fee of 4.375% of the annual net sales revenue of HX008. In July and September 2022, the NMPA granted conditional marketing approval for HX008 for the treatment of MSI-H/dMMR solid tumors and inoperable or metastatic melanoma, respectively. As of the Latest Practicable Date, we have received full payment of the one-off cash payment of RMB350.0 million. Benefitted from the successful commercialization of HX008, we received payment of approximately RMB0.7 million, RMB4.4 million and RMB13.1 million as the HX008 annual royalty fee as of the Latest Practicable Date in accordance with its net sales revenues recorded in 2022, 2023 and 2024, respectively. For details, please refer to "— Collaboration Agreements — HX008 Equity Transfer Agreements" in this prospectus.

- **Important Preclinical Stage Products**

Immuno-oncology Treatments

HX017: a monoclonal antibody targeting human NKG2A/CD94, a heterodimer inhibitory receptor expressed on human natural killer cells and tumor infiltrated $CD8^+$ cytotoxic lymphocytes. HX017 can efficiently block the interaction between NKG2A/CD94 and its ligand human leukocyte antigen-E, a non-classical MHC-I molecule whose expression is often upregulated by tumors to avoid immune surveillance. HX017 as an immune checkpoint inhibitor promotes the tumor cytotoxicity of both natural killer cells and $CD8^+$ cytotoxic lymphocytes.

HX016-9: a novel bispecific antibody targeting PD-1 and VEGF, designed to be another "PD-1 *plus*" agent. It was built on HX008, an approved PD-1 monoclonal antibody and our HX006, a novel VEGF monoclonal antibody with higher activity than Avastin. HX016-9 intends to be a differentiated agent in the market for the indications where PD-1 antibody have been used. As of the Latest Practicable Date, we have decided the PCC molecule for HX016-9, and it was in the process of GMP manufacture followed by GLP-enabling studies. We expect to complete the preclinical trial and file the IND application for HX016-9 by the end of 2026.

HX016-7: a novel bispecific antibody targeting PD-L1 and VEGF, designed to be a "PD-L1 *plus*" agent. It was built on an approved PD-L1 monoclonal antibody and our HX006, a novel VEGF monoclonal antibody with higher activity than Avastin. HX016-7 intends to be a differentiated agent in the market for the indications where PD-L1 antibody have been used. As of the Latest Practicable Date, we have decided the PCC molecule for HX016-7, and it was in the process of GMP manufacture followed by GLP-enabling studies. We expect to complete the preclinical trial and file the IND application for HX016-7 by the end of 2026.

ADC

HX111: an antibody-drug conjugate designed to specifically target subclasses lymphoma/leukemia including nearly all ATL, AITL, NK/T and histiocytic lymphoma, as well as certain solid tumors including sarcoma and HNSCC, which express target receptor and are expected to be in unmet medical needs. There is little expression of the receptors among normal tissues, including normal blood cells. As of the Latest Practicable Date, we have completed the preclinical studies of HX111 and submitted the IND application of a Phase I/IIa clinical study of HX111 to NMPA in October 2025. We expect to obtain the clinical study approval in the first quarter of 2026.

HX129: an antibody-drug conjugate specifically targeting to TRBV12, which constitute polymorphism with more than 30 families. A given T cell-derived lymphoma/leukemia expresses a defined TRBV. The antibody of HX129 only recognizes a specific TRBV and efficiently deplete lymphoma/leukemia of this specific subtype of TRBV. HX129 causes little toxicity to normal T cells of other TRBV subtypes, thus limiting its toxicity. Therefore, HX129 is expected to be a safe T cell targeting therapy to address unmet clinical needs.

Autoimmune Treatments

HX035: a BsAb targeting OX40. It blocks OX40L binding to OX40 and induces significantly stronger ADCC activity, so it can be a strong depleting antibody for the autoimmune disease cells. It shows strong anti-GvHD activity in the human PBMC induced acute GvHD model *in vivo*. We also own the global intellectual property right of HX035. We expect to complete the preclinical trial by the end of 2025 and file the IND application for HX035 by the first quarter of 2026.

HX038: a novel fully humanized BsAb binding to OX40 and an undisclosed receptor target X with high affinity. Receptor X is also a known target for autoimmune disease. HX038 elicits significantly strong ADCC activity in $OX40^+$/Receptor X^+ double positive cells *in vitro*, and an ADCC-enhancing version is being generated. We expect HX038 to be a novel drug candidate with broader disease indications than HX035 or other OX40-single-targeting agents in the market due to additional targeting functions. We own the global intellectual property right of HX038. As of the Latest Practicable Date, we have decided the PCC molecule for HX038, and we expect to complete the preclinical trial by the end of 2026 and file the IND application for HX038 by the first quarter of 2027.

Our research and development capabilities lie in the synergy between our exceptional structural biology and translational medicine teams, led by our chairman, Dr. Zhang and our CSO and CEO Dr. Li, respectively. Under Dr. Zhang's guidance, our antibody discovery team focuses on engineering antibody molecules with druggable structures and targeting efficacy, aiming to innovate next-generation therapeutics with enhanced safety and efficacy profiles. For instance, prior to the Track Record Period, we developed HX008, which was meticulously designed to recognize a glycosylated epitope on PD-1, representing innovative molecular design principles that extend its protein half-life, yielding favorable efficacy results while maintaining a high safety profile. Our Core Product HX009, harnesses the basic structure of HX008 and integrates an engineered SIRPα domain with weakened binding affinity to overcome challenges faced by CD47-targeted drugs, such as blood toxicity and antigen sink, illustrating our commitment to overcoming therapeutic hurdles through cutting-edge design.

Synergizing with our structural biology efforts, our translational medicine team, spearheaded by Dr. Li, enjoys a wealth of experience in translational research and a track record of successful drug efficacy studies approved by the FDA. Drawing upon the diverse expertise in biological, medical, and clinical domains of our leading research and development team members, we strategically identify unmet medical needs and select suitable indications to optimize the performance of molecules designed by our structural biology team. Leveraging translational insights, we strategically focus our clinical development efforts on indications such as advanced melanoma and R/R EBV^+ NHL for HX009 and glioblastoma for HX301, aligning our efforts with areas of unmet need to maximize therapeutic impact. Furthermore, the efficiency and synergy within our discovery and development processes are evidenced by a variety of data and publications, including conference presentations, abstracts, posters and manuscripts. These publications highlight the significant strides made by our teams in advancing novel therapeutics, such as HX009, which demonstrates potent anti-lymphoma activity in preclinical models, and HX301, a multi-kinase inhibitor exhibiting strong anti-glioma and acute myeloid leukemia activity in defined preclinical models. Through the collective expertise of our teams and our commitment to innovation, we continue to push the boundaries of therapeutic discovery, with a focus on delivering impactful treatments to patients in need.

During the Track Record Period, we also developed and further enhanced our *VersatiBody* Platform. The traditional approach to develop biologic drugs based on multi-specific antibodies (including BsAb) typically involves establishing fixed structural platforms engaging two or more targets, which may solve heavy or light chain mispairing problems and structure instability, and support biology of a defined pair of targets. However, with the emergence of diverse BsAb therapeutics in discovery and development, it has become evident that such platforms are unlikely to be sufficiently robust for supporting variety of target biology and thus druggability of varying BsAb molecules. Therefore, our *VersatiBody* Platform focuses on diversifying BsAb forms, which allows for flexibility and variability in molecular design, and it is capable to optimize druggability of newly engineered molecules and support diverse pairs of targets in order to achieve desired therapeutic efficacy and safety profiles. This approach

enables us to leverage a range of bispecific antibody technologies to construct adaptable and stable molecular forms, facilitating the identification of the most effective target pairings and molecular configurations to maximize therapeutic outcomes, which underscores our dedication to advancing BsAb therapeutics.

Furthermore, our Group is developing a unique therapeutic platform, the *autoRx40* Platform, to target the OX40 receptor and beyond, where OX40 plays a pivotal role in the pathogenesis of various autoimmune and inflammatory diseases. Our *autoRx40* Platform develops a range of drug candidates that modulate the OX40 pathway, including HX035, an OX40 epitope bispecific antibody that enhances ADCC activity and demonstrates robust depletion of $OX40^+$ cells, as well as antagonist effect; and HX038, an OX40/Target-X bispecific antibody with potential implications due to its dual targeting capability. These pipeline products developed through our *autoRx40* Platform have shown promising results in preclinical models, highlighting its potential to address the unmet medical needs in autoimmune disease treatment.

As of the Latest Practicable Date, our intellectual property portfolio includes six registered patents and more than 12 pending patent applications. These patents and patent applications reflect our ongoing innovation and commitment to protecting our proprietary technologies and advancements in bispecific antibody development. By securing intellectual property rights, we safeguard our investments in research and development, ensuring that our innovative approaches and novel therapeutic solutions remain protected in the competitive landscape of biopharmaceuticals.

We are led by a seasoned management team with significant research and development experience and a proven track record. Our chairman and executive Director, Dr. Zhang, is a veteran professional in research and development, clinical development, product launch and business operations, with over 30 years of experience in the pharmaceutical industry. Our CEO and CSO, Dr. Li, has approximately 20 years of experience in biotech and CRO, including discovery and development of biologics and small molecules in oncology and viral infections. Our CMO and vice general manager, Ms. Zhang, has over 23 years of clinical development experience in global pharmaceutical companies with track record of multiple product market approvals. Overall, our management team has extensive industry experience in biologics development and business management, including antibody discovery and engineering, process development, clinical operations and regulatory affairs. Their vision and insights are also key drivers of our success.

OUR STRENGTHS

The Only Bifunctional Anti-PD-1 Antibody SIRPα Fusion Protein in Clinical Development, an Innovative PD-1 *Plus* Therapy

As a biotech company leading in immune-oncology treatment, we are committed to developing our Core Product, HX009, a pioneering bifunctional anti-PD-1 antibody SIRPα fusion protein. HX009 represents a substantial leap forward in our mission to develop innovative immune therapies that address critical unmet medical needs. At the heart of HX009's design is its unique structure that targets both PD-1 and CD47. This novel mechanism of action holds immense potential in opening up new therapeutic possibilities for patients facing challenging diseases.

The key achievement of HX009 involves its capability to enhance the existing immune checkpoint inhibitors due to its bifunctional structure of PD-1 and CD47 to create a "PD-1 *plus*" modality, so as to overcome the limitations of the existing PD-1 treatment. Dual targeting of these two checkpoints (i.e., PD-1 and CD47) on Teff can be efficient cis-binding and synergistic with regard to their activation, and relative cell surface expression levels can be exploited to enhance cell binding selectivity through the adjustment of binding arm affinities. Leveraging cis-binding mechanism, HX009 is able to enhance T cell activations via co-targeting of $CD8^+$ Teff by blocking PD-1 and cis-engagement with CD47 on Teffs within the tumor micro-environment via anti-PD-1 antibody and SIRPα extracellular domain. In addition, with the high affinity of PD-1 to bind with tumor-infiltrated T cells and bring in HX009 in the tumor microenvironment, HX009 also possesses the potential to improve macrophage phagocytosis and dendritic cell-mediated tumor antigen presentations by blocking the interaction between SIRPα on tumor-infiltrated macrophage/dendritic cell and CD47 on tumor cells.

Another achievement of HX009 lies in its ability to overcome longstanding clinical challenges associated with CD47-targeted drugs. Through rigorous research and development efforts, we have engineered HX009 to minimize toxicity concerns often encountered with anti-CD47 monoclonal antibodies. Particularly, benefitting from its considerably reduced CD47 binding affinity, HX009 demonstrates a lower risk of hematological toxicity and antigen sink, which addresses significant hurdles in the development of effective therapies targeting CD47. By tackling these challenges head-on, we are paving the way for safer and more efficacious treatments for patients.

Our dedication to advancing HX009 is underscored by its remarkable clinical progress in global studies. With the first and only clinical development timeline among bispecific antibodies and bifunctional fusion proteins targeting PD-1/CD47 worldwide, HX009 is at the forefront of innovation in the field. Preclinical studies have shown HX009 to be with significant potential to deliver superior therapeutic outcomes in clinics. Moreover, clinical data has proven it is safe and well tolerated in clinical settings cross several studies. Promising efficacy signals have also been observed in both solid tumor and hematological malignancies which are being investigated in further clinical studies.

We are anticipating future pivotal stage studies in solid tumor and lymphoma, either as single agent or in combinations with other agents that will further evaluate the therapeutic potential of HX009. These studies will be instrumental in shaping the future trajectory of HX009 and its accessibility to patients in need. As we continue to advance HX009 through clinical development, we are driven by our commitment to enhancing patient outcomes and catalyzing positive change in healthcare. The market demand for innovative therapies like HX009 reinforces our steadfast dedication to push the frontiers of medical advancement and actualize transformative treatments to fruition.

Bringing Industry-Leading Expertise in Translational Medicine to Forge a Strong Product Pipeline Addressing Unmet Medical Need

At the heart of our drug development strategy lies our industry-leading proficiency in translational medicine, steered by the visionary leadership of our CSO, Dr. Li. With over a decade of experience in translational research in a leading preclinical CRO, including significant contributions to FDA-approved oncology drug efficacy studies, Dr. Li brings invaluable expertise to our team. Under his guidance, our translational medicine team comprises experts with diverse backgrounds, encompassing biology, medicine and clinical research, ensuring a multifaceted approach to addressing unmet medical needs. This collective wealth of expertise enables us to pinpoint promising target with patient population, smoothen clinical development and optimize the therapeutic efficacy of our molecules through rigorous preclinical and translational researches.

For example, in the case of our Core Product HX009, our translational efforts have led us to prioritize indications such as R/R EBV^+ NHL and advanced melanoma, leveraging the distinct mechanism of dual PD-1 and CD47 targeting within tumor micro-environment. Specifically, EBV^+ NHL has been found to have co-upregulated PD-L1 and CD47, along with enhanced tumor immunogenicity, ideally targeted by HX009; and recent report indicated dual targeting PD-1 and CD47 on Teffs within tumor micro-environment plays crucial role in enhanced and sustained anti-tumor immunity in melanoma. In addition, the strategic selection of advanced biliary tract cancer for HX009 underscores our commitment to addressing areas of critical unmet medical need. Patients with advanced biliary tract cancer have a very poor prognosis, and the mortality rate is very high. It is a type of highly fibrotic cancer that can be treated with HX009 in combination anti-fibrotic drugs (such as FAKi inhibitor), which enables penetration of both immune cells (for example, T cells) and our bispecific antibody, to enhance tumor response to HX009. We explored through translational medicine to bridge the gap between basic scientific discoveries and clinical applications. By aligning clinical development with translational findings, we optimize the likelihood of success and expedite the delivery of novel therapies to patients in need.

Similarly, the potent CSF1R inhibition and brain-penetrant properties of HX301 position it as a promising candidate for glioblastoma treatment in combination with temozolomide, filling a significant gap in current therapeutic options. Through our comprehensive translational approach, we strive to advance a strong product pipeline, paving the way for transformative advancements in patient care within the realm of oncology and beyond.

Furthermore, we strategically collaborate with leading translational science-focused organizations, such as Crown Bioscience, which bolster our capabilities to conduct essential preclinical and translational studies. By leveraging advanced pharmacology and toxicology assessments, biomarker discovery and validations through these collaborations, we have been generating robust data that steers our clinical development decisions. By harnessing cutting-edge translational technologies and methodologies, we deepen our understanding of disease biology and therapeutic mechanisms, laying a solid foundation for successful clinical translation.

Strong Expertise and Capabilities in Structural Biology and Protein Engineering Empowered by Proprietary Technology Platforms for Enhanced Druggability and Sustainable Pipeline Growth

Our Company possesses extensive proficiency and advanced techniques in structural biology and protein engineering, underpinned by proprietary technology platforms that ensures good druggability and sustainability of our pipeline. Departing from traditional approaches to conventional bispecific antibody drug development methods reliant on fixed molecular formats, our innovative *VersatiBody* Platform focuses on the diversification of BsAb forms to optimize combinatory selection of targets. Unlike traditional approaches, *VersatiBody* Platform enables flexible linking of binders or functional parts in a modular manner, facilitating the construction of varying molecular forms tailored to specific therapeutic targets. Through the utilization of various bispecific antibody technologies, our *VersatiBody* Platform empowers us to identify the optimal pairing mode and molecular form, thereby maximizing efficacy and therapeutic windows.

In delineating our core competencies, *VersatiBody* Platform features several key attributes that distinguish our approach. Firstly, our platform offers flexible structures for single and multi-targeting with customizable affinity and avidity to optimize efficacy and toxicology across diverse target biology. By enhancing attributes such as antibody-dependent cellular cytotoxicity, internalization, and tissue specificity, we ensure our molecules exhibit potent therapeutic actions while minimizing off-target effects. Additionally, we prioritize the attainment of desired pharmacokinetic and safety properties, such as controlled affinity to reduce antigen sink resulted from the expression of targeting antigens in the system and systemic toxicity, ensuring the safety and tolerability of our therapeutics in clinical settings. Furthermore, our molecules are engineered to be stable and CMC-friendly, facilitating efficient manufacturing processes and formulation development. Notably, our pipeline comprises several novel molecules with desirable pharmaceutical properties that have advanced to various stages of development, evidently by successful candidates such as HX009, HX044 and HX111. These molecules represent the culmination of our expertise in structural biology and protein engineering, offering promising therapeutic solutions for diverse of unmet medical needs across different disease indications.

In addition, we are developing a unique therapeutic platform, the *autoRx40* Platform, to target OX40 receptor and beyond, where OX40 plays a pivotal role in the pathogenesis of various autoimmune and inflammatory diseases. We are engineering our pipeline products,

such as HX035 and HX038, to either deplete OX40-expressing cells, block OX40-OX40L interactions, or both, offering a multifaceted approach to treating autoimmune diseases by regulating T cell activation, survival, and tolerance. Through a series of pipeline products derived from the *autoRx40* Platform targeting OX40 receptor and beyond, we may take a leading position in clinic of the treatment of certain autoimmune diseases.

Proven Business Development Capabilities Bring in Strategic Partnerships

Our Company demonstrates proven business development capabilities, evidenced by our successful collaborations that bring in strategic partners. We forged a productive cooperation with Lepu after the early phase of the clinical development of HX008 and assisted the clinical development of HX008 till the eventual regulatory approval for the commercialization of HX008. The cooperation with Lepu exemplifies the strong commercialization potentiality of our products, and our capabilities to leverage the sales, marketing, and manufacturing competencies of our business partners to maximize the market reach of our products in the future. Through this collaboration, we have secured milestone payments and annual royalty fees, demonstrating the market recognition and value of our innovative therapeutics.

Our commercialized product, HX008, stands out due to its superior pharmacology profile compared to other PD-1 inhibitors in the market. Through a series of equity transfer agreements entered in between 2017 and 2019, HX008 was transferred to Lepu for a one-off cash payment of RMB350.0 million and annual royalty fee of 4.375% of the annual net sales revenue of HX008. As of the Latest Practicable Date, we have received full payment of the one-off cash payment of RMB350.0 million, and approximately RMB0.7 million, RMB4.4 million and RMB13.1 million as the HX008 annual royalty fee in accordance with its net sales revenues recorded in 2022, 2023 and 2024, respectively.

Our collaboration with Onconova Therapeutics, Inc. (the "**Onconova**", predecessor of Traws Pharma, Inc. after a business combination in April 2024) extends our reach and capabilities in oncology therapeutics, strengthening our portfolio and advancing our mission to address unmet medical needs. Narazaciclib is a multi-kinase inhibitor small molecule that Hangzhou Hanx is co-developing with Onconova for different markets and different indications. In December 2017, we entered into a license, development and commercialization agreement with Onconova (the "**Onconova Co-development Agreement**"). Pursuant to the Onconova Co-development Agreement, Onconova grants Hangzhou Hanx an exclusive, royalty-bearing license, with the right to sublicense, to develop and commercialize narazaciclib which was further developed and named as HX301 for our pipeline within Greater China. Such development and commercialization rights include all activities relating to research, non-clinical, preclinical and clinical, toxicology testing, statistical analysis and reporting, preparation and submission of applications for regulatory approval of the product and all activities directed to the marketing, promotion, selling or offering for sale of a product for an indication. On the other hand, Hangzhou Hanx grants Onconova to develop and manufacture the narazaciclib outside Greater China. In addition, Onconova shall pay us certain royalties for sales outside Greater China. Currently, Hangzhou Hanx focuses on glioblastoma combination

treatment in China. As of the Latest Practicable Date, we have completed the Phase I clinical trial of HX301 that designed for treatment in patients with advanced solid tumor, and the principal investigator has issued the relevant clinical study report dated July 3, 2024.

Bolstered by our exceptional research and development and preclinical capabilities, we lay a solid foundation for future business development plans, facilitating the identification and advancement of innovative therapeutic candidates. Through strategic partnerships, milestone achievements, and a robust pipeline supported by strong clinical data, we continue to drive growth and deliver impactful remedies to patients worldwide.

Experienced Management Team and Renowned Investors

Our management team possesses extensive expertise in the field of structural biology and protein engineering, translational medicine, and clinical development. Our in-depth knowledge is further bolstered by the backing of esteemed investors, which significantly amplifies the robustness and promise of our pharmaceutical development pipeline.

Our leading management team, comprising our chairman, CSO and CMO are pioneering in the biopharmaceutical industry. Their profound expertise in structural biology, protein engineering, translational medicine and clinical development is rooted in their extensive experience. This background positions them to adeptly navigate our drug pipeline from inception to market launch, leveraging insights gained from relationships with leading multinational pharmaceutical companies and strategic collaborations. Their proven track record in successfully advancing drug candidates from preclinical research to clinical trials ensures the efficient progression of our pipeline and maximizes the chances of success. Moreover, the strong expertise with successful track record of advancing multiple clinical candidates through clinical development to market approvals, as well as global regulatory experiences, from working at MNC pharmaceutical companies, is instrumental for the success of the company.

A prime example is chairman and executive Director, Dr. Zhang, who has over 30 years of extensive research and development experience in the pharmaceutical and biotechnology industry. Dr. Zhang was generally responsible for researches and drug development in his previous positions in leading universities and companies such as University of Texas Southwestern Medical Center, Indiana University, Eli Lilly & Company, etc. In addition, Dr. Zhang is a successful serial entrepreneur who worked as a co-founder and chief executive officer of Crown Bioscience (Beijing) Co., Ltd. and established Waterstone Pharmaceuticals.

Our CEO and CSO, Dr. Li, has approximately 20 years of extensive medical research and development experience in the U.S.. He worked as the CSO in Crown Bioscience Inc. for over a decade, spearheading cancer-related research and development. Dr. Li was generally responsible for drug discovery in his previous positions in industry leading companies such as Kylin Therapeutics, Inc.

Furthermore, our CMO and vice general manager, Ms. Zhang, has over 23 years of experience in research and development of new medicines. Ms. Zhang was generally responsible for the clinical development of multiple indications in her previous positions in Eli Lilly and Company, Novartis Pharmaceuticals Corporation, Celgene Corporation and Denovo Biopharma LLC. Such extensive experience in sophisticated pharmaceutical companies equips our management team with considerable expertise in research and development of product pipeline. For details, please refer to "Directors, Supervisors and Senior Management" in this prospectus.

Our company is acknowledged and endorsed by a diverse range of investors, including pharmaceutical industry veterans and renowned financial investors. Their endorsement reflects confidence in our management team, coupled with our innovative drug pipeline and promising clinical data, underscores the strength and potential of our company. With the support of these investors, we are well-positioned to continue advancing our mission of developing transformative therapies to address unmet medical needs and improve patient outcomes.

OUR STRATEGIES

Advance Clinical Development of Our Product Pipeline

In our commitment to advancing clinical development, we have outlined future plans for the clinical and commercialization applications of key candidates in our product pipeline, including HX009, HX301 and HX044.

- **HX009:** We aim to initiate control-arm pivotal registrational studies for HX009 for treatment of R/R EBV^+ NHL and advanced melanoma in 2026. In addition, in September 2024, NMPA granted us the clinical trial approval for HX009 regarding a combination clinical study, which is a Phase IIa clinical study protocol for the combination treatment of HX009 and a pivotal-stage drug in patients with malignant advanced BTC. We have launched this combination study (i.e., the HX009-II-05 China Study) with first patient enrolled in January 2025. We also obtained the NMPA approval in February 2025 for a combination study of HX009 with trastuzumab in patients with advanced triple-negative breast cancer, and we expect the first patient enrollment for this combination study to be in 2026.

- **HX301:** In August 2024, we obtained the NMPA approval to proceed with clinical trials of HX301 in combination with temozolomide in the treatment of patients with glioblastoma. We have enrolled first patient for this combination study (i.e., the HX301-II-01 China Study) in January 2025, and the HX301-II-01 China Study is currently ongoing as of the Latest Practicable Date. Going forward, we plan to commence a Phase III randomized, control arm registrational study in glioblastoma in 2027.

- **HX044:** We are conducting an ongoing first-in-human phase I study in patients with advanced solid tumors in Australia (i.e., the HX044-I-01 Australia Study) with first patient enrolled in December 2024. In addition, we have obtained from NMPA the clinical trial approval notification for HX044 monotherapy and a combination study of HX044

with pucotenlimab in patients with advanced solid tumor malignancies in January and September 2025, respectively (i.e., the HX044-I-01 China Study). The advanced solid tumor targeted by our product refers to relapsed/refractory solid tumor. As of the Latest Practicable Date, we have enrolled 23 patients for the monotherapy part (with eight patients in Australia and 15 patients in China) and two patients for the combination therapy part, respectively. Following the completion of dose escalation to determine the RP2D based on the safety, pharmacokinetic, and efficacy data, which is expected to be obtained in the fourth quarter of 2026, we aim to commence a phase IIa study to investigate efficacy and safety at the RP2D level and complete the HX044-I-01 studies by the first half of 2029.

Continue Exploring Combination Therapies for Our Product Pipeline

As part of our commitment to advancing innovative treatment approaches, we are actively exploring combination therapies for our product pipeline, aiming to enhance efficacy and improve outcomes for patients.

- ***HX009 combination treatment with a pivotal-stage drug in advanced biliary tract cancer:*** We are evaluating the potential of combining HX009 with a pivotal trial stage anti-fibrotic drug in patients with advanced biliary tract cancer who have progressed after standard treatment. This study aims to assess the synergistic effects of HX009 and a pivotal-stage drug, potentially offering a novel therapeutic approach for patients facing limited treatment options for this challenging disease. The drug used in this combination study is a focal adhesion kinase inhibitor (aka. FAKi) drug developed by InxMed Biotech Co., Ltd. (Shanghai)* (應世生物科技(上海)有限公司). As of the Latest Practicable Date, this FAKi drug was in its pivotal trial stage (Stage III), and obtain NDA market approval on our HX009 for the treatment of BTC relies on the successful market development of this drug. As of the same date, we have enrolled nine patients for this combination study.

- ***HX009 combination treatment with trastuzumab in advanced triple-negative breast cancer:*** We also obtained the NMPA approval in February 2025 for a combination study of HX009 with trastuzumab in patients with advanced triple-negative breast cancer, and we expect the first patient enrollment for this combination study to be in 2026.

- ***HX301 combination treatment with temozolomide in glioblastoma patients:*** We are exploring combination treatment with temozolomide in glioblastoma patients who have undergone surgery and standard concurrent chemoradiotherapy but have not received any other treatment thereafter. We plan to initiate a phase III study in 2027 to further evaluate the efficacy and safety of this combination regimen. By combining HX301 with temozolomide, we aim to capitalize on synergistic effects and potentially improve clinical outcomes for glioblastoma patients, addressing an unmet medical need in this challenging disease indication.

- ***HX044 combination treatment with pucotenlimab in patients with advanced solid tumour:*** We are evaluating the safety, tolerability and also determining the MTD and RP2D of HX044 in combination with pucotenlimab in patients with advanced solid tumour malignancies. The advanced solid tumor targeted by our product refers to relapsed/refractory solid tumor. We obtained the clinical study approval from NMPA for this combination study in September 2025, and we enrolled first patient for the combination therapy in November 2025.

- ***Exploring immuno-oncology and ADC combinations in clinical trials:*** We are actively exploring the synergistic potential of immuno-oncology therapies and ADCs through clinical trials. With a portfolio of immuno-oncology products such as HX009, HX044 and HX017, and ADC products HX111 and HX129, we are investigating combination therapies to enhance therapeutic efficacy and broaden the applicability of our products across different cancer indications.

Enhance Our Research and Development Capabilities

As we continue to innovate and expand our product pipeline, it is crucial to further enhance our research and development capabilities. Below sets forth the key initiatives to strengthen our research and development endeavors:

- ***Explore novel target biology to meet clinical needs:*** We strive to explore new disease biology of target molecule so to benefit the development of specific cancer treatments. This include target molecules on tumor cells or on tumor micro-environments, which are exemplified by target molecules of our HX044, HX111, HX009 and HX301.

- ***Expanding applications of products pipeline:*** In addition to exploring novel oncology indications, we are exploring the applications of our existing oncology pipelines in other disease fields. For example, we are investigating the potential applications of HX017 in anti-infection indications, as well as exploring the application of HX111 in autoimmune and inflammatory conditions. By diversifying the therapeutic applications of our products, we aim to address unmet medical needs across a broad spectrum of diseases.

- ***Optimizing molecule discovery workflow:*** We are dedicated to optimizing our molecule discovery workflow to expedite the antibody discovery process and increase throughput. By streamlining processes and leveraging advanced technologies such as our *VersatiBody* Platform and *autoRx40* Platform as well as sourcing out high-throughput protein expression, we aim to shorten timelines and enhance productivity in identifying promising therapeutic candidates.

- ***Exploring natural molecules to engineer our drugs:*** In our quest to expand our target portfolio, we are actively exploring natural receptors and ligands as potential binders or functional modules. By tapping into nature's vast repertoire of biological molecules, we aim to uncover novel targets with therapeutic potential and broaden the scope of our research and development efforts, while reduce the risk of anti-drug antibody.

- ***Collaborating for efficient pharmacology and translational research:*** Collaboration with contract research organizations and clinical institutes is paramount for accelerating preclinical pharmacology and translational research. For instance, in our collaboration with Crown Bioscience, we aim to enhance the efficiency and precision of indication identification and patient stratification processes, paving the way for the rapid development of innovative therapeutic interventions.

These initiatives underscore our commitment to advancing research and development capabilities, driving innovation, and ultimately delivering transformative therapies to address unmet medical needs. Through strategic collaborations, technological advancements, and a relentless pursuit of scientific excellence, we aim to make meaningful contributions to the field of biopharmaceuticals and improve patient outcomes worldwide.

Upgrade Our Existing Platform and Build New Platforms for New Modality Drugs

In our commitment to innovation and advancing drug discovery, we are focused on upgrading our existing platforms and building new platforms for novel modality drugs. Below sets forth our key initiatives:

- ***Optimizing the VersatiBody and autoRx40 Platforms:*** We are dedicated to optimizing our *VersatiBody* Platform to delve deeper into target biology and address the evolving needs of antibody therapeutics and antibody-drug conjugate therapeutics, including those bispecific antibodies and bispecific antibody-drug conjugate. In addition, we are also developing a unique therapeutic platform, the *autoRx40* Platform, to target the OX40 receptor and beyond, where OX40 plays a pivotal role in the pathogenesis of various autoimmune and inflammatory diseases. We are engineering our products, such as HX035 and HX038, to either deplete OX40-expressing cells, block OX40-OX40L interactions, or both, offering a multifaceted approach to treating autoimmune diseases by regulating T cell activation, survival, and tolerance. By enhancing our understanding of target biology, we aim to identify more novel targets and target combinations, paving the way for the development of novel therapeutic interventions.

- ***Building potential ADC research and development platform:*** Leveraging the *VersatiBody* Platform and independent intellectual properties, we are establishing our own ADC research and development by collaborating with partners, involving novel linkers and drug payloads tailored to our ADC products, enhancing their efficacy and safety profiles. By combining our expertise in antibody engineering with innovative ADC technologies, we aim to deliver next-generation ADC therapies with improved therapeutic outcomes.

Through strategic investments in platform development and exploration of novel therapeutic modalities, we aim to make meaningful contributions to the advancement of healthcare.

Enhance Business Development and Strengthen Global Partnerships

As we continue to advance our drug pipeline, enhancing our business development efforts and forging strong global partnerships are key priorities. We are implementing the following strategic initiatives:

- ***HX009 development partnerships:*** As we prepare to initiate pivotal registration studies for HX009, we will actively seek development partners and explore out-licensing opportunities. By collaborating with strategic partners, we aim to leverage their expertise and resources to accelerate the clinical development, including but not limited to combination treatments with partner's either commercialized or investigational drugs, and commercialization of HX009, maximizing its potential to address unmet medical needs in oncology.

- ***HX301 global collaboration with business partners:*** In December 2017, we entered into a license, development and commercialization agreement with Onconova Therapeutics, Inc., and currently, Onconova focuses on CDK4/6 inhibition for the treatment of endometrial carcinoma in the U.S., while Hangzhou Hanx focuses on GBM combination treatment in China. Our collaboration with Onconova extended our reach and capabilities in oncology therapeutics, strengthening our portfolio and advancing our mission to address unmet medical needs. We will continue to seek collaborations with global partners so as to offer new treatment options for patients suffering from certain type of cancer.

- ***Exploration of other preclinical assets:*** Based on the data generated from our preclinical assets, particularly following first-in-human Phase 1 clinical trials, we will initiate business development activities on our new pipelines including HX111, HX016 and HX035. Once we have preliminary clinical data indicating safety and efficacy, we will actively engage in discussions with potential partners to explore collaboration opportunities and advance our preclinical assets toward clinical development and commercialization.

These initiatives demonstrate our proactive approach to business development, as we seek to leverage external expertise, resources, and global networks to advance our drug pipeline and bring innovative therapies to patients in need. By fostering strategic partnerships and collaborations, we aim to accelerate the development and commercialization of our novel therapeutics, ultimately improving patient outcomes and addressing unmet medical needs on a global scale.

Continue to Build Up an Internal Clinical Development Team

In our pursuit of advancing clinical development and ensuring the seamless progression of our pipeline, we recognize the paramount importance of a robust internal clinical development team. Currently, in addition to our CMO and vice general manager, Ms. Zhang,

our clinical team comprises 17 dedicated professionals. This team is structured to include 11 members in clinical operations, three in the medical department, one in pharmacovigilance, one in data management, and one in quality assurance/quality control.

Looking ahead over the next three to five years, we are committed to fortifying our clinical infrastructure and refining our standard operating procedures (SOP) to uphold the highest standards of operational excellence. To achieve this, we plan to optimize our resource allocation by outsourcing data statistics and pharmacovigilance functions to reputable contract research organizations. With a strategic focus on strengthening our clinical capabilities, we aim to enhance our agility, efficiency, and responsiveness in navigating the complex landscape of clinical development, so as to meet the evolving demands of our pipeline.

Continue to Attract and Retain Talents to Fuel Our Expansion

Attracting and retaining top-tier talent is central to our growth strategy. We recognize that the caliber of our team directly impacts our ability to achieve our long-term objectives. To ensure we have the right people in place to support our development goals, we have implemented a strategic approach to talent acquisition. This involves aligning our recruitment plans with the strategy and future business needs of our Company. By conducting thorough analysis of the skills and expertise we will require down the line, we can tailor our recruitment efforts to attract individuals who possess the qualities necessary to drive our success.

Beyond conventional recruitment channels, we proactively seek out a variety of channels to source talent. This proactive strategy encompasses engaging with professional networks, participating in industry forums, and leveraging internal referral programs. By casting a wide net and tapping into various talent pools, we increase our chances of identifying individuals who bring unique perspectives and valuable skill sets to our team. We prioritize a comprehensive candidate assessment process that goes beyond professional experience. We evaluate candidates for their potential to grow within our organization and their fit with our company culture. By prioritizing the well-being and professional growth of our team members, we create a workplace where individuals feel valued, supported, and motivated to contribute their best work.

OUR PRODUCT PIPELINE

As a science-driven biotech company, we have internally developed all of our pipeline candidates (except for HX301) by utilizing our proprietary and integrated R&D platforms. We constructed our pipeline to harness both innate and adaptive arms of immunity to unleash their synergistic potential. Our pipeline is designed to address the limitations of current checkpoint inhibitors, such as limited response due to "cold tumors" with immune-suppressive tumor micro-environment and to other unmet medical needs, thereby bringing clinical benefits to patients with a wide range of cancer as well as other diseases indications. As of the Latest Practicable Date, we had built up a pipeline composed of 10 drug products, with three pipeline products in clinical stage. Except for HX301, which we own development and commercialization rights in Greater China and certain royalties for sales outside of Greater

China, we own worldwide IP, development and commercial rights to our other pipeline candidates, which allows us to address critical medical needs in the global market. Currently, we plan to prioritize the clinical trials for our pipeline candidates in China, and have no plan for any pivotal-trial stage development, manufacturing and commercialization of our product candidates in Australia and the U.S. due to significant funding needs for pivotal-stage clinical trials and commercialization. We'll advance to these markets when clear strategic synergies arise, and may consider opportunities if collaborative prospects emerge.

As of the Latest Practicable Date, our Core Product HX009 and our Key Products HX301 and HX044 are under clinical trials in China and Australia. The following chart summarizes the development status of our pipeline products as of the Latest Practicable Date:

	Product	MoAs	Class of Drugs	Current Indication/ Therapeutic Area	Competent Authority	Treatment Line	Commercial Rights	Preclinical	Phase Ia/I	Phase Ib/II	Phase III/ Registrational	NDA/ BLA	Upcoming Milestone	Partnership
Clinical	HX009[1] ★	PD-1/SIRPα	bifunctional antibody fusion protein	R/R EBV+ NHL (monotherapy)	NMPA	2L+	Global						Complete Phase Ib clinical study by end of 2025	N/A
				Advanced Melanoma (monotherapy)	NMPA	1L/2L+							Complete Phase Ib clinical study by the second half of 2026	
				Advanced Biliary Tract Cancer (combination therapy)	NMPA	2L+							Complete Phase IIa clinical study by the third quarter of 2027	
				Advanced Triple-Negative Breast Cancer (combination therapy)	NMPA	2L+							Launch Phase IIa clinical study in 2026	
	HX301[2] ▲	CSF1R/ARK5/ CDK4/6/FLT-3	small molecule	Glioblastoma (combination therapy)	NMPA	1L	Greater China						Complete Phase IIa clinical study by end of 2028	Co-development TRAWS PHARMA
	HX044[3] ▲	CTLA-4/SIRPα	bifunctional antibody fusion protein	Advanced solid tumor malignancies (monotherapy and combination therapy)	TGA/NMPA	2L+	Global						Complete dose escalation clinical study by the fourth quarter of 2026	N/A
Pre-Clinical	HX035	OX40 epitopes	BsAb	Inflammation/autoimmune	N/A	N/A	Global						File IND application by the first quarter of 2026	
	HX038	OX40/ Undisclosed target	BsAb	Inflammation/autoimmune	N/A	N/A	Global						Complete preclinical trial by end of 2026 and file IND application by the first quarter of 2027	
	HX111	Undisclosed target	mAb-ADC	Selected T-L/L+ solid tumors	N/A	N/A	Global						Obtain IND approval by the first quarter of 2026	
	HX129	TRBV12	mAb-ADC	Selected T-L/L	N/A	N/A	Global						N/A[5]	
	HX017	NKG2A	mAb	PD-1-resistant solid tumors/ viral infection	N/A	N/A	Global						N/A[5]	
	HX016-9	PD1/VEGF	BsAb	Solid tumors	N/A	N/A	Global						Complete preclinical trial and file IND application by end of 2026	
	HX016-7	PD-L1/VEGF	BsAb	Solid tumors	N/A	N/A	Global							

★ Core Product ▲ Key Product

Notes:

(1) We obtained from NMPA the clinical trial approval notification (i) for HX009 monotherapy in patients with malignancies in October 2019, (ii) for HX009 in combination with a pivotal stage drug in patients with advanced solid tumor (including BTC and advanced melanoma) in September 2024, and (iii) for HX009 in combination with trastuzumab in patients with advanced triple-negative breast cancer in February 2025. As of the Latest Practicable Date, we have completed Phase Ia of the HX009-I-01 China Study, which is a standalone and conventional Phase I clinical study. We are currently conducting Phase Ib of the HX009-I-01 China Study for the treatment of advanced melanoma, the HX009-II-02 China Study for the treatment of R/R EBV+ NHL, and the HX009-II-05 China Study for the treatment of advanced biliary tract cancer, which is a combination study with a focal adhesion kinase inhibitor (aka. FAKi) drug developed by InxMed Biotech Co., Ltd. (Shanghai)* (應世生物科技(上海)有限公司). As of the Latest Practicable Date, this FAKi drug was in its pivotal trial stage (Stage III), and HX009 for this study will only be used together with this FAKi drug once it receives the market authorization approval. The dotted line represents the exempted stages for these two combination studies of HX009, which was granted as leveraging study results from other clinical trial programs of HX009 (including HX009-I-01 Australia Study and Phase Ia of the HX009-I-01 China Study) and communications with the Competent Authorities in this regard.

(2) We obtained from NMPA the clinical trial approval notification for HX301 monotherapy in patients with advanced malignancies in January 2020 and for HX301 in combination with temozolomide in patients with glioblastoma in August 2024, respectively. As of the Latest Practicable Date, we have completed Phase I clinical study of the HX301-I-01 China Study. We are currently conducting the Phase IIa clinical study of HX301 in combination with temozolomide (i.e., HX301-II-01 China Study), and have enrolled seven patients as of the Latest Practicable Date. The dotted line represents the exempted stages for the combination study of HX301, which was granted as leveraging study results from other clinical trial programs of HX301 (including HX301-I-01 China Study and Onconova 19-01 phase 1 study conducted in the U.S.) and communications with the Competent Authorities in this regard.

(3) Pursuant to the relevant laws and regulations in Australia, we submitted our Human Research Ethics Committee (HREC) application for HX044, and obtained the HREC approval dated September 10, 2024 for conducting a Phase I/IIa clinical study to evaluate the safety and tolerability of HX044 in the treatment of patients with advanced solid tumor malignancies (i.e., the HX044-I-01 Australia Study). As of the Latest Practicable Date, we have enrolled eight patients for the HX044-I-01 Australia Study. In addition, we have obtained from NMPA the clinical trial approval notification for HX044 monotherapy and a combination study of HX044 with pucotenlimab in patients with advanced solid tumor malignancies in January and September 2025, respectively (i.e., the HX044-I-01 China Study). The advanced solid tumor targeted by our product refers to relapsed/refractory solid tumor. As of the Latest Practicable Date, we have enrolled 15 patients for the monotherapy part and two patients for the combination therapy part, respectively, for the HX044-I-01 China Study.

(4) Prior to the Track Record Period, we co-developed HX008 with Zhongshan Kangfang, which is, a mAb targeting PD-1 with a proven long half-life. Shortly after we obtained the clinical study approval in August 2017 and through a series of equity transfer agreements entered in between 2017 and 2019, HX008 was transferred to Lepu for a one-off cash payment of RMB350.0 million and annual royalty fee of 4.375% of the annual net sales revenue of HX008. In July and September 2022, the NMPA granted conditional marketing approval for HX008 for the treatment of MSI-H/dMMR solid tumors and inoperable or metastatic melanoma, respectively. As of the Latest Practicable Date, we have received full payment of the one-off cash payment of RMB350.0 million as the milestone payment, and approximately RMB0.7 million, RMB4.4 million and RMB13.1 million as the HX008 annual royalty fee for 2022, 2023 and 2024, respectively. For details, please refer to "Business — Collaborative Agreements — HX008 Equity Transfer Agreements" in this prospectus.

(5) The pipeline candidates were developed as preclinical candidate compounds. As of the Latest Practicable Date, we have completed the preclinical studies and achieved promising results for the respective pipeline candidates. We plan to proactively seek collaboration with industry-leading business partners to further develop these pipeline candidates.

Summary of Completed and Ongoing Clinical Studies

The table below sets forth an overview of our completed and ongoing clinical studies as of the Latest Practicable Date by each clinical study:

Phase	Site Jurisdiction	Authority	Indication	Status	Patient Enrolled	Start Date[1]	(Expected) Completion Date[2]
HX009-I-01 Australia Study[3]							
Study design: first-in-human study evaluating the safety, tolerability, pharmacokinetics, and initial efficacy							
I	Australia	TGA	advanced malignancies	Completed with primary and secondary endpoints achieved	21	October 2019	October 2022
HX009-I-01 China Study[4]							
Study design: open-label, multicenter, dose escalation and dose expansion study							
Ia[5]	China	NMPA	advanced solid tumor	Completed with primary and secondary endpoints achieved	25	June 2020	July 2024
Ib[6]	China	NMPA	advanced melanoma	Ongoing	46	November 2023	2026H2
HX009-II-02 China Study[7]							
Study design: dose escalation and dose expansion study							
Ia	China	NMPA	R/R lymphoma (including R/R EBV^+NHL)	Ongoing	7	December 2021	N/A
Ib/II	China	NMPA	R/R lymphoma (including R/R EBV^+ NHL)	Ongoing	41	November 2022	end of 2025

Phase	Site Jurisdiction	Authority	Indication	Status	Patient Enrolled	Start Date[1]	(Expected) Completion Date[2]
HX009-II-05 China Study[8]							
Study design: dose escalation and dose expansion study							
IIa	China	NMPA	advanced biliary tract cancer	Ongoing	9	January 2025	2027Q3
HX301-I-01 China Study[9]							
Study design: open-label, multicenter, dose escalation study							
I	China	NMPA	advanced solid tumor	Completed with primary and secondary endpoints achieved	20	September 2020	July 2024
HX301-II-01 China Study[10]							
Study design: combination study with temozolomide							
IIa	China	NMPA	glioblastoma	Ongoing	7	January 2025	end of 2028
HX044-I-01 clinical studies[11]							
Study design: first-in-human study evaluating the safety, tolerability, pharmacokinetics, and initial efficacy, including dose escalation and dose expansion							
HX044-I-01 Australia Study							
I/IIa	Australia	TGA	advanced solid tumor malignancies	Ongoing	8	December 2024	2029H1[13]
HX044-I-01 China Study							
I/IIa	China	NMPA	advanced solid tumor malignancies	Ongoing	17[12]	March 2025[13]	2029H1[13]

Notes:

(1) Being the first patient enrollment date for the respective clinical study.

(2) Unless otherwise specified, being the date of clinical study report for the respective clinical study that issued by the principal investigator. N/A means no clinical study report available for the respective study. There is no separate clinical study report for Phase Ia of the HX009-II-02 China Study because, pursuant to the protocol design, Phase Ia has enrolled only seven patients in this clinical study, and the clinical results of Phase Ia will be included in the clinical study report of phase Ib/II, which is expected to be completed in the fourth quarter of 2025.

(3) The primary objectives of the HX009-I-01 Australia Study are to (i) assess the safety and tolerability of HX009; and (ii) determine the maximum tolerated dose (MTD) and the recommended Phase II dose (RP2D) of HX009 in subjects with advanced malignant tumors by evaluating dose-limiting toxicities (DLTs). The primary endpoints of the HX009-I-01 Australia study are (i) treatment-emergent adverse events; (ii) changes in clinical laboratory assessments, vital signs, and electrocardiograms results; and (iii) evaluation of DLTs up to 28 days after the first dose of study treatment. The secondary endpoints of the HX009-I-01 Australia study are (i) including but not limited to terminal elimination half-life, mean residence time in vivo, area under the plasma concentration-time curve from 0 to time of last quantifiable concentration, area under the concentration-time curve from 0 to 168 hours, area under the concentration-time curve from 0 to 336 hours; area under the concentration-time curve from 0 to infinity hours for day 1, apparent volume of distribution, apparent total serum clearance of drug, maximum concentration of the drug, time to maximum concentration of the drug, linear relationship, and drug accumulation ratio; (ii) best overall response, objective response rate, duration of response, progression-free survival, overall survival, and disease control rate at 6 and 12 months, as defined by RECIST Version 1.1 and immune RECIST; and (iii) occurrence of antidrug antibodies.

(4) The HX009-I-01 China Study (Phase Ia) is a conventional phase I clinical study according to the clinical design set out in its protocol. This conventional phase I clinical study has been completed. The current ongoing Phase Ib clinical study under the revised HX009-I-01 Protocol is conducted in patients with a selected indication to assess its efficacy, which is generally regarded as part of a conventional phase II clinical study, and CDE has no objection for the Company to proceed with its phase II clinical studies.

(5) The primary objectives of Phase Ia of the HX009-I-01 China Study were designed to evaluate the safety and tolerability of HX009 in patients with advanced solid tumor, and to determine the maximum tolerated dose and/or the recommended phase II dose of HX009. The primary endpoints of Phase Ia of the HX009-I-01 China Study are (i) the DLTs and the treatment-emergent adverse events; and (ii) the RP2D and MTD. The secondary endpoints of Phase Ia of the HX009-I-01 China Study are (i) investigate the pharmacokinetic characteristics of HX009 injection in patients with advanced solid tumors; (ii) evaluate the immunogenicity of HX009 injection by testing the production of anti-drug antibodies; (iii) conduct a preliminary assessment of the anti-tumor efficacy of HX009 injection; (iv) evaluate the receptor occupancy on peripheral blood T-cell surfaces after intravenous administration of HX009.

(6) The primary objectives of Phase Ib of the HX009-I-01 China Study were to further evaluate the safety and preliminary efficacy of HX009 in patients with advanced melanoma. The primary endpoints of Phase Ib of the HX009-I-01 China Study are (i) the rate and severity of adverse event, if any; and (ii) objective response rate and progression-free survival.

(7) The primary objectives for Phase Ia of the HX009-II-02 China Study are (i) to assess the safety and tolerability of HX009; and (ii) determine the maximum tolerated dose (MTD) and the recommended Phase II dose (RP2D) of HX009 in subjects with relapsed/refractory lymphoma. The primary endpoints for Phase Ia of the HX009-II-02 China Study are the rate and severity of adverse event. The primary objectives for Phase Ib/II of the HX009-II-02 China Study are to evaluate efficacy of HX009 in subjects with relapsed/refractory lymphoma. The primary endpoints for Phase Ib/II of the HX009-II-02 China Study are the objective response rate.

(8) The primary objective for the HX009-II-05 China Study is to assess the safety and tolerability as well as anti-tumor efficacy of HX009 in combination with a pivotal stage drug in patients with advanced solid tumor (including BTC and advanced melanoma). The primary endpoint for the HX009-II-05 China Study is RP2D and ORR of HX009 in combination with a pivotal stage drug. The secondary endpoints for the HX009-II-05 China Study are (i) duration of remission, disease control rate, progression-free survival rate, as assessed by the investigator according to RECIST Version 1.1, progression-free survival rate at 6 and 12 months; (ii) overall survival, overall survival rate at 6 and 12 months; and (iii) adverse events, laboratory safety tests, vital signs, and 12-lead electrocardiogram, etc. According to the relevant PRC laws and regulations, where a drug approved to carry out clinical trials intends to add combination with other drugs, the applicant shall submit a new drug clinical trial application. For details, please refer to "Regulatory Overview — Principal Regulatory Provisions — Laws and Regulations on New Drugs — Conduct of Clinical Trial" in this prospectus. In September 2024, we obtained the combination approval for this clinical study.

(9) The primary objectives and endpoints for the HX301-I-01 China Study are (i) to assess the safety and tolerability of HX301; and (ii) the MTD and RP2D of HX301. The secondary endpoints of the HX301-I-01 China Study are (i) investigate the pharmacokinetic characteristics of HX301 monolactate capsules in patients with solid tumors; (ii) conduct a preliminary evaluation of the efficacy of HX301 monolactate capsules in treating advanced solid tumors (including indicators such as objective response rate, progression-free survival, duration of response, and disease control rate.

(10) The primary objective for the HX301-II-01 China Study is to evaluate the safety and tolerability of HX301 combined with temozolomide in the treatment of patients with glioblastoma. The primary endpoint for the HX301-II-01 China Study is the RP2D of HX301 in combination with temozolomide. The secondary endpoints of the HX301-II-01 China Study are (i) incidence and severity of adverse events; (ii) objective remission rate, disease control rate, duration of remission, progression-free survival, and 6/12-month PFS rate as assessed by the investigator according to the Response Assessment in Neuro-Oncology criteria; and (iii) overall survival. According to the relevant PRC laws and regulations, where a drug approved to carry out clinical trials intends to add combination with other drugs, the applicant shall submit a new drug clinical trial application. For details, please refer to "Regulatory Overview — Principal Regulatory Provisions — Laws and Regulations on New Drugs — Conduct of Clinical Trial" in this prospectus. In August 2024, we obtained the combination approval for this clinical study.

(11) The primary objectives for the HX044-I-01 clinical studies are to (i) assess the safety and tolerability of HX044; and (ii) determine the MTD and/or the RP2D of HX044 in subjects with advanced malignant tumors by evaluating DLTs. The primary endpoints for the HX044-I-01 clinical studies are (i) adverse events, clinical laboratory assessments, vital signs, and electrocardiograms; and (ii) evaluation of DLTs up to 21 days after the first dose of study treatment.

(12) As of the Latest Practicable Date, there were 15 and two patients enrolled for the monotherapy part and combination therapy part of the HX044-I-01 China Study, respectively.

(13) We expect to complete the dose escalation clinical study for the HX044 clinical studies by the fourth quarter of 2026, and complete the HX044 clinical studies by the first half of 2029.

The table below sets forth an overview of our completed and ongoing clinical studies as of the Latest Practicable Date by each jurisdiction:

Study Name	(Designed) Disease Stage	(Designed) Duration of Treatment	(Designed) Follow-up Period	(Designed) Treatment Dosage and Schedule	Summary of the Results
Australia					
HX009-I-01 Australia Study	Histologically confirmed advanced malignant tumor that is refractory/relapsed to standard therapies, or for which no effective standard therapy is available, or the subject refuses standard therapy	Until the subject develops an intolerable toxicity, withdraws consent, developed progression of disease (PD), dies, lost to follow-up, or has received study treatment for 24 months; whichever comes first	Safety follow-up: 90 (±7) days after the last dose of study treatment Survival follow-up: every 12 weeks	Once every two weeks 0.1 mg/kg, 0.3 mg/kg, 1.0 mg/kg, 2.0 mg/kg, 3.0 mg/kg, 5.0 mg/kg, 7.5 mg/kg	Completed with primary objectives and endpoints achieved
HX044-I-01 Australia Study	Histologically confirmed advanced malignant solid tumor that is refractory/relapsed to standard therapies, or for which no effective standard therapy is available, or the subject refuses standard therapy	Until the subject develops an intolerable toxicity, withdraws consent, developed progression of disease (PD), dies, lost to follow-up, start of new anticancer treatment, or up to study treatment duration of 24 months; whichever comes first	Safety follow-up: 30 (±7), 60 (±7), 90 (±7) days after the last dose of study treatment Survival follow-up: every 12 weeks ±7 days for subject who reached 24 months of study treatment	Once every three weeks 0.1 mg/kg, 0.5 mg/kg, 1.0 mg/kg, 2.0 mg/kg, 4.0 mg/kg, 8.0 mg/kg, 15.0 mg/kg, 25.0 mg/kg	Ongoing – expected complete dose escalation in the fourth quarter of 2026

Study Name	(Designed) Disease Stage	(Designed) Duration of Treatment	(Designed) Follow-up Period	(Designed) Treatment Dosage and Schedule	Summary of the Results
China					
HX009-I-01 China Study (Phase Ia)	Histologically or cytologically confirmed advanced malignant solid tumor that has progressed after or is intolerant to standard therapies, or for which no effective treatment is available	Until the investigator assessed the subject no longer benefit, subject either develops an intolerable toxicity, withdrew consent, developed progression of disease (PD), start of new anticancer treatment, dies, lost to follow-up, or have received study treatment for 12 months; whichever occurs first	28 (±10) days after the last administration of the drug	Once every two weeks 0.3 mg/kg, 1.0 mg/kg, 2.0 mg/kg, 3.0 mg/kg, 5.0 mg/kg, 7.5 mg/kg, 15.0 mg/kg	Completed with primary objectives and endpoints achieved

Study Name	(Designed) Disease Stage	(Designed) Duration of Treatment	(Designed) Follow-up Period	(Designed) Treatment Dosage and Schedule	Summary of the Results
HX009-I-01 China Study (Phase Ib/II) Cohort A . .	Treatment-naive advanced melanoma	Until the subject either develops intolerable toxicity, developed progression of disease (PD), withdrawals consent, start of new anticancer treatment, dies, loss to follow-up, study termination/completion, or have received study treatment for 24 months; whichever occurs first	Safety follow-up: 28 days after the last dose of study treatment Survival follow-up: every 12 weeks for subject after end of treatment	Once every two weeks 10mg/kg IV	Ongoing
HX009-I-01 China Study (Phase Ib) Cohort B. . . .	Post-ICI (immune checkpoint inhibitor) advanced melanoma	Until the subject either develops intolerable toxicity, developed progression of disease (PD), withdrawals consent, start of new anticancer treatment, dies, loss to follow-up, study termination/completion, or have received study treatment for 24 months; whichever occurs first	Safety follow-up: 28 days after the last dose of study treatment Survival follow-up: every 12 weeks after end of treatment	Once every two weeks 10mg/kg IV	Ongoing

Study Name	(Designed) Disease Stage	(Designed) Duration of Treatment	(Designed) Follow-up Period	(Designed) Treatment Dosage and Schedule	Summary of the Results
HX009-II-02 China Study (Phase Ia)	Lymphomas diagnosed according to the 2022 fifth Edition WHO Classification, meeting the following relapsed/refractory criteria, including: (1) Relapsed/refractory diffuse large B-cell lymphoma; (2) Relapsed/refractory peripheral T-cell lymphoma; (3) Relapsed/refractory classical Hodgkin lymphoma; (4) Relapsed/refractory mantle cell lymphoma; (5) Relapsed/refractory follicular lymphoma and relapsed/refractory marginal zone lymphoma.	Until the subject either develops intolerable toxicity, developed progression of disease (PD), withdrawals consent, investigator assessed the risk out-weighted benefits, start of new anticancer treatment or treatment study, dies, loss to follow-up, or have received study treatment for 12 months; whichever occurs first	28 (±7) days after the last administration of the drug, and 90 (±7) days after the last dose if the subject experiences an immune-related adverse event (irAE)	Once every two weeks 7.5mg/kg; 15mg/kg	Completed with data cutoff date on September 12, 2023

Study Name	(Designed) Disease Stage	(Designed) Duration of Treatment	(Designed) Follow-up Period	(Designed) Treatment Dosage and Schedule	Summary of the Results
HX009-II-02 China Study (Phase Ib/II)	Lymphomas diagnosed according to the 2022 fifth Edition WHO Classification, meeting the following relapsed/refractory criteria: (1) Relapsed/refractory diffuse large B-cell lymphoma (DLBCL); (2) Relapsed/refractory peripheral T-cell lymphoma (PTCL); (3) Relapsed/refractory follicular lymphoma (FL) and relapsed/refractory marginal zone lymphoma (MZL); (4) Relapsed/refractory EBV-positive non-Hodgkin lymphoma.	Until the subject either develops intolerable toxicity, developed progression of disease (PD), withdrawals consent, investigator assessed the risk out-weighted benefits, start of new anticancer treatment or treatment study, dies, loss to follow-up, or have received study treatment for 12 months; whichever occurs first.	28 (±7) days after the last administration of the drug, and 90 (±7) days after the last dose if the subject experiences an immune-related adverse event (irAE)	Once every two weeks 10mg/kg	Ongoing

Study Name	(Designed) Disease Stage	(Designed) Duration of Treatment	(Designed) Follow-up Period	(Designed) Treatment Dosage and Schedule	Summary of the Results
HX009-II-05 China Study	Histologically or cytologically confirmed unresectable/metastatic advanced malignant (biliary tract tumors and melanoma)	Until the subject either develops intolerable toxicity, developed progression of disease (PD), withdrawals consent, start of new anticancer treatment, dies, loss to follow-up, study termination/completion, or have received study treatment for 24 months; whichever occurs first	Safety follow-up: 90 (±7) days after the last dose of study treatment Survival follow-up: every 12 weeks after end of treatment	Once every three weeks 7.5 to 15mg/kg IV, + IN10018 100mg orally, QD	Ongoing
HX301-I-01 China Study	Pathologically confirmed advanced malignant solid tumors who have failed standard treatments	Until DLT in the observation period, tumor progression, withdrawal of consent, or the subject develops intolerable toxicity; whichever occurs first	28 days after the last administration of the drug	40 to 200 mg orally	Completed with primary objectives and endpoints achieved

Study Name	(Designed) Disease Stage	(Designed) Duration of Treatment	(Designed) Follow-up Period	(Designed) Treatment Dosage and Schedule	Summary of the Results
HX301-II-01 China Study	Pathologically diagnosed glioblastoma that have undergone initial surgery and standard concurrent chemoradiotherapy and have not received any other prior treatments	Until the subject either develop disease progression (PD), dies, develop intolerable adverse events, withdrawal of informed consent, or have received study treatment for 24 months; whichever occurred first	Safety follow-up: 28 (±7) days after the last administration of the drug Survival follow-up: Every two or four months after end of treatment	120 mg or 160 mg orally, QD + Temozolomide in Standard Dose	Ongoing – expected to be completed by end of 2028
HX044-I-01 China Study . .	Histologically confirmed advanced malignant solid tumor that is refractory/relapsed to standard therapies, or for which no effective standard therapy is available, or the subject refuses standard therapy	Until the subject develops an intolerable toxicity, withdraws consent, develops progression of disease (PD), dies, lost to follow-up, start of new anticancer treatment, or have received study treatment for 24 months; whichever comes first	Safety follow-up: 30 (±7) days, 60 (±7) days, 90 (±7) days after the last dose Survival follow-up: every 12 weeks ±7 days for subject who reached 24 months of study treatment	Once every three weeks 1.0 mg/kg, 2.0 mg/kg, 4.0 mg/kg, 8.0 mg/kg, 15.0 mg/kg, 25.0 mg/kg	Ongoing – expected complete dose escalation in the fourth quarter of 2026

Summary of Clinical Studies under Preparation for Our Core Product and Key Products

Currently, we plan to prioritize our clinical studies for pipeline products in China and have no plan for any pivotal-trial stage development, manufacturing and commercialization of our product candidates in Australia and the U.S.. The table below sets forth an overview of the next milestone clinical studies under preparation for our Core Product and Key Products as of the Latest Practicable Date for illustrative purposes:

Indication	Phase	Primary Objective	Primary Endpoint	Market Jurisdiction (Authority)	Expected Patient Enrollment	(Expected) Start Date[1]
HX009						
Advanced TNBC	IIa[2]	assess safety and tolerability	RP2D	China (NMPA)	50	2026
Advanced BTC	III[3]	assess efficacy	median progression-free survival		250	2027Q3
Advanced melanoma	III[4]	assess efficacy	median progression-free survival	China (NMPA)	250	2026
EBV^+NHL	II[5]	assess efficacy	median progression-free survival	China (NMPA)	120	2026
HX301						
GBM	III[6]	assess efficacy	median progression-free survival and median overall survival	China (NMPA)	400	2027Q4
HX044						
NSCLC	III[7]	assess efficacy	median progression-free survival	China (NMPA)	480	2028Q1

Notes:

(1) Being the date of first patient in ("**FPI**")

(2) i.e., the HX009-II-04 China Study. The primary objective of the HX009-II-04 China Study is to evaluate the safety and tolerability of HX009 in combination with Enhertu® in patients with HER2- low or ultra-low expressing unresectable locally advanced or metastatic triple-negative breast cancer. The primary endpoint of the HX009-II-04 China Study is the RP2D of HX009 in combination with Enhertu®. The secondary endpoints of the HX009-II-04 China Study are (i) objective response rate, disease control rate, duration of response, and progression-free survival as assessed by the investigator according to RECIST Version 1.1 and iRECIST; and (ii) overall survival. According to the relevant PRC laws and regulations, where a drug approved to carry out clinical trials intends to add combination with other drugs, the applicant shall submit a new drug clinical trial application. For details, please refer to "Regulatory Overview — Principal Regulatory Provisions — Laws and Regulations on New Drugs — Conduct of Clinical Trial" in this prospectus. In February 2025, NMPA granted us the phase IIa clinical study approval for HX009 in combination with trastuzumab for the treatment of advanced TNBC, and we expect the first patient enrollment for this combination study to be in 2026.

(3) Phase III randomized, control-arm pivotal study.

(4) Phase III randomized, control-arm pivotal study.

(5) Phase II control-arm pivotal study.

(6) Phase III randomized, control-arm pivotal study.

(7) Phase III randomized, control-arm pivotal study.

CLINICAL-STAGE CANDIDATES

Core Product — HX009

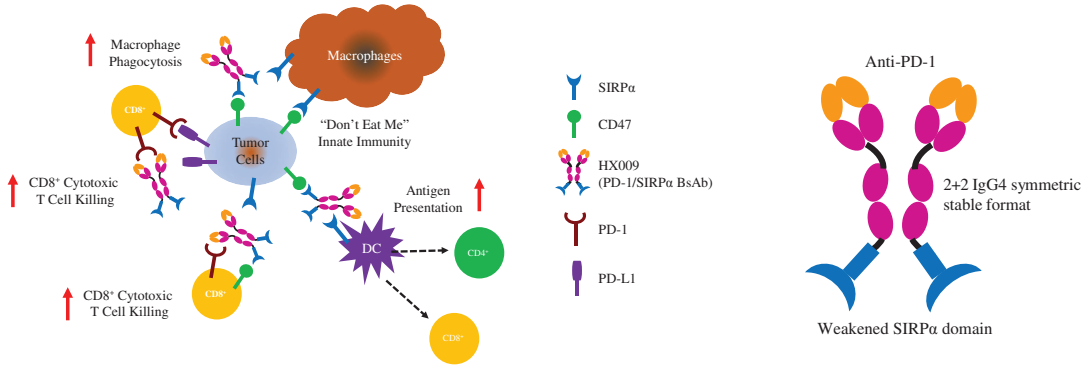
Overview

Immune checkpoint inhibitors, such as PD-1 and PD-L1 antibodies, have become one of the most important cancer therapies. However, the immune checkpoint inhibitors other than PD-1/PD-L1 blockers, e.g. CD47, CTLA-4, etc., although widely-tested as cancer therapeutics in the clinic, have yet to be successful due to respective limitations such as marginal activity and/or poor safety profiles. One possible solution to these limitations is specially engineered molecules, e.g. bifunctional agents.

Our Core Product, HX009, is a specifically designed bifunctional anti-PD-1 antibody SIRPα fusion protein, which is designed to improve both efficacy and safety over the two respective single-targeting immune checkpoint inhibitors. HX009 features 2+2 symmetric IgG4, but with specifically weakened CD47 binding affinity.

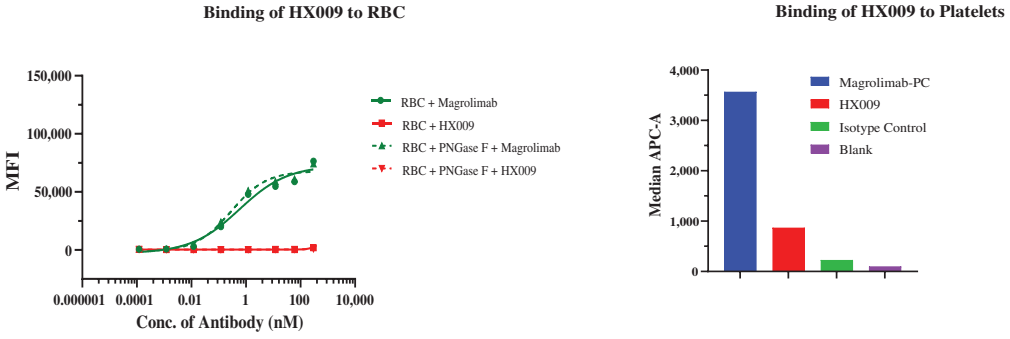
Mechanism of Actions

HX009 is a bifunctional anti-PD-1 antibody SIRPα fusion protein. The key achievement of HX009 involves its capability to enhance the existing immune checkpoint inhibitors due to its bifunctional structure with PD-1 to create a "PD-1 *plus*" modality, so as to overcome certain limitations of the existing immune checkpoint inhibitors. HX009 can efficiently activate adaptive immune response of $CD8^+$ Teff by blocking PD-1 and cis engagement with CD47 on Teff within tumor micro-environment *via* anti-PD-1 antibody and SIRPα extracellular domain on HX009. In addition, blocking CD47/SIRPα can activate macrophages by decreasing the CD47 "don't eat me" signal and generate an activating pro-phagocytic signal. Activated macrophages can then activate phagocytosis as well as 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.



Source: Company data

In addition, HX009 showed minimal binding to red blood cells (RBCs) and platelets. As illustrated in chart *Binding of HX009 to* RBC, HX009 demonstrated little binding to RBCs when compared to magrolimab, an anti-CD47 monoclonal antibody. Besides, the binding of HX009 to RBC wasn't increased when PNGase F, a deglycosylation enzyme was added, suggesting that the lower affinity of HX009 to RBC is not due to glycosylation of CD47 on the cell surface. As illustrated in chart *Binding of HX009 to Platelets*, HX009 exhibited significantly less binding to platelets in comparison to magrolimab, implying that HX009 potentially have little impact on platelets.



Source: Company data

HX009 was expected to achieve solid anti-tumor activity with limited risk of anemia and thrombocytopenia, caused by the off-tumor binding of HX009 to CD47 on human red blood cells and platelet, *via* tumor-specific delivery, resulted from high affinity for PD-1 and the reduced affinity to CD47, and therefore addressed concerns in relation to CD47 targeted drugs such as blood toxicity, antigen sink, on-target/off-tumor effects and T cell apoptosis. All these improve anti-tumor innate and adaptive immune responses, and would potentially be representative of a new realm of immune checkpoint inhibitors.

Communications with Regulatory Authorities

Therapeutic Goods Administration (TGA)

Pursuant to the relevant laws and regulations in Australia, we submitted our HREC application for the HX009-I-01 Australia Study to a certified HREC (the "**Approving HREC**") in May 2019. In July 2019, the Approving HREC issued the approval letter (the "**HREC Approval Letter**"), confirming its approval of our clinical project, i.e. HX009-I-01 Australia Study. In July 2019, we submitted the online notification form through the TGA website. In December 2022, we notified TGA that the HX009-I-01 Australia Study has been completed according to the protocol submitted. In addition, despite that TGA may request further information from the trial sponsor regarding a clinical trial according to the relevant laws and regulations, we have not received any request for further information or negative comments from TGA after we filed the online notification in July 2019.

NMPA

In July 2019, we submitted a Phase I clinical study protocol (the "**HX009-I-01 China Study Protocol**") to NMPA, which followed the ICH GCP and provided that the primary objectives for this study are to (i) assess the safety and tolerability of HX009; and (ii) determine the MTD and RP2D of HX009.

The HX009-I-01 China Study Protocol was accepted by NMPA in August 2019, and in October 2019, NMPA issued the clinical trial approval notification (the "**HX009 NMPA Umbrella Approval**") to us, which confirms that HX009 satisfied the relevant requirements of drug registration, and allows us to conduct clinical trials of this product for advanced malignant tumors (such as hematologic malignancies, liver cancer, non-small cell lung cancer, advanced gastric cancer, melanoma, renal cell carcinoma, and head and neck squamous cell carcinoma) according to the NMPA HX009-I-01 Protocol. The HX009 NMPA Umbrella Approval also confirms that we may adjust our product development strategies and clinical trial protocols as appropriate based on the clinical trial development and the clinical trial data obtained, and may communicate with the relevant regulatory authorities if necessary. We modified the HX009-I-01 China Study protocol to add Phase Ib as an addition to the original protocol, and Phase Ib is a dose expansion study and can be proceed upon approval from the ethics committees. The Company submitted the annual DSUR with the information about revised protocol in September 2023 and updated the protocol on the CDE official clinical study platform in October 2023.

In addition, the HX009 NMPA Umbrella Approval provides that (i) after obtaining the permission of the first clinical trial, the applicant shall regularly provide the Center for Drug Evaluation (the "**CDE**") with safety update reports during drug research and development, and submit them within two months after each year; and (ii) after completing the Phase I and Phase II clinical trials and before carrying out the Phase III clinical trials, the applicant shall apply to CDE for a communication meeting.

In January 2024, our PRC Legal Adviser conducted a formal hotline communication with CDE of the NMPA (the "**January 2024 Formal Hotline Communication**"), which confirmed that (i) for Phase I, Phase II and Phase III clinical trials for new drugs, the NMPA adopted one-time approvals instead of phased approvals; (ii) except for seeking communication meeting prior to the pivotal trial, sponsor companies may proceed with next-phase clinical trial for efficacy exploration and confirmation after they have evaluated that they have satisfied the primary endpoints for the safety-assessment phase, without additional NMPA approval or confirmation, and CDE will not confirm the completion of such clinical trials; (iii) if no objection from NMPA for the development safety update reports has been received, sponsor companies may proceed with their clinical trials; and (iv) the clinical phasing is to facilitate the understanding of the purpose of each phase, and all regulatory agencies, including CDE, have no special requirements for naming the internal trial stages of the sponsor companies, as long as the overall clinical trial can serve the purpose of assessing safety and efficacy.

According to the relevant PRC laws and regulations, after completing the Phase I and Phase II clinical trials and before carrying out the Phase III clinical trials, the applicant shall apply to CDE for a communication meeting. In June 2024, we submitted an IND application for a combination study of HX009, which is a Phase IIa clinical study protocol for the combination treatment of HX009 and a pivotal trial stage (Stage III) FAKi drug in patients with advanced malignant biliary tract cancer and melanoma. In September 2024, NMPA granted clinical trial approval for this combination study (the "**HX009 NMPA BTC Combination Approval**"), which allows us to conduct clinical trials of HX009 with this FAKi drug (and with or without standard chemotherapy) for treatment of advanced solid tumor (including malignant biliary tract cancer and melanoma). No additional approval is needed before we proceed to carry out the confirmatory clinical studies or pivotal-stage clinical studies. The HX009 NMPA BTC Combination Approval also provided that, after completing the exploratory clinical studies and before carrying out the confirmatory clinical studies or pivotal-stage clinical studies, the applicant shall apply to CDE for a communication meeting to evaluate subsequent clinical studies.

In September 2024, our PRC Legal Adviser, together with the Sole Sponsor and its legal advisers, conducted a face-to-face interview with a reviewer of the Office of Clinical Trial Management Department from CDE of NMPA in Beijing (the "**September 2024 CDE Interview**"), who is the competent person to address our inquiries according to our PRC Legal Adviser. During the September 2024 CDE interview, we inquired with CDE that (i) whether the Phase Ia (previously named as Phase I) of the HX009-I-01 China Study for advanced solid tumor is considered to be a separate and standalone clinical trial under the NMPA HX009-I-01 Protocol, and whether it is a conventional phase I clinical study according to the clinical design set out in its protocol; (ii) given that the clinical study report for the Phase Ia of the HX009-I-01 China Study has been completed and the Company obtained the HX009 NMPA BTC Combination Approval, whether conventional phase I clinical study of HX009 has been completed and whether NMPA has no objection for the phase II clinical study of HX009; and (iii) whether the Company may conduct clinical studies under HX009-I-01 China Study before phase III pivotal trial stage clinical study without additional regulatory approval from NMPA.

CDE confirmed that: (i) the Phase Ia (previously named as Phase I) of the HX009-I-01 China Study for advanced solid tumor is considered to be a separate and standalone clinical trial under the NMPA HX009-I-01 Protocol, and it is a conventional phase I clinical study according to the clinical design set out in its protocol. This conventional phase I clinical study has been completed; (ii) The current ongoing Phase Ib clinical study under the HX009-I-01 Protocol is conducted in patients with a selected indication to assess its efficacy, which is generally regarded as part of a conventional phase II clinical study, and CDE has no objection for the Company to proceed with its phase II clinical studies; (iii) the HX009 NMPA Umbrella Approval has allowed the Company to conduct clinical studies under HX009-I-01 China Study before phase III without additional regulatory approval from NMPA; and (iv) the HX009 NMPA BTC Combination Approval was granted for the Company's phase IIa clinical study protocol on the basis of the completed conventional phase I study (i.e., Phase Ia) results of the HX009-I-01 China Study.

The Sole Sponsor conducted independent due diligence including (i) reviewing the HX009 NMPA Umbrella Approval, which confirms that HX009 has satisfied the relevant requirements of drug registration and allows the Group to carry out clinical trials of HX009 for advanced malignant tumors according to the NMPA HX009-I-01 Protocol; (ii) reviewing the record of the 2024 Formal Hotline Communication with CDE of the NMPA, which confirms that if no objection from NMPA for the development safety update reports submitted, the Group may proceed with their next-phase clinical trial, prior to pivotal trial. No material concern from the NMPA was noted and no objection from CDE regarding the development safety update reports was received by the Group; (iii) attending the September 2024 CDE Interview; and (iv) reviewing the clinical study report issued in July 2024 by the principal investigator of HX009-I-01 China Study (Phase Ia) which confirms that the Phase Ia clinical study is to evaluate the safety and tolerability of HX009 in patients with advanced solid tumors and this has been completed. Based on the review of these documents and records, together with the interview result, the Sole Sponsor is of the view that (i) the Phase Ia (formally named as Phase I) of HX009-I-01 China study is a separate and standalone trial, which has been completed and has reached the endpoints that are equivalent to a regulated Phase I clinical trial; and (ii) the CDE has no objection for our Company to proceed with its Phase Ib clinical study under the HX009-I-01 for efficacy assessment, which is generally regarded as part of a conventional phase II clinical study, and therefore the HX009-I-01 meets the core product eligibility requirements under Chapter 2.3 of the Guide.

Furthermore, in February 2025, NMPA granted us the phase IIa clinical study approval for HX009 in combination with trastuzumab for the treatment of advanced TNBC. (the "**HX009 NMPA TNBC Combination Approval**"), which allows us to conduct clinical trials of HX009 with trastuzumab for treatment in patients with unresectable or metastatic TNBC with low or ultra-low HER2 expression who have previously received first- or second-line systemic therapy. No additional approval is needed before we proceed to carry out the confirmatory clinical studies or pivotal-stage clinical studies. The HX009 NMPA TNBC Combination Approval also provided that, after completing the exploratory clinical studies and before carrying out the confirmatory clinical studies or pivotal-stage clinical studies, the applicant shall apply to CDE for a communication meeting to evaluate subsequent clinical studies.

FDA

In April 2023, we filed an IND application with FDA for our Phase Ib/II study to be conducted in the U.S., which is a single-arm, multi-center, open-label Phase Ib/II clinical study of HX009 in patients with DLBCL. In May 2023, we received the Study May Proceed approval from FDA (the "**FDA Approval**") with non-holding clinical suggestions, which suggested that the proposed sample size in Phase Ib (up to 10 patients at each dose level) may not be adequate to support an integrated analysis on PK, PD, safety and efficacy data to select RP2D for Phase II part of the study. We may need additional dose exploration beyond the initial dose escalation phase, such as including additional patients in the dose escalation part of the study or consider additional dose expansion cohorts, before initiating Phase II part of the trial. Subsequently, we updated the protocol and submitted the summary of changes to FDA in June 2023. We expect

to proceed the relevant clinical studies in the U.S. in accordance with the updated protocol when we commence the relevant clinical studies. As of the Latest Practicable Date, we had no plan to commence the relevant clinical studies in the U.S..

In addition to the communications as disclosed above, we have also sent annual development safety update report to NMPA and FDA every anniversary of our NMPA/IND clearance date, and we are not aware of any material concern from the NMPA or the FDA in connection with HX009.

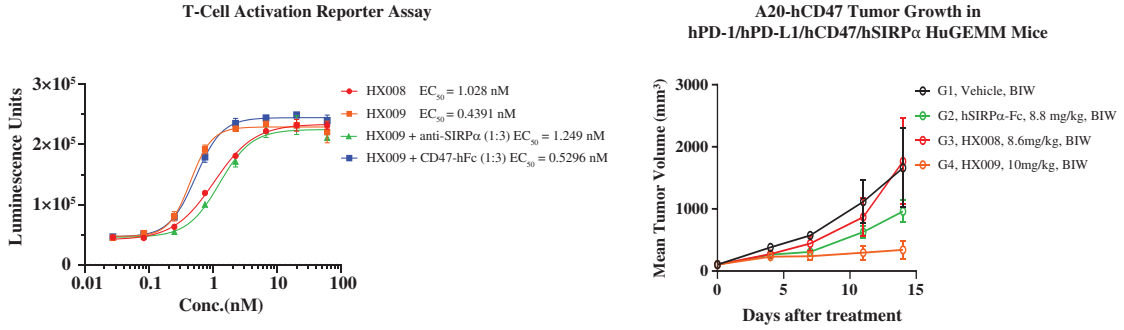
Preclinical Studies of HX009

Teff cells within the tumor microenvironment are the prominent immune cells to kill tumor cells thus protecting human body from cancers, which is a process called cancer immune surveillance. However, tumor cells often escape from the immune surveillance by over-expressing PD-L1, which binds to PD-1 on Teff cells and inhibits their tumor killing functions. Conventional PD-1 or PD-L1 blockades have been broadly used to activate Teff cells to kill tumors. Unfortunately, a remarkable percentage of cancer patients are refractory or resistant to PD-1 or PD-L1 blockades due to unsatisfying activations of Teff cells. Besides PD-1, literatures showed that Teff cells also simultaneously express CD47, which interacts with SIRPα on macrophages or dendritic cells. HX009, a PD-1/SIRPα bispecific antibody, is capable of cooperatively binding to PD-1 and CD47 on Teff cells at the same time with stronger avidity than conventional PD-1 blockades, for example, pucotenlimab, pembrolizumab, nivolumab, etc., which eventually results in stronger activation of Teff cells. As anticipated, our data demonstrated that HX009 induced about three-folds stronger activation of Teff cells than pucotenlimab *in vitro*. In addition, HX009 exhibited significantly stronger anti-tumor activities than pucotenlimab in an A20 mouse lymphoma tumor model *in vivo*. Taken together, these results imply that HX009 would potentially have better anti-tumor effects in cancer patients who are not responding to current PD-1 blockades. Moreover, since HX009 is also able to inhibit the CD47/SIRPα interactions, HX009 could robustly inhibit tumor growth of a variety of lymphoma/leukemia tumor models which overexpress CD47, suggesting a potential application of HX009 for treating hematological malignancies. Details as set forth below were published on www.nature.com/scientificreports, namely, "*Preclinical pharmacology characterization of HX009, a novel PD1/CD47 Bi-specific antibody*" and "*HX009, a novel BsAb dual targeting PD1/CD47, demonstrates potent anti-lymphoma activity in preclinical models*".

As illustrated in chart *T-cell Activation Reporter Assay* below, in our T cell activation reporter assay, HX009 induced about three times more T cell activation than HX008, which is an anti-PD-1 mAb. Remarkably, this enhanced T cell activation can be neutralized by adding anti-SIRPα antibody with high affinity to SIPRα, which suggests that the additional T cell activation by HX009 is likely a result of *cis*-binding to PD-1 and CD47 on the reporter cell surface. However, the additional T cell activation cannot be blocked by adding soluble CD47-Fc, implying that HX009 with weakened binding to CD47 cannot be competed by

soluble CD47-Fc. Taken together, this assay demonstrated that HX009 is capable of inducing stronger T cell activation than anti-PD-1 mAb alone *via* additional PD-1-driven, *cis*-binding to surface PD-1 and CD47 on T cells.

As illustrated in chart *A20-hCD47 Tumor Growth in hPD-1/hPD-L1/hCD47/hS1RPd HuGEMM Mice* below, in hPD-1/hPD-L1/hCD47/hSIRPα HuGEMM mice bearing human CD47-expressing A20-hCD47 B-lymphoma tumor cells, treatment with human SIRPα-Fc at 8.8 mg/kg led to moderate anti-tumor effects, whereas treatment with HX008, an anti-human PD-1 monoclonal antibody exhibited little anti-tumor effects. In contrast, treatment with HX009, a bispecific antibody targeting both PD-1 and CD47 at 10 mg/kg induced significant anti-tumor effects, which are stronger than either HX008 or human SIRPα-Fc alone. Therefore, HX009 evidenced better efficacy than HX008 in the preclinical model.



Source: Company data

Clinical Studies of HX009

We own the worldwide development and commercialization right of HX009. During the Track Record Period and up to the Latest Practicable Date, we have completed the Phase I clinical trial of HX009 in Australia and China, separately. In Australia, it is a first-in-human study evaluating the safety, tolerability, and initial efficacy of HX009 in patients with advanced malignancies (the "**HX009-I-01 Australia Study**"); and in China, it is a standalone phase Ia clinical study to evaluate the safety and tolerability of HX009 in patients with advanced solid tumor (the "**HX009-I-01 China Study (Phase Ia)**", which is also a conventional phase I study. As of the Latest Practicable Date, there are three clinical trials ongoing in China, namely, the HX009-I-01 China Study (Phase Ib), the HX009-II-02 China Study (Phase I/II) and the HX009-II-05 China Study (Phase IIa). The HX009-I-01 China Study (Phase Ib) is designed to further evaluate the safety and tolerability of HX009 in patients with advanced melanoma and to preliminarily measure its anti-tumor efficacy. The HX009-II-02 China Study is a multicenter, single-arm, open Phase I/II clinical trial in patients with R/R lymphoma, involving Phase Ia as a dose-escalation phase and Phase Ib/II as a phase of efficacy exploration and confirmation.

Currently, we do not plan to conduct head-to-head studies for our HX009 as head-to-head trial usually refers to a comparison between the control group (existing standard treatment) and the experimental group, where the drugs administrated shall be in the same category (for example, mAb, BsAb, etc.) for the purpose of efficacy comparison, and whether a head-to-head trial is required by the competent authority generally depends on the standard treatment for the targeted indication. For the targeted indications and treatment line of HX009, there is a lack of standard treatment at this stage, therefore, we do not expect head-to-head studies to be required by the competent authorities for its current targeted indications.

HX009-I-01 Australia Study

The HX009-I-01 Australia Study is a first-in-human Phase I clinical trial, which involves an open-label, "3+3" dose escalation study. The HX009-I-01 Australia Study was designed to evaluate the safety, tolerability and initial efficacy of HX009 in patients with advanced malignancies, and has been conducted in accordance with the International Conference on Harmonization Good Clinical Practice (the "**ICH GCP**").

The HX009-I-01 Australia Study was divided into screening period (28 days before first dose), treatment period, and survival follow-up period. Treatment period lasted until the subject either developed an intolerable toxicity, withdrew consent, developed progression of disease (PD), died, was lost to follow-up, or had received study treatment for 24 months; whichever occurred first. After discontinuing study treatment for any reason (other than death), subjects were to return to the study site to complete the end of treatment/early withdrawal (EOT/EW) examination within 28±7 days. The study duration was until all subjects died or a minimum of 24 months after the last subject was enrolled, whichever occurred first.

The key inclusion criteria for subjects in the HX009-I-01 Australia Study include, among others, (i) Eastern Cooperative Oncology Group performance status of 0 to 1; (ii) histologically confirmed advanced malignant tumor that is refractory/relapsed to standard therapies, or for which no effective standard therapy is available, or the subject refuses standard therapy; (iii) at least 1 measurable tumor according to RECIST v1.1; and (iv) adequate organ function, laboratory test results meet the protocol requirements, within seven days before signing informed consent. The key exclusion criteria for subjects in the HX009-I-01 Australia Study include, among others, (i) prior malignancy active within the previous two years except for the tumor for which a subject is enrolled in the study and locally curable cancers that have been apparently cured, such as basal or squamous cell skin cancer, superficial bladder cancer or carcinoma *in situ* of the cervix or breast; (ii) allergic to recombinant humanized anti-PD-1 monoclonal antibody drugs and their components; (iii) receipt of any immunotherapy, or investigational anticancer therapy within four weeks prior to the first dose of study treatment; in the case of mAbs (for investigational use or immunotherapy), six weeks prior to the first dose of study treatment; and (iv) tests positive for human immunodeficiency virus, or has active hepatitis B virus or hepatitis C virus.

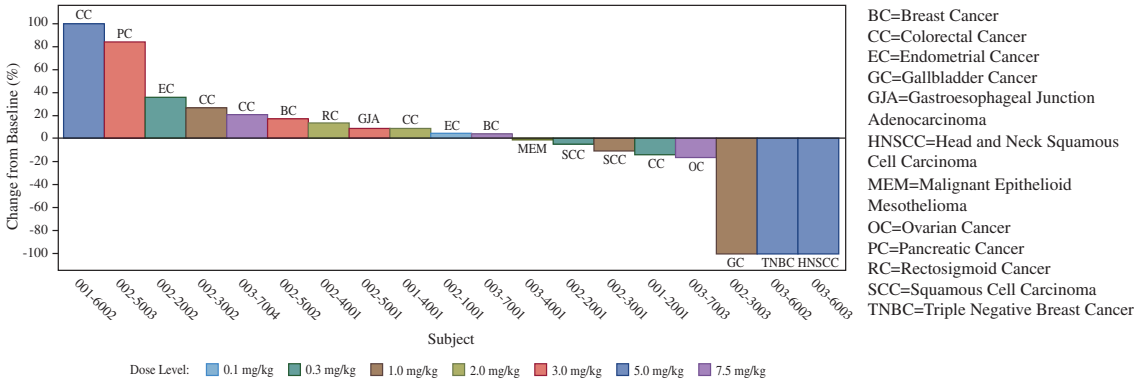
We have completed observations of the HX009-I-01 Australia Study after assessing the following seven representative dosage levels in the total enrolled 21 patients with solid tumor: 0.1 mg/kg (n=2), 0.3 mg/kg (n=3), 1.0 mg/kg (n=3), 2.0 mg/kg (n=3), 3.0 mg/kg (n=3), 5.0 mg/kg (n=3) and 7.5 mg/kg (n=4). On October 25, 2022, principal investigator of the HX009-I-01 Australia Study issued the Clinical Study Report (the "**HX009-I-01 Australia CSR**"), where the principal investigator assessed the clinical results from the HX009-I-01 Australia Study, and based on the HX009-I-01 Australia CSR, below sets forth comments on HX009's quality safety, PK, and preliminary efficacy data:

- ***Safety:*** All seven dose levels of HX009 were well tolerated and no DLT was observed across the seven tested dose levels. No fatal TEAEs or TEAEs leading to study discontinuation were reported.

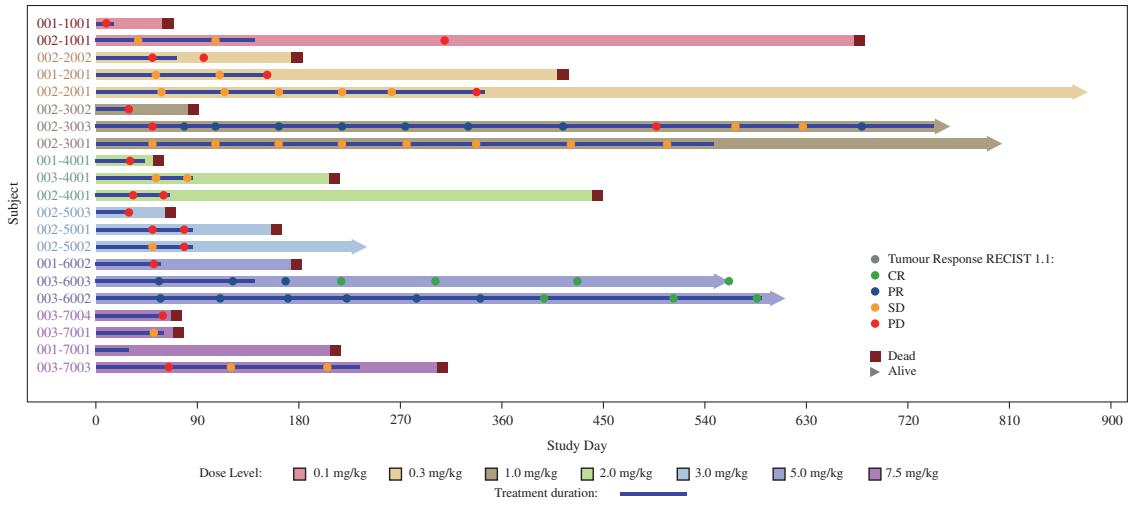
- ***PK:*** The plasma PK profile of HX009 indicated a dose-proportional increase in systemic exposure following a single intravenous infusion; drug accumulation was minimal following six treatment cycles. Clearance was similar across the dose range, which is also indicative of dose proportionality.

- ***Efficacy:*** All 21 treated subjects were evaluable for efficacy, among which, three subjects were responders. Two subjects in the 5.0 mg/kg group achieved complete response, and one subject in the 1.0 mg/kg group achieved partial response. These three responders were followed up for 1.5 to 2 years in the study. The observed responses were durable, and the median duration of response was not reached. Median progression-free survival was 64 days based on RECIST Version 1.1 and the median overall survival was 212 days.

The chart below sets forth waterfall plot of the maximal percentage change in the size of target lesions from baseline (full analysis set):



The chart below sets forth swimmer plot of duration of exposure, tumor response, and survival status by RECIST Version 1.1 (full analysis set):



Source: Company data

HX009-I-01 China Study

The HX009-I-01 China Study is an open-label, multi-center, multiple-dose administration clinical study, which involves a standalone Phase Ia clinical study that is a conventional Phase I clinical trial and a Phase Ib study. The HX009-I-01 China Study was designed to evaluate the safety, tolerability and initial efficacy of HX009 in patients with advanced solid tumor, and has been conducted in accordance with the International Conference on Harmonization Good Clinical Practice (the "**ICH GCP**").

The HX009-I-01 China Study was divided into screening period (28 days before first dose), treatment period, and survival follow-up period. Treatment period lasted until the subject either developed an intolerable toxicity, developed progression of disease (PD), started new anticancer treatment, died, was lost to follow-up, withdrew consent, investigator assessed the risk out-weighted benefits, end of study; or, for Phase Ib subjects, had received study treatment for 24 months; whichever occurred first.

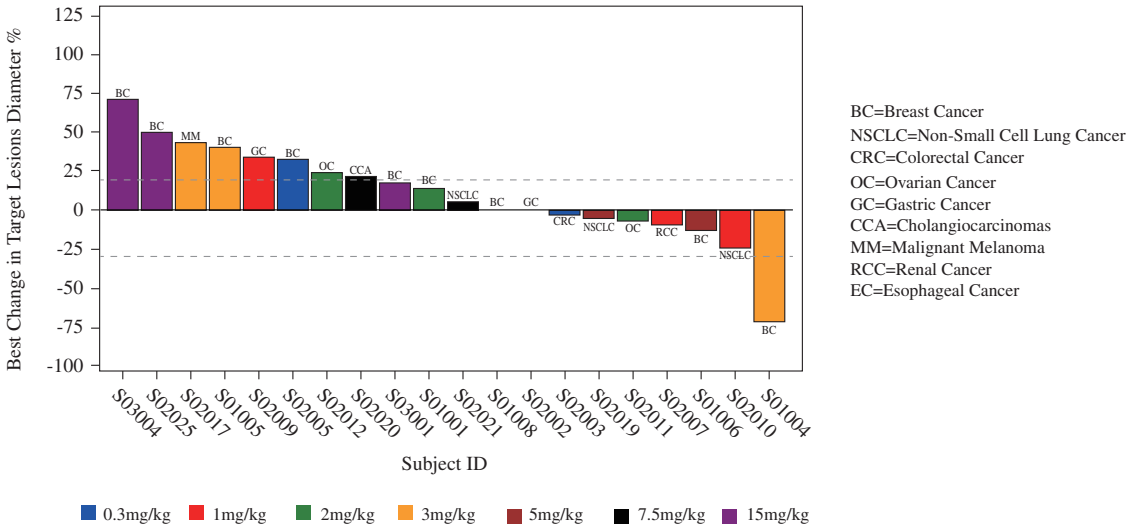
We commenced the HX009-I-01 China Study under the NMPA Umbrella Approval, and the first subject was enrolled for Phase Ia of the HX009-I-01 China Study in June 2020. We have completed observations of Phase Ia of the HX009-I-01 China Study after assessing the following seven representative dosage levels in the total enrolled 25 patients with solid tumor: 0.3 mg/kg (n=4), 1.0 mg/kg (n=3), 2.0 mg/kg (n=3), 3.0 mg/kg (n=3), 5.0 mg/kg (n=3), 7.5 mg/kg (n=3) and 15.0 mg/kg (n=6).

The key inclusion criteria for subjects in the Phase Ia of the HX009-I-01 China Study include, among others, (i) Eastern Cooperative Oncology Group performance status of 0 to 1; (ii) histologically confirmed advanced malignant tumor that is refractory/relapsed to standard therapies, or for which no effective standard therapy is available, or the subject refuses standard therapy; (iii) at least 1 measurable tumor according to RECIST v1.1; and (iv) adequate organ function, laboratory test results meet the protocol requirements, within seven days before signing informed consent. The key exclusion criteria for subjects in the Phase Ia of the HX009-I-01 China Study include, among others, (i) prior malignancy active within the previous five years except for cured basal cell skin cancer, or carcinoma *in situ* of the cervix; (ii) allergic to recombinant humanized anti-PD-1 monoclonal antibody drugs and their components; (iii) severe infections within four weeks before the first administration of the study drug, or those with active infections requiring oral or intravenous antibiotic treatment within two weeks before the first administration of the study drug; and (iv) tests positive for human immunodeficiency virus, or has active hepatitis B virus or hepatitis C virus.

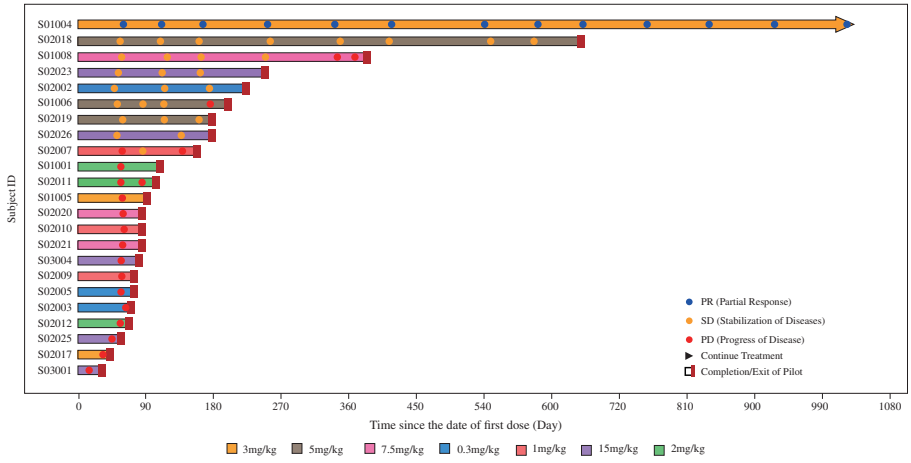
During the Track Record Period, we completed the standalone Phase Ia clinical study of the HX009-I-01 China Study, which is a conventional Phase I study to evaluate the safety and tolerability of HX009 in patients with advanced solid tumors and to preliminarily measure its anti-tumor efficacy, and principal investigator of the HX009-I-01 China Study (Phase Ia) has issued the clinical study report dated July 24, 2024.

Based on the clinical results in the dose-escalation cohort ranging from 0.3 mg/kg to 15.0 mg/kg (Phase Ia), one case of DLT (Grade 3 anemia) was observed in the 15 mg/kg cohort, which did not reach the MTD. Among the 23 subjects who had at least one post-baseline tumor assessment, one patient with TNBC in the 3 mg/kg dose level achieved a partial response, with the response duration exceeding 2.5 years; eight subjects achieved stable disease. No fatal TEAEs or TEAEs leading to study discontinuation were reported. The study results suggest that a dose range of 1.0 mg/kg to 15.0 mg/kg every two weeks is safe and potentially effective for monotherapy with HX009, supporting the continuation of clinical research to further explore the efficacy and safety of HX009 as a monotherapy or in combination with other treatments for advanced solid tumors.

The chart below sets forth waterfall plot of the maximal percentage change in the size of target lesions from baseline (full analysis set):



The chart below sets forth swimmer plot of duration of exposure, tumor response, and survival status by RECIST Version 1.1 (full analysis set):



Source: Company data

There were three long-term responder and/or patients whose diseases have been stable under treatment for long period of time in Phase Ia of the HX009-I-01 China Study. For the best of patient's interest and ethical reason, Phase Ia of the HX009-I-01 China Study was kept open to allow such patients being treated in the study with HX009. In addition, we would like to collect all patient's data including such long-term responder. Therefore, Phase Ia of the HX009-I-01 China Study was kept open (i.e., no database-lock) for approximately four years, and it was completed in July 2024 when the clinical study report was issued. Meanwhile, despite that Phase Ia of the HX009-I-01 China Study was kept open for the above reasons, dose

escalation of Phase Ia of the HX009-I-01 China Study was completed in September 2022, and it obtained its safety conclusion and reached the endpoints in April 2023, and the NMPA has no objection for proceeding with the Phase Ib clinical trial.

We further proceeded to conduct Phase Ib of the HX009-I-01 China Study starting at 10 mg/kg dose level in patients with advanced melanoma, which is designed to be a single-arm, multi-center, multi-cohort and open-label clinical study. This study includes two cohorts for first line treatment (Cohort A) and second line and above treatment (Cohort B) of patients with advanced melanoma. In November 2023, the first subject was enrolled for this study. As of the Latest Practicable Date, a total of 46 subjects (including 27 patients for Cohort A and 19 patients for Cohort B) were enrolled into this study and received HX009 treatment at 10 mg/kg dose level. They are patients with unresectable or metastatic advanced melanoma that are previously untreated (Cohort A) or progressed (Cohort B) on PD-1/PD-L1 therapy. HX009 has shown preliminary therapeutic benefits in patients with advanced melanoma. Currently, the study is ongoing and we plan to enroll no more than 80 patients for this study.

During the DSUR reporting period from July 18, 2023 to July 17, 2024, in Phase Ib of the HX009-I-01 China Study, there were three fatal cases which were assessed by the investigator as unrelated to the investigational product and concluded as progressive disease. As of the Latest Practicable Date, Phase Ib of the HX009-I-01 China Study was still ongoing under the normal observation process of the clinical trials, and no safety-related measures were taken by the regulatory authorities or ethics committees that had a significant impact on the conduct of such clinical trials. For risk factors relating to fatal cases, please refer to "Risk Factors — Risks Relating to the Research and Development of Our Drug Candidates — Adverse events or undesirable side effects caused by our drug candidates could interrupt, delay or halt clinical trials, delay or prevent regulatory approval, limit the commercial profile of an approved drug, or result in significant negative consequences following any regulatory approval" in this prospectus.

HX009-II-02 China Study

We conduct further clinical trials of HX009 under the HX009 NMPA Umbrella Approval. In October 2021, the Ethics Committee of the leading investigator site accepted our Phase I/II study for HX009 in patients with R/R lymphoma (the "**HX009-II-02 China Study**"). In July 2022, members of the Data Monitor Committee (the "**DMC**") of the HX009-II-02 China Study unanimously confirmed that treatment with HX009 in the HX009-II-02 China Study was safe when administered at doses up to 7.5 mg/kg every two weeks. In October 2022, members of the DMC unanimously confirmed that the dose escalation stage of HX009-II-02 China Study was completed and the study can be proceeded to the efficacy exploration stage, which involves the enrollment of subjects at 10 mg/kg dose level and may explore at the 15 mg/kg dose level as appropriate. As of the Latest Practicable Date, a total of 41 subjects were enrolled into the Phase Ib of the HX009-II-02 China Study at dose level of 10 mg/kg, among which 20 subjects are with R/R EBV^+ NHL. As of the same date, there were four R/R EBV^+ NHL patients achieved partial response and five R/R EBV^+ NHL patients achieved stable disease. The objective response rate is 20.0% and the disease control rate is 45.0%. Overall, HX009 is

providing meaningful clinical benefit to this difficult to treat patient population. Currently, we have completed database lock for the HX009-II-02 China Study, and expect to complete this study with clinical study report by the end of 2025.

The HX009-II-02 China Study was divided into screening period (28 days before first dose), treatment period, and survival follow-up period. Treatment period lasted until the subject either died, was lost to follow-up, withdrew consent, investigator assessed the risk out-weighted benefits, whichever occurred first.

The key inclusion criteria for subjects in the HX009-II-02 China Study include, among others, (i) diagnosed with lymphoma according to the fifth edition of the WHO classification standards in 2022, and meets the definition of relapsed/refractory; (ii) within four weeks prior to the first dose, there must be at least one measurable lesion according to the Lugano criteria; Measurable lesions: the longest diameter of lymph nodes >15mm, other involved lesions >10mm; Lesions that have previously undergone local treatments such as radiotherapy, if proven to have disease progression and meet the definition of measurable lesions, are considered measurable lesions; and (iii) suitable organ and hematopoietic function, meeting the requirements of the protocol. The key exclusion criteria for subjects in the HX009-II-02 China Study include, among others, (i) known history of hereditary or acquired hemolytic or bleeding disorders; (ii) prior malignancy active within the previous five years except for cured basal cell skin cancer, or carcinoma *in situ* of the cervix; (iii) subjects with primary or secondary central nervous system lymphoma; and (iv) previously received targeted therapy against CD47 (including mAb, BsAb, etc.).

During the DSUR reporting period from July 18, 2022 to July 17, 2023 and till the end of 2023, in the HX009-II-02 China Study, there was one fatal case, which was died from viral myocarditis. The investigator assessed this death as unrelated to the investigational product. The subject, a patient with relapsed/refractory lymphoma, was in terminal condition at the time of trial entry and had contracted COVID-19, which subsequently triggered a cascade of inflammatory responses leading to death. The HX009-II-02 China Study were still ongoing under the normal observation process of the clinical trials, and no safety-related measures were taken by the regulatory authorities or ethics committees that had a significant impact on the conduct of such clinical trials.

HX009-II-05 China Study

Leveraging the promising preliminary anti-tumor activity of HX009 as implicated in preclinical studies and observed in phase I studies, we venture into combination with tumor micro-environment remodeling agent to further amplify its therapeutic potential. Looking ahead, the clinical research roadmap for HX009 includes two additional phase II combination studies. In June 2024, we submitted a combination study IND of HX009 to NMPA, which is a Phase IIa clinical study application for the combination treatment of HX009 with a pivotal trial stage (Stage III) FAKi drug in patients with advanced malignant BTC and melanoma (i.e., the HX009-II-05 China Study).

The IND application we submitted included clinical data from four clinical studies: (i) the HX009-I-01 Australia Study, a completed phase I clinical trial; (ii) the HX009-I-01 China Study (Phase Ia), a completed phase I clinical trial; (iii) the ongoing HX009-I-01 China Study (Phase Ib) for treatment of; and (iv) the HX009-II-01 China Study for treatment of advanced solid tumor. This HX009-II-01 China Study was terminated in the early stage due to the change in our clinical development strategy.

We obtained clinical study approval from NMPA in September 2024, and enrolled first patient in January 2025. As of the Latest Practicable Date, there were no approved FAKi targeting BTC on the market, and obtain NDA market approval on our HX009 for the treatment of BTC relies on the successful market development of this drug. As of the Latest Practicable Date, there were nine patients enrolled for this HX009-II-05 China Study, and they are patients with previously treated unresectable or metastatic advanced biliary tract cancer. As of the same date, four among the nine enrolled patients achieved stable disease. Currently, the study is ongoing and we plan to enroll no more than 30 patients for this study.

Regarding the HX009-II-05 China Study, the drug used in this study is a FAK inhibitor, which is under the pivotal-stage study development by InxMed Biotech Co., Ltd. (Shanghai)* (應世生物科技(上海)有限公司, the "**InxMed Shanghai**"), a clinical-stage biotech company established in 2018 that focuses on developing FAK inhibitors. On February 5, 2024, Hangzhou Hanx entered into a cooperation agreement with InxMed Biotech Co., Ltd. (Nanjing)* (應世生物科技(南京)有限公司, the "**InxMed Nanjing**", which is the sole shareholder of InxMed Shanghai) regarding the combination study of HX009 and their FAKi drug. The agreement provided that (i) parties shall provide their respective products (i.e., HX009 and FAKi) to the other party free of charge in a timely manner during the first cooperation stage, which covers till the phase Ib/II of the combination study (including dose escalation and indication expansion); (ii) parties shall negotiate in good faith and may reach a supplement agreement to further agree upon on each other's rights and obligations in the second cooperation stage, which covers the pivotal trial stage of the combination study and till 15 years after the market approval of the combination therapy. As of the Latest Practicable Date, there are no approved FAK inhibitors targeting BTC. Therefore, we decided to combine with a pivotal-stage drug. We do not expect to incur actual cost (except for labelling, storage and shipment fees) for this FAKi drug as InxMed shall provide this FAKi drug pursuant to our cooperation agreement. Currently, this FAKi drug is under the pivotal-stage (Stage III) study development, and obtaining NDA market approval on our HX009 for the treatment of BTC relies on the successful market development of this drug.

Summary of Safety Data from Phase I Clinical Trials in Australia and China

During the Track Record Period, we conducted two Phase I clinical trial programs of our Core Product HX009 in Australia and China, namely, the HX009-I-01 Australia Study (Phase I) and HX009-I-01 China Study (Phase Ia). There are 21 and 25 patients enrolled for the HX009-I-01 Australia Study (Phase I) and HX009-I-01 China Study (Phase Ia) respectively, and we completed the last patient last visit for these two clinical studies in May 2022 and February 2024, respectively.

The table below sets forth the summary of frequently reported treatment-related treatment-emergent adverse events by preferred term in Phase I trials of HX009 in Australia:

	Summary of Treatment-Related Treatment-Emergent Adverse Events by Preferred Term							
Preferred Term	0.1 mg/kg (N=2)	0.3 mg/kg (N=3)	1.0 mg/kg (N=3)	2.0 mg/kg (N=3)	3.0 mg/kg (N=3)	5.0 mg/kg (N=3)	7.5 mg/kg (N=4)	All Subjects (N=21)
At least one IP-related TEAE	0	3	1	3	1	1	2	11 (52.4%)
Nausea	0	0	0	0	1	0	1	2 (9.5%)
Rash	0	1	0	0	0	1	0	2 (9.5%)
Vomiting	0	0	0	1	1	0	0	2 (9.5%)
Alanine aminotransferase increased	0	0	0	1	0	0	0	1 (4.8%)
Anaemia	0	0	0	0	0	0	1	1 (4.8%)
Aspartate aminotransferase increased	0	0	0	1	0	0	0	1 (4.8%)
Cellulitis	0	0	0	1	0	0	0	1 (4.8%)
Decreased appetite	0	1	0	0	0	0	0	1 (4.8%)
Diarrhoea	0	0	0	0	1	0	0	1 (4.8%)
Dry mouth	0	0	0	0	0	0	1	1 (4.8%)
Dyspnoea	0	0	0	0	0	0	1	1 (4.8%)
Fatigue	0	0	1	0	0	0	0	1 (4.8%)
Hyperhidrosis	0	0	0	1	0	0	0	1 (4.8%)
Hypothyroidism	0	0	0	0	0	1	0	1 (4.8%)
Infusion related reaction	0	0	0	0	0	0	1	1 (4.8%)
Lethargy	0	1	0	0	0	0	0	1 (4.8%)
Mucosal inflammation	0	1	0	0	0	0	0	1 (4.8%)

Note: When calculating the corresponding number of adverse events, only one person is counted if the subject has multiple adverse events in one SOC or PT classification.

The majority of subjects had treatment-related treatment-emergent adverse events that were Grade 1 to 2 in severity. One subject in the 7.5 mg/kg group had a Grade 3 treatment-related treatment-emergent adverse event of infusion-related reaction, and the study treatment on this particular subject was discontinued due to the adverse event. This event resolved seven days. There was no safety concern or condition imposed by the regulatory authorities, nor any adjustments made to the endpoints or extension of the HX009-I-01 Australia Study required by regulatory authorities.

The table below sets forth the summary of frequently reported Grade ≥3 treatment-related adverse events by preferred term (safety analysis set) in Phase Ia trials of HX009 in China:

	Grade ≥3 TRAEs							
Preferred Term	0.3 mg/kg (N=4)	1 mg/kg (N=3)	2 mg/kg (N=3)	3 mg/kg (N=3)	5 mg/kg (N=3)	7.5 mg/kg (N=3)	15 mg/kg (N=6)	All Subjects (N=25)
At least one Grade ≥3 TRAE.	0	1 (33.3%)	0	0	0	0	1 (16.7%)	2 (8.0%)
Liver injury	0	1 (33.3%)	0	0	0	0	0	1 (4.0%)
Decrease in white blood cell count . .	0	1 (33.3%)	0	0	0	0	0	1 (4.0%)
Anemia	0	0	0	0	0	0	1 (16.7%)	1 (4.0%)

Note: When calculating the corresponding number of adverse events, only one person is counted if the subject has multiple adverse events in one SOC or PT classification.

Three TEAEs leading to subject withdraw from the study were reported in the HX009-I-01 China Study (Phase Ia). The table below sets forth the summary by preferred term (safety analysis set):

	TEAEs Leading to Subject Withdraw from the Study							
Preferred Term	0.3 mg/kg (N=4)	1 mg/kg (N=3)	2 mg/kg (N=3)	3 mg/kg (N=3)	5 mg/kg (N=3)	7.5 mg/kg (N=3)	15 mg/kg (N=6)	All Subjects (N=25)
At least one TEAE leading to subject withdraw from the study	1 (25.0%)	1 (33.3%)	1 (33.3%)	0	0	0	0	3 (12.0%)
Liver injury	0	1 (33.3%)	0	0	0	0	0	1 (4.0%)
Lung inflammation	0	0	1 (33.3%)	0	0	0	0	1 (4.0%)
Intestinal obstruction	1 (25.0%)	0	0	0	0	0	0	1 (4.0%)

Note: When calculating the corresponding number of adverse events, only one person is counted if the subject has multiple adverse events in one SOC or PT classification.

Clinical Development Plan of HX009

For the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, we incurred research and development costs for our Core Product of RMB13.5 million, RMB19.4 million, RMB17.6 million and RMB19.4 million, respectively, which accounted for 29.0%, 25.9%, 30.9% and 34.5% of our total research and development expenses during the same periods, respectively. The clinical trials of HX009 has been marked by significant milestones, with two phase I dose escalation clinical trials successfully concluded in Australia and China. These trials, known as HX009-I-01 Australia Study and HX009-I-01 China Study (Phase Ia), were pivotal in understanding safety and optimal dosage levels of HX009. The completion of these trials has provided a solid foundation for the subsequent phases of research and development.

Currently, we are focusing on the ongoing clinical trials of HX009 conducted in China. One is the HX009-I-01 China Study (Phase Ib), which is a phase Ib clinical trial that comprises of two cohorts with one cohort specifically targets advanced melanoma patients who were disease progression after prior treatments involving PD-1/PD-L1 inhibitors. This study is a testament to the ongoing efforts to find effective treatments for patients with this aggressive form of skin cancer. The other clinical program, the HX009-II-02 China Study, is a multi-center, open-label, single-arm Phase I/II clinical trial. It is designed to assess the safety and efficacy of HX009 in Chinese patients with R/R lymphoma (including R/R EBV^+ NHL). This study is significant as it aims to provide a new therapeutic option for patients with this type of blood cancer. Furthermore, we commenced the HX009-II-05 China Study (Phase IIa) for treatment of advanced biliary tract cancer with first patient enrolled in January 2025.

In addition, we submitted a combination study IND of HX009 to NMPA in November 2024, which is a Phase IIa clinical study application for the combination treatment of HX009 with trastuzumab deruxtecan in patients with advanced triple-negative breast cancer (i.e., the HX009-II-04 China Study). We obtained clinical study approval from NMPA in February 2025 and expect the first patient enrollment for this combination study to be in 2026. Regarding the combination clinical study with trastuzumab, the brand for the trastuzumab deruxtecan used is Enhertu® and was co-developed by a multinational healthcare corporation in Japan and a multinational pharmaceutical company focused on innovative medicines across multiple therapeutic areas, including oncology, cardiovascular, and metabolic diseases. Trastuzumab deruxtecan is included in NRDL since 2024, and according to Frost & Sullivan, the price of trastuzumab deruxtecan is RMB3,480/100mg in 2025 and there are plenty supply in the market. As of the Latest Practicable Date, we had not incurred any actual cost for this combination drug as we have not yet commenced the HX009-II-04 China Study. Our Company is considering two ways for supply of this drug: (i) to be supplied by one of the co-developers, which is under negotiation and (ii) to be purchased from other suppliers on the market, and our Company has reached out to four suppliers to provide this drug. The aim of these studies is to explore the possibility of enhanced therapeutic effects that may arise from combining HX009 with existing therapies, potentially offering improved outcomes for cancer patients. These combination studies underscore a commitment to exploring the full potential of HX009 and its role in future cancer treatment paradigms.

Market Opportunity and Competition

EBV^+ NHL

EBV^+ NHL is a subtype of lymphoma with a specific viral association, and current treatment options are often limited to chemotherapy and radiotherapy, which are significantly less effective as compared to EBV^- NHL. The market for HX009 in the treatment of EBV^+ NHL presents a niche yet promising opportunity. According to the F&S Report, China incidence of EBV^+ NHL has increased from 12.1 thousand in 2019 to 13.5 thousand in 2024 with a CAGR of 2.1%. It is estimated to be 15.1 thousand in 2030 and 16.5 thousand in 2035

with a CAGR of 1.9% and 1.8% respectively. Meanwhile, global incidence of EBV^+ NHL has increased from 83.4 thousand in 2019 to 94.2 thousand in 2024 with a CAGR of 2.5%. It is estimated to be 104.4 thousand in 2030 and 115.0 thousand in 2035 with a CAGR of 1.7% and 2.0% respectively.

Traditional surgery, chemotherapy, and radiotherapy have poor efficacy against these malignant tumors and can lead to severe adverse reactions. According to the F&S Report, although approximately 60% to 70% of non-Hodgkin lymphoma (NHL) patients initially respond to the CHOP or R-CHOP treatments, which are the standard chemotherapy treatments, approximately 30% to 40% of NHL patients are either refractory to the standard CHOP or R-CHOP treatments or relapsed after the standard treatments. Currently, there are no specific drugs targeting EBV^+ NHL on the market. Immune checkpoint inhibitors show potential in EBV^+ NHL. For example, nivolumab appears safe in patients with EBV-associated lymphoproliferative disorders and NHL without unexpected toxicities in a phase II study. All these are making R/R NHL is still an unmet medical need and thus a potentially encouraging market for new therapy development. HX009 stands poised to revolutionize treatment in a patient cohort with limited treatment options and poor outcomes, fulfilling a crucial market demand for novel therapeutic solutions. Our translational study results demonstrated that HX009 could significantly inhibit tumor growth in a large panel of *in vivo* lymphoma models and also exhibited enhanced anti-tumor activities compared to PD-1-targeting only or CD47-targeting only therapies, which is in consistent with published literatures that the responsiveness to PD-1/PD-L1 treatment can be sensitized by way of blocking CD47. Moreover, our translational research, together with others, in a large panel of lymphoma patient-derived tumor xenograft (PDX) models and patient sample data, showed that EBV^+ NHLs expressed high level of PD-L1, CD47 and OX40. In line with this, HX009 also demonstrated preliminary anti-tumor efficacy in EBV^+ lymphoma in the ongoing phase Ib clinical study, implying a potential application of HX009 for EBV^+ lymphoma patients. In comparison to the first generation of anti-CD47 antibodies (for example, magrolimab) our preclinical data showed that HX009 is featured with reduced affinity to CD47 thus little binding to red blood cells and platelets. In addition, the PD-1 targeting drives the affinity that ensured HX009 specifically and preferentially targets and acts on the exhausted T cells in the tumor microenvironment, avoiding the antigen sink effect or systemic toxicities associated with CD47-targeting only therapeutics. In line with our featured design, HX009 exhibited minimal toxicities in Good Laboratory Practice (GLP) toxicity study as well as the first-in-human clinical studies, demonstrating HX009 has a broader therapeutic window when compared to other CD47-targeting therapeutics such as magrolimab.

Melanoma

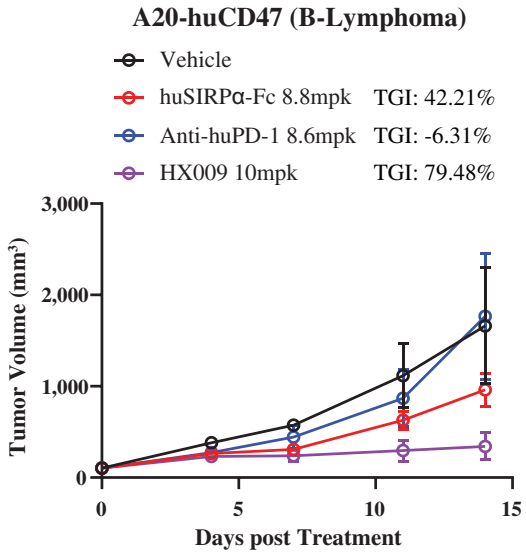
Melanoma is the most serious type of skin cancer and it can also form in eyes and inside the body, such as in the nose or throat. The market opportunity for HX009 in treating advanced melanoma is significant, given the increasing incidence of this aggressive skin cancer globally. According to the F&S Report, China incidence of melanoma has increased from 8.2 thousand in 2019 to 9.2 thousand in 2024 with a CAGR of 2.4%. It is estimated to be 10.3 thousand in 2030 and 11.1 thousand in 2035 with a CAGR of 2.0% and 1.5% respectively. Meanwhile,

global incidence of melanoma has increased from 294.6 thousand in 2019 to 351.6 thousand in 2024 with a CAGR of 3.6%. It is estimated to be 376.6 thousand in 2030 and 405.2 thousand in 2031 with a CAGR of 1.2% and 1.5% respectively. According to the F&S Report, from 2019 to 2024, the total melanoma market in China has increased from US$0.2 billion to US$0.3 billion, representing a CAGR of 6.2%. Furthermore, the rapid increase in China's melanoma market will continue in the near future. The total melanoma market of China is forecasted to reach US$0.4 billion in 2035. Meanwhile, the global melanoma market has increased from US$12.6 billion to US$18.4 billion from 2019 to 2024, representing a CAGR of 7.9%. Furthermore, the rapid increase in global melanoma market will continue in the near future. The global melanoma market is forecasted to reach US$23.6 billion and US$27.3 billion by 2030 and 2035 respectively, which represents a CAGR of 4.2% from 2024 to 2030 and a CAGR of 2.9% from 2030 to 2035.

Melanoma is known for its resistance to traditional therapies, and the market is ripe for innovative treatments that can improve patient outcomes. Traditional therapies for melanoma typically include surgery, chemotherapy, and radiation therapy. The occurrence of resistance in melanoma treated by traditional therapy is attributed to the accumulation of both genetic and epigenetic alterations to tumor cells and significant changes in their micro-environment. As major traditional therapies, there are certain limitations that cannot be ignored in the surgery and chemotherapy. Although several PD-1 blockades, for example, nivolumab (Opdivo) and pembrolizumab (Keytruda), have been approved as the first-line treatment for melanoma, the response rate to these PD-1 blockades is remarkably limited. According to the F&S Report, the traditional cytotoxic drugs for treatment of advanced melanoma maintain a relatively low effectiveness with an overall response rate of 10% to 15%. Apart from this, a significant number of melanoma patients relapsed after anti-PD-1 therapy in a relatively short time, which leaves very limited therapeutic options for relapsed/refractory melanoma. Multiple combinations of chemotherapy and mono-chemotherapy did not bring significant survival benefits in advanced melanoma patients. Acral lentiginous melanoma is more common among Chinese patients than Caucasians. According to the F&S Report, approximately 60% to 70% of melanoma in China are acral or mucosal melanoma and respond poorly to the current anti-PD-1 therapies, as opposed to approximately 90% of melanoma in white people are cutaneous melanoma, which are relatively more responsive to anti-PD-1 therapy. Taken together, R/R melanoma after anti-PD-1 therapy remains an unmet clinical need, calling for development of next generation of therapies.

The success of immunotherapies in recent years has demonstrated the potential for novel approaches to significantly extend survival rates and improve quality of life for patients, particularly for patients who are not suitable for intensive chemotherapy or have advanced, unresectable, recurrent disease. HX009, with its unique mechanism of action, could capture a substantial share of the market with a promising demonstration of superior efficacy and safety profiles compared to existing treatments. HX009 is characterized with dual targeting of PD-1 and CD47 and our preclinical data showed that HX009 is able to enhance T cell activation by such a simultaneous targeting of PD-1 and CD47 on T cells in comparison to PD-1-targeting only or CD47 targeting only reagents, implying a stronger anti-tumor effect over anti-PD-1 antibodies alone. In accordance with this, HX009 demonstrated improved anti-tumor activities

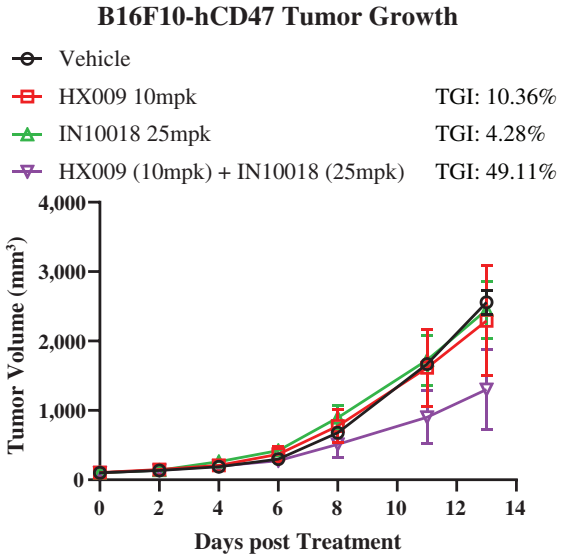
than HX008 (an anti-PD-1 monoclonal antibody) or Keytruda in a couple of preclinical tumor models. Taken together, HX009 is expected to provide more clinical benefits for advanced melanoma patients, especially the acral or mucosal melanoma patients in China. The chart below illustrates that HX009 showed solid tumor growth inhibition in the human CD47-expressing A20-huCD47 syngeneic model, while anti-PD-1 antibody or huSIPRα-Fc fusion protein exhibited little or modest tumor growth inhibition, suggesting that HX009 is of greater anti-tumor efficacy over anti-PD-1 via additional CD47 targeting.



Biliary Tract Cancer

BTC is the second most common type of liver and bile duct cancer worldwide, typically comprised of cholangiocarcinomas and gallbladder cancers, patients with ampullary cancer are also included in some cases. BTC's most common symptom is jaundice, characterized by a deep yellow color in the eyes and skin due to bile duct obstruction. BTC is a common malignant tumor of the biliary system. Early symptoms include abdominal discomfort, decreased appetite, weight loss, etc. In later stages, symptoms may include jaundice, abdominal pain, fever, etc. The concealed nature of the gallbladder often leads to late-stage detection, resulting in a poor prognosis. According to the F&S Report, over 65% of BTC patients are diagnosed too late for curative surgical resection, resulting in a five-year survival rate of approximately 5% to 15%. Even among those who undergo surgical treatment, the recurrence rate within one year remains as high as 67%. According to the F&S Report, the incidence of BTC in China reached 139.8 thousand in 2024. This number is expected to increase to 161.1 thousand in 2030 and 179.1 thousand in 2035, representing a CAGR of 2.4% between 2024 and 2030 and 2.1% between 2030 and 2035. Meanwhile, global incidence of BTC in 2024 reached 419.1 thousand. It is estimated to rise to 505.0 thousand in 2030 and 582.9 thousand in 2035, representing a CAGR of 3.2% and 2.9%, respectively.

Although surgical resection is one of the major effective and curative interventions for BTC, BTC is very aggressive and over 65% of patients are diagnosed too late for surgical resection, leading to a five-year survival rate of approximately 5% to 15%. Although BTC is highly heterogeneous at the genomic, epigenetic, and molecular levels, the genetic mutation frequencies are relatively low thus constraining the applications of targeted therapies, such as IDH1 inhibitors, BRAF V600E inhibitors, NTRK inhibitors, etc. Therefore, Gemcitabine/cisplatin (GC) based treatment regimens remain the standard of care for BTC patients. Recently, durvalumab (an anti-PD-L1 drug) in combination with chemotherapy (gemcitabine + cisplatin) has been approved by FDA for treating BTC based on a phase III TOPAZ-1 trial, however, the median OS in patients with gallbladder cancer received durvalumab plus chemotherapy was 10.7 months (95% CI, 8.9-13.2) in comparison to 11.0 months (95% CI, 8.7-12.8) in patients received chemo only, therefore, BTC, especially the gallbladder cancer, remains an unmet medical need. Published literatures showed that interfering of CD47-SIRPα interaction demonstrated potential uses in the treatment of BTC. In addition, HX009 has demonstrated encouraging anti-tumor efficacy in a gallbladder cancer patient (partial response, PR) in the phase I clinical trial, demonstrating a further investigation of HX009 for the treatment of BTC. Cancer-associated fibroblasts (CAFs) are key cellular components in tumor stroma and the prominent stromal cells in the tumor microenvironment, forming a physical barrier to block penetration of anti-tumor drug as well as the leukocytes infiltration in the TME. BTC is characterized with presence of excessive CAF with the tumor microenvironment. Published literatures implied that depletion of CAF or blocking the activity of CAF by FAK inhibitors significantly inhibit the BTC tumor growth and metastasis, likely via reducing tumor-associated fibrosis, increasing anti-tumor drug penetration and immune cell infiltration as well as reversing the pro-tumor immunity, which eventually favors potential combination with immunotherapy. In alignment with this, our translational research results showed that HX009 in combination with a FAK inhibitor, IN10018, demonstrated great anti-tumor effects in a "cold tumor" model which doesn't respond to anti-PD-1 therapy at all, suggesting that the combination of HX009 with IN10018 could potentially maximize the anti-tumor activities of HX009 in BTC, particular in gallbladder cancer, where current PD-1 or PD-L1 antibodies (for example, durvalumab) failed to provide clinical benefits. The chart below illustrates that, in this human CD47-expressing B16F10-hCD47 syngeneic model which don't respond to anti-PD-1 therapy, neither HX009 or IN10018, a small molecule FAK inhibitor inhibited the tumor growth. In contrast, the combo of HX009 and IN10018 demonstrated enhanced anti-tumor activities in comparison to each monotherapy, respectively, suggesting that HX009 and IN10018 have synergistic anti-tumor effects and this combo might be of great potential for PD-1 resistant tumors.



As of the Latest Practicable Date, no drug targeting CD47 has been approved for clinical use and our HX009 is the only CD47 targeted bispecific antibody/bifunctional fusion protein for advanced melanoma and advanced biliary tract cancer under clinical study globally.

Competitive Advantages

We believe that our Core Product, HX009, has the following competitive advantages:

- *Synergistic therapeutic effects through dual-targeting of two immune checkpoint inhibitors*

  Our HX009 is designed to target two critical immune checkpoints, PD-1 and CD-47, simultaneously, with potential to elicit a synergistic therapeutic response. This dual-targeting mechanism not only enhances the immune system's ability to recognize and attack cancer cells but also reduces the likelihood of resistance, which is a common challenge with single-agent immunotherapies. The bispecific modality is expected to provide a more robust and sustained anti-tumor response, leading to improved clinical outcomes for patients. Moreover, the specifically designed bispecific agent is anticipated to translate to an improved safety profile.

- *Novel selection of targets with significant potential*

  The novel designation for our HX009 signifies its novel mechanism of action, which is not currently available in the market. This unique position offers HX009 considerable potential to become the new standard of care in the treatment of various indications including EBV^+ NHL and advanced melanoma. In particular, we have recently published an important observation that CD47 and PD-L1 are co-upregulated in EBV^+ NHL, where HX009 may likely have more considerable activities. As a promising therapy, HX009 has the opportunity to fill the gap in the treatment landscape, particularly for patients who

have exhausted existing treatment options or who are ineligible for current standards of care. The specifically selected targets also position HX009 favorably in terms of intellectual property protection and market exclusivity, which could lead to a prolonged competitive edge and a more attractive value proposition for potential investors and partners.

- *Positive progress of HX009 in multiple clinical programs*

  HX009's ongoing clinical programs are demonstrating promising results, which is a testament to the product's potential to become a transformative treatment option. The positive progress across multiple clinical trials indicates that HX009 is safe and well tolerated, and it has also demonstrated promising efficacy signals in multiple indications in both solid tumor and hematological indications, hence on track to meet its efficacy endpoints and safety profiles.

- *Global potential for clinical development*

  HX009 has entered clinical stage for multiple programs, with a promising theoretical and clinical results of success. In China, we have commenced two clinical trials in multiple centers, namely, the *Phase I Clinical Trial of Tolerability and Pharmacokinetics of HX009 in Patients with Advanced Solid Tumors (China)* (the "**HX009-I-01 China Study**"), and the *A Multi-center, Open-label, Single-Arm Phase I/II Clinical Study to Evaluate the Safety and Efficacy of Recombinant Humanized Anti-CD47/PD-1 Bispecific Antibody HX009 Injection in Chinese Patients with Relapsed/Refractory Lymphoma (China)* (the "**HX009-II-02 China Study**"). As of the Latest Practicable Date, we have completed Phase Ia of the HX009-I-01 China Study, which is a conventional phase I study to evaluate the safety and tolerability of HX009 in patients with advanced solid tumors and to preliminarily measure its anti-tumor efficacy, and PI of the HX009-I-01 China Study (Phase Ia) has issued the clinical study report dated July 24, 2024. Currently, we are undergoing the clinical stage of the HX009-II-02 China Study and have obtained positive preliminary results as of the Latest Practicable Date. In the U.S., we have received the Study May Proceed Letter from the FDA for HX009 to conduct Phase Ib/II clinical trials in the U.S. for the DLBCL.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET HX009 SUCCESSFULLY.

Key Product — HX301

Overview

HX301 is a novel therapeutic candidate under development, which is designed to target multiple oncogenic pathways that are critical in the progression of various types of cancer. As an investigational multi-kinase inhibitor being developed for treating different cancers for its activities against CSF1R, ARK5, CDK4/6 and FLT-3, HX301 represents a significant

advancement in targeted cancer therapy, with the potential to address unmet medical needs for patients with challenging-to-treat malignancies. By targeting these multiple pathways, HX301 aims to overcome resistance mechanisms and provide a more comprehensive therapeutic approach compared to single-targeted agents.

Mechanism of Actions

The development of HX301 is centered around its unique mechanism of action, which involves the inhibition of specific kinases that are often deregulated in cancers, leading to unchecked cancer cell growth and survival. HX301 is a novel multi-target kinase inhibitor that targets colony-stimulating factor-1 receptor (CSF1R), AMPK-associated protein kinase 5 (ARK5), cell cycle-independent kinase 4/6 (CDK 4/6), and FMS-like tyrosine kinase 3 (FLT-3). HX301, being a multi-kinase inhibitor, may exert anti-tumor effects by the following MoAs: (i) inhibition of tumor-infiltrated macrophages by blocking CSF1R, thus blocking the promotion of tumor growth by tumor-associated macrophages; and (ii) inhibition of tumor cell proliferation by inhibition of CDK4/6. HX301 shows the highest potency to inhibit CSF1R with subnanomolar IC_{50} in vitro. CSF1R, or M-CSFR (macrophage colony stimulating factor receptor), is an receptor tyrosine kinase and a member of the same family of kinase as FLT-3, responsible for the growth, survival and polarization of cells of myeloid lineages. CSF1R is also often over-expressed, or maybe pathogenic-driven, for example, in acute myeloid leukemia and/or in tumor associated macrophages such as macrophage/microglia in glioblastoma tumors, its high expression could potentially be correlated to poorer cancer prognosis. HX301 can potentially be a candidate for cancer treatments by targeting cancer cell directly (e.g. acute myeloid leukemia) or indirectly on tumor-associated macrophages. Besides, as the ability to mobilise across the blood brain barrier is studied and evidenced mainly through preclinical and/or clinical results, and it was evidenced in preclinical studies that HX301 is capable of blood-brain barrier penetration with a brain: plasma exposure ratio of about 70%, suggesting it could also potentially be developed as a promising treatment of glioblastoma, an aggressive malignancy with huge unmet medical need.

Communications with Regulatory Authorities

NMPA

We submitted a Phase I clinical study protocol (the "**HX301-I-01 China Study Protocol**") to NMPA, which followed the ICH GCP and provided that the primary objectives for this study are to (i) assess the safety and tolerability of HX301; and (ii) determine the MTD and RP2D of HX301.

The HX301-I-01 China Study Protocol was accepted by NMPA in December 2019, and in January 2020, NMPA issued the clinical trial approval notification (the "**HX301 NMPA Umbrella Approval**") to us, which confirms that HX301 satisfied the relevant requirements of drug registration, and allows us to carry out clinical trials of this product for advanced solid tumors according to the NMPA HX301-I-01 Protocol. The HX301 NMPA Umbrella Approval also confirms that we may adjust our product development strategies and clinical trial protocols

as appropriate based on the clinical trial development and the clinical trial data obtained, and may communicate with the relevant regulatory authorities if necessary. In addition, the HX301 NMPA Umbrella Approval provides that (i) after obtaining the permission of the first clinical trial, the applicant shall regularly provide the Center for Drug Evaluation (the "**CDE**") with safety update reports during drug research and development, and submit them within two months after each year; and (ii) after completing the Phase I and Phase II clinical trials and before carrying out the Phase III clinical trials, the applicant shall apply to CDE for a communication meeting.

In May 2024, we submitted a combination study IND of HX301 to NMPA, which is a Phase II clinical study application to evaluate the safety and tolerability of HX301 combined with temozolomide in the treatment of patients with glioblastoma (i.e., the HX301-II-01 China Study). We obtained clinical study approval in August 2024, and enrolled first patient in January 2025.

Clinical Studies and Preclinical Combination Results of HX301

We own development and commercialization right of HX301 in China. During the Track Record Period, we have completed the Phase I clinical study of HX301 in China, which is a open-label, multi-center study evaluating the safety, tolerability, and initial efficacy of HX301 in patients with advanced solid tumor (the "**HX301-I-01 China Study**"). We also commit to promote the combination therapies of HX301 and received the HX301 GBM Combination Approval, which allows us to carry out clinical studies of HX301 combined with temozolomide in the treatment of patients with glioblastoma.

In addition to our internal efforts, we are also pursuing global collaborations with industry-leading business partners. The collaboration with global partners such as Onconova represents a strong alliance that could significantly expand the therapeutic applications of HX301 and offer new treatment options for patients suffering from certain type of cancer.

HX301-I-01 China Study

The HX301-I-01 China Study has been conducted in accordance with the International Conference on Harmonization Good Clinical Practice (the "**ICH GCP**"). Pre-clinical models and phase I safety and efficacy data demonstrate promising results, underscoring the potential of HX301 as a therapeutic option for various cancers.

The HX301-I-01 China Study is divided into three phases: (i) the screening period (from the time subjects sign the informed consent form to 28 days before the first administration of the drug); (ii) the treatment period (one year); and (iii) the follow-up period (90 days after the last administration of the drug). Subjects are patients with pathologically confirmed malignant solid tumors, specifically those with advanced malignant solid tumors (metastatic or unresectable) who have failed standard treatments (such as targeted therapy, chemotherapy, biological therapy, immunotherapy, etc.) due to disease progression or intolerance to toxicity, or those who lack effective treatment options.

As of January 12, 2024, a total of 20 patients were enrolled in the clinical study, with varying doses of HX301 administered with the following five dose levels: 40 mg (n=3), 80 mg (n=3), 120 mg (n=4), 160 mg (n=3) and 200 mg (n=7). As of the Latest Practicable Date, we have completed the HX301-I-01 China Study, and the principal investigator of the HX301-I-01 China Study has issued the Clinical Study Report (the "**HX301-I-01 China CSR**") dated July 3, 2024, where the principal investigator assessed the clinical results from the HX301-I-01 China Study. Based on the HX301-I-01 China CSR, below sets forth comments on HX301's quality safety, PK, and preliminary efficacy data:

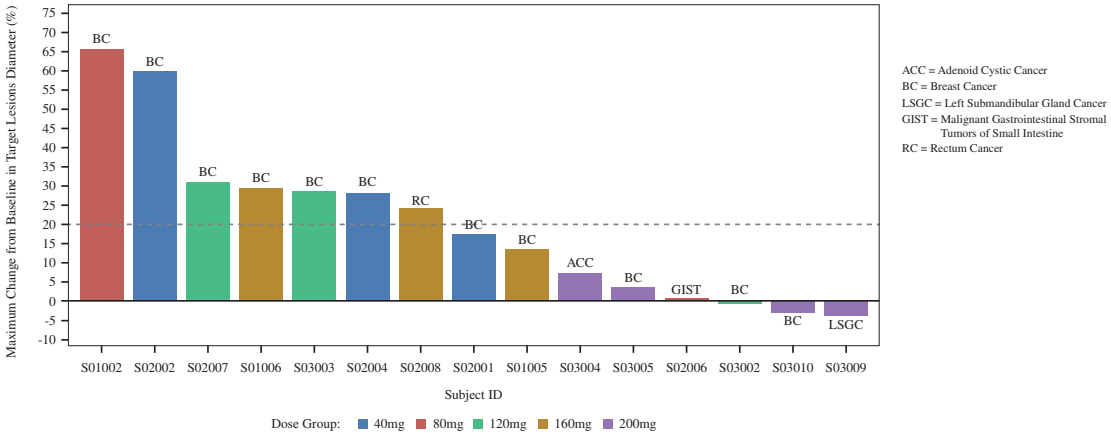
- ***Safety:*** Dose-limiting toxicities were observed in two patients in the 200 mg group, including one case of Grade 4 elevation of alanine aminotransferase and one case of Grade 3 thrombocytopenia with Grade 2 epistaxis (nosebleed), both of which resolved after discontinuation of the drug and symptomatic treatment. Two subjects experienced adverse events related to the study drug that led to permanent discontinuation of the drug, both in the 200 mg dose group. Four subjects experienced Grade 3 or higher adverse events related to the study drug, with one case in the 160 mg dose group and three cases in the 200 mg dose group. There was no clear dose-dependent trend in the incidence and severity of common adverse events across the different dose groups. The safety results suggest that HX301 has a manageable overall safety risk within the dose range of 40 mg to 160 mg, while the 200 mg dose group showed an increased risk of permanent discontinuation and Grade 3 or higher adverse events. No fatal TEAEs or TEAEs leading to study discontinuation were reported.

- ***PK:*** PK results show that HX301 is rapidly absorbed in the body after oral administration. The exposure of the main active components, A74-6 and A74-IMP-01, increases with the dose. The active component A74-6 essentially exhibits linear PK characteristics within the dose range of 40-120 mg. However, due to individual differences, A74-6 shows nonlinear characteristics at higher doses such as 160 mg and 200 mg. After multiple administrations, A74-6 has a weak drug accumulation at each dose level. The active component A74-IMP-01 essentially exhibits linear PK characteristics within the dose range of 40 mg to 200 mg, and after multiple administrations, A74-IMP-01 also has a weak drug accumulation at each dose level.

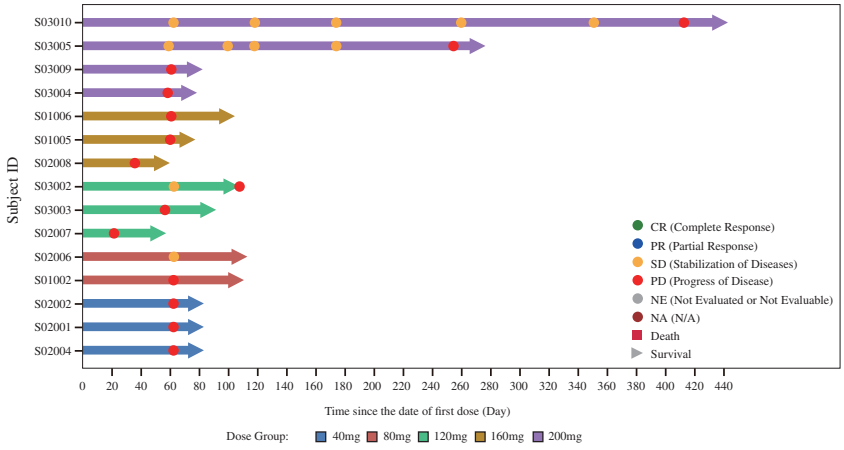
- ***Efficacy:*** Among the 20 patients evaluable for tumor assessment using RECIST Version 1.1 by Investigators, four achieved stable disease, including two patients with breast cancer in the 200 mg group, one patient with breast cancer in the 120 mg group, and one patient with malignant gastrointestinal stromal tumor in the 80 mg group. One patient with HR+ breast cancer in the 200 mg group who achieved stable disease was treated for over a year and achieved prolonged stable disease for more than 12 months.

The efficacy results suggest that there is certain limitations in the efficacy of HX301 monotherapy, but some patients achieved stable disease at doses of 80 mg or higher, and the duration of stable disease may be longer with higher doses. This provides some clinical benefit support for subsequent clinical development, especially for the exploration of combination therapies.

The chart below sets forth waterfall plot of the maximal percentage change in the size of target lesions from baseline (full analysis set):



The chart below sets forth swimmer plot of duration of exposure, tumor response, and survival status by RECIST Version 1.1 (full analysis set):



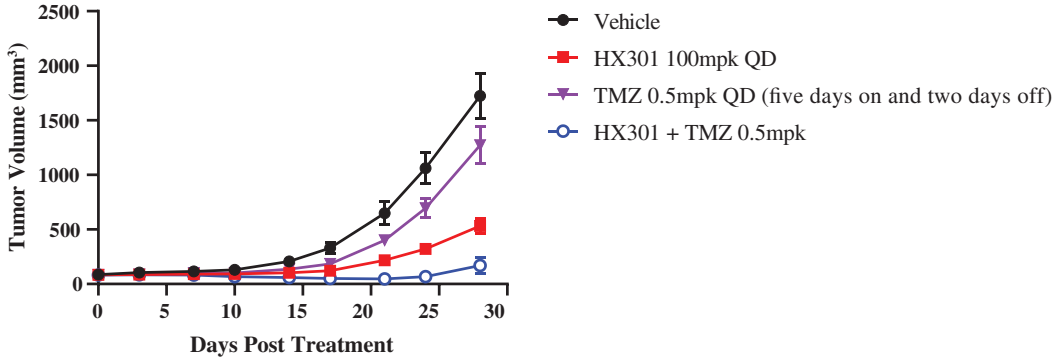
Source: Company data

There were two long-term responder or patients whose diseases have been stable under treatment for long period of time in the HX301-I-01 China Study. For the best of patient's interest and ethical reason, the HX301-I-01 China Study was kept open (i.e., no database-lock) to allow such patients being treated in the study with HX301. We would like to collect all patient's data including such long term responder. Therefore, the HX301-I-01 China Study was kept open for approximately four years, and it was completed in July 2024 when the clinical study report was issued. Despite that we obtained the NMPA approval for the combination study of HX301 in August 2024, the prolonged duration may cast a potential risk on the pace of our clinical study development.

Preclinical Results and HX301-II-01 China Combination Study

As illustrated in the chart below, in this U87 MG human glioblastoma subcutaneous xenograft model, HX301 at 100 mg alone or temozolomide at 0.5 mg both induced mild to moderate anti-tumor effects, whereas the combination treatment with both HX301 and temozolomide led to a greater anti-tumor effects in comparison to either HX301 or temozolomide alone, suggesting a synergistic effect between HX301 and temozolomide.

Subcutaneous U87 MG Tumor Growth



Source: Company data

HX301-II-01 China Study

We submitted a phase II clinical study protocol to NMPA (the "**HX301-II-01 China Study Protocol**") for the combination with temozolomide in the treatment of glioblastoma, which followed the ICH GCP and provided the primary objective is to evaluate the safety and tolerability of HX301 combined with temozolomide in the treatment of patients with glioblastoma. In August 2024, NMPA issued the clinical trial approval notification (the "**HX301 GBM Combination Approval**") to us, which allows us to conduct clinical trials of HX301 in combination with temozolomide in the treatment of patients with glioblastoma. No additional approval is needed before we proceed to carry out the confirmatory clinical studies (確證性臨床試驗) or pivotal-stage clinical studies (關鍵性臨床試驗). The HX301 NMPA GBM Combination Approval also provided that, after completing the exploratory clinical studies (探索性臨床試驗) and before carrying out the confirmatory clinical studies or pivotal-stage clinical studies, the applicant shall apply to CDE for a communication meeting to evaluate subsequent clinical studies. The HX301-II-01 China Study is divided into two phases: (i) the screening period (from the time subjects sign the informed consent form to 28 days before the first administration of the drug); and (ii) the treatment period lasted until the subject either developed an intolerable toxicity, withdrew consent, developed progression of disease, died; whichever occurred first.

The brand name for the temozolomide used in the HX301-II-01 China Study is Tazian® and it was developed by a CDMO company with a large-scale commercial GMP production base for biologics. Temozolomide is included in NRDL. As of the Latest Practicable Date, our Company may settle payment of this drug in accordance with prescriptions for the clinical studies, and according to Frost & Sullivan, the price of temozolomide in this brand is RMB89.43/20mg*5 tablets in 2025 and there are plenty supply in the market. As of the Latest Practicable Date, we have enrolled seven patients for this clinical study and incurred a total cost of approximately RMB17,400 for this combination drug.

Summary of Safety Data from Phase I Clinical Trials in China

During the Track Record Period, we completed one clinical trial programs of our Key Product HX301 in China, namely, the HX301-I-01 China Study. As of December 27, 2023, 20 patients with advanced solid tumor were enrolled and treated in the phase I studies in China.

The table below sets forth the summary of frequently reported treatment-related treatment-emergent adverse events by preferred term in Phase I trials of HX301 in China:

	Grade ≥3 Treatment-Related Adverse Events					
Preferred Term	**40 mg (N=3)**	**80 mg (N=3)**	**120 mg (N=4)**	**160 mg (N=3)**	**200 mg (N=7)**	**Total (N=20)**
At least one Grade ≥3 TRAE	0	0	0	1 (33.3%)	3 (42.9%)	4 (20.0%)
Tests	0	0	0	1 (33.3%)	2 (28.6%)	3 (15.0%)
Elevated gamma-glutamyl transferase	0	0	0	1 (33.3%)	0	1 (5.0%)
Elevated alanine aminotransferase	0	0	0	0	1 (14.3%)	1 (5.0%)
Elevated aspartate aminotransferase	0	0	0	0	1 (14.3%)	1 (5.0%)
Elevated alkaline phosphatase	0	0	0	1 (33.3%)	0	1 (5.0%)
Decrease in platelet count	0	0	0	0	1 (14.3%)	1 (5.0%)
Decrease in neutrophil count	0	0	0	0	1 (14.3%)	1 (5.0%)
Metabolic and nutritional diseases	0	0	0	0	1 (14.3%)	1 (5.0%)
Hyperglycemia	0	0	0	0	1 (14.3%)	1 (5.0%)
Gastrointestinal system diseases	0	0	0	0	1 (14.3%)	1 (5.0%)
Indigestion	0	0	0	0	1 (14.3%)	1 (5.0%)

Note: When calculating the corresponding number of adverse events, only one person is counted if the subject has multiple adverse events in one SOC or PT classification.

Clinical Development Plan for HX301

For the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, we incurred research and development costs for HX301 of RMB4.3 million, RMB2.7 million, RMB2.4 million and RMB1.9 million, respectively, which accounted for 9.3%, 3.6%, 4.8% and 3.4% of our total research and development expenses during the same periods, respectively. The Phase I dose escalation study for HX301 has been successfully

completed, marking a significant milestone in understanding the drug's safety profile and establishing the appropriate dosage levels. This foundational work is crucial for the safe progression into more advanced stages of clinical research.

Building on the safety profile and efficacy results from the phase I study, we proceed to explore potential of HX301 in combination with temozolomide for the treatment of glioblastoma (i.e., the HX301-II-01 China Study), with first patient enrolled in January 2025. As of the Latest Practicable Date, this study was going and we have enrolled seven patients for this study. The HX301-II-01 China Study aims to assess the efficacy and safety profile of this combination therapy, which could potentially enhance treatment outcomes for patients.

Our approach to the development of HX301 is both strategic and collaborative. We believe that by combining our internal expertise with the strengths of global partners, we can accelerate the clinical progress of HX301 and ultimately improve patient outcomes. The upcoming phase II study represent significant opportunities to advance the science of cancer treatment and make a meaningful difference in the lives of patients worldwide.

Market Opportunity and Competition

Our HX301 is under clinical development for the treatment of glioblastoma, which is among the most aggressive and difficult-to-treat forms of cancer. Current treatment options for glioblastoma are limited, primarily involving surgery, radiation therapy, and chemotherapy, which often result in suboptimal outcomes due to the blood-brain barrier and the tumors' resistance to conventional treatments. The market opportunity for HX301 in treating glioblastoma is substantial, given the high unmet medical need for more effective therapies. According to the F&S Report, in China, the incidence of glioblastoma has reached 45.0 thousand in 2024 from 37.8 thousand in 2019 with a CAGR of 3.5%. The incidence is projected to grow to 51.4 thousand in 2030 with a CAGR of 2.3% and 56.8 thousand by 2035, representing a CAGR of 2.0%. In 2024, the market of glioblastoma in China reached RMB1.2 billion, and the market would enlarge to RMB3.2 billion and RMB5.4 billion by 2030 and 2035 with the CAGR of 17.9% and 10.7% respectively.

Currently, there is only one CSF1R targeted multi-kinase small molecule inhibitors on clinical stage for treatment of glioblastoma in China.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET HX301 SUCCESSFULLY.

HX044

Overview

HX044 is an innovative therapeutic candidate that is being developed as a potential treatment for various types of cancers, particularly PD-1-resistant cancers (including but not limited to NSCLC, melanoma, RCC and gastrointestinal cancer). It is designed as a

bifunctional anti-CTLA-4 antibody SIRPα fusion protein simultaneously targeting two different antigens targets. This dual targeting approach is intended to enhance the immune system's ability to recognize and eliminate cancer cells more effectively than traditional monoclonal antibodies, which typically target a single antigen, with better toxicity profile.

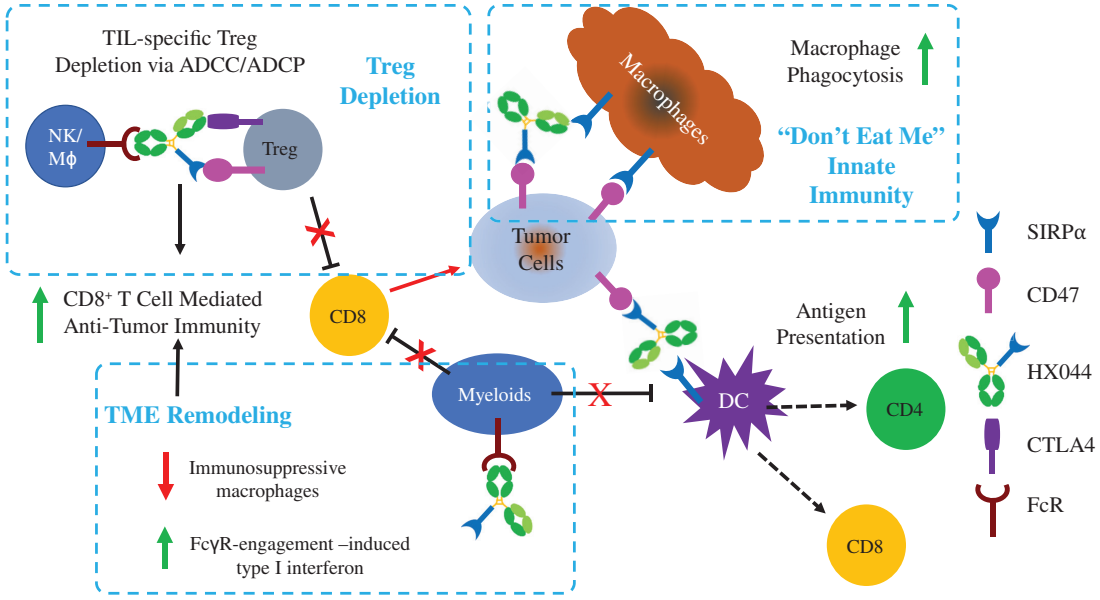
As a novel humanized bifunctional anti-CTLA-4 antibody SIRPα fusion protein which binds to CTLA-4 and CD47, HX044 features (i) enhanced efficacy via increased tumor infiltrating lymphocyte-Treg depletion or tumor micro-environment restructure by its Fc function; (ii) improved safety via reduced both target binding affinity as well as reduced CTLA-4 ligand blocking activities; (iii) engagement of other ICI activities beyond CTLA-4, e.g. CD47-SIRPα blockade on between tumor cell and macrophage or DC cells; and (iv) low antigen sinking due to reduced single antigen binding affinity, thus enabling lowered dose treatments.

Our HX044 particularly stands out for its ability to engage multi-distinct immune pathways, which can lead to a more comprehensive and potent anti-cancer immune responses. By binding to its two targets, HX044 may be able to trigger multiple immune cell activation mechanisms, resulting in a synergistic effect that could potentially overcome resistance and lead to improved clinical outcomes for patients with cancer.

Mechanism of Actions

CTLA-4 is a classic immune checkpoint that function to suppress T cell function through blockade of co-stimulatory receptors CD80/CD86 on antigen presenting cells interacting with co-activator CD28 on T cells. Anti-CTLA-4 monoclonal antibody, ipilimumab, an IgG1 mAb, is the first approved immune check point inhibitor, making it one of the two clinically validated major immune-oncology targets together with PD-1/PD-L1. Importantly, these two ICIs have completely different immune-oncology MoAs. MoAs of IgG1 type anti-CTLA-4 mAb described thus far include blockade of CTLA-4 binding to its ligands of CD80/CD86 on APCs, ADCC-/ADCP-mediated depletion of tumor-infiltrate Treg via its Fc function and the remodeling of innate immunity in tumor micro-environment through Fc-receptor (FcR)-engagement. The anti-tumor effects of ipilimumab could result from one, two or three of these mentioned MoAs. However, ipilimumab has yet to be broadly successful as cancer treatment for its narrow therapeutic window, including dose-limiting toxicity and irAEs. On the other hand, recent works have revealed that while perhaps Fc function of ipilimumab may have contributed significantly to its efficacy, the ligand blocking may actually be blamed for the most of observed irAEs. Under this circumstance, one of the key objectives for creating a next generation anti-CTLA-4 treatment would be to reduce its ligand blocking function while maintain its Fc functions. Since CTLA-4 has different MoAs from those of PD-1/PD-L1, CTLA-4 therapy is ideally aim at treating PD-1 resistant patients or in combination with PD-1 to increase clinical benefit. Such agents are expected to have great demands in the oncology market.

HX044 is a specifically engineered bifunctional antibody fusion protein targeting tumor infiltrated immune cells, including Treg and tumor-associated macrophages, etc., via one of its target receptors as well as Fc receptors on T cells and other immune cells within tumor micro-environment. It is a next generation investigational immunotherapy with MoAs distinct from PD-1/PD-L1 blocker, thus suitable for the treatment of PD-1-resistant solid tumors. Both receptor targets of HX044 are upregulated on Treg in tumor micro-environment. HX044 efficiently depletes tumor infiltrating lymphocyte-Treg and facilitates tumor microenvironment restructure by the coordinated cis-binding of both targets together with the engagement with other immune cells with Fc-receptors within tumor micro-environment. It also blocks the "don't eat me" signal mediated by CD47-SIRPα pathway on the macrophage with promotion of phagocytosis effect, facilitated by its Fc engagement. Furthermore, HX044 blocks the binding of tumor cells CD47 to SIRPα on antigen presenting cell with activation of the antigen presenting effect. The safety of HX044 is also greatly improved *via* minimized systemic binding due to the significantly reduced binding affinity for both target receptors. HX044 also showed superior antitumor activity as compared to its parental monoclonal antibodies, even for "cold" tumor that is resistant to anti-PD-1 treatment. The significantly broadened therapeutic window of HX044 makes it a promising new realm of immunotherapy for cancers.



Source: Company data

Communications with Regulatory Authorities

Therapeutic Goods Administration (TGA)

Pursuant to the relevant laws and regulations in Australia, we submitted our HREC application for our first-in-human phase I/IIa clinical study for HX044 (the "**HX044-I-01 Australia Study**") to a certified HREC (the "**Approving HREC**"), and the Approving HREC issued the approval letter (the "**HX044 HREC Approval Letter**") on September 10, 2024, confirming its approval of our clinical project, i.e. the HX044-I-01 Study. On September 11, 2024, we submitted the online notification form through the TGA website and received its acknowledge on September 23, 2024. We did not received any request for further information or negative comments from TGA after we filed the online notification. As of the Latest Practicable Date, there were eight patients enrolled for the HX044-I-01 Australia Study.

NMPA

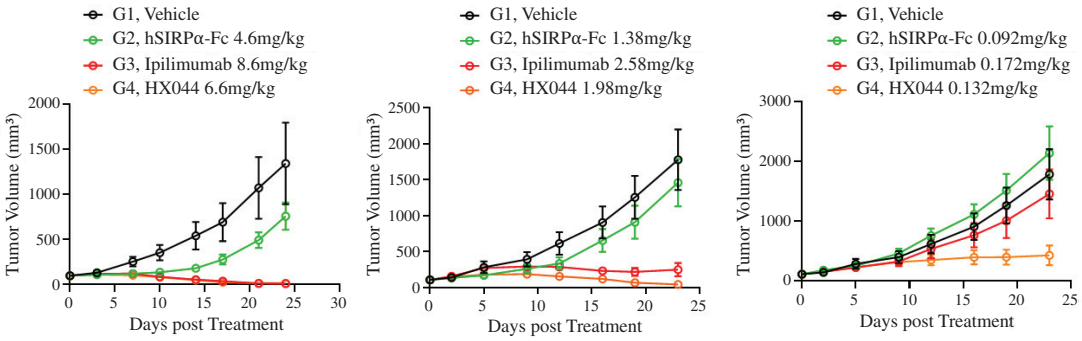
We submitted a Phase I clinical study protocol (the "**HX044-I-01 China Study Protocol**") to NMPA, which followed the ICH GCP and provided that the primary objectives for this study are to (i) assess the safety and tolerability of HX044; and (ii) determine the MTD and/or the RP2D of HX044 in subjects with advanced malignant tumors by evaluating DLTs. The endpoints of this study are (i) adverse events, clinical laboratory assessments, vital signs, and electrocardiograms; and (ii) evaluation of DLTs up to 21 days after the first dose of study treatment.

The HX044-I-01 China Study Protocol was accepted by NMPA in November 2024, and in January 2025, NMPA issued the clinical trial approval notification (the "**HX044 NMPA Umbrella Approval**") to us, which confirms that HX044 satisfied the relevant requirements of drug registration, and allows us to carry out clinical trials of this product for advanced solid tumors according to the NMPA HX044-I-01 China Study Protocol. In addition, we submitted to NMPA a supplemental Phase I/IIa combination clinical study protocol for HX044 with pucotenlimab in patients with advanced solid tumor. The revised primary objectives of the HX044-I-01 China Study are to (i) assess the safety and tolerability of HX044 or in combination with pucotenlimab; and (ii) determine the MTD and the RP2D of HX044 or in combination with pucotenlimab in subjects with advanced malignant tumors by evaluating DLTs. The endpoints remained the same as above-mentioned. We obtained the clinical study approval in September 2025, and enrolled first patient for the combination therapy part in November 2025. As of the Latest Practicable Date, there were 15 and two patients enrolled for the monotherapy part and combination therapy part of the HX044-I-01 China Study, respectively.

Preclinical Studies of HX044

According to the F&S Report, Ipilimumab is currently the only CTLA-4 targeted mAb drug approved for clinical treatment. As illustrated in the charts below, HX044 demonstrated stronger anti-tumor effects than Ipilimumab at a significant low dose in human CD47 expressing "hot tumor" model (highly immunogenic, responsive to PD-1 mAb), suggesting a broader therapeutic window of HX044 than Ipilimumab.

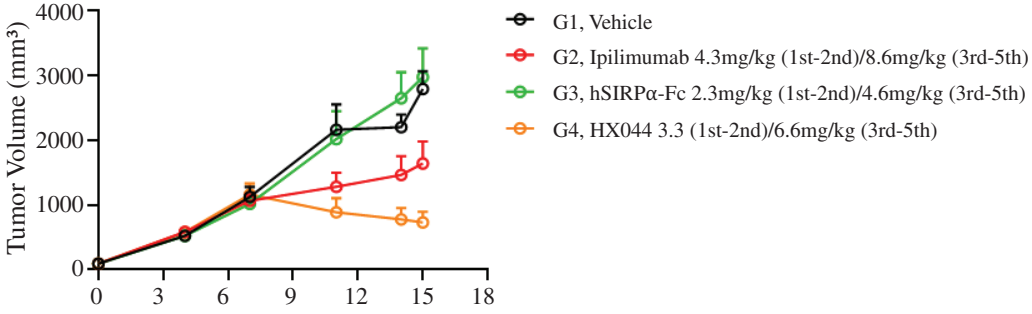
Human CD47 expressing "hot tumor" model



Source: Company data

In addition, HX044 showed stronger Treg depleting activity than Ipilimumab thus producing superior anti-tumor efficacy over Ipilimumab in a huCD47 expressing "cold tumor" model (less immunogenic, non-responsive to PD-1 mAb).

Human CD47 expressing "Cold Tumor"



Source: Company data

Clinical Studies of HX044

We own the worldwide development and commercialization right of HX044.

As of the Latest Practicable Date, we were conducting the HX044-I-01 clinical studies in Australia and China concurrently, which is designed to be a multi-center, open-label phase I/IIa study of HX044 in patients with advanced solid tumor malignancies, including dose escalation phase (Phase I) and dose expansion phase (Phase IIa) to establish the MTD and/or RP2D, and to evaluate the preliminary antitumor activity of single agent HX044. For Phase I of the HX044-I-01 Australia Study, we expect to enroll patients with all tumor types regardless of previous PD-1/PD-L1 exposure, whereas for Phase IIa of the HX044-I-01 Australia Study, we will enroll patients who have progressed during or after previous treatments of PD-1/PD-L1 regimen in selected tumor types. The advanced solid tumor targeted by our product refers to relapsed/refractory solid tumor.

The HX044-I-01 studies were divided into a screening period (28 days before first dose), treatment period (up to 24 months), safety follow-up and survival follow-up period. Safety will be evaluated throughout the study up until 90 (±7) days after the last dose of study treatment. Subjects enrolled for the HX044-I-01 Australia Study will be administered every 3 weeks (21±3 days) via intravenous infusion. Study treatment will continue every 3 weeks (21±3days) until the subject develops an intolerable toxicity, withdraws consent, develops progression of disease, death, lost to follow-up, start of new anticancer treatment or up to study treatment duration of 24 months, whichever comes first.

Monotherapy Part of the HX044-I-01 Studies in Australia and China

In October 2024, we entered into the clinical trial research agreement with an Australian clinical trial research institution, initiating the HX044-I-01 Australia Study, As of the Latest Practicable Date, we have enrolled eight patients for the HX044-I-01 Australia Study. In January 2025, NMPA issued the clinical trial approval notification (the "**HX044 NMPA Umbrella Approval**") to us for conducting clinical trials of HX044 in treatment of advanced malignant solid tumor, and we enrolled first patient in March 2025 for this HX044-I-01 China Study. As of the Latest Practicable Date, there were 23 patients enrolled for the monotherapy part of the HX044-I-01 studies (eight patients in the Australia and 15 patients in China), among which, one patient has achieved partial response and five patients has achieved stable disease. The HX044-I-01 Australia Study and the HX044-I-01 China Study are the same study conducted in different jurisdictions, and we expect to finance such clinical studies partially with the net proceeds from the Listing. For details, please refer to "Future Plans and Use of Proceeds — Use of Proceeds" in this prospectus.

Combination Therapy Part of the HX044-I-01 studies in China

We submitted to NMPA a supplemental Phase I/IIa combination clinical study protocol for HX044 with pucotenlimab in patients with advanced solid tumor, and obtained the clinical study approval in September 2025. We enrolled first patient for the combination therapy part in November 2025. The brand of pucotenlimab used in the combination study of HX044 is Puyouheng™, with marketing authorization held by Lepu. According to Frost & Sullivan, there are plenty supply of pucotenlimab in the market. As of the Latest Practicable Date, we have incurred a total cost of approximately RMB291,200 for this combination drug.

Clinical Development Plan for HX044

For the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, we incurred research and development costs for our HX044 of approximately RMB3.9 million, RMB16.4 million, RMB6.9 million and RMB8.0 million, respectively, which accounted for approximately 8.3%, 21.9%, 13.6% and 14.2% of our total research and development expenses during the same periods, respectively.

The HX044-I-01 Australia Study is of significant importance as it aims to provide a novel immunotherapy of PD-1-resistant solid tumors. We plan to conduct clinical trial for HX044 concurrently in Australia and China due to the complementary advantages of the two countries. Australia boasts a flexible regulatory environment, streamlined processes, high-quality research infrastructure, and a strong talent pool. China, on the other hand, has vast patient resources, a rapidly maturing healthcare system and infrastructure, robust policy support, and immense market potential. As confirmed by F&S, it is a normal practice for biotech companies to conduct clinical studies in Australia and China concurrently. However, we have no plan to conduct pivotal clinical trial for HX044 in Australia due to the high capital investment and in line with our development strategy to focusing on our primary market of China. Looking ahead, we expect the clinical research roadmap for HX044 to include a phase II combination study with certain PD-1 targeting drugs. We plan to investigate the potential of HX044 when used in conjunction with other treatments across a range of cancer types, including melanoma, gastrointestinal cancer, and other solid tumors. The aim of combination study is to explore the possibility of enhanced therapeutic effects that may arise from combining HX044 with existing therapies, potentially offering improved outcomes for cancer patients. This planned clinical study underscores a commitment to exploring the full potential of HX044 and its role in future cancer treatment paradigms.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET HX044 SUCCESSFULLY.

PRECLINICAL STAGE CANDIDATES

HX111

Mechanism of Action

HX111 is an antibody-drug conjugate designed to specifically target lymphoma/leukemia as well as certain target receptor-positive solid tumors, e.g. many sarcomas. The target of HX111 is over-expressed in selected lymphoma and leukemia, so being a tumor associated antigen, including nearly all ATL, AITL, NK/T, Histiocytic lymphoma, etc. It is also expressed on surface of many solid tumor cells, but with little expression among normal tissues, including normal blood cells. The monoclonal antibodies of the same target have been widely tested in solid tumors in clinics with little safety concern but lack of efficacy. HX111 shows efficient clearance of target positive lymphoma and leukemia cells and solid tumor cells in many preclinical animal models.

Clinical Development Plan for HX111

We own the worldwide development and commercialization right of HX111. As of the Latest Practicable Date, we have completed the preclinical studies of HX111 and submitted the IND application of a Phase I/IIa clinical study of HX111 to NMPA in October 2025. We expect to obtain the clinical study approval in the first quarter of 2026.

HX017

Mechanism of Action

HX017 is a monoclonal antibody targeting human NKG2A/CD94, a heterodimer inhibitory receptor expressed on natural killer cells and $CD8^+$ cytotoxic lymphocytes. HX017 can efficiently block the interaction between NKG2A/CD94, often upregulated in cancer and viral infected patients, and its ligand human leukocyte antigen-E, a non-classical MHC-I molecule whose expression is often upregulated by tumors to avoid immune surveillance. HX017 as an immune checkpoint inhibitor recovers anti-tumor and/or antiviral cytotoxicity of both natural killer cells and $CD8^+$ cytotoxic lymphocytes. HX017 can be developed as anti-cancer immunotherapy together with PD-1 antibody, particularly for solid tumors with upregulated HLA-E expression, and as a novel anti-viral infection agent.

Clinical Development Plan for HX017

We own the worldwide development and commercialization right of HX017. HX017 was developed as preclinical candidate compounds. As of the Latest Practicable Date, we have completed the preclinical studies and achieved promising results for HX017. While we do not expect to prioritize the clinical studies of HX017 by ourselves, we plan to proactively seek collaboration with industry-leading business partners to further develop HX017.

HX129

Mechanism of Action

HX129 is an antibody-drug conjugate specifically targeting to TRBV12, which constitute polymorphism with more than 30 families. A given T cell-derived lymphoma/leukemia expresses a defined TRBV. The antibody of HX129 only recognizes a specific TRBV and efficiently deplete lymphoma/leukemia of this specific subtype of TRBV. HX129 causes little toxicity to normal T cells of other TRBV subtypes, thus limiting its toxicity. Thus, such ADC would be potentially a safe T cell targeting therapy.

Clinical Development Plan for HX129

We own the worldwide development and commercialization right of HX129. HX129 was developed as preclinical candidate compounds. As of the Latest Practicable Date, we have completed the preclinical studies and achieved promising results for HX129. While we do not expect to prioritize the clinical studies of HX129 by ourselves, we plan to proactively seek collaboration with industry-leading business partners to further develop HX129.

HX035

HX035 is a novel bispecific OX40 antibody targeting to two distinct OX40 epitope. It is a strong depleting antibody with strong and enhanced ADCC, significantly superior than those parental monoclonal antibodies. It is also a ligand blocker and an antagonistic antibody. It showed strong anti-aGVHD model in vivo, representing a positive anti-autoimmune drug candidate for a variety of autoimmune diseases, including AD, etc.

Clinical Development Plan for HX035

We own the worldwide development and commercialization right of HX035. We plan to file the IND application for HX035 by the first quarter of 2026.

COMMERCIALIZED PRODUCT

HX008

HX008 is a humanized monoclonal antibody to PD-1 by using human IgG4 isotype, which can antagonize the PD-1 signal to restore the capability of the immune cells to kill cancer cells through blocking PD-1 binding to their ligands PD-L1 and PD-L2. It innovatively employs antibody engineering techniques to introduce mutations in Fc portion to increase FcRn binding, thereby significantly improving its half-life and leads to strong clinical anti-tumor activity and a favorable safety and efficacy profile. HX008 demonstrated efficacy and good safety profile in the completed Phase Ia clinical trial in solid tumors. Furthermore, as the extension of the half-life of HX008 did not cause any additional AE along with its encouraging clinical efficacy profile.

HX008 received IND approval from the NMPA in August 2017, which included clinical study protocols for phase Ia, Ib and subsequent phase II and phase III. The HX008 Phase Ia trial was completed with MTD and RP2D determined per the clinical trial protocol in May 2018 and final CSR completed in May 2020.

Shortly after we obtained the clinical study approval in August 2017 and through a series of equity transfer agreements entered in between 2017 and 2019, we transferred out our rights and interests in HX008 in consideration of a one-off cash payment of RMB350.0 million and annual royalty fee to Lepu. In July and September 2022, the NMPA granted conditional marketing approval for HX008 for the treatment of MSI-H/dMMR solid tumors and inoperable or metastatic melanoma, respectively. As of the Latest Practicable Date, we have received full payment of the one-off cash payment of RMB350.0 million. Benefitted from the successful commercialization of HX008, we received payment of approximately RMB0.7 million, RMB4.4 million and RMB13.1 million as the HX008 annual royalty fee for 2022, 2023 and 2024 respectively as of the Latest Practicable Date. On August 14, 2024, we entered into the supplemental agreement with Lepu, which provided that Lepu shall transfer the remaining 9% equity and pay the corresponding equity transfer fee of RMB70.0 million. Additionally, our Company has the right to use the anti-PD-1 monoclonal antibody sequence for exclusive research, development, improvement, combination therapy, and commercialization activities for HX009, a novel anti-PD-1/CD47 bispecific antibody, with full intellectual property rights. For details, please refer to "— Collaboration Agreements — HX008 Equity Transfer Agreements" in this prospectus.

RESEARCH AND DEVELOPMENT ("R&D")

We believe that our continuous dedication to research and development is instrumental in propelling our business expansion and maintaining our competitive edge. The main impetus behind our R&D endeavors is to address the unmet medical needs in the treatment of intricate illnesses, with an overarching goal of holistic patient care. This involves the strategic targeting of various critical disease pathways in a coordinated manner, aiming to enhance the overall therapeutic benefits while maintaining a balanced approach. For the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, we incurred R&D costs of RMB46.7 million, RMB74.7 million, RMB50.5 million and RMB56.2 million, respectively.

Our R&D Approach

At the core of our R&D approach is a long-standing commitment to innovation in the realm of macromolecule therapeutics, with a particular focus on unmet clinical needs. This approach is meticulously crafted to address the unmet clinical needs of patients suffering from a variety of complex diseases.

Our R&D efforts are anchored in the exploration and advancement of macromolecule compounds (particularly employed in bispecific drugs and antibody-drug conjugates), which offer unique advantages due to their high specificity, potency, and long-lasting effects. These biologics, including proteins and antibodies, have the potential to revolutionize treatment paradigms by targeting the underneath disease mechanisms.

In the pursuit to address unmet clinical needs, we are dedicated to venturing into previously uncharted territories of science and medicine. Our team of experts is constantly engaged in forefront research aimed at discovering novel pathways and mechanisms that are theoretically proven and can be harnessed to create groundbreaking treatments. By focusing on unmet clinical needs, we aim to be pioneers in our chosen therapeutic areas, offering patients and healthcare providers entirely new treatment options.

Simultaneously, our R&D approach also emphasizes the value of improving upon existing therapies, enhancing their efficacy, safety, and convenience for patients. Our efforts involve the meticulous analysis of current treatment landscapes, identification of gaps or limitations, and the application of cutting-edge science to engineer superior alternatives.

Our R&D approach is characterized by a multi-pronged approach that encompasses:

- ***Target Identification and Validation:*** Through in-depth understanding of the target receptor biology based on abundant reported literatures and our own observations, including using advanced computational and bioinformatics tools, we set out to identify new targets and/or new target mechanisms in disease pathogenesis, and then validate their potential pharmacology role in treatments.

- ***Drug Discovery and Design:*** Our team employs state-of-the-art techniques in antibody engineering based on *VersatiBody* platform/workflow to design and test macromolecule panels in order to identify candidate molecule with optimized pharmacological properties of both desired target biology and druggability.

- ***Preclinical and Translational Research/Development:*** Rigorous and comprehensive preclinical testing in vitro and in vivo ensures the safety and efficacy of our candidates as per design, along with extensive translational research, paving the way for rational clinical development, including identification of potential disease indications and patient stratification.

- ***Clinical Trial Execution:*** We design and conduct clinical trials with precision, adhering to the highest standards of the ICH GCP and regulatory compliance.

- ***Intellectual Property Management:*** A strategic IP management approach protects our innovations and secures our competitive position in the market.

- ***Collaboration and Partnership:*** We actively seek collaborations with academic institutions, research organizations, and industry partners to leverage diverse expertise and accelerate the development process.

- ***Market and Patient Insight:*** Continuous engagement with the medical community and patients ensures that our R&D efforts are aligned with the real-world needs and preferences.

By focusing on macromolecule therapeutics, FIC, BIC, and unmet medical need strategies, we are poised to deliver transformative medicines that can significantly improve patient outcomes and redefine the standards of care in various disease areas. Our R&D approach is a testament to our unwavering dedication to innovation, patient-centricity, and the relentless pursuit of scientific excellence.

Our R&D Team

Our R&D team is composed of highly skilled professionals with extensive knowledge and a profound understanding of immune-oncology, cancer biology, and autoimmune diseases, as well as translational and clinical sciences. They have been at the forefront in pinpointing compounds that can regulate various pathways associated with illnesses, which gives us a distinctive edge in fulfilling the clinical requirements for intricate conditions. Our R&D team is spearheaded by a group of renowned scientists who bring with them a wealth of experience in the realm of drug development. As of the Latest Practicable Date, under the supervision of our chairman and executive Director, Dr. Zhang, our chief business officer, Dr. Tang and led by our CEO and CSO, Dr. Li, our R&D team consisted of 20 members covering the fields of biochemistry, biology, pharmacology and clinical science. Our core R&D personnel among our management team have been working in the biopharmaceutical industry for an average of approximately 20 years. All of our core R&D personnel have been involved in and contributed to the R&D activities of the Core Product. During the Track Record Period, none of core R&D personnel left our Group. To incentivize core R&D personnel to stay with us, we have offered not only monetary compensation and bonuses but also equity incentives that vest progressively.

Our process research and CMC research team is part of our R&D team with five experienced employees responsible for both internal early stage wet lab process and method developments, covering cell development and upstream and downstream processes, conjugation and analytical, and also project management of the outsourced CMC activities, which constitute most of ongoing CMC activities at CDMO, including early cell line construction evaluation, process development and pilot.

Our R&D team is generally responsible for the worldwide development of our Core Product and other pipeline products. Our R&D team has the capacity to conduct clinical programs at various development stages in China and other jurisdictions. For our internally discovered and developed drug candidates, we conducted drug discovery, quality assurance and clinical activities (together with the clinical development team) including: (i) orchestrating all clinical development endeavors; (ii) formulating the principal elements of clinical trials; (iii) arranging and coordinating the selection of suitable CROs for engaging clinical sites and managing clinical trials once they are underway; (iv) monitoring the clinical trials; and (v) directing extensive regulatory interactions and coordination both in China and abroad.

The following table sets forth a breakdown of the number of our R&D team by function and workplace as of the Latest Practicable Date:

Function/Responsibility	Workplace	Number of Employees
Process research and CMC research	China	5
Drug discovery and GLP studies	China	10
Pharmacology and translational medicine	China	1
Regulatory affairs/project management/quality assurance	China	3
Overall strategic planning, development of new medicine	Hong Kong	1
Total		**20**

The following table sets forth the identities, positions, expertise of core R&D personnel and their involvement and contributions to the R&D activities during the Track Record Period and up to the Latest Practicable Date:

Identity	Position	Joining Date	Expertise	Involvement and contributions to the R&D activities since the discovery of Core Product
Dr. Zhang	Founder and Chairman	March 2017	Structural biology	Leading the overall strategic planning and scientific development
Dr. Li	Chief Executive Officer and Chief Scientific Officer	January 2022	Preclinical & Translational oncology, viral infection	Leading the overall operation and strategic layout, product research and development, including screening indications for our pipeline products and initiating *VersatiBody* Platform and *autoRx40* Platform
Mr. Ke Hang	Non-clinical Executive Director	April 2017	Antibody development	Leading preclinical antibody screening, *in vitro* efficacy, non-clinical pharmacology and toxicology
Mr. Yang Tao	Non-clinical Senior Director	March 2023	Translational medicine	Leading *in vivo* pharmacological research and clinical pharmacology
Mr. Peng Feiyu	CMC Director	July 2017	CMC research	Leading internal small-scale sample process research and sample preparation, as well as outsourcing of CMC research and production management for biopharmaceuticals and small molecules
Ms. Lei Juan	RA/PM/QA Director	April 2022	Drug regulation	Leading pharmaceutical regulatory affairs, project management, as well as research and development and production quality management

Our *VersatiBody* Platform

Our *VersatiBody* Platform is an innovative antibody technology platform that serves as the foundation for a new realm of therapeutic antibodies. This versatile platform is designed to create bi- or multi-specific antibodies, antibody-fusion proteins and/or antibody-drug-conjugates (ADC) that offer enhanced therapeutic potential, with a focus on tailoring antibody-based agent to meet specific target biology requirements. The platform's innovative design allows for the development of antibody-based therapeutics, on one hand being manufacturable with desired stability as pharmaceutical products required, while on the other hand, being with desired pharmacology properties including longer half-life, reduced immunogenicity, desired pharmacodynamic properties, which can translate to better efficacy, safety, and convenience for patients. The platform's flexible design and workflow allow for the efficient creation of antibody-based molecules with these features and high successful rate.

At the heart of our *VersatiBody* Platform lies the concept of antibody engineering, where the structure of naturally occurring antibodies is modified to optimize their function such as antibody's binding affinity/avidity for the molecular and cellular targets, immunogenicity in terms of both innate and adaptive immune reactions, as well as capacity for drug conjugations. The result is a new class of antibodies therapeutics that can be developed with a high degree of specificity and potency for the effective treatment of target diseases.

The core concept of our *VersatiBody* Platform is based on the realization of the two important facts: (i) protein functions is dependent on its specific structures which are sequence-specific, each protein, including antibodies, is unique and different from each other; and (ii) each disease is unique with distinct pathogenesis, requiring different intervention and modality for effective treatments. In contrast to "one-size-fits-all" approach, the key advantage of our *VersatiBody* Platform is its adaptability that may enable the development of antibodies against a wide range of targets and opening up possibilities for treating various diseases across different therapeutic areas. This versatility is particularly valuable in the rapidly evolving landscape of biopharmaceuticals, where the ability to rapidly develop new treatments for emerging health challenges is crucial. Key features and capabilities of our *VersatiBody* Platform include:

- *Diverse Structural Configurations:* Ability to engineer IgG1, IgG4, symmetric (2+2), asymmetric (1+1), and other formats to balance stability, manufacturability, and therapeutic function.

- *MOA-Driven Design:* Customizable binding domains (e.g., ScFvs, Fabs, traps, natural ligand mimics) and affinity tuning to enable precise targeting (e.g., ligand blockade, cooperative cis-binding, effector function modulation).

- *Optimized Biophysical Properties:* Tailored Fc engineering (e.g., half-life extension, effector silencing) and structural optimization for improved pharmacokinetics, safety, and efficacy.

- *Broad Therapeutic Applicability:* Successfully applied across our pipeline, including immune-oncology (PD-1, CD47, CTLA-4, OX40) and angiogenesis (VEGF) targets.

Our *VersatiBody* Platform also incorporates elements of modular design, allowing for the rapid assembly of new antibody constructs. Since the antibodies produced through this platform are composed of mostly natural elements mutated structures or linkers, they can be easily purified using traditional affinity chromatography. This not only ensures a high level of quality control but also streamlines the production process of antibody development, which can accelerate the time it takes to move from concept to clinical testing, potentially reducing the overall cost and complexity of drug development.

The power of our *VersatiBody* Platform is bolstered by its capability to create a variety of bi- or multi-functional antibody modalities, which have been demonstrated in creation of our diverse pipeline of antibody modalities: HX009, HX044, HX016, HX111, HX035, HX038. These pipeline have distinct structures and meet specific distinct target biology requirement. Below sets forth an illustrative example of simplified workflow of *VersatiBody* Platform in developing a therapeutic agent for a specific disease:

- *Target considerations*: At beginning, we need to understand the molecular targets relevant to disease intervention, the target expression profiles and target biology in both disease tissues and normal tissues, and thus the potential MoAs of the candidate targeting agents.

- *Molecular Design per MoAs*: Next, we take considerations of the target information above to engineer an antibody modality, e.g. BsAb, that would interact to the intended targets with defined affinity/avidity, via trans- or cis-binding. The antibody may also be equipped with full Fc functions (e.g. ADCC, ADCP, long half-life, etc.), or small molecule payloads per desired MoAs. The platform features modular design and allows for rapid adjustments per feedbacks from testing, potentially leading to the development of an optimized molecule.

- *Manufacturability*: Our *VersatiBody* Platform ensures that the designed antibody molecules are also manufacturable and stable, so can be scalable for large scale production with high yield and purity.

We believe that our *VersatiBody* Platform is highly productive in development of antibody therapeutics, making it a powerful tool for the development of our next-generation antibody treatments. As the platform continues to evolve, it is expected to play a pivotal role in shaping our future of biopharmaceutical innovation.

Our *autoRx40* Platform

Autoimmune diseases affect over 600 million people globally and represent a significant public health challenge, and major unmet medical needs. Our *autoRx40* Platform is an autoimmune disease therapeutic platform based on targeting OX40 and beyond. OX40 has recently been recognized that it plays a central role in many autoimmune and inflammatory diseases, along with many other receptors, making targeting these receptors for treating many autoimmune diseases plausible.

Considering that OX40 is broadly involved in many autoimmune diseases with participation of other receptors, we developed this *autoRx40* therapeutic platform which is centered around OX40 as well as other relevant receptors. Our *autoRx40* platform is created by taking advantages of our *VersatiBody* Platform and our OX40 monoclonal antibody molecular frame which enables us to rapidly create different molecules tailored for specific disease treatments. Based on that, we have produced several drug candidates, including HX035, a bispecific antibody that targets two different OX40 epitopes and enhances antibody-dependent cellular cytotoxicity and blocks OX40-OX40L interactions, and HX038, a bispecific antibody that targets OX40 and another relevant autoimmune receptor. These candidates are developed to modulate the immune response by either depleting pathogenic cells or inhibiting their activation, thereby mitigating autoimmune responses.

We believe that our *autoRx40* Platform could represent a significant advancement in the treatment of diverse autoimmune diseases. As the platform continues to evolve and its candidates progress through clinical trials, it holds promise for transforming the treatment landscape for patients suffering from autoimmune diseases.

CLINICAL DEVELOPMENT CAPABILITIES

Our clinical development unit is responsible for the strategic design and execution of clinical trials, which are meticulously crafted to evaluate the safety, tolerability, and efficacy of new drug candidates. This involves developing comprehensive study protocols, identifying and engaging clinical trial sites, and monitoring the progress of trials to ensure data integrity and compliance with regulatory standards. Mission of our clinical development is to advance novel therapeutics from the laboratory bench to the patient's bedside, ensuring that new treatments are not only scientifically sound but also safe and effective.

Clinical Trial Design and Implementation

The Clinical Development division at our Group is tasked with steering the entire clinical trial process, encompassing the creation of protocols and the supervision of trial operations, as well as the gathering and interpretation of clinical data. The swift progression of our clinical trials can be attributed to several key factors: (i) our tactical choice to launch clinical phase trials on a global scale, bolstered by our exceptional preclinical findings, (ii) meticulous planning of trial protocols, (iii) enduring collaborations with an array of medical centers and leading investigators from various global regions, and (iv) efficient trial implementation.

Our clinical development division is also responsible for the crucial role of identifying suitable clinical sites. The criteria for site selection include factors such as the site's track record, knowledge of the disease area, proximity to specialists and patients, geographic reach, adherence to regulatory standards and quality control measures, scope of services offered, staff expertise, and technological capabilities. We have established partnerships in respect of conducting clinical trials with numerous hospitals and principal investigators across China and Australia, which bolster our capacity to conduct clinical trials for a range of conditions and stages. We believe that the extensive network and geographical spread of these institutions grant us a competitive edge in executing extensive clinical trials and facilitate the simultaneous operation of multiple trials. Through these alliances, we are well-equipped to enroll participants from distinct populations for studies that may otherwise struggle to meet recruitment goals.

During the Track Record Period, we cooperated with a total of six leading principal investigators to conduct the clinical trials of our drug candidates. All three leading principal investigators are from leading site centers that are top tier hospitals in China, and they are recognized as nationwide experts in their respective disease areas. For the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, the total amounts paid to the site centers of the respective leading principal investigators amounted to approximately RMB0.4 million, RMB1.2 million, RMB0.8 million and RMB0.9 million, respectively. To the best of our Company's knowledge, none of them have any past or present relationships with our Group, our Directors, shareholders, senior management or any of their respective associates. The leading principal investigators bear the responsibility of carrying out clinical research activities at the site level, adhering strictly to our established trial protocols as well as to the governing laws, regulations, and the principles of the ICH GCP, which represent the quality standard for the proper and overall execution of clinical trials. For each specific trial, a leading principal investigator is designated to hold the primary accountability for upholding adherence to the trial protocol and ensuring strict compliance with good clinical practices throughout the duration of the trial. Specifically, their responsibilities include participating in trial design and planning, providing professional medical advice and guidance, recruiting eligible patients as required by the protocol, and collecting corresponding trial data.

The following table sets forth a breakdown of the number of our clinical development team by function and workplace as of the Latest Practicable Date:

Function/Department	Workplace	Number of Employees
Clinical Operations	China	11
Medical Department	China	3
Pharmacovigilance	China	1
Data Management	China	1
Quality Assurance/Quality Control	China	1
CMO	Hong Kong	1
Total		**18**

The following table sets forth the identities, positions, expertise of core clinical development personnel and their involvement and contributions to the clinical activities during the Track Record Period and up to the Latest Practicable Date:

Identity	Position	Expertise	Involvement
Ms. Zhang	CMO	Clinical oncology	Leading and managing clinical trials and participating in the overall strategic layout
Ms. Sun	Clinical Development Vice President	Clinical medicine	Leading clinical team in China to ensure clinical development strategies are implemented as planned
Mr. Wang Shuai . . .	Clinical Operation Senior Director	Clinical trial execution	Leading clinical operation team to ensure clinical trials are executed as planned in order to support the pipeline development from clinical operation side

Clinical Translational Research

Our clinical translational research is dedicated to evaluating the efficacy of treatments, exploring tailored therapeutic strategies, and refining guidelines for personalized medicine with the aid of newly generated data. The valuable insights gleaned from this research are instrumental in steering our drug discovery efforts in innovative directions and in swiftly securing proof-of-concept validation. We expertise in translational oncology, including cancer experimental pharmacology modeling, particularly patient-derived cancer models for *in vitro* (organoids) and *in vivo* (patient-derived tumor xenograft, PDX), predictive biomarker discovery and validation, etc; as well as companion diagnostic assay development.

We foster robust collaborations with a diverse group of medical professionals, including physicians, scientists, and key opinion leaders, utilizing their clinical feedback to enhance our drug candidates, be it in refining indications or considering potential therapeutic combinations. Through these partnerships, we continually refine our product development strategies. We have cultivated an extensive network of premier contract research organizations and hospitals,

ensuring that our drug candidates are efficiently advanced to the clinical trial phase. This comprehensive approach accelerates the translation of our research findings into clinical practice, thereby bringing potential breakthrough therapies one step closer to patients in need.

We based on professional and cost-efficient criteria when cooperate with CROs and CDMOs, including: (i) professional expertise and experience: we prefer CROs and CDMOs with extensive knowledge and hands-on experience in areas like antibody discovery, in vivo pharmacological studies, GLP-compliant studies, clinical trials, and drug manufacturing. This ensures accurate project execution and progress in drug R&D; (ii) compliance and quality assurance: all partners must strictly adhere to relevant domestic and international laws, regulations, and industry standards. A robust quality management system is essential to guarantee research data authenticity, reliability, and drug safety; (iii) cost-effectiveness analysis: while ensuring service quality, we consider cost - effectiveness and choose CROs and CDMOs that offer high-value services. This helps optimize resource allocation and supports our sustainable growth; and (iv) long-term cooperation potential: we value long-term and stable partnerships with CROs and CDMOs. So, when selecting partners, we assess whether their corporate culture and service philosophy align with ours and whether they have the potential for common growth and innovation.

Relationship with CROs

We engage in collaborative efforts with CROs to facilitate and support our preclinical and clinical studies, aligning with established industry standards. Our selection process for CROs involves a meticulous evaluation of several criteria, including their credentials, academic and professional backgrounds, industry reputation, and service fees. The CROs are all independent third parties to our Group. To the best of our knowledge, none of these entities maintain past or present affiliations with our Group, our Directors, shareholders, senior management, or any of their respective associates. Particularly, Dr. Zhang does not have any relationship in Crown Bioscience (Taicang) Co., Ltd.* (中美冠科生物技術(太倉)有限公司), one of our major CRO provider during the Track Record Period and as of the Latest Practicable Date.

The involvement and contributions of our major CROs in the development of our product candidates are delineated according to distinct roles. Preclinical CROs primarily conduct services related to preclinical toxicity and safety evaluations, such as animal studies, under our supervision and in adherence to agreed study designs. Clinical CROs offer a spectrum of services essential for intricate clinical trials, conforming to agreed trial designs and under our close supervision. Selection of a CRO is contingent upon the specific trial's complexity and workload. We closely oversee their operations, providing precise directives to ensure trial execution quality and efficiency. This approach enables us to leverage our in-house expertise on critical clinical trial elements, such as trial design, data analysis, and decision-making, while maintaining compliance with applicable laws, regulations, and industry standards. We believe that our collaborative efforts with CROs significantly expedite product development timelines and facilitate the acquisition of requisite data reliably and efficiently.

Service fees paid to CROs are primarily determined based on market rates for analogous services, the volume of enrolled patients, trial duration, and the caliber and scope of services rendered. For the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2025, we have incurred CRO services fees of approximately RMB6.8 million, RMB19.1 million and RMB11.7 million, respectively. During the Track Record Period, we engaged 35, 37 and 28 CROs for the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2025, respectively, fluctuation of which was primarily due to the different development stages of the respective pipeline products for the corresponding periods. For example, we engaged more CROs in 2024 for our clinical development. The following table sets forth the details of our major CROs engaged during the Track Record Period, which contributed to approximately 39.1%, 65.9% and 38.3% of the total fees we incurred for CRO services in 2023, 2024 and the eight months ended August 31, 2025, respectively.

			Transaction Amount		
			For the Year Ended December 31		For the Eight Months Ended August 31
Major CRO	Background	Involvement and Contribution	2023	2024	2025
				(RMB'000)	
Crown Bioscience (Taicang) Co., Ltd.* (中美冠科生物技術(太倉)有限公司)	Preclinical CRO	Preclinical pharmacological effect study	1,797.3	1,860.9	536.9
United-Power Pharma Tech Co., Ltd.* (軍科正源(北京)藥物研究有限責任公司) . . .	Clinical CRO	Clinical research service	580.4	1,015.3	Nil
JOINN Laboratories (Suzhou) Co., Ltd. (昭衍(蘇州)新藥研究中心有限公司)	CRO	Pharmaceutical research and safety evaluation test service	Nil	4,575.5	Nil
Medicilon Preclinical Research (Shanghai) LLC (美迪西普亞醫藥科技(上海)有限公司) . .	CRO	Non-clinical safety evaluation service	Nil	3,708.0	3,265.7
Zhejiang Hengyu Biotech Co., Ltd. (浙江恒馭生物科技有限公司)	CRO	Cell testing and virus clearance validation services	Nil	Nil	925.0

Major CRO	Background	Involvement and Contribution	Transaction Amount For the Year Ended December 31 2023	2024	For the Eight Months Ended August 31 2025
				(RMB'000)	
Beijing Sinorda Pharmaceutical Technology Co., Ltd. (北京信立達醫藥科技有限公司) . .	CRO	Data management and statistical analysis services	279.2	1,431.7	599.1
Total			**2,656.9**	**12,591.4**	**5,326.8**

Key terms of the agreements that we typically enter into with our CROs are set forth below.

- *Services*. The CROs provide us with services in the course of our preclinical studies and clinical trials, such as prescription research, record keeping and report preparation.

- *Term*. The CROs are required to perform their services within the prescribed time limit set out in each work order, usually on a project basis.

- *Payments*. We are required to make payments to the CROs in accordance with a payment schedule agreed by the parties.

- *Intellectual property rights*. We own all intellectual property rights arising from the projects conducted by the CROs within the stipulated work scope.

- *Confidentiality.* Our CROs are not allowed to disclose confidential information, including but not limited to, any technical materials, research reports or trial data elated to the project specified in the agreement.

Relationship with CDMOs

During the Track Record Period and up to the Latest Practicable Date, we had worked with qualified CDMOs to manufacture and test drug candidates for preclinical and clinical supply. We select CDMOs by taking into account a number of factors, such as their manufacturing capacity and qualifications, relevant expertise, reputation, geographic proximity and track record performance, product quality and production cost, applicable regulations and guidelines, as well as our research and development objectives. We have adopted, and will continue to implement, procedures to ensure that the production qualifications, facilities and processes of our CDMOs comply with the applicable regulatory requirements and our internal guidelines and quality standards. For the years ended December 31, 2023 and 2024 and the

eight months ended August 31, 2025, we have incurred CDMO services fees of approximately RMB4.8 million, RMB21.6 million and RMB14.5 million, respectively. During the Track Record Period, we engaged 10, 11 and 9 CDMOs for the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2025, respectively, fluctuation of which was primarily due to the different development stages of the respective pipeline products for the corresponding periods. During the Track Record Period and up to the Latest Practicable Date, we maintain stable relationship with our major CDMOs.

Service fees paid to CDMOs are primarily determined based on market rates for analogous services and the caliber and scope of services rendered. The following table sets forth the details of our major CDMOs engaged during the Track Record Period, which contributed to approximately 76.4%, 98.6% and 54.0% of the total fees we incurred for CDMO services in 2023, 2024 and the eight months ended August 31, 2025, respectively:

			Transaction Amount		
			For the Year Ended December 31		For the Eight Months Ended August 31
Major CDMO	Background	Involvement and Contribution	2023	2024	2025
				(RMB'000)	
Shanghai Thousand Oaks Biopharmaceutical Co., Ltd. * (上海澳斯康生物製藥有限公司)	CMC	Small-scale testing and process validation	Nil	7,433.5	4,547.0
Nanjing Probio Biotech Co., Ltd.* (南京蓬勃生物科技有限公司)	CMC	Protein characterization service	2,292.5	6,940.3	3,515.0
Hubei Waterstone Biopharmaceutical Technology Co., Ltd.* (湖北華世通生物醫藥科技有限公司)	CMC	Manufacturing and production service of active pharmaceutical ingredients	952.9	577.7	98.9
MabPlex International Co., Ltd.* (煙台邁百瑞國際生物醫藥有限公司)	CMC	Manufacturing and production service of active pharmaceutical ingredients	393.9	364.8	40.0

Major CDMO	Background	Involvement and Contribution	Transaction Amount		
			For the Year Ended December 31		For the Eight Months Ended August 31
			2023	2024	2025
				(RMB'000)	
Zhenjiang ProBio Biotech Co., Ltd.* (鎮江蓬勃生物科技有限公司)	CMC	Manufacturing and production service of active pharmaceutical ingredients	Nil	3,012.4	Nil
Total			**3,638.3**	**21,341.0**	**8,200.9**

Key terms of the agreements that we typically enter into with our CDMOs are set forth below.

- *Services*. The CDMOs provide us with manufacturing services according to GMP/cGMP requirements, quality standards and prescribed time frame as set out in the agreement.

- *Quality control*. CDMOs are obliged to ensure that the quality of products meet the quality standards set out in the agreement and requirements of GMP/cGMP and other regulations.

- *Payments*. We are required to make payments to the CDMOs in accordance with the payment schedule set forth in the agreement, which is typically linked to the stages of the manufacturing process and the deliverables we receive.

- *Intellectual property rights*. We own all intellectual property rights arising from the outsourced manufacturing processes.

- *Confidentiality*. Our CDMOs are not allowed to disclose confidential information, including but not limited to, any technical materials, research reports or trial data related to the project specified in the agreement, and such obligation generally survive for five years.

- *Remedies for non-conforming products*. If the CDMOs fail to deliver products or comply with substantial obligations under the relevant agreement, we are entitled to terminate the agreement and request for late fees and compensation for losses due to the failure.

Particularly, in February 2024, we entered into agreement with Zhenjiang ProBio Biotech Co., Ltd.* (鎮江蓬勃生物科技有限公司, the "**Zhenjiang ProBio**"), which was previously named as Jiangsu Genscript ProBio Biotech Co., Ltd.* (江蘇金斯瑞蓬勃生物科技有限公司) for the contract development and manufacturing of our Core Product HX009, aiming to use the deliverables for the Biologics License Application of HX009 (the "**HX009 CDMO Agreement**"). Pursuant to the HX009 CDMO Agreement, generally we are obliged to provide the necessary materials and information of HX009 for its technical development work, make payments to Zhenjiang ProBio as per the agreed schedule, accept deliverables within the specified timeframe, and comply with all contract terms including confidentiality. On the other hand, Zhenjiang ProBio is responsible for completing the technical development work within the agreed scope, quality standards, and timeline, delivering the results of each project stage to us, ensuring the work meets the required quality standards, cooperating with us in project acceptance and intellectual property transfer, and keeping all confidential information obtained during the contract performance confidential. As of the Latest Practicable Date, Zhenjiang ProBio is the sole CDMO we are collaborating for the HX009. Zhenjiang ProBio is a member of Genscript Biotech Corporation which is the owner of our Series B+ investors. See paragraph headed "Pre-IPO Investments — Information about our Pre-IPO Investors" for details. Currently, we are focusing on the ongoing clinical trials of HX009 conducted in China, namely, (i) the HX009-I-01 China Study (Phase Ib); (ii) the HX009-II-02 China Study; and (iii) the HX009-II-05 China Study. We also obtained the NMPA approval in February 2025 for a combination study of HX009 with trastuzumab in patients with advanced triple-negative breast cancer, and we expect the first patient enrollment for this combination study to be in 2026. Pursuant to the HX009 CDMO Agreement, Zhenjiang ProBio is responsible for the manufacture of seven batches of samples, including one batch of key clinical sample, three batches of process validation samples required for marketing authorization application and three batches of samples for on-site dynamic verification by the CDE. We have not entered into any commercialization contracts with Zhenjiang ProBio as of the Latest Practicable Date. To realize the commercialization of HX009, we plan to engage competent CDMOs to further leverage complementary expertise, resources, and customer networks. We may work with large pharmaceutical companies to access their manufacturing capabilities, regulatory expertise, and marketing channels, thereby accelerating commercialization and reducing risks.

For risks relating to CROs and CDMOs, see "Risk Factors — Risks Relating to Dependence on Third Parties — We substantially rely on third parties to monitor, support and conduct clinical trials and preclinical studies of our drug candidates. If these third parties do not successfully carry out their contractual duties or meet expected timelines, we may not be able to obtain regulatory approval for, or commercialize, our drug candidates, and our business could be materially affected" in this prospectus.

COLLABORATION AGREEMENTS

HX008 Equity Transfer Agreements

- *Technical Development (Cooperation) Agreement signed in January 2016 (the "**2016 Cooperation Agreement**")*

HX008 is a humanized mAb to PD-1, which was developed by us prior to the Track Record Period. On January 20, 2016, Wuhan Hanxiong entered into a technical development (cooperation) agreement of HX008 with Zhongshan Kangfang. Pursuant to the 2016 Cooperation Agreement of HX008, (i) Wuhan Hanxiong and Zhongshan Kangfang shall be the co-applicant and co-owner of the HX008 patent; (ii) key milestones include (a) the first milestone: obtain humanized candidate antibodies, which means obtaining lead antibodies and humanized candidate antibodies; (b) the second milestone: stable expression cell line, which includes construction of expression vectors, establishment of stable cell lines and cell culture, creation of the original cell bank and testing, and patent application eligibility confirmation; (c) the third milestone: process, analytical methods, formulation, and stability testing, which includes upstream and downstream processes, establishment of antibody analytical methods and validation of these methods, technology transfer and preparation of pilot-scale samples, formulation and stability studies of antibody liquids, antibody identification, and establishment of quality standards for the bulk drug substance; and (d) the fourth milestone: obtain clinical study approval, which involves commissioning preclinical studies and applying for clinical approval. The 2016 Cooperation Agreement also provided that Wuhan Hanxiong shall provide technical and scientific suggestions and instructions, and Zhongshan Kangfang shall produce and achieve the provided milestones that satisfies Wuhan Hanxiong's evaluation and verification. At the time of entering into the cooperation agreement, the development of HX008 has processed to the later stage of the third milestone that it has optimized the upstream and downstream processes, and primarily established the quality standards for the bulk drug substance.

On March 18, 2016, Wuhan Hanxiong and Zhongshan Kangfang entered into a supplemental agreement to the 2016 Cooperation Agreement, which supplemented that both parties shall apply together for the clinical study application. Upon obtained the clinical study approval, Zhangshan Kangfang shall transfer its rights under the approval to Wuhan Hanxiong to proceed with the clinical studies of HX008.

On April 1, 2016, Wuhan Hanxiong and Zhongshan Kangfang filed patent application for HX008 to the China National Intellectual Property Administration. On November 25, 2016, Taizhou Hanzhong was established by Hangzhou Hanx as its wholly-owned subsidiary, which is the research and development platform for HX008. On March 1, 2017, Wuhan Hanxiong, Zhangshan Kangfang and Hangzhou Hanx entered into another supplemental agreement to the 2016 Cooperation Agreement. At the time of this supplemental agreement, Wuhan Hanxiong was the wholly-owned subsidiary of Hangzhou Hanx. Pursuant to this supplemental agreement, Wuhan Hanxiong transferred all its rights and obligations under the 2016 Cooperation Agreement to Hangzhou Hanx. Wuhan Hanxiong and Zhongshan Kangfang filed the

application to change the patent applicants of HX008 as Taizhou Hanzhong and Zhongshan Kangfang to the China National Intellectual Property Administration, which took effective on January 24, 2019. On July 19, 2019, the patent of HX008 was granted to Taizhou Hanzhong and Zhongshan Kangfang. Taizhou Hanzhong and Zhongshan Kangfang are co-owner of the patent for HX008 (patent no. 201610207741.6 and 201710024750.6).

- *Equity Transfer Agreement signed in September 2017 (the "**2017 Equity Transfer Agreement**")*

In August 2017, Hangzhou Hanx, Taizhou Hanzhong and Zhangshan Kangfang obtained the clinical study approval for HX008, and pursuant to the supplemental agreement previously entered into in March 2016 and 2017, Hangzhou Hanx has the rights to solely proceed with the clinical studies of HX008.

Given the progress in research and development of HX008, our Group transferred 40% of our equity interest in Taizhou Hanzhong to Ningbo Houde Yimin Information Technology Co., Ltd.* (寧波厚德義民信息科技有限公司 the "**Nanjing Houde Yimin**"), the largest shareholder of Lepu and an independent third party to our Group. Nanjing Houde Yimin acquired 38.46% equity interest in Taizhou Hanzhong from Hangzhou Hanx at a consideration of RMB50 million and further subscribed for RMB2,692,300 registered capital in Taizhou Hanzhong by way of injection of new capital for a consideration of RMB70 million. Upon completion of this equity transfer in December 2017, Taizhou Hanzhong was held by Ningbo Houde Yimin and our Group as to 60% and 40%, respectively. For details, please refer to "History, Development and Corporate Structure — Disposed Subsidiary — Taizhou Hanzhong" in this prospectus.

Through contractual arrangements executed in August 2018 and February 2019, Taizhou Hanzhong and Zhongshan Kangfang became the co-patent applicants for the patents of HX008. The transfer of patent applications of HX008 to Taizhou Hanzhong was completed in 2019 because Hangzhou Hanx gradually transferred its equity interest in Taizhou Hanzhong to Lepu based on the payments received. Particularly, Zhongshan Kangfang waived its right to use these patents globally and retained other patent rights under the 2016 Cooperation Agreement. Also, Taizhou Hanzhong shall be the sole grantee of the clinical study approval of HX008 and its new drug approval once obtained. Taizhou Hanzhong becomes the central entity for HX008's development and commercialization.

- *Equity Transfer Agreements signed in September 2019 and August 2024 (the "**Lepu Investment Agreements**")*

On September 3, 2019, we entered into an equity transfer agreement with Lepu, a subsidiary of Ningbo Houde Yimin. Pursuant to this agreement, Hangzhou Hanx shall transfer its 40% equity interest in Taizhou Hanzhong to Lepu for (i) an aggregate amount of RMB350.0 million ("**One-off Cash Payment**") to be paid and equity interest to be transferred in instalments as set out in the payment schedule with no other pre-conditions attached thereto; and (ii) an annual payment of 4.375% of the net sales revenue of HX008 after its commercialization ("**Annual Fee**"). Prior to the Track Record Period, we received RMB280.0

million of the One-off Cash Payment, and due to outstanding One-off Cash Payments from Lepu and delayed settlement we entered into the supplemental equity transfer agreement with Lepu on August 14, 2024 to confirm the completion date for the transfer of our remaining 9% equity interests in Taizhou Hanzhong and payment of the outstanding One-off Cash Payment of RMB70.0 million. Additionally, it restated that our Company has the right to use the anti-PD-1 monoclonal antibody sequence for exclusive research, development, improvement, combination therapy, and commercialization activities for HX009, a novel anti-PD-1/CD47 bispecific antibody, with full intellectual property rights. Upon completion of the supplemental equity transfer on August 28, 2024, we ceased to hold any equity interests in Taizhou Hanzhong. As of the Latest Practicable Date, we have received all outstanding One-off Cash Payment as milestone payments and approximately RMB0.7 million, RMB4.4 million and RMB13.1 million as the Annual Fee in accordance with its net sales revenues recorded in 2022, 2023 and 2024, respectively. Our Director are of the view that our Company has not encountered any material dispute or deadlock with Lepu, which may have material adverse impact on our Company's operation and financial position in future.

Through transferring the exclusive rights for manufacturing, development and commercialization of HX008, it is evident that we are capable to transferring our products to market-leading business partners for further development manufacturing and commercialization. In addition, benefited from Lepu's strong capabilities in anti-PD-1 antibody drugs production, the above equity transfers with Lepu enables us to receive the One-off Cash Payment and the Annual Fee as sharing from the commercialization of HX008.

The table below summarizes the major historical developments of HX008:

Date	Agreement, Contracted Parties and Responsibilities
January 2016	2016 Cooperation Agreement (i). Wuhan Hanxiong (a then wholly-owned subsidiary of Hangzhou Hanx): independently completed the preclinical pharmacology and toxicology, production, IND application and clinical trials of HX008 (ii). Zhongshan Kangfang: provided CRO services in the preclinical antibody humanization and upstream process development
November 2016	Taizhou Hanzhong was established as the research and development platform for HX008, and subsequently succeed the responsibilities of Wuhan Hanxiong.
August 2017	Obtained the NMPA clinical studies approval for HX008

Date	Agreement, Contracted Parties and Responsibilities
September 2017	2017 Equity Transfer Agreement (i). Taizhou Hanzhong: research and development platform of HX008 (ii). Hangzhou Hanx: the then sole shareholder of Taizhou Hanzhong (iii). Ningbo Houde Yimin: investment of RMB50.0 million as the "prepayment" by way of equity consideration and RMB70.0 million as the "R&D expenses" by way of capital injection in consideration of the 60% equity interest in Taizhou Hanzhong
May 2018	Completed the phase Ia (a conventional phase I) clinical study with MTD and RP2D determined per the clinical trial protocol of HX008
September 2019	2019 Lepu Investment Agreement (i). Hangzhou Hanx; and (ii) Lepu One-off Cash Payment of RMB350.0 million to be paid and equity interest to be transferred as consideration in instalments, and an annual payment of 4.375% of the net sales revenue of HX008 after its commercialization.
June 2021	Lepu filed an NDA of HX008 with the NMPA in melanoma
August 2024	2024 Lepu Investment Agreement (i). Hangzhou Hanx; and (ii) Lepu Supplement agreement to the 2019 Lepu Investment Agreement in respect of the remaining 9% of Hangzhou Hanx in Taizhou Hanzhong and the outstanding One-off Cash Payment of RMB70.0 million.
August 2024	Hangzhou Hanx completed the remaining 9% equity transfer to Lepu.
June 2025	Lepu completed payment of all outstanding One-off Cash Payment

HX301 Onconova Co-development Agreement

With the expectation to explore combination therapies with our products at that time and further broaden the indications for our immune-oncology pipeline products, in December 2017, Hangzhou Hanx entered into a contract with Onconova Therapeutics, Inc. (the "**Onconova**") (the "**Onconova Co-development Agreement**"), regarding the license, development, and commercialization of narazaciclib, a small molecule that is a CDK4/6 and/or ARK5 dual inhibitor, for oncology indications for human use (which was in the preclinical stage small molecule at the time of entering into the agreement and was further developed and renamed as HX301 for our pipeline). Below sets forth the key terms under the Onconova Co-development Agreement:

- *IND-enabling Studies:* Hangzhou Hanx shall use commercially reasonable efforts to complete necessary pre-clinical studies for narazaciclib in order for both Hangzhou Hanx and Onconova to submit an IND within two years of the effective date in the Greater China for Hangzhou Hanx and in the U.S. for Onconova. Pursuant to this clause, Hangzhou Hanx designed and conducted the IND-enabling studies that comply with the regulatory requirements for both jurisdictions. In January 2020, Hangzhou Hanx obtained the HX301 NMPA Umbrella Approval (No. CXHL1900340), and in December 2020, Onconova obtained the Study May Proceed letter from FDA. Hangzhou Hanx has fulfilled its obligations thereunder.

- *License and Development:* (i) Onconova grants Hangzhou Hanx an exclusive license to develop and commercialize narazaciclib within Greater China. On the other hand, Hangzhou Hanx grants Onconova with rights to develop and manufacture narazaciclib outside Greater China. (ii) The Onconova Co-development Agreement stipulates that Hangzhou Hanx is responsible for all development activities, including conducting clinical trials and obtaining regulatory approvals in Greater China, while Onconova has the right to review and comment on the design and implementation any clinical trials of HX301. (iii) Design of the pre-clinical studies, design of the clinical trial protocols and endpoints will be reviewed a joint steering committee ("**JSC**") established by both parties. While each parties designate three representatives in the JSC, Hangzhou Hanx have the final decision-making authority with respect to manufacture, development or commercialization of HX301 within Greater China area and Onconova have the final decision-making authority with respect to design and implementation of pre-clinical studies to ensure compliance and sufficiency for the purpose of filing an IND in the U.S. (iv) Onconova also has the right to examine and inspect any facilities of Hangzhou Hanx or a subcontractor used in development of HX301 not more than once per year. (v) Onconova is required to notify Hangzhou Hanx of any communications with regulatory authorities (and *vice-versa*). Each party must obtain prior written consent of the other party before initiating communication with regulatory authorities, and each party must notify the other of any communications received from regulatory authorities.

%• *Registration filings*: Hangzhou Hanx is responsible for developing the regulatory strategy to obtain and maintain regulatory approvals for the sale of HX301 in Greater China area, this includes preparing all necessary regulatory materials. Onconova is required to assist Hangzhou Hanx by providing all supporting documentation within its possession and control in a timely manner to facilitate the review and submission of these materials, in accordance with applicable laws.

- *Manufacturing*: Generally, Hangzhou Hanx is responsible for the manufacturing of HX301 in the Greater China area, and additionally at request of Onconova, Hangzhou Hanx shall supply HX301 for Onconova's phase I clinical trials at a consideration paid by Onconova in the amount of Hangzhou Hanx's actual fully burdened cost plus five percent.

- *Commercialization*: During the term of the Onconova Co-development Agreement, Hangzhou Hanx is exclusively responsible for the commercialisation of HX301 within Greater China area for use in the oncology indications in humans. Hangzhou Hanx will also bear all costs associated with the commercialisation efforts, including pre-marketing and other related expenses incurred in connection with HX301's commercialisation in Greater China area.

- *License Fees:* The agreement outlines several payments under specific circumstances, including:

  — Upfront payment: Hangzhou Hanx shall make an upfront payment of US$450,000 to Onconova within 60 days of the effective date of Onconova Co-development Agreement.

  — Potential milestone payments:

    (i) By Hangzhou Hanx

Regulatory Milestone Event	***Milestone Payment***
Receipt of the first Biologics License Application Approval for the first indication of HX301 in mainland China	US$5,000,000
Receipt of the second Biologics License Application Approval for the second indication of HX301 in mainland China	US$2,500,000

Sales Milestone Event	*Milestone Payment*
First time that annual aggregate Net Sales of HX301 in Greater China exceeds US$50,000,000	US$2,500,000
First time that annual aggregate Net Sales of HX301 in Greater China exceeds US$100,000,000	US$5,000,000
First time that annual aggregate Net Sales of HX301 in Greater China exceeds US$1,000,000,000	US$50,000,000
First time that annual aggregate Net Sales of HX301 in Greater China exceeds US$2,500,000,000	US$75,000,000

(ii) By Onconova

Regulatory Milestone Event	*Milestone Payment*
Receipt of the first Regulatory Approval for HX301 in the U.S.	US$2,500,000
Receipt of the first Regulatory Approval for HX301 in a country or territory other than Greater China or the U.S.	US$1,000,000

— Royalty rates:

(i) Royalty rates within Greater China

Annual Net Sales of Product	*Royalty Rate*
For that portion of aggregate annual net sales less than US$100,000,000	3%
For that portion of aggregate annual net sales equal to or greater than US$100,000,000 but less than or equal to US$1,000,000,000	5%
For that portion of aggregate annual net sales greater than US$1,000,000,000	6.5%

(ii) Royalty rates outside Greater China

Annual Net Sales of Product	*Royalty Rate*
For that portion of aggregate annual Net Sales outside Greater China until the IND expense cap stipulated in the Onconova Co-development Agreement is reached	0.5%

— Sublicensing income:

(i) Sublicensing Fee to Onconova:

Time Period	*Sublicensing Income Payment to Onconova*
Effective date of the Onconova Co-development Agreement to Before Initiation of Phase II Trial	5% of any Sublicensing Income
From Initiation of Phase II Trial to First Commercial Sale	2% of any Sublicensing Income
After First Commercial Sale	0% (No sublicensing fees payable)

(ii) Sublicensing Fee to Hangzhou Hanx:

Time Period	*Sublicensing Income Payment to Hangzhou Hanx*
Prior to filing of the first IND	0% (No sublicensing fees payable)
From filing of the first IND until before initiation of Phase II Trial	2% of any Sublicensing Income
From initiation of Phase II Trial until First Commercial Sale	5% of any Sublicensing Income

- *Intellectual Property and Confidentiality:* Onconova solely owns inventions made by its employees, agents, or independent contractors, while Hangzhou Hanx solely owns inventions created by its own personnel. Any inventions jointly developed by employees, agents, or independent contractors from both parties will be jointly owned ("**Joint Inventions**"). Both parties agree to cooperate in filing, prosecuting, and maintaining patents for these Joint Inventions. Each party has the right to practice, license, assign, and exploit Joint Inventions and patents arising therefrom without needing consent or providing compensation to the other. The agreement includes confidentiality provisions, requiring both parties to keep confidential any proprietary information exchanged under the agreement, except where disclosure is required by law or regulation.

- *Term:* The agreement came into effect since December 2017, and shall remain in effect until the expiration of all royalty payment obligations.

- *Termination:* The agreement granted both parties the right to terminate if the other party significantly fails to fulfill its obligations or the other party files for bankruptcy, reorganization, liquidation, or receivership, or if it assigns a significant portion of its assets for the benefit of creditors. Under the agreement, Onconova may terminate the agreement if Hangzhou Hanx fails to make commercially reasonable efforts to commercialize HX301 or Hangzhou Hanx or its affiliates challenge the validity of any Onconova patents, initiate opposition proceedings, or oppose any patent extensions. Hangzhou Hanx may also terminate the agreement by providing 45 days' prior written notice to Onconova. Termination of the agreement would result in (i) immediate termination of rights and licenses granted to Hangzhou Hanx, (ii) assignment of relevant third-party agreements and materials related to HX301 to Onconova at no cost, (iii) transfer of the management and performance of any ongoing clinical trials for HX301, (iv) delivery of all pertinent regulatory filings, approvals, and commercialization data related to HX301 to Onconova, and (v) transfer of copies of any relevant know-how and provide training and support to enable Onconova to continue HX301's development.

  However, we do not expect termination of the agreement would have material adverse impact to our business operation because (i) we have independently developed the proprietary development technologies to for our HX301; and (ii) we have obtained the clinical study approval in China for HX301 that solely granted to us, and we may and already have conducted clinical studies for HX301 independently in China.

COMMERCIALIZATION

In order to effectively capture market demand amidst intense competition, we are committed to implementing a strategic commercialization approach focused on fostering mutually beneficial partnerships. By embracing win-win cooperation, we aim to optimize the global value of our drug candidates. Recognizing the substantial investment required for establishing in-house sales and marketing capabilities, we have opted not to establish a fully-fledged commercialization team. Instead, our strategy entails the formation of a lean yet highly proficient business development team, complemented by a dedicated alliance management unit. This collaborative setup will facilitate seamless coordination with our future commercialization partners.

Aligned with the anticipated approval timeline for each indication of our pipeline products, we are actively seeking partnerships by way of, including but not limited to, equity transfer with domestic and international entities possessing robust commercialization networks and specialized expertise in our therapeutic portfolio. These partnerships will enable us to effectively commercialize our pipeline products across various jurisdictions, including prominent markets such as the U.S., EU, and China. Embracing adaptability, we remain committed to pursuing a flexible strategy aimed at unlocking commercial value in key markets. This approach entails actively pursuing synergistic licensing and collaboration opportunities on a global scale.

INTELLECTUAL PROPERTY

Our intellectual property is of vital importance to our business. We have a combination of patent and other intellectual property, as well as confidentiality procedures, non-disclosure agreements and employee non-disclosure, and other contractual restrictions in place to establish and protect our commercially important technologies, inventions and know-how pertinent to our business.

As of the Latest Practicable Date, we (i) owned seven issued patents, including two issued patents in the PRC, three issued patents in Japan and two issued patent in the U.S., among which, three patents are related to our Core Product; and (ii) have more than 11 pending patent applications, including one pending patent application in the PRC, three pending patent applications under the European Patent Convention (among which one patent is related to our Core Product) and more than seven unpublished pending patent applications under the Patent Cooperation Treaty. We have four types of patent and patent applications. As reviewed and advised by our PRC IP Legal Adviser, Jingtian & Gongcheng, all material aspects of the intellectual property rights of the Company's Core Product and one of our Key Products (HX301) in the PRC can be covered by certain registered patents or pending patent applications. In addition, given that we have submitted PCT application with patent priority for one of our Key Products (HX044), we believe that all material aspects of our two Key Products (HX301 and HX044) can be covered globally by certain registered patents or pending patent applications.

The following table sets out the details of patents and patent applications material to our business operations as of the Latest Practicable Date:

Registered Patents (Inventions)

No.	Application No.	Patent Name	Subject Matter	Patentee (Patent Owner)	Inventors	Application Date	Grant Date	Expiration Date
1. . . .	ZL201711298703.7 (China)[1]	Anti-PD-1/CD47 bispecific antibody and application thereof	Material; Preparation Method; Pharmaceutical use	Hangzhou Hanx	Ying HUANG*; Faming ZHANG; Gan XI*	December 8, 2017	February 23, 2021	December 8, 2037
2. . . .	6961090 (Japan)[1]	Anti-PD-1/CD47 bispecific antibody and application thereof	Material; Preparation Method; Pharmaceutical use	Hangzhou Hanx	Ying HUANG*; Faming ZHANG; Gan XI*	December 8, 2017	November 5, 2021	December 8, 2037
3. . . .	US11680099B2 (U.S.)[1]	Anti-PD-1/CD47 bispecific antibody and application thereof	Material; Material and the Preparation Method thereof; Pharmaceutical use	Hangzhou Hanx	Ying HUANG*; Faming ZHANG; Gan XI*	December 8, 2017	June 20, 2023	July 24, 2038
4. . . .	ZL201811593852.0 (China)	Anti-OX40 monoclonal antibody and application thereof	Material; Preparation Method; Pharmaceutical use	Hangzhou Hanx	Ying HUANG*; Faming ZHANG; Gan XI*	December 25, 2018	July 14, 2023	December 25, 2038

No.	Application No.	Patent Name	Subject Matter	Patentee (Patent Owner)	Inventors	Application Date	Grant Date	Expiration Date
5. . . .	6974500 (Japan)	Method for improving binding affinity of IgG antibody to FcRn and prolonging serum half-life period thereof	Material; Preparation Method	Hangzhou Hanx	Faming ZHANG; Gan XI*; Ying HUANG*	January 13, 2017	December 1, 2021	January 13, 2037
6. . . .	7346576 (Japan)	Anti-OX40 monoclonal antibody and application thereof	Material; Preparation Method; Pharmaceutical use	Hangzhou Hanx	Ying HUANG*; Faming ZHANG; Hang KE	December 25, 2018	September 19, 2023	December 25, 2038
7. . .	US12195545B2 (U.S.)	Anti-OX40 monoclonal antibody and application thereof	Material; Preparation Method; Pharmaceutical use	Hangzhou Hanx	Ying HUANG*; Faming ZHANG; Hang KE	December 25, 2018	January 14, 2025	April 12, 2041

Note:

(1) Our Core Product HX009 is protected under the same type of patent right in the respective jurisdiction.

* Inventors marked with "*" are former employees, while the remaining inventors are current employees of us.

Published Patent Applications (Inventions)

No.	Application No.	Patent Name	Subject Matter	Patent Applicant (Application Owner)	Inventors	Application Date
1 . . .	EP3569615 (17890966)	Method for improving binding affinity of IgG antibody to FcRn and prolonging serum half-life period thereof	Method; Material; Preparation Method	Hangzhou Hanx	Faming ZHANG; Gan XI*; Ying HUANG*	January 13, 2017
2 . . .	EP3722312 (17934019)(1)	Anti-PD-1/CD47 bispecific antibody and application thereof	Material; Preparation Method; Pharmaceutical use	Hangzhou Hanx	Ying HUANG*; Faming ZHANG; Gan XI*	December 8, 2017
3 . . .	EP3904383 (18945324)	Anti-OX40 monoclonal antibody and application thereof	Material; Pharmaceutical use	Hangzhou Hanx	Ying HUANG*; Faming ZHANG; Hang KE	December 25, 2018
4 . . .	CN202111385704.1	Recombinant antibody and uses thereof	Material; Preparation Method; Pharmaceutical use	Hangzhou Hanx	Hang KE; Faming ZHANG; Feiyu PENG	November 22, 2021

Note:

(1) These patent applications are related to our Core Product HX009.

* Inventors marked with "*" are former employees, while the remaining inventors are current employees of us.

Unpublished Patent Applications (Inventions)[1]

No.	PCT Application No.	Patent Name	Patent Applicant	Application Date
1	PCT/CN2024/118841[2]	Methods of treating glioma	the Company	September 13, 2024
2	PCT/CN2024/119462[3]	Antibodies targeting CTLA-4 and CD-47 and uses thereof	the Company	September 18, 2024
3	PCT/CN2024/119472[3]	Methods for treating cancer	the Company	September 18, 2024

Notes:

(1) As of the Latest Practicable Date, these patent applications were under the review process and have not been publicized by the relevant IP authorities.

(2) This patent application is a priority application and related to one of our Key Product HX301.

(3) These two patent applications are related to one of our Key Product HX044, among which, PCT/CN2024/119472 is a priority application.

Particularly, in respect of item 5 of the registered patent (application no. 6974500) and item 1 of the published patents (application no. EP3569615(17890966)), according to our PRC IP Legal Adviser, Jingtian & Gongcheng, the PCT application number for these two patent applications are PCT/CN2017/071124, which is the same-family patent application (同族專利申請) of 201710024748.9 in China (i.e., the patent application of "a method of enhancing the binding affinity of IgG antibodies to FcRn and prolonging its serum half-life") (the "**FcRn Patent Application**"). The FcRn Patent Application involves Fc-engineering modifications to introduce mutation sites, which were independently developed by our Company and does not fall within the scope of the co-development with Zhongshan Kangfang (for details, please refer to "— Collaboration Agreements — HX008 Equity Transfer Agreements"). Our PRC IP Legal Adviser is of the view that (i) regarding our co-development with Zhongshan Kangfang, it was limited to the antibody discovery process for HX008, specifically focusing on R&D related to antigen-targeting sequences, and application no. 6974500 and application no. EP3569615 (17890966) are not products of co-development with Zhongshan Kangfang; and (ii) regarding Company's patent transfer to Taizhou Hanzhong, the obligation of change of patent applicant from Hangzhou Hanx to Taizhou Hanzhong without consideration was waived by Taizhou Hanzhong. As of the Latest Practicable Date, the FcRn Patent Application was rejected by the China National Intellectual Property Administration. However, according to our PRC IP Legal Adviser, such rejection does not necessarily result in invalidation or rejection of its same-family patent/patent application in other countries/jurisdictions.

Our legal advisor as to intellectual property laws has checked and reviewed the legal status of the pending patent applications with filed patent applications in the public online databases as well as the information provided by us regarding the pending patent applications, after which they are not aware of any fact or legal impediment with respect to those pending patent applications that would preclude the issuance of patents with respect to such pending patent applications except that these patent applications remain subject to the examination opinions from the applicable patent examination authorities during the ordinary pendency and examination of such patent applications.

Our PRC IP Legal Adviser, Jingtian & Gongcheng, conducted the freedom-to-operate searches and analyses on our Core Product and major pipeline products and litigation searches and analysis, and did not identify any substantial risk of infringement by any current key technologies or features of these products against any active patents in China. Our PRC IP Legal Adviser is of the view that there is no legal, arbitral or administrative proceedings in respect of infringement of third parties' IP rights involving our Group during the Track Record Period and up to the Latest Practicable Date. Since (i) our current business development strategies focus on the PRC market, and it is a common and cost-efficient practice to prioritize the freedom-to-operate analysis in the targeted market region; and (ii) we did not commenced and have no plan for any pivotal-stage clinical study, manufacturing and commercialisation of our HX009 and HX301 in Australia and the U.S., we prioritized the freedom-to-operate analysis for HX009 and HX301 in China to minimize the infringement risks. Also, since HX044 is at an early stage, we did not perform freedom-to-operate analysis for HX044. We will proceed with further freedom-to-operate analysis as the research and development progresses.

Taking into account the views of our PRC IP Legal Adviser, our Directors confirmed that 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 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.

SUPPLIERS AND RAW MATERIALS

Suppliers

During the Track Record Period, our suppliers primarily consisted of CROs 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, 2023 and 2024 and the eight months ended August 31, 2025, the aggregate purchases attributable to our five largest suppliers amounted to approximately RMB16.3 million, RMB28.6 million and RMB23.3 million, respectively, representing approximately 51.8%, 37.4% and 45.5% of our total purchases, respectively. For the same periods, purchases attributable to our single largest supplier amounted to approximately RMB6.4 million, RMB7.8 million and RMB6.3 million, accounting for approximately 20.4%, 10.2% and 12.4% of our total purchases, respectively. We believe that adequate alternative sources for such supplies exist and we will establish necessary relationships with alternative sources based on supply continuity risk assessment.

The following table sets forth details of our five largest suppliers for the eight months ended August 31, 2025:

Supplier	Background	Products/Services	Length of Business Relationship	Credit terms	Purchase Amount	% of Total Purchase
					(RMB'000)	
Nanjing Probio Biotech Co., Ltd. (南京蓬勃生物科技有限公司)	a company based in Jiangsu mainly engaged in CDMO services	technical development for product registration, cell pool establishment, and CMC services	five years	15 days	6,321	12.4%
Supplier A	a company based in Hubei mainly provided services in areas of housing construction projects, steel structure projects, municipal projects, foundation and foundation projects	renovation services	three years	14 days	4,564	8.9%
Shanghai Thousand Oaks Biopharmaceutical Co., Ltd. (上海澳斯康生物製藥有限公司)	a biopharmaceutical company based in Shanghai mainly engaged in CDMO services	services for pharmaceutical research before IND application and production material procurement	two years	10 days	4,547	8.9%
Supplier C	a hospital in Beijing, being a large modern tertiary grade-A specialized hospital for tumors integrating medical treatment, education, research and prevention	clinical service	three years	15 days	4,163	8.1%
Supplier D	a company based in Australia primarily engaged in provision of comprehensive clinical research services	clinical research services	one year	30 days	3,682	7.2%
Total					**23,277**	**45.6%**

The following table sets forth details of our five largest suppliers for the year ended December 31, 2024:

Supplier	Background	Products/Services	Length of Business Relationship	Credit terms	Purchase Amount	% of Total Purchase
					(RMB'000)	
Shanghai Thousand Oaks Biopharmaceutical Co., Ltd. (上海澳斯康生物製藥有限公司)	a biopharmaceutical company based in Shanghai mainly engaged in CDMO services	services for pharmaceutical research before IND application and production material procurement	two years	10 days	7,765	10.2%
Nanjing Probio Biotech Co., Ltd. (南京蓬勃生物科技有限公司)	a company based in Jiangsu mainly engaged in CDMO services	services for pharmaceutical research before IND application	five years	15 days	7,320	9.6%
Supplier A	a company based in Hubei mainly provided services in areas of housing construction projects, steel structure projects, municipal projects, foundation and foundation projects	renovation services	three years	monthly payment based on transaction volume	4,731	6.2%
JOINN Laboratories (Suzhou) Co., Ltd. (昭衍(蘇州)新藥研究中心有限公司)	a company based in Jiangsu mainly engaged in biomedical technology R&D, technology transfer, technical services and testing services by undertaking service outsourcing	pharmaceutical research and safety evaluation test service	two years	10 business days	4,850	6.4%
Medicilon Preclinical Research (Shanghai) LLC (美迪西普亞醫藥科技(上海)有限公司)	a company based in Shanghai mainly engaged in R&D of biomedical products and pharmaceutical intermediates, and provide related technical consultation	research on non-clinical safety evaluation service	three years	seven days	3,923	5.1%
Total					**28,589**	**37.4%**

The following table sets forth details of our five largest suppliers for the year ended December 31, 2023:

Supplier	Background	Products/Services	Length of Business Relationship	Credit terms	Purchase Amount	% of Total Purchase
					(RMB'000)	
Supplier A	a company based in Hubei mainly provided services in areas of housing construction projects, steel structure projects, municipal projects, foundation and foundation projects	renovation services	two years	monthly payment based on transaction volume	6,405	20.4%
Supplier B	a company based in Tianjin mainly engaged in financing consulting services and clinical recruitment services	financing consulting services*(Note)*	one year	10 days upon completion of milestones, as applicable	4,717	15.0%
Nanjing Probio Biotech Co., Ltd. (南京蓬勃生物科技有限公司)	a company based in Jiangsu mainly engaged in CDMO services	Services for pharmaceutical research before IND application	four years	10 days	2,293	7.3%
Crown Bioscience (Taicang) Co., Ltd. (中美冠科生物技術 (太倉)有限公司)	a company based in Jiangsu mainly engaged in biomedical R&D outsourcing services	In vivo testing services for pharmacological efficacy	five years	30 days	1,797	5.7%
BLA Regulatory, LLC	a company based in Maryland mainly engaged in biopharmaceutical consulting service and medical device consulting service	Pharmaceutical R&D consulting services	two years	30 days	1,046	3.3%
Total					**16,258**	**51.8%**

Note: The financing consulting services provided by Supplier B mainly include financial advisor services for Series B financing and clinical strategy consulting services for HX009, which was remunerated agreed upon arms-length negotiation and in line with the market practice on the basis of a fixed percentage of investment amount.

None of our five largest suppliers in each period during the Track Record Period was our related parties. None of our Directors or their associates or, to the knowledge of our Directors, any Shareholder with over 5% of the share capital of our Company has any interest in any of our five largest suppliers in the year ended December 31, 2023 and 2024 and the eight months ended August 31, 2025.

Raw Materials

During the Track Record Period, we have procured raw materials and consumables for the production of our drug candidates. During the Track Record Period, we did not experience any significant fluctuations in raw material prices or delays that had a material impact on our results of operations or financial position. The raw materials for our drug candidates to be used in clinical trials as well as materials for our laboratory use are generally readily available in the market through multiple suppliers.

COMPETITION

The biopharmaceutical industry is dynamic and fiercely competitive. While we believe that our research and development capabilities enable us to establish a favorable position in the industry, we encounter competition from international and domestic biopharmaceutical companies, specialty pharmaceutical and biotechnology companies of various sizes, as well as academic and research institutions. Currently we face keen market competition for our Core Product HX009, multiple clinical trials of PD-1/PD-L1 mAbs are conducted for the first-line treatment of cancer. Companies are making efforts to advance from third-line or second-line to first-line therapy and continue to expand to consolidation therapy for locally advanced cancer and neo-adjuvant therapy for early or mid-stage cancer. Hence, more competitor drugs of HX009 are expected to be approved for first-line treatment of cancer in the near future.

We believe our principal competitive advantages are our industry-leading expertise in translational medicine, deep understanding and strong techniques in structural biology and experienced clinical development capabilities. We anticipate that competition will intensify as new entrants join the market. Our drug candidates once successfully developed and commercialized, will face competition from both established treatment and new drugs that may emerge. This underscores the importance of our ongoing innovation and strategic positioning to stay ahead in the evolving pharmaceutical landscape.

EMPLOYEES

As a biotechnology company, our employees are our most valuable asset. We take pride in being guided by a diverse and skilled leader team, comprising experts who are at the forefront of their fields. As of the Latest Practicable Date, we had a total of 55 employees, among which 49 were working in China and six were working in Hong Kong. The following table sets forth a breakdown of our employees categorized by function as of the Latest Practicable Date:

Function	Number
Chairman	1
Research and Development	20
Clinical Development	18
Business Chief Officer	1
Finance	5
General and Administration	7
Information Technology	2
Legal and Compliance	1
Total	**55**

Employment Agreements

We enter into individual employment agreements with our employees covering, amongst others, salaries, employee benefits, workplace safety and grounds for termination. We also enter into separate confidentiality agreements with relevant employees who have access to trade secrets or confidential information about our business.

Training and Development

We place a high priority on the growth and advancement of our talent. To elevate their expertise, knowledge, and skill, we provide specialized training programs and organize targeted workshops that address the specific needs of our employees across various departments. These initiatives are conducted regularly to ensure continuous professional development.

Employee Benefits

We are committed to making sure that working conditions throughout our business network are safe and that employees are treated with care and respect. Our employees' remuneration comprises salaries, bonuses, house provident funds, social insurance premium, and other welfare payments. Furthermore, we furnish our employees with various incentives and benefits, including bonuses and employee share incentive plan. We have made

contributions to our employees' social insurance premium (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing provident funds pursuant to applicable laws and regulations.

LAND AND PROPERTIES

As of the Latest Practicable Date, we did not own any real property. As of the Latest Practicable Date, we leased four properties with gross floor area of approximately 5,880.0 sq.m. in the PRC, which were primarily used for offices, R&D, manufacturing and accommodation. We believe our current facilities are sufficient to meet our near-term needs, and additional space can be obtained on commercially reasonable terms. We do not anticipate undue difficulty in renewing our leases upon their expiration.

The following table sets forth the details of our leased properties as of the Latest Practicable Date:

Location	Usage	Gross Floor Area	Lease Term
		(sq.m.)	
Hangzhou . . .	Office	130.0	January 1, 2025 – December 31, 2025
Wuhan	Office/R&D	5,079.4	December 1, 2023 – November 31, 2028
Wuhan	Accommodation	455.6	July 1, 2025 – June 30, 2026
Shanghai . . .	Office	215.0	June 1, 2024 – January 15, 2027

According to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this prospectus is exempted from strict compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all our interests in land or buildings, for the reason that, as of December 31, 2024, none of our properties has a carrying amount of 15% or more of our consolidated total assets.

As of the Latest Practicable Date, we do not own any other real property for our operations. Upon expiration of our leases, we will need to negotiate for renewal of the leases or relocate. There are sufficient alternative locations for us to choose from, but we may incur additional costs in relation to the potential relocation. As of the Latest Practicable Date, the lease agreements with respect to two properties we lease in the PRC for our business operations had not been registered and filed with the relevant PRC government authorities. We estimate that the maximum penalty we may be subject to for these unregistered lease agreements will be approximately RMB20,000. As advised by our PRC Legal Adviser, failure to register such lease agreements with the relevant PRC government authorities does not affect the validity of the relevant lease agreements but the relevant PRC government authorities may order us or the lessors to, within a prescribed time limit, register the lease agreements. In order to ensure

on-going compliance with the PRC law and regulations relating to the registration of executed lease agreements, we will continue to liaise with the lessors and try to register all the unregistered leases. During the Track Record Period, we did not experience any dispute arising out of our leased properties. We believe that the failure to register these lease agreements will not have any material adverse impact on our results of operations. For details of risks relating to our leased properties, see the section headed "Risk Factors — Risks Relating to Our Operations — We are subject to risks associated with leasing properties" in this prospectus.

AWARDS, PUBLICATIONS AND RECOGNITIONS

We have received various awards and recognitions for our projects and entities. The following table sets forth the selected awards and projects for which we received government grants as of the Latest Practicable Date:

Year of Grant	Award/Projects/Recognition	Issuing Authority
2021	Science and Technology SMES of Zhejiang Province	Department of Science and Technology of Zhejiang Province (浙江省科學技術廳)
2017	CD47/PD-1 bifunctional antibody drug (HX009) (Sub-Project No. 2017ZX09302010-003-004)	"Major New Drug Invention" for the 13th Five-Year Plan (2017-2020) (十三五科技重大專項"重大新藥創製"(2017-2020))
2017	Long-acting PD-1 antibody drug (HX008) (Sub-Project No. 2017ZX09302010-004-001)	"Major New Drug Invention" for the 13th Five-Year Plan (2017-2020) (十三五科技重大專項"重大新藥創製"(2017-2020))

In addition, our progress was also driven by our long-term commitment to staying at the forefront of industry knowledge and expertise. Employees of our core R&D team has published several publications, which contribute meaningfully to the discourse within our sector and foster collaborative growth. Our publications cover topics that span the breadth of our operations, from cutting-edge industry trends and breakthroughs in technology to strategic business analyses and operational best practices. The table below sets forth the selected publications as of the Latest Practicable Date:

Journal Reference	Title
Sci Rep 2024 Vol. 14 Issue 1 Pages 9032	Narazaciclib, a novel multi-kinase inhibitor with potent activity against CSF1R, FLT-3 and CDK6, shows strong anti-AML activity in defined preclinical models

Journal Reference	Title
Journal for ImmunoTherapy of Cancer 11 (Supplement 1) (2023): 563-563	502 Discovery of HX017, a novel NKG2A/CD94 mAb, for potential cancer immunotherapy
Cancer Research 83.7_Supplement (2023): 6345-6345	Non-clinical pharmacology of HX009, a novel FIC PD-1/CD47 BsAb
Scientific Reports 13.1 (2023): 5419	HX009, a novel BsAb dual targeting PD-1/CD47, demonstrates potent anti-lymphoma activity in preclinical models
Cancer Research 83.7_Supplement (2023): 5665-5665	HX301 (ON1232580) a novel kinase inhibitor with potent activity against CSF1R and FLT-3, shows strong anti-AML activity in defined preclinical models
Cancer Research 83.7_Supplement (2023): 2980-2980	HX009, a first-in-class PD-1/CD47 BsAb, demonstrated anti-AML activity in PDX models
Cancer Research 83.7_Supplement (2023): 497-497	HX301, a first-in-class ARK5i, demonstrates antitumor activity in preclinical HCC models with high ARK5/Myc expression
Journal for ImmunoTherapy of Cancer 11 (Supplement 1) (2023): 617-617	543 Cis-binding/blockade of CD47 by CD47xPD1 BsAb HX009 enhanced PD-1 blockade induced T cell activation
European Journal of Cancer 174 (2022): S122-S123	HX301, a potent CSF1R inhibitor, suppresses tumor associated M2 macrophage (TAM), enhancing tumor immunity and causing transit tumor inhibition in syngeneic EMT-6 tumors
European Journal of Cancer 174 (2022): S18	HX301 (ON123300) shows broad antitumor activity in preclinical mantle cell lymphoma models, inclusive of those resistant to BTKi
Journal for ImmunoTherapy of Cancer 10 (Supplement 2) (2022): A512-A512	491 Preclinical pharmacology modeling of HX009, a clinical stage first-in-class PD-1xCD47 BsAb, for anti-lymphoma applications
Journal for ImmunoTherapy of Cancer 10 (Supplement 2) (2022): A116-A116	106 Development of RO assay for anti-PD-1 mAb and anti-PD-1× CD47 BsAb utilizing hPD-1/hCD47 dual humanized mice, at preclinical setting to facilitate clinical validation

Journal Reference	Title
Journal of Clinical Oncology Volume 39, Number 15_Supplement (2021): 2517-2517	First-in-human phase 1 dose escalation study of HX009, a novel recombinant humanized anti-PD-1 and CD47 bispecific antibody, in patients with advanced malignancies
Taylor & Francis, 2020, 12(1): 1724751.	HX008: a humanized PD-1 blocking antibody with potent antitumor activity and superior pharmacologic properties//mAbs

ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY MATTERS

Governance

We are committed to environmental protection and promoting corporate social responsibility and best corporate governance practices to develop sustainable value for stakeholders and take up responsibilities as a corporate citizen.

We are committed to complying with PRC regulatory requirements, preventing and reducing hazards and risks associated with our operation, and ensuring the health and safety of our employees and surrounding communities. We will comply with the environmental, social and governance ("**ESG**") reporting requirements after Listing and the responsibility to publish ESG report on an annual basis in accordance with Appendix C2 to the Listing Rules. We will focus on each of the areas as specified in Appendix C2 to the Listing Rules to analyze and disclose important ESG matters, risk management and the accomplishment of performance objectives, particularly those environmental and social issues that could have a material impact on the sustainability of our operations and that are of interest to our Shareholders. We have adopted company-wide environment, health and safety policies and various systems and procedures relating to hazardous waste management, wastewater treatment, air pollution control, environmental risk management, emergency response and process safety management. We have also adopted and maintained a series of rules, standard operating procedures and measures to maintain a healthy and safe environment for our employees. We implement safety guidelines setting out information about potential safety hazards and procedures for operating. We require new employees to participate in safety training to familiarize themselves with the relevant safety rules and procedures. Also, we have adopted relevant policies and measures to ensure the hygiene of our work environment and the health of our employees.

Environmental Protection

We endeavor to reduce negative impact on the environment through our commitment to energy saving and sustainable development. We actively promote the idea of a paperless workplace, and we encourage double-sided printing of documents in our office. With our future business expansion, we focus on the balance between business growth and the need of ESG to achieve sustainable development. The relevant material metrics for our resource consumption

will be reviewed regularly to ensure that they remain appropriate to the needs of our Group. While we appreciate that the identification and prioritization of ESG-related issues is a dynamic and on-going process, we will build the following targets as our initial focuses:

- To reduce the level of power and water consumption density;
- To advocate green office and make full use of natural lighting, and provide energy-efficient solutions for air conditioning;
- To strictly abide by the laboratory treatment implementation standards; and
- To provide ESG-related training for our staff members, with at least two working days per person per year.

As we are currently at an early stage of laboratory operations and partially rely on CROs for testings, clinical trials and other activities, the current nature of our business does not expose us to a substantial risk of environmental, health or work safety matters, and we do not expect the potential risks of such matters will have a material adverse impact on our business operation and financial performance. In the upcoming future, our relevant expenses regarding environmental, social, and climate-related issues are estimated to increase, along with our overall business development, however, the proportion of such expenses against our total revenue is estimated to trend downwards.

During the Track Record Period and up to the Latest Practicable Date, we had not received any fines or penalties associated with the breach of any environmental laws or regulations. To the best knowledge and belief of our Directors, we are not subject to material environmental liability risk and will not incur material compliance costs in the future.

Resource Consumption and Pollutant Disposals

Our Board sets targets for each material ESG-related key performance indicators ("**KPIs**") in accordance with the disclosure requirements of Appendix C2 to the Listing Rules and other relevant rules and regulations upon Listing. In setting targets for the ESG-related KPIs, our Group has taken into account their respective historical levels for the year ended December 31, 2023 and 2024 and has considered our future business expansion thoroughly and prudently with a view of balancing business growth and environmental protection to achieve sustainable development. We will also review our KPIs on a yearly basis to ensure that they remain appropriate to our Group. Set forth below are our major KPIs during the Track Record Period:

- *Electricity consumption*. We have monitored our electricity consumption levels and implement measures. In the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, our electricity consumption levels were approximately 87,674.0 kWh, 221,254,605 kWh, 151,479.0 kWh and 187,501.0 kWh respectively.

- *Water consumption*. We have monitored our water consumption levels and implement measures to promote water conservation. For the period from January to August 2023, we did not keep record of our water consumption level because we were exempted from paying the water bill due to the investment bring-in policies of the industrial park we located at. For the period from September to December 2023, the year ended December 31, 2024, and the eight months ended August 31, 2024 and 2025, we recorded water consumption level of approximately 196.0 tons, 619.0 tons, 401.0 tons and 1,590.0 tons, respectively.

- *Hazardous waste disposal*. We have monitored our hazardous waste disposal levels on a periodic basis. We have a safety administrator who monitors and manage our hazardous waste storage and disposal. We have also contracted with qualified third-party waste disposal company for the disposal of hazardous material and waste. In the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, our hazardous waste discharge levels were approximately 841.0 kilograms, 406.0 kilograms, 447.0 kilograms and 395.0 kilograms, respectively.

In addition, we have implemented a comprehensive guideline and policies to enhance monitor CROs in handling of hazardous material and wastes, including: (i) foster open communication with CROs to discuss any concerns, challenges, or questions related to hazardous materials and waste management, encouraging CROs to share best practices and lessons learned to continuously improve safety and compliance; (ii) establish a flexible and convenient reporting system for CROs to document and report any incidents, accidents, or near misses involving hazardous materials and wastes; and (iii) continuously refine and update our guidelines, protocols, and/or training programs to ensure they remain effective and relevant.

- *Establish clear guidelines and protocols*: We have developed and provided comprehensive guidelines and protocols for CROs to follow when handling hazardous materials and wastes, which cover a wide range of stages in clinical trials including safe storage, transportation, disposal, and reporting procedures.

- *Conduct regular audits and inspections*: We perform periodic on-site audits and inspections of CRO facilities to ensure compliance with the established guidelines and regulatory requirements, which includes checking for proper storage, labeling, and handling of hazardous materials and wastes.

- *Provide training and education*: We offer training and educational programs for CRO staff to ensure they are knowledgeable about the safe handling, use, and disposal of hazardous materials and wastes, which includes providing information on relevant regulations, best practices, and emergency response procedures.

- *Implement a reporting system*: We have established a reporting system for CROs to document and report any incidents, accidents, or near misses involving hazardous materials and wastes. This system should include clear reporting guidelines and a process for investigating and addressing any issues that arise.

- *Monitor regulatory compliance*: We keep staying informed about changes in regulations and ensure that CROs are aware of and adhere to these requirements, which involve regular communication with regulatory agencies and participation in industry-specific conferences or workshops.

- *Evaluate performance*: We regularly assess the performance of CROs in handling hazardous materials and wastes through a combination of audits, inspections, and review of incident reports. We use this information to identify areas for improvement and provide feedback to the CROs.

- *Maintain open communication*: We foster open communication with CROs to discuss any concerns, challenges, or questions related to hazardous materials and waste management, encouraging CROs to share best practices and lessons learned to continuously improve safety and compliance.

- *Enforce consequences for non-compliance*: We have establish consequences for CROs that fail to comply with guidelines, protocols, or regulatory requirements, which include fines, penalties, or termination of the contract, depending on the severity of the non-compliance.

- *Continuously improve processes*: We use the information gathered from audits, inspections, and incident reports to identify areas for improvement in your monitoring processes. Continuously refine and update our guidelines, protocols, and training programs to ensure they remain effective and relevant.

Greenhouse Gases Emissions

We aim to reduce our greenhouse gases ("**GHG**") emissions and contribute to the transition to a low-carbon economy. We adhere to the "3R" approach to environmental conservation, i.e., reduction of waste, reuse of resources and recycling of used materials, to the extent possible in our business operation. The GHG emissions of various scopes are respectively generated from the fuel consumption of vehicles of our Group (Scope 1), power consumption (Scope 2), water consumption, waste discharge, paper consumption and GHG emission resulting from the business travel of our employees (Scope 3) during business operation. Our Group's GHG emission results principally from Scope 2 energy indirect GHG emission which is power consumption to support our operations, and Scope 3 other indirect emissions.

We will implement measures in mitigating the GHG emissions, including (i) providing trainings and educating our employees on the concept of energy efficiency; (ii) posting water-saving or power-saving signs in eye-catching areas to cultivate our employees' awareness of environment protection; (iii) promoting paperless environment and encouraging the usage of electronic copies instead of hard copies, the use of double-sided printing, and the

use of single-sided printed paper when there is no confidential information on it; (iv) requiring employee to turn off all electrical appliances when they are not in use; and (v) implementing policies regarding waste management.

Climate-related Risks

We believe that we are not susceptible to climate change. Moreover, we consider that potential changes to the regulations in the PRC regarding climate change will not adversely impact our business operations. We will continue to pay attention to risks regarding climate change and formulate emergency plans to safeguard us from climate change and extreme weather conditions, such as hurricane and rainstorms. As of the Latest Practicable Date, we had not experienced any material impact on our business operations or financial performance as a result of climate change or extreme weather conditions.

Employee Health and Safety

We have adopted and maintained a series of rules, standard operating procedures, and measures to maintain our employees' healthy and safe environment. We implement safety guidelines that detail potential safety hazards, safe practices, accident prevention and accident reporting procedures, and we ensure that our employees properly acknowledge their understanding of safety matters on an ongoing basis as necessary. In particular, we (i) establish various guidelines governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes to ensure such guidelines are strictly enforced for the disposal of laboratory materials and wastes; (ii) provide regular safety awareness training to our employees, such as training sessions on fire control and safety; (iii) keep health records for all employees and conduct health examinations before, during and after their time at the company, especially for employees engaged in work involving occupational hazards; and (iv) conduct regular fire safety inspections, maintenance of fire-fighting equipment and regular emergency drills.

Workforce Welfare and Diversity

Within our organization, we are committed to creating an open and inclusive workplace that promotes equality. We hire employees based on their merits and it is our corporate policy to offer equal opportunities to them regardless of gender, age, race, religion or any other social or personal characteristics. We adhere to a fair and transparent employee management system and strive to enhance gender and age diversity of our workforce.

We established human resources management policies that systematically outline the recruitment processes, promotion procedures, dismissal/resignation processes, performance evaluation approaches, retention strategies, salary and benefits procedures, employee training, etc. We implement a merit-based hiring approach with a view to making sure our recruitment is based on the principles of openness, fairness, and equity.

Supply Chain Management

Our suppliers primarily include raw material suppliers and contract services providers. Our considerations in supply chains include technical quality, cost effectiveness, delivery efficiency and reliability. Accordingly, we define risks related to supply chains consisting of shortage of raw materials, workforce health and safety incidents, proper disposal of hazardous waste, and internal control for corruption and bribery.

To identify and cope with any potential risks, we established procurement management policies that clearly define the overall review and regular evaluation processes for suppliers, based on which we made a qualified supplier list and update the list from time to time. Additionally, we established management policies in relation to procurement of technical contract services that specifies the responsibilities for the service providers, including CROs, testing organizations, clinical trial centers, etc. The policies also outline due diligence procedures, selection criteria, approval process, performance management and payment settlement. Furthermore, we tend to opt for scaled suppliers that are public companies as we believe such partners are subject to stricter compliance standards and capable of offering more environmentally-friendly products and services. We have also implemented strict anticorruption and anti-bribery policies to prevent collusion and corruption.

Governance on Environment, Health and Safety (EHS) Matters

We have engaged an external EHS service provider. They work with our senior management on overseeing our compliance with EHS related regulations and policies, and monitoring our implementation of related internal measures, such as: (i) adopting appropriate safety measures at our facilities and implementing best practice procedures; (ii) conducting regular safety awareness training to our employees; (iii) inspecting our facilities regularly to identify and eliminate any potential safety hazards; (iv) adopting appropriate procedures regarding the disposal of any hazardous waste such as Waste Management Procedure, which aims to effectively manage the waste generated during our normal course of business, standardize the classification of the waste into solid waste and hazardous waste according to the relevant laws and regulations and dispose them accordingly to reduce environmental pollution; (v) maintaining a system of recording and handling accidents in our facilities; and (vi) cooperating with regulatory authorities for the regular environmental compliance monitoring. Our external EHS service provider may assess or engage independent third party(ies) to evaluate the ESG risks and review our existing strategies, targets and internal controls at least once a year. Necessary improvement will then be implemented to mitigate the risks.

Our senior management, alongside our external EHS service provider, implement the national and our own safety production and environmental protection guidelines, and follow up with the instructions or notice from local authorities with regard to fire protection, safety supervision and environmental protection in a timely manner, as well as formulate our

Company's safety production policies and operating procedures. The management personnel at all levels and all of our employees will implement the work responsibility system according to EHS related regulations and policies, and related internal measures.

Patient Safety

During the clinical study period, if the subjects experience any discomfort, new changes in their condition, or any unexpected situations, regardless of whether they are related to the drug, investigators will provide necessary treatment to the subjects and closely follow up on their health conditions. If the subjects experience serious adverse events during the clinical study, investigators will examine them and provide appropriate treatment. In the event of any damage related to the clinical study during the research period, the subjects will be compensated in accordance with the relevant laws and regulations and insurance policies sponsor purchased for such clinical trial liabilities. At the same time, according to the clinical study plan, the subjects shall return to the research center regularly for visits, during which relevant safety tests will also be arranged.

Social Responsibility

In respect of social responsibilities, it is our corporate policy to offer equal opportunities to our employees regardless of gender, age, race, religion or any other social or personal characteristics. We strive to operate our facilities in a manner that protects the environment and the health and safety of our employees and communities.

INSURANCE

We maintain insurance policies that we consider to be in line with market practice and adequate for our business to safeguard against risks and unexpected events. Our insurance policies cover us against liability in the event of injury to any trial subject caused by adverse events in our clinical trial.

We maintain social insurance for our employees in accordance with relevant PRC laws and regulations. We consider that the coverage from the insurance policies maintained by us is adequate for our present operations and is in line with the industry norm. During the Track Record Period and up to the Latest Practicable Date, some of our Group companies did not pay social insurance for their employees on the contribution bases determined on their actual salaries, which resulted in an under-payment of RMB1.3 million, RMB0.6 million, RMB0.7 million and RMB0.8 million for the years ended December 31, 2023, and 2024 and the eight months ended August 31, 2024 and 2025, respectively. Any failure to make timely and adequate social welfare contribution for its employees may trigger an order of correction from competent authority requiring the employer to make up the full amount of such overdue social welfare contribution within a specified period of time, and the competent authority may further impose fines or penalties.

On September 21, 2018, the Ministry of Human Resources and Social Security of the PRC issued the Urgent Notice on Enforcing the Requirement of the General Meeting of the State Council and Stabilization the Levy of Social Insurance Payment (《關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》). This notice promotes an appropriate reduction in the social insurance contribution rate for employers to ensure that the overall contribution burden on enterprises is not increased. It also prohibits the organization of centralized collection of enterprises' historical social insurance arrears without authorization.

As of the Latest Practicable Date, the Company has not been required to pay late fees, fines or suffer administrative penalties in connection with social insurance contributions. If the competent authorities require the company to make corrections, pay or make up for social insurance premiums within a specified time limit in the future, or if employee complaints occur, the Company will actively cooperate with the requirements of the competent authorities to fulfill relevant obligations, ensuring that the Company will not be subject to administrative penalties by the competent authorities due to failure to pay within the time limit and/or employee complaints.

According to the Interpretation II by the Supreme People's Court of the PRC on Legal Issues in the Trial of Labor Dispute Cases (最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)) (the "**Interpretation**"), promulgated by the Supreme People's Court on August 1, 2025 and effective from September 1, 2025, any agreement between a PRC employer and an employee or an employee's undertaking to the employer on the non-contribution of social insurance shall be deemed invalid by the people's court. If an employee requests to terminate the employment agreement and seek economic compensation on the grounds that the employer has failed to pay social insurance contributions in accordance with the applicable laws, the people's court shall support such claims.

As advised by the PRC Legal Advisor, the Interpretation does not expand the scope of penalties nor override existing laws and regulations. Under the current laws and regulations, given that the Company undertakes and guarantees it will make timely supplementary payments in accordance with the requirements of the relevant authorities upon receiving a social insurance contribution notice from the competent department, the risk of the Company being subject to fines from the competent authorities due to the aforementioned matters after the implementation of the Interpretation remains relatively small. Therefore, the Company believes that the implementation of the Interpretation will not have a material adverse impact on its business operations and financial condition. For details, please refer to "Risk Factors — Risks Relating to Our Operations — We may be subject to additional social insurance fund and housing provident fund contributions and late fees or fines imposed by relevant regulatory authorities" in this prospectus. Relevant internal control policies about the social insurance fund, housing provident fund contributions and leased properties have been developed and issued. The corresponding responsible positions and responsibilities are also clearly defined in the policy. The Senior Manager of HR/Administration is responsible for compliance of the social insurance fund, housing provident fund contributions and registration of leased properties according to our internal policies. And the internal audit department also monitors ongoing compliance with the social insurance fund, housing provident fund contributions and

leased properties and oversee the implementation of any necessary measures. In addition, we will consult our legal advisor on regular basis for advice on relevant PRC laws and regulations. We will also maintain close communication with relevant authorities on a regular to update with the latest laws and regulations. We expect to complete the full compliance of social insurance contributions for all on-the-job employees since January 1, 2026. We believe that these non-compliance will not have any material adverse impact to our operation and financial performance, and we expect to rectify the social insurance fund, housing provident fund contributions after the Listing.

LICENSES AND PERMITS

Our PRC Legal Adviser has advised that, as of the Latest Practicable Date, we have obtained all licenses, permits, approvals and certificates from the relevant PRC government authorities that are material to our operations in the PRC.

The following table sets forth details of selected material licenses and permits obtained by our Group as of the Latest Practicable Date:

License/Permit	Product	Grant Date	Issuing Authority	Holder
Approval for Clinical Drug Trial (藥物臨床試驗批件) (No. 2017L04642)	HX008 monotherapy	August 28, 2017	NMPA	Taizhou Hanzhong, Hangzhou Hanx and Zhongshan Kangfang
Acknowledgement of CT-2019-CTN-01930-1 Clinical Trial for Advanced Malignancies	HX009 monotherapy	July 17, 2019	TGA	HanxBio (Australia)
Notice of Approval for Clinical Drug Trial (藥物臨床試驗通知書) (Acceptance No. CXSL1900098)	HX009 monotherapy	October 30, 2019	NMPA	Hangzhou Hanx and Wuhan Hanxiong
Notice of Approval for Clinical Drug Trial (藥物臨床試驗通知書) (Acceptance No. CXHL1900340)	HX301 monotherapy	January 6, 2020	NMPA	Hangzhou Hanx and Wuhan Hanxiong
Decision on Approval of International Cooperative Scientific Research on Human Genetic Resources in China (No. (2022) GH0316)	N/A	February 7, 2022	Administration Office of China Human Genetic Resources	Hangzhou Hanx

License/Permit	Product	Grant Date	Issuing Authority	Holder
Study May Proceed Approval for Clinical Drug Trial (No. 163935)	HX009 monotherapy	May 18, 2023	FDA	Hangzhou Hanx
Decision on Approval of International Cooperative Scientific Research on Human Genetic Resources in China (No. (2023) GH3403)	N/A	June 30, 2023	Administration Office of China Human Genetic Resources	Hangzhou Hanx
Notice of Approval for Clinical Drug Trial (藥物臨床試驗批准通知書) (Acceptance No. CXHL2400534)	HX301 combination	August 19, 2024	NMPA	Hangzhou Hanx
Decision on Approval of International Cooperative Scientific Research on Human Genetic Resources in China (No. (2024) GH0130)	N/A	February 7, 2024	Administration Office of China Human Genetic Resources	Hangzhou Hanx
Notice of Approval for Clinical Drug Trial (藥物臨床試驗批准通知書) (Acceptance No. CXSL2400419)	HX009 combination	September 3, 2024	NMPA	Hangzhou Hanx
Acknowledgement of CT-2024-CTN-05006-1 Clinical Trial for Advanced Solid Tumor Malignancies	HX044 monotherapy	September 30, 2024	TGA	Hanx Biopharmaceuticals (Australia)
Notice of Approval for Clinical Drug Trial (藥物臨床試驗批准通知書) (Acceptance No. CXSL2400783)	HX044 monotherapy	January 24, 2025	NMPA	Our Company
Notice of Approval for Clinical Drug Trial (藥物臨床試驗批准通知書) (Acceptance No. CXSL2400830)	HX009 combination	February 17, 2025	NMPA	Hangzhou Hanx
Notice of Approval for Clinical Drug Trial (藥物臨床試驗批准通知書) (Acceptance No. CXSL2500595)	HX044 combination	September 28, 2025	NMPA	Our Company

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time be involved in contractual disputes or legal proceedings arising out of the ordinary course of business or pursuant to governmental or regulatory enforcement actions. During the Track Record Period and up to the Latest Practicable Date, neither we nor any of our Directors were involved in or subject to any material litigation, arbitration, administrative proceedings, claims, damages or losses which would have a material adverse effect on our business, financial position or results of operations as a whole. As of the Latest Practicable Date, we were not aware of any pending or threatened material litigation, arbitration or administrative proceedings against us or any of our Directors, which individually or as a whole would have a material adverse effect on our business, financial position or results of operations. During the Track Record Period and up to the Latest Practicable Date, we had complied, in all material respects, with relevant PRC laws and regulations in the jurisdictions we operate in, and no material administrative penalties were imposed on us that would have a material adverse effect on our business, financial position or results of operations.

RISK MANAGEMENT AND INTERNAL CONTROL

We have devoted ourselves to establishing and maintaining risk management and internal control systems which comprise policies and procedures that we consider to be appropriate for our business operations, and we are dedicated to continuously improving these systems.

Risk Management

We are exposed to various risks in our business operations and we recognize that risk management is critical to our success. For more details, please refer to the section headed "Risk Factors" for a discussion of various operational risks and uncertainties we face. We are also exposed to various market risks, in particular, credit, liquidity, interest rate and currency risks that arise in the normal course of our business. Please refer to "Financial Information — Market Risk Disclosure" for a discussion of these market risks. We have adopted a series of risk management policies which set out a risk management framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an ongoing basis. Risks identified by management will be analyzed on the basis of likelihood and impact, and will be properly followed up and mitigated and rectified by our Company and reported to our Directors. Our audit committee, and ultimately our Directors supervise the implementation of our risk management policies.

To monitor the ongoing implementation of risk management policies and corporate governance measures after Listing, we have adopted or will adopt, among other things, the following risk management measures:

- establish an audit committee to review and supervise our financial reporting process and internal control system;

- adopt various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure; and

- attend training sessions in respect of the relevant requirements of the Listing Rules and duties of directors of companies in Hong Kong.

Intellectual Property Risk Management

As of the Latest Practicable Date, we have designed and adopted prudent internal procedures to ensure the compliance of our business operations with the relevant rules and regulations, as well as the protection of our intellectual property rights.

In accordance with these procedures, we have been engaging external legal counsel in reviewing and updating the contract boilerplate we enter into with our customers and suppliers. Our business operation departments also work closely with the external legal counsel to examine the specific contract terms and reviews all relevant documents for our business operations, including licenses and permits obtained by the counterparties or us to perform contractual obligations and all the necessary underlying due diligence materials, before we enter into any contract or business arrangements.

We also engage external intellectual property legal counsel to review our products and services for regulatory compliance before they are made available to the general public. Our external intellectual property legal counsel assist in obtaining any requisite governmental pre-approvals or consent, including preparing and submitting all necessary documents for filing with relevant government authorities within the prescribed regulatory timelines and ensuring all necessary application, renewals or filings for trademark, copyright and patent registration have been timely made to the competent authorities.

Internal Control

Our Board is responsible for establishing our internal control system and reviewing its effectiveness. We have engaged an independent internal control consultant (the "**Internal Control Consultant**") to perform the agreed-upon procedures (the "**Internal Control Review**") in connection with the internal control in material aspects, including entity-level controls, financial reporting and disclosure controls, human resources and payroll management, general controls of IT system and other procedures of our operations. The Internal Control Consultant performed the Internal Control Review and identified internal control deficiencies and furnished recommendation accordingly. We have adopted the corresponding remediation actions to improve the effectiveness of our internal control system. The Internal Control Consultant performed a follow-up review in October 2024 with regard to those actions taken by us and there are no further material findings identified in the process of the follow-up review. The Internal Control Consultant is of the view that (i) our Company has adopted the corresponding remediation actions to rectify all internal control deficiencies and (ii) our Company's overall internal control system does not have any material deficiencies.

During the Track Record Period, we reviewed and enhanced our internal control system on a regular basis. Below is a summary of the internal control policies, measures and procedures we have implemented or plan to implement:

- We have adopted various measures and procedures regarding each material aspect of our business operation, such as risk management, protection of intellectual property, environmental protection and occupational health and safety. We provide periodic training about these measures and procedures to our employees as part of our employee training program. We monitor the implementation of our internal control policies, report the weakness identified to our management and audit committee and follow up on the rectification actions.

- Our Directors (who are responsible for monitoring the corporate governance of our Group) will also periodically review our compliance status with all relevant laws and regulations after the Global Offering.

- We have established an audit committee which, among others, (i) makes recommendations to our Board of Directors on the appointment and removal of external auditors; and (ii) reviews the financial statements and internal control system of our Company.

- We plan to provide various and continuing trainings to update our Directors, senior management, and relevant employees on the latest applicable laws and regulations from time to time with a view to proactively identifying concerns and issues relating to potential non-compliance.

- We intend to maintain strict anti-corruption and anti-bribery policies and we believe we will not be adversely affected in material aspects by the stringent measures taken by the local government to regulate corruptive practices in the pharmaceutical industry.

Anti-bribery

We adhere to a rigorous ethical code and policies against corruption, which we expect to be strictly observed by our staff and business partners. We are confident that our adherence to these principles will minimize any impact from the rigorous anti-corruption measures may be implemented by the regulatory authorities to address unethical practices in the pharmaceutical sector. We have a zero-tolerance policy for bribery and any form of illicit payments within the scope of our business operations. This extends globally to all of our business dealings, regardless of whether they involve interactions with public officials or healthcare providers. The definition of improper payments under this policy encompasses a broad range, including but not limited to, bribes, kickbacks, lavish gifts or entertainment, and any form of payment made with the intent to secure an unfair business benefit. We are committed to maintaining precise and detailed financial records that accurately represent our transactions and asset disposals. We encourage the rejection and immediate reporting of any requests for falsified invoices or payments for expenses that are unusual, excessive, or not properly documented.

Any form of deception, omission, or falsification in our financial records is strictly prohibited. Furthermore, we are dedicated to ensuring that our employees adhere to all relevant promotional and advertising regulations, which include, but are not limited to, restrictions on the promotion of pharmaceuticals for unauthorized uses or to unsuitable patient groups, and limitations on industry-sponsored scientific and educational programs.

Conflict of Interest and Non-Competition

Our ethical guidelines explicitly outline the boundaries of potential conflicts of interest, covering aspects such as interactions with suppliers, the acceptance of hospitality and gifts, personal financial interests, and staff-related decisions. It is imperative that our workforce, including directors and research and development personnel, do not hold or appear to hold vested interests in transactions with our suppliers or business partners; receive monetary or other forms of benefits from these parties; have immediate family members employed by the aforementioned entities; or hold consultancy or board positions within organizations in the same or related industries. Concurrently, employees are obligated to maintain the utmost discretion regarding confidential information and concur on the delineation of such information, the extent of its coverage, and the utilization of intellectual assets, which encompasses but is not limited to, the transfer of expertise, technology acquisitions, and liabilities related to potential breaches.

In addition, our employment contracts feature covenants that prevent staff from participating in, or aiding third parties in engaging in activities that are identical or similar to, or in competition with our Company's business for a duration of two years following the termination of their employment. Members of our workforce are precluded from owning, managing, operating, or exerting control over any rival entities without obtaining prior written consent from our Company.

Data Privacy Protection

We have put in place protocols aimed at safeguarding the privacy of our patients' information. We enforce rigorous internal guidelines that govern the acquisition, management, storage, and retrieval of patients' personal and medical data, dedicating to the protection of personal information and adherence to applicable PRC data protection and privacy legislation. The conduct of drug clinical trials shall adhere strictly to the requirements of the "Good Clinical Practice (GCP)" guidelines in the PRC. As the sponsor of clinical trials, our Company has established a clinical trial quality management system in accordance with GCP standards to standardize the methods and procedures for collecting data related to clinical trials and subjects. We utilize localized secure information systems to store the aforementioned data. We also have developed a comprehensive set of data security management systems and operational procedures, implemented relevant technical security measures, enforced strict controls over data access permissions, established network and data security monitoring mechanisms, and taken preventive measures against behaviors that may compromise network security and data integrity, thus avoiding risks of data breaches, alterations, and losses, among other security risks.

It is our standard practice to instruct our staff to protect any personal information gathered under their control. Our IT infrastructure is fortified with advanced security measures to protect our information systems and servers. We have also adopted a range of security protocols to defend our data assets and forestall unauthorized network intrusions. In accordance with the ICH GCP and associated regulations, access to data from clinical trials is restricted to personnel with proper authorization. To enhance the management of our network operation and data security, we have delegated specific employee to be responsible for routine maintenance, access control, security measures, and other administrative tasks related to the network and information systems.

Additionally, we have confidentiality agreements in place with employees who have access to sensitive patient information. These agreements stipulate, among other provisions, that these individuals are legally bound not to abuse confidential information while employed, to return all such information upon resignation, and to continue to honor their confidentiality obligations after their employment ends. We also have a suite of measures in place to ensure employee adherence to our data security protocols, which includes granting and withdrawing data access rights to our staff following a strict approval process, so that to strictly limited the data usage to the intended purposes as agreed upon with the patients and in line with the informed consent documents.

Furthermore, we engage clinical trial partners (for example, the contract research organizations) that meet the relevant regulatory and registration requirements. Through the execution of contracts with our clinical trial partners, we clearly define the responsibilities of each party. It is stipulated that all parties shall comply with GCP requirements, protect the privacy of subjects involved in the trials, refrain from using trial data for other purposes, and maintain trial data in accordance with GCP standards. We also reserve the right to appoint monitors to oversee the clinical trials, ensuring the protection of the rights and interests of patients, the accuracy and completeness of the data in trial records and reports, and the adherence of the trials to the agreed protocols, GCP guidelines, and relevant regulations.

Throughout the Track Record Period and up to the Latest Practicable Date, we have not encountered any breaches of confidential client information or any incidents involving client information that may have a significant negative impact on our business operations, financial positions, or operational outcomes. Our PRC Legal Adviser has confirmed that during the Track Record Period and up to the Latest Practicable Date, our Company has not faced any significant penalties related to data privacy, and has remained in compliance with all material aspects of the relevant PRC laws and regulations.

The Sole Sponsor has conducted independent due diligence work, including (i) reviewed the clinical data due diligence report and conducted expert interview with Frost and Sullivan, who is the Clinical Data Consultant engaged by the Company, to understand the scope and integrity of patient-related information and data involved in clinical trial and their opinion; (ii) reviewed certain contracts of the Group with relevant partners and conducted interview with them including the PIs and CROs, to understand what are the patient-related information and data involved and how these data are transferred and protected; (iii) obtained and reviewed the

data security legal opinion issued by the PRC Legal Adviser of data compliance of the Company; (iv) conducted interview with the PRC Legal Adviser of data compliance to understand the methodology and basis of their opinion; and (v) reviewed the background search results conducted by an independent search agent against the Group and no litigation or proceedings is found in respect of any breach of data security and non-compliance.

Based on the view of our PRC Legal Adviser of data compliance and due diligence work conducted by the Sole Sponsor, we confirm that our Company complied with all PRC laws and regulation in relation to data transfer (including patient-related information and clinical data generated from the clinical trials).

Misappropriation of funds by former employee of our Group

From around December 2016 to May 2020, Mr. Xi Gan ("**Mr. Xi**"), a former director and general manager of Hangzhou Hanx; a former director, legal representative and manager of Wuhan Hanxiong; and a former manager and legal representative of Beijing Hanx, was found to have taken advantage of his position in Hangzhou Hanx and abused his administrative authority to: (i) arrange for the finance department to execute false contracts with various service providers or suppliers, and consequently causing false issue of value-added-tax ("**VAT**") invoices and misappropriated an amount of approximately RMB1.56 million; (ii) illegally appropriated an amount of approximately RMB0.29 million by falsely claiming funds in the name of his relatives at Hangzhou Hanx; and (iii) misappropriated RMB0.18 million to lend to an employee of our Group based on false claim of travel disbursements by three employees (collectively, the "**Incidents**"). Pursuant to the final judgement of Wuhan Intermediate People's Court, Hubei Province (湖北省武漢市中級人民法院刑事裁定書) dated April 28, 2022, Mr. Xi was convicted of the charges in relation to the Incidents and was fined with a penalty of RMB200,000 and sentence to imprison for four years and eight months.

After the Incidents, our Company has implemented corresponding internal control measures and the OA (Office Automation) system. Firstly, our official seal, legal representative seal, and financial seal are now kept by different employees to avoid unauthorized procession of the seals by the same employee. Secondly, since 2021, the Company has replaced the former paper approval forms with OA (Office Automation) system, and the approval streams were set based on the approval authority of different amounts in the OA system. Business streams, including procurement, payments, contract chopping are now required to be approved in the OA system for better corporate governance and documentary filing. Thirdly, the Company has also established rules relating to expenses management, pursuant to which the employee is now required to provide receipt for disbursement claim of RMB1,000 or more and apply to claim the disbursement within six months of the date of the receipt. Prior application and approval is also required if the entertainment expenses exceed a certain limit. Finally, we have established reporting system for misbehavior of employees, anti-corruption and anti-money laundering regulations for employees and has been working and being improved continuously

since the Incident. Moreover, the paper policies about reporting system for misbehaviour of employees, anti-corruption and anti-money were issued in 2024. The said report system, includes the following detailed mechanisms:

i. Misconduct Reporting Mechanism and Management Procedures (不當行為舉報機制與管理規程) has been issued and implemented by the Company, which stipulates the reporting channels, investigation mechanisms, and punishment mechanisms for misbehaviour of employees. In the meanwhile, all other forms of reporting to the audit department of the Company are also encouraged. Our Company also provides training programs to facilitate employees' awareness of the above reporting system;

ii. employees and external stakeholders can report clues of misconduct to a reporting email address with options for anonymity. Our Company has informed all employees of the aforementioned reporting email address and reporting channel;

iii. our Company encourages whistle-blowing from all stakeholders while our Company prohibits retaliation and ensures confidentiality; and

iv. clues of misconduct will be transferred to the audit department of our Company for investigation. After the investigation is completed, the result of the investigation shall be reported to our Company's management team and the Audit Committee. The report includes a brief overview of the case, the facts and nature of the violations, evidence and investigation, personnel responsibilities, punishment advice, management suggestions, etc. If our Company's management team or the Audit Committee believes that the case needs to be escalated to any judicial department, our Company will escalate the case to such judicial department along with the evidence collected.

There have been no instances of fraud, bribery, or other misconduct involving our Company, its senior management and employees involving our Company since rectification of the deficiencies. The Internal Control Consultant has reviewed internal control measures mentioned above especially the samples of procurement and payment proof from January 2021 to August 2024. The Internal Control Consultant is of the opinion that no further material findings have been identified.

During Mr. Xi's tenure of office, he was mainly responsible for administrative work and providing support to the clinical trial team of our Company. He has not been involved in the research and development of any drug pipeline candidates of our Group nor been involved in the material business and operation of our Group. No existing employee has been found to be involved in the Incidents. Furthermore, our Group has enhanced its internal control measures. Considering the above, our Company is of the view that the Incidents and the removal of Mr. Xi from his positions in our Group did not have any material impact on the operation, research and development and commercialization of the Core Product and product candidates of our Group. Save for the Incident as stated above, our Group and any of its connected persons did not have any other dispute with Mr. Xi as of the Latest Practicable Date.

As of the Latest Practicable Date, Wuhan Hanzhong, which is owned as to 60% by Mr. Xi and 40% by Ms. Xi Jingxuan (席婧璇), the daughter of Mr. Xi, is a minority shareholder of Hangzhou Hanx, a subsidiary of our Company. Considering Mr. Xi was currently unreachable, it may not be in the best interests of our Company to commence any negotiation in relation to the acquisition of the equity interests in Hangzhou Hanx held by Wuhan Hanzhong with Mr. Xi at this stage.

As advised by the PRC Legal Adviser, pursuant to the relevant PRC laws and regulations, the named inventor of certain patents generally lacks the right to assert ownership of these patents. The patents which Mr. Xi were named as an inventor would be likely to be classified as service inventions, and ownership of these patents should belong to our Company according to the applicable IP Law of the PRC.

As advised by the PRC Legal Adviser, pursuant to the relevant PRC laws and regulations, "inventor" shall mean a person that makes a creative contribution to the essential features of an invention or creation. Persons that are responsible only for organizing such work, who facilitate only the use of materials and technical conditions, or who engage solely in other support work during the course of the completion of an invention or creation are not inventors. According to Article 14 of the Implementing Regulations of the Patent Law of the People's Republic of China (2023 Amendment) (《中華人民共和國專利法實施細則(2023年修訂)》), an "inventor" under the Patent Law refers to a person who has made creative contributions to the substantive features of an invention-creation. This provision explicitly grants the right of inventorship to individuals who have made creative contributions to the substantive features of an invention-creation. Mr. Xi held the position of General Manager of Hangzhou Hanx and was responsible for external liaison and coordination in clinical operations. Considering the need to facilitate his efforts in promoting Hangzhou Hanx R&D pipeline and external collaboration communications, the company included Mr. Xi as a registered inventor. Upon verification by our Company, Mr. Xi did not contribute to the formation of the technical solutions of these patents. In the event that Mr. Xi initiated a claim against our Company for the rewards and remuneration from the patents where he was named as one of the inventors, considering he was mainly focusing on the administrative work of our Company and had minimal contribution to the invention of these patents, our Company considers that it could claim that Mr. Xi was not a substantial inventor or had made minimal contribution to the invention of HX008. Mr. Xi's claim for rewards and remuneration will be very limited.

Mr. Xi, together with his daughter, Ms. Xi Jingxuan through his shareholding in Wuhan Hanzhong, indirectly controls 15% of the subscribed capital contribution of Hangzhou Hanx. As a shareholder of Hangzhou Hanx, Wuhan Hanzhong may exercise shareholder voting rights and other rights in accordance with the Company Law of the People's Republic of China and the articles of association of Hangzhou Hanx. According to the articles of association of Hangzhou Hanx, shareholders exercise voting rights at shareholders' meetings in proportion to their capital contributions. Specifically: (i) resolutions of the shareholders' meeting regarding increases or decreases in registered capital, division, merger, dissolution, or changes to the Company's form must be approved by shareholders representing more than two-thirds of the voting rights; (ii) resolutions to amend the articles of association must be approved by

shareholders representing more than two-thirds of the voting rights; (iii) resolutions of the shareholders' meeting regarding the Company providing guarantees for shareholders or actual controllers must be approved by a majority of the voting rights held by shareholders present at the meeting, excluding the shareholders in question or those controlled by the actual controller; and (iv) all other resolutions of the shareholders' meeting must be approved by shareholders representing more than half of the voting rights. Based on the above provisions of Hangzhou Hanx's articles of association, the PRC Legal Adviser is of the view that, except for in the event of matters concerning guarantees provided by Hangzhou Hanx to shareholders or actual controllers (which there was no such arrangement as of the Latest Practicable Date as confirmed by the Directors), or other matters that may affect the interests of minority shareholders, Wuhan Hanzhong, as a 15% shareholder of Hangzhou Hanx, will not have a decisive influence over the decision-making matters of Hangzhou Hanx's shareholders' meeting through its voting rights. Based on the above, the Company considered that Mr. Xi is not able to negatively affect the operations of Hangzhou Hanx and the Group.

Taking into account that risk of Mr. Xi adversely interfering with Hangzhou Hanx's operations remains relatively low based on the reasons above and Hangzhou Hanx has served as our Group's primary operating subsidiary since being acquired by the Company and has historically acted as the major entity for executing agreements with external partners. Transitioning our research and development platforms of its Core Product to another entity would not only incur significant costs but also necessitate renegotiating contracts with third parties, thereby imposing undue administrative and financial burden on our Group. Given Hangzhou Hanx's entrenched role in our Group's operational framework and the cost needed to be incurred for restructuring its research and development infrastructure at this stage, it is respectfully submitted that retaining Hangzhou Hanx as the core platform for our Group's research and development activities remains appropriate for our Group.

OVERVIEW

Upon Listing, several transactions entered into between members of our Group and our connected persons will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

SUMMARY OF OUR CONNECTED PERSONS

Waterstone Pharmaceuticals

Waterstone Pharmaceuticals is a company established in the PRC with limited liability on December 17, 2009 and listed on the NEEQ (stock code: 873938). It is a company principally engaged in the research and development and sales of chemical drugs for metabolic diseases such as diabetes and kidney disease. Since its establishment, Dr. Zhang has been one of the controlling shareholders of Waterstone Pharmaceuticals. For further details of the information of Waterstone Pharmaceuticals, please refer to the paragraph headed "Relationship with our Controlling Shareholders — Our Relationship with Waterstone Pharmaceuticals" in this prospectus.

Hubei Waterstone Biopharmaceutical Technology Co., Ltd. (湖北華世通生物醫藥科技有限公司) ("Hubei Waterstone")

Hubei Waterstone is a company established in the PRC with limited liability on January 31, 2008 and is principally engaged in the production and sales of pharmaceutical chemical raw materials and pharmaceutical intermediates. It is a wholly-owned subsidiary of Waterstone Pharmaceuticals.

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTION

HX 301 Active Pharmaceutical Ingredients ("HX301 APIs") Supply and Stability Testing Services Framework Agreement (the "HX301 APIs and Stability Testing Services Framework Agreement")

We entered into the HX301 APIs and Stability Testing Services Framework Agreement with Waterstone Pharmaceuticals on December 10, 2025, pursuant to which Waterstone Pharmaceuticals and its subsidiaries (including Hubei Waterstone, together with Waterstone Pharmaceuticals, the "**Waterstone Connected Persons**") will supply to our Group (i) HX301 APIs; and (ii) provision of stability testing services in relation to the HX301 APIs.

HX301 is a novel therapeutic candidate under development and is one of our key products. For further information of HX301, please refer to the paragraph headed "Business — Clinical-stage Candidates — Key Product — HX301" in this prospectus.

As confirmed by our Directors, as we lack the production facility and testing facility, we have been conducting trials on HX301 APIs since 2020 from the Waterstone Connected Persons. We intend to apply to NMPA for commercialization of HX301 APIs in around late 2029. We will also be required to submit the stability testing results, a test for the purpose of establishing the stability characteristics of an API, for each batch of HX301 APIs we used since 2018 so as to determine the re-test period (i.e. the timeframe during which an API, under specific storage conditions, is expected to maintain compliance with its stability quality standards and could be used for manufacturing a given drug product, which is determined based on the stability test results of APIs) of HX301 APIs when they are commercialized. As confirmed by our Directors, we are also required to submit the stability testing results of at least one batch of HX301 APIs per year after obtaining approval from NMPA in 2029. As our Company lacks the production and testing facility, we therefore procured HX301 APIs and stability testing services from Waterstone Connected Persons, who processed the production and testing facility, during the Track Record Period and upon Listing.

Terms of the HX301 APIs and Stability Testing Services Framework Agreement

The initial term of the HX301 APIs and Stability Testing Services Framework Agreement shall commence on the Listing Date until December 31, 2029 and may be renewed conditional on the fulfillment of the relevant requirements under the relevant laws, regulations and the Listing Rules.

Rule 14A.52 of the Listing Rules provides that the period for the agreement of a continuing connected transaction must not exceed three years except in special circumstances where the nature of the transaction requires a longer period. Our Directors are of the view that the nature of HX301 APIs and Stability Testing Services Framework Agreement requires a longer period commencing from the date of the agreement and continue to be in force until December 31, 2029 on the grounds that: (i) a contractual arrangement of long term is necessary and critical for the development of HX301 APIs, as the duration of the stability testing and the results of which to be submitted to the authority would affect the re-test period of HX301 APIs accepted by the authority for commercialization. As confirmed by our Directors, we have completed a 5-year stability testing for batches of HX301APIs and evaluated their data, including data of physical, chemical, and microbiological tests etc, once every 3, 6, 9, 12, 18, 24, 36, 48 and 60 months. The stability results, which will be submitted to the NMPA showed that the HX301APIs meets the specification throughout the 5 years stability testing period. Therefore, in line with the market practice, we intend to apply for approval of commercialization of HX301 APIs with a re-test period of 5 years and therefore a 5 years term of HX301 APIs and Stability Testing Services Framework Agreement is necessary. Furthermore, our Company lacks the equipment for conducting the stability testing of HX301 APIs. If the HX301 APIs and Stability Testing Services Framework Agreement is determined at a shorter term, our Company may face the unnecessary and substantial risks of failing to renew such agreement upon expiry of the agreement; (ii) given the above, such a long-term

cooperation is in the interest of our Company and the Shareholders as a whole; and (iii) as confirmed by Frost & Sullivan, the term of the HX301 APIs and Stability Testing Services Framework Agreement, which exceeds three years, is in line with the industry prevailing practice.

Reasons for the transaction

The Waterstone Connected Persons have been engaging in the chemical small molecule drugs industry. They process strong research and development capability in the area of small molecule drugs, and its production factories have passed the GMP audits of the both foreign and PRC regulatory authorities. Furthermore, during the Track Record Period, we have been procuring HX301 APIs for the production of HX301 and stability testing services of the HX301 APIs, from the Waterstone Connected Persons. We will continue to procure such products and services from the Waterstone Connected Persons as they have been providing us with such products and services with standard and quality commensurate with our requisite safety and quality standard. As such, we believe Waterstone Connected Persons are familiar with our safety and quality standard and will be able to satisfy our demand efficiently and reliably with minimal disruption to our Group's operations and internal procedures.

We believe that we have readily available access to identical or similar suppliers for the production of HX301 APIs and stability testing services for HX301 APIs from Independent Third Parties on similar terms in the PRC, but that such procurement from Independent Third Parties would not be as efficient from a cost perspective or operation perspective as compared with our current procurement arrangements with the Waterstone Connected Persons.

Pricing policies

In order to ensure that the terms of transactions in respect of the procurement of HX301 APIs and stability testing services of HX301 APIs by our Group from the Waterstone Connected Persons are fair and reasonable and in line with market practices, and that the terms of transactions will be no less favorable to our Group than the terms of transactions between our Group and Independent Third Parties, our Group has adopted the following measures:

(a) to have regular contact with the suppliers of our Group (including the Waterstone Connected Persons and Independent Third Parties) to keep abreast of market developments and the price trend of HX301 APIs and stability testing services for HX301 APIs; and

(b) to assess, review and compare the quotations or proposals taking into account various factors including quality, payment, flexibility and after-sales services to ensure that the proposed transactions will be consistent with the general interest of our Group and our Shareholders as a whole.

Procurement of HX301 APIs and stability testing services for HX301 APIs will be priced with reference to market prices of comparable products and services. Our Group implements various internal approval and monitoring procedures, including obtaining quotations on an as-needed basis from other independent suppliers of similar products and services and consider various assessment criteria (including location of the suppliers, price, quality, suitability, payment terms, and time required for the provision and delivery of the products and services) before entering into any new procurement arrangement with the Waterstone Connected Persons, and comparing such quotes obtained with the offer from Waterstone Connected Persons.

Historical amounts

The total contractual sum for the contracts in relation to procurement of HX301 APIs and the respective stability testing services entered into with Waterstone Connected Persons for each of the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2025 were as follows:

	For the year ended		For the eight months ended
	December 31, 2023	**December 31, 2024**	**August 31, 2025**
	(RMB)	*(RMB)*	*(RMB)*
Contractual sum for procurement of:			
HX301 APIs	136,500	0	0
Stability testing services	0	0	0
Total	**136,500**	**0**	**0**

We procured HX301 APIs and the respective stability testing service depending on our demand determined with reference to, including but not limited to, our clinical trial schedule and progress for the upcoming three years since the commencement of the HX301 trial experiment in 2020. Therefore, we procured one batch of HX301 APIs (around 4 kg), together with the stability testing services for the respective batch of HX301 APIs, in end of 2022 for our usage from 2023 to 2025 (the "**2022 batch HX301 APIs**"). Considering our demand for HX301 APIs going forward, we also procured such additional amount (around 1.7 kg) of HX301 APIs from Waterstone Connected Persons in 2023 for inventory purpose.

Annual caps

The contractual sum for the contracts in relation to the procurement of HX301 APIs and the respective stability testing services to be entered into with Waterstone Connected Persons for the three years ending December 31, 2025, 2026, and 2027 shall not exceed the proposed annual caps as set out in the table below:

	Proposed annual caps for the year ending December 31		
	2025	**2026**	**2027**
	(RMB)	*(RMB)*	*(RMB)*
Contractual sum for procurement of:			
HX301APIs	950,000	950,000	950,000
Stability testing services	250,000	250,000	250,000
Total:	**1,200,000**	**1,200,000**	**1,200,000**

Basis of caps

The above annual caps for procurement amount of HX301 APIs and the respective stability testing services for the respective batches of HX301 APIs are determined with reference to (i) the historical transaction amounts in respect of our procurement of HX301 APIs and the respective stability testing services from Waterstone Connected Persons; (ii) the anticipated demand for the HX301 APIs from Waterstone Connected Persons from our Group driven by our clinical trial schedule and progress of development of HX301 APIs. It is expected that we will procure one batch of HX301 APIs (around 4kg) and the stability testing services for the respective batch of HX301 APIs for each of the financial year ending December 31, 2025, 2026 and 2027, as more clinical trials are expected to be conducted from 2025 to 2027 before the submission of commercialization application in 2029. It is expected that our Company will require around 3 batches (which is the minimal number of batches required for application for commercialization) of HX301 APIs (around 12 kg) and the stability testing services for the respective batches of HX301 APIs for the financial year ending December 31, 2028 for application purpose. Furthermore, we will still require around one batch (around 4 kg) of HX301 APIs for the financial year ending December 31, 2029 as it is expected that NMPA will request our Company to provide one batch of HX301 APIs and the respective stability test result after application for commercialization for inspection by NMPA; and (iii) a 10% buffer above the expected procurement amount taking into account the possible increase in procurement amount due to increase in production costs and any unexpected increase in demand for HX301 APIs.

Based on the confirmation of the industry consultant and information provided by the Company, the Sponsor is of the view that (i) the continuing connected transaction set out above has been and will continue to be carried out in the ordinary and usual course of business of the Company on normal commercial terms or better that are fair and reasonable; (ii) the duration of the agreement to be a term longer than three years is normal business practice for agreements of this nature and type.

Raw Materials Supply Framework Agreement (the "Raw Materials Supply Framework Agreement")

We entered into a Raw Materials Supply Framework Agreement with Waterstone Pharmaceuticals on December 10, 2025, pursuant to which Waterstone Connected Persons will supply to our Group small molecules for the development of our ADC products.

Terms of the Raw Materials Supply Framework Agreement

The initial term of the Raw Materials Supply Framework Agreement shall commence on the Listing Date until December 31, 2027 and may be renewed conditional on the fulfillment of the relevant requirements under the relevant laws, regulations and the Listing Rules.

Reasons for the transaction

The Waterstone Connected Persons has been engaging in the biopharmaceutical and small molecule drugs industry. They process strong research and development capability in the area of small molecule drugs, and its production factories have passed the GMP audits of the both foreign and PRC regulatory authorities. Furthermore, during the Track Record Period, we have been procuring small molecules from the Waterstone Connected Persons. We will continue to procure small molecules from the Waterstone Connected Persons as they have been providing us with such products and services with standard and quality commensurate with our requisite safety and quality standard. As such, we believe Waterstone Connected Persons are familiar with our safety and quality standard and will be able to satisfy our demand efficiently and reliably with minimal disruption to our Group's operations and internal procedures.

We believe that we have readily available access to identical or similar small molecules from Independent Third Parties on similar terms in the PRC, but that such procurement from Independent Third Parties would not be as efficient from a cost perspective or operation perspective as compared with our current procurement arrangements with the Waterstone Connected Persons.

Pricing policies

In order to ensure that the terms of transactions in respect of the procurement of small molecules by our Group from the Waterstone Connected Persons under the Raw Material Supply Framework Agreement are fair and reasonable and in line with market practices, and that the terms of transactions will be no less favorable to our Group than the terms of transactions between our Group and Independent Third Parties, our Group has adopted the following measures:

(a) to have regular contact with the suppliers of our Group (including the Waterstone Connected Persons and the Independent Third Parties) to keep abreast of market developments and the price trend of small molecules; and

(b) to assess, review and compare the quotations or proposals taking into account various factors including quality, payment, flexibility and after-sales services to ensure that the proposed transactions will be consistent with the general interest of our Group and our Shareholders as a whole.

Procurement of small molecules will be priced with reference to market prices of comparable products and services. Our Group implements various internal approval and monitoring procedures, including obtaining quotations on an as-needed basis from other independent suppliers of similar products and services and consider various assessment criteria (including location of the suppliers, price, quality, suitability, payment terms, and time required for the provision and delivery of the products) before entering into any new procurement arrangement with the Waterstone Connected Persons, and comparing such quotes obtained with the offer from Waterstone Connected Persons.

Historical amounts

The contractual sum for the small molecules procurement contract entered into with Waterstone Connected Person for each of the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2025 were as follows:

	For the year ended		For the eight months ended
	December 31, 2023	**December 31, 2024**	**August 31, 2025**
	(RMB)	*(RMB)*	*(RMB)*
Contractual sum for procurement of small molecules	577,500	39,000	559,000

The procurement amount for small molecules depends on our demand with reference to our ADC products experiment schedule. As confirmed by our Directors, we have commenced a new ADC product development project in the year ended December 31, 2023. Therefore, the demand for small molecules increased and we procured two batches of small molecules in the year ended December 31, 2023 for the research and development of new ADC product. For the year ended December 31, 2024, we continued with the ADC product development project and therefore we continued to procured small amount of small molecules.

Annual caps

The contractual sum for the small molecules procurement contracts to be entered into with Waterstone Connected Persons for the three years ending December 31, 2025, 2026 and 2027 shall not exceed the caps as set out in the table below:

	Proposed annual caps for the year ending December 31,		
	2025	**2026**	**2027**
	(RMB)	*(RMB)*	*(RMB)*
Contractual sum for the procurement of small molecules	1,200,000	600,000	600,000

The above annual caps for procurement amount are determined with reference to: (i) the historical transaction amounts in respect of small molecules from Waterstone Connected Persons; (ii) the anticipated demand for small molecules from Waterstone Connected Persons from our Group driven by the R&D progress of our ADC product candidates, including the research and development of some new ADC products for the next three years; and (iii) a 10% buffer above the expected procurement amount taking into account the possible increase in procurement amount due to increase in production costs inflation and any unexpected increase in demand for small molecules.

Based on the research schedule of our Group, it is expected that our Group will require four batches of small molecules for the research and development of two new ADC products and hence the proposed annual cap for procurement of small molecules increased to RMB1.2 million for the financial year ending December 31, 2025. Furthermore, it is expected that our Group will require two batches of small molecules for the research and development of one new ADC product for each of the financial year ending December 31, 2026 and 2027. Therefore, the proposed annual cap in relation to procurement of small molecules decreased to RMB600,000.

LISTING RULES IMPLICATIONS

As our Group is eligible for listing on the Stock Exchange under Chapter 18A of the Listing Rules and has not recorded any revenue from product sales, the calculation of revenue ratio under Rule 14.07 of the Listing Rules will produce anomalous result, and thus we consider it inapplicable. As an alternative, we have applied a percentage ratio test based on the total expenses for R&D and general and administrative matters of our Group. Furthermore, as our Company has entered into the HX301 APIs Framework and Stability Testing Service Agreement and the Raw Material Supply Framework Agreement with the Waterstone Connected Persons at the same time, they are required to be aggregated as a series of transactions pursuant to Rule 14A.81 of the Listing Rules.

The aggregated historical transaction amount and the aggregated annual cap in relation to the HX301 APIs and Stability Testing Services Framework Agreement (collectively, the "**Waterstone CCT Agreements**") are as follows:

Aggregated historical transaction amounts:

	For the year ended		For the eight months ended
	December 31, 2023	**December 31, 2024**	**August 31, 2025**
	(RMB)	*(RMB)*	*(RMB)*
Contractual sum for procurement amount under the HX301 APIs and Stability Testing Services Framework Agreement	136,500	0	0
Contractual sum for procurement amount under the Raw Materials Supply Framework Agreement	577,500	39,000	559,000
Total:	**714,000**	**39,000**	**559,000**

Aggregated proposed annual caps:

	Proposed annual caps for the year ending December 31,		
	2025	**2026**	**2027**
	(RMB)	*(RMB)*	*(RMB)*
Proposed annual caps for the HX301 APIs and Stability Testing Services Framework Agreement	1,200,000	1,200,000	1,200,000
Proposed annual caps for the Raw Materials Supply Framework Agreement	1,200,000	600,000	600,000
Total:	**2,400,000**	**1,800,000**	**1,800,000**

As the highest applicable percentage ratio (other than the profit ratio) of the highest annual caps of the HX301 APIs and Stability Testing Services Framework Agreement and Raw Materials Supply Framework Agreement, standalone and in aggregate, calculated for the purpose of Chapter 14A of the Listing Rules is expected to be less than 5% and highest annual cap is less than HK$3,000,000 on an annual basis. Accordingly, HX301 APIs Framework Agreement and the Waterstone CCT Agreements will, upon Listing, constitute continuing connected transactions of the Company fully-exempt from the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTERNAL CONTROL MEASURES

In order to ensure that the terms under the Waterstone CCT Agreements are fair and reasonable, or no less favorable than terms available to or from Independent Third Parties, and are carried out under normal commercial terms, we have adopted the following internal control procedures:

- we have adopted and implemented a management system on connected transactions. Under such system, the Audit Committee under the Board is responsible for conducting reviews on compliance with relevant laws, regulations, our Company's policies and the Listing Rules in respect of the continuing connected transactions. In addition, the Audit Committee under the Board, the Board and various other internal departments of the Company (including but not limited to the finance department and compliance and legal department) are jointly responsible for evaluating the terms under the Waterstone CCT Agreements, in particular, the fairness of the pricing policies and annual caps thereunder;

- the Audit Committee under the Board, the Board and various other internal departments of our Company also regularly monitor the fulfillment status and the transaction updates under the framework agreements. In addition, the management of our Company also regularly reviews the pricing policies of the framework agreements;

- our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the Waterstone CCT Agreements and provide annual confirmation to ensure that in accordance with Rules 14A.55 and 14A.56 of the Listing Rules that the transactions are conducted in accordance with the terms of the agreement, on normal commercial terms and in accordance with the relevant pricing policies;

- when considering the procurement amount of HX301 APIs, small molecules and stability testing services fees for HX301 APIs, our Group will constantly research into prevailing market conditions and practices and make reference to the pricing and terms between the Group and Independent Third Parties for similar transactions, to make sure that the pricing and terms offered by the above connected persons from mutual commercial negotiations (as the case may be), are fair, reasonable and are no less favorable than those offered to Independent Third Parties; and

- when considering any renewal or revisions to the Waterstone CCT Agreements after Listing, the interested Directors and Shareholders shall abstain from voting on the resolutions to approve such transactions at board meetings or shareholders' meetings (as the case may be), and our independent Directors and Shareholders have the right to consider if the terms of the non-exempt continuing connected transactions (including the proposed annual caps) are fair and reasonable, and on normal commercial terms and in the interests of our Company and our Shareholders as a whole. If the independent Directors' or independent Shareholders' approvals cannot be obtained, we will not continue the transactions under the framework agreement(s) to the extent that they constitute non-exempt continuing connected transactions under Rule 14A.35 of the Listing Rules.

CONFIRMATION BY DIRECTORS

Our Directors (including independent non-executive Directors) are of the view that the non-exempt continuing connected transaction has been and will continue to be carried out in our ordinary and usual course of business of our Company and on normal commercial terms that are fair and reasonable and in the interests of the Company and our Shareholders as a whole; and that the proposed annual caps for the non-exempt continuing connected transaction are fair and reasonable and in the interests of the Company and our Shareholders as a whole. Furthermore, our Directors are also of the view that the nature of HX301 APIs and Stability Testing Services Framework Agreement requires a longer period commencing from the date of the agreement and continue to be in force until December 31, 2029. For further details, please refer to the paragraph headed "Fully-exempt Continuing Connected Transaction — HX 301 Active Pharmaceutical Ingredients ("HX301 APIs") Supply and Testing Services Framework Agreement (the "HX301 APIs and Stability Testing Services Framework Agreement")" in this section above.

CONFIRMATION BY THE SOLE SPONSOR

The Sole Sponsor has (i) reviewed the relevant documents and information provided by our Group, (ii) obtained necessary representations and confirmation from our Company and our Directors and (iii) participated in the due diligence and discussion with the management of our Company. Based on the above, the Sole Sponsor is of the view that the non-exempt continuing connected transaction has been and will continue to be carried out in the ordinary and usual course of business of our Company and on normal commercial terms that are fair and reasonable and in the interests of the Company and our Shareholders as a whole; and that the proposed annual caps of the non-exempt continuing connected transaction are fair and reasonable and in the interests of the Company and our Shareholders as a whole.

Furthermore, considering (i) the reasons for and benefits of entering into the HX301 APIs and Stability Testing Services Framework Agreement as set out above, (b) the confirmation from Frost & Sullivan on the terms of the HX301 APIs Framework Agreement, which exceeds three years, is in line with the industry prevailing practice, and (c) the fact that the relevant arrangements were negotiated on an arm's length basis and in accordance with the corporate governance measures of the Company as set forth above, it is reasonable for the HX301 APIs and Stability Testing Services Framework Agreement to be entered into for a term as set out above, and it is normal business practice for agreements of this type to be of such duration.

OVERVIEW

Our Board consists of 9 Directors, comprising 3 executive Directors, 2 non-executive Directors and 4 independent non-executive Directors. Pursuant to the Articles of Association, our Directors are elected and appointed by our Shareholders at a Shareholders' meeting for a term of three years, which is renewable upon re-election and re-appointment.

The following tables set forth certain information with respect to our Directors, Supervisors and senior management as of the Latest Practicable Date:

Members of our Board

Name	Age	Present position in our Group	Date of appointment as a Director	Date of joining our Group	Main roles and responsibilities in our Group	Relationships with other Directors or senior management
Dr. Zhang Faming (張發明).	60	Chairman and executive Director	March 1, 2024	March 30, 2017	Responsible for the overall strategic planning, business and science development of our Group	N/A
Dr. Henry Qixiang Li (李其翔).	64	Chief executive officer, chief scientific officer, general manager, and executive Director	March 1, 2024	January 1, 2022	Responsible for the overall strategic planning, development of new medicine and daily operation management of our Group	N/A
Mr. Liu Min (劉敏)	61	Chief operating officer, vice general manager, and executive Director	December 11, 2022	July 1, 2020	Responsible for operation management and department coordination of our Group	N/A
Dr. Li Jian (李健) .	66	Non-executive Director	March 4, 2024	April 9, 2024	Responsible for providing guidance on investment strategies and governance to our Group	N/A

Name	Age	Present position in our Group	Date of appointment as a Director	Date of joining our Group	Main roles and responsibilities in our Group	Relationships with other Directors or senior management
Ms. Xiao Jieyu (肖婕妤).	41	Non-executive Director	March 1, 2024	March 1, 2024	Responsible for providing guidance on investment strategies and governance to our Group	N/A
Dr. Bi Honggang (畢紅鋼).	66	Independent non-executive Director	October 8, 2024*	October 8, 2024*	Responsible for supervising and providing independent advice to our Board	N/A
Mr. Chen Qifeng (陳奇峰).	44	Independent non-executive Director	October 8, 2024*	October 8, 2024*	Responsible for supervising and providing independent advice to our Board	N/A
Mr. Wong Sai Hung (王世雄) .	50	Independent non-executive Director	October 8, 2024*	October 8, 2024*	Responsible for supervising and providing independent advice to our Board	N/A
Dr. Zhang Qiongguang (張瓊光).	49	Independent non-executive Director	October 8, 2024*	October 8, 2024*	Responsible for supervising and providing independent advice to our Board	N/A

Note:

* The appointment as the independent non-executive Directors will be effective on the Listing Date.

Members of our Supervisors

Name	Age	Title	Date of appointment as a Supervisor	Date of joining our Group	Main roles and responsibilities	Relationships with other Directors or senior management
Dr. Ke Hang (柯航)	36	Supervisor, and Chairman of Supervisory Committee	December 13, 2022	April 24, 2017	Supervising our Board and management	N/A
Ms. Sun Peng (孫鵬)	49	Supervisor	October 8, 2024	June 26, 2023	Supervising our Board and management	N/A
Ms. Chen Chen (陳晨)	28	employee representative Supervisor	October 8, 2024	September 10, 2020	Supervising our Board and management	N/A

Members of our senior management

Name	Age	Title	Date of appointment as a senior management	Date of joining our Group	Main roles and responsibilities	Relationships with other Directors or senior management
Ms. Zhang Lei (張磊)	61	Chief medical officer, and vice general manager	January 1, 2022	January 1, 2022	Management of clinical research and development and participating in formulation of the strategic layout of our Group	N/A
Mr. Zhang Hui (張輝)	56	Chief financial officer, joint company secretary of our Company, the secretary of our Board, and vice general manager	August 1, 2024	August 1, 2024	Supervising the financial operations of our Group, and responsible for the corporate governance, investor relations management and company secretarial matters of our Group	N/A

Name	Age	Title	Date of appointment as a senior management	Date of joining our Group	Main roles and responsibilities	Relationships with other Directors or senior management
Dr. Weimin Tang (唐偉敏)	60	Chief business officer	September 2025	September 2025	formulating and advancing corporate strategies and driving global growth through cross-border transactions of our Group	N/A

DIRECTORS

The following sets forth the biographies of our Directors:

Executive Directors

Dr. Zhang Faming (張發明), aged 60, is our Chairman and an executive Director. He first jointed our Group in 2017. He was first appointed as a Director and the Chairman on March 1, 2024. He was redesignated as an executive Director on August 22, 2024. Dr. Zhang is responsible for the overall strategic planning, business and science development of our Group. Besides, he has been appointed as a director of Hangzhou Hanx since March 30, 2017 and the director of HanxAimtech since August 23, 2023.

Dr. Zhang has over 30 years of extensive research and development experience in the pharmaceutical and biotechnology industry. Before establishing our Group, Dr. Zhang began his career in the US. From March 1990 to March 1992, Dr. Zhang worked as a postdoctoral fellow, and from March 1992 to September 1994, Dr. Zhang was redesignated as a research fellow at the University of Texas Southwestern Medical Center. During this period, Dr. Zhang was responsible for conducting research in biochemistry related to insulin signal transduction. From September 1994 to May 2005, Dr. Zhang worked as a senior scientist in protein optimization station group and latter was promoted to a manager at global statistics and information sciences department at Eli Lilly & Company, where he was responsible for drug development. From May 2005 to June 2007, Dr. Zhang worked as an associate professor at Indiana University, where he was responsible for delivering lectures and conducting research in cancer and diabetes filed. From June 2007 to September 2009, Dr. Zhang worked as a co-founder and president of Crown Bioscience (Beijing) Co., Ltd.* (中美冠科生物技術(北京)有限公司), a subsidiary of Crown Bioscience Inc., where he was responsible for leading drug development team. As confirmed by our Board, Dr. Zhang does not have any interest in Crown Bioscience Inc. during the Track Record Period and as of the Latest Practicable Date. In December 2009, Dr. Zhang established Waterstone Pharmaceuticals, where he served as the chairman of the board of directors since then and the general manager since December 2020, responsible for general operation. For further details of Waterstone Pharmaceuticals, please refer to the paragraph headed "Relationship with our Controlling Shareholders — Our

Relationship with Waterstone Pharmaceuticals" in this prospectus. From October 2011 to September 2014, Dr. Zhang worked as an adjunct professor at the School of Pharmaceutical Sciences of Wuhan University (武漢大學藥學院), where he was responsible for teaching, delivering lectures, and supervising students' internship or experiments. In November 2017, Dr. Zhang through CZ Biotechnology acquired our Company and has lead the overall strategic planning, business and science development of our Company since then.

Dr. Zhang graduated from Wuhan University with a bachelor's degree in physical chemistry in July 1984 and a master's degree in polymer chemistry in August 1987. He further obtained a doctoral degree in biochemistry from the Institute of Biophysics, Chinese Academy of Sciences (中國科學院生物物理研究所) in July 1990 and a master of business administration degree from Indiana University Kelley School of Business in August 2003.

As an experience scientist, Dr. Zhang has been recognized as a holder of the following honorary titles:

Time of Grant	Certificates	Issuing Authority
March 2013	2012 Wuhan Top Ten Entrepreneurs* (2012年度武漢市十佳創業人物)	Wuhan People's Government* (武漢市人民政府)
August 2012	2011 Top Ten Science and Technology Entrepreneurial Talents of Hubei* (2011年度湖北十佳科技創業人才)	Hubei Provincial Department of Science and Technology* (湖北省科學技術廳)
June 2011	Certificate of Project 3551 Talent Plan* (3551人才計劃榮譽證書)	Wuhan East Lake New Technology Development Area Administrative Committee* (武漢東湖新技術開發區管委會)

Dr. Henry Qixiang Li (李其翔), aged 64, is our chief executive officer, chief scientific officer, general manager, and executive Director. He joined our Group as chief executive officer and chief scientific officer in January 2022. He was appointed as a Director on March 1, 2024 and was redesignated as an executive Director on August 22, 2024. He is responsible for the overall strategic planning, development of new medicine and daily operation management of our Group.

Dr. Li has approximately 20 years of extensive medical research and development experience in the US. Prior to joining our Group, Dr. Li worked as a postdoctoral scholar at the University of California, Los Angeles from February 1991 to June 1996 with a research focus on medicine-hematology-oncology. From February 2010 to April 2011, he worked as the director of research and development of Kylin Therapeutics, Inc., and was responsible for drug discovery. From April 2011 to December 2021, he worked as the chief scientific officer in Crown Bioscience Inc., where he was responsible for leading cancer-related research and development.

Dr. Li graduated from the University of Science and Technology of China with a bachelor's degree in biology in early 1982. He further obtained a master's degree in basic medical sciences from Shanghai Medical College of Fudan University (復旦大學上海醫學院) (formerly known as Shanghai Medical University (上海醫科大學)), in August 1985, and a doctoral degree in molecular biology and biochemistry from University of California, Irvine in March 1991.

Mr. Liu Min (劉敏), aged 61, is our chief operating officer, vice general manager, and executive Director. He joined our Group as the general manager of Hangzhou Hanx in July 2020. He was appointed as a Director on December 11, 2022 and was redesignated as an executive Director on August 22, 2024. Besides, he has been appointed as a director of Hangzhou Hanx since November 19, 2020, the general manager and the executive director of Wuhan Hanxiong since April 21, 2021 and the manager and executive director of Beijing Hanx since November 23, 2023. He is responsible for the operation management and department coordination of our Group.

Prior to joining our Group, he worked as commercial representative of Zhengzhou Branch of C-BONS Industrial (Wuhan) Co. Ltd.* (絲寶實業發展(武漢)有限公司) and was responsible for the establishment of market network and sales from June 1998 to May 2000. From November 2004 to November 2009, he worked as the manager of the Shanghai Branch of Hubei C-BONS Co., Ltd.* (湖北絲寶股份有限公司) and was responsible for the establishment of market network and sales. From July 2012 to June 2020, he worked as the deputy general manager of Waterstone Pharmaceuticals, and was responsible for the operation management of the company.

Mr. Liu graduated from Hubei Open University (湖北開放大學), formerly known as Hubei Radio and Television University* (湖北廣播電視大學), specializing in business enterprise management in July 1989. He further obtained a certificate of completion on EMBA President Seminar on Business Administration* (EMBA總裁研修班) from Huazhong University of Science and Technology (華中科技大學) in December 2010.

Non-executive Directors

Dr. Li Jian (李健), aged 66, is our non-executive Director. He joined our Group and was appointed as a Director on March 4, 2024 and was redesignated as a non-executive Director on August 22, 2024. He is responsible for providing guidance on investment strategies and governance to our Group.

Dr. Li Jian has around over 16 years of extensive medical research and development experience in the US and China. Dr. Li Jian began his career in the US. From June 2008 to November 2011, Dr. Li Jian worked as a partner in Nanotarget Limited Liability Company, and was responsible for company operation. From February 2009 to October 2011, Dr. Li Jian worked as a portfolio advisor at database and licensing department of HUYA Bioscience International LLC, and was responsible for licensing. Subsequently, Dr. Li Jian started working in China. From November 2011 to April 2017, Dr. Li Jian worked as a scouting & partnering

director at Sanofi (China) Investment Co., Ltd. Shanghai Branch* (賽諾菲(中國)投資有限公司上海分公司), and was responsible for strategy and business development. From May 2017 to October 2020, Dr. Li Jian worked as a vice president for business development and a consultant in Chengdu HitGen Drug Development Co. Ltd.* (成都先導藥物開發股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688222), and was responsible for business development. From February 2021 to Present, Dr. Li Jian worked as partner at Beijing Lapam Investment Management Consulting Center (General Partnership)* (北京龍磐投資管理諮詢中心(普通合夥)), and was responsible for biotech investment.

Dr. Li Jian graduated from the Shandong University (山東大學) with a bachelor's degree in microbiology in July 1982. He further obtained a master's degree in agromicrobiology from China Agricultural University (中國農業大學) (formerly known as Beijing Agricultural University* (北京農業大學)) in October 1985, and a doctoral degree in natural sciences from University of Cologne in February 1990.

Ms. Xiao Jieyu (肖婕妤), aged 41, is our non-executive Director. She joined our Group and was appointed as a Director on March 1, 2024 and was redesignated as a non-executive Director on August 22, 2024. She is responsible for providing guidance on investment strategies and governance to our Group.

Ms. Xiao has extensive experience in corporate finance industry. Prior to joining our Group, she worked as a senior investment manager at Wuhan Optics Valley Venture Capital Private Equity Fund Management Co., Ltd.* (武漢光谷創投私募基金管理有限公司) from June 2012 to June 2015 and was responsible for investment and corporate finance works. From February 2016 to October 2016, she worked as a deputy manager at Hubei Branch of Huayuan Securities Co., Ltd.* (華源證券股份有限公司) (formerly known as Jiuzhou Securities Co., Ltd.* (九州證券股份有限公司)) and was responsible for investment banking, investment and financing works. From November 2016 to October 2019, she worked as an investment director at Hubei Changjiang Hezhi Equity Investment Fund Management Co., Ltd.* (湖北省長江合志股權投資基金管理股份有限公司) and was responsible for investment banking and corporate finance works. From May 2021 to August 2025, she worked as a deputy general manager of Wuhan East Lake High Tech Investment Management Co., Ltd.* (武漢東湖高新股權投資管理有限公司) and was responsible for investment and financing related matters. From July 2021 to July 2022, she worked as a director of Pugao Medical Technology (Nanjing) Co., Ltd.* (譜高醫療科技(南京)有限公司) and was responsible for providing guidance on investment strategies and corporate governance. Furthermore, she has also been appointed as a director of Wuhan Bintong Biotechnology Co., Ltd.* (武漢濱通生物技術有限公司) and is responsible for providing guidance on investment strategies and corporate governance since June 2021, a director of Chengdu Jinweike Biotechnology Co., Ltd.* (成都金唯科生技有限公司) and is responsible for providing guidance on investment strategies and corporate governance since January 2022 and Wuhan Bank-Biotechnology Co., Ltd.* (武漢班科生物技術有限公司) and is responsible for providing guidance on investment strategies and corporate governance since August 2022, respectively.

Ms. Xiao graduated from the Huazhong Agricultural University* (華中農業大學) with a bachelor's degree in plant protection in June 2005. She further obtained a master's degree in pharmacology from Shanghai Institute of Pharmaceutical Industry* (上海醫藥工業研究院) in June 2008. She also received the Certification of Fund Practice Qualification* (基金業從業證書) from the Asset Management Association of China (中國證券投資基金業協會) in June 2017.

Independent non-executive Directors

Dr. Bi Honggang (畢紅鋼), aged 66, was appointed as our independent non-executive Director on October 8, 2024 with effect from the Listing Date. He is responsible for supervising and providing independent advice to our Board.

Dr. Bi has over 39 years of extensive medical research and development experience in Canada, the US and China. From 1984 to August 2005, Dr. Bi has worked in different research institute and pharmaceutical companies, including Institute of Material Medical of Chinese Academy of Medical Sciences, SmithKline Beecham P.L.C. (currently known as GlaxoSmithKline P.L.C.) and Pfizer Global Research and Development, and was responsible for conducting and leading various medical researches. From August 2005 to August 2007, Dr. Bi worked as the chief executive officer in Frontage Laboratories, Inc. During this period, he was responsible for general operation. From August 2007 to April 2020, Dr. Bi worked as a corporate vice president at Covance Inc., and was responsible for general operation. From May 2020 to November 2023, Dr. Bi worked as senior vice president and head of Asia-Pacific, at Labcorp Pharmaceutical Research and Development (Shanghai) Co., Ltd.* (徠博科醫藥研發(上海)有限公司), and was responsible for general operation.

Dr. Bi graduated from the College of Pharmacy of Zhejiang University (浙江大學), formerly known as Zhejiang Medical University* (浙江醫科大學), with a bachelor's degree in medicine in April 1982. He then obtained the doctor of philosophy degree from McGill University in June 1992.

Mr. Chen Qifeng (陳奇峰), aged 44, was appointed as our independent non-executive Director on October 8, 2024 with effect from the Listing Date. He is responsible for supervising and providing independent advice to our Board.

Mr. Chen has over 16 years of experience in accounting. From October 2004 to October 2009, Mr. Chen worked as senior associate at Ernst & Young Hua Ming LLP, Wuhan Branch and was responsible for audit work. From January 2011 to November 2013, Mr. Chen worked as an audit manager at Deloitte Touche Tohmatsu Certified Public Accountants LLP, and was responsible for audit works. From February 2014 to August 2019, Mr. Chen worked as a finance controller at General Electric High Voltage Equipment (Wuhan) Co. Ltd.* (通用電氣高壓設備(武漢)有限公司) (formerly known as Shanghai Electric Alstom (Wuhan) Transformers Co., Ltd.* (上海電氣阿爾斯通(武漢)變壓器有限公司) and Alstom High Voltage Electric Equipment (Wuhan) Co., Ltd.* (阿爾斯通高壓電氣設備(武漢)有限公司)), and was responsible

for financial management. From August 2019 to April 2022, Mr. Chen worked as financial director at Meihao Property Group Co. Ltd.* (美好置業集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000667), and was responsible for financial management.

Mr. Chen graduated from the Zhongnan University of Economics and Law (中南財經政法大學) with a bachelor's degree in accounting in June 2001 through on-line learning, and a master's degree in Accounting in December 2013. Besides, Mr. Chen is a Certified Management Accountant since November 2018, and has become a non-practicing member of the Chinese Institute of Certified Public Accountant since September 2021. Mr. Chen has also held the title of Senior Accountant* (高級會計師) since November 2023.

Mr. Wong Sai Hung (王世雄), aged 50, was appointed as our independent non-executive Director on October 8, 2024 with effect from the Listing Date. He is responsible for supervising and providing independent advice to our Board.

From March 2001 to December 2007, Mr. Wong worked as an audit manager at Moore Stephens CPA Limited, and was responsible for audit works. From November 2009 to April 2010, Mr. Wong worked as a trainee solicitor at Vivien Chan & Co, and was responsible for handling trademark and patent related cases. From January 2011 to November 2013, Mr. Wong worked at Jun He Law Offices, with his last position as assistant solicitor and was responsible for handling initial public offering projects in Hong Kong. From November 2013 to March 2019, Mr. Wong worked as a managing associate in Addleshaw Goddard (Hong Kong) LLP, and was responsible for handling initial public offering projects in Hong Kong. From March 2019 to September 2021, Mr. Wong worked as a senior associate at Norton Rose Fulbright (Services) Limited, and was responsible for handling initial public offering projects in Hong Kong. From October 2021 to October 2024, Mr. Wong worked as a partner at CFN Lawyers, and was responsible for handling initial public offering projects in the US.

Mr. Wong graduated from the University of Toronto with a bachelor's degree in commerce in November 1998. He further obtained a bachelor's degree in laws from City University of Hong Kong in July 2006. He then obtained the Postgraduate Certificate in Laws from The University of Hong Kong in June 2008. Mr. Wong has been a financial risk manager of the Global Association of Risk Professionals since December 2002, and a certified public accountant of the Hong Kong Institute of Certified Public Accountants since July 2005. He has been a holder of the Chartered Financial Analyst (CFA) qualification and a member of CFA Institute since October 2003. Mr. Wong was also admitted as a solicitor of the High Court of Hong Kong in 2010.

Dr. Zhang Qiongguang (張瓊光), aged 49, was appointed as our independent non-executive Director on October 8, 2024 with effect from the Listing Date. He is responsible for He is responsible for supervising and providing independent advice to our Board.

From July 1996 to December 2011, Dr. Zhang Qiongguang has worked in various pharmaceutical-related job positions, including supervisor of the Hubei Province Xiaochang County First People's Hospital* (湖北省孝昌縣第一人民醫院藥劑科), developer and project manager of various subsidiaries of Jianmin Pharmaceutical Group Co. Ltd. (健民藥業集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600976) responsible for new drug discovery, and deputy general manager of quality in Wuhan Jianheng Pharmaceutical Co. Ltd.* (武漢市健恒藥業有限公司) responsible for conducting research and development activities on traditional Chinese medicine targeting diabetes and other diseases and drafting relevant materials for patent applications. From May 2013 to June 2017, Dr. Zhang Qiongguang worked as a reviewer and inspector at Hubei Food and Drug Administration Technical Assessment and Verification Center* (湖北省食品藥品監督管理局技術審評核查中心). From June 2017 to September 2022, Dr. Zhang Qiongguang worked as an inspector at Center for Food and Drug Inspection of National Medical Products Administration (國家藥品監督管理局食品藥品審核查驗中心). From September 2022 to December 2023, Dr. Zhang Qiongguang worked as a senior vice president in Beijing ABZYMO Biosciences Co., Ltd.* (北京安百勝生物科技有限公司), a subsidiary of Jiangsu Recbio Technology Co., Ltd. (江蘇瑞科生物技術股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2179). Besides, Dr. Zhang Qiongguang has been: (i) a part-time professor of College of Life Science and Health of Wuhan University of Science and Technology* (武漢科技大學生命科學與健康學院) since October 2022 and (ii) a consultant of Beijing ABZYMO Biosciences Co., Ltd.* (北京安百勝生物科技有限公司), a subsidiary of Jiangsu Recbio Technology Co., Ltd., since January 2024.

Dr. Zhang Qiongguang graduated from the Hubei University of Chinese Medicine (湖北中醫藥大學), formerly known as Hubei Chinese Medicine College* (湖北中醫學院), with a junior college diploma in Chinese Medicine in June 1996. He further obtained a master's degree in Chinese Medicine Pharmacology from the Hubei University of Chinese Medicine in June 2003. He then obtained a doctoral degree in pathogen biology from the Wuhan University (武漢大學) in June 2015. Dr. Zhang Qiongguang has become a Senior Engineer* (高級工程師) since October 2011.

Disclosure requirement under the Listing Rules and confirmations from our Directors

Save as disclosed in this section, each of our Directors confirms with respect to himself/herself that:

(i) he/she has not held any directorship in the three years prior to the Latest Practicable Date in public companies, the securities of which are listed on any securities market in Hong Kong or overseas;

(ii) he/she does not hold other positions in our Company or other members of our Group;

(iii) he/she is independent from and he/she does not have any relationship with other Directors, senior management, substantial shareholders or Controlling Shareholders of our Company, save as disclosed in the paragraph headed "Relationship with our Controlling Shareholders — Our Controlling Shareholders" in this prospectus;

(iv) save as disclosed in the paragraphs headed "Substantial Shareholders" and "C. Further Information about our Directors, Supervisors and Substantial Shareholders — 1. Disclosure of Interests" in Appendix VI to this prospectus, he/she does not have any interest in our Shares within the meaning of Part XV of the SFO;

(v) he/she does not have any interest in any business which competes or may compete, directly or indirectly, with us, which is discloseable under the Listing Rules;

(vi) save as Dr. Zhang is a director of CZ Biotechnology, being our Controlling Shareholders, he/she is not a director or employee of a company which has an interest or short position in the shares and underlying shares of the issuer which would fall to be disclosed to the issuer under the provisions of Divisions 2 and 3 of Part XV of the SFO;

(vii) to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no additional information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and no other matter with respect to their appointments that needs to be brought to the attention of our Shareholders as of the Latest Practicable Date;

(viii) he/she, or his/her respective close associates, did not engage in or have any interest in a business, apart from business of our Group, which competes or is likely to compete with our business, whether directly or indirectly, or would otherwise require disclosure under Rule 8.10 of the Listing Rules; and

(ix) he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in August 2024, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Furthermore, each of the independent non-executive Directors has confirmed (i) his independence as regards each of the factors referred to in rules 3.13(1) to (8) of the Listing Rules; (ii) he has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person (as defined in the Listing Rules) of our Company; and (iii) that there are no other factors that may affect his independence at the time of his appointment.

SUPERVISORY COMMITTEE

Our Supervisory Committee consists of three members, including two Supervisors appointed by shareholders' meetings and one employee representative Supervisor, elected at employee representative meetings. Our Supervisory Committee is responsible for supervising the performance of duty of our Board and the senior management of our Company and overseeing the financial, internal control and risk conditions of our Company. The Supervisors serve a term of three years and may be re-elected for successive reappointments. As of the Latest Practicable Date, our Supervisory Committee is composed of Dr. Ke, Ms. Sun and Ms. Chen. Dr. Ke is the chairman of our Supervisory Committee.

Dr. Ke Hang (柯航), aged 36, is our Supervisor. He was appointed as a Supervisor on December 11, 2022, and redesignated as the Chairman of Supervisory Committee since October 8, 2024. Besides, he has also been appointed as the supervisor of Hangzhou Hanx from November 19, 2020 to March 31, 2025. He was also appointed as the manager and legal representative of Hangzhou Hanx on April 11, 2025. He is responsible for supervising our Board and management.

Dr. Ke first joined our Group in April 2017 and worked at Hangzhou Hanx since then, being responsible for protein purification techniques and related works. Since April 2024, he has been appointed as the senior director of research and development department of Hangzhou Hanx and is responsible for preclinical research and development and project management.

Dr. Ke graduated from the Wuhan University with a bachelor's degree in life sciences and technology in June 2010. He further obtained a doctoral degree in plant biology from Aix-Marseille University in February 2017. He was recognized as a high-level talent in Hangzhou City Zhejiang Province* (浙江省杭州市高層次人才) by Hangzhou Human Resources and Social Security Bureau* (杭州市人力資源和社會保障局) in June 2022. Also, Dr. Ke is listed in the 11th batch of 3551 Optics Valley Talent Schema* (3551光谷人才計劃) by Wuhan East Lake New Technology Development Area Administrative Committee* (武漢東湖新技術開發區管理委員會) in December 2018.

Ms. Sun Peng (孫鵬), aged 49, is our Supervisor. She was appointed as a Supervisor on October 8, 2024. She is responsible for supervising our Board and management.

Ms. Sun joined our Group in June 2023 and worked as a vice president of clinical development of our Company since then, and is responsible for managing the clinical development team in China. Prior to joining our Group, Ms. Sun has over 15 years of experience in medical research and development. From August 2008 to May 2010, Ms. Sun worked as a medical affairs physician in GlaxoSmithKline (China) Investment Co., Ltd.* (葛蘭素史克(中國)投資有限公司), a wholly-owned subsidiary of GSK plc, which is a company listed on the London Stock Exchange (stock code: GSK) and was responsible for clinical research. From July 2010 to September 2011, Ms. Sun worked as a medical expert in immunology and infectious diseases in Beijing Novartis Pharmaceuticals Co., Ltd.* (北京諾華製藥有限公司), a wholly-owned subsidiary of Novartis AG, which is a company listed on the

Swiss Stock Exchange (stock code: NOVN), and was responsible for clinical research. From September 2011 to November 2016, Ms. Sun worked as a disease area specialist in clinical research in Bristol-Myers Squibb (China) Investment Co, Ltd* (百時美施貴寶(中國)投資有限公司), a subsidiary of Bristol Myers Squibb Co., which is a company listed on the New York Stock Exchange (stock code: BMY), and was responsible for clinical research. From December 2016 to August 2018, Ms. Sun worked as an associate director of clinical research in MSD R&D (China) Co., Ltd.* (默沙東研發(中國)有限公司), an indirect wholly-owned subsidiary of Merck & Co., Inc., which is a company listed on the New York Stock Exchange (stock code: MRK), and was responsible for new drug clinical development and research. From September 2018 to March 2020, Ms. Sun worked as a director of clinical sciences in Shanghai Simcere Pharmaceutical Co., Ltd.* (上海先聲藥業有限公司), an indirect wholly-owned subsidiary of Simcere Pharmaceutical Group Limited (先聲藥業集團有限公司), which is a company listed on the Main Board of the Stock Exchange (stock code: 2096), and was responsible for designing clinical research and development strategies and plans. From March 2020 to June 2021, Ms. Sun worked as a medical director in Eucure (Beijing) Biopharma Co, Ltd.* (祐和醫藥科技(北京)有限公司), a wholly-owned subsidiary of Biocytogen Pharmaceuticals (Beijing) Co., Ltd.* (百奧賽圖(北京)醫藥科技股份有限公司), which is a company listed on the Main Board of the Stock Exchange (stock code: 2315) and was responsible for new drug clinical development and research. From June 2021 to June 2023, Ms. Sun worked as a medical executive director in Shanghai KeChow Pharma, Inc.* (上海科州藥物研發有限公司), and was responsible for new drug clinical development and research.

Ms. Sun graduated from the Shandong First Medical University (山東第一醫科大學) (formerly known as Taishan Medical College* (泰山醫學院)) with a bachelor's degree in clinical medicine in July 1998. She further obtained a master's degree in pharmacology from Jinan University (暨南大學) in June 2003.

Ms. Chen Chen (陳晨), aged 28, is our Supervisor. She was appointed as an employee representative Supervisor on October 8, 2024. Besides, she has also been appointed as the supervisor of Beijing Hanx since November 23, 2023. She was appointed as the supervisor of Hangzhou Hanx on March 31, 2025. She is responsible for supervising our Board and management.

Ms. Chen joined our Group in September 2020. From September 2020 to September 2024, Ms. Chen worked as an assistant of general manager of Hangzhou Hanx, and she was promoted to human resource manager in September 2023, during this period she was responsible for our Hangzhou Hanx's human resources and administrative work. Since September 2024, Ms. Chen has been redesignated as the senior human resource manager and assistant of general manager of the Company, and responsible for the human resources and administrative work of our Group.

Ms. Chen graduated from Wuhan Sports University (武漢體育學院) with a bachelor's degree in education majoring in martial arts and national traditional sports on June 30, 2020.

SENIOR MANAGEMENT

Our members of senior management are responsible for the day-to-day management of our business and the relevant details are as follows:

Ms. Zhang Lei (張磊), aged 61, is the chief medical officer, and vice general manager of our Group. She first joined our Group as chief medical officer in January 2022. She is responsible for the management of clinical research and development and participating in formulation of the strategic layout of our Group.

Ms. Zhang has over 23 years of experience in research and development of new medicines. Prior to joining our Group, from February 1998 to August 2004, she worked as a senior clinical development associate in Eli Lilly and Company. From August 2004 to November 2008, she worked as the oncology associate director clinical research physician of Novartis Pharmaceuticals Corporation, a subsidiary of Novartis AG, a company duly listed on both the SWX Swiss Exchange (stock code: NOVN) and the New York Stock Exchange (stock code: NVS), and was responsible for the clinical development of multiple indications. From November 2008 to December 2018, she worked as the executive medical director, program lead clinical research and development at Celgene Corporation, and was responsible for leading clinical research and new drug discovery. From January 2019 to January 2020, she worked as the chief medical officer at Denovo Biopharma LLC, and was responsible for the management of the clinical team and pipeline of the Company.

Ms. Zhang graduated with a bachelor's degree in medicine from the Capital Medical University (首都醫科大學), formerly known as Capital Medical College* (首都醫學院) in August 1986. She further obtained a master's degree in biochemistry from the Virginia Commonwealth University Medical College of Virginia in December 1994.

Mr. Zhang Hui (張輝), aged 56, is the chief financial officer, joint company secretary of our Company, the secretary of our Board, and vice general manager. He first joined our Group as chief financial officer and the secretary of our Board in August 2024. Besides, he was appointed as a director of Hangzhou Hanx on March 31, 2025. He is responsible for supervising the financial operations of our Group, and the corporate governance, investor relations management and company secretarial matters of our Group.

Mr. Zhang Hui has over 16 years of experience in investment banking and financing. Prior to joining our Group, he worked at the following institutions:

Period of service	Name of company	Nature of business	Position
October 2003 to October 2004; and May 2005 to April 2006	DBS Bank Ltd., Beijing Branch (formerly known as The Development Bank of Singapore Ltd., Beijing Branch)	Financing business	Joined as a senior manager, and last position as the chief representative of the DBS Asia Capital Limited Beijing Representative Office (星展亞洲融資有限公司北京代表處)
August 2006 to December 2007	BNP Paribas Equities (Asia) Limited Beijing Representative Office	Investment and financing business	Senior vice president
December 2007 to December 2008	Lehman Brothers Investment Consulting (Shanghai) Co., Ltd	Investment and financing business	Senior vice president
April 2010 to January 2011	Deutsche Bank (China) Co., Ltd. Beijing Branch (a subsidiary of Deutsche Bank AG, which is listed on the Frankfurt Stock Exchange, stock code: DBK; and the New York Stock Exchange, stock code: DB)	Investment and financing business	China financing, DCM/CCG/director in global markets division
February 2011 to February 2012	Samsung Securities (Asia) Limited (a subsidiary of Samsung Securities Co., Ltd., which is listed on the Korean Stock Exchange, stock code: 016360)	Investment and financing business	Managing director and head of China in the investing banking and principal investments department

Period of service	Name of company	Nature of business	Position
February 2012 to January 2015; and September 2016 to January 2021	Guosen Securities (HK) Capital Company Limited (a subsidiary of Guosen Securities Company Limited, which is listed on the Shenzhen Stock Exchange, stock code: 002736)	Investment and financing business	Managing director, head of investment banking division and head of global capital markets
June 2021 to June 2023	Beijing Luzhu Biotechnology Co., Ltd. (listed on the Stock Exchange, stock code: 2480)	Biotechnology company	Chief financial officer, head of global capital markets

Mr. Zhang Hui graduated with a bachelor's degree in materials engineering from Shanghai Jiao Tong University (上海交通大學) in July 1992. He further obtained a master's degree in management through long distance learning from the Australian National University in 2008, and obtained a master's degree in pharmaceutical engineering through long distance learning from Wuhan Institute of Technology (武漢工程大學) in 2024.

Dr. Weimin Tang (唐偉敏), aged 60, is the chief business officer of our Company. He first joined our Company as chief business officer in September 2025. He is responsible for formulating and advancing corporate strategies and driving global growth through cross-border transactions of our Group.

Dr. Tang has over 20 years of leadership experience in the global pharmaceutical and biotechnology industry. Prior to joining our Group, he worked in senior management positions at Bristol-Myers Squibb* (百時美施貴寶), Aventis Pharmaceutical* (currently known as Sanofi Pharmaceutical) (賽諾菲(藥業)), Johnson & Johnson* (強生有限公司) for a number of years, and he also worked at Pfizer Investment Co., Ltd.* (輝瑞投資有限公司) (formerly known as American Cyanamid Co.). From April 2018 to April 2024, Dr. Tang worked as chief business officer at I-Mab Biopharma Co., Ltd.* (天境生物股份有限公司), a company listed on the NASDAQ Global Market (stock code: IMAB), where he was responsible for formulating and executing global business strategies as well as facilitating strategic partnerships with international pharmaceutical companies and research institutions.

Dr. Tang graduated with a bachelor's degree in plant pathology from Zhejiang Agricultural University, which is presently known as Zhejiang University* (浙江大學) in July 1986. He obtained a master's degree in microbiology from the Institute of Microbiology, Chinese Academy of Sciences* (中國科學院微生物研究所) in February 1990, and later a doctoral degree in molecular biology from Rutgers University in the United States in 1997.

JOINT COMPANY SECRETARIES

Mr. Zhang Hui (張輝), aged 56, joined our Group on August 1, 2024 as the chief financial officer, and the secretary of our Board. Mr. Zhang Hui was appointed as the joint company secretary of our Group on October 31, 2024. For further biographic details of Mr. Zhang Hui, please refer to the paragraphs headed "— Senior Management" in this section above.

Mr. Li Kin Wai (李健威), is a Senior Manager of Corporate Services of Tricor Services Limited, a global professional services provider specialising in integrated business, corporate and investor services. Mr. Li was appointed as a joint company secretary of our Company in June 2025. Mr. Li has over 10 years of experience in the corporate secretarial field.

Mr. Li is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code, Appendix C1 to the Listing Rules, our Company has established three Board committees, namely the audit committee, the remuneration committee and the nomination committee.

Audit Committee

We have established an Audit Committee with written terms of reference in accordance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Audit Committee comprises three Directors, namely Mr. Chen, Mr. Wong and Ms. Xiao, and is chaired by Mr. Chen. The primary duties of the audit committee are to assist our Board by providing an independent view of the effectiveness of the financial reporting process, risk management and internal control systems of our Group, to oversee the audit process, to develop and review our policies, to make recommendations to our Board on the appointment and dismissal of the external auditors, and to perform other duties and responsibilities as assigned by our Board.

Remuneration Committee

We have established a Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Remuneration Committee comprises three Directors, namely Mr. Wong, Dr. Li Jian and Dr. Bi, and is chaired by Mr. Wong. The primary duties of the remuneration committee are to establish and review the policy and structure of the remuneration for our Directors, Supervisors and senior management, review and approve our

management's remuneration proposals with reference to our Board's corporate goals and objectives, ensure none of our Directors determine their own remuneration, and make recommendations on employee benefit arrangement.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Nomination Committee comprises five Directors, namely Dr. Zhang, Dr. Bi, Dr. Zhang Qiongguang, Ms. Xiao Jieyu and Mr. Chen Qifeng and is chaired by Dr. Zhang. The primary duties of the nomination committee are to review the structure, size and composition (including the skills, knowledge and experience) of our Board at least annually and make recommendation to our Board on any proposed changes to our Board to complement our Company's corporate strategy; identify individuals suitably qualified as potential board members and select or make recommendations to our Board on the selection of individuals nominated for directorships; assess the independence of independent non-executive Directors; and make recommendations to our Board on the appointment or reappointment of Directors and succession planning of Directors, in particular that of our Chairman.

BOARD DIVERSITY POLICY

With a view to achieving sustainable and balanced development, we have adopted a board diversity policy (the "**Board Diversity Policy**") to achieve diversity in our Board. The Board Diversity Policy sets out the objective of and approach by our Board to achieve and maintain diversity in our Board in order to enhance the effectiveness of our Board and recognizes and embraces the benefits of diversity in our Board. We endeavour to ensure that our Board members have the appropriate balance of skills, experience and diversity of perspectives that are required to support the implementation of our business strategy. Pursuant to the Board Diversity Policy, we seek to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service and any other factors that our Board may consider relevant and applicable from time to time. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board. Our Board believes that such merit-based appointments will enable our Company to best serve our Shareholders and other stakeholders going forward.

Our Board currently comprises 9 Directors, including 3 executive Directors, 2 non-executive Directors and 4 independent non-executive Directors. Currently, we have one female Director and eight male Directors. Our Directors have a balanced mixed of knowledge and skills, including but not limited to medical industry knowledge, overall business management, law and accounting. They obtained degrees in various majors including medicine, business enterprise management, law and accounting, etc. Furthermore, our Board has a relatively wide range of ages, ranging from 41 years old to 66 years old and consists of eight male members and one female member. Our Board believes that the female representation in our Board, a mix of different background and experiences of our Directors and the age diversity, would enable

our Directors to bring in valuable views and opinions of different perspectives, which could enhance the quality of decision making of our Board and benefit our Group as a whole. Based on the foregoing, we consider our current Board composition satisfies the principles set out in the Board Diversity Policy.

Our nomination committee will review the composition of our Board and identify and recommend suitable candidates to our Board from time to time and make recommendations as to the appointment of members of our Board in accordance with our Board Diversity Policy. Our Company will also take into consideration factors based on our Group's business model and specific needs from time to time in determining the optimum composition of our Board.

CORPORATE GOVERNANCE

We are committed to high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, we will comply with the corporate governance requirements under the Corporate Governance Code and Corporate Governance Report set out in Appendix C1 to the Listing Rules after the Listing.

REMUNERATION POLICY

Our Directors, Supervisors and members of our senior management receive compensation from our Group in the form of salaries, discretionary bonuses, contributions to pension schemes and other allowances and benefits in kind subject to applicable laws, rules and regulations.

Our Board will review and determine the remuneration and compensation packages of our Directors, Supervisors and senior management which, following the Listing, will receive recommendation from the remuneration committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and performance of our Group.

REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

For the financial years ended December 31, 2023 and 2024 and the eight months ended August 31, 2025, the aggregate amount of directors' fees, salaries, allowances and benefits in kind, discretionary bonuses, retirement scheme contributions, and termination benefits of our Directors, Supervisors, and senior management were RMB1.9 million, RMB18.3 million and RMB14.4 million, respectively. It is estimated that under the arrangements currently in force, the aggregate emolument payable to the Directors and Supervisors (excluding discretionary bonus) for the year ending December 31, 2025, will be RMB26.9 million.

Our Company's five highest paid individuals includes one, four and three chief executive and directors for each of the financial years ended December 31, 2023 and 2024 and the eight months ended August 31, 2025, respectively. The aggregate amount of directors' fees, salaries, allowances and benefits in kind, discretionary bonuses, retirement scheme contributions, and

termination benefits of five highest individuals (including Directors) for each of the financial years ended December 31, 2023 and 2024 and the eight months ended August 31, 2025, were RMB23.6 million, RMB5.6 million and RMB12.1 million, respectively. During the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors, Supervisors or the five highest paid individuals as an inducement to join or upon joining our Company or as a compensation for loss of office in connection with the management of the affairs of our Company or any subsidiary during the Track Record Period.

During the Track Record Period, none of our Directors and Supervisors waived or agreed to waive any emolument. For details of Directors' and Supervisors' remunerations during the Track Record Period as well as details of the five highest paid individuals, see notes 9 and 10 in the Accountants' Report as set out in Appendix I to this prospectus.

COMPLIANCE ADVISOR

In accordance with Rule 3A.19 of the Listing Rules, our Company has appointed Red Sun Capital Limited as our compliance advisor (the "**Compliance Advisor**"). Pursuant to Rule 3A.23 of the Listing Rules, our Company will consult with and seek advice from the compliance advisor on a timely basis in the following circumstances:

(a) before the publication of any regulatory announcement, circular or financial report required by regulatory authorities or applicable laws;

(b) where a transaction, which might be a notifiable or connected transaction under Chapter 14 or 14A of the Listing Rules, is contemplated including share issues and share repurchases;

(c) where our Company proposes to use the proceeds of the Listing in a manner different from that detailed in this prospectus or where the business activities, developments or results of our Group deviate from any forecast, estimate, or other information in this prospectus; and

(d) where the Stock Exchange makes an inquiry of the listed issuer under Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Advisor will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The Compliance Advisor will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the applicable requirements under the Listing Rules and laws and regulations.

The Compliance Advisor's term of appointment shall commence on the Listing Date and end on the date which we distribute our annual report of financial results for the first full financial year commencing after the Listing Date, or until the agreement is terminated, whichever is earlier.

OVERVIEW

Immediately following completion of the Global Offering and the Share Split (assuming the Over-allotment Option is not exercised), Dr. Zhang will hold: (i) approximately 13.06% of the issued share capital of our Company indirectly through Hanx Biopharmaceuticals (HK), a company controlled by Dr. Zhang through several of his controlled entities, namely HanxBio (BVI), Hanx Biopharmaceuticals and Caizhang Vision; (ii) approximately 40.60% of the issued share capital of our Company indirectly through CZ Biotechnology, a company owned as to 99.9% by Dr. Zhang and 0.1% by Ms. Luo Fang, the spouse of Mr. Zhang Wanming (the brother of Dr. Zhang); and (iii) approximately 2.24% of the issued share capital of our Company through Wuhan Hanx, where CZ Biotechnology is a general partner. Dr. Zhang, Ms. Luo Fang, CZ Biotechnology, Hanx Biopharmaceuticals (HK), HanxBio (BVI), Hanx Biopharmaceuticals, Wuhan Hanx and Caizhang Vision will be presumed to be a group of Controlling Shareholders under the Listing Rules and will be together interested in approximately 55.89% of the issued share capital of our Company.

OUR RELATIONSHIP WITH WATERSTONE PHARMACEUTICALS

Apart from our Company, Dr. Zhang also held directorship and shareholding interests in Waterstone Pharmaceuticals.

Waterstone Pharmaceuticals is a company established in the PRC with limited liability on December 17, 2009 and listed on the NEEQ (stock code: 873938). It is a company principally engaged in the research and development and sales of chemical drugs for metabolic diseases such as diabetes and kidney disease. Since its establishment, Dr. Zhang has been one of the controlling shareholders of Waterstone Pharmaceuticals with: (i) approximately 8.27% shares of Waterstone Pharmaceuticals together with Ms. Luo Fang[(Note 1)] through Hubei Province Tianmen Huatong Chemical Co., Ltd.* (湖北省天門市華通化工有限公司), a wholly owned subsidiary of CZ Biotechnology; and (ii) approximately 24.37% shares of Waterstone Pharmaceuticals through Waterstone Pharmaceutical (HK) Limited. Waterstone Pharmaceutical (HK) Limited is a wholly owned subsidiary of Waterstone Pharmaceuticals Inc., which is owned as to directly and indirectly in aggregate approximately 92.94% by Dr. Zhang and Ms. Cai Xiaoqing, the spouse of Dr. Zhang. Furthermore, Dr. Zhang is the chairman of the board of directors and general manager of Waterstone Pharmaceuticals as of the Latest Practicable Date. Waterstone Pharmaceuticals is also owned as to approximately 3.85% by Beijing Lapam Venture Capital Center (Limited Partnership)* (北京龍磐創業投資中心(有限合夥)), a partnership where Beijing Lapam Investment Management Consulting Center (General Partnership)* (北京龍磐投資管理諮詢中心(普通合夥)), the general partner of Beijing Lapam (one of our Pre-IPO Investors) and is ultimately controlled by Mr. Yu Zhihua (the ultimate

Note: On 9 October 2025, 0.1% equity interests in CZ Biotechnology held by Mr. Zhang Wanming were transferred to Mr. Zhang Wanming's spouse, Ms. Luo Fang, pursuant to statutory probate procedures after the decease of Mr. Zhang Wanming.

beneficial owner of Beijing Lapam and Tibet Lapam, and a director of and a board representative of Beijing Lapam in Hangzhou Hanx). Save as disclosed above, there is no overlapping of Shareholders between our Company and Waterstone Pharmaceutical.

Considering: (i) Waterstone Pharmaceuticals is principally engaged in the research and development of small chemical molecules of diabetes and kidney disease-related chemical drugs while our Group is principally engaged in the research and development of biological large molecules in immunology-oncology therapies for cancer; (ii) the fact that the Group was procuring active pharmaceutical ingredients for the production of HX301 from Waterstone Pharmaceuticals does not imply that Waterstone Pharmaceuticals can produce HX301 on its own as Waterstone Pharmaceuticals could not have independently manufactured this product to apply for clinical trials and market approval; (iii) considering Waterstone Pharmaceuticals has been principally engaging in the research and development and sales of chemical drugs for metabolic diseases such as diabetes and kidney disease, to the best knowledge of the Directors, transitioning to oncology drug development could face significant challenges including divergent technological pathways, reallocation of research and development resources, and market entry barriers, requiring substantial investment and multiple years to reconstruct its technological platforms and pipeline layout; (iv) there is no overlapping of top five suppliers between our Company and Waterstone Pharmaceuticals; and (v) except Dr. Zhang who is the chairman of the board of directors and general manager of Waterstone Pharmaceuticals and our Chairman and executive Director, our Group do not share any resources or administrative functions with Waterstone Pharmaceuticals during the Track Record Period, our Group considers that there is a clear distinction between our business and those of Waterstone Pharmaceuticals and our Directors are of the view that there is no material competition between our Group and Waterstone Pharmaceuticals arising from Dr. Zhang's interests and directorship in Waterstone Pharmaceuticals.

Furthermore, as confirmed by Dr. Zhang, the research and development of our Group focuses on immuno-oncology, while that of Waterstone Pharmaceuticals has been focusing on the research and development of small chemical molecules. Furthermore, Dr. Zhang is only responsible for the overall supervision and strategy development of Waterstone Pharmaceuticals and the daily operation and management of Waterstone Pharmaceuticals is handled by its management team. Dr. Zhang has also confirmed that he will be able to commit at least 60% of his working hours to our Company going forward. Based on the above, our Company is of the view that Dr. Zhang will be able to devote sufficient time in our Company.

As of the Latest Practicable Date, none of our Controlling Shareholders and their close associates had any interest in a business, apart from our business, which competes or is likely to compete, either directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS AND THEIR CLOSE ASSOCIATES

We believe that we are capable of carrying on our business independently from our Controlling Shareholders and their respective close associates (other than our Group) after the Listing for the following reasons:

Management Independence

Our Board comprises three executive Directors, two non-executive Directors and four independent non-executive Directors. Dr. Zhang is one of our executive Directors and chairman of the Board. He has been involved in the management of our Group since his appointment as a director of Hangzhou Hanx in 2017. With the support of our experienced management team, Dr. Zhang is expected to continuously devote a sufficient portion of his time to the day-to-day operations of our Group upon Listing. Dr. Zhang is also the director of CZ Biotechnology, Hanx Biopharmaceuticals (HK), HanxBio (BVI), Hanx Biopharmaceuticals and Caizhang Vision. As of the Latest Practicable Date, save for Dr. Zhang, none of our Directors or members of our senior management held any position at our Controlling Shareholders or their close associates.

Despite the overlapping roles assumed by Dr. Zhang as mentioned above, when performing his duties in our Group, Dr. Zhang has been and will continue to be supported by the separate and independent Board which comprises eight other Board members and senior management of our Group. Moreover, each of CZ Biotechnology, Hanx Biopharmaceuticals (HK), HanxBio (BVI), Hanx Biopharmaceuticals, Caizhang Vision and Wuhan Hanx does not engage in other business activities. On such basis, Dr. Zhang confirmed that his involvement in the aforementioned entities will not affect the discharge of his duties in our Group.

Each of our Directors is aware of his/her fiduciary duties as a Director, which require, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests. In the event that there is an actual or potential conflict of interest arising out of any transaction to be entered into between our Group and any of the Directors or their respective close associates, the interested Director(s) shall abstain from voting at the relevant Board meetings of our Company in respect of such transactions and shall not be counted in the quorum.

Our Board comprises nine Directors, including four independent non-executive Directors, which represent one-third of the members of our Board. Our independent non-executive Directors have extensive experience in corporate management and governance, and they are appointed to ensure that our Board will only make decisions after due consideration of independent and impartial opinions. Certain matters of our Company must always be referred to the independent non-executive Directors for review.

We have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders that would support our independent management. For details, see the paragraph headed "Corporate Governance Measures" in this section below. Based on the reasons above, our Directors are of the view that our Group is capable of managing our business independently from our Controlling Shareholders and their respective close associates after the Listing.

Based on the reasons above, our Directors are of the view that our Group is capable of managing our business independently from our Controlling Shareholders and their respective close associates after the Listing.

Operational Independence

We have full rights to make all decisions on, and carry out, our own business operation independently from our Controlling Shareholders and their respective close associates and will continue to do so after the Listing. Our Group is able to operate without reliance on our Controlling Shareholders and their respective close associates.

Research and development

We have our own R&D platform, personnel and production facilities which are independent from our Controlling Shareholders and their respective close associates. As of the Latest Practicable Date, our R&D platforms had employed 20 members, who were all full-time employees of our Group and did not hold any position in our Controlling Shareholders or their respective close associates. In addition, our Group owns over two registered patents in the PRC and other countries which are necessary for our R&D and operations. With such independent R&D platforms, an experienced and independent R&D team and self-owned patents, our Directors believe that we have all the requisite resources to carry on our R&D process independently.

Access to suppliers and business partners

We have independent access to our suppliers as well as our business partners. Our suppliers and business partners bases are diversified and unrelated to our Controlling Shareholders and their respective close associates.

Operational facilities and administration

We have independent R&D platform office. In addition, we have a full-time management team and staff to carry out our own administration and operation independently from our Controlling Shareholders and their respective close associates. All key administrative functions have been and will be carried out by our own without reliance or the support of our Controlling Shareholders and their respective close associates.

Employees

As of the Latest Practicable Date, save for Dr. Zhang, all of our full-time employees did not have any employment relationship with our Controlling Shareholders and their respective close associates and were primarily recruited through both internal referrals and external sources such as campus recruitment, recruiting websites and third-party recruiters.

We have established a protocol in relation to management of conflict of interests (the "**Protocol**"). Pursuant to the Protocol, each of the member of the Board (including Dr. Zhang) and senior management of our Company is required to fill in and sign a declaration of interest form by the end of each year. Furthermore, they are required to report potential conflict of interests to the Board within five working days when they first become aware of such potential conflict of interest. After receiving reporting of potential conflict of interests, the conflict of interests committee, comprising of Dr. Bi Honggang (independent non-executive Director), Dr. Li (the chief executive officer), Mr. Zhang Hui (the chief financial officer) and the responsible person of our legal department, will determine by majority vote whether a conflict of interest situation arises. In case of a conflict of interests situation, the relevant person (which also includes Dr. Zhang) is required to disclose the situation, be subject to questions from other members of our Board and be excluded from the quorum of the meeting.

Based on the reasons above, our Directors are of the view that we have full rights to make all decisions on, and to carry out, our own business operations independently from our Controlling Shareholders and their respective close associates and will continue to do so after the Listing.

Connected Transactions

During and subsequent to the Track Record Period, our Group has procured and is expected to continue to procure (i) active pharmaceutical ingredients for the production of HX301 and the stability testing services for the active pharmaceutical ingredients; (ii) other raw materials that does not require testing services for the production of HX301; and (iii) small molecules from Waterstone Pharmaceuticals and Hubei Waterstone Biopharmaceutical Technology Co., Ltd. (湖北華世通生物醫藥科技有限公司) ("**Hubei Waterstone**"), a wholly-owned subsidiary of Waterstone Pharmaceuticals. These transactions will constitute continuing connected transactions of our Group upon the Listing under the Listing Rules. For further details, please refer to the section headed "Connected Transactions" in this prospectus. The transaction amounts between our Group and Waterstone Pharmaceuticals amounted to approximately 1.98%, 0.05% and 1.17% of our total amount of R&D cost for the two years ended December 31, 2023 and 2024 and the eight months ended August 31, 2025. Our Group has independent access to other suppliers that supply active pharmaceutical ingredients for the production of HX301, the respective stability testing services for the active pharmaceutical ingredients, other raw materials for the production of HX301 and small molecules that can serve as substitutes of the raw materials procured from and the stability testing services provided by Waterstone Pharmaceuticals and Hubei Waterstone at comparable terms, and has maintained an approved list of suppliers, which contains two suppliers that are listed

companies and Independent Third Parties as of the Latest Practicable Date, from which our Group can readily source substitutes form. As such, our Directors are of the view that the transactions with Waterstone Pharmaceuticals and Hubei Waterstone will not affect our operational independence. The foregoing connected transactions are entered into in the ordinary and usual course of business of our Group and our Directors confirm that the terms of such transactions are determined at arm's length negotiations and are no less favorable to our Company than terms offered by independent third parties. Our Directors believe that the continuing connected transactions between our Company and our Controlling Shareholders and their close associates do not indicate any undue reliance by our Company on our Controlling Shareholders and are beneficial to our Company and our Shareholders as a whole.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders and their close associates (excluding our Group).

Financial Independence

We have an independent financial system and make financial decisions according to our own business needs. We also have our own internal control and accounting systems, accounting and finance department for discharging the treasury function, which all are independent from our Controlling Shareholders and their respective close associates.

Our Group does not have any outstanding loans, advances or balances due to or from our Controlling Shareholders or their respective close associates which are not arising out of the ordinary course of business that will remain outstanding as of the Listing Date. All guarantee provided by our Controlling Shareholders or their respective close associates on the borrowings of our Group had been released as of the Latest Practicable Date. We are capable of obtaining financing from Independent Third Parties without relying on any guarantee or security provided by our Controlling Shareholders or their respective close associates and we received a series of Pre-IPO Investments from Independent Third Party investors as of the Latest Practicable Date. For details of the Pre-IPO Investments, please refer to the paragraph headed "History, Development and Corporate Structure — Pre-IPO Investments" in this prospectus.

Based on the above, our Directors believe that we are able to conduct our business independently from our Controlling Shareholders and their respective close associates from a financial perspective and are able to maintain financial independence and would not place undue reliance on our Controlling Shareholders or their respective close associates.

DEED OF NON-COMPETITION

Each of our Controlling Shareholders has given certain non-competition undertakings in favour of our Company (for itself and as trustee for each of our subsidiaries) under the Deed of Non-Competition, pursuant to which each of our Controlling Shareholders, jointly and severally, warrants and undertakes with our Company that, from the Listing and ending on the occurrence of the earlier of:

(i) any of our Controlling Shareholders and his/its close associates and/or successor, individually and/or collectively, cease to own 30% (or such percentage as may from time to time be specified in the Listing Rules as being the threshold for determining a controlling shareholder of a company) or more of the then entire issued share capital of our Company; or

(ii) the Shares cease to be listed on the Stock Exchange (except for temporary suspension of the Shares due to any reason),

he/it will not, and will procure any Controlling Shareholder and his/its close associates (collectively, "**Controlled Persons**") and any company directly or indirectly controlled by him/it (which for the purpose of the Deed of Non-Competition, shall not include any member of our Group) (the "**Controlled Company**") not to: either on his/its own or in conjunction with any body corporate, partnership, joint venture or other contractual agreement, whether directly or indirectly, whether for profit or not, carry on, participate in, hold, engage in, acquire or operate, or provide any form of assistance to any person, firm or company (except members of our Group) to conduct any business which, directly or indirectly, competes or may compete with the business presently carried on by our Company or any of our subsidiaries or any other business that may be carried on by any of them from time to time during the term of the Deed of Non-Competition, in the PRC or such other places as our Company or any of our subsidiaries may conduct or carry on business from time to time, including but not limited to the research and development of immunology-oncology therapies for cancer and the development of therapeutic biological products (the "**Restricted Business**").

Such non-competition undertakings do not apply to:

(i) the holding of Shares or other securities issued by our Company or any of our subsidiaries from time to time;

(ii) the holding of shares or other securities in any company which has an involvement in the Restricted Business, provided that such shares or securities are listed on a recognized stock exchange and the aggregate interest of our Controlling Shareholder and his/its associates (as "interest" is construed in accordance with the provisions contained in Part XV of the SFO) does not amount to more than 10% of the relevant share capital of the company in question;

(iii) the contracts and other agreements entered into between our Group and our Controlling Shareholder and/or his/its close associates; and

(iv) the involvement, participation or engagement of our Controlling Shareholders and/or his/its close associates in the Restricted Business in relation to which our Company has agreed in writing to such involvement, participation or engagement, following a decision by our independent non-executive Directors to allow such involvement, participation or engagement subject to any conditions our independent non-executive Directors may require to be imposed.

New business opportunity

If any Controlling Shareholder, any of his/its connected persons and/or any Controlled Company (the "**Offeree**") is offered or becomes aware of any business opportunity directly or indirectly to engage in or own the Restricted Business (the "**New Business Opportunity**"):

(i) he/it shall promptly notify our Company of such New Business Opportunity in writing and refer the same to our Company for consideration; and

(ii) he/it shall not, and shall procure that his/its Controlled Persons or Controlled Companies not to, invest or participate in any New Business Opportunity, unless such New Business Opportunity is rejected by the independent committee of our Board (the "**Independent Board Committee**") comprising our independent non-executive Directors from time to time who do not have any material interest in the Restricted Business and/or the New Business Opportunity and the principal terms of which our Controlling Shareholders or his/its Controlled Persons or Controlled Companies invest or participate in are no more favourable than those made available to our Company. Our Controlling Shareholders, any Controlled Person or any Controlled Company may only engage in the New Business Opportunity if a notice is received from the Independent Board Committee confirming that the New Business Opportunity is not accepted by our Company and/or does not constitute competition with the Restricted Business. If there is a material change in the terms and conditions of the New Business Opportunity pursued by the Offeree, the Offeree will refer the New Business Opportunity as so revised to our Company in the manner set out above.

GENERAL UNDERTAKINGS

To ensure the performance of the above non-competition undertakings given under the Deed of Non-Competition, our Controlling Shareholders shall, among other things:

(i) keep our Board informed of any matter of potential conflicts of interest between our Controlling Shareholders and our Group;

(ii) when required by our Company, provide all information necessary for the Independent Board Committee to conduct annual examination, including all relevant financial, operational and market information and other necessary information, with regard to the compliance of the terms of the Deed of Non-Competition and the enforcement thereof;

(iii) procure our Company to disclose to the public either in the annual or interim report of our Company or issuing a public announcement in relation to any decisions made by our Independent Board Committee with regard to the compliance of the Listing Rules and the terms of the Deed of Non-Competition and the enforcement thereof;

(iv) where our Independent Board Committee shall deem fit, make a declaration in relation to the compliance of the terms of the Deed of Non-Competition in the annual or interim report of our Company, and ensure that the disclosure of information relating to compliance with the terms of the Deed of Non-Competition and the enforcement of it are in accordance with the requirements of the Listing Rules;

(v) where our Independent Board Committee has rejected the New Business Opportunity referred to by any Controlling Shareholder, any of his/its connected persons and/or any Controlled Company, regardless of whether he/it would thereafter invest or participate in such New Business Opportunity, procure our Company to disclose to the public either in the annual, interim or quarterly report of our Company or an announcement of the decision of our Independent Board Committee regarding the decision on the New Business Opportunity and the basis thereof; and

(vi) during the period when the Deed of Non-Competition is in force, fully and effectually indemnify our Company against any losses, liabilities, damages, costs, fees and expenses as a result of any breach on the part of our Controlling Shareholders of any statement, warrant or undertaking made under the Deed of Non-Competition.

CORPORATE GOVERNANCE MEASURES

Each of our Controlling Shareholders has confirmed that it/he has fully comprehended its/his obligations to act in our Shareholders' best interests as a whole. Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

(a) as part of our preparation for the Listing, we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provided that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her associates have a material interest nor shall such Director be counted in the quorum present at the meeting;

(b) pursuant to the Protocol, each of the member of the Board and senior management of our Company is required to fill in and sign a declaration of interest form by the end of each year. Furthermore, they are required to report the potential conflict of interests to the Board within five working days when they are aware of the potential conflict of interest. Furthermore, a Director with himself/herself or his/her close associates having material interests shall make full disclosure in respect of matters that may have conflict or potentially conflict with any of our interest at the meeting of our Board, be subject to questions raised by other members of our Board and shall

abstain from voting on such matters and not be counted in the quorum, unless the attendance or participation of such Director at such meeting of the Board is permitted under the Listing Rules;

(c) we are committed that our Board should include a balanced composition with not less than one-third of independent non-executive Directors to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. We have appointed four independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our public Shareholders. For details of our independent non-executive Directors, please refer to the paragraph headed "Directors, Supervisors and Senior Management — Directors — Independent non-executive Directors" in this prospectus;

(d) we have appointed Red Sun Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to Directors' duties and corporate governance;

(e) our Company has established internal control mechanisms to identify connected transactions. Upon and after the Listing, if our Company enters into connected transactions with our Controlling Shareholders or any of their associates, our Company will comply with the applicable Listing Rules; and

(f) as required by the Listing Rules, our independent non-executive Directors shall review any continuing connected transaction annually and confirm in our annual report that such transactions have been entered into in our ordinary and usual course of business, are either on normal commercial terms or on terms no less favorable to us than those available to or from independent third parties and on terms that are fair and reasonable and in the interests of our Shareholders as a whole.

Based on the above, our Directors believe that there are sufficient and adequate corporate governance measures in place to manage existing and potential conflicts of interest that may arise between our Group and our Controlling Shareholders, and to protect minority shareholders' interests after the Listing.

So far as our Directors are aware, immediately following the completion of the Global Offering, Share Split and the Conversion of Unlisted Shares into H Shares and without taking into account any H Shares which may be issued pursuant to the exercise of the Over-allotment Option, the following persons will have an interest and/or short position in our Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at shareholders' meetings of our Company and other members of our Group:

Interests in our Company

Name	Nature of interest	Description of Shares upon completion of the Global Offering, Share Split and the Conversion of Unlisted Shares into H Shares[1]	Number of Shares	Approximate percentage of shareholding in the total issued share capital of our Company upon completion of the Global Offering and Share Split (assuming no exercise of the Over-allotment Option)[2]
CZ Biotechnology[3]	Beneficial owner; interest held jointly with another person	H Shares	76,138,710	55.89%
Dr. Zhang[3]	Interest in controlled corporation; interest held jointly with another person	H Shares	76,138,710	55.89%
Ms. Cai Xiaoqing (蔡曉清)[4].	Interest of spouse	H Shares	76,138,710	55.89%
Ms. Luo Fang (羅芳)[3]	Interest in controlled corporation; interest held jointly with another person	H Shares	76,138,710	55.89%
Hanx Biopharmaceuticals (HK)[5]	Beneficial owner	H Shares	17,793,640	13.06%

Name	Nature of interest	Description of Shares upon completion of the Global Offering, Share Split and the Conversion of Unlisted Shares into H Shares[1]	Number of Shares	Approximate percentage of shareholding in the total issued share capital of our Company upon completion of the Global Offering and Share Split (assuming no exercise of the Over-allotment Option)[2]
HanxBio (BVI) [5]	Interest in controlled corporation	H Shares	17,793,640	13.06%
Hanx Biopharmaceuticals[5] . .	Interest in controlled corporation	H Shares	17,793,640	13.06%
Caizhang Vision[5]	Interest in controlled corporation	H Shares	17,793,640	13.06%
Wuhan Hanx	Beneficial owner	H Shares	3,045,070	2.24%
Beijing Lapam	Beneficial owner	H Shares	12,860,470	9.44%
Beijing Lapam Investment Management Consulting Center (General Partnership) (北京龍磐投資管理顧問中心(普通合夥))	Interest in controlled corporation	H Shares	12,860,470	9.44%
Beijing Lapam Management Consulting Co., Ltd.* (北京龍磐管理顧問有限公司) .	Interest in controlled corporation	H Shares	12,860,470	9.44%
Mr. Yu Zhihua (余治華)[6]	Interest in controlled corporation; interest of spouse	H Shares	14,652,130	10.76%
Ms. Sun Hui (孫慧)[7]	Interest in controlled corporation; interest of spouse	H Shares	14,652,130	10.76%
Hangzhou Hongye Ruiji	Beneficial owner	H Shares	12,860,470	9.44%

Name	Nature of interest	Description of Shares upon completion of the Global Offering, Share Split and the Conversion of Unlisted Shares into H Shares[1]	Number of Shares	Approximate percentage of shareholding in the total issued share capital of our Company upon completion of the Global Offering and Share Split (assuming no exercise of the Over-allotment Option)[2]
Hangzhou Hongye Taiji Investment Management Partnership (Limited Partnership)* (杭州紅業泰吉投資管理合夥(有限合夥))	Interest in controlled corporation	H Shares	12,860,470	9.44%
Hangzhou Hongye Investment Management Co., Ltd.* (杭州紅業投資管理有限公司)	Interest in controlled corporation	H Shares	12,860,470	9.44%
Mr. Zhang Yeyan (張業焱)	Interest in controlled corporation	H Shares	12,860,470	9.44%

Notes:

1. For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares.

2. The calculation is based on the total number of 136,218,830 H Shares in issue upon Listing (comprising (i) an aggregate of 117,897,830 Shares to be converted from Unlisted Shares; and (ii) 18,321,000 Shares to be issued pursuant to the Global Offering, without taking into account the H Shares which may be issued upon the exercise of Over-allotment Option).

3. The 76,138,710 Shares consist of: (i) 55,300,000 Shares held by CZ Biotechnology; (ii) 17,793,640 Shares held by Hanx Biopharmaceuticals (HK); and (iii) 3,045,070 Shares held by Wuhan Hanx.

   CZ Biotechnology is legally and beneficially owned as to 99.9% by Dr. Zhang and 0.1% by Ms. Luo Fang. CZ Biotechnology, Ms. Luo Fang and Dr. Zhang are considered as a group of controlling shareholders of our Group pursuant to the Listing Rules. Hanx Biopharmaceuticals (HK) is controlled by HanxBio (BVI), which is in turn controlled by Hanx Biopharmaceuticals. Hanx Biopharmaceuticals is controlled by Caizhang Vision, which is controlled by Dr. Zhang. Furthermore, Wuhan Hanx is owned as to 75% by CZ Biotechnology, who is also the general partner of Wuhan Hanx. Therefore, Dr. Zhang, CZ Biotechnology, Ms. Luo Fang, Hanx Biopharmaceuticals (HK), HanxBio (BVI), Hanx Biopharmaceuticals and Caizhang Vision are deemed to be interested in the 76,138,710 Shares.

4. Ms. Cai Xiaoqing is the spouse of Dr. Zhang and is deemed to be interested in all the Shares which Dr. Zhang is deemed to be interested in by virtue of the SFO.

5. Hanx Biopharmaceuticals (HK) is controlled by HanxBio (BVI). HanxBio (BVI) is in turn controlled by Hanx Biopharmaceuticals, which is controlled by Caizhang Vision. Therefore, Hanx Biopharmaceuticals (HK), HanxBio (BVI), Hanx Biopharmaceuticals and Caizhang Vision are deemed to be interested in the 17,793,640 Shares held by Hanx Biopharmaceuticals (HK).

6. Beijing Lapam and Tibet Lapam are ultimately controlled by Mr. Yu. Furthermore, he is the spouse of Ms. Sun Hui. Therefore, he is deemed interested in the 12,860,470 H Shares held by Beijing Lapam and 1,195,620 H Shares held by Tibet Lapam. He is also deemed interested in the H Shares in which Ms. Sun Hui is deemed interested in by virtue of the SFO.

7. Ms. Sun Hui is the ultimately beneficial owner of Lapam Capital. Furthermore, Ms. Sun Hui is the spouse of Mr. Yu Zhihua. Therefore, she is interested in the 596,040 shares held by Lapam Capital and is deemed to be interested in all the Shares which Mr. Yu Zhihua is deemed to be interested in by virtue of the SFO.

Interests in shares of other member of our Group (other than our Company)

Name of member of our Group	**Person other than members of our Group holding 10% or more interests**	**Nature of interests**	**Amount of registered capital/shares interested in**	**Approximate % of interest in the member of our Group**
Hangzhou Hanx.	Wuhan Hanzhong	Beneficial owner	RMB2.19 million	15%

Save as disclosed above and in the paragraph headed "C. Further information about Directors, Supervisors and Substantial Shareholders — 1. Disclosure of interests" in Appendix VI to this prospectus, our Directors are not aware of any persons who will, immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised), have interests and/or short positions in Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at shareholders' meetings of our Company or any other member of our Group.

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a "**Cornerstone Investment Agreement**", and together the "**Cornerstone Investment Agreements**") with the cornerstone investors set out below (each a "**Cornerstone Investor**", and together the "**Cornerstone Investors**"), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 100 H Shares) as set out in the table below (the "**Cornerstone Placing**"). The aggregate amount of the investment contributed by the Cornerstone Investors does not include brokerage, SFC transaction levy, AFRC transaction levy and Hong Kong Stock Exchange trading fee which the Cornerstone Investors will pay in respect of the International Offer Shares to be subscribed by them.

Based on the Offer Price of HK$32.00 per H Share, being the maximum Offer Price stated in this prospectus, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 2,917,800 Offer Shares, representing (i) approximately 15.93% of the Offer Shares to be issued pursuant to the Global Offering and approximately 2.14% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised), and (ii) approximately 13.85% of the Offer Shares to be issued pursuant to the Global Offering and approximately 2.10% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is fully exercised).

Our Company is of the view that the Cornerstone Placing provides an impression of commitment, confidence and interests of the Cornerstone Investors in our Group's business and prospects and helps raise the profile of our Company. Our Company became acquainted with the Cornerstone Investors through introduction by the Company's business partners.

The Cornerstone Placing will form part of the International Offering, and, save as otherwise obtained consent from the Stock Exchange, the Cornerstone Investors and their respective close associates will not subscribe for any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid H Shares in issue and will be counted towards the public float of our Company under Rule 8.08 (as amended and replaced by Rule 19A.13A) of the Listing Rules. The three largest public Shareholders will not hold more than 50% of the Shares held in public hands at the time of the Listing in compliance with Rule 8.08(3) of the Listing Rules.

Immediately following the completion of the Global Offering, the Cornerstone Investors will not, by virtue of their cornerstone investments, have any Board representation in our Company; and none of the Cornerstone Investors will become a substantial Shareholder of our Company. Other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, the Cornerstone Investors do not have any preferential rights under each of their respective Cornerstone Investment Agreements, as compared with other public Shareholders.

As confirmed by each of the Cornerstone Investors, there are no side arrangements or agreements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Global Offering, other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, following the principles as set out in Chapter 4.15 of the Guide for New Listing Applicants.

To the best knowledge, information and belief of our Company, (i) each of the Cornerstone Investors and their respective ultimate beneficial owner(s) is an Independent Third Party; (ii) none of the Cornerstone Investors or their respective ultimate beneficial owner(s) is accustomed to take instructions from our Company, Directors, Supervisors, chief executive, Controlling Shareholders, substantial Shareholders or existing Shareholders or any of their subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; and (iii) none of the subscription of the Offer Shares by the Cornerstone Investors is financed directly or indirectly by our Company, Directors, Supervisors, chief executive, Controlling Shareholders, substantial Shareholders or existing Shareholders or any of their subsidiaries or their respective close associates.

To the best knowledge of our Company and as confirmed by each of the Cornerstone Investors, each of the Cornerstone Investors makes independent investment decisions, and their subscription under the Cornerstone Placing would be financed by their own internal resources and they have sufficient funds to settle their respective investment under the Cornerstone Placing. Each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing and that no specific approval from any stock exchange or its shareholders or other regulatory authorities is required for the relevant Cornerstone Placing.

The Cornerstone Investors have agreed to fully pay for the relevant Offer Shares that they have subscribed before dealings in the Company's H Shares commence on the Stock Exchange. Certain Cornerstone Investors have agreed that our Company and the Joint Overall Coordinators in their sole discretion may defer the delivery of all or part of the Offer Shares it will subscribe to a date later than the Listing Date. Where delayed delivery takes place, the relevant Cornerstone Investor that may be affected by such delayed delivery has agreed that it shall nevertheless fully pay for the relevant Offer Shares before the Listing. As such, there will be no deferred settlement of the Offer Shares to be subscribed by the Cornerstone Investors pursuant to the Cornerstone Investment Agreements.

The total number of Offer Shares to be subscribed by the Cornerstone Investors may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering. If the total demand for H Shares in the Hong Kong Public Offering falls within any of the circumstances as set out in the section headed "Structure of the Global Offering — The Hong Kong Public Offering — Reallocation" in this prospectus, our Company and the Joint Overall Coordinators have the absolute discretion, but are not obliged, to deduct the number of Offer Shares to be subscribed by the Cornerstone Investors in order to satisfy the public demands under the Hong Kong Public Offering pursuant to Practice Note 18 of the

Listing Rules. Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of our Company to be published on or around December 22, 2025.

THE CORNERSTONE INVESTORS

The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing.

Fund Resources

Fund Resources Investment Holding Group Company Limited ("**Fund Resources**") is an investment company incorporated in Hong Kong in 2013. Fund Resources is primarily engaged in investments, with key focus on the energy, resources, chemical, real estate and financial sectors. Fund Resources is wholly owned by Funde Sino Life Insurance Company Limited (富德生命人壽保險股份有限公司), which has a highly fragmented investor base, with no shareholder holding 30% or more of its shares. Funde Sino Life Insurance Company Limited is a national professional life insurance company based in Shenzhen.

Sage Partners Master Fund

Sage Partners Master Fund ("**Sage Partners**") is an exempted company with limited liability incorporated in the Cayman Islands, and is managed by Sage Partners Limited, a Hong Kong incorporated SFC Type 9 licensed investment management company established in 2019. Sage Partners is a discretionary fund and it primarily focuses on investment opportunities in the healthcare sector and other emerging technologies. None of the investors in Sage Partners Master Fund holds 30% or more of its interest. To the best knowledge of our Directors, each of Sage Partners and its management company is an Independent Third Party.

Guotai Junan Investments (Hong Kong) Limited (in connection with the Kunyang OTC Swaps)

Guotai Junan Investments (Hong Kong) Limited ("**GTINV**") and Guotai Haitong Securities Co., Ltd ("**GTHT**") will enter into a series of cross border delta-one OTC swap transactions (the "**Kunyang OTC Swaps**") with each other and with Kunyang New Pattern No. 1 Private Securities Investment Fund (鯤洋新格局1號私募證券投資基金) (the "**GTHT Ultimate Client (Kunyang)**"), pursuant to which GTINV will hold the Offer Shares on a non-discretionary basis to hedge the Kunyang OTC Swaps while the economic risks and returns of the underlying Offer Shares are passed to the GTHT Ultimate Client (Kunyang), subject to customary fees and commissions. The Kunyang OTC Swaps will be fully funded by the GTHT Ultimate Client (Kunyang).

During the terms of the Kunyang OTC Swaps, all economic returns of the Offer Shares subscribed by GTINV will be passed to the GTHT Ultimate Client (Kunyang) and all economic loss shall be borne by the GTHT Ultimate Client (Kunyang) through the Kunyang OTC Swaps, and GTINV will not take part in any economic return or bear any economic loss in relation to the Offer Shares. Despite that GTINV will hold the legal title of the Offer Shares by itself, it will not exercise the voting rights attaching to the relevant Offer Shares during the terms of the Kunyang OTC Swaps according to its internal policy. To the best of GTINV's knowledge having made all reasonable inquiries, the GTHT Ultimate Client (Kunyang) is an independent third party of GTINV, GTHT and the companies which are members of the same group of GTHT.

GTINV is a Hong Kong incorporated company. Its principal business activities are trading and investments. It is indirectly wholly owned by GTHT, a leading securities firm in China with its shares dually listed in both Shanghai (SSE: 601211) and Hong Kong (HKEX: 2611).

The GTHT Ultimate Client (Kunyang), i.e. Kunyang New Pattern No. 1 Private Securities Investment Fund (鯤洋新格局1號私募證券投資基金), is an investment fund managed by Shanghai Kunyang Private Fund Management Co., Ltd. (上海鯤洋私募基金管理有限公司) ("**Kunyang Shanghai**"). No ultimate beneficial owner holds 30% or more of interests in Kunyang New Pattern No. 1 Private Securities Investment Fund (鯤洋新格局1號私募證券投資基金).

Kunyang Shanghai was established in Shanghai in 2016. Kunyang Shanghai was ultimately owned by Zhou Kejun (周柯君), Zhou Tingting (周婷婷) and Li Boyang (李博洋) as to 75%, 20% and 5%, respectively. Kunyang Shanghai is licensed as a private invest fund manager (私募投資基金管理人資格).

Haitong International Securities Company Limited ("**Haitong International Securities**") is one of the Overall Coordinators, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and the Underwriters of the Global Offering. GTINV and Haitong International Securities are indirectly wholly-owned subsidiaries of GTHT. Accordingly, GTINV is a connected client of Haitong International Securities. We have applied for, and the Stock Exchange has granted, a written consent under paragraph 1C(1) of Appendix F1 to the Listing Rules to allow GTINV to subscribe for Offer Shares as a Cornerstone Investor. For more details, please refer to the paragraphs headed "Waivers from Strict Compliance with the Listing Rules and Exemption from Compliance with the Companies (Winding Up and Miscellaneous Provision) Ordinance — Consent in Respect of the Proposed Subscription of H Shares by a Connected Client" in this prospectus.

TFI Investment Fund SPC (acting for and on behalf of its segregated portfolio, TFI Lakeside SP)

TFI Lakeside SP (the "**TFI Fund**") is a segregated portfolio of TFI Investment Fund SPC, an exempted company incorporated under the laws of the Cayman Islands and registered as a segregated portfolio company and is an Independent Third Party. 100% of the management

shares of TFI Investment Fund SPC are held by TFI Asset Management (Cayman) Ltd. The investment manager of the TFI Fund is TFI Asset Management Limited. Both TFI Asset Management (Cayman) Ltd. and TFI Asset Management Limited are indirectly wholly owned by Tianfeng Securities Co., Ltd. (a company listed on the Shanghai Stock Exchange (stock code: 601162)). TFI Asset Management Limited is a company incorporated in Hong Kong and licensed to carry out Type 4 (advising on securities), Type 5 (advising on futures contracts), and Type 9 (asset management) regulated activities under the SFO in Hong Kong by the SFC. No single participating investor holds 30% or more interests in the TFI Fund.

TFI Securities and Futures Limited ("**TFI Securities**") is one of the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and the Underwriters of the Global Offering. As TFI Securities is also wholly owned by Tianfeng Securities, TFI Investment Fund SPC is a connected client of TFI Securities for the purpose of the Placing Guidelines. We have applied for, and the Stock Exchange has granted, a written consent under paragraph 1C(1) of Appendix F1 to the Listing Rules to allow TFI Investment Fund SPC to subscribe for Offer Shares as a cornerstone investor. For more details, please refer to the paragraphs headed "Waivers from Strict Compliance with the Listing Rules and Exemption from Compliance with the Companies (Winding Up and Miscellaneous Provision) Ordinance — Consent in Respect of the Proposed Subscription of H Shares by a Connected Client" in this prospectus.

Main Source Capital Limited

Main Source Capital Limited is an investment company incorporated in Hong Kong on 8 December 2022 and primarily focuses on financial investments. Main Source Capital Limited is wholly owned by Mr. Xue Shouguang (薛守光), who is a veteran investor and has invested in a series of listed companies.

YStem Capital

YStem Holding Limited ("**YStem Capital**") is an investment company incorporated in Hong Kong on 10 September 2024 and primarily focuses on investments in the technology sector. YStem Capital is held as to (i) 60% by Mr. Deng Han (鄧翰), who has strategic advisory and private equity experience, and (ii) 40% by Mr. Song Yibo (宋一波), who has a track record in investment banking, both of whom are Independent Third Parties.

Awaken Thunder Capital Limited

Awaken Thunder Capital Limited ("**Awaken Thunder**") (春雷資本有限公司) is an investment company incorporated in Hong Kong and licensed by the SFC to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO in Hong Kong. Awaken Thunder Capital Limited is owned as to 34% by Ms. Zhou Yuan, 33% by Mr. Wu Bo and 33% by Mr. Zhang Wenzhen. Each of the foregoing shareholders is an Independent Third Party.

The table below sets forth the details of the Cornerstone Placing:

				Based on the Offer Price of HK$32.00 per H Share			
				Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
Cornerstone Investor	Total investment amount[1]		Number of Offer Shares to be acquired[4]	Approximate % of the total Offer Shares	Approximate % of the total issued Shares immediately upon the completion of the Global Offering[5]	Approximate % of the total Offer Shares	Approximate % of the total issued Shares immediately upon the completion of the Global Offering[5]
Fund Resources	US$5.00 million	HK$38.92[2] million	1,216,100	6.64%	0.89%	5.77%	0.88%
Sage Partners	US$1.50 million	HK$11.67[2] million	364,800	1.99%	0.27%	1.73%	0.26%
GTINV (in connection with the Kunyang OTC Swaps)	US$1.41[3] million	HK$11.00[3] million	343,700	1.88%	0.25%	1.63%	0.25%
TFI Investment Fund SPC (acting for and on behalf of its segregated portfolio, TFI Lakeside SP)	US$1.28[2] million	HK$10.00 million	312,500	1.71%	0.23%	1.48%	0.22%
Main Source Capital Limited	US$1.28[2] million	HK$10.00 million	312,500	1.71%	0.23%	1.48%	0.22%
YStem Capital	US$1.00 million	HK$7.78[2] million	243,200	1.33%	0.18%	1.15%	0.18%
Awaken Thunder Capital Limited	US$0.51[2] million	HK$4.00 million	125,000	0.68%	0.09%	0.59%	0.09%
Total	**US$12.00 million**	**HK$93.37 million**	**2,917,800**	**15.93%**	**2.14%**	**13.85%**	**2.10%**

Notes:

(1) Exclusive of brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy.

(2) Calculated for illustrative purpose based on the exchange rates as disclosed in "Information about this Prospectus and the Global Offering – Exchange Rate Conversion" in this prospectus.

(3) GTINV agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of RMB10 million. The amount of Hong Kong dollars and U.S. dollars were calculated for illustrative purpose based on the exchange rates as disclosed in "Information about this Prospectus and the Global Offering – Exchange Rate Conversion" in this prospectus.

(4) Rounded down to the nearest whole board lot of 100 H Shares.

(5) Assuming no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing.

				Based on the Offer Price of HK$30.00 per H Share			
				Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
Cornerstone Investor	Total investment amount[1]		Number of Offer Shares to be acquired[4]	Approximate % of the total Offer Shares	Approximate % of the total issued Shares immediately upon the completion of the Global Offering[5]	Approximate % of the total Offer Shares	Approximate % of the total issued Shares immediately upon the completion of the Global Offering[5]
Fund Resources	US$5.00 million	HK$38.92[2] million	1,297,200	7.08%	0.95%	6.16%	0.93%
Sage Partners	US$1.50 million	HK$11.67[2] million	389,100	2.12%	0.29%	1.85%	0.28%
GTINV (in connection with the Kunyang OTC Swaps)	US$1.41[3] million	HK$11.00[3] million	366,600	2.00%	0.27%	1.74%	0.26%
TFI Investment Fund SPC (acting for and on behalf of its segregated portfolio, TFI Lakeside SP)	US$1.28[2] million	HK$10.00 million	333,300	1.82%	0.24%	1.58%	0.24%
Main Source Capital Limited	US$1.28[2] million	HK$10.00 million	333,300	1.82%	0.24%	1.58%	0.24%
YStem Capital	US$1.00 million	HK$7.78[2] million	259,400	1.42%	0.19%	1.23%	0.19%
Awaken Thunder Capital Limited	US$0.51[2] million	HK$4.00 million	133,300	0.73%	0.10%	0.63%	0.10%
Total	**US$12.00 million**	**HK$93.37 million**	**3,112,200**	**16.99%**	**2.28%**	**14.77%**	**2.24%**

Notes:

(1) Exclusive of brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy.

(2) Calculated for illustrative purpose based on the exchange rates as disclosed in "Information about this Prospectus and the Global Offering – Exchange Rate Conversion" in this prospectus.

(3) GTINV agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of RMB10 million. The amount of Hong Kong dollars and U.S. dollars were calculated for illustrative purpose based on the exchange rates as disclosed in "Information about this Prospectus and the Global Offering – Exchange Rate Conversion" in this prospectus.

(4) Rounded down to the nearest whole board lot of 100 H Shares.

(5) Assuming no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing.

				Based on the Offer Price of HK$28.00 per H Share			
				Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
Cornerstone Investor	Total investment amount[1]		Number of Offer Shares to be acquired[4]	Approximate % of the total Offer Shares	Approximate % of the total issued Shares immediately upon the completion of the Global Offering[5]	Approximate % of the total Offer Shares	Approximate % of the total issued Shares immediately upon the completion of the Global Offering[5]
Fund Resources	US$5.00 million	HK$38.92[2] million	1,389,800	7.59%	1.02%	6.60%	1.00%
Sage Partners	US$1.50 million	HK$11.67[2] million	416,900	2.28%	0.31%	1.98%	0.30%
GTINV (in connection with the Kunyang OTC Swaps)	US$1.41[3] million	HK$11.00[3] million	392,800	2.14%	0.29%	1.86%	0.28%
TFI Investment Fund SPC (acting for and on behalf of its segregated portfolio, TFI Lakeside SP)	US$1.28[2] million	HK$10.00 million	357,100	1.95%	0.26%	1.70%	0.26%
Main Source Capital Limited	US$1.28[2] million	HK$10.00 million	357,100	1.95%	0.26%	1.70%	0.26%
YStem Capital	US$1.00 million	HK$7.78[2] million	277,900	1.52%	0.20%	1.32%	0.20%
Awaken Thunder Capital Limited	US$0.51[2] million	HK$4.00 million	142,800	0.78%	0.10%	0.68%	0.10%
Total	**US$12.00 million**	**HK$93.37 million**	**3,334,400**	**18.20%**	**2.45%**	**15.83%**	**2.40%**

Notes:

(1) Exclusive of brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy.

(2) Calculated for illustrative purpose based on the exchange rates as disclosed in "Information about this Prospectus and the Global Offering – Exchange Rate Conversion" in this prospectus.

(3) GTINV agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of RMB10 million. The amount of Hong Kong dollars and U.S. dollars were calculated for illustrative purpose based on the exchange rates as disclosed in "Information about this Prospectus and the Global Offering – Exchange Rate Conversion" in this prospectus.

(4) Rounded down to the nearest whole board lot of 100 H Shares.

(5) Assuming no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing.

CLOSING CONDITIONS

The obligation of each Cornerstone Investor to subscribe for the Offer Shares under the respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

(a) the Underwriting Agreements for the Hong Kong Public Offering and the International Offering being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Underwriting Agreements, and neither of the aforesaid Underwriting Agreements having been terminated;

(b) the Offer Price having been agreed upon between our Company and the Joint Overall Coordinators (for themselves and on be half of the Underwriters);

(c) the Stock Exchange having granted the approval for the listing of, and permission to deal in, the H Shares (including the H Shares subscribed for by the Cornerstone Investors) as well as other applicable waivers and approvals, and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;

(d) the CSRC having accepted the CSRC filings and published the filing results on its website, and such notice of acceptance and/or filing results published not having otherwise been rejected, withdrawn, revoked or invalidated prior to the commencement of dealings in the H Shares on the Stock Exchange;

(e) no laws shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or in the respective Cornerstone Investment Agreements and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions, including, without limitation, any applicable sanctions or other legal restrictions that would prohibit or restrict the Cornerstone Investors from proceeding with the subscription of the H Shares under the Cornerstone Placing; and

(f) the respective representations, warranties, acknowledgements, undertakings and confirmations of the relevant Cornerstone Investor under the respective Cornerstone Investment Agreement are accurate and true in all respects and not misleading or deceptive and that there is no material breach of the Cornerstone Investment Agreement on the part of the relevant Cornerstone Investor.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that without the prior written consent of our Company, the Sole Sponsor and the Joint Overall Coordinators, it will not, whether directly or indirectly, at any time during the period of six months from the Listing Date (the "**Lock-up Period**"), dispose of, in any way, any Offer Shares or any interest in any company or entity holding such Offer Shares that they have purchased pursuant to the relevant Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

IMMEDIATELY BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, the registered share capital of our Company was RMB11,789,783, consisting of 11,789,783 Unlisted Shares, with a nominal value of RMB1 each.

UPON THE COMPLETION OF THE GLOBAL OFFERING

Immediately after the Global Offering, Share Split and Conversion of Unlisted Shares into H Shares (assuming that the Over-allotment Option is not exercised), the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate % of the enlarged issued share capital after the Global Offering
H Shares to be converted from Unlisted Shares	117,897,830	86.55%
H Shares to be issued pursuant to the Global Offering	18,321,000	13.45%
Total	136,218,830	100%

Assuming the Over-allotment Option is exercised in full, the share capital of our Company immediately following the Global Offering, Share Split and Conversion of Unlisted Shares into H Shares will be as follows:

Description of Shares	Number of Shares	Approximate % of the enlarged issued share capital after the Global Offering
H Shares to be converted from Unlisted Shares	117,897,830	84.84%
H Shares to be issued pursuant to the Global Offering	21,069,100	15.16%
Total	138,966,930	100%

ASSUMPTIONS

The above tables assume that the Global Offering becomes unconditional but does not take into account any Shares which may be issued or repurchased by us pursuant to the general mandates granted to our Directors to issue or repurchase Shares.

PUBLIC FLOAT REQUIREMENTS

Rules 8.08(1)(a) and (b) of the Listing Rules require there to be an open market in the securities for which listing is sought and for a sufficient public float of an issuer's listed securities to be maintained. This normally means that (i) at least 25% of the issuer's total issued share capital must at all times be held by the public; and (ii) where an issuer has one class of securities or more apart from the class of securities for which listing is sought, the total securities of the issuer held by the public (on all regulated market(s) including the Stock Exchange) at the time of listing must be at least 25% of the issuer's total issued share capital.

In light of the above, at the time of the Listing, at least 25% of the total issued share capital of our Company shall be held by the public (as defined in the Listing Rules).

OUR SHARES

Upon completion of the Listing, Share Split and the Conversion of Unlisted Shares into H Shares, all of our Unlisted Shares will be converted into H Shares and are regarded as one class of Shares. Apart from certain qualified domestic institutional investors in the PRC, certain PRC qualified investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed by or traded among legal and natural persons of the PRC.

The Shares will rank pari passu with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this prospectus.

All dividends for H Shares will be denominated and declared in Renminbi, and paid in Hong Kong dollars or Renminbi, whereas all dividends for Unlisted Shares will be paid in Renminbi. Other than cash, dividends could also be paid in the form of shares.

CONVERSION OF UNLISTED SHARES INTO H SHARES

Our Unlisted Shares are unlisted Shares which are currently not listed or traded on any stock exchange.

According to stipulations by the State Council securities regulatory authority and the Articles of Association, the Unlisted Shares may be converted into H Shares. Such converted Shares may be listed or traded on an overseas stock exchange provided that the conversion and trading of such converted Shares shall only be effected after all requisite internal approval process have been duly completed and the approval from the relevant PRC regulatory authorities (including the CSRC) and the relevant overseas stock exchange have been obtained.

In addition, such conversion and trading shall in all respects comply with the regulations prescribed by the State Council securities regulatory authority and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of the Unlisted Shares are to be converted to H Shares and to be traded on the Stock Exchange, such conversion requires the approval of the relevant PRC regulatory authorities, including the CSRC. Approval of the Stock Exchange is required for the listing of such converted Shares on the Stock Exchange. Subject to fulfilling the procedures below, our Company may apply for the listing of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares before any proposed conversion so that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of shares for entry on the H Share register. As any listing of additional Shares after our Company's initial listing on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require prior application for listing as of the time of our Company's initial listing in Hong Kong. A vote by our Shareholders in shareholders' meeting is not required for the listing and trading of the converted Shares on an overseas stock exchange. Any listing of the converted Shares on the Stock Exchange after the initial listing is subject to prior notification by way of announcement to inform Shareholders and the public of any proposed conversion.

After all the requisite approvals have been obtained, the relevant Unlisted Shares will be withdrawn from the Unlisted Share register, and our Company will re-register such Shares on the H Share register maintained in Hong Kong and instruct the H Share Registrar to issue H Share certificates. Registration on the H Share register of our Company will be on the conditions that (i) the H Share Registrar lodges with the Stock Exchange a letter confirming the entry of the relevant H Shares on the H Share register and the due dispatch of H Share certificates; and (ii) the admission of the H Shares to be traded on the Stock Exchange complies with the Listing Rules and the General Rules of CCASS and the CCASS Operational Procedures in force from time to time. Until the converted Shares are re-registered on the H Share register of our Company, such Shares would not be listed as H Shares.

The Company has applied for the Conversion of Unlisted Shares into H Shares, which involves 117,897,830 Unlisted Shares held by 15 Shareholders upon completion of the Share Split. For further details, please refer to the paragraph headed "History, Development and Corporate Structure — Shareholding Structure of our Company" in this prospectus.

RESTRICTIONS OF SHARE TRANSFER

In accordance with the PRC Company Law, the shares issued prior to any public offering of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, the Shares issued by our Company prior to the issue of H Shares will be subject to such statutory restriction on transfer within a period of one year from the Listing Date.

Our Directors, Supervisors and members of the senior management of our Company shall declare their shareholdings in our Company and any changes in their shareholdings. Shares transferred by our Directors, Supervisors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the aforementioned persons held in our Company cannot be transferred within one year from the date on which the shares are listed and traded, nor within half a year after they leave their positions in our Company. The Articles of Association may contain other restrictions on the transfer of the Shares held by our Directors, Supervisors and members of senior management of our Company.

For details of the lock-up undertaking given by our Controlling Shareholders pursuant to Rule 10.07 of the Listing Rules, please refer to the paragraph headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Undertakings to the Stock Exchange pursuant to the Listing Rules — Undertakings by our Controlling Shareholders" in this prospectus.

SHAREHOLDERS' MEETINGS

For details of circumstances under which Shareholders' meeting are required, please refer to the paragraph headed "Appendix V — Summary of the Articles of Association" in this prospectus.

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Notice of Centralized Registration and Deposit of Non-overseas Listed Shares of Companies Listed on an Overseas Stock Exchange (《關於境外上市公司非境外上市股份集中登記存管有關事宜的通知》) issued by the CSRC, our Company is required to register its shares that are not listed on any overseas stock exchange with China Securities Depository and Clearing Corporation Limited within 15 Business Days upon the Listing and provide a written report to the CSRC regarding the centralized registration and deposit of our Shares that are not listed on the overseas stock exchange as well as the offering and listing of our H Shares.

You should read the following discussion and analysis in conjunction with our audited consolidated financial information, included in the Accountants' Report in Appendix I to this prospectus, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with HKFRSs.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on our assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors. In evaluating our business, you should carefully consider the information provided in the section headed "Risk Factors" in this prospectus.

OVERVIEW

We are an innovative biotech company, with in-house expertise and experience in structural biology, translational medicine and clinical development. Guided by our mission and vision, we are committed to exploring the next-generation immunotherapeutics through discovery, development and commercialization of products for precision therapies in cancers and autoimmune diseases, aiming at unmet medical needs in global market, and thus ultimately to help patients around the world.

Prior to the Track Record Period, we developed HX008, which was transferred to Lepu and later commercialized in 2022. During the Track Record, we have developed 10 product candidates, including our Core Product, HX009, and two Key Products, HX301 and HX044. Our pipeline development strategy hinges on a meticulous approach that prioritizes validated targets and biological pathways, which is supported by translational evidence and clinical feasibility to address significant unmet medical needs with substantial clinical benefits.

Under the equity transfer arrangements of HX008, we received a one-off cash payment of RMB350.0 million and annual royalty fee of 4.375% of the annual net sales revenue of HX008 from its commercialization, which amounted to approximately RMB0.7 million and RMB4.4 million for 2022 and 2023, respectively. For details, please refer to "Business — Collaboration Agreements — HX008 Equity Transfer Agreement" in this prospectus. Except for HX008, which has been transferred to Lepu prior to the Track Record Period, 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. For the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, we had total comprehensive loss of RMB85.1 million, RMB116.9 million, RMB48.4 million and RMB87.4 million, respectively. Our total comprehensive loss mainly resulted from research and development costs and administrative expenses.

We expect to incur an increased amount of operating expenses for the next several years as we further our preclinical research, continue the clinical development of, and seek regulatory approval for our drug candidates, launch our pipeline products, and recruit personnel necessary for operation of our business. We expect that our financial performance will fluctuate from period to period due to the development status of our drug candidates, timeline and terms of potential collaboration with our partners, regulatory approval timeline and commercialization of our drug candidates.

BASIS OF PREPARATION

The historical financial information has been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), which include all Hong Kong financial reporting standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants and accounting principles generally accepted in Hong Kong. All HKFRSs effective for the accounting period commencing from January 1, 2024 together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the historical financial information throughout the Track Record Period. The historical financial information has been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value at the end of each period of the Track Record Period.

MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. We set out below some of the accounting policies and estimates that we believe are of critical importance to us or involve the most significant estimates and judgments used in the preparation of our financial statements. Our material accounting policy information, judgments and estimates, which are important for understanding our financial condition and results of operations, are set out in further details in Note 2.3 and Note 3 to the Accountants' Report in Appendix I to this prospectus.

Significant accounting judgments and estimates are those that are most important to the portrayal of our financial conditions and results of operations and require our management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and their accompanying disclosures and the disclosure of contingent liabilities during the Track Record Period, often as a result of the need to make estimates about the effect of matters that are inherently uncertain and may change in subsequent periods.

We continually evaluate these estimates based on our own historical experience, knowledge and assessment of current business and other conditions, our expectations regarding the future based on available information and our best assumptions, which together form our basis for making judgments about matters that are not readily apparent from other sources. Since the use of estimates is an integral component of the financial reporting process, our actual results could differ from those estimates and expectations. Some of our accounting policies require a higher degree of judgment than others in their application. We believe the following material accounting policy information involve the most critical judgments and estimates used in the preparation of our financial statements.

Material Accounting Policies

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Fair value measurement

The Group measures certain financial instruments at fair value at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

Redemption liabilities

For the redeemable ordinary shares issued by the Company and a subsidiary of the Company as detailed in Note 24 to the Accountants' Report in Appendix I to this prospectus, financial liabilities are recognized based on the amortised cost of the redemption amount and debited in equity. Changes of the amortised cost during the Relevant Periods are recognized in profit or loss. When the redemption rights related to the redeemable ordinary shares are terminated, the redemption liabilities on ordinary shares are extinguished and credited to equity.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Share-based payments

The Company operates a share option scheme and a restricted stock scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date at which they are granted. The fair value of the share option is determined by an external valuer by using binomial model and the fair value of the

restricted stock is determined by an external valuer by using the discounted cash flow method, back-solve method and equity allocation based on the option pricing model. Further details of which are given in Note 27 to the Accountants' Report in Appendix I to this prospectus.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

Material Accounting Judgments and Estimate

Research and development costs

All research costs are charged to profit or loss as incurred. Costs incurred on each pipeline to develop new products are capitalised and deferred in accordance with the accounting policy for research and development costs in Note 2.3 to the Accountants' Report in Appendix I to this

prospectus. Determining the amounts to be capitalised requires management to make judgments on the technical feasibility of existing pipelines to be successfully commercialised and bring economic benefits to the Group.

Fair value of variable consideration arising from disposal of an associate

The fair value of variable consideration arising from disposal of an associate measured at FVTPL is determined using valuation techniques, including the discounted cash flow method. Such valuation requires the Group to make estimates of the key assumptions including the discount rate, which are subject to uncertainty.

The fair values of variable consideration arising from disposal of an associate as at December 31, 2023, 2024 and August 31, 2025 were approximately RMB249.3 million, RMB246.4 million and RMB222.2 million, respectively. Further details are included in Note 19 to the Accountants' Report in Appendix I to this prospectus.

Fair value of share-based payments transactions

Estimating the fair value of share-based payments transactions requires the determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

For the measurement of the fair value of share-based payments transactions with employees at the grant date, the Group uses binomial model and back-solve method. The assumptions and models used for estimating fair value for share-based payments transactions are disclosed in Note 27 to the Accountants' Report in Appendix I to this prospectus.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, affected by a number of factors, many of which may be beyond our control. A discussion of the key factors is set out below.

Development and Commercialization of Our Drug Candidates

Our business and results of operations will be dependent on our receipt of regulatory approval for and successful commercialization of our drug candidates. As of the Latest Practicable Date, we have established a pipeline of 10 drug candidates, including three in clinical stage and multiple in discovery and seven in preclinical stage. For details on the development status of our drug candidates, please refer to "Business — Our Product Pipeline".

Our product candidates have not been approved for commercialization and no revenue has been generated from sales of such product candidates. Our business and results of operations depend on our ability to continuously advance preclinical and clinical development of, and obtain the requisite regulatory approvals for, our drug candidates. Once our drug candidates are commercialized, our business and results of operations will be driven by the market acceptance and supply of our commercialized drugs. To successfully develop and launch our drug candidates, we intend to advance clinical development of our product pipeline, continue exploring combination therapies for our product pipeline, enhance our research and development capabilities, upgrade our existing platform and build new platforms for new modality drugs, enhance business development and strengthen global partnerships, continue to build up an internal clinical development team and attract and retain talents to fuel our expansion. For details, please refer to "Business — Our Strategies" in this prospectus.

Our Cost Structure

Our results of operations are significantly affected by our cost structure, which primarily consists of research and development costs and administrative expenses.

Research and development costs have been and are expected to continue to be a major component in our cost structure. During the Track Record Period, our research and development costs primarily consisted of (i) labor expenses; (ii) clinical expenses; (iii) technical service expenses; (iv) testing expenses; (v) material consumption expenses; (vi) depreciation and amortization expenses; (vii) consulting service expenses; and (viii) others. For details, please refer to "— Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Research and Development Costs" in this section. Our research and development costs amounted to RMB46.7 million, RMB74.7 million, RMB50.5 million and RMB56.2 million for the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively.

During the Track Record Period, our administrative expenses primarily included (i) professional service expenses; (ii) employee remuneration expenses; (iii) rental expenses; (iv) office expenses; (v) business reception expenses; (vi) depreciation expenses; (vii) travel expenses; (viii) amortization expenses; and (ix) other expenses. For details, please refer to "— Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Administrative Expenses" in this section. Our administrative expenses amounted to RMB17.2 million, RMB46.2 million, RMB16.1 million and RMB27.4 million for the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively.

We expect our cost structure to evolve as we continue to develop and expand our business. As the preclinical studies and clinical trials of our drug candidates continue to progress, we expect to incur additional costs in relation to, among other things, preclinical study and clinical trial expenses, raw materials procurements, manufacturing and sales and marketing. Additionally, we anticipate increasing legal, compliance, accounting, insurance and investor and public relations expenses associated with being a public company in Hong Kong.

Funding for Our Operations

During the Track Record Period, we funded our operations primarily through funds from transfer of our equity interests in Taizhou Hanzhong and Pre-IPO Investments. Going forward, in the event of successful commercialization of one or more of our drug candidates, we expect to fund our operations in part with cash on hand as well as funds generated from licensing arrangements. However, with the continuing expansion of our business, we may require further funding through public or private offerings, debt financings, collaboration arrangements or other sources. Any fluctuation in the funding for our operations will impact our cash flow plan and our results of operations.

DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

	For the Year Ended December 31		For the Eight Months Ended August 31	
	2023	2024	2024	2025
	(in thousands of RMB)			
			(unaudited)	
Other income and gains	6,664	7,681	12,313	2,626
Research and development costs	(46,663)	(74,721)	(50,523)	(56,178)
Administrative expenses	(17,220)	(46,192)	(16,116)	(27,436)
Other expenses	(33,924)	(209)	(238)	(11,413)
Interest expenses	(2,280)	(9,379)	(5,853)	(7,532)
Profit/(Loss) before tax	**(93,423)**	**(122,820)**	**(60,417)**	**(99,933)**
Income tax expense	8,263	5,898	11,997	12,495
Loss for the year/period	(85,160)	(116,922)	(48,420)	(87,438)
Other comprehensive income/(loss) for the year/period net of tax	537	60	242	(423)
Total comprehensive loss for the year/period	**(84,623)**	**(116,862)**	**(48,178)**	**(87,861)**

Other Income and Gains

During the Track Record Period, our other income and gains consisted of (i) fair value gains on financial assets at fair value through profit or loss ("FVTPL"); (ii) government grant by local governments mainly to support for the Group's research and development activities and business operation; (iii) interest income from structured deposits and wealth management products; and (iv) bank interest income; The fair value gains on FVTPL represent variable consideration of equity interests transfer in Taizhou Hanzhong to Lepu. The government grants mainly represent various financial supports awarded by the local governments to support our Group's research and development expenditures and business operation. There are no contingencies relating to these grants. Our bank interest income mainly generated from seven-day notice deposits of approximately RMB70.0 million and a three-year time deposit of RMB20.0 million with a maturity date on December 22, 2026. Our interest income from structured deposits and wealth management products mainly represents income from bank-issued asset management products.

The following table summarizes a breakdown of our other income and gains for the periods indicated:

	For the Year Ended December 31				For the Eight Months Ended August 31			
	2023		2024		2024		2025	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
					(unaudited)			
Fair value gains on FVTPL	–	–	1,615	21.0	10,689	86.9	–	–
Bank interest income	1,867	28.0	1,618	21.1	350	2.8	171	6.5
Interest income from FVTPL	2,258	33.9	1,306	17.0	917	7.4	156	5.9
Government grant	2,539	38.1	2,199	28.6	231	1.9	75	2.9
Foreign exchange gains, net	–	–	943	12.3	126	1.0	364	13.9
Others	–	–	–	–	–	–	1,860	70.8
Total other income and gains	6,664	100.0	7,681	100.0	12,313	100.0	2,626	100.0

Research and Development Costs

During the Track Record Period, our research and development costs consisted of (i) labor expenses; (ii) clinical expenses; (iii) technical service expenses; (iv) testing expenses; (v) material consumption expenses; (vi) depreciation and amortization expenses; (vii) consulting service expenses; and (viii) others. During the Track Record Period, our research and development costs were mainly incurred for the clinical trials of our Core Product, preclinical studies of HX044 and HX111, and engagement of third-party manufacturer to produce clinical test reagent for HX301.

The following table below sets forth a breakdown of our research and development costs for the periods indicated:

	For the Year Ended December 31				For the Eight Months Ended August 31			
	2023		2024		2024		2025	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
					(unaudited)			
Technical service expenses	7,393	15.8	22,605	30.3	15,376	30.4	20,885	37.1
Labor expenses	28,179	60.3	24,346	32.5	17,433	34.5	18,998	33.8
Clinical expenses	3,115	6.7	6,148	8.2	3,667	7.3	6,779	12.1
Material consumption expenses	2,509	5.4	4,980	6.7	4,719	9.3	4,486	8.0
Consulting service expenses	1,062	2.3	786	1.1	26	0.1	564	1.0
Testing expenses	1,760	3.7	11,200	15.0	5,476	10.8	2,025	3.6
Depreciation and amortization expenses	787	1.7	1,952	2.6	1,314	2.6	1,284	2.3
Others	1,858	4.0	2,704	3.6	2,512	5.0	1,157	2.1
Total research and development costs	46,663	100.0	74,721	100.0	50,523	100.0	56,178	100.0

The following table below sets forth a breakdown of our research and development costs by development stage incurred for each clinical program for the periods indicated:

		For the Year Ended December 31				For the Eight Months Ended August 31			
		2023		2024		2024		2025	
		(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
						(unaudited)			
HX009	HX009 Preclinical Studies	2,941	6.3	6,722	12.5	5,658	14.2	6,612	14.7
	HX009-I-01 China Study	3,223	6.8	7,275	13.4	5,987	15.0	7,103	15.9
	HX009-I-03 China Study[(1)]	–	–	47	0.1	47	0.1	–	–
	HX009-II-02 China Study	7,131	15.3	3,318	6.1	2,994	7.5	1,345	3.0
	HX009-II-04 China Study	–	–	–	–	–	–	340	0.6
	HX009-II-03 U.S. Study[(1)]	91	0.2	–	–	–	–	–	–
	HX009-II-06 China Study	–	–	–	–	–	–	39	0.1
	HX009-II-05 China Study	–	–	510	0.9	281	0.7	2,170	4.8
	HX009 Others	119	0.3	1,484	2.7	208	0.5	16	0.0
	Subtotal	13,505	28.9	19,356	35.7	15,175	38.0	17,625	39.1
HX301	HX301 Preclinical Studies	2,275	4.9	995	1.9	501	1.3	106	0.2
	HX301-I-01 China Study	1,928	4.1	811	1.5	778	1.9	546	1.2
	HX301-I-02 China Study[(1)]	158	0.3	20	0.0	–	–	–	–
	HX301-I-03 China Study[(1)]	308	0.7	174	0.3	537	1.3	397	0.9
	HX301-II-01 China Study	–	–	27	0.0	357	0.9	1,030	2.3
	HX301 Others	45	0.1	648	1.2	195	0.5	–	–
	Subtotal	4,714	10.1	2,675	4.9	2,368	5.9	2,079	4.6
HX044	HX044 Preclinical Studies	3,834	8.2	15,302	28.2	12,282	30.8	6,043	13.4
	HX044-I-01 China Study	–	–	1,065	2.0	904	2.3	2,531	5.6
	Subtotal	3,834	8.2	16,367	30.2	13,186	33.1	8,574	19.0
Others[(2)]		7,238	15.5	5,858	10.8	2,744	6.9	7,161	15.9
Labor cost		17,372	37.2	9,948	18.4	6,426	16.1	9,654	21.4
Total research and development costs		46,663	100.0	54,204	100.0	39,899	100.0	45,093	100.0

Notes:

(1) We have done preliminary work and incurred research and development expenses for these clinical studies. As of the Latest Practicable Date, these clinical studies have not yet commenced and was not currently under preparation.

(2) Including, among others, research and development costs for preclinical studies of HX111.

The table below sets forth a breakdown of our research and development costs incurred on the Core Product for the periods indicated:

	For the Year Ended December 31		For the Eight Months Ended August 31	
	2023	2024	2024	2025
		(in thousands of RMB)		
			(unaudited)	
Technical service expenses	2,885	8,369	6,561	4,034
Labor expenses	5,956	1,141	895	3,367
Clinical expenses	2,917	7,753	6,078	5,982
Material consumption expenses	66	913	716	2,991
Testing expenses	863	330	259	108
Others	818	850	666	1,143
Total R&D costs incurred for Core Product	13,505	19,356	15,175	17,625

During the Track Record Period, all our research and development costs were expensed and not capitalized. We expect our research and development costs to grow along with advancement of our clinical programs and continued research and development of our preclinical and future drug candidates.

Administrative Expenses

During the Track Record Period, our administrative expenses consisted of (i) employee remuneration expenses; (ii) professional service expenses; (iii) rental expenses; (iv) office expenses; (v) business reception expenses; (vi) depreciation expenses; (vii) travel expenses; (viii) amortization expenses; and (ix) other expenses. From 2023 to 2024, our administrative expenses increased significantly, which is generally in line with our business and financing operations.

The following table summarizes a breakdown of our administrative expenses for the periods indicated:

	For the Year Ended December 31				For the Eight Months Ended August 31			
	2023		2024		2024		2025	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
					(unaudited)			
Employee remuneration expenses	8,810	51.1	26,397	57.3	6,902	42.8	17,522	63.9
Listing expense	–	–	10,736	23.2	3,934	24.4	2,976	10.9
Depreciation expenses	219	1.3	3,416	7.4	2,309	14.3	2,635	9.6
Professional service expenses	5,961	34.6	3,622	7.8	1,786	11.1	2,151	7.8
Business reception expenses	362	2.1	153	0.3	107	0.7	109	0.4
Rental expense	789	4.6	56	0.1	111	0.7	503	1.8
Travel expenses	186	1.1	163	0.4	19	0.1	182	0.7
Office expenses	293	1.7	694	1.5	254	1.6	554	2.0
Amortization expenses	33	0.2	111	0.2	–	0.0	88	0.3
Other expenses	567	3.3	844	1.8	694	4.3	716	2.6
Total administrative expenses	17,220	100.0	46,192	100.0	16,116	100.0	27,436	100.0

Other Expenses

During the Track Record Period, we incurred other expenses of RMB33.9 million, RMB209,000, RMB238,000 and RMB11.4 million for the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively, primarily consist of the fair value losses for the variable consideration resulted from disposal of our equity interest in Taizhou Hanzhong to Lepu.

Interest Expenses

During the Track Record Period, our interest expenses were primarily resulted from interests on redemption liabilities and lease liabilities of our newly-rented laboratory and office premises in Wuhan for our daily business operation, which amounted to RMB2.3 million, RMB9.4 million, RMB5.9 million and RMB7.5 million for the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively.

Income Tax Expense

Income tax expense represents the sum of the tax currently payable and deferred tax. During the Track Record Period, we incurred income tax expenses of RMB8.3 million and RMB5.9 million in 2023 and 2024, and we recorded income tax credit of RMB12.0 million and income tax expense of RMB12.5 million for the eight months ended August 31, 2024 and 2025, respectively, primarily resulted from recognition of deferred tax for the equity payment made during the Track Record Period due to disposal of our equity interest in Taizhou Hanzhong to Lepu.

Pursuant to the corporate income tax law, the basic tax rate of our subsidiaries operating in the PRC is at a rate of 25% on the taxable income during the Track Record Period. An additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income effective from October 1, 2022.

Our subsidiaries incorporated in Hong Kong are subject to income tax at a rate of 16.5% on the estimated assessable profits arising in Hong Kong during the Track Record Period. Our subsidiary incorporated in Australia is subject to Australia company tax at a statutory rate of 25% on the estimated assessable profits arising in Australia during the Track Record Period. No Australia company tax was provided for as the subsidiary did not generate any assessable profits arising in Australia during the Track Record Period. The subsidiary incorporated in Delaware, USA, is subject to statutory United States federal corporate income tax at a rate of 21%. It is also subject to the state income tax at rates from 8.25% to 11.5% during the Track Record Period.

Our Directors confirm that during the Track Record Period, we had made all the required tax filings and had paid all outstanding tax liabilities with the applicable tax authorities, and we are not aware of any outstanding or potential disputes with such tax authorities.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

The Eight Months Ended August 31, 2025 Compared to the Eight Months ended August 31, 2024

Other Income and Gains

Our other income and gains decreased significantly by 78.7% from RMB12.3 million for the eight months ended August 31, 2024 to RMB2.6 million for the eight months ended August 31, 2025. The decrease was primarily because no fair value gains on FVTPL for the variable consideration resulted from disposal of our equity interest in Taizhou Hanzhong was recognized in 2025.

Research and Development Costs

Research and development costs increased by 11.2% from RMB50.5 million for the eight months ended August 31, 2024 to RMB56.2 million for the eight months ended August 31, 2025. The increase was mainly attributable to (i) an increase of RMB5.5 million in technical service expenses primarily resulted from increased CMC costs for clinical trials of HX009, HX044 and HX111; (ii) an increase of RMB0.7 million in labor expenses resulted from the increase in average salaries and headcount of our R&D personnel; and (iii) an increase of RMB0.7 million from the share incentives granted in the second half of 2024, part of which was recognized in 2025.

Administrative Expenses

Administrative expenses increased by 70.2% from RMB16.1 million for the eight months ended August 31, 2024 to RMB27.4 million for the eight months ended August 31, 2025, mainly attributable to the increase of RMB2.7 million in employee remuneration expenses, mainly due to salary and social insurance contributions of senior management that joined in August 2024.

Other Expenses

Other expenses increased by RMB11.2 million from RMB0.2 for the eight months ended August 31, 2024 to RMB11.4 million for the eight months ended August 31, 2025, which was mainly attributable to fair value losses on FVTPL for the variable consideration resulted from disposal of our equity interest in Taizhou Hanzhong to Lepu.

Interest Expenses

Interest expenses increased by 28.7% from RMB5.9 million for the eight months ended August 31, 2024 to RMB7.5 million for the eight months ended August 31, 2025, mainly attributable to an increase of RMB1.7 million in interest expensed on redemption liabilities resulted from Pre-IPO Investment.

Income Tax Expenses

We incurred income tax expense of RMB12.5 million for the eight months ended August 31, 2025, while we recorded income tax credit of RMB12.0 million for the eight months ended August 31, 2024, primarily due to the increase of RMB2.7 million in deferred tax resulted from fluctuation of the variable consideration arising from disposal of our equity interest in Taizhou Hanzhong to Lepu.

Loss for the Period

As a result of the foregoing, our loss for the period increased by RMB39.0 million from RMB48.4 million for the eight months ended August 31, 2024 to RMB87.4 million for the eight months ended August 31, 2025.

The Year Ended December 31, 2024 Compared to the Year Ended December 31, 2023

Other Income and Gains

Our other income and gains increased by 15.3% from RMB6.7 million for the year ended December 31, 2023 to RMB7.7 million for the year ended December 31, 2024. The increased amount was primarily attributable to the fair value gains on FVTPL for the variable consideration resulted from disposal of our equity interest in Taizhou Hanzhong to Lepu.

Research and Development Costs

Research and development costs increased by 60.1% from RMB46.7 million for the year ended December 31, 2023 to RMB74.7 million for the year ended December 31, 2024. The increase was mainly attributable to (i) an increase of RMB15.2 million in technical service expenses primarily resulted from increased CMC costs for clinical trials of HX009, HX044, HX301 and HX111; (ii) an increase of RMB9.4 million in testing expenses for preclinical toxicology tests of HX044 and HX111; and (iii) an increase of RMB2.5 million in material consumption expenses due to increased material procurements from our suppliers, including active pharmaceutical ingredients for HX301 and raw materials for HX044 and HX111.

Administrative Expenses

Administrative expenses increased by 168.2% from RMB17.2 million for the year ended December 31, 2023 to RMB46.2 million for the year ended December 31, 2024, mainly attributable to the increase in (i) listing expenses of RMB10.7 million incurred in 2024; (ii) employee remuneration expenses of RMB4.3 million resulted mainly from the increment of salaries and number of employees for our business operation; (iii) employee remuneration expenses of RMB13.2 million, arising from increases in the number and value of share incentives granted in 2024 and (iv) depreciation expenses of RMB1.8 million due to depreciation of right-of-use assets in relation to leased properties.

Other Expenses

Other expenses decrease by RMB33.7 million from RMB33.9 million for the year ended December 31, 2023 to RMB209,000 for the year ended December 31, 2024, which was mainly attributable to fair value losses on FVTPL for the variable consideration resulted from disposal of our equity interest in Taizhou Hanzhong to Lepu.

Interest Expenses

Interest expenses increased by RMB7.1 million from RMB2.3 million for the year ended December 31, 2023 to RMB9.4 million for the year ended December 31, 2024, mainly attributable to an increase of RMB6.6 million in interest expensed on redemption liabilities resulted from Pre-IPO Investment and RMB0.5 million in interest expenses on lease liabilities of our newly-rented laboratory and office premises in Wuhan for the purpose of our daily business operations.

Income Tax Expenses

We incurred negative income tax expenses for the year ended December 31, 2023 and 2024 of RMB8.3 million and RMB5.9 million, mainly attributable to the recognition of deferred tax for the equity payment made during the Track Record Period resulted from disposal of our equity interest in Taizhou Hanzhong to Lepu.

Loss for the Year

As a result of the foregoing, our loss for the year increased by RMB31.8 million from RMB85.2 million for the year ended December 31, 2023 to RMB116.9 million for the year ended December 31, 2024.

DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31		As of August 31	As of October 31,
	2023	2024	2025	2025
	(in thousands of RMB)			*(unaudited)*
Non-current assets				
Property, plant and equipment	8,340	11,820	11,907	11,677
Right-of-use assets	15,661	12,309	10,525	10,245
Other intangible assets	558	447	587	581
Prepayments, other receivables and other assets	531	330	330	330
Financial assets at fair value through profit or loss	242,373	233,778	210,100	210,100
Long-term time deposits at banks	20,016	–	–	–
Total non-current assets	**287,479**	**258,684**	**233,449**	**232,933**

	As of December 31		As of August 31	As of October 31,
	2023	2024	2025	2025
	(in thousands of RMB)			*(unaudited)*
Current assets				
Prepayments, other receivables and other assets	93,900	68,908	38,012	37,321
Financial assets at fair value through profit or loss	42,361	12,665	22,837	22,837
Pledged deposits	500	–	–	–
Cash and cash equivalents	162,000	161,214	150,000	132,926
Total current assets	**298,761**	**242,787**	**210,849**	**193,084**
Current liabilities				
Trade payables	12,936	12,293	16,225	18,485
Other payables and accruals	39,667	42,433	10,492	10,416
Lease liabilities	3,201	3,169	3,509	3,517
Tax payable	7,069	7,981	7,373	6,564
Redemption liabilities on ordinary shares	–	131,564	138,481	139,359
Interest-bearing bank borrowings	–	–	50,000	42,000
Total current liabilities	**62,873**	**197,440**	**226,080**	**220,341**
Net current assets/(liabilities)	**235,888**	**45,347**	**(15,231)**	**(27,257)**
Non-current liabilities				
Deferred tax liability	90,468	78,765	66,270	66,270
Lease liabilities	11,830	8,662	7,157	6,214
Redemption liability on ordinary shares	101,488	–	–	–
Interest-bearing bank and other borrowings	–	–	–	8,000
Total non-current liabilities	**203,786**	**87,427**	**73,427**	**80,484**
Net assets	**319,581**	**216,604**	**144,791**	**125,192**

	As of December 31		As of August 31	As of October 31,
	2023	2024	2025	2025
	(in thousands of RMB)			
				(unaudited)
Equity attributable to owners of the parent				
Paid-in capital	9,525	11,790	11,790	11,790
Reserves	258,603	154,449	86,018	66,869
Non-controlling interests	51,453	50,365	46,983	46,533
Total equity	**319,581**	**216,604**	**144,791**	**125,192**

Property, Plant and Equipment

Our property, plant and equipment primarily consisted of (i) leasehold improvements; (ii) plant and machinery; (iii) furniture and fixtures; (iv) motor vehicles; and (v) construction in progress. Our property, plant and equipment increased from RMB8.3 million as of December 31, 2023 to RMB11.8 million as of December 31, 2024, primarily due to an increase in office renovation expenses incurred for our newly-rented laboratory and office premises in Wuhan. Our property, plant and equipment further increased from RMB11.8 million as of December 31, 2024 to RMB11.9 million as of August 31, 2025, primarily due to the increase in office construction and certain newly added furniture and fixtures.

As of December 31, 2023 and 2024 and August 31, 2025, no indicators of the impairment for our non-financial assets were identified because (i) our non-financial assets were not obsolete of physically damage, and (ii) our actual losses for the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2025 did not exceed the estimated losses.

The following table sets forth our property and equipment as of the dates indicated:

	As of December 31		As of August 31
	2023	2024	2025
	(in thousands of RMB)		
Leasehold improvements	–	6,743	8,750
Plant and machinery	1,761	2,261	1,993
Furniture and fixtures	160	144	498
Motor vehicles	14	14	14
Construction in progress	6,405	2,658	652
Total property, plant and equipment	8,340	11,820	11,907

Right-of-use Assets

Our right-of-use assets primarily arose from rental expenses. Our right-of-use assets decreased from RMB15.7 million as of December 31, 2023 to RMB12.3 million as of December 31, 2024 and further decreased to RMB10.5 million as of August 31, 2025, primarily due to the amortization of rental expenses and rental payments.

Other Intangible Assets

Our other intangible assets primarily arose from our software. Our other intangible assets decreased from RMB558,000 as of December 31, 2023, to RMB447,000 as of December 31, 2024, primarily due to the amortization of existing softwares. Our other intangible assets increased from RMB447,000 as of December 31, 2024 to RMB587,000 as of August 31, 2025, primarily due to the purchase of new software.

Long-term Time Deposits at Banks

Our long-term time deposits at banks decreased from RMB20.0 million as of December 31, 2023 to nil as of December 31, 2024 and August 31, 2025, primarily due to the redemption for a three-year time deposits of RMB20.0 million.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets primarily consisted of receivables arising from disposal of an associate, prepayments, deferred listing expenses, tax recoverable, deposits and other receivables and due from related parties.

Our prepayments, other receivables and other assets decreased from RMB94.4 million as of December 31, 2023 to RMB69.2 million as of December 31, 2024, primarily due to the decreased amount of receivables arising from disposal of an associate because, in September 2024, we received RMB40.0 million as the partial payment of the considerations for disposal of our equity interest in Taizhou Hanzhong to Lepu. According to the supplement agreement entered into between Lepu and us in August 2024, we have received the outstanding One-off Cash Payment of RMB35.0 million as of the Latest Practicable Date. Our prepayments, other receivables and other assets decreased from RMB69.2 million as of December 31, 2024 to RMB38.3 million as of August 31, 2025, primarily due to the increase amount of RMB13.1 million in receivables arising from disposal of an associate, which was received as annual royalty fee from Lepu, with the amount of RMB13.1 million.

The following table sets forth our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31		As of August 31
	2023	2024	2025
	(in thousands of RMB)		
Prepayments	12,172	18,541	16,894
Receivables arising from disposal of an associate*(Note)*	75,000	35,000	–
Deferred listing expenses	–	2,684	6,710
Tax recoverable	5,522	9,761	13,650
Deposits and other receivables	1,737	3,080	1,088
Due from related parties	–	172	–
Total prepayments, other receivables and other assets	94,431	69,238	38,342

Note: refers to disposal of our equity interests in Taizhou Hanzhong to Lepu

As of the Latest Practicable Date, RMB6.1 million or 36.3%, of our prepayments, deposits and other receivables as of August 31, 2025 had been subsequently settled.

Financial Assets at Fair Value through Profit or Loss

Our financial assets at fair value through profit or loss primarily included variable consideration arising from disposal of our equity interests in Taizhou Hanzhong to Lepu and structured deposits and wealth management products. Our non-current financial assets at fair value through profit or loss maintained relatively stable in 2023 and 2024. Our non-current financial assets decreased from RMB233.8 million as of December 31, 2024 to RMB210.1 million as of August 31, 2025, primarily due to the fluctuation of the variable consideration arising from disposal of our equity interest in Taizhou Hanzhong to Lepu. Our current financial assets at fair value through profit or loss significantly decreased from RMB42.4 million as of December 31, 2023 to RMB12.7 million as of December 31, 2024, primarily consist of variable consideration arising from disposal of our equity interests in Taizhou Hanzhong to Lepu. Our current financial assets at fair value through profit or loss remained relatively stable at RMB22.8 million as of August 31, 2025.

We maintain a prudent investment policy for purchase of wealth management products, which stipulates that prior approval from the Board is required for the purchase of single wealth management product that amounts from 5% to 30% of the latest audited total assets; as well as when the cumulative amount of such purchase within 12 consecutive months exceeds 10% of the latest audited total assets. In addition, our internal control policies include disclosure policy, which stipulates that investments and purchase of material assets that meet the requirements of Chapter 14 of the Listing Rules shall be disclosed after the Listing.

Cash and Cash Equivalents

Our cash and cash equivalents primarily include cash and bank balances and time deposits. Our cash and cash equivalents remained relatively stable with the amount of RMB162.0 million as of December 31, 2023 and RMB161.2 million as of December 31, 2024, respectively. Our cash and cash equivalents decreased from RMB161.2 million as of December 31, 2024 to RMB150.0 million as of August 31, 2025, primarily due to the increased daily operating expenses and payments for equity investment.

The following table sets forth our cash and cash equivalents as of the dates indicated:

	As of December 31		As of August 31
	2023	2024	2025
	(in thousands of RMB)		
Cash and bank balances	158,150	161,214	150,000
Time deposits	24,366	–	–
Less: Pledged deposits	500	–	–
Less: Long-term time deposits	20,016	–	–
Total cash and cash equivalents	162,000	161,214	150,000

Trade Payables

Our trade payables were generated from ordinary business operation with payment terms range from within one year, one to two years, two to three years and over three years.

Our trade payables remained relatively stable with the amount of RMB12.9 million as of December 31, 2023 and RMB12.3 million as of December 31, 2024, respectively. Our trade payables increased from RMB12.3 million as of December 31, 2024 to RMB16.2 million as of August 31, 2025, primarily due to (i) the increase in our research and development costs; and (ii) the accelerated clinical progress of HX044.

The following table sets forth an aging analysis of our trade payables presented based on the invoice dates at the end of the indicated years/period:

	As of December 31		As of August 31
	2023	2024	2025
	(in thousands of RMB)		
Within 1 year	9,735	3,450	11,158
1 to 2 years	2,887	7,691	4,346
2 to 3 years	312	983	552
Over 3 years	2	169	169
Total trade payables	12,936	12,293	16,225

As of the Latest Practicable Date, RMB9.3 million, or 57.1%, of our trade payables as of August 31, 2025 had been subsequently settled.

Other Payables and Accruals

Our other payables and accruals mainly included (i) payables arising from acquisition of non-controlling interests; (ii) government grants to be recognized; (iii) payroll payable; (iv) payables for purchase of property, plant and equipment; (v) accrued listing expenses; and (vi) other payables. Our other payables and accruals increased from RMB39.7 million as of December 31, 2023, to RMB42.4 million as of December 31, 2024, primarily due to the increase of RMB2.8 million of accrued listing expenses in 2024. Our other payables and accruals decreased significantly from RMB42.4 million as of December 31, 2024 to RMB10.5 million as of August 31, 2025, primarily due to the settlement of RMB31.2 million of the payables arising from acquisition of non-controlling interests in Hangzhou Hanx.

	As of December 31		As of August 31
	2023	2024	2025
	(in thousands of RMB)		
Payables arising from acquisition of non-controlling interests	31,244	31,244	–
Government grants to be recognised under certain conditions	4,000	4,000	4,000
Payroll payable	2,559	2,802	2,263
Payables for purchase of property, plant and equipment	1,684	970	196
Accrued listing expenses	–	2,758	3,776
Other payables	180	659	257
Total other payables and accruals	39,667	42,433	10,492

Lease Liabilities

Our lease liabilities were in relation to the properties that we leased as offices for daily business operations. Our current lease liabilities remained relatively stable as of December 31, 2023 and 2024 and August 31, 2025. Our non-current lease liabilities decreased from RMB11.8 million as of December 31, 2023 to RMB8.7 million as of December 31, 2024, primarily due to amortization of rent payment of our laboratory and office premises in Wuhan. Our non-current lease liabilities decreased slightly to RMB7.2 million as of August 31, 2025.

Tax Payable

Our tax payable mainly include income tax payable, which remained relatively stable during the Track Record Period.

Redemption Liability

Our redemption liabilities increased from RMB101.5 million as of December 31, 2023 to RMB131.6 million as of December 31, 2024, which were primarily resulted from the redemption liabilities to Series B+ Investors. Our redemption liabilities remained relatively stable at RMB138.5 million as of August 31, 2025.

Net Current Assets/(Liabilities)

Our net current assets decreased significantly from RMB235.9 million as of December 31, 2023 to RMB45.3 million as of December 31, 2024, which were primarily resulted from (i) redemption liabilities on ordinary shares were reclassified from non-current to current liabilities; and (ii) the decrease in financial assets at fair value through profit or loss, which was in turn due to the fluctuation of the forecasted variable consideration for the disposal of HX008. We recorded net current liabilities of RMB15.2 million as of August 31, 2025, which was primarily due to the redemption liabilities on ordinary shares with an amount of RMB138.5 million were recorded as current liabilities, and the redemption feature of which will automatically ceased from the date before the completion of the Listing. Our Directors are of the opinion that we do not expect any outflow to settle the redemption liabilities in the next twelve months from August 31, 2025 and will have sufficient working capital to meet its financial liabilities and obligations as and when they fall due and to sustain its operations for the next twelve months from August 31, 2025 based on the review of our projected cash flows.

Deferred Tax Liabilities

Our deferred tax liabilities decreased from RMB90.5 million as of December 31, 2023 to RMB78.8 million as of December 31, 2024, and further decreased to RMB66.3 million as of August 31, 2025, which were primarily due to the timing difference of recognition for the equity payment made during the Track Record Period regarding the equity disposal of Taizhou Hanzhong to Lepu.

KEY FINANCIAL RATIOS

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

	As of December 31		As of August 31
	2023	2024	2025
Current ratio[(Note)]	4.75	1.23	0.93

Note: Current ratio represents current assets divided by current liabilities as of the same date.

Our current ratio decreased from 4.75 as of December 31, 2023 to 1.23 as of December 31, 2024, primarily due to the reclassification of redemption liabilities to Series B+ investors on ordinary shares from non-current liabilities to current liabilities based on the recognition period determined under the contractual arrangements. Our current ratio further decreased from 1.23 as of December 31, 2024 to 0.93 as of August 31, 2025, primarily due to the continuous operating expenditures incurred mainly for our research and development and an increase in redemption liabilities with the amount of RMB7.0 million.

LIQUIDITY AND CAPITAL RESOURCES

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 flows used in operating activities was RMB52.0 million, RMB104.9 million, RMB67.9 million and RMB59.4 million for the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively, primarily due to the significant research and development costs and administrative expenses we incurred during the Track Record Period. Our operating cash flow will continue to be affected by our research and development costs. During the Track Record Period and up to the Latest Practicable Date, we have primarily funded our working capital requirements through transfer of our equity interests in Taizhou Hanzhong to Lepu and Pre-IPO Investments. As of the Latest Practicable Date, we have obtained additional committed banking facilities with a total amount of RMB170.0 million, out of which RMB120.0 million were unutilized.

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 net proceeds from the Global Offering, funds received from potential collaboration 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 offerings, debt financings, collaboration arrangements or other sources. As of August 31, 2025, our cash and cash equivalents amounted to RMB150.0 million. Except as discussed under the paragraphs headed "— Indebtedness" in this section, we did not have any material mortgages, charges, debentures, loan capital, debt

securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of the Latest Practicable Date.

Cash Flows

The following table sets forth our cash flows for the periods indicated:

	For the Year Ended December 31		For the Eight Months Ended August 31	
	2023	**2024**	**2024**	**2025**
		(in thousands of RMB)		
			(unaudited)	
Net cash flows used in operating activities	(51,994)	(104,894)	(67,918)	(59,390)
Net cash flows from investing activities	93,956	96,620	78,432	35,742
Net cash flows from financing activities	90,220	6,486	8,463	12,492
Net (decrease)/increase in cash and cash equivalents	132,182	(1,788)	18,977	(11,156)
Cash and cash equivalents at beginning of year	29,789	162,000	162,000	161,214
Effect of foreign exchange rate changes, net	29	1,002	369	(58)
Cash and cash equivalents at end of year	162,000	161,214	181,346	150,000

Net Cash Flows Used in Operating Activities

For the eight months ended August 31, 2025, our net cash flows used in operating activities were RMB59.4 million. Our loss before tax for the period was RMB99.9 million for the same period. The difference between our loss for the period and our net cash flows used in operating activities was primarily attributable to (i) decrease in other payables and accruals of RMB3.5 million; and (ii) decrease in prepayments, other receivables and other assets of RMB38.3 million, partially offset by (i) equity-settled share-based compensation expense of RMB16.0 million; (ii) increase in trade payables of RMB3.9 million; and (iii) interest expenses of RMB7.5 million.

For the year ended December 31, 2024, our net cash flows used in operating activities was RMB104.9 million. Our loss before tax for the period was RMB122.8 million for the same year. The difference between our loss for the year and our net cash flows used in operating activities was primarily attributable to (i) increase in prepayments, other receivables and other assets of RMB16.3 million; (ii) income taxes paid of RMB5.8 million; (iii) bank interest income of RMB1.6 million; (iv) fair value gains on FVTPL of RMB1.6 million and (v) interest income from FVTPL of RMB1.3 million, partially offset by (i) equity-settled share-based compensation expense of RMB22.3 million; and (ii) depreciation of right-of-use assets of RMB3.4 million.

For the year ended December 31, 2023, our net cash flows used in operating activities was RMB52.0 million. Our loss before tax for the year was RMB93.4 million for the same period. The difference between our loss for the year and our net cash flows used in operating activities was primarily attributable to (i) increase in prepayments, other receivables and other assets of RMB4.4 million; (ii) interest income from FVTPL of RMB2.3 million; (iii) income taxes paid of RMB2.1 million; (iv) bank interest income of RMB1.9 million; and (v) decrease in other payables and accruals of RMB1.0 million, partially offset by (i) equity-settled share-based compensation expense of RMB15.5 million; and (ii) fair value losses on FVTPL of RMB33.1 million.

We recorded net operating cash outflows during the Track Record Period. Going forward, we plan to improve our net operating cash flow position through the continued advancement of clinical development and commercialization of our drug candidates, business collaboration and partnership, including out-licensing, commercialization collaboration, as well as optimization of our cost structure and operating efficiency. In particular, we plan to (i) rapidly advance the clinical development and commercialization of our Core Product; (ii) explore potential collaboration opportunities for our product candidates, to attract the interest of potential strategic partners; (iii) enhance management over our working capital; (iv) obtain next round of financing of approximately RMB100.0 million in the first quarter of 2026; and (v) implement comprehensive measures to optimize our cost management, and we aim to strengthen our procurement management to further improve efficiency.

Net Cash Flows from Investing Activities

For the eight months ended August 31, 2025, our net cash flows from investing activities were RMB35.7 million, primarily because we received payments from Lepu for (i) outstanding one-off payment of RMB35.0 million from the disposal of our equity interest in Taizhou Hanzhong and (ii) annual royalty fee of RMB13.1 million for 2024, partially offset by (iii) purchase of bank wealth management product of RMB10.7 million.

For the year ended December 31, 2024, our net cash flows from investing activities were RMB96.6 million, primarily attributable to (i) proceeds from disposal of an associate of RMB40.0 million and (ii) redemption of structured deposits and wealth management products of RMB35.5 million, partially offset by the purchases of property, plant and equipment of RMB6.2 million.

For the year ended December 31, 2023, our net cash flows from investing activities were RMB94.0 million, primarily attributable to (i) proceeds from disposal of an associate of RMB65 million and (ii) redemption of structured deposits and wealth management products of RMB48.9 million, partially offset by purchase of long-term time deposits of RMB20.0 million.

Net Cash Flows from Financing Activities

For the eight months ended August 31, 2025, our net cash flows from financing activities were RMB12.5 million, primarily due to (i) payments for acquisition of non-controlling interests of RMB31.2 million; and (ii) payment of listing expenses of RMB4.0 million, partially offset by new interest-bearing bank borrowings of RMB50.0 million.

For the year ended December 31, 2024, our net cash flows from financing activities were RMB6.5 million which was primarily attributable to the proceeds from issue of shares of RMB12.8 million, partially offset by lease payments and payment of listing expenses of RMB3.8 million and RMB2.5 million, respectively.

For the year ended December 31, 2023, our net cash flows from financing activities were RMB90.2 million, which was primarily attributable to proceeds from issue of shares of the Company of RMB91.4 million, partially offset by lease payments of RMB1.2 million.

CASH OPERATING COSTS

The following table sets forth our cash operating costs for the periods indicated:

	For the Year Ended December 31		For the Eight Months Ended August 31	
	2023	2024	2024	2025
	(in thousands of RMB)		*(in thousands of RMB)* *(unaudited)*	
Costs relating to research and development of our Core Product:				
HX009				
Technical service expenses	2,885	8,369	6,561	3,575
Labor expenses	5,956	1,141	895	3,367
Clinical expenses	2,917	7,753	6,078	5,303
Material consumption expenses	66	913	716	2,991
Testing expenses	863	330	259	108
Others	818	850	666	2,281
Subtotal	**13,505**	**19,356**	**15,175**	**17,625**

	For the Year Ended December 31		For the Eight Months Ended August 31	
	2023	2024	2024	2025
	(in thousands of RMB)		*(in thousands of RMB)* *(unaudited)*	
Costs relating to research and development of our Key Products:				
HX301				
Labor expenses	1,696	326	289	1,246
Technical service expenses	1,323	1,286	1,138	243
Clinical expenses	296	351	311	368
Material consumption expenses	672	41	36	2
Testing expenses	636	572	506	–
Others	91	99	88	220
Subtotal	**4,714**	**2,675**	**2,368**	**2,079**
HX044				
Labor expenses	497	638	514	1,742
Technical service expenses	2,232	13,964	11,250	5,493
Clinical expenses	–	–	–	317
Material consumption expenses	94	137	110	122
Testing expenses	747	725	584	309
Others	264	903	727	591
Subtotal	**3,834**	**16,367**	**13,186**	**8,574**

WORKING CAPITAL CONFIRMATION

Our primary uses of cash are to fund our research and development, clinical trials, purchase of equipment and raw materials and other recurring expenses. During the Track Record Period and up to the Latest Practicable Date, we primarily funded our working capital requirements through proceeds from transfer of our equity interests in Taizhou Hanzhong and Pre-IPO Investments. We closely monitor uses of cash and cash balances and are committed to maintaining a healthy liquidity for our operations.

Going forward, we believe our liquidity requirements will be satisfied by a combination of net proceeds from the Global Offering, our proceeds from Pre-IPO Investments and transfer of our equity interests in Taizhou Hanzhong. As of August 31, 2025, our cash and cash equivalents amounted to RMB150.0 million. Other than the bank borrowings that we may obtain, we do not have any plans for material external debt financing prior to the Listing. Assuming an average cash burn rate going forward of 1.9 times the level in 2024, we estimate that our cash and cash equivalents as of August 31, 2025 will be able to maintain our financial

viability for approximately 31 months, taking into account the estimated net proceeds (assuming the Over-allotment Option is not exercised, at the Offer Price of HK$28.0 per H Share, being the low-end of the indicative Offer Price range stated in this prospectus). Taking these into account, our Directors believe that we have sufficient working capital to cover at least 125% of our costs, including general, administrative and operating costs as well as research and development costs, for at least the next 12 months from the Latest Practicable Date.

INDEBTEDNESS

The following table sets forth our indebtedness by nature as of the dates indicated:

	As of December 31		As of August 31	As of October 31
	2023	2024	2025	2025
	(in thousands of RMB)			*(unaudited)*
Interest-bearing bank borrowings	–	–	50,000	50,000
Lease liabilities	15,031	11,831	10,666	9,731
Redemption liabilities	101,488	131,564	138,481	139,359
Total indebtedness	**116,519**	**143,395**	**199,147**	**199,090**

Lease Liabilities

The following table sets forth our lease liabilities as of the dates indicated:

	As of December 31		As of August 31	As of October 31
	2023	2024	2025	2025
	(in thousands of RMB)			*(unaudited)*
Current	3,201	3,169	3,509	3,517
Non-current	11,830	8,662	7,157	6,214
Total lease liabilities	15,031	11,831	10,666	9,731

Except as discussed above, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of October 31, 2025.

During the Track Record Period and up to the Latest Practicable Date, there was no material covenant on any of the outstanding debt and any breach of the covenant; neither did Group experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants. Also, there has been no material change in the indebtedness statement since October 31, 2025 and up to the date of the prospectus.

Interest-bearing Bank Borrowings

During the Track Record Period, our interest-bearing bank borrowings consisted of both secured and unsecured bank loans, carrying an interest rate of from 2.8% to 3.1% per annum and are repayable within one year. We have no interest-bearing bank borrowings as of December 31, 2023 and December 31, 2024. Our interest-bearing bank borrowings is RMB50.0 million as of August 31, 2025, mainly due to the borrowing of a one-year RMB 10.0 million secured bank loan and a one-year RMB40.0 million unsecured bank loan in 2025.

Our Directors confirm that we had not experienced any difficulty in obtaining bank borrowings, default in payment of bank borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date. As of Latest Practicable Date, we had unutilized banking facilities of RMB120.0 million.

CAPITAL EXPENDITURES

We regularly incur capital expenditures to purchase and maintain our property, equipment and intangible asset in order to enhance our research and development capabilities and expand our business operations, upgrade our facilities and increase our operating efficiency. The following table sets forth our capital expenditures for the periods indicated:

	As of December 31		As of August 31
	2023	2024	2025
	(in thousands of RMB)		
Leasehold improvements	1,959	463	464
Software	95	–	–
Total capital expenditures	**2,054**	**463**	**464**

We plan to fund our planned capital expenditures mainly through a combination of internal financial resources, the net proceeds from the Global Offering, bank borrowings, funds from potential collaboration arrangements, revenue expected to be generated from sales of our products in the future and others. For details, please refer to "Future Plans and Use of Proceeds" in this prospectus. We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions and other factors as appropriate.

CONTRACTUAL OBLIGATIONS

Capital Commitments

As of December 31, 2023 and 2024, we had capital commitments contracted, but not yet provided, of RMB2.1 million and RMB463,000, respectively, primarily in connection with software purchased and office buildings rented for our daily business operations. As of August 31, 2025, we did not have any capital commitments.

CONTINGENT LIABILITIES

As of December 31, 2023 and 2024 and August 31, 2025, we did not have any contingent liabilities. We confirm that as of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

We had not entered into any off-balance sheet transactions as of the Latest Practicable Date.

RELATED PARTY TRANSACTIONS

As of December 31, 2023 and 2024 and August 31, 2025, our related party transactions were compensation for the services purchased from our related parties, mainly including conducting preclinical trials for our pipeline products and manufacturing of active pharmaceutical ingredients for HX301 and small molecule raw materials. For details, please refer to "Connected Transactions" in this prospectus.

It is the view of our Directors that our related party transactions during the Track Record Period (i) were conducted in the ordinary and usual course of business and on normal commercial terms between the relevant parties; and (ii) do not distort our Track Record Period results or make our historical results not reflective of future performance.

Details of our transactions with related parties during the Track Record Period are set out in Note 30 to the Accountants' Report in Appendix I to this prospectus.

MARKET RISK DISCLOSURE

The risks associated with our financial assets and liabilities include foreign currency risks, credit risk and liquidity risk. The Directors reviews and agrees policies for managing each of these risks and they are summarized below. For more details, see Note 33 to the Accountants' Report set out in the Appendix I to this prospectus.

Credit Risk

The carrying amounts of financial assets included in prepayments, other receivables and other assets, pledged deposits, long-term time deposits at banks, and cash and cash equivalents included in the consolidated statements of financial position represent our maximum exposure to credit risk in relation to our financial assets.

Liquidity Risk

In the management of the liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by the management of our Group to finance our operations and mitigate the effects of fluctuations in cash flows. For further details on our liquidity risk, please refer to Note 33 to the Accountants' Report set out in Appendix I to this prospectus.

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. Investors should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors 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 Adviser, 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. As of the Latest Practicable Date, there was no formal dividend policy or pre-determined dividend payout ratio for our Group.

DISTRIBUTABLE RESERVES

As of August 31, 2025, we did not have any distributable reserves.

LISTING EXPENSES

Listing expenses to be borne by us are estimated to be approximately HK$53.5 million (including underwriting commission, at the Offer Price of HK$30.00 per H Share), which represent 9.7% of the gross proceeds from the Global Offering, assuming no Offer Shares are issued pursuant to the Over-allotment Option. The above listing expenses are comprised of (i) underwriting-related expenses, including underwriter commission, of HK$17.6 million, and (ii) non-underwriting-related expenses of HK$35.9 million, including (a) the legal advisors and the Reporting Accountants expenses of HK$20.7 million and (b) other fees and expenses of HK$15.2 million. During the Track Record Period, listing expenses of approximately HK$15.0 million was charged to our consolidated income statements and approximately HK$7.4 million was charged to equity. After the Track Record Period, approximately HK$9.9 million is expected to be charged to our consolidated statements of profit or loss, and approximately HK$21.2 million is expected to be charged against equity upon the Listing. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

For details, please refer to "Appendix II — Unaudited Pro Forma Financial Information" in this prospectus.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, as of the date of this Prospectus, there had been no material adverse change in our financial or operational prospects since August 31, 2025, being the latest balance sheet date of our consolidated financial statements as set out in the Accountants' Report in Appendix I to this prospectus.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

Please see "Business — Our Strategies" for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$496.3 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering taking into account any additional discretionary incentive fee and assuming that the Over-allotment Option is not exercised, at the Offer Price of HK$30.00 per H Share, being the mid-point of the indicative Offer Price range stated in this document.

We currently intend to apply such net proceeds from the Global Offering for the following purposes:

- Approximately 35%, or HK$173.7 million, will be used for the research and development of our Core Product, namely, HX009;

  — approximately 10.5%, or HK$52.1 million, is expected to be used throughout 2026 and 2027 to fund ongoing and planned clinical trials of HX009 in combination with a pivotal trial stage (Stage III) FAKi drug for advanced biliary tract cancer;

  We expect to complete the HX009-II-05 China Study by 2027, and a total amount of approximately HK$21.2 million is expected to be used for this clinical study. Also we expect to finish the pivotal-stage clinical study of HX009 for advanced biliary tract cancer by 2030, and a total amount of approximately HK$91.6 million is expected to be used for this clinical study.

  — approximately 9.0%, or HK$44.7 million, is expected to be used to fund ongoing and planned clinical trials of HX009 for R/R EBV^+ NHL;

  We expect to complete the HX009-II-02 China Study by 2025, and net proceeds allocated to this study will be used in the first half of 2026. A total amount of approximately HK$5.0 million is expected to be used for final payments of this clinical study. Also we expect to finish the pivotal-stage clinical study of HX009 for R/R EBV^+ NHL by 2028, and net proceeds allocated to this study will be used throughout 2026 and 2027. A total amount of approximately HK$100.0 million is expected to be used for this clinical study.

  — approximately 9.0%, or HK$44.7 million, is expected to be used to fund ongoing and planned clinical trials of HX009 for advanced melanoma;

We expect to complete the HX009-I-01 China Study (Phase Ib) by 2026. Also we expect to finish the pivotal-stage clinical study of HX009 for advanced melanoma by 2028, and net proceeds allocated to this study will be used throughout 2026 and 2027. A total amount of approximately HK$87.6 million is expected to be used for this clinical study.

We expect to commence the biologics license application in China for R/R EBV^+ NHL and advanced melanoma in 2028. In addition, we expect to expand indications of HX009 to include advanced biliary tract cancer in 2030.

— approximately 6.5%, or HK$32.3 million, is expected to be used throughout 2026 and 2027 to fund ongoing and planned clinical trials of HX009 for advanced TNBC;

We expect to complete the HX009-II-04 China Study by 2027, and a total amount of approximately HK$18.2 million is expected to be used for this clinical study. Also we expect to finish the pivotal-stage clinical study of HX009 for advanced TNBC by 2030, and a total amount of approximately HK$82.1 million is expected to be used for this clinical study.

Net proceeds from the Global Offering allocated to HX009 will be used to: (i) complete the HX009-I-01 China Study (Phase Ib), the HX009-II-02 China Study and the HX009-II-05 China Study; (ii) complete the HX009-II-04 China Study; (iii) complete the substantial part of the pivotal-stage clinical studies of HX009 for R/ R EBV^+ NHL and advanced melanoma; and (iv) commence the pivotal-stage clinical studies of HX009 for advanced BTC and advanced TNBC.

- Approximately 33%, or HK$163.8 million, will be used for the research and development of our Key Products, namely, HX301 and HX044;

  — approximately 8%, or HK$39.7 million, is expected to be used throughout 2026 and 2027 to fund ongoing and planned clinical trials of HX301 for glioblastoma in combination with temozolomide;

  We expect to complete the HX301-II-01 China Study by early 2028, and a total amount of approximately HK$24.6 million is expected to be used for this clinical study. Also we expect to finish the pivotal-stage clinical study of HX301 for glioblastoma by 2029, and a total amount of approximately HK$120.2 million is expected to be used for this clinical study. In addition, we expect to commence the new drug application in China for HX301 in 2029.

  Net proceeds from the Global Offering allocated to HX301 will be used to: (i) complete the HX301-II-01 China Study; and (ii) commence the pivotal-stage clinical studies of HX301 for glioblastoma.

— approximately 25%, or HK$124.1 million, is expected to be used to fund ongoing and planned clinical trials of HX044 for advanced solid tumors;

We expect to complete the HX044-I-01 Australia Study and HX044-I-01 China Study by 2029, and net proceeds allocated to this study will be used throughout 2026 and 2027. A total amount of approximately HK$126.9 million is expected to be used for these clinical studies. Also, we expect to finish the pivotal-stage clinical study of HX044 by 2031, and net proceeds allocated to this study will be used in the second half of 2027. A total amount of approximately HK$170.9 million is expected to be used for this clinical study. In addition, we expect to commence the biologics license application in China for HX044 in 2032.

Net proceeds from the Global Offering allocated to HX044 will be used to complete part of the HX044-I-01 clinical studies.

- Approximately 17%, or HK$84.4 million, will be used for the research and development of our other important products, including:

  — approximately 6%, or HK$29.8 million, will be used to fund the research and development of our preclinical autoimmune products, including HX035 and HX038. We expect a total amount of approximately HK$539.5 million to be incurred for the whole life cycle of such research and development;

  — approximately 5%, or HK$24.8 million, will be used to fund the research and development of our preclinical immuno-oncology products, including HX016-9 and HX016-7. We expect a total amount of approximately HK$242.7 million to be incurred for the whole life cycle of such research and development;

  — approximately 6%, or HK$29.8 million, will be used to fund the research and development of our preclinical ADC products, including HX111. We expect a total amount of approximately HK$214.6 million to be incurred for the whole life cycle of such research and development;

- Approximately 5%, or HK$25.0 million, will be used to fund the commercialization and/or business development activities; and

  — Commercialization activities, including (i) approximately 0.2%, or HK$1.1 million, will be used for business travel expenses incurred from participating in domestic and international academic meetings, medical industry meetings, and medical promotion meetings etc.; (ii) approximately 0.3%, or HK$1.3 million, will be used for exhibition fees incurred from participating such meetings; and (iii) approximately 0.6%, or HK$3.0 million, will be used for channel development and maintenance fees incurred from developing and expanding sales channels, supply chain management and training and motivation of sales personnel;

  - Business development activities, including (i) approximately 0.8%, or HK$3.9 million, will be used for employee salaries; (ii) approximately 0.8%, or HK$4.0 million, will be used for business travels incurred for domestic and international roadshows, project follow-ups, and travel for signing cooperation agreements; (iii) approximately 1.6%, or HK$8.1 million, will be used for registration fees and participating fees for attending domestic and international business meetings, industry summits, and project negotiations; (iv) approximately 0.4%, or HK$1.9 million, will be used for market research incurred from purchasing the industry reports and consulting reports annually, and establishing a long-term market intelligence collection mechanism; and (v) approximately 0.4%, or HK$1.9 million, will be used for consulting fees incurred from costs for legal advisors, financial audits, and contract reviews.

- Approximately 10%, or HK$49.4 million, will be used for working capital and other general corporate purposes.

The above allocation of the proceeds will be adjusted on a pro rata basis in the event that the Offer Price is fixed at a higher or lower level compared to the mid-point of the indicative Offer Price range.

If the Over-allotment Option is exercised in full, the net proceeds that we will receive will be approximately HK$575.4 million, assuming an Offer Price of HK$30.00 per Share (being the mid-point of the indicative Offer Price range). In the event that the Over-allotment Option is exercised in full, we intend to apply the additional net proceeds to the above purpose in the proportions stated above.

To the extent that the net proceeds are not immediately applied to the above purposes and to the extent permitted by the relevant law and regulations, so long as it is deemed to be in the best interests of our Group, we may hold such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions). We will issue an appropriate announcement if there is any material change to the above proposed use of proceeds.

For the fund required that is not covered by the net proceeds, we expect to fund the outstanding portion with (i) equity financing in the secondary market; (ii) payments generated from out licensing our products through business development; and (iii) bank borrowings.

HONG KONG UNDERWRITERS AND INTERNATIONAL UNDERWRITERS

ICBC International Securities Limited

China Securities (International) Corporate Finance Company Limited

China Merchants Securities (HK) Co., Limited

Haitong International Securities Company Limited

CCB International Capital Limited

TFI Securities and Futures Limited

ABCI Securities Company Limited

SPDB International Capital Limited

Livermore Holdings Limited

Tiger Brokers (HK) Global Limited

Shanxi Securities International Limited

Beta International Securities Limited

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The Company expects the International Offering to be fully underwritten by the International Underwriters. If, for any reason, the Offer Price is not agreed between the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and the Company, the Global Offering will not proceed and will lapse.

The Global Offering comprises the Hong Kong Public Offering of initially 1,832,100 Hong Kong Offer Shares and the International Offering of initially 16,488,900 International Offer Shares, subject to, in each case, reallocation on the basis as described in "Structure of the Global Offering" in this prospectus as well as the Over-allotment Option (in the case of the International Offering).

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, we are offering 1,832,100 Hong Kong Offer Shares (subject to reallocation) for subscription by members of the public in Hong Kong at the Offer Price on, and subject to, the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement.

Subject to (a) the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering as mentioned in this prospectus (including any additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option on the Main Board of the Stock Exchange and such approval not having been subsequently withdrawn; and (b) certain other conditions set out in the Hong Kong Underwriting Agreement (including the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) and our Company agreeing upon the Offer Price), the Hong Kong Underwriters have agreed, severally but not jointly, to subscribe for, or procure subscribers to subscribe for their respective applicable proportions of the Hong Kong Offer Shares which are not taken up under the Hong Kong Public Offering on the terms and conditions as set out in this prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on and subject to, amongst other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

If any of the events set out below shall occur at any time prior to 8:00 a.m. on the Listing Date, the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) shall be entitled, orally or in writing to our Company, terminate the Hong Kong Underwriting Agreement with immediate effect:

(a) there develops, occurs, exists or comes into effect:

(i) any event or circumstance in the nature of force majeure (including, without limitation, any acts of government, declaration of a national or international emergency or war, calamity, crisis, epidemic, pandemic, outbreak, escalation, adverse mutation or aggravation of disease (including, without limitation, COVID-19, Severe Acute Respiratory Syndrome (SARS), swine or avian flu, H5N1, H1N1, H7N9, Ebola virus, Middle East respiratory syndrome and such related/mutated forms and the escalation of such disease), economic sanctions, strikes, labor disputes, lock-outs, other industry actions, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots,

rebellion, public disorder, acts of war, outbreak, escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism (whether or not responsibility has been claimed), paralysis in government operations in or affecting Hong Kong, the PRC, Singapore, the United States, the European Union (or any of its member), United Kingdom, or any other jurisdictions relevant to any member of the Group or the Global Offering (each a "**Relevant Jurisdiction"** and collectively, the "**Relevant Jurisdictions**"); or

(ii) any change, or any development involving a prospective change, or any event or circumstance likely to result in any change or development involving a prospective change, in any financial, economic, political, military, industrial, fiscal, regulatory, currency, credit or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets) in or affecting any of the Relevant Jurisdictions; or

(iii) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Tokyo Stock Exchange, the Shanghai Stock Exchange or the Shenzhen Stock Exchange; or

(iv) any general moratorium on commercial banking activities in any of the Relevant Jurisdictions (declared by the relevant competent authority), or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in or affecting any of the Relevant Jurisdictions; or

(v) any new law, or any change or any development involving a prospective change or any event or circumstance likely to result in a change or a development involving a prospective change in (or in the interpretation or application by any court or other competent authority of) existing laws, in each case, in or affecting the Relevant Jurisdictions; or

(vi) the imposition of economic sanctions, in whatever form, directly or indirectly, by, or for the PRC or any other jurisdiction relevant to any member of the Group; or

(vii) a change or development involving a prospective change in or affecting taxation or exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a material devaluation of the United States dollar, the Hong Kong dollar or the Renminbi against any foreign currencies), or the implementation of any exchange control, in any of the Relevant Jurisdictions; or

(viii) any litigation or claim of any third party being threatened or instigated against any member of the Group or any Director;

(ix) any Director or member of the senior management of the Company is being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management of a company; or

(x) the chairman or chief executive officer of the Company vacating his office; or

(xi) an authority or a political body or organization in any Relevant Jurisdiction commencing any investigation or other action, or announcing an intention to investigate or take other action, against any Director; or

(xii) a contravention by any member of the Group of the Listing Rules or applicable Laws; or

(xiii) a prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Shares (including the Over-Allotment Option Shares) pursuant to the terms of the Global Offering; or

(xiv) non-compliance of this prospectus (or any other documents used in connection with the contemplated offer and sale of the Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable Laws; or

(xv) the issue or requirement to issue by the Company of any supplement or amendment to this prospectus (or to any other documents used in connection with the contemplated offer and sale of the Shares) pursuant to the Companies Ordinance or the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or any requirement or request of the Stock Exchange and/or the SFC; or

(xvi) an order or petition for the winding up of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding-up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group,

which, individually or in the aggregate, in the sole opinion of the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters)

(1) has or will have or may have a material adverse effect on the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of the Group as a whole; or

(2) has or will have or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of interest under the International Offering; or

(3) makes or will make or may make it inadvisable or inexpedient or impracticable for the Global Offering to proceed or to market the Global Offering; or

(4) has or will have or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(b) there has come to the notice of the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters):

(i) that any statement contained in this prospectus and/or in any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was, when it was issued, or has become, untrue, incorrect or misleading in any respect, or that any forecast, estimate, expression of opinion, intention or expectation contained in this prospectus and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) is not fair and honest and based on reasonable assumptions; or

(ii) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute an omission from this prospectus and/or in any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto); or

(iii) any breach of any of the obligations imposed upon any party to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (other than upon any of the Hong Kong Underwriters or the International Underwriters); or

(iv) any event, act or omission which gives or is likely to give rise to any liability of any of the indemnifying parties set out in the Hong Kong Underwriting Agreement; or

(v) any adverse change, or any development involving a prospective adverse change, in the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of the Group as a whole; or

(vi) any breach of, or any event or circumstance rendering untrue or incorrect or misleading in any respect, any of the representations, warranties, agreements and undertakings of the Company and its Warranting Shareholders; or

(vii) that approval by the listing committee of the Stock Exchange of the listing of, and permission to deal in, the H Shares to be issued or sold (including any additional H Shares that may be issued or sold pursuant to the exercise of the Over-allotment Option and the Shares to be issued pursuant to the Share Incentive Plan) under the Global Offering is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, that the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions) revoked or withheld; or

(viii) a withdrawal by the Company of this prospectus (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering; or

(ix) that a material portion of the orders placed or confirmed in the book-building process, or of the investment commitments made by any cornerstone investors under agreements signed with such cornerstone investors, have been withdrawn, terminated or cancelled, or any Cornerstone Investment Agreement is terminated.

Undertakings to the Stock Exchange pursuant to the Listing Rules

Undertakings by our Company

Pursuant to Rule 10.08 of the Listing Rules, we have undertaken to the Stock Exchange that we will not issue any further H Shares or securities convertible into equity securities of our Company (whether or not of a class already listed) or enter into any agreement to such issue within six months from the Listing Date (whether or not such issue of H Shares or securities

will be completed within six months from the Listing Date), except (a) the issue of H Shares or securities pursuant to the Global Offering (including the Over-allotment Option), or (b) under any of the circumstances permitted pursuant to Rule 10.08 of the Listing Rules.

Undertakings by our Controlling Shareholders

Pursuant to Rule 10.07 of the Listing Rules and Chapter 4.13 of the Guide for New Listing Applicants issued by the Stock Exchange, each of our Controlling Shareholders has undertaken to the Stock Exchange that, save as disclosed in this prospectus and except pursuant to (a) the Global Offering, (b) the Over-allotment Option, they will not:

(a) in the period commencing on the date by reference to which disclosure of his/its shareholding is made in this prospectus and ending on the date which is six months from the Listing Date (the "**First Six-month Period**"), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the H Shares or securities in respect of which he/it is shown by this prospectus to be the beneficial owner; or

(b) in the period of six months commencing on the date on which the First Six-month Period expires (the "**Second Six-month Period**"), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the H Shares or securities referred to in (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/it would cease to be a controlling shareholder of our Company (as defined in the Listing Rules).

In addition, in accordance with Note (3) to Rule 10.07(2) of the Listing Rules, each of the Controlling Shareholders has further undertaken to the Stock Exchange and our Company that during the First Six-month Period and the Second Six-month Period:

(a) when he/it pledges/charges any H Shares of our Company beneficially owned by him/it in favour of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan pursuant to Note (2) to Rule 10.07(2) of the Listing Rules, immediately inform our Company of such pledge or charge together with the number of H Shares of our Company so pledged or charged; and

(b) when he/it receives indications, either verbal or written, from the pledgee or chargee of the H Shares (or our other securities) that any of the pledged or charged H Shares (or our other securities) will be disposed of, immediately inform our Company of such indications.

We will inform the Stock Exchange as soon as we have been informed of the above matters by any of our Controlling Shareholders and disclose those matters by way of an announcement as required under Rule 2.07C of the Listing Rules.

Undertakings pursuant to the Hong Kong Underwriting Agreement

Undertakings by our Company

Our Company has undertaken to each of the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters not to and to procure each other member of the Group not to, without the prior written consent of the Sole Sponsor and the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules, at any time during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is six months after the Listing Date (the "**First Six-Month Period**"):

(a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any H Shares or other securities of the Company or any shares or other securities of such other member of the Group, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any shares of such other member of the Group, as applicable), or deposit any H Shares or other securities of the Company or any shares or other securities of such other member of the Group, as applicable, with a depositary in connection with the issue of depositary receipts; or

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any H Shares or other securities of the Company or any shares or other securities of such other member of the Group, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares or any shares of such other member of the Group, as applicable); or

(c) enter into any transaction with the same economic effect as any transaction specified in paragraphs (a) or (b) above; or

(d) offer to or agree to or announce any intention to effect any transaction specified in paragraphs (a), (b) or (c) above,

In the event that, during the period of six months commencing on the date on which the First Six-Month Period expires (the "**Second Six-Month Period**"), our Company enters into any such transactions specified in paragraphs (a), (b) or (c) above or offers or agrees or contracts to, or announces, or publicly discloses, any intention to, enter into any such transactions, our Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of our Company.

Undertakings by our Controlling Shareholders

Our Controlling Shareholders have undertaken to our Company, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters that, without the prior written consent of the Sole Sponsor and the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(a) they will not, at any time during the First Six-Month Period, (i) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any H Shares or other securities of the Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares), or deposit any H Shares or other securities of the Company with a depositary in connection with the issue of depositary receipts, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any H Shares or other securities of the Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares), or (iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above, or (iv) offer to or agree to or announce any intention to effect any transaction specified in (i), (ii) or (iii) above, in each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of Shares or other securities of the Company or in cash or otherwise (whether or not the issue of such Shares or other securities will be completed within the First Six-Month Period);

(b) they will not, during the Second Six-Month Period, enter into any of the transactions specified in (a)(i), (ii) or (iii) above or offer to or agree to or announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or encumbrance pursuant to such transaction, they will cease to be the Controlling Shareholders of the Company; and

(c) until the expiry of the Second Six-Month period, in the event that they enter into any of the transactions specified in (a)(i), (ii) or (iii) above or offer to or agrees to or announce any intention to effect any such transaction, they will take all reasonable steps to ensure that they will not create a disorderly or false market in the securities of the Company.

Our Controlling Shareholders have further undertaken to our Company, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters that they will, at any time within the period commencing on the date of the Hong Kong Underwriting Agreement and ending on the date which is 12 months after the Listing Date:

(a) upon any pledge or charge in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) of any Shares or securities or interests in the Shares or securities of our Company beneficially owned by them for a bona fide commercial loan, immediately inform our Company, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators and the Joint Global Coordinators in writing of such pledge or charge together with the number of Shares or securities so pledged or charged; and

(b) upon any indication received by them, either verbal or written, from any pledgee or chargee that any of the pledged or charged Shares or securities or interests in the Shares or securities of our Company will be disposed of, immediately inform our Company, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators and the Joint Global Coordinators in writing of such indications.

Our Company has agreed and undertaken to the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators and each of the Hong Kong Underwriters, that, upon receiving such information in writing from the Controlling Shareholders, it shall, as soon as practicable, notify the Stock Exchange and make an announcement in accordance with the Listing Rules.

Indemnity

Each of our Company and the Controlling Shareholders have agreed to indemnify, among others, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters for certain losses which they may suffer, including, among other matters, losses arising from the performance of their obligations under the Hong Kong Underwriting Agreement and any breach by us of the Hong Kong Underwriting Agreement.

Hong Kong Underwriters' Interests in Our Company

Save as disclosed in this prospectus and save for the obligations under the Underwriting Agreements, as of the Latest Practicable Date, none of the Hong Kong Underwriters had any shareholding or beneficial interests in our Company or any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or purchase or to nominate persons to subscribe for or purchase securities in our Company or any member of our Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the H Shares as a result of fulfilling their obligations under the Hong Kong Underwriting Agreement.

International Offering

International Underwriting Agreement

In connection with the International Offering, it is expected that we will enter into the International Underwriting Agreement with, among others, the International Underwriters, on or around the Price Determination Date. Under the International Underwriting Agreement, subject to the conditions set forth therein and subject to the Over-allotment Option, it is expected that the International Underwriters would, severally but not jointly, agree to purchase, or procure subscribers to purchase, the International Offer Shares being offered pursuant to the International Offering (subject to, amongst others, any reallocation between the International Offering and the Hong Kong Public Offering) or procure subscribers to purchase their respective applicable proportions of International Offer Shares. It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into or is terminated, the Global Offering will not proceed. It is expected that pursuant to the International Underwriting Agreement, our Company will give undertakings similar to those given pursuant to the Hong Kong Underwriting Agreement as described in "— Underwriting Arrangements and Expenses — Hong Kong Public Offering — Undertakings pursuant to the Hong Kong Underwriting Agreement" in this section. Please also refer to the section headed "Structure of the Global Offering — International Offering" of this prospectus for further details.

Over-allotment Option and Stabilization

Our Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Sponsor-Overall Coordinator (for itself and on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, pursuant to which our Company may be required to issue up to an aggregate of 2,748,100 H Shares, representing not more than 15% of the number of Offer Shares initially available under the Global Offering, at the Offer Price, to cover over-allocations in the International Offering, if any. For more details of the arrangements relating to the Over-allotment Option and stabilization, see the section headed "Structure of the Global Offering" in this prospectus.

Restrictions on the Offer Shares

No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, without limitation to the following, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering and sales of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Hong Kong Offer Shares have not been publicly offered or sold, directly or indirectly, in the PRC or the United States.

Commission and Expenses

The Overall Coordinators (for themselves and on behalf of the Underwriters) will receive an underwriting commission (the "**Fixed Fees**") equal to 2.4% of the aggregate sale proceeds from the Global Offering (including any H Shares to be issued pursuant to the exercise of the Over-allotment Option) (collectively, the "**Gross Proceeds**"). In addition, our Company may, at our sole and absolute discretion, pay to the Overall Coordinators a discretionary incentive fee up to 1% of the Gross Proceeds (the "**Discretionary Fees**"). Assuming the Discretionary Fees are paid in full, the ratio of Fixed Fees and Discretionary Fees payable is therefore 70.6:29.4.

For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Offering, to the relevant International Underwriters.

Assuming the Over-allotment Option is not exercised and based on an Offer Price of HK$30.0 (being the mid-point of our Offer Price range stated in this prospectus), the aggregate commissions and fees (including the discretionary incentive fee), together with the Stock Exchange listing fees, brokerage, the SFC transaction levy, the AFRC transaction levy, the Stock Exchange trading fee, legal and other professional fees and printing and other expenses relating to the Global Offering to be borne by the Company are estimated to be approximately HK$41.0 million.

An aggregate amount of HK$4.7 million (excluding expenses) is payable by the Company as sponsor fees to the Sole Sponsor.

MINIMUM PUBLIC FLOAT

Our Directors and the Overall Coordinators will ensure that there will be a minimum of 25% of the total issued H Shares held in public hands in accordance with Rule 8.08 of the Listing Rules after completion of the Global Offering.

INDEPENDENCE OF THE SOLE SPONSOR

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

ACTIVITIES BY SYNDICATE MEMBERS

We describe below a variety of activities that underwriters of the Hong Kong Public Offering and the International Offering (together referred to as "**Syndicate Members**"), may each individually undertake, and which do not form part of the underwriting or the stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the accounts of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of our Company and/or persons and entities with relationships with our Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with the Group's loans and other debt.

In relation to our H Shares, those activities could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the H Shares, and entering into over the counter or listed

derivative transactions or listed or unlisted securities transactions (including issuing securities such derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the H Shares. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares. All such activity could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the H Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period, see the section headed "Structure of the Global Offering" of this prospectus for further details. Such activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of the price of the H Shares, and the extent to which this occurs from day to day cannot be estimated.

When engaging in any of these activities, it should be noted that the Syndicate Members are subject to restrictions, including the following:

(a) under the agreement among the Syndicate Members, all of the Syndicate Members (except for the Stabilizing Manager or its designated affiliate as the Stabilizing Manager) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(b) all of the Syndicate Members must comply with all applicable laws, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to our Company and each of our affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions. In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises:

(i) the Hong Kong Public Offering of initially 1,832,100 H Shares (subject to adjustment as mentioned below) for subscription by the public in Hong Kong as described in the subsection headed "— The Hong Kong Public Offering" below; and

(ii) the International Offering of initially 16,488,900 H Shares (subject to adjustment as mentioned below) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in accordance with Regulation S under the U.S. Securities Act as described in the subsection headed "— The International Offering" below.

Investors may either apply for the Hong Kong Offer Shares under the Hong Kong Public Offering or apply for or indicate an interest, if qualified to do so, for the International Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 13.45% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 15.16% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering and the issue of the Offer Shares pursuant to the Over-Allotment Option.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors in Hong Kong. The International Offering will involve selective marketing of the International Offer Shares to institutional and professional investors and other investors expected to have a sizeable demand for the International Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. The International Underwriters are soliciting from prospective investors' indications of interest in acquiring the International Offer Shares under the International Offering. Prospective investors will be required to specify the number of International Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price.

The number of Offer Shares to be offered under the Hong Kong Public Offering and the International Offering, respectively, may be subject to reallocation as described in the subsection headed "— The Hong Kong Public Offering — Reallocation" below.

References in this Prospectus to applications, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Hong Kong Offer Shares Initially Offered

We are initially offering 1,832,100 H Shares for subscription by the public in Hong Kong at the Offer Price, representing 10% of the total number of Offer Shares initially available under the Global Offering. Subject to any reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering, the Hong Kong Offer Shares will represent approximately 1.3% of the total issued share capital of our Company immediately following the completion of the Global Offering assuming that the Over-allotment Option is not exercised.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in the subsection headed "— Conditions of the Global Offering" below.

Allocation

Allocation of the Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally (to the nearest board lot) into two pools: pool A and pool B, with any odd board lots being allocated to pool A. Accordingly, the maximum number of Hong Kong Offer Shares initially in pool A and pool B will be 916,100 and 916,000, respectively. The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK$5 million (excluding the brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK$5 million (excluding the brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee payable) and up to the total value in pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are undersubscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of this paragraph only, the "price" for the Offer Shares means the price payable on application therein (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of the Hong Kong Offer Shares from either pool A or pool B and not from both pools.

Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 916,000 Hong Kong Offer Shares (being approximately 50% of the 1,832,100 Hong Kong Offer Shares initially available under the Hong Kong Public Offering) are liable to be rejected.

Reallocation

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Sponsor-Overall Coordinator, in accordance with Chapter 4.14 of the Guide for New Listing Applicants, following below mechanism:

(a) where the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, and the International Offer Shares are fully subscribed or oversubscribed or undersubscribed, then up to 916,000 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 2,748,100 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option); and

(b) where the Hong Kong Offer Shares are undersubscribed:

    (i) if the International Offering Shares are fully subscribed or oversubscribed, the Sponsor-Overall Coordinator has the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Sponsor-Overall Coordinator deems appropriate; and

    (ii) if the International Offering Shares are undersubscribed, the Global Offering will not proceed unless the Underwriters would subscribe for or procure subscribers for their respective applicable proportions of the Offer Shares being offered which are not taken up under the Global Offering on the terms and conditions of the Prospectus and the Underwriting Agreements.

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows Mechanism B set out under paragraph 2 of Chapter 4.14 of the Guide for New Listing Applicants and the provision of paragraph 4.2(b) of Practice Note 18

of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering.

Details of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering will be disclosed in the results announcement of the Global Offering.

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him/her/it that he/she/it and any person(s) for whose benefit he/she/it is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering, and such applicant's application is liable to be rejected if such undertaking and/or confirmation is breached and/or untrue (as the case may be) or if it has been or will be placed or allocated International Offer Shares under the International Offering.

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the maximum Offer Price of HK$32.0 per Offer Share in addition to the brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee payable on each Offer Share. If the Offer Price, as finally determined in the manner described in the subsection headed "— Pricing and Allocation" below, is less than the maximum Offer Price of HK$32.0 per Offer Share, appropriate refund payments (including the brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants (subject to application channels), without interest. See the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus for further details.

THE INTERNATIONAL OFFERING

Number of International Offer Shares Initially Offered

Subject to reallocation as described above, the International Offering will consist of an initial offering of 16,488,900 H Shares, representing 90% of the total number of Offer Shares initially available under the Global Offering. The number of Offer Shares initially offered under the International Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 12.1% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

Allocation

The International Offering will include selective marketing of the Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities. Allocation of the Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in the subsection headed "— Pricing and Allocation" below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares, and/or hold or sell its Offer Shares, after the listing of the Offer Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the International Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Company and the Shareholders as a whole.

The Overall Coordinators (for themselves and on behalf of the International Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Overall Coordinators so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allotment of Offer Shares under the Hong Kong Public Offering.

Reallocation

The total number of Offer Shares to be issued pursuant to the International Offering may change as a result of the clawback arrangement and/or any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering as described in the subsection headed "— The Hong Kong Public Offering — Reallocation" above and the exercise of the Over-allotment Option in whole or in part.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, we may grant the Over-allotment Option to the International Underwriters, exercisable by the Sponsor-Overall Coordinator (in its sole and absolute discretion on behalf of the International Underwriters).

Pursuant to the Over-allotment Option (if granted), the International Underwriters will have the right, exercisable by the Sponsor-Overall Coordinator (in its sole and absolute discretion on behalf of the International Underwriters) at any time from the date of the International Underwriting Agreement until 30 days from the last day for the lodging of applications under the Hong Kong Public Offering (being the last day for the exercise of the Over-allotment Option), to require our Company to allot and issue up to an aggregate of 2,748,100 additional Offer Shares, representing not more than 15% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering to, amongst others, cover over-allocations in the International Offering, if any.

If the Over-allotment Option is exercised in full, the additional International Offer Shares to be issued pursuant thereto will represent approximately 2.0% of the issued share capital of the Company immediately after the completion of the Global Offering and the exercise of the Over-allotment Option. If the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the new securities in the secondary market, during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager, its affiliates or any person acting for it, on behalf of the Underwriters, may, to the extent permitted by applicable laws of Hong Kong or elsewhere, over-allocate or effect transactions with a view to stabilizing or supporting the market price of the H Shares at a level higher than that which might otherwise prevail in the open market for a limited period after the Listing Date. However, there is no obligation on the Stabilizing Manager or any person acting for it to conduct any such stabilizing action. Such stabilizing actions, if taken, (i) will be conducted at the absolute discretion of the Stabilizing Manager or any person acting for it and in what the Stabilizing Manager reasonably regards as the best interest of us, (ii) may be discontinued at any time and (iii) is required to be brought to an end within 30 days of the last day for lodging applications under the Hong Kong Public Offering.

Stabilization actions permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilising) Rules of the SFO (Chapter 571W of the Laws of Hong Kong) include (i) over-allocation for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (ii) selling or agreeing to sell the H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (iii) purchasing or subscribing for, or agreeing to purchase or subscribe for, the H Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above, (iv) purchasing, or agreeing to purchase, any of the H Shares for the sole purpose of preventing or minimizing any reduction in the market price of the H Shares, (v) selling or agreeing to sell any H Shares in order to liquidate any position established as a result of those purchases and (vi) offering or attempting to do anything as described in (ii), (iii), (iv) or (v) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- the Stabilizing Manager or any person acting for it may, in connection with the stabilizing action, maintain a long position in the H Shares;

- there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager or any person acting for it will maintain such a long position;

- liquidation of any such long position by the Stabilizing Manager or any person acting for it and selling in the open market, may have an adverse impact on the market price of the H Shares;

- no stabilizing action can be taken to support the price of the H Shares for longer than the stabilization period, which will begin on the Listing Date, and is expected to expire on the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the H Shares, and therefore the price of the H Shares, could fall;

- stabilizing activities by the Stabilizing Manager or any person acting for it may stabilize, maintain or otherwise affect the market price of our H Shares. This means the price of our H Shares may be higher than the price that otherwise might exist in the open market;

- the price of the H Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and

- stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

In order to effect stabilization actions, the Stabilizing Manager will arrange cover of up to an aggregate of 2,748,100 H Shares, representing up to 15% of the total number of Offer Shares initially available under the Global Offering, through delayed delivery arrangements

with investors who have been allocated Offer Shares in the International Offering. The delayed delivery arrangements (if specifically agreed by an investor) relate only to the delay in the delivery of the Offer Shares to such investor and the Offer Price for the Offer Shares allocated to such investor will be fully paid on the Listing Date. Both the size of such cover and the extent to which the Over-allotment Option can be exercised will depend on whether arrangements can be made with investors such that a sufficient number of H Shares can be delivered on a delayed basis. If no investor in the International Offering agrees to the delayed delivery arrangements, no stabilizing actions will be undertaken by the Stabilizing Manager and the Over-allotment Option will not be exercised.

Our Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilising) Rules of the SFO (Chapter 571W of the Laws of Hong Kong) will be made within seven days of the expiration of the stabilization period.

Over-allocation

Following any over-allocation of the H Shares in connection with the Global Offering, the Stabilizing Manager or any person acting for it may cover such over-allocation by, amongst others, exercising the Over-allotment Option in full or in part, or by using H Shares purchased by the Stabilizing Manager (or any person acting for it) in the secondary market at prices that do not exceed the Offer Price or a combination of these means.

PRICING AND ALLOCATION

Determining the Pricing of the Offer Shares

Pricing of the Offer Shares for the purpose of the various offerings under the Global Offering will be determined on the Price Determination Date, which is expected to be on or about Friday, December 19, 2025 and, in any event, no later than 12:00 noon on Friday, December 19, 2025, by agreement between the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and our Company, and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

Offer Price Range

The Offer Price will not be more than HK$32.0 per Offer Share and is expected to be not less than HK$28.0 per Offer Share, unless otherwise announced, as further explained below. Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the maximum Offer Price plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%, amounting to a total of HK$3,232.27 for one board lot of 100 Offer Shares. **Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the minimum Offer Price stated in this prospectus.**

The International Underwriters will be soliciting from prospective investors' indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building," is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

The Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) may, where they deem appropriate, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Offering, and with the prior consent of our Company, reduce the number of Offer Shares offered and/or the Offer Price range as stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, our Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the websites of our Company and the Stock Exchange at **www.hanxbio.com** and **www.hkexnews.hk**, respectively, notices of the reduction, the cancellation of the offering and the relaunch of the Global Offering at the revised number of Offer Shares and/or the revised Offer Price. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in this prospectus, and any other financial information that may change as a result of any such reduction.

Our Company will also, as soon as practicable following the decision to make any such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering:

(a) issue a supplemental prospectus, as the relevant laws or government authority or regulatory authorities may require as soon as practicable following the decision to make the change, updating investors of such reduction together with an update of all financial and other information in connection with such change;

(b) where appropriate, extend the period under which the Global Offering was open for acceptance to allow potential investors the sufficient time to consider their subscriptions or reconsider their existing subscriptions; and

(c) give potential investors who had applied for the Offer Shares the right to withdraw their applications given the change in circumstances.

The Global Offering will be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus. Upon the issue of such a notices and supplemental prospectus, the revised number of Offer Shares and/or the Offer Price range will be final and conclusive and the Offer Price, if agreed upon by the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and our Company, will be fixed within such revised Offer Price range.

In the absence of any such notice and supplemental prospectus so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon between our Company and the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters), will under no circumstances be set outside the indicative Offer Price range stated in this prospectus. If the number of Offer Shares and/or the Offer Price is reduced, applicants who have submitted an application under the Hong Kong Public Offering will be entitled to withdraw their applications unless positive confirmations from the applicants to proceed are received.

If our Company is unable to reach an agreement with the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) on the Offer Price by 12:00 noon on Friday, December 19, 2025, the Global Offering will not proceed and will lapse immediately.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the Offer Price range may not be made until the last day for lodging applications under the Hong Kong Public Offering.

The final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in the section headed "How to Apply for Hong Kong Offer Shares — B. Publication of Results" in this prospectus.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is conditional upon the International Underwriting Agreement being signed and becoming unconditional and is subject to our Company and the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) agreeing on the Offer Price on or around the Price Determination Date.

We expect to enter into the International Underwriting Agreement relating to the International Offering on or around the Price Determination Date.

These underwriting arrangements under the Hong Kong Underwriting Agreement and the International Underwriting Agreement are summarised in the section headed "Underwriting" in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

(i) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering on the Main Board of the Stock Exchange (including the additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option), and such listing and permission not subsequently having been withdrawn or revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;

(ii) the Offer Price having been agreed between our Company and the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) on or around the Price Determination Date;

(iii) the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and

(iv) the obligations of the Underwriters under each of the Hong Kong Underwriting Agreement and the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective Underwriting Agreements,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times).

If, for any reason, the Offer Price is not agreed between our Company and the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) on or before 12:00 noon on Friday, December 19, 2025, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, amongst other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the dates and times specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. We will as soon as possible publish or cause to be published a notice of the lapse of the Hong Kong Public Offering on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.hanxbio.com**. In such a situation, all application monies will be returned, without interest, on the terms set out in the section headed "How to Apply for Hong Kong Offer Shares — D. Dispatch/Collection of H Share Certificates and Refund of Application Monies" in this prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving bank or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

H Share certificates for the Offer Shares will only become valid at 8:00 a.m. on Tuesday, December 23, 2025, the date of commencement of dealing in our H Shares, provided that the Global Offering has become unconditional in all respects and the right of termination described in the section headed "Underwriting" in this prospectus has not been exercised.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering and as mentioned in this prospectus.

No part of our Company's share or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to deal is being or proposed to be sought in the near future.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

All necessary arrangements have been made to enable the H Shares to be admitted into CCASS.

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares and our Company complies with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. Investors should seek the advice of their stockbroker or other professional advisers for details of the settlement arrangements as such arrangements may affect their rights and interests.

DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Tuesday, December 23, 2025, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Tuesday, December 23, 2025.

The H Shares will be traded on the Main Board of the Stock Exchange in board lots of 100 H Shares each and the stock code of the H Shares will be 3378.

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES
FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at **www.hkexnews.hk** under the "HKEXnews > New Listings > New Listing Information" section, and our website at **www.hanxbio.com**.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older; and
- have a Hong Kong address (*for the **HK eIPO White Form** service only*).

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to us, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder or his/her/its close associates; or
- are a Director, Supervisor or any of his/her close associates.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Monday, December 15, 2025 and end at 12:00 noon on Thursday, December 18, 2025 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
HK eIPO White Form service	**www.hkeipo.hk**	Investors who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Monday, December 15, 2025 to 11:30 a.m. on Thursday, December 18, 2025, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Thursday, December 18, 2025, Hong Kong time.
HKSCC EIPO channel.	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction	Investors who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

The **HK eIPO White Form** service and the HKSCC EIPO channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **HK eIPO White Form** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of **electronic application instructions** for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **HK eIPO White Form** service more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **HK eIPO White Form** service, you are deemed to have authorized the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO Channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through HKSCC EIPO channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants	For Corporate Applicants
• Full name(s)[2] as shown on your identity document	• Full name(s)[2] as shown on your identity document
• Identify document's issuing country or jurisdiction	• Identity document's issuing country or jurisdiction
• Identity document type, with order of priority: i. HKID card; or ii. National identification document; or iii. Passport; and	• Identity document type, with order of priority: i. Legal Entity Identifier ("**LEI**") registration document; or ii. Certificate of incorporation; or iii. Business registration certificate; or iv. Other equivalent document; and
• Identity document number	• Identity document number

Notes:

1. If you are applying through the **HK eIPO White Form** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.

2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for shares in the Hong Kong Public Offering (including both Hong Kong Residents and Hong Kong Permanent Residents). Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

3. If the applicant is a trustee, the client identification data ("**CID**") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

4. The maximum number of joint account holders on FINI is capped at four[(1)] in accordance with market practice.

5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii) the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

   "**Unlisted company**" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

   "**Statutory control**" means you:

   - control the composition of the board of directors of the company;
   - control more than half of the voting power of the company; or
   - hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through HKSCC EIPO channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agents, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

(1) Subject to change, if the Company's Articles of Incorporation and applicable company law prescribe a lower cap.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size : 100 H Shares

Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment : Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

The maximum Offer Price is HK$32.0 per H Share.

If you are applying through the HKSCC EIPO channel, your broker or custodian may require you to pre-fund your application, in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee by debiting the relevant nominee bank account at the Designated Bank for your broker or custodian.

If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment
	(HK$)		*(HK$)*		*(HK$)*		*(HK$)*
100	3,232.27	2,000	64,645.45	10,000	323,227.20	300,000	9,696,816.00
200	6,464.54	2,500	80,806.80	20,000	646,454.40	400,000	12,929,088.00
300	9,696.81	3,000	96,968.15	30,000	969,681.60	500,000	16,161,360.00
400	12,929.09	3,500	113,129.52	40,000	1,292,908.80	600,000	19,393,632.00
500	16,161.35	4,000	129,290.88	50,000	1,616,136.00	700,000	22,625,904.00
600	19,393.63	4,500	145,452.25	60,000	1,939,363.20	800,000	25,858,176.00
700	22,625.90	5,000	161,613.60	70,000	2,262,590.40	916,000[1]	29,607,611.52
800	25,858.18	6,000	193,936.32	80,000	2,585,817.60		
900	29,090.45	7,000	226,259.05	90,000	2,909,044.80		
1,000	32,322.72	8,000	258,581.75	100,000	3,232,272.00		
1,500	48,484.08	9,000	290,904.48	200,000	6,464,544.00		

Notes:

(1) Maximum number of Hong Kong Offer Shares you may apply for and this is approximately 50% of the Hong Kong Offer Shares initially offered.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed "— A. Applications for Hong Kong Offer Shares — 3. Information Required to Apply" in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **HK eIPO White Form** service, (ii) HKSCC EIPO channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **HK eIPO White Form** service or HKSCC EIPO channel, you or any person(s) for whose benefit you have made the application shall not apply further for any Offer Shares in the Global Offering.

The H Share Registrar would record all applications into its system and identify suspected multiple applications with identical names and identification document numbers according to the Best Practice Note on Treatment of Multiple/Suspected Multiple Applications ("**Best Practice Note**") issued by the Federation of Share Registrars Limited.

Since applications are subject to personal information collection statements, identification document numbers displayed are redacted.

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **HK eIPO White Form** service or HKSCC EIPO channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

(a) undertake to execute all relevant documents and instruct and authorise our Company and/or the Overall Coordinators, as agents of our Company, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the HKSCC EIPO channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;

(b) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **HK eIPO White Form** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

(c) (if you are applying through the HKSCC EIPO channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(d) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;

(e) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;

(f) agree that the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of their or our Company's respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering (collectively, the "**Relevant Persons**"), the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;

(g) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to our Company, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed "— G. Personal Data — 3. Purposes" and "— G. Personal Data — 4. Transfer of personal data" in this section;

(h) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;

(i) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed "— B. Publication of Results" in this section;

(j) confirm that you are aware of the situations specified in the paragraph headed "— C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares" in this section;

(k) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

(l) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the

Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;

(m) confirm that (i) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by our Company, any of the directors, chief executives, substantial Shareholder(s) or existing shareholder(s) of our Company or any of our subsidiaries or any of their respective close associates; and (ii) you are not accustomed or will not be accustomed to taking instructions from our Company, any of the directors, chief executives, substantial Shareholder(s) or existing shareholder(s) of our Company or any of our subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in your name or otherwise held by you;

(n) warrant that the information you have provided is true and accurate;

(o) confirm that you understand that our Company and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(p) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(q) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(r) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC directly or indirectly or through the application channel of the **HK eIPO White Form** service or by any one as your agent or by any other person; and

(s) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC or the **HK eIPO White Form** Service Provider; and (ii) you have due authority to give **electronic application instructions** on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
Applying through the **HK eIPO White Form** service or HKSCC EIPO channel:		
Website . . .	From the "Allotment Results" page at **www.hkeipo.hk/IPOResult** (or **www.tricor.com.hk/ipo/result**) with a "search by ID" function.	24 hours, from 11:00 p.m. on Monday, December 22, 2025 to 12:00 midnight on Sunday, December 28, 2025 (Hong Kong time)
	The full list of (i) wholly or partially successful applicants using the **HK eIPO White Form** service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed at **www.hkeipo.hk/IPOResult** or **www.tricor.com.hk/ipo/result**.	
	The Stock Exchange's website at **www.hkexnews.hk** and our Company's website at **www.hanxbio.com** which will provide links to the abovementioned websites of the H Share Registrar.	No later than 11:00 p.m. on Monday, December 22, 2025 (Hong Kong time)
Telephone .	+852 3691 8488 — the allocation results telephone enquiry line provided by the H Share Registrar.	Between 9:00 a.m. and 6:00 p.m., from Tuesday, December 23, 2025 to Tuesday, December 30, 2025 (Hong Kong time) (except Saturday, Sunday and public holidays in Hong Kong)

For those applying through HKSCC EIPO channel, you may also check with your broker or custodian from 6:00 p.m. on Friday, December 19, 2025 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Friday, December 19, 2025 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

Our Company expects to announce the results of the final Offer Price, the level of indications of interest in the Global Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.hanxbio.com** by no later than 11:00 p.m. on Monday, December 22, 2025 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which the Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Overall Coordinators, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed "— *A. Applications for Hong Kong Offer Shares — 5. Multiple Applications Prohibited*" in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Overall Coordinators believe that by accepting your application, they or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted H Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Banks will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their Designated Bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted H Shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the Global Offering. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the HKSCC EIPO channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the H Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid at 8:00 a.m. on Tuesday, December 23, 2025 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" in this prospectus has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	HK eIPO White Form service	HKSCC EIPO channel
Despatch/collection of H Share certificate[1]		
For application of 500,000 Hong Kong Offer Shares or more .	Collection in person from the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. **Time:** from 9:00 a.m. to 1:00 p.m. on Tuesday, December 23, 2025 (Hong Kong time) If you are an individual, you must not authorise any other person to collect for you. If you are a corporate applicant, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop.	H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account. No action by you is required.

	HK eIPO White Form service	HKSCC EIPO channel
	Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar. *Note:* If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk.	
For application of less than 500,000 Hong Kong Offer Shares	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk. **Date:** Monday, December 22, 2025	
Refund mechanism for surplus application monies paid by you		
Date	Tuesday, December 23, 2025	Subject to the arrangement between you and your broker or custodian
Responsible party .	H Share Registrar	Your broker or custodian
Application monies paid through single bank account	**HK eIPO White Form** e-Auto Refund payment instructions to your designated bank account.	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it.
Application monies paid through multiple bank accounts	Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk.	

Note:

1. Except in the event of a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or an "extreme conditions" announcement issued after a super typhoon in force in Hong Kong in the morning on Monday, December 22, 2025 rendering it impossible for the relevant H Share certificates to be despatched to HKSCC in a timely manner, our Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and H Share certificates in accordance with the contingency arrangements as agreed between them. For further details, please refer to the paragraph headed "— *E. Bad Weather Arrangements*" in this section.

E. BAD WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Thursday, December 18, 2025 if there is:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- Extreme Conditions,

(collectively, the "**Bad Weather Signals**"),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, December 18, 2025.

Instead, they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have Bad Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed "Expected Timetable" in this prospectus, an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.hanxbio.com** of the revised timetable.

If a Bad Weather Signal is hoisted in the morning on the business day before Listing (i.e. Monday, December 22, 2025), the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository's service counter so that they would be available for trading on the Listing Date (i.e. Tuesday, December 23, 2025).

If a Bad Weather Signal is hoisted on Monday, December 22, 2025, for application of less than 500,000 Hong Kong Offer Shares, despatch of physical H Share certificate(s) will be made by ordinary post when the post office re-opens after the Bad Weather Signal is lowered or cancelled (e.g. in the afternoon of Monday, December 22, 2025 or on Tuesday, December 23, 2025).

If a Bad Weather Signal is hoisted on Tuesday, December 23, 2025, for application of 500,000 Hong Kong Offer Shares or more, physical H Share certificate(s) will be available for collection in person at the H Share Registrar's office after the Bad Weather Signal is lowered or cancelled (e.g. in the afternoon of Tuesday, December 23, 2025 or on Wednesday, December 24, 2025).

Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.

F. ADMISSION OF THE H SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional adviser for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by our Company, the H Share Registrar, the receiving bank(s) and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of our Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to our Company or our agents and the H Share Registrar is accurate and up-to-date when applying for the Hong Kong Offer Shares or transferring the Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of our Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform our Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **HK eIPO White Form** e-Auto Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of our Company;
- verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the H Shares;
- facilitating Hong Kong Offer Shares balloting;

- establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.;

- distributing communications from our Company and its subsidiaries;

- compiling statistical information and profiles of the holder of the H Shares;

- disclosing relevant information to facilitate claims on entitlements; and

- and any other incidental or associated purposes relating to the above and/or to enable our Company and the H Share Registrar to discharge their obligations to applicants and holders of the H Shares and/or regulators and/or any other purposes to which applicants and holders of the H Shares may from time to time agree.

4. Transfer of personal data

Personal data held by our Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but our Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- our Company's appointed agents such as financial advisers, receiving bank(s) and overseas principal share registrar;

- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);

- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to our Company or the H Share Registrar in connection with their respective business operation;

- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and

- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

Our Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether our Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. Our Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to our Company and the H Share Registrar, at their registered address disclosed in the section headed "Corporate Information" in this prospectus or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report received from the Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Prospectus.

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF HANX BIOPHARMACEUTICALS (WUHAN) CO., LTD. AND ICBC INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of Hanx Biopharmaceuticals (Wuhan) Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to 65, which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023 and 2024 and the eight months ended 31 August 2025 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023 and 2024 and 31 August 2025 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to 65 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 15 December 2025 (the "Prospectus") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public

Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 31 August 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the eight months ended 31 August 2024 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 12 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

Certified Public Accountants
Hong Kong

15 December 2025

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December		Eight months ended 31 August	
		2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Other income and gains	*5*	6,664	7,681	12,313	2,626
Research and development costs		(46,663)	(74,721)	(50,523)	(56,178)
Administrative expenses		(17,220)	(46,192)	(16,116)	(27,436)
Other expenses	*6*	(33,924)	(209)	(238)	(11,413)
Interest expenses	*8*	(2,280)	(9,379)	(5,853)	(7,532)
LOSS BEFORE TAX	*7*	(93,423)	(122,820)	(60,417)	(99,933)
Income tax expense	*11*	8,263	5,898	11,997	12,495
LOSS FOR THE YEAR/PERIOD		(85,160)	(116,922)	(48,420)	(87,438)
Attributable to:					
Owners of the parent		(76,056)	(115,830)	(47,953)	(83,829)
Non-controlling interests		(9,104)	(1,092)	(467)	(3,609)
		(85,160)	(116,922)	(48,420)	(87,438)
OTHER COMPREHENSIVE INCOME					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of the financial statements of the subsidiaries		537	60	242	(423)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(84,623)	(116,862)	(48,178)	(87,861)
Attributable to:					
Owners of the parent		(75,381)	(115,774)	(47,787)	(84,479)
Non-controlling interests		(9,242)	(1,088)	(391)	(3,382)
		(84,623)	(116,862)	(48,178)	(87,861)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Expressed in RMB per share)					
Basic and diluted	*13*	(10.42)	(10.60)	(4.57)	(7.11)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December		As at 31 August
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*14*	8,340	11,820	11,907
Right-of-use assets	*15*	15,661	12,309	10,525
Other intangible assets	*16*	558	447	587
Prepayments, other receivables and other assets	*18*	531	330	330
Financial assets at fair value through profit or loss ("FVTPL")	*19*	242,373	233,778	210,100
Long-term time deposits at banks	*20*	20,016	–	–
Total non-current assets		287,479	258,684	233,449
CURRENT ASSETS				
Prepayments, other receivables and other assets	*18*	93,900	68,908	38,012
Financial assets at fair value through profit or loss	*19*	42,361	12,665	22,837
Pledged deposits	*20*	500	–	–
Cash and cash equivalents	*20*	162,000	161,214	150,000
Total current assets		298,761	242,787	210,849
CURRENT LIABILITIES				
Trade payables	*21*	12,936	12,293	16,225
Other payables and accruals	*22*	39,667	42,433	10,492
Lease liabilities	*15*	3,201	3,169	3,509
Redemption liabilities on ordinary shares	*24*	–	131,564	138,481
Interest-bearing bank borrowings	*28*	–	–	50,000
Tax payable		7,069	7,981	7,373
Total current liabilities		62,873	197,440	226,080
NET CURRENT ASSETS/(LIABILITIES)		235,888	45,347	(15,231)
TOTAL ASSETS LESS CURRENT LIABILITIES		523,367	304,031	218,218

	Notes	As at 31 December 2023	As at 31 December 2024	As at 31 August 2025
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES				
Deferred tax liability	*23*	90,468	78,765	66,270
Lease liabilities	*15*	11,830	8,662	7,157
Redemption liabilities on ordinary shares	*24*	101,488	–	–
Total non-current liabilities		203,786	87,427	73,427
Net assets		319,581	216,604	144,791
EQUITY				
Equity attributable to owners of the parent				
Paid-in capital/Share capital	*25*	9,525	11,790	11,790
Reserves	*26*	258,603	154,449	86,018
Equity attributable to owners of the parent		268,128	166,239	97,808
Non-controlling interests		51,453	50,365	46,983
Total equity		319,581	216,604	144,791

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent								
	Paid-in capital	Capital reserve*	Other reserves*	Exchange fluctuation reserve*	Share-based payment reserve*	Retained profits/ (Accumulated losses)*	Total	Non-controlling interests	Total equity
	RMB'000 (note 25)	*RMB'000 (note 26)*	*RMB'000*	*RMB'000 (note 26)*	*RMB'000 (note 26)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	3,600	–	(5,000)	(723)	29,289	76,585	103,751	316,203	419,954
Loss for the year	–	–	–	–	–	(76,056)	(76,056)	(9,104)	(85,160)
Other comprehensive loss for the year:									
Exchange differences on translation	–	–	–	675	–	–	675	(138)	537
Total comprehensive loss for the year	–	–	–	675	–	(76,056)	(75,381)	(9,242)	(84,623)
Acquisition of non-controlling interests	3,215	38,049	181,070	–	–	–	222,334	(255,508)	(33,174)
Capital injection	780	90,601	–	–	–	–	91,381	–	91,381
Redemption liabilities from Series A and B shares *(note 24)*	–	–	(91,379)	–	–	–	(91,379)	–	(91,379)
Equity-settled share-based payment *(note 27)*	–	–	–	–	15,492	–	15,492	–	15,492
Capital injection by settlement of liabilities	1,930	–	–	–	–	–	1,930	–	1,930
At 31 December 2023	9,525	128,650	84,691	(48)	44,781	529	268,128	51,453	319,581

Year ended 31 December 2024

	Attributable to owners of the parent								
	Paid-in capital/ Share capital	Capital reserve*	Other reserves*	Exchange fluctuation reserves*	Share-based payment reserve*	Retained profits/ (Accumulated losses)*	Total	Non-controlling interests	Total equity
	RMB'000 (*note 25*)	*RMB'000* (*note 26*)	*RMB'000*	*RMB'000* (*note 26*)	*RMB'000* (*note 26*)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	9,525	128,650	84,691	(48)	44,781	529	268,128	51,453	319,581
Loss for the year	–	–	–	–	–	(115,830)	(115,830)	(1,092)	(116,922)
Other comprehensive loss for the year:									
Exchange differences on translation	–	–	–	56	–	–	56	4	60
Total comprehensive loss for the year	–	–	–	56	–	(115,830)	(115,774)	(1,088)	(116,862)
Capital injection	2,265	10,577	–	–	–	–	12,842	–	12,842
Redemption liabilities from Series B+ shares (*note 24*)	–	–	(21,305)	–	–	–	(21,305)	–	(21,305)
Equity-settled share-based payment (*note 27*)	–	–	–	–	22,348	–	22,348	–	22,348
Conversion into a joint stock company (*note 26*)	–	(42,919)	–	–	–	42,919	–	–	–
At 31 December 2024	11,790	96,308	63,386	8	67,129	(72,382)	166,239	50,365	216,604

Eight months ended 31 August 2024 (Unaudited)

	Attributable to owners of the parent								
	Paid-in capital/ Share capital	Capital reserve	Other reserves	Exchange fluctuation reserves	Share-based payment reserve	Retained profits/ (Accumulated losses)	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000 (note 26)*	*RMB'000*	*RMB'000 (note 26)*	*RMB'000 (note 26)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	9,525	128,650	84,691	(48)	44,781	529	268,128	51,453	319,581
Loss for the period	–	–	–	–	–	(47,953)	(47,953)	(467)	(48,420)
Other comprehensive loss for the period:									
Exchange differences on translation	–	–	–	166	–	–	166	76	242
Total comprehensive loss for the period	–	–	–	166	–	(47,953)	(47,787)	(391)	(48,178)
Capital injection	2,265	10,577	–	–	–	–	12,842	–	12,842
Redemption liabilities from Series B+ shares	–	–	(21,305)	–	–	–	(21,305)	–	(21,305)
Equity-settled share-based payment	–	–	–	–	5,561	–	5,561	–	5,561
At 31 August 2024 *(unaudited)*	11,790	139,227	63,386	118	50,342	(47,424)	217,439	51,062	268,501

Eight months ended 31 August 2025

	Attributable to owners of the parent								
	Paid-in capital/ Share capital	Capital reserve*	Other reserves*	Exchange fluctuation reserves*	Share-based payment reserve*	Accumulated losses*	Total	Non-controlling interests	Total equity
	RMB'000 (note 25)	*RMB'000* (note 26)	*RMB'000*	*RMB'000* (note 26)	*RMB'000* (note 26)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	11,790	96,308	63,386	8	67,129	(72,382)	166,239	50,365	216,604
Loss for the period	–	–	–	–	–	(83,829)	(83,829)	(3,609)	(87,438)
Other comprehensive loss for the period:									
Exchange differences on translation	–	–	–	(650)	–	–	(650)	227	(423)
Total comprehensive loss for the period	–	–	–	(650)	–	(83,829)	(84,479)	(3,382)	(87,861)
Equity-settled share-based payment *(note 27)*	–	–	–	–	16,048	–	16,048	–	16,048
At 31 August 2025	11,790	96,308	63,386	(642)	83,177	(156,211)	97,808	46,983	144,791

These reserve accounts comprise the consolidated reserves of RMB258,603,000, RMB154,449,000 and RMB86,018,000 as at 31 December 2023, 2024 and 31 August 2025, respectively, in the consolidated statements of financial position.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December		Eight months ended 31 August	
		2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before tax		(93,423)	(122,820)	(60,417)	(99,933)
Adjustments for:					
Interest expenses	*8*	2,280	9,379	5,853	7,532
Bank interest income	*5*	(1,867)	(1,618)	(350)	(171)
Interest income from FVTPL	*5*	(2,258)	(1,306)	(917)	(156)
Fair value losses/(gains) on FVTPL	*5,6*	33,095	(1,615)	(10,689)	11,099
Foreign exchange losses/(gains), net	*5,6*	646	(943)	(126)	(364)
Depreciation of property, plant and equipment	*14*	517	2,016	1,216	1,678
Depreciation of right-of-use assets	*15*	491	3,352	2,247	2,242
Amortisation of intangible assets	*16*	33	111	74	88
Equity-settled share-based compensation expense		15,492	22,348	5,561	16,048
(Increase)/decrease in prepayments, other receivables and other assets		(4,419)	(16,273)	(8,605)	2,120
(Increase)/decrease in pledged deposits		(500)	500	–	–
Increase/(decrease) in trade payables		881	(640)	(2,677)	3,929
(Decrease)/increase in other payables and accruals		(910)	8,420	(1,138)	(3,502)
Cash used in operations		(49,942)	(99,089)	(69,968)	(59,390)
Income taxes (paid)/received		(2,052)	(5,805)	2,050	–
Net cash flows used in operating activities		(51,994)	(104,894)	(67,918)	(59,390)

	Notes	Year ended 31 December		Eight months ended 31 August	
		2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received		1,851	1,618	350	171
Interest income from structured deposits and wealth management products		2,258	1,306	917	156
Purchases of property, plant and equipment		(4,232)	(6,210)	(2,741)	(1,765)
Purchases of other intangible assets		(549)	–	–	(228)
Redemption of structured deposits and wealth management products		48,947	35,470	35,470	60,000
Purchases of structured deposits and wealth management products		–	–	–	(70,731)
Proceeds from disposal of an associate	*18*	65,000	40,000	40,000	35,000
Receipt of variable consideration arising from disposal of an associate		681	4,436	4,436	13,139
Proceeds from long-term time deposits		(20,000)	20,000	–	–
Net cash flows from investing activities		93,956	96,620	78,432	35,742

	Notes	Year ended 31 December		Eight months ended 31 August	
		2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		91,381	12,842	12,842	–
Lease payments		(1,161)	(3,808)	(1,944)	(1,962)
Payments for acquisition of non-controlling interests		–	–	–	(31,244)
New interest-bearing bank borrowings		–	–	–	50,000
Payment of listing expenses		–	(2,548)	(2,435)	(4,026)
Interest paid		–	–	–	(276)
Net cash flows from financing activities		90,220	6,486	8,463	12,492
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		132,182	(1,788)	18,977	(11,156)
Cash and cash equivalents at beginning of year/period		29,789	162,000	162,000	161,214
Effect of foreign exchange rate changes, net		29	1,002	369	(58)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		162,000	161,214	181,346	150,000
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS					
Cash and bank balances	*20*	158,150	161,214	181,346	150,000
Non-pledged time deposits with original maturity of less than three months when acquired		3,850	–	–	–
Cash and cash equivalents as stated in the statements of cash flows		162,000	161,214	181,346	150,000

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December		As at 31 August
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*14*	6,405	10,099	10,393
Right-of-use assets	*15*	15,452	12,309	10,214
Investments in subsidiaries	*17*	78,438	78,438	78,438
Other intangible assets		–	–	214
Prepayments, other receivables and other assets	*18*	531	–	–
Long-term time deposits at banks		20,016	–	–
Total non-current assets		120,842	100,846	99,259
CURRENT ASSETS				
Prepayments, other receivables and other assets	*18*	35,488	32,801	53,602
Financial assets at fair value through profit or loss	*19*	10,000	–	–
Cash and cash equivalents	*20*	15,667	38,956	36,287
Total current assets		61,155	71,757	89,889
CURRENT LIABILITIES				
Trade payables		1,575	1,982	2,869
Other payables and accruals	*22*	34,268	87,824	84,370
Interest-bearing bank borrowings	*28*	–	–	50,000
Redemption liabilities on ordinary shares	*24*	–	131,564	138,481
Lease liabilities	*15*	3,030	3,169	3,265
Total current liabilities		38,873	224,539	278,985
NET CURRENT ASSETS/(LIABILITIES)		22,282	(152,782)	(189,096)
TOTAL ASSETS LESS CURRENT LIABILITIES		143,124	(51,936)	(89,837)
NON-CURRENT LIABILITIES				
Deferred tax liability		148	–	–
Lease liabilities	*15*	11,830	8,662	7,076
Redemption liabilities on ordinary shares	*24*	101,488	–	–
Total non-current liabilities		113,466	8,662	7,076
Net assets/(liabilities)		29,658	(60,598)	(96,913)
EQUITY/(DEFICITS)				
Paid-in capital/Share capital		9,525	11,790	11,790
Reserves	*26*	20,133	(72,388)	(108,703)
Total equity/(deficits)		29,658	(60,598)	(96,913)

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Hanx Biopharmaceuticals (Wuhan) Co., Ltd. (the "Company") was incorporated in the People's Republic of China (the "PRC") on 19 December, 2014, as a limited liability company under the Companies Law of the PRC. The registered office of the Company is located at No. 02, 16/F, Unit 2, Block 1, Lot B, Guanggu World City, East Lake Development Zone, Wuhan, Hubei Province, the PRC. On 6 November 2024, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC.

During the Relevant Periods, the Company and its subsidiaries (together, the "Group") were principally engaged in the research and development of immune-oncology therapies.

As at 31 August 2025, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Name	*Notes*	Place and date of incorporation/ registration and place of business	Issued ordinary/registered share capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
Hangzhou Hanx Biopharmaceuticals Ltd.* ("Hangzhou Hanx") 杭州翰思生物醫藥有限公司	*(a)*	Mainland China 3 Aug 2016	RMB14,545,455	85%	–	Research and development of drug candidates
Waterstone Hanbio PTY LTD ("HanxBio (Australia)") 澳洲華世通翰思生物有限公司 .	*(a)*	Australia 26 Oct 2018	AUD100	–	85%	Research and development of drug candidates
Wuhan Hanxiong Biotech Ltd.* ("Wuhan Hanxiong") 武漢翰雄生物技術有限公司 .	*(a)*	Mainland China 19 Nov 2013	RMB1,000,000	–	85%	Research and development of drug candidates
Beijing Hanx Tai Biotech Co. Ltd.* ("Beijing Hanx") 北京翰思泰生物科技有限公司 . .	*(a)*	Mainland China 10 Jan 2017	RMB1,000,000	–	85%	Research and development of drug candidates
Hanx Aimtech Biopharmaceutical Limited ("HanxAimtech") 翰思艾泰生物醫藥科技(香港)有限公司	*(b)*	Hong Kong 23 Aug 2023	HKD10,000	100%	–	Research and development of drug candidates
Hangzhou Hanx Biopharmaceuticals (HK) Co., Limited ("Hangzhou HK") 杭州翰思生物醫藥(香港)有限公司	*(b)*	Hong Kong 19 Feb 2024	HKD10,000	–	85%	Investment holding
Hanx Biopharmaceuticals Pty Ltd.	*(b)*	Australia 19 Apr 2024	AUD10,000	–	100%	Research and development of drug candidates
HanxBio Inc.	*(a)*	USA 13 Dec 2023	USD15	–	100%	Investment holding

* The English names of these companies represent the best effort made by the directors of the Company (the "Directors") to translate the Chinese names as these companies have not been registered with any official English names.

Notes:

(a) No audited financial statements have been prepared, as the entities were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdictions of incorporation.

(b) As at the date of this report, no audited financial statements have been prepared since the entities were either newly incorporated in 2024 or have not started operation.

2.1 Basis of Preparation

The Historical Financial Information has been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the HKICPA. All HKFRSs effective for the accounting period commencing from 1 January 2025 together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value at the end of each of the Relevant Periods.

Notwithstanding that the Group recorded net current liabilities and net assets of RMB15,231,000 and RMB144,791,000, respectively, as at 31 August 2025, the Historical Financial Information has been prepared on a going concern basis. Redemption liabilities on ordinary shares with an amount of RMB138,481,000 were recorded as current liabilities as at 31 August 2025, and the redemption feature of which will automatically ceased from the date before the completion of an initial listing of the shares on the Stock Exchange. The directors of the Company are of the opinion that the Company does not expect any outflow to settle the redemption liabilities in the next twelve months from 31 August 2025 and will have sufficient working capital to meet its financial liabilities and obligations as and when they fall due and to sustain its operations for the next twelve months from 31 August 2025 based on the review of the Group's projected cash flows.

Basis of consolidation

The Historical Financial Information includes the financial statements of the Group for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The Historical Financial information of the subsidiaries is prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Issued But Not Yet Effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in this Historical Financial Information. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Annual Improvements to HKFRS Accounting Standards – Volume 11	*Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*[2]

1 No mandatory effective date yet determined but available for adoption

2 Effective for annual periods beginning on or after 1 January 2026

3 Effective for annual periods beginning on or after 1 January 2027

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application.

The application of HKFRS 18 will have no impact on the consolidated statements of financial position of the Group, but will have impact on the presentation of the consolidated statements of profit or loss and other comprehensive income. Except for HKFRS 18, the directors of the Company anticipate that the application of these new and revised HKFRSs will have no material impact on the Group's financial performance and financial position in the foreseeable future.

2.3 Material Accounting Policies

Fair value measurement

The Group measures certain financial instruments at fair value at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than deferred tax assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress ("CIP"), are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Plant and machinery	3 to 10 years
Furniture and fixtures	3 to 5 years
Motor vehicles	5 years
Leasehold improvements	Shorter of lease term or estimated useful lives

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 2 to 10 years.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Laboratory and office premises	14 months to 5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1	–	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	–	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	–	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and lease liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at amortised cost (trade and other payables)

After initial recognition, trade and other payables are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Redemption liabilities

For the redeemable ordinary shares issued by the Company and a subsidiary of the Company as detailed in note 24, financial liabilities are recognized based on the amortised cost of the redemption amount and debited in equity. Changes of the amortised cost during the Relevant Periods are recognized in profit or loss. When the redemption rights related to the redeemable ordinary shares are terminated, the redemption liabilities on ordinary shares are extinguished and credited to equity.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Share-based payments

The Company operates a share option scheme and a restricted stock scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date at which they are granted. The fair value of the share option is determined by an external valuer by using binomial model, and the fair value of the restricted stock is determined by an external valuer by using the back-solve method. Further details of which are given in note 27 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

Other employee benefits

Pension scheme

The employees of the Group's subsidiaries which operates in Mainland China are required to participate in a central pension scheme operated by the local municipal government. This subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the profit or loss as they become payable in accordance with the rules of the central pension scheme.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the Historical Financial Information of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item.

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the Relevant Periods, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Research and development costs

All research costs are charged to profit or loss as incurred. Costs incurred on each pipeline to develop new products are capitalised and deferred in accordance with the accounting policy for research and development costs in note 2.3 to the Historical Financial Information. Determining the amounts to be capitalised requires management to make judgments on the technical feasibility of existing pipelines to be successfully commercialised and bring economic benefits to the Group.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Deferred tax assets

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management estimation is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are given in note 23 to the Historical Financial Information.

Fair value of variable consideration arising from disposal of an associate

The fair value of variable consideration arising from disposal of an associate measured at FVTPL is determined using valuation techniques, including the discounted cash flow method. Such valuation requires the Group to make estimates of the key assumptions including the discount rate, which are subject to uncertainty.

The fair values of variable consideration arising from disposal of an associate as at 31 December 2023, 2024 and 31 August 2025 were RMB249,264,000 and RMB246,443,000 and RMB222,206,000, respectively. Further details are included in note 19 to the Historical Financial Information.

Fair value of share-based payments transactions

Estimating the fair value of share-based payments transactions requires the determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

For the measurement of the fair value of share-based payments transactions with employees at the grant date, the Group uses binomial model and back-solve method. The assumptions and models used for estimating fair value for share-based payments transactions are disclosed in note 27 to the Historical Financial Information.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of the Relevant Periods. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

4. OPERATING SEGMENT INFORMATION

Operating segment information

For management purposes, the Group has only one reportable operating segment, which is the research and development of immuno-oncology therapies. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

Since nearly all of the Group's non-current assets were located in Mainland China, no geographical segment information is presented in accordance with HKFRS 8 Operating Segments.

5. OTHER INCOME AND GAINS

An analysis of other income and gains, net is as follows:

	Year ended 31 December		Eight months ended 31 August	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Bank interest income	1,867	1,618	350	171
Interest income from structured deposits and wealth management products	2,258	1,306	917	156
Government grants*	2,539	2,199	231	75
Foreign exchange gains, net	–	943	126	364
Fair value gains on FVTPL	–	1,615	10,689	–
Other	–	–	–	1,860
Total	6,664	7,681	12,313	2,626

* Government grants mainly represent various financial supports provided by the local governments for the Group's research and development activities and business operation. There are no contingencies relating to these grants.

6. OTHER EXPENSES

An analysis of other expenses, net is as follows:

	Year ended 31 December		Eight months ended 31 August	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Impairment losses on financial assets under the ECL model, net of reversal	108	–	–	–
Fair value loss on variable consideration arising from disposal of an associate	33,002	–	–	11,099
Fair value loss on structured deposits and wealth management products	93	–	–	–
Foreign exchange losses, net	646	–	–	–
Others	75	209	238	314
Total	33,924	209	238	11,413

7. LOSS BEFORE TAX

		Year ended 31 December		Eight months ended 31 August	
	Notes	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Depreciation of property, plant and equipment*	*14*	517	2,016	1,216	1,678
Depreciation of right-of-use assets*	*15*	491	3,352	2,247	2,242
Amortisation of other intangible assets*	*16*	33	111	74	88
Lease payments not included in the measurement of lease liabilities*	*15*	789	233	57	58
Auditor's remuneration		185	285	143	162
Research and development costs		46,663	74,721	50,523	56,178
Employee benefit expense (including directors' and supervisors' remuneration):*					
Wages, salaries and allowances		16,376	18,503	15,463	13,643
Pension scheme contributions and other social welfare		1,275	2,279	1,440	1,529
Equity-settled share-based compensation expense		15,492	22,348	5,561	16,048
Listing expenses		–	10,736	1,781	2,976
Foreign exchange losses/(gains), net	*5,6*	646	(943)	(126)	(364)
Interest expenses	*8*	2,280	9,379	5,853	7,532
Bank interest income	*5*	(1,867)	(1,618)	(350)	(171)
Government grants	*5*	(2,539)	(2,199)	(231)	(75)
Interest income on structured deposits and wealth management products	*5*	(2,258)	(1,306)	(917)	(156)
Impairment losses on financial assets under the ECL model, net of reversal	*6*	108	–	–	–

	Notes	Year ended 31 December		Eight months ended 31 August	
		2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Fair value losses/(gains) on variable consideration arising from disposal of an associate	5,6	33,002	(1,615)	(10,689)	11,099
Fair value losses on structured deposits and wealth management products	6	93	–	–	–

* The depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of other intangible assets, expense relating to short-term leases and employee benefit expenses for the Relevant Periods are set out in "Administrative expenses" and "Research and development costs" in the consolidated statements of profit or loss and other comprehensive income.

8. INTEREST EXPENSES

An analysis of finance costs from continuing operations is as follows:

	Year ended 31 December		Eight months ended 31 August	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest from redemption liabilities	2,211	8,771	5,430	6,917
Interest expenses on lease liabilities	69	608	423	339
Interest on bank borrowings	–	–	–	276
Total	2,280	9,379	5,853	7,532

9. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the Relevant Periods, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December		Eight months ended 31 August	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Fees	–	–	–	–
Other emoluments:				
Salaries, allowances and benefits in kind	1,670	4,310	1,958	4,395
Performance related bonuses	141	2,561	1,416	878
Share-based compensation	–	11,295	2,979	9,030
Pension scheme contributions	82	162	49	96
Total	1,893	18,328	6,402	14,399

(a) Independent non-executive directors

There were no fees and other emoluments payable to the independent non-executive directors during the Relevant Periods.

(b) Executive directors, non-executive directors, supervisors and the chief executive

Year ended 31 December 2023

	Notes	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:						
Mr. Liu Min	*(iii)*	–	1,205	100	17	1,322
Supervisors:						
Dr. Ke Hang	*(iv)*	–	465	41	65	571
Total		–	1,670	141	82	1,893

Year ended 31 December 2024

	Notes	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment	Pension scheme contributions	Total remuneration
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:							
Dr. Zhang Faming	*(i)*	–	478	–	2,868	–	3,346
Dr. Li Henry Qixiang	*(ii)*	–	478	1,981	1,600	–	4,059
Mr. Liu Min	*(iii)*	–	1,500	125	5,797	22	7,444
Non-executive directors:							
Dr. Li Jian	*(iv)*	–	–	–	–	–	–
Ms. Xiao Jieyu	*(v)*	–	–	–	–	–	–
Supervisors:							
Dr. Ke Hang	*(vi)*	–	486	41	449	51	1,027
Ms. Sun Peng	*(vii)*	–	1,200	400	558	68	2,226
Ms. Chen Chen	*(viii)*	–	168	14	23	21	226
Total		–	4,310	2,561	11,295	162	18,328

Eight months ended 31 August 2024 (unaudited)

	Notes	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment	Pension scheme contributions	Total remuneration
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:							
Dr. Zhang Faming	*(i)*	–	316	–	1,912	–	2,228
Dr. Li Henry Qixiang	*(ii)*	–	316	1,306	1,067	–	2,689
Mr. Liu Min	*(iii)*	–	1,006	83	–	15	1,104
Non-executive directors:							
Dr. Li Jian	*(iv)*	–	–	–	–	–	–
Ms. Xiao Jieyu	*(v)*	–	–	–	–	–	–
Supervisors:							
Dr. Ke Hang	*(vi)*	–	320	27	–	34	381
Total		–	1,958	1,416	2,979	49	6,402

Eight months ended 31 August 2025

	Notes	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment	Pension scheme contributions	Total remuneration
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:							
Dr. Zhang Faming	*(i)*	–	790	–	2,796	7	3,593
Dr. Li Henry Qixiang	*(ii)*	–	1,068	489	1,317	7	2,881
Mr. Liu Min	*(iii)*	–	1,000	83	4,168	17	5,268
Non-executive directors:							
Dr. Li Jian	*(iv)*	–	–	–	–	–	–
Ms. Xiao Jieyu	*(v)*	–	–	–	–	–	–
Supervisors:							
Dr. Ke Hang	*(vi)*	–	353	30	323	7	713
Ms. Sun Peng	*(vii)*	–	1,067	267	401	45	1,780
Ms. Chen Chen	*(viii)*	–	117	9	25	13	164
Total		–	4,395	878	9,030	96	14,399

Notes:

(i) Dr. Zhang Faming was appointed as a director of the Company on 1 March 2024.

(ii) Dr. Li Henry Qixiang was appointed as a director of the Company on 1 March 2024.

(iii) Mr. Liu Min was appointed as a director of the Company on 11 December 2022.

(iv) Dr. Li Jian was appointed as a director of the Company on 4 March 2024.

(v) Ms. Xiao Jieyu was appointed as a director of the Company on 1 March 2024.

(vi) Dr. Ke Hang was appointed as a supervisor of the Company on 13 December 2022.

(vii) Ms. Sun Peng was appointed as a supervisor of the Company on 8 October 2024.

(viii) Ms. Chen Chen was appointed as a supervisor of the Company on 8 October 2024.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended 31 December 2023, 2024 and the eight months ended 31 August 2024 and 2025 included one, four, four and three chief executive and directors respectively, details of whose remuneration are set out in note 9 above. Details of the remuneration for the years ended 31 December 2023, 2024 and the eight months ended 31 August 2024 and 2025 of the remaining highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Year ended 31 December		Eight months ended 31 August	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	2,174	478	158	2,663
Performance related bonuses	5,906	3,850	1,269	951
Equity-settled share option expense	15,492	1,280	853	8,441
Pension scheme contributions	35	–	–	18
	23,607	5,608	2,280	12,073

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December		Eight months ended 31 August	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Nil to HKD1,000,000	–	–	–	–
HKD1,000,001 to HKD2,000,000	–	–	–	–
HKD2,000,001 to HKD3,000,000	1	–	1	–
HKD3,000,001 to HKD4,000,000	–	–	–	–
HKD4,000,001 to HKD5,000,000	–	–	–	–
HKD5,000,001 to HKD6,000,000	1	1	–	1
HKD6,000,001 to HKD11,000,000	2	–	–	1
HKD11,000,000 to HKD12,000,000	–	–	–	–
	4	1	1	2

During the years ended 31 December 2023, 2024 and the eight months ended 31 August 2024 and 2025, share options/RSUs were granted to 4, 1, 1 and 2 non-director and non-chief executive highest paid employees in respect of their services to the Group. Further details of which are included in the disclosures in note 27 to the Historical Financial Information. The fair value of such options/RSUs, which has been recognized in the profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

11. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Hong Kong

The subsidiaries incorporated in Hong Kong are subject to income tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the Relevant Periods.

Mainland China

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "CIT Law"), the subsidiaries which operate in Mainland China are subject to CIT at a rate of 25% on the taxable income.

Australia

The subsidiary incorporated in Australia is subject to Australia company tax at the statutory rate of 25% on the estimated assessable profits arising in Australia during the Relevant Periods. No Australia company tax was provided for as the subsidiary did not generate any assessable profits arising in Australia during the Relevant Periods.

USA

The subsidiary incorporated in Delaware, USA, is subject to statutory United States federal corporate income tax at a rate of 21%. It is also subject to the state income tax at rates from 8.25% to 11.5% during the Relevant Periods.

	Year ended 31 December		Eight months ended 31 August	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Current income tax	2,052	5,805	(2,050)	–
Deferred tax *(note 23)*	(10,315)	(11,703)	(9,947)	(12,495)
Tax charge for the year/period	(8,263)	(5,898)	(11,997)	(12,495)

A reconciliation of the tax expense applicable to loss before tax using the statutory rate for the jurisdictions in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rate, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

	Year ended 31 December		Eight months ended 31 August	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Loss before tax	(93,423)	(122,820)	(60,417)	(99,933)
Tax at the statutory rate	(23,356)	(30,705)	(15,104)	(24,983)
At other rates enacted by local authority	30	3,069	207	474
Additional deductible allowance for qualified research and development costs	(6,688)	(20,034)	(25,508)	(24,555)
Expenses not deductible for tax	91	38	2	5
Tax losses and deductible temporary differences not recognised	21,660	41,734	28,406	36,564
Tax charge for the year/period	(8,263)	(5,898)	(11,997)	(12,495)

The Group has accumulated tax losses in Mainland China of RMB15,401,000, RMB33,748,000 and RMB55,553,000 as at 31 December 2023, 2024 and 31 August 2025, respectively, which would expire in four to ten years for offsetting against future taxable profits of the companies in which the losses arose.

The Group has nil accumulated tax losses in Australia as at 31 December 2023, 2024 and 31 August 2025, that can be carried forward indefinitely to offset against future taxable profits of the company in which the loss was incurred.

The Group has accumulated tax losses in Hong Kong of RMB181,000, RMB3,121,000 and RMB4,731,000 as at 31 December 2023, 2024 and 31 August 2025, that can be carried forward indefinitely to offset against future taxable profits of the company in which the loss was incurred.

The Group has unrecognised deductible temporary differences of RMB71,239,000, RMB97,858,000 and RMB146,255,000 as at 31 December 2023, 2024 and 31 August 2025, respectively.

12. DIVIDENDS

No dividend was paid or declared by the Company during the Relevant Periods.

13. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

On November 1, 2024, the Company was converted into a joint-stock limited liability company, and a total of 11,789,783 shares with a par value of RMB1.00 per share were issued and allocated to the respective shareholders of the Company based on the registered paid-in capital as of that date.

The calculation of basic loss per share is based on the loss attributable to ordinary equity holders of the parent company for the year and the weighted average number of ordinary shares outstanding during the Relevant Periods. Since the diluted loss per share decreases when share-based payments are taken into account, these instruments had an anti-dilutive effect on the basic loss per share amounts presented and were therefore excluded from the calculation of diluted loss per share during the Relevant Periods. As a result, no adjustments have been made to the basic loss per share amounts presented for the relevant periods for the purpose of calculating diluted earnings per share.

The calculation of basic and loss per share is based on:

	Year ended 31 December		Eight months ended 31 August	
	2023	2024	2024	2025
			(unaudited)	
Loss				
Loss attributable to ordinary equity holders of the parent for the purpose of calculating basic and diluted loss per share (RMB'000)	(76,056)	(115,830)	(47,953)	(83,829)
Shares				
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculations	7,295,668	10,931,371	10,500,399	11,789,783
Loss per share (basic and diluted) (RMB per share)	(10.42)	(10.60)	(4.57)	(7.11)

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Plant and machinery	Furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023					
At 1 January 2023					
Cost	3,154	421	468	549	4,592
Accumulated depreciation	(1,015)	(182)	(454)	–	(1,651)
Net carrying amount	2,139	239	14	549	2,941
At 1 January 2023, net of accumulated depreciation	2,139	239	14	549	2,941
Additions	16	44	–	6,405	6,465
Depreciation provided during the year	(394)	(123)	–	–	(517)
Transfer to other intangible assets	–	–	–	(549)	(549)
At 31 December 2023, net of accumulated depreciation	1,761	160	14	6,405	8,340
At 31 December 2023:					
Cost	3,170	465	468	6,405	10,508
Accumulated depreciation	(1,409)	(305)	(454)	–	(2,168)
Net carrying amount	1,761	160	14	6,405	8,340

	Leasehold improvements	Plant and machinery	Furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024						
At 1 January 2024						
Cost	–	3,170	465	468	6,405	10,508
Accumulated depreciation	–	(1,409)	(305)	(454)	–	(2,168)
Net carrying amount	–	1,761	160	14	6,405	8,340
At 1 January 2024, net of accumulated depreciation	–	1,761	160	14	6,405	8,340
Additions	–	784	257	–	4,455	5,496
Depreciation provided during the year	(1,459)	(285)	(272)	–	–	(2,016)
Transfers	8,202	–	–	–	(8,202)	–
At 31 December 2024, net of accumulated depreciation	6,743	2,260	145	14	2,658	11,820
At 31 December 2024:						
Cost	8,202	3,954	722	468	2,658	16,004
Accumulated depreciation	(1,459)	(1,694)	(577)	(454)	–	(4,184)
Net carrying amount	6,743	2,260	145	14	2,658	11,820

	Leasehold improvements	Plant and machinery	Furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 August 2025						
At 1 January 2025						
Cost	8,202	3,954	722	468	2,658	16,004
Accumulated depreciation	(1,459)	(1,694)	(577)	(454)	–	(4,184)
Net carrying amount	6,743	2,260	145	14	2,658	11,820
At 1 January 2025, net of accumulated depreciation	6,743	2,260	145	14	2,658	11,820
Additions	–	20	12	–	1,733	1,765
Depreciation provided during the period	(1,303)	(287)	(88)	–	–	(1,678)
Transfers	3,310	–	429	–	(3,739)	–
At 31 August 2025, net of accumulated depreciation	8,750	1,993	498	14	652	11,907
At 31 August 2025:						
Cost	11,512	3,974	1,163	468	652	17,769
Accumulated depreciation	(2,762)	(1,981)	(665)	(454)	–	(5,862)
Net carrying amount	8,750	1,993	498	14	652	11,907

As at the end of each of the Relevant Periods, there were no pledged property, plant and equipment.

The Company

	Leasehold improvements	Plant and machinery	Furniture and fixtures	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023					
At 1 January 2023					
Additions	–	–	–	6,405	6,405
At 31 December 2023, net of accumulated depreciation and impairment	–	–	–	6,405	6,405
At 31 December 2023:					
Cost	–	–	–	6,405	6,405
Net carrying amount	–	–	–	6,405	6,405
31 December 2024					
At 1 January 2024					
Cost	–	–	–	6,405	6,405
Net carrying amount	–	–	–	6,405	6,405
At 1 January 2024, net of accumulated depreciation and impairment	–	–	–	6,405	6,405
Additions	–	641	208	4,455	5,304
Depreciation provided during the year	(1,459)	(79)	(72)	–	(1,610)
Transfers	8,202	–	–	(8,202)	–
At 31 December 2024, net of accumulated depreciation and impairment	6,743	562	136	2,658	10,099
At 31 December 2024:					
Cost	8,202	641	208	2,658	11,709
Accumulated depreciation and impairment	(1,459)	(79)	(72)	–	(1,610)
Net carrying amount	6,743	562	136	2,658	10,099
31 August 2025					
At 1 January 2025					
Cost	8,202	641	208	2,658	11,709
Accumulated depreciation and impairment	(1,459)	(79)	(72)	–	(1,610)
Net carrying amount	6,743	562	136	2,658	10,099
At 1 January 2025, net of accumulated depreciation and impairment	6,743	562	136	2,658	10,099
Additions	–	20	12	1,733	1,765
Depreciation provided during the period	(1,303)	(80)	(88)	–	(1,471)
Transfers	3,310	–	429	(3,739)	–
At 31 August 2025, net of accumulated depreciation and impairment	8,750	502	489	652	10,393
At 31 August 2025:					
Cost	11,512	661	649	652	13,474
Accumulated depreciation and impairment	(2,762)	(159)	(160)	–	(3,081)
Net carrying amount	8,750	502	489	652	10,393

As at the end of each of the Relevant Periods, there were no pledged property, plant and equipment.

15. LEASES

The Group as a lessee

The Group has lease contracts for laboratory and office premises. Leases of properties generally have lease terms between 14 months and 5 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

The Group

	Laboratory and office premises
	RMB'000
At 1 January 2023	438
Additions	15,714
Depreciation charge	(491)
At 31 December 2023 and 1 January 2024	15,661
Depreciation charge	(3,352)
At 31 December 2024 and 1 January 2025	12,309
Additions	458
Depreciation charge	(2,242)
At 31 August 2025	10,525

The Company

	Laboratory and office premises
	RMB'000
At 1 January 2023	–
Additions	15,714
Depreciation charge	(262)
At 31 December 2023 and 1 January 2024	15,452
Depreciation charge	(3,143)
At 31 December 2024 and 1 January 2025	12,309
Depreciation charge	(2,095)
At 31 August 2025	10,214

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the Relevant Periods are as follows:

The Group

	As at 31 December		As at 31 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year/period	409	15,031	11,831
New leases	15,714	–	458
Accretion of interest recognised during the year/period	69	608	339
Payments	(1,161)	(3,808)	(1,962)
Carrying amount at the end of the year/period	15,031	11,831	10,666
Analysed into:			
Current portion	3,201	3,169	3,509
Non-current portion	11,830	8,662	7,157

The Company

	As at 31 December		As at 31 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year/period	–	14,860	11,831
New leases	15,714	–	–
Accretion of interest recognised during the year/period	55	605	328
Payments	(909)	(3,634)	(1,818)
Carrying amount at the end of the year/period	14,860	11,831	10,341
Analysed into:			
Current portion	3,030	3,169	3,265
Non-current portion	11,830	8,662	7,076

The maturity analysis of lease liabilities is disclosed in note 33 to the Historical Financial Information.

The amounts recognised in profit or loss in relation to leases are as follows:

The Group

	Year ended 31 December		Eight months ended 31 August	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Interest on lease liabilities	69	608	423	339
Depreciation charge of right-of-use assets	491	3,352	2,247	2,242
Expense relating to short-term leases	735	145	51	51
Expense relating to leases of low-value assets	54	88	6	7
Total amount recognised in profit or loss	1,349	4,193	2,727	2,639

16. OTHER INTANGIBLE ASSETS

	Software
	RMB'000
31 December 2023	
At 1 January 2023	42
Additions	549
Amortisation provided during the year	(33)
At 31 December 2023	558
At 31 December 2023:	
Cost	643
Accumulated amortisation	(85)
Net carrying amount	558
31 December 2024	
At 1 January 2024, net of accumulated amortisation	558
Amortisation provided during the year	(111)
At 31 December 2024	447
At 31 December 2024:	
Cost	643
Accumulated amortisation	(196)
Net carrying amount	447
31 August 2025	
At 1 January 2025, net of accumulated amortisation	447
Additions	228
Amortisation provided during the period	(88)
At 31 August 2025	587
At 31 August 2025:	
Cost	871
Accumulated amortisation	(284)
Net carrying amount	587

17. INVESTMENT IN SUBSIDIARIES

The Company

		As at 31 December		As at 31 August
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Unlisted shares, at cost	*(a)*	78,438	78,438	78,438

Note:

(a) Particulars of the subsidiaries of the Company are set out in note 1 of this section.

18. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	Notes	As at 31 December 2023	As at 31 December 2024	As at 31 August 2025
		RMB'000	*RMB'000*	*RMB'000*
Prepayments	*(a)*	12,172	18,541	16,894
Receivables arising from disposal of an associate	*(b)*	75,000	35,000	–
Deferred listing expenses		–	2,684	6,710
Tax recoverable		5,522	9,761	13,650
Deposits and other receivables		1,737	3,080	1,088
Amounts due from related parties		–	172	–
Total		94,431	69,238	38,342
Analysed into:				
Current portion		93,900	68,908	38,012
Non-current portion		531	330	330

The Company

	Note	As at 31 December 2023	As at 31 December 2024	As at 31 August 2025
		RMB'000	*RMB'000*	*RMB'000*
Prepayments	*(a)*	4,031	4,687	6,699
Deposits and other receivables		424	2,242	3,534
Deferred listing expenses		–	2,684	6,710
Tax recoverable		1,241	3,752	5,187
Amounts due from subsidiaries		30,323	19,436	31,472
Total		36,019	32,801	53,602
Analysed into:				
Current portion		35,488	32,801	53,602
Non-current portion		531	–	–

Notes:

(a) Prepayments represent advances to certain major suppliers for the purchase of goods or services.

(b) In September 2019, Hangzhou Hanx entered into an equity transfer agreement with Lepu Biopharma Co., Ltd. (樂普生物科技股份有限公司) ("Lepu") to transfer its 40% equity interests in Taizhou Hanzhong Biopharmaceutical Co., Ltd. (泰州翰中生物醫藥有限公司) ("Taizhou Hanzhong"), an associate of Hangzhou Hanx, at (i) a fixed consideration of RMB350,000,000 which is settled in cash; and (ii) a variable consideration of 4.375% of the annual net sales revenue of PD-1 products after its commercialisation. The payment of the fixed consideration and the transfer of Taizhou Hanzhong's equity interests are non-cancellable and to be settled in stages.

RMB210,000,000, RMB65,000,000, RMB40,000,000 of the fixed consideration have been received before 2023 and during 2023 and 2024, respectively. In August 2024, Hangzhou Hanx entered into a supplement agreement with Lepu to specify that Lepu will make the remaining payment of RMB75,000,000 no later than June 2025. In September 2024, RMB40,000,000 has been received. In July 2025, RMB35,000,000 has been received. RMB13,138,000 was based on the 4.375% of 2024 annual net sales revenue of PD-1 products from Lepu has been received too.

The variable consideration was recognized as financial assets at fair value through profit or loss. The Group estimated that the fair value of the variable consideration amounted to RMB249,264,000, RMB246,443,000 and RMB222,206,000 as at 31 December 2023, 2024 and 31 August 2025 (note 19), respectively, and the subsequent change was recognised in profit or loss.

As at the end of each of the Relevant Periods, other receivables of the Group are considered to have low credit risk and thus the Group has assessed that the ECL for other receivables is immaterial under the 12-month expected credit loss method.

Details of amounts due from related parties are set out in note 30.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December		As at 31 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Variable consideration arising from disposal of an associate	249,264	246,443	222,206
Structured deposits and wealth management products	35,470	–	10,731
Total	284,734	246,443	232,937
Analysed into:			
Current portion	42,361	12,665	22,837
Non-current portion	242,373	233,778	210,100

The Company

	As at 31 December		As at 31 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Structured deposits	10,000	–	–

The structured deposits are purchased from creditworthy commercial banks in Mainland China. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

20. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

The Group

	As at 31 December		As at 31 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	158,150	161,214	150,000
Time deposits	24,366	–	–
	182,516	161,214	150,000
Less: Pledged deposits *(i)*	500	–	–
Long-term time deposits	20,016	–	–
Cash and cash equivalents	162,000	161,214	150,000

	As at 31 December		As at 31 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Denominated in RMB	140,117	134,842	125,254
Denominated in USD	20,850	24,994	24,367
Denominated in AUD	1,001	1,369	11
Denominated in HKD	32	9	368
Cash and cash equivalents	162,000	161,214	150,000

(i) It represents pledged deposits in commercial banks. None of these deposits are either past due or impaired.

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Short-term time deposits are with terms of less than one year and earn interest at the respective short-term time deposit rates. Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no history of default. The carrying amounts of the cash and bank balances approximate to their fair values.

Long-term time deposits at banks are deposits with original maturities of three years and earn interest at a fixed rate of 2.90% and were withdrawn in October 2024. The bank balances are deposited with creditworthy banks with no recent history of default.

The Company

	As at 31 December		As at 31 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	15,667	38,956	36,287
Denominated in RMB	8,781	38,259	35,598
Denominated in USD	6,886	697	689
Cash and cash equivalents	15,667	38,956	36,287

21. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December		As at 31 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	9,735	3,450	11,158
1 to 2 years	2,887	7,691	4,346
2 to 3 years	312	983	552
Over 3 years	2	169	169
Total	12,936	12,293	16,225

The trade payables are non-interest-bearing and are normally settled on terms of 10 to 30 days.

22. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December		As at 31 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payables arising from acquisition of non-controlling interests*	31,244	31,244	–
Government grants to be recognised**	4,000	4,000	4,000
Payroll payable	2,559	2,802	2,263
Payables for purchase of property, plant and equipment	1,684	970	196
Accrued listing expenses	–	2,758	3,776
Other payables	180	659	257
Total	39,667	42,433	10,492

The Company

	As at 31 December		As at 31 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payables arising from acquisition of non-controlling interests	31,244	31,244	–
Payroll payable	875	1,263	780
Accrued listing expenses	–	2,758	3,776
Payables for purchase of property, plant and equipment	1,684	970	196
Amounts due to subsidiaries	400	51,453	79,453
Other payables	65	136	165
Total	34,268	87,824	84,370

* Payments of RMB4,500,000 and RMB26,744,000 were made to Hangzhou Ganming Investment Management Partnership (Limited Partnership) on January 21, 2025, and March 3, 2025, respectively.

** Hangzhou Hanx has been selected for the Hangzhou Hi-Tech Zone "5050 Plan", enjoying certain policy support and service. Hangzhou Hanx's promises to the local government include, among others, remaining in the Hangzhou Hi-Tech Zone, not reducing capital and not changing its capital structure. In the absence of exemption from certain warranties, Hangzhou Hanx may be subject to recovery of funding and compensation for losses incurred due to its breach. The RMB4,000,000 received was recognised as refund liabilities.

23. DEFERRED TAX

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

Deferred tax assets

	Losses available for offsetting against future taxable profits	Leases liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	5,891	101	5,992
Deferred tax credited/(charged) to profit or loss during the year *(note 11)*	(5,891)	3,657	(2,234)
At 31 December 2023 and 1 January 2024	–	3,758	3,758
Deferred tax credited/(charged) to profit or loss during the year *(note 11)*	5,832	(800)	5,032
At 31 December 2024 and 1 January 2025	5,832	2,958	8,790
Deferred tax credited/(charged) to profit or loss during the period *(note 11)*	(5,020)	(89)	(5,109)
At 31 August 2025	812	2,869	3,681

Deferred tax liabilities

	Gains arising from disposal of an associate	Fair value adjustments arising from disposal of an associate	Right of use assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	35,938	70,727	110	106,775
Deferred tax credited to the statement of profit or loss during the year *(note 11)*	(7,946)	(8,411)	3,808	(12,549)
At 31 December 2023	27,992	62,316	3,918	94,226
Deferred tax credited to the statement of profit or loss during the year *(note 11)*	(5,125)	(705)	(841)	(6,671)
At 31 December 2024	22,867	61,611	3,077	87,555
Deferred tax credited to the statement of profit or loss during the period *(note 11)*	(11,099)	(6,059)	(446)	(17,604)
At 31 August 2025	11,768	55,552	2,631	69,951

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December		As at 31 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax liabilities recognised in the consolidated statement of financial position	90,468	78,765	66,270

Deferred tax assets have not been recognised in respect of the following items:

	As at 31 December		As at 31 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Tax losses	15,582	36,869	60,284
Deductible temporary differences	71,058	71,670	79,783
Total	86,640	108,539	140,067

24. REDEMPTION LIABILITIES ON ORDINARY SHARES

	As at 31 December		As at 31 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Series A	5,000	5,000	5,000
Series B	91,379	91,379	91,379
Series B+	–	21,305	21,305
Interest payable related to redemption liabilities	5,109	13,880	20,797
	101,488	131,564	138,481

In 2017, Hangzhou Hanx, a subsidiary of the Company, completed Series A financing, one of the Series A Investors is Betta Pharmaceuticals Co., Ltd., ("Betta Pharmaceuticals"). Betta Pharmaceuticals subscribed for approximately 7.14% equity interests in Hangzhou Hanx at a consideration of RMB5 million. In 2023, the Company entered into an asset reorganization agreement (the "Asset Reorganization Agreement") with Series A Investors, Betta Pharmaceuticals agreed to transfer its 6.25% equity interests in Hangzhou Hanx to the Company.

In 2023, Series B Investors agreed to subscribe for approximately RMB0.78 million registered capital in our Company at a total consideration of approximately RMB91.38 million.

In 2024, Yangtze Investment (HK) Limited, agreed to subscribe for approximately RMB0.78 million registered capital in our Company at a total consideration of approximately RMB10.65 million. Hanx Biopharmaceuticals (HK) transferred 0.87% of its equity of the Company with registered capital of RMB0.1 million to Hainan Yangzi Investment Co., Ltd ("Hainan Yangzi") for a total consideration of approximately RMB10.65 million after which Hainan Yangzi owns the same right of redemption as other Investors.

Significant terms of the equity interests above that will impact the accounting treatment of the Group are outlined below:

(a) Redemption features

In the event that the Company fails to consummate a Qualified Public Offering on or prior to 1 January 2028 (the "Closing Date") then the investment from the Series A, B and B+ Investors shall have the right, but not the obligation, by sending a written notice (the "Redemption Notice") to the Company, to request the Company to redeem all or a portion of the then outstanding Preferred Shares held by such Preferred Shareholder (the "Redemption Share") (each such requesting Preferred Shareholder, a "Requesting Holder").

Besides, on or prior to December 31, 2026 in the event that (i) the HX009 project-related drugs fail to submit a New Drug Application (NDA) or a Biologic License Application (BLA) to the National Medical Products Administration (NMPA) or the U.S. Food and Drug Administration (FDA), (ii) the HX301 project-related drugs fail to submit a NDA to NMPA and (iii) the Company fails to complete financing of no less than RMB50,000,000 at a pre-investment valuation of RMB2.2 billion, Wuhan Donggaorensi Equity Investment Partnership (Limited Partnership) (武漢市東高仁思股權投資合夥企業(有限合夥) and an individual Investor Ms. Xiao shall also have the right to request the Company to redeem all or a portion of the then Redemption Share.

Each Requesting Holder is entitled to receive, with respect to each of its respective Redemption Shares, an amount (the "Preferred Shareholder Preference Amount") equal to the higher amount of (a) sum of the Preferred Share Original Issue Price plus an interest accrued at a simple interest rate of 8% per annum on the Preferred Share Original Issue Price for the period starting from (and including) the applicable Closing Date until (and including) the Redemption Date and, (b) the book value of the equity interest of the Company by the Preferred Shareholder as of the Closing Date.

Pursuant to a termination agreement entered into among the Shareholders and the Company relating to such special rights dated 22 November 2024, the redemption right ceased to be effective from the day before the date of the first submission of the first listing application form for the Listing and all other special rights ceased to be effective upon Listing provided that all such special rights shall be automatically reinstated as if the termination of such rights had never taken place in the event where (i) the Company withdraws its application for the public offering, (ii) the Stock Exchange, the Securities and Futures Commission (SFC) or any competent securities regulatory authority has decided not to approve or to reject the listing application of the Company or otherwise terminate the listing application review procedure, or (iii) the Company fails to complete the public offering before 31 December 2025.

(b) Presentation and Classification

The redemption obligations give rise to financial liabilities, which are measured at the net present value of the redemption amount. Pursuant to the agreement signed in 2023, the trigger condition would be taken place in the event where the Company fails to complete the public offering before 1 January 2028. Pursuant to the termination agreement entered into among the Shareholders and the Company relating to such special rights dated 22 November 2024, the redemption right would be triggered in the event where the Company fails to complete the public offering before 31 December 2025. Therefore, the redemption liabilities in 2024 and eight months ended 31 August 2025 were classified as current liabilities, while those in 2023 were classified as non-current liabilities.

The movements in redemption liabilities on ordinary shares of the Group during the Relevant Periods are as follows:

	Series A	Series B	Series B+	Interest payable	Total Shares
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	5,000	–	–	2,898	7,898
Recognition of redemption liabilities on Series A Shares and Series B Shares	–	91,379	–	2,211	93,590
At 31 December 2023	5,000	91,379	–	5,109	101,488

	Series A	Series B	Series B+	Interest payable	Total Shares
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Recognition of redemption liabilities on Series B+ Shares	–	–	21,305	629	21,934
Recognition of redemption liabilities on Series A Shares and Series B Shares	–	–	–	8,142	8,142
At 31 December 2024	5,000	91,379	21,305	13,880	131,564
Recognition of redemption liabilities on Series A Shares, Series B Shares and Series B+	–	–	–	6,917	6,917
At 31 August 2025	5,000	91,379	21,305	20,797	138,481

25. PAID-IN CAPITAL/SHARE CAPITAL

Pursuant to the shareholders' resolutions dated 8 October 2024, the then existing shareholders of the Company approved the conversion of the Company into a joint stock company with limited liabilities with 11,789,783 shares in a nominal value of RMB1.0 each. The net assets of the Company as of 31 August 2024 under PRC GAAP audited by an independent auditor were converted to 11,789,783 ordinary shares at RMB1.0 each and issued to the then shareholders of the Company in proportion to their capital contribution to the Company. The remaining amount was converted into share premium. Upon the completion of registration with the Administration for Market Regulation of the Hubei (湖北省市場監督管理局) on 1 November 2024, the Company was converted into a joint stock company with limited liability.

A summary of movements in the Company's paid-in capital is as follows:

	Notes	Total
		RMB'000
As at 1 January 2023		3,600
Increase of paid-in capital upon reorganization and acquisition of non-controlling interests	*(a)*	3,215
Capital injection by settlement of liabilities	*(b)*	1,930
Capital injection	*(c)*	780
At 31 December 2023 and 1 January 2024		9,525
Capital injection	*(d)*	2,265
As at 31 December 2024, 1 January 2025 and 31 August 2025		11,790

Notes:

(a) In January 2023, the Company entered into an asset reorganisation agreement (the "Asset Reorganisation Agreement") with Beijing Lapam Biopharmaceutical Venture Capital Center (Limited Partnership) (北京龍磐生物醫藥創業投資中心(有限合夥)) ("Beijing Lapam"), Betta Pharmaceuticals Co., Ltd. (貝達藥業股份有限公司) ("Betta Pharmaceuticals"), Hangzhou Hongye Ruiji Investment Partnership (Limited Partnership) (杭州紅業睿吉投資合夥企業(有限合夥)) ("Hangzhou Hongye Ruiji"), Hangzhou Ganming Investment Management Partnership (Limited Partnership) (杭州甘明投資管理合夥企業(有限合夥)) ("Hangzhou Ganming"), Cai Zhang Biotechnology (Hangzhou) Co., Ltd.* (蔡張生物科技(杭州)有限責任公司) ("CZ Biotechnology") and Hangzhou Hanx. as set out in the paragraph headed "Investment by Series A Investors" in the section headed "History, Development and Corporate Structure" in this Prospectus.

Pursuant to the Asset Reorganisation Agreement, (i) Hangzhou Ganming agreed to transfer its 26.25% equity interests in Hangzhou Hanx to the Company at a cash consideration of RMB33,174,000; (ii) Beijing Lapam agreed to transfer its 12.5% equity interests in Hangzhou Hanx to the Company at a consideration of RMB16,510,000, which was settled by the subscription of 14.71% equity interests in the Company; (iii) Hangzhou Hongye Ruiji agreed to transfer its 12.5% equity interests in Hangzhou Hanx to the Company at a consideration of RMB16,510,000, which was settled by the subscription of 14.71% equity interests in the Company; and (iv) Betta Pharmaceuticals agreed to transfer its 6.25% equity interests in Hangzhou Hanx to the Company at a consideration of RMB8,250,000, which was settled by the subscription of 7.35% equity interests in the Company. The paid-in capital and capital reserve of the Company to acquire the non-controlling interests above is amounted to RMB3,215,000 and RMB219,119,000, respectively. Upon completion of the above transaction, the Company owned as to 85% of Hangzhou Hanx.

(b) In November 2018, CZ Biotechnology provided up to RMB1,900,000 loans to Hangzhou Ganming with an interest rate of 0.5% per annum. In April 2023, CZ Biotechnology transferred the loan to the Company at a consideration of RMB1,930,000 and the loan was converted to paid-in capital.

(c) In May 2023, the Company entered into an investment agreement with Wuhan Donggaorensi Equity Investment Partnership (Limited Partnership) (武漢市東高仁思股權投資合夥企業(有限合夥)) ("Wuhan Donggaorensi"), Hangzhou Taikun Equity Investment Fund Partnership (Limited Partnership) (杭州泰鯤股權投資基金合夥企業(有限合夥)) ("Hangzhou Taikun"), Tibet Lapam Small and Medium Enterprise Development Fund Equity Investment Partnership (Limited Partnership) (西藏龍磐中小企業發展基金股權投資合夥(有限合夥)) ("Tibet Lapam"), Lapam Capital HK Co., Limited ("Lapam Capital"), and Ms. Xiao Jieyu, pursuant to which total registered capital of RMB780,000 of the Company was subscribed by the above investors with a total consideration of RMB91,381,000 and the difference of RMB90,601,000 was credited to capital reserve.

(d) In May 2023, Hanx Biopharmaceuticals (HK) ("Hanx HK"), one of the employee shareholding platforms of the Group, subscribed for approximately 20% equity interests in the Company. USD307,714 (equivalent to RMB2,186,000) was received in May 2024. On June 12, 2024, Hainan Yangtze entered into an equity transfer agreement with Hanx HK, Dr. Zhang, CZ Biotechnology and the Company, pursuant to which Hanx HK agreed to transfer approximately 0.87% equity interests in the Company to Hainan Yangtze at a consideration of approximately RMB10.65 million. On June 15, 2024, Yangtze Hong Kong entered into a subscription agreement with Hainan Yangtze, Series A Investors, Series B Investors, Hanx HK, CZ Biotechnology, Dr. Zhang and the Company. Pursuant to the subscription agreement, Yangtze Hong Kong agreed to subscribe for approximately 0.66% equity interests in our Company in an amount of RMB10.65 million. On October 8, 2024, Ms. Xiao Jieyu entered into share transfer agreements with Mr. Liao Tong and Mr. Zou Zhiyong separately, pursuant to which Ms. Xiao transferred: (i) 2,135 Unlisted Shares (equivalent to RMB2,135 equity interests in our Company before the Conversion) to Mr. Liao; and (ii) 171 Unlisted Shares (equivalent to RMB171 equity interests in our Company before the Conversion) to Mr. Zou Zhiyong at nil consideration to unwind the nominee shareholding arrangement between Ms. Xiao Jieyu and Mr. Liao Tong and Mr. Zou Zhiyong.

26. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity of the Group.

(a) Capital reserve

The capital reserve represents share premium of the Group, the reserve arising pursuant to the acquisition of non-controlling interests, capital reorganisation and issue of shares. Details of the movements in capital reserve are set out in the consolidated statements of changes in equity of the Historical Financial Information.

(b) Exchange fluctuation reserve

The exchange fluctuation reserve is used to record exchange differences arising from the translation of the financial statements of entities of which the functional currency is not RMB.

(c) Share-based payment reserve

The share-based payment reserve represents the equity-settled share awards.

The Company

Year ended 31 December 2023

	Paid-in capital/ Share capital	Capital reserve	Other reserves	Accumulated losses	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	3,600	–	–	(265)	3,335
Loss for the year	–	–	–	(16,873)	(16,873)
Acquisition of non-controlling interests	3,215	38,049	–	–	41,264
Capital injection	780	90,601	–	–	91,381
Capital injection by settlement of liabilities	1,930	–	–	–	1,930
Redemption liabilities from Series A and B shares	–	–	(91,379)	–	(91,379)
At 31 December 2023	9,525	128,650	(91,379)	(17,138)	29,658

Year ended 31 December 2024

	Paid-in capital/ Share capital	Capital reserve	Other reserves	Share-based payment reserve	Accumulated losses	Total Equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	9,525	128,650	(91,379)	–	(17,138)	29,658
Loss for the year	–	–	–	–	(104,141)	(104,141)
Capital injection	2,265	10,577	–	–	–	12,842
Equity-settled share-based payment	–	–	–	22,348	–	22,348
Redemption liabilities from Series B+ shares	–	–	(21,305)	–	–	(21,305)
Conversion into a joint stock company *(note 26)*	–	(42,919)	–	–	42,919	–
At 31 December 2024	11,790	96,308	(112,684)	22,348	(78,360)	(60,598)

Eight months ended 31 August 2024

	Paid-in capital/ Share capital	Capital reserve	Other reserves	Share-based payment reserve	Accumulated losses	Total Equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	9,525	128,650	(91,379)	–	(17,138)	29,658
Loss for the period	–	–	–	–	(20,982)	(20,982)
Capital injection	2,265	10,577	–	–	–	12,842
Equity-settled share-based payment	–	–	–	5,561	–	5,561
Redemption liabilities from Series B+ shares	–	–	(21,305)	–	–	(21,305)
At 31 August 2024 (unaudited)	11,790	139,227	(112,684)	5,561	(38,120)	5,774

Eight months ended 31 August 2025

	Paid-in capital/ Share capital	Capital reserve	Other reserves	Share-based payment reserve	Accumulated losses	Total Equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	11,790	96,308	(112,684)	22,348	(78,360)	(60,598)
Loss for the period	–	–	–	–	(52,363)	(52,363)
Equity-settled share-based payment	–	–	–	16,048	–	16,048
At 31 August 2025	11,790	96,308	(112,684)	38,396	(130,723)	(96,913)

27. SHARE INCENTIVE PLAN

2022 Share Incentive Plan

Pursuant to the written resolutions of the shareholders of the Company passed in January 2022, the board of directors of Hangzhou Hanx Biopharmaceuticals Ltd. ("Hangzhou Hanx"), a subsidiary of the Company established in the PRC, passed a resolution to adopt share incentive plan for senior executives (the "2022 Share Incentive Plan") to promote the success of the Group and to incentivize senior executives of the Group. During the year ended 31 December 2022, Hangzhou Hanx granted share options and restricted share units ("RSUs") to eligible senior executives of the Group.

Pursuant to the 2022 Employee Incentive Plan, Hangzhou Hanx granted a total of 11,027,549 share options and 2,250,000 RSUs to certain employees of the Group.

2022 RSU Plan

Pursuant to the 2022 Share Incentive Plan, 2,250,000 RSUs were granted in January 2022 to eligible participants at the subscription price of USD0.15 per share ("2022 RSU Plan"). All RSUs were granted to the senior executives in January 2022 with no vesting conditions.

The following RSUs were outstanding under the 2022 Share Incentive Plan during the Relevant Periods.

	Number of RSU
As at 1 January 2023	2,250,000
Granted during the year	–
As at 31 December 2023 and 1 January 2024	2,250,000
Granted during the year	–
As at 31 December 2024 and 1 January 2025	2,250,000
Granted during the period	–
As at 31 August 2025	2,250,000

The fair value of RSUs at grant date were estimated at RMB28.17/unit as at the date of grant by reference to recent financing valuation of the Group.

The Back-solve Method was used to determine the underlying equity fair value of the RSUs and the equity allocation model to determine the fair value of the underlying ordinary shares granted. Key assumptions, including the risk-free interest rate, volatility, dividend yield rate and DLOM are required to be determined by the directors of the Company with best estimates.

	At grant dates
Risk-free interest rate (%)	2.28
Volatility (%)	60
Dividend yield (%)	0
DLOM (%)	24

2022 Share Option Plan

Pursuant to the 2022 Share Incentive Plan, 11,027,549 share options were granted in January 2022 to eligible participants at the subscription price of USD0.15 per share ("*2022 Share Option Plan*"). The shares of the options granted during the Relevant Periods are vesting in the parts of 33%, 33% and 34% on the first, second and third anniversaries of the vesting commencement date. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the share option plan as an equity-settled plan.

The fair value of the share options at grant date was RMB47,479,000.

During the year ended 31 December 2023, 2024 and 31 August 2025, share-based payment compensation expenses of RMB15,492,000, RMB5,748,000 and RMB4,113,000 were charged to profit or loss under the 2022 Share Option Plan.

The following share options were outstanding under the 2022 Employee Incentive Plan during the Relevant Periods.

	Weighted average exercise price	Number of share options
	USD per share	
As at 1 January 2023	0.15	11,027,549
Granted during the year	–	–
As at 31 December 2023 and 1 January 2024	0.15	11,027,549
Granted during the year	–	–
Conversion to 2024 Share Option Plan *(Note)*	(0.15)	(11,027,549)
As at December 2024	–	–

Note: The Company granted 11,027,549 share options of the Company to participants of 2022 Share Option Plan as mentioned in the paragraph and were conversed to 2024 Share Option Plan as mentioned in the 2024 Share Incentive Plan below.

The fair value of share-based payment compensations granted under the 2022 Share Option Plan during the Relevant Periods was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	At grant dates
Dividend yield (%)	0
Expected volatility (%)	59.26
Risk-free interest rate (%)	2.78
Expected life of options (year)	7.96 – 10.96

2024 Share Incentive Plan

Pursuant to the written resolutions of the shareholders of the Company passed in August 2024, the board of directors of the Group passed a resolution to modify the share incentive plan by converting the platform of share award from Hangzhou Hanx to Hanx HK one of the employee shareholding platforms of the Group (the "2024 Share Incentive Plan"). Under the 2024 Share Incentive Plan, the eligible participants of the 2022 Share Incentive Plan and the number of underlying shares of the Group awarded remain unchanged.

2024 RSU Plan

Pursuant to the 2024 Share Incentive Plan, the same eligible participants of the 2022 Share Incentive Plan were granted with the same number of RSUs and vesting period of the 2022 RSU Plan, representing 2,250,000 shares ("2024 RSU Plan"). Except that the 2024 RSU Plan requires that RSUs be unlocked only after the successful IPO, there are no other modifications to the restrictions related to the RSUs.

No incremental fair value is expected to be recognised for the modification because the modification as assessed by the management of the Company will not cause the increase in the total fair value of the share-based payments as measured at the date of modification.

2024 Share Option Plan

Pursuant to the 2024 Share Incentive Plan, the same eligible participants of the 2022 Share Incentive Plan were granted with the same number of share options and vesting period of the 2022 Share Option Plan, representing 11,027,549 shares and newly granted a total of 327,942 share options to a senior executive in August 2024, which were granted in Hanx HK, and a total of 304,507 share options to certain employees of the Group, which were granted in Wuhan Hansitai Management Consulting Partnership (Limited Partnership) ("Wuhan Hansitai"), an employee incentive platform established in the PRC ("2024 Share Option Plan").

The following share options were outstanding under the 2024 Share Option Plan (Hanx HK platform) during the Relevant Periods.

	Weighted average exercise price	Number of share options
	USD per share	
As at 1 January 2024	–	–
Conversion from 2022 Share Option Plan *(Note)*	0.15	11,027,549
Granted during the year	1.37	327,942
As at 31 December 2024 and 1 January 2025	0.19	11,355,491
Granted during the period	–	–
As at 31 August 2025	0.19	11,355,491

Note: The Company also granted 11,027,549 share options of the Company to participants of 2022 Share Option Plan as mentioned in the paragraph headed "2022 Share Option Plan" in this note.

The exercise prices and exercise periods of the share options outstanding as at the end of each of the Relevant Periods are as follows:

As at 31 December 2023, 2024 and 31 August 2025

Number of options	Date of grant	Exercise price	Exercise period
		USD per share	
327,942	22 August 2024	1.37	22 August 2024 to 22 August 2032

The Group applied the binomial model to determine the fair value of the share options issued at the date of issuance. Key assumptions are set out below:

	At grant dates
Dividend yield (%)	0%
Expected volatility (%)	68.94%-69.93%
Risk-free interest rate (%)	1.88%-2.09%
Expected life of options (year)	8

The fair value of the share options at grant date during the years ended 31 December 2024 was RMB20,457,022. The shares of the options granted during the Relevant Periods are vesting in the parts of 33%, 33% and 34% on the first, second and third anniversaries of the vesting commencement date. The share-based payments expenses relating to share options recognised in profit or loss was RMB8,526,000 and RMB6,130,000 during the years ended 31 December 2024 and eight months ended 31 August 2025.

The following share options were outstanding under the 2024 Share Incentive Plan (Wuhan Hansitai platform) during the Relevant Periods.

	Weighted average exercise price	Number of share options
	USD per share	
As at 1 January 2024	–	–
Granted during the year	1.28	304,507
As at 31 December 2024 and 1 January 2025	1.28	304,507
Granted during the period	–	–
As at 31 August 2025	1.28	304,507

The exercise prices and exercise periods of the share options outstanding as at the end of each of the Relevant Periods are as follows:

As at 31 December 2024 and 31 August 2025

Number of options	Date of grant	Exercise price	Exercise period
		USD per share	
304,507	22 August 2024	1.28	22 August 2024 to 22 August 2032

The Group applied the binomial model to determine the fair value of the share options issued at the date of issuance. Key assumptions are set out below:

	At grant date
	2024/8/22
Dividend yield (%)	0%
Expected volatility (%)	68.94%–69.93%
Risk-free interest rate (%)	1.88%–2.10%
Expected life of options (year)	8

The fair value of the share options at grant date during the years ended 31 December 2024 was RMB19,372,735.

Each grant of share awards need to meet service requirements from the date of grant to the later of three years since the grant date (the "Service Period"). The shares of the options granted during the Relevant Periods are vesting in the parts of 25%, 25%, 25% and 25% on the grant date, first, second and third anniversaries of the vesting commencement date. The share-based payments expenses relating to share options recognised in profit or loss were RMB8,074,000 and RMB5,805,000 during the years ended 31 December 2024 and eight months ended 31 August 2025.

28. INTEREST-BEARING BANK BORROWINGS

	As at 31 December 2023			As at 31 December 2024			As at 31 August 2025		
	Effective interest rate (%)	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*
Current									
Secured bank loans	–	–	–	–	–	–	3	2026	10,000
Unsecured bank loans	–	–	–	–	–	–	2.8-3.1	2025-2026	40,000
Total			–			–			50,000

	As at 31 December		As at 31 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Analysed into:			
Bank loans repayable:			
Within one year or on demand	–	–	50,000
Total	–	–	50,000

(a) Certain of the Group's bank loans were secured by Wuhan Optics Valley Technology Financing Guarantee Co., Ltd.

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Major non-cash transactions

During the years ended 31 December 2023, 2024 and 31 August 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB15,714,000, nil and RMB458,000 respectively, in respect of lease arrangements for offices.

During the year ended 31 December 2023, the Group had non-cash additions to paid-in capital, reserves and other payables of RMB3,215,000, RMB219,119,000 and RMB33,174,000, respectively, and a non-cash reduction to non-controlling interests of RMB255,508,000 in respect of the purchases the non-controlling shareholder's equity interests in Hangzhou Hanx by issuing shares of the Company as disclosed in note 25.

During the year ended 31 December 2023, the Group had a non-cash addition to paid-in capital and a non-cash reduction to other payables of RMB1,930,000 in respect of the loan to the Company, which was converted to paid-in capital as disclosed in note 25.

(a) Changes in liabilities arising from financing activities

	Redemption liabilities	Lease liabilities
	RMB'000	*RMB'000*
At 1 January 2023	7,898	409
Accretion of interest recognized during the year	2,211	69
Additional redemption liabilities on Series B shares classified as financing cash flows	91,379	–
New leases	–	15,714
Payments classified as financing cash flows	–	(1,161)
At 31 December 2023	101,488	15,031

	Redemption liabilities	Lease liabilities
	RMB'000	*RMB'000*
At 1 January 2024	101,488	15,031
Accretion of interest recognised during the year	8,771	608
Increase in deferred listing expenses	–	–
Additional redemption liabilities on Series B+ shares classified as financing cash flows	21,305	–
New leases	–	–
Payments classified as financing cash flows	–	(3,808)
Payments classified as operating cash flows	–	–
At 31 December 2024	131,564	11,831

	Redemption Liabilities	Lease liabilities	Interest-bearing bank borrowings
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2025	131,564	11,831	–
Accretion of interest recognised during the period	6,917	339	276
New interest-bearing bank loans	–	–	50,000
New leases	–	458	–
Payments classified as financing cash flows	–	(1,962)	(276)
At 31 August 2025	138,481	10,666	50,000

(b) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	As at 31 December		As at 31 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within operating activities	789	233	58
Within financing activities	1,161	3,808	1,962
Total	1,950	4,041	2,020

(c) Commitments

The Group had the following capital commitments as at 31 December 2023, 2024 and 31 August 2025:

	As at 31 December		As at 31 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Leasehold improvements	1,959	463	464
Software	95	–	–
Total	2,054	463	464

30. RELATED PARTY TRANSACTIONS

(a) Name and relationship

The directors of the Group are of the opinion that the following companies are related parties that had transactions or balances with the Group during the Relevant Periods:

Name of related parties	Relationship with the Group
Waterstone Pharmaceuticals (Wuhan) Co., Ltd.	Entity significantly influenced by a director
Waterstone Pharmaceuticals (Hubei) Co., Ltd.	Entity significantly influenced by a director
Jiangsu Jinsrui Fuming Biotechnology Co., Ltd	Entity significantly influenced by a director
Stonycreek Pharmatch Co., Ltd	Entity significantly influenced by a director

(b) Transactions with related parties

The Group had the following transactions with related parties during the Relevant Periods:

The Group

	Year ended 31 December		Eight months ended 31 August	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Purchase of services:				
Waterstone Pharmaceuticals (Wuhan) Co., Ltd.	–	88	–	–
Waterstone Pharmaceuticals (Hubei) Co., Ltd.	952	548	194	99
Jiangsu Jinsrui Fuming Biotechnology Co., Ltd	–	3,012	3,012	2,786
Stonycreek Pharmatch Co., Ltd	792	–	–	–
	1,744	3,648	3,206	2,885

(c) Balances with related parties

	As at 31 December		As at 31 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Prepayments, other receivables and other assets (trade):			
Waterstone Pharmaceuticals (Hubei) Co., Ltd.	–	73	–
Jiangsu Jinsrui Fuming Biotechnology Co., Ltd	–	6,422	3,635
Total	–	6,495	3,635
Trade payables (trade):			
Waterstone Pharmaceuticals (Wuhan) Co., Ltd.	47	47	–
Waterstone Pharmaceuticals (Hubei) Co., Ltd.	52	52	27
Total	99	99	27

(d) Compensation of key management personnel of the Group:

	Year ended 31 December		Eight months ended 31 August	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	1,670	5,251	3,385	7,058
Performance related bonuses	141	6,449	2,962	1,830
Social welfare and other benefits	–	169	109	113
Share-based payments	82	21,102	14,274	25,155
	1,893	32,971	20,730	34,156

31. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

(a) Financial assets

	As at 31 December		As at 31 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss:			
Variable consideration arising from disposal of an associate	249,264	246,443	222,206
Structured deposits and wealth management products	35,470	–	10,731
Financial assets at amortised cost:			
Financial assets included in prepayments, other receivables and other assets	76,737	40,446	17,982
Long-term time deposits at banks	20,016	–	–
Pledged deposits	500	–	–
Cash and cash equivalents	162,000	161,214	150,000
Total	543,987	448,103	400,919

(b) Financial liabilities

	As at 31 December		As at 31 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities at amortised cost:			
Trade payables	12,936	12,293	16,225
Financial liabilities included in other payables and accruals	33,108	35,631	4,229
Redemption liabilities	101,488	131,564	138,481
Lease liabilities	15,031	11,831	10,666
Total	162,563	191,319	169,601

32. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	As at 31 December 2023		As at 31 December 2024		As at 31 August 2025	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets						
Variable consideration arising from disposal of an associate	249,264	249,264	246,443	246,443	222,206	222,206
Structured deposits and wealth management products	35,470	35,470	–	–	10,731	10,731
	284,734	284,734	246,443	246,443	232,937	232,937

Management has assessed that the fair values of cash and cash equivalents, the current portion of pledged deposits, trade payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the financial controller is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each of the Relevant Periods, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The Group invests in structured deposits, which represent financial products issued by the bank. The Group has estimated the fair value of these structured deposits by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks. Further details are set out in note 19 to the Historical Financial Information.

Below is a summary of the valuation technique to the valuation of financial instruments as at the year ended 31 December 2023, 2024 and the eight months ended 31 August 2025:

	Valuation technique	Significant unobservable inputs	Rate	Sensitivity of fair value to the input
Variable consideration arising from disposal of an associate	Discounted cash flow method	Discount rate Risk-free interest rate	14.87%-15.29%	*Note (a)*

Note:

(a) 1% increase/decrease in discount rate, with all other variables held constant, would decrease/increase the fair value of variable consideration arising from disposal of an associate by RMB14,951,000/RMB16,307,000, RMB16,446,100/RMB17,937,700 and RMB11,452,000/RMB12,366,000 as at 2023, 2024 and 31 August 2025.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2023				
Variable consideration arising from disposal of an associate	–	–	249,264	249,264
Structured deposits and wealth management products	–	35,470	–	35,470
Total	–	35,470	249,264	284,734
As at 31 December 2024				
Variable consideration arising from disposal of an associate	–	–	246,443	246,443
Total	–	–	246,443	246,443
As at 31 August 2025				
Variable consideration arising from disposal of an associate	–	–	222,206	222,206
Structured deposits and wealth management products	–	10,731	–	10,731
Total	–	10,731	222,206	232,937

The Group did not have any financial liabilities measured at fair value as at the end of each of the Relevant Periods.

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, pledged deposits, financial assets at FVTPL, prepayments, other receivables and other assets, other payables and accruals, trade payables, lease liabilities. The main purpose of these financial instruments is to support the Group's operations. The Group has various other financial assets and liabilities such as trade payables which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarized below:

(a) Credit risk

The Group trades only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging as at 31 December 2023, 2024 and 31 August 2025.

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification at the end of each of the Relevant Periods. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets included in prepayments, other receivables and other assets					
– Normal*	76,737	–	–	–	76,737
Pledged deposits					
– Not yet past due	500	–	–	–	500
Cash and cash equivalents					
– Not yet past due	162,000	–	–	–	162,000
Long-term time deposits at banks					
– Not yet past due	20,016	–	–	–	20,016
Total	259,253	–	–	–	259,253

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets included in prepayments, other receivables and other assets					
– Normal*	40,446	–	–	–	40,446
Cash and cash equivalents					
– Not yet past due	161,214	–	–	–	161,214
Total	201,660	–	–	–	201,660

As at 31 August 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets included in prepayments, other receivables and other assets					
– Normal*	17,982	–	–	–	17,982
Cash and cash equivalents					
– Not yet past due	150,000	–	–	–	150,000
Total	167,982	–	–	–	167,982

* The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

(b) Liquidity risk

In the management of liquidity risk, the Group monitors and maintains a level of cash and bank balances deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on contractual undiscounted payments, is as follows:

	As at 31 December 2023				
	On demand	Within 1 year	1 to 3 years	Over 3 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities included in other payables and accruals	1,864	31,244	–	–	33,108
Trade payables	–	12,936	–	–	12,936
Redemption liabilities	–	–	–	149,119	149,119
Lease liabilities	–	3,348	13,938	–	17,286
Total	1,864	47,528	13,938	149,119	212,449

	As at 31 December 2024				
	On demand	Within 1 year	1 to 3 years	Over 3 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities included in other payables and accruals	4,387	31,244	–	–	35,631
Trade payables	–	12,293	–	–	12,293
Redemption liabilities	–	142,089	–	–	142,089
Lease liabilities	–	3,635	9,693	–	13,328
Total	4,387	189,261	9,693	–	203,341

	As at 31 August 2025				
	On demand	Within 1 year	1 to 3 years	Over 3 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities included in other payables and accruals	4,229	–	–	–	4,229
Trade payables	–	16,225	–	–	16,225
Redemption liabilities	–	138,481	–	–	138,481
Lease liabilities	–	3,887	7,414	1,000	12,301
Total	4,229	158,593	7,414	1,000	171,236

(c) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise owners' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to owners, return capital to owners or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

34. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below.

	As at 31 December		As at 31 August
	2023	2024	2025
Percentage of equity interest held by non-controlling interests:			
Wuhan Hanzhong Biotechnology Co., Ltd.	15%	15%	15%

	As at 31 December		As at 31 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Loss for the year allocated to non-controlling interests:			
Wuhan Hanzhong Biotechnology Co., Ltd.	8,310	3,251	3,067
Accumulated balances of non-controlling interests at the reporting date:			
Wuhan Hanzhong Biotechnology Co., Ltd.	63,518	60,267	57,200

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations.

	As at 31 December		As at 31 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Total expenses	34,533	30,831	24,651
Loss for the year	55,401	21,675	20,444
Total comprehensive loss for the year/period	55,401	21,675	20,444
Current assets	512,374	448,956	418,775
Non-current assets	54,031	53,500	53,531
Current liabilities	52,633	21,914	24,621
Non-current liabilities	90,320	78,765	66,351
Net cash flows from/(used in) operating activities	29,394	(62,076)	(17,725)
Net cash flows from investing activities	76,964	26,921	10,779
Net increase/(decrease) in cash and cash equivalents	106,358	(35,155)	(6,946)
Cash and cash equivalents at beginning of year/period	24,304	130,662	95,507
Cash and cash equivalents at end of year/period	130,662	95,507	88,561

35. EVENTS AFTER THE RELEVANT PERIODS

There were no material subsequent events after the end of the Relevant Periods that require additional disclosure or adjustments.

36. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 August 2025.

The following information sets out in this appendix does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Reporting Accountants, as set out in Appendix I to this prospectus, and is included herein for illustrative purpose only. The unaudited pro forma financial information should be read in conjunction with "Financial Information" and the Accountants' Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted consolidated net tangible assets has been prepared in accordance with Rule 4.29 of the Hong Kong Listing Rules and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants for illustration purposes only, and is set out here to illustrate the effect of the Global Offering on our consolidated net tangible assets as at 31 August 2025 as if it had taken place on 31 August 2025.

The unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Global Offering been completed as at 31 August 2025 or any future dates. It is prepared based on our consolidated net tangible assets as at 31 August 2025 as set out in the Accountants' Report as set out in Appendix I to this prospectus and adjusted as described below.

	Consolidated net tangible assets of the Group attributable to owners of the Company as at 31 August 2025	**Estimated net proceeds from the Global Offering**	**Estimated impact to the consolidated net tangible assets upon conversion of Preferred Shares**	**Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company as at 31 August 2025**	**Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share as at 31 August 2025**	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB*	*HK$*
	(Note 1)	*(Note 2)*	*(Note 3)*		*(Note 4)*	*(Note 5)*
Based on an Offer Price of HK$28.00 per Offer Share . .	97,221	432,463	138,481	668,165	4.91	5.40
Based on an Offer Price of HK$32.00 per Offer Share . .	97,221	497,088	138,481	732,790	5.38	5.92

Notes:

1. The consolidated net tangible assets of the Group attributable to owners of the Company as at 31 August 2025 was equal to the consolidated net assets attributable to owners of the parent as at 31 August 2025 of RMB97.8 million after deducting intangible assets of attributable to the owners of the Company as at 31 August 2025 of RMB0.6 million, as shown in the Accountants' Report in Appendix I to this prospectus.

2. The estimated net proceeds from the Global Offering are based on the Offer Price at the indicative Price of HK$28 and HK$32 per Share, after deduction of the underwriting fees and other related expenses payable by the Group (excluding the listing expenses that have been charged to profit or loss during the Track Record Period) and do not take into account of any Shares which may be issued upon the exercise of the Over-Allotment Option and/or under the Pre-IPO Share Plan. The estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi at an exchange rate of HK$1.0 to RMB0.90919. No representation is made that the Hong Kong dollar amounts have been, could have been or may be converted to Renminbi, or vice versa, at that rate or any other rates or at all.

3. The Preferred Shares would have converted into ordinary shares upon completion of Global Offering. The conversion of Preferred Shares would have reclassified such preferred shares amounting to RMB138.5 million from liabilities to equity and accordingly increased the unaudited pro forma adjusted consolidated net tangible assets of the Group as at 31 August 2025 by RMB138.5 million.

4. The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company and the amount per share are arrived at after adjustments referred to in the preceding paragraphs (note 2 and note 3 above) and on the basis that 136,218,830 shares were in issue assuming that the automatic conversion of Preferred Shares into ordinary shares the Capitalisation Issue and Global Offering had been completed on 31 August 2025.

5. For the purpose of this unaudited pro forma statement of adjusted net tangible assets, the balances stated in RMB are converted into HK$ at the rate of HK$1.00 to RMB0.90919.

6. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to 31 August 2025.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

To the Directors of Hanx Biopharmaceuticals (Wuhan) Co., Ltd.

We have completed our assurance engagement to report on the compilation of pro forma financial information of Hanx Biopharmaceuticals (Wuhan) Co., Ltd. (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The pro forma financial information consists of the pro forma consolidated net tangible assets as at 31 August 2025, and related notes as set out on pages II-1 to II-2 of the prospectus dated 15 December 2025 issued by the Company (the "**Pro Forma Financial Information**"). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in Appendix II to the Prospectus.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the (1) the Global Offering and (2) conversion of Preferred Shares into ordinary shares on the Group's financial position as at 31 August 2025 as if the transaction had taken place at 31 August 2025. As part of this process, information about the Group's financial position, has been extracted by the Directors from the Group's financial statements for the period ended 31 August 2025, on which an accountants' report has been published.

Directors' responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and

- the Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong
15 December 2025

TAXATION OF SECURITY HOLDERS

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are residents or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current effective laws and practices, and no predictions are made about changes or adjustments to relevant laws or policies, and no legal or tax comments or suggestions are made accordingly. The discussion has no intention to deal with all possible tax consequences resulting from the investment in H Shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulations. Accordingly, investors should consult your own tax advisor regarding the tax consequences of an investment in H Shares. The discussion is based upon laws and relevant interpretations in effect as of the date of this document, which is fully subject to change or adjustment and may have retrospective effect.

No issues on the PRC taxation other than dividend tax, income tax, stamp duty and estate duty are referred in the discussion below. Prospective investors are urged to consult their financial advisors regarding the PRC, Hong Kong and other tax consequences of owning and disposing of H Shares.

Dividend Tax

Individual Investors

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》) (the "IIT Law"), which was latest amended on August 31, 2018 and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》), which was latest amended on December 18, 2018, dividends distributed by PRC enterprises are subject to a PRC withholding tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to a withholding tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty.

Pursuant to the Notice of State Administration of Taxation (the "SAT") on Issues Concerning the Administration of Individual Income Tax Collection after the Annulment of the Document Guo Shui Fa [1993] No. 045 (《國家税務總局關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知》) issued by the SAT on June 28, 2011, domestic non-foreign-invested enterprises issuing shares in Hong Kong may, when distributing dividends, withhold individual income tax at the rate of 10%. For the individual holders of H Shares receiving dividends who are citizens of countries that have entered into a tax treaty with the PRC with tax rates lower than 10%, the non-foreign-invested enterprise whose shares are listed in Hong Kong may apply on behalf of such holders for enjoying the lower preferential tax treatments, and, upon approval by the tax authorities, the amount which is over withheld will be refunded. For the individual holders of H shares receiving dividends who are citizens of countries that have entered into a tax treaty with the PRC with tax rates higher than 10% but

lower than 20%, the non-foreign-invested enterprise is required to withhold the tax at the agreed rate under the treaties, and no application procedures will be necessary. For the individual holders of H Shares receiving dividends who are citizens of countries without taxation treaties with the PRC or otherwise, the non-foreign-invested enterprise is required to withhold the tax at a rate of 20%.

Enterprise Investors

In accordance with the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) (the "EIT Law") effective as at December 29, 2018 and the Implementation Provisions for the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》) amended and came into effect on January 20, 2025, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from a PRC resident enterprise that issues shares in Hong Kong), if such non-resident enterprise does not have an establishment or place in the PRC or has an establishment or place in the PRC but the PRC-sourced income is not connected with such establishment or place in the PRC. The withholding tax may be reduced pursuant to applicable treaties for the avoidance of double taxation. Such income tax for non-resident enterprises is deducted at source, where the payer of the income are required to withhold the income tax from the amount to be paid to the non-resident enterprise when such payment is made or due.

The Circular on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》國税函[2008]897號) which was issued by the SAT on November 6, 2008, further clarified that a PRC-resident enterprise must withhold corporate income tax at a rate of 10% on dividends paid to non-PRC resident enterprise shareholders of H Shares with respect to the dividends of 2008 and onwards. In addition, the Response to Questions on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B-shares (Guo Shui Han [2009] No. 394) (《國家税務總局關於非居民企業取得B股等股票股息徵收企業所得税問題的批覆》國税函[2009]394號) which was issued by the SAT on July 24, 2009 and effective on the same date, further provides that any PRC-resident enterprise that is listed on overseas stock exchanges must withhold enterprise income tax at a rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprises. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has concluded with a relevant jurisdiction, where applicable.

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》) signed on August 21, 2006, the PRC Government may levy taxes on the dividends paid by a PRC company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, then such tax shall not exceed 5% of the total dividends payable by the PRC company. Pursuant

to the Fifth Protocol to the Arrangement between the Mainland of China and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《<內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排>第五議定書》), which became effective on December 6, 2019, the abovementioned provisions are not applicable to any arrangement which is primarily made for the purpose of obtaining the above taxation benefits. The application of the dividend clause of tax agreements is subject to the requirements of PRC tax law and regulation, such as the Notice of the SAT on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家税務總局關於執行税收協定股息條款有關問題的通知》) (Guo Shui Han [2009] No. 81).

Tax Treaties

Investors who are not PRC residents and reside in countries which have entered into avoidance of double taxation treaties with the PRC are entitled to a reduction of the withholding taxes imposed on the dividends received from PRC companies. The PRC has entered into arrangements for the avoidance of double taxation with a number of countries and regions including but not limited to Hong Kong, Macau, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant income tax treaties or arrangements are required to apply to the PRC tax authorities for a refund of the withholding tax in excess of the agreed tax rate, and the refund payment is subject to approval by the PRC tax authorities.

Income tax

Individual Investors

According to the IIT Law and its implementation provisions, gains realised on the sale of equity interests in PRC resident enterprises are subject to the income tax at a rate of 20%.

Pursuant to the Circular of the MOF and SAT on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《財政部、國家税務總局關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) (Cai Shui Zi [1998] No. 61) issued by the MOF and SAT on March 30, 1998, from January 1, 1997, income of individuals from transfer of the shares of listed enterprises continues to be exempted from individual income tax. SAT has not expressly stated whether it will continue to exempt tax on income of individuals from transfer of the shares of listed enterprises in the latest amended IIT Law and its implementation provisions.

However, on December 31, 2009, the MOF, SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (Cai Shui [2009] No. 167) (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的通知》) (財税[2009]167號), which provides that individuals' income from transferring listed shares on

certain domestic exchanges shall continue to be exempted from individual income tax, except for certain shares which are subject to sales limitations as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (Cai Shui [2010] No. 70) (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (財稅[2010]70號). As at the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the transfer of shares of PRC resident enterprises listed on overseas stock exchanges. To the knowledge of the Company, in practice, the PRC tax authorities have not collected income tax from non-PRC resident individuals on gains from the transfer of shares of PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

In accordance with the EIT Law and its implementation provisions, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or place in the PRC or has an establishment or place in the PRC but the PRC-sourced income is not connected with such establishment or place. Such income tax for non-resident enterprises is deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise when such payment is made or due. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Stamp Duty

Pursuant to the Provisional Regulations of the PRC on Stamp Duty (《中華人民共和國印花稅暫行條例》) effective on October 1, 1998 and amended on January 8, 2011, the Implementation Provisions of Provisional Regulations of the PRC on Stamp Duty (《中華人民共和國印花稅暫行條例實施細則》) effective on October 1, 1988, and the Stamp Tax Law of the PRC (《中華人民共和國印花稅法》) issued on June 10, 2021 and effective on July 1, 2022, PRC stamp duty only applies to documents executed or received within the PRC, having legally binding force in the PRC and protected under the PRC laws, thus the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the acquisition and disposal of H Shares by non-PRC investors outside of the PRC. Upon the Stamp Tax Law of the PRC coming into effect on July 1, 2022, the Provisional Regulations of the PRC on Stamp Duty shall be abolished simultaneously.

Estate Duty

As of the date of this document, no estate duty has been levied in the PRC under the PRC laws.

FOREIGN EXCHANGE

The lawful currency of the PRC is Renminbi, which is currently subject to foreign exchange control and cannot be freely converted into foreign currency. The State Administration of Foreign Exchange (the "SAFE"), with the authorization of the People's Bank of China (the "PBOC"), is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

Pursuant to the Administrative Regulations on Foreign Exchange of the People's Republic of China (《中華人民共和國外匯管理條例》) which was implemented on August 5, 2008, all international payments and transfers are classified into current account and capital account. Current account is subject to the reasonable examination of the veracity of transaction documents and the consistency between the transaction documents and the foreign exchange receipts and payments by financial institutions engaging in settlement and sale of foreign currencies, and supervision and inspection by the foreign exchange administrative authorities. For capital account, overseas organizations and individuals making direct investments in China shall, upon approval by the relevant competent authorities, process registration formalities with the foreign exchange administrative authorities. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and foreign exchange settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities. In the event that a material misbalance occurs or may occur in international revenues and expenditure, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard and control measures on international revenues and expenditure.

The Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》), which was promulgated by the PBOC on June 20, 1996 and implemented on July 1, 1996, removes other restrictions on convertibility of foreign exchange under current account, while imposing existing restrictions on foreign exchange transactions under capital account. Consequently, Renminbi is generally freely convertible for payments under current account, such as trade and service-related foreign exchange transactions and dividend payments, but remains to be not freely convertible under capital account, such as direct investment, loan or investment in securities outside of China unless prior approval of the SAFE or its local counterparts is obtained.

According to the Announcement on Improving the Reform of the Renminbi Exchange Rate Formation Mechanism (《關於完善人民幣匯率形成機制改革的公告》), which was issued by the PBOC and implemented on July 21, 2005, the PRC has started to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies since July 21, 2005. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar solely. The PBOC would publish the closing price of the exchange rate of the Renminbi against

trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of Renminbi against the currency on the following working day.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign invested enterprises) which need foreign exchange for current account transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at the designated foreign exchange bank, on the strength of valid transaction receipts and proof. Foreign invested enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises (such as our Company) which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange may, on the strength of resolutions of the board of directors or the shareholders' meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange bank, or effect exchange and payment at the designated foreign exchange bank.

According to the Decision of the State Council on Cancelling and Adjusting a Batch of Items Subject to Administrative Examination and Approval and Other Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) which was promulgated by the State Council on October 23, 2014, it decided to cancel the approval requirement of the SAFE and its branches for the remittance and settlement of the proceeds raised from the overseas listing of the foreign shares into Renminbi domestic accounts.

According to the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued by the SAFE and implemented on December 26, 2014, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the local branch office of the SAFE at the place of its establishment; the proceeds from an overseas listing of a domestic company may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content set out in the document and other disclosure documents.

According to the Circular of the SAFE on the Policies for Reforming and Standardizing Management of Foreign Exchange Settlement under the Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) which was promulgated by the SAFE, implemented on June 9, 2016 and was amended on December 4, 2023, foreign exchange receipts under capital account (including the repatriation of the proceeds from overseas listing) on which discretionary settlement have been clearly imposed under relevant policies, may be settled with banks according to actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign exchange receipts under capital account of domestic institutions is 100%, subject to adjustment of the SAFE in due time in accordance with international revenue and expenditure situations.

According to the Circular on Further Simplifying and Improving Policies for Foreign Exchange Administration for Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》), which was issued by the SAFE on February 13, 2015, implemented on June 1, 2015 and partially lapsed on December 30, 2019, the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment shall be directly examined and handled by banks and the foreign exchange authorities shall indirectly regulate the foreign exchange registration of direct investment through banks.

On January 26, 2017, the Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (Hui Fa [2017] No. 3) (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》) was promulgated by the SAFE and implemented to further expand the scope of settlement for domestic foreign exchange loans, allow settlement for domestic foreign exchange loans with export background under goods trading, allow repatriation of funds under domestic guaranteed foreign loans for domestic utilization, allow settlement for domestic foreign exchange accounts of foreign institutions operating in the Free Trade Pilot Zones, and adopt the model of full-coverage Renminbi and foreign currency overseas lending management, where a domestic institution engages in overseas lending, the sum of its outstanding overseas lending in Renminbi and outstanding overseas lending in foreign currencies shall not exceed 30% of its owner's equity in the audited financial statements of the preceding year.

On October 23, 2019, the SAFE issued the Notice on Further Facilitating Cross-Board Trade and Investment (Hui Fa [2019] No. 28) (《關於進一步促進跨境貿易投資便利化的通知》), which canceled restrictions on domestic equity investments made with capital funds by non-investing foreign-funded enterprises. In addition, restrictions on the use of funds for foreign exchange settlement of domestic accounts for the realization of assets have been removed and restrictions on the use and foreign exchange settlement of foreign investors' security deposits have been relaxed. Eligible enterprises in the pilot area are also allowed to use revenues under capital accounts, such as capital funds, foreign debts and overseas listing revenues for domestic payments without providing materials to the bank in advance for authenticity verification on an item by item basis, while the use of funds should be true, in compliance with applicable rules and conforming to the current capital revenue management regulations.

THE PRC LEGAL SYSTEM

The PRC legal system is based on Constitution of the People's Republic of China (《中華人民共和國憲法》, the "**Constitution**"), which was adopted on September 20, 1954 and subsequently amended on January 17, 1975, March 5, 1978, December 4, 1982, April 12, 1988, March 29, 1993, March 15, 1999, March 14, 2004 and March 11, 2018. The PRC legal system is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of State Council departments, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC government is a signatory and other regulatory document. Court judgments do not constitute legally binding precedents, although they are used for the purposes of judicial reference and guidance.

The National People's Congress (the "**NPC**") and its Standing Committee are empowered to exercise the legislative power of the State in accordance with the Constitution and the Legislation Law of the People's Republic of China (《中華人民共和國立法法》, the "**Legislation Law**"), which was adopted on March 15, 2000 and amended on March 15, 2015 and March 13, 2023. The NPC has the power to formulate and amend basic laws governing state authorities, civil, criminal and other matters. The Standing Committee of the NPC formulates and amends laws other than those required to be enacted by the NPC and to supplement and amend parts of the laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws.

The people's congresses of the provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people's congresses of cities divided into districts and their respective standing committees may formulate local regulations on aspects such as urban and rural construction and management, environmental protection and historical cultural protection based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. If the law provides otherwise on the matters concerning formulation of local regulations by cities divided into districts, those provisions shall prevail. Such local regulations will become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions but such local regulations shall conform with the Constitution, laws, administrative regulations, and the relevant local regulations of the relevant provinces or autonomous regions. The standing committees of the people's congresses of the provinces or autonomous regions examine the legality of local

regulations submitted for approval, and such approval should be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. Where, during the examination for approval of local regulations of cities divided into districts by the standing committees of the people's congresses of the provinces or autonomous regions, conflicts are identified with the rules and regulations of the people's governments of the provinces or autonomous regions concerned, a handling decision should be made by the standing committees of the people's congresses of provinces or autonomous regions to resolve the issue. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the ethnic groups in the areas concerned. The autonomous regulations and separate regulations of an autonomous region shall come into force after being reported to and approved by the Standing Committee of the NPC. The autonomous regulations and separate regulations of an autonomous prefecture or an autonomous county shall come into force after being reported to and approved by the standing committee of the people's congress of the province, autonomous region, or municipality directly under the Central Government.

The ministries and commissions of the State Council, the People's Bank of China, National Audit Office and the subordinate institutions with administrative functions directly under the State Council may formulate departmental rules within the jurisdiction of their respective departments based on the laws and administrative regulations, and the decisions and orders of the State Council. The people's governments of the provinces, autonomous regions, municipalities and cities or autonomous prefectures divided into districts may formulate rules and regulations based on the laws, administrative regulations and local regulations of such provinces, autonomous regions and municipalities.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the Standing Committee of the NPC. Pursuant to the Resolution of the Standing Committee of the NPC Providing an Improved Interpretation of the Law (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) implemented on June 10, 1981, the Supreme People's Court has the power to give interpretation on issues related to the application of laws and decrees in a court trial, and issues related to the application of laws and decrees in a prosecution process of a procuratorate should be interpreted by the Supreme People's Procuratorate. If there is any disagreement in principle between Supreme People's Court's interpretations & Supreme People's Procuratorate's interpretations, such issues shall be reported to the Standing Committee of the NPC for interpretation or judgment. The other issues related to laws and decrees other than the abovementioned should be interpreted by the State Council and the competent authorities. The State Council and its ministries and commissions are also vested with the power to give interpretations of the administrative regulations and departmental rules which they have promulgated. At the regional level, the power to interpret regional laws is vested in the regional legislative and administrative authorities which promulgate such laws.

THE PRC JUDICIAL SYSTEM

Under the Constitution and the Law of Organization of the People's Courts of the People's Republic of China (《中華人民共和國人民法院組織法》), which is adopted on September 21, 1954 and subsequently amended on July 5, 1979, September 2, 1983, December 2, 1986, October 31, 2006 and October 26, 2018, the PRC judicial system is made up of the Supreme People's Court, the local people's courts and other special people's courts.

The local people's courts are comprised of the primary people's courts, the intermediate people's courts and the higher people's courts. The primary people's courts may set up civil, criminal, and economic divisions, and certain people's tribunals based on the facts of the region, population and cases. The intermediate people's courts have divisions similar to those of the primary people's courts and may set up other special divisions if needed. These two levels of people's courts are subject to supervision by people's courts at higher levels. The Supreme People's Court is the highest judicial authority in the PRC. It supervises the administration of justice by the people's courts at all levels and special people's courts. The Supreme People's Procuratorate is authorized to supervise the judgment and ruling of the people's courts at all levels which have been legally effective, and the people's procuratorate at a higher level is authorized to supervise the judgment and ruling of a people's court at lower levels which have been legally effective.

Under the Civil Procedure Law of the People's Republic of China (《中華人民共和國民事訴訟法》), which is adopted on April 9, 1991 and subsequently amended on October 28, 2007, August 31, 2012, June 27, 2017, and September 1, 2023, which became effective from January 1, 2024 a people's court takes the rule of the second instance as the final rule. A party may appeal against the judgment or ruling of the first instance of a local people's court. The people's procuratorate may present a protest to the people's court at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people's procuratorate within the stipulated period, the judgments or rulings of the people's court are final. Judgments or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court, and judgments or rulings of the first instance of the Supreme People's Court are final. However, if the Supreme People's Court finds some definite errors in a legally effective judgment, ruling or conciliation statement of the people's court at any level, or if the people's court at a higher level finds such errors in a legally effective judgment, ruling or conciliation statement of the people's court at a lower level, it has the authority to review the case itself or to direct the lower-level people's court to conduct a retrial. If the chief judge of all levels of people's courts finds some definite errors in a legally effective judgment, ruling or conciliation statement, and considers a retrial is preferred, such case shall be submitted to the judicial committee of the people's court at the same level for discussion and decision.

The Civil Procedure Law of the People's Republic of China prescribes the conditions for instituting a civil action, the jurisdiction of the people's courts, the procedures for conducting a civil action, and the procedures for enforcement of a civil judgment or ruling. All parties to

a civil action conducted within the PRC must abide by the PRC Civil Procedure Law. Generally, a civil case is initially heard by the court located in the defendant's place of domicile. The court of jurisdiction in respect of a civil action may also be chosen by explicit agreement among the parties to a contract, provided that the people's court having jurisdiction should be located at places substantially connected with the disputes, such as the plaintiff's or the defendant's place of domicile, the place where the contract is executed or signed or the place where the object of the action is located, provided that the provisions regarding the level of jurisdiction and exclusive jurisdiction shall not be violated.

A foreign individual, a person without nationality, a foreign enterprise or a foreign organization is given the same litigation rights and obligations as a citizen, a legal person or other organizations of the PRC when initiating actions or defending against litigations at a PRC court. Should a foreign court limit the litigation rights of PRC citizens or enterprises, the PRC court may apply the same limitations to the citizens and enterprises of such foreign country. A foreign individual, a person without nationality, a foreign enterprise or a foreign organization must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at a PRC court. All parties to a civil action shall perform the legally effective judgments and rulings. If any party to a civil action refuses to abide by a judgment or ruling made by a people's court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people's court for the enforcement of the same within two years subject to application for postponed enforcement or revocation. If a party fails to satisfy within the stipulated period a judgment which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgment on the party.

Where a party applies for enforcement of a judgment or ruling made by a people's court, and the opposite party or his property is not within the territory of the PRC, the applicant may directly apply to a foreign court with jurisdiction for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognized and enforced by the people's court in accordance with the PRC enforcement procedures if the PRC has entered into, or acceded to, international treaties with the relevant foreign country, which provided for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination according to the principle of reciprocity, unless the people's court considers that the recognition or enforcement of such judgment or ruling would violate the basic legal principles of the PRC, its sovereignty or national security, or against the social and public interests.

THE PRC SECURITIES LAWS AND REGULATIONS

The PRC has promulgated a number of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the

Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offering of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

The Interim Provisional Regulations on the Administration of Share Issuance and Trading (《股票發行與交易管理暫行條例》) stipulates the public offerings of equity securities, trading in equity securities, the acquisition of listed companies, deposit, clearing and transfer of listed equity securities, the disclosure of information with respect to a listed company, investigation penalties and dispute settlement.

On December 25, 1995, the State Council promulgated the Regulations of the State Council Concerning Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》). These regulations principally govern the issue, subscription, trading and declaration of dividends and other distributions of domestic listed foreign shares and disclosure of information of joint stock limited companies having domestic listed foreign shares.

The Securities Law of the People's Republic of China (《中華人民共和國證券法》, the "**PRC Securities Law**") took effect on July 1, 1999 and was revised as of August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019, respectively. The PRC Securities Law, which was revised on December 28, 2019 and came into effect on March 1, 2020, is divided into 14 chapters and 226 articles, regulating, among other things, the issue and trading of securities, the listing of securities, and takeovers of listed companies.

Article 224 of the PRC Securities Law provides that domestic enterprises which, directly or indirectly, issue securities or list and trade their securities outside the PRC shall comply with the relevant regulations of the State Council. Currently, the issue and trading of foreign issued securities (including shares) are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARD

The Arbitration Law of the People's Republic of China (《中華人民共和國仲裁法》) (the "**PRC Arbitration Law**") was enacted by the Standing Committee of the NPC on August 31, 1994, which became effective on September 1, 1995 and was amended on August 27, 2009 and September 1, 2017, respectively. It is applicable to, among other matters, economic disputes involving foreign parties where all parties have entered into a written agreement to resolve disputes by arbitration before an arbitration committee constituted in accordance with the PRC Arbitration Law. The PRC Arbitration Law provides that an arbitration committee may, before the promulgation of arbitration regulations by the PRC Arbitration Association, formulate interim arbitration rules in accordance with the PRC Arbitration Law and the PRC Civil

Procedure Law. Where the parties have agreed to settle disputes by means of arbitration, a people's court will refuse to handle a legal proceeding initiated by one of the parties at such people's court, unless the arbitration agreement is invalid.

Under the PRC Arbitration Law and PRC Civil Procedure Law, an arbitral award shall be final and binding on the parties involved in the arbitration. If any party fails to comply with the arbitral award, the other party to the award may apply to a people's court for its enforcement. The people's court can issue a ruling prohibiting the enforcement of an arbitral award made by an arbitration commission after verification by collegial bench formed by the people's court if there is any procedural irregularity (including but not limited to irregularity in the composition of the arbitration tribunal or arbitration proceedings, the jurisdiction of the arbitration commission, or the making of an award on matters beyond the scope of the arbitration agreement).

Any party seeking to enforce an award of a foreign affairs arbitral body of the PRC against a party who or whose property is not located within the PRC shall apply to a foreign court with jurisdiction over the case for recognition and enforcement of the award. Likewise, an arbitral award made by a foreign arbitral body may be recognized and enforced by a PRC court in accordance with the principle of reciprocity or any international treaties concluded or acceded to by the PRC.

The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (《承認及執行外國仲裁裁決公約》, the "**New York Convention**") adopted on June 10, 1958 pursuant to a resolution passed by the Standing Committee of the NPC on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by other parties thereto subject to their rights to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of that state. At the time of the PRC's accession to the Convention, the Standing Committee of the NPC declared that (i) the PRC will only apply the Convention to the recognition and enforcement of arbitral awards made in the territories of other parties based on the principle of reciprocity; and (ii) the New York Convention will only be applied to disputes deemed under PRC laws to be arising from contractual or non-contractual mercantile legal relations.

An arrangement was reached between Hong Kong and the Supreme People's Court for the mutual enforcement of arbitral awards. On June 18, 1999, the Supreme People's Court adopted the Arrangements of the Supreme People's Court on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》), which became effective on February 1, 2000 and was amended by the Supplemental Arrangement of the Supreme People's Court for the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (2021) (《最高人民法院關於內地與香港特別行政區相互

執行仲裁裁決的補充安排(2021)》). In accordance with this arrangement, awards made by PRC arbitral authorities under the Arbitration Law can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in the PRC.

JUDICIAL JUDGMENT AND ITS ENFORCEMENT

According to the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland China and of the Hong Kong Special Administrative Region Pursuant to Agreed Jurisdiction by Parties Concerned (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "**Arrangement**") promulgated by the Supreme People's Court on July 3, 2008 and implemented on August 1, 2008, in the case of final judgment, defined with payment amount and enforcement power, made between the court of Mainland China and the court of the Hong Kong Special Administrative Region in a civil and commercial case with written jurisdiction agreement, any party concerned may apply to the People's Court of China or the court of the Hong Kong Special Administrative Region for recognition and enforcement based on this arrangement. "Written jurisdiction agreement" refers to a written agreement defining the exclusive jurisdiction of either the People's Court of China or the court of the Hong Kong Special Administrative Region in order to resolve any dispute with particular legal relation occurred or likely to occur by the party concerned. Therefore, the party concerned may apply to the People's Court of China or the court of the Hong Kong Special Administrative Region to recognize and enforce the final judgment made in China or Hong Kong that meets certain conditions of the aforementioned regulations. On January 18, 2019, a further arrangement was reached between Hong Kong Special Administrative Region and the Supreme People's Court, Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》)) (the "**New Arrangement**"), which became effective and replace the Arrangement on January 29, 2024, privileged that "Written Agreement on Jurisdiction" reached under the Arrangement before January 29, 2024 will still apply. This New Arrangement further stipulates the scope and content of judgments applicable to the reciprocal recognition and enforcement and corresponding procedures and methods for applying, the circumstances concerning review, non-recognition and enforcement upon the jurisdiction of the court of first instance and the means of remedy. Non-monetary judgments and judgments on some intellectual property cases are included in the reciprocal recognition and enforcement of judgments in accordance with this New Arrangement.

THE COMPANY LAW, THE OVERSEAS LISTING TRIAL MEASURES AND THE GUIDELINES

The Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "**Company Law**") was adopted by the 5th meeting of the SCNPC on December 29, 1993 and came into effect on July 1, 1994. It was amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018, and December 29, 2023, which will become effective from July 1, 2024, respectively. The latest revised Company Law was implemented on July 1, 2024.

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") which were promulgated by the CSRC on February 17, 2023 and came into effect on March 31, 2023, and were applicable to the overseas offering and listing of PRC domestic companies' securities.

The Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) the "**Guidelines**") which were issued by the CSRC on December 16, 1997, latest revised on December 15, 2023 and came into effect on the same date, providing the guidelines for the Articles of Association. As such, the contents provided in the Guidelines are set out in the Articles of Association of the Company, the summary of which is set out in the section entitled "Appendix V — Summary of the Articles of Association" in this prospectus.

Set out below is a summary of the major provisions of the Company Law, the Overseas Listing Trial Measures and the Guidelines applicable to the Company.

General

A joint stock limited company refers to an enterprise legal person incorporated in China under the Company Law with independent legal person properties and entitlements to such legal person properties and with its registered capital divided into shares of equal par value. The liability of the company for its own debts is limited to all the properties it owns and the liability of its shareholders for the company is limited to the extent of the shares they subscribe for.

Incorporation

A joint stock limited company may be incorporated by promotion or public subscription. A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within the PRC. The promoters must convene an inaugural meeting within 30 days after the full payment of the shares to be issued at the time of the establishment of the company, and must give notice to all subscribers or make an announcement of the date of the inaugural meeting 15 days before the meeting. The inaugural meeting may be convened only with the presence of subscribers

holding a majority of the voting rights. At the inaugural meeting, matters including the adoption of articles of association and the election of members of the board of directors and members of the supervisory committee of the company will be dealt with. All resolutions of the meeting require the approval of subscribers with more than half of the voting rights present at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors must authorize a representative to apply to the registration authority for registration of the establishment of the joint stock limited company. A company is formally established, and has the status of a legal person, after the business license has been issued by the relevant registration authority.

If a promoter does not contribute in accordance with the shares subscribed for by it or if the actual value of the non-monetary property contributed as capital is significantly less than the shares subscribed for, the other promoters shall be jointly and severally liable with it to the extent of the shortfall in the capital contribution.

Share Capital

The promoters of a company can make capital contributions in cash or in non-monetary assets which can be valued in currency and transferable according to law, such as physical items, intellectual property rights, land use rights, equity interests, creditor's rights and so on, except for properties that are prohibited from being used as capital contributions under the provisions of laws and administrative regulations. If capital contribution is made other than in cash, valuation and verification of the property contributed must be carried out and converted into shares. The shares issued by a company shall be registered shares.

The Overseas Listing Trial Measures provides that domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

Under the Overseas Listing Trial Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorise the domestic company to file with the CSRC on their behalf. The domestic unlisted shares mentioned in the preceding paragraph refer to the shares that have been issued by domestic enterprises but have not been listed or listed for trading on domestic exchanges. Domestic unlisted shares shall be centrally registered and deposited with domestic securities registration and settlement institutions. The registration and settlement arrangements of overseas listed shares shall be subject to the provisions of overseas listing places.

The share offering price may be equal to or greater than nominal value, but shall not be less than nominal value.

The transfer of shares by shareholders should be conducted via the legally established stock exchange or in accordance with other methods as stipulated by the State Council. Transfer of shares by a shareholder must be made by means of an endorsement or by other means stipulated by laws or administrative regulations.

Shares issued by a company prior to the public offering of its shares shall not be transferred within one year from the date of listing of the shares of the company on a stock exchange. Directors, supervisors and senior management of a company shall declare to the company their holdings of the company's shares and the status of changes therein, and shall not transfer over 25% of the shares held by each of them in the company each year during the term of office determined at the time of assumption of office or transfer any share of the company held by each of them within one year after the listing date.

Transfers of shares may not be entered in the register of shareholders within 20 days before the date of a shareholders' meeting or within five days before the record date set for the purpose of distribution of dividends.

Allotment and Issue of Shares

All issue of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. It may issue shares at par value or at a premium, but it may not issue shares below the par value.

Domestic enterprises issued and listed overseas shall file with the CSRC in accordance with Overseas Listing Trial Measures, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholder information and other information. Where a domestic enterprise directly issues and is listed overseas, the issuer shall file with the CSRC. If a domestic enterprise is indirectly listed overseas, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC.

Increase in Share Capital

According to the Company Law, when the joint stock limited company issues new shares, resolutions shall be passed by a shareholders' meeting, approving the class and number of the new shares, the issue price of the new shares, the commencement and end of the new share issuance and the class and amount of new shares to be issued to existing shareholders. In the case of the issue of shares without par value, more than half of the proceeds of issue of the new shares is to be included in the registered capital.

When a company offers shares to the public, it shall be registered by the securities regulatory authority under the State Council and announce a document. When the shares issued by the company are fully paid up, a public announcement shall be made accordingly.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law: (i) the company shall prepare a balance sheet and a property list; (ii) the reduction of registered capital shall be approved by a shareholders' meeting; (iii) the company shall inform its creditors of the reduction in capital within 10 days and publish an announcement of the reduction in the newspaper or the National Enterprise Credit Information Publicity System within 30 days from the date of the resolution on the reduction; and (iv) creditors may within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide guarantees covering the debts.

Repurchase of Shares

According to the Company Law, a joint stock limited company may not purchase its shares other than for one of the following purposes: (i) to reduce its registered capital; (ii) to merge with another company that holds its shares; (iii) to grant its shares for carrying out an employee stock ownership plan or equity incentive plan; (iv) to purchase its shares from shareholders who request and are against the resolution regarding the merger or division with other companies at a shareholders' meeting; (v) use of shares for conversion of convertible corporate bonds issued by the company; and (vi) the share buyback is necessary for a listed company to maintain its company value and protect its shareholders' equity.

The purchase of shares on the grounds set out in (i) and (ii) above shall require approval by way of a resolution passed by the shareholders' meeting. For a company's share buyback under any of the circumstances stipulated in (iii), (v) or (vi) above, a resolution of the company's board of directors shall be made by a two-third majority of directors attending the meeting according to the provisions of the company's articles of association or as authorized by the shareholders' meeting.

Following the purchase of shares in accordance with (i), such shares shall be cancelled within 10 days from the date of purchase. The shares shall be assigned or deregistered within six months if the share buyback is made under the circumstances stipulated in either (ii) or (iv). The shares held in total by a company after a share buyback under any of the circumstances stipulated in (iii), (v) or (vi) shall not exceed 10% of the company's total outstanding shares, and shall be assigned or deregistered within three years.

Listed companies making a share buyback shall perform their obligation of information disclosure according to the provisions of the Securities Law. If a listed company purchases its shares under any of the circumstances stipulated in (iii), (v) or (vi) hereof, centralised trading shall be adopted publicly.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Pursuant to the Company Law, transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. No modifications of registration in the share register caused by transfer of registered shares shall be carried out within 20 days prior to the convening of shareholder's meeting or five days prior to the base date for determination of dividend distributions. However, where there are separate provisions by law on alternation of the shareholder register of listed companies, those provisions shall prevail.

Shareholders

Under the Company Law and the Guidelines, the rights of holders of ordinary shares of a joint stock limited company include the right:

(1) to receive dividends and profit distributions in any other form in proportion to their shareholdings;

(2) to lawfully require, convene, preside over or attend shareholders' meetings either in person or by proxy and exercise the corresponding voting right;

(3) to supervise, present suggestions on or make inquiries about the operations of the Company;

(4) to transfer, gift or pledge their shares in accordance with the laws, administrative regulations and the articles of association;

(5) to inspect the company's articles of association, shareholder register, counterfoil of company debentures, minutes of shareholders' meetings, resolutions of the board of directors, resolutions of the Supervisory Committee and financial and accounting reports of the company;

(6) in the event of the termination or liquidation of the company, to participate in the distribution of the remaining property of the company in proportion to the shares held by them;

(7) to require the company to buy their shares in the event of their objection to resolutions of the shareholders' meeting concerning merger or division of the company; and

(8) any other shareholders' rights provided for in laws, administrative regulations, other regulatory documents and the articles of association.

The obligations of a shareholder include the obligation to abide by the Company's articles of association, to pay the subscription moneys in respect of the shares subscribed for and in accordance with the form of making capital contributions, to be liable for the company's debts and liabilities to the extent of the amount of his or her subscribed shares and any other shareholders' obligation specified in the company's articles of association.

Shareholders' Meetings

The shareholders' meeting is the organ of authority of the company, which exercises its powers in accordance with the Company Law. The shareholders' meeting may exercise its powers:

(1) to elect and remove the directors and supervisors and to decide on the matters relating to the remuneration of directors and supervisors;

(2) to review and approve the reports of the board of directors;

(3) to review and approve the reports of the Supervisory Committee;

(4) to review and approve the company's profit distribution proposals and loss recovery proposals;

(5) to decide on any increase or reduction of the company's registered capital;

(6) to decide on the issue of corporate bonds;

(7) to decide on merger, division, dissolution and liquidation of the company or change of its corporate form;

(8) to amend the articles of association; and

(9) to exercise any other authority stipulated in the articles of association.

A shareholders' meeting is required to be held once every year. An extraordinary shareholders' meeting is required to be held within two months of the occurrence of any of the following:

(1) the number of directors is less than the number stipulated by the Company Law or less than two-thirds of the number specified in the articles of association;

(2) the outstanding losses of the company amounted to one-third of the company's total share capital;

(3) shareholders individually or in aggregate holding 10% or more of the company's shares request the convening of an extraordinary shareholders' meeting;

(4) the board deems necessary;

(5) the Supervisory Committee proposes to hold; or

(6) any other circumstances as provided for in the articles of association.

Under the Company Law, shareholders' meetings shall be convened by the board of directors and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or does not perform his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

Where the board of directors is incapable of performing or not performing its duties of convening the shareholders' meeting, the supervisory committee shall convene and preside over such meeting in a timely manner. In case the supervisory committee fails to convene and preside over such meeting, shareholders alone or in aggregate holding more than 10% of the company's shares for 90 days consecutively may unilaterally convene and preside over such meeting.

Under the Company Law, notice of shareholders' meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. Notice of extraordinary shareholders' meetings shall be given to all shareholders 15 days prior to the meeting. Under the Guidance for Articles of Association, after the notice of the shareholders' meetings is issued, the shareholders' meetings shall not be postponed or cancelled without justifiable reasons, and the proposals listed in the notice of shareholders' meetings shall not be cancelled. In the event of postponement or cancellation, the convener shall make an announcement and explain the reasons at least two working days before the original meeting date.

There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a shareholders' meeting. Pursuant to the Guidance for Articles of Association, the board of directors and the Secretary of the board of directors will cooperate with the shareholders' meetings convened by the supervisory committee or shareholders. The board of directors will provide the register of shareholders on the date of equity registration. Moreover, when a shareholders' meetings is held, all directors, supervisors and the secretary of the board of directors of the company shall attend the meeting, and managers and other senior management personnel shall attend the meeting as nonvoting delegates.

Pursuant to the Company Law, shareholders who individually or jointly hold more than 1% of the company's shares may put forward interim proposals and submit them to the convener in writing 10 days before the shareholders' meetings. The convener shall issue a supplementary notice of the shareholders' meetings within two days after receiving the proposal and announce the contents of the interim proposal.

Under the Company Law, shareholders present at shareholders' meeting have one vote for each share they hold, except the shareholders of classified shares, save that shares held by the company are not entitled to any voting rights.

Pursuant to the provisions of the articles of association or a resolution of the shareholders' meeting, the accumulative voting system may be adopted for the election of directors and supervisors at the shareholders' meeting. Under the accumulative voting system, each share shall be entitled to vote equivalent to the number of directors or supervisors to be elected at the shareholders' meeting and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the Company Law and the Guidance for Articles of Association, resolutions of the shareholders' meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting. However, resolutions of the shareholders' meeting regarding the following matters shall be adopted by more than two-thirds of the voting rights held by the shareholders present at the meeting: (i) amendments to the articles of association; (ii) the increase or decrease of registered capital; (iii) equity incentive plan; (iv) the company purchases or sells major assets within one year or any guaranty provided to others by the company within one year exceeds 30% of the company's total audited assets in the latest period; (v) the merger, division, dissolution, liquidation or change in the form of the company; and (vi) other matters stipulated by laws, administrative regulations or the Articles of Association, as well as other matters considered by the shareholders' meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the company and should be adopted by a special resolution.

Under the Company Law, meeting minutes shall be prepared in respect of decisions on matters discussed at the shareholders' meeting. The chairman of the meeting and directors attending the meeting shall sign to endorse such minutes. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board of Directors

Under the Company Law, a joint stock limited company is required to establish a board of directors. A joint stock limited company that is of small size or has a small number of shareholders may not have a board of directors and may have one director who exercises the powers and functions of the board of directors as provided for in the Company Law. Members of the board of directors may include representatives of the employees of the company, who shall be democratically elected by the company's staff at the staff representative assembly,

general staff meeting or otherwise. The term of a director shall be stipulated in the articles of association, but no term of office shall last for more than three years. Directors may serve consecutive terms if re-elected. A director shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of directors results in the number of directors being less than the quorum.

Under the Company Law, the board of directors may exercise its powers:

(1) to convene shareholders' meetings and report on its work to the shareholders' meetings;

(2) to implement resolutions of the shareholders' meeting;

(3) to decide on the company's operational plans and investment proposals;

(4) to formulate the company's profit distribution proposals and loss recovery proposals;

(5) to formulate proposals for the increase or reduction of the company's registered capital and the issue of corporate bonds;

(6) to formulate proposals for the merger, division or dissolution of the company or change of corporate form;

(7) to decide on the setup of the company's internal management organs;

(8) to appoint or dismiss the company's manager and decide on his/her remuneration and, based on the manager's recommendation, to appoint or dismiss any deputy general manager and financial officer of the company and to decide on their remunerations;

(9) to formulate the company's basic management system; and

(10) to exercise any other authority stipulated in the articles of association.

Board Meetings

Under the Company Law, meetings of the board of directors of a joint stock limited company shall be convened at least twice a year. Notice of meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of voting rights, more than one-third of the directors or the supervisory committee. The chairman shall convene and

preside over such meeting within 10 days after receiving such proposal. Meetings of the board of directors shall be held only if half or more of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for resolutions to be approved by the board of directors. Directors shall attend board meetings in person. If a director is unable to attend a board meeting, he may appoint another director by a written power of attorney specifying the scope of the authorisation to attend the meeting on his behalf.

If a resolution of the board of directors violates the laws, administrative regulations or the articles of association, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempted from that liability.

Chairman of the Board

Under the Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and examine the implementation of board resolutions. The vice chairman shall assist the work of the chairman. In the event that the chairman is incapable of performing or not performing his duties, the duties shall be performed by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of the directors shall perform his duties.

Qualification of Directors

The Company Law provides that the following persons may not serve as a director:

(1) a person who is unable or has limited ability to undertake any civil liabilities;

(2) a person who has been convicted of an offence of corruption, bribery, embezzlement or misappropriation of property, or the destruction of socialist market economy order; or who has been deprived of his political rights due to his crimes, in each case where less than five years have elapsed since the date of completion of the sentence. If he/she has been pronounced on a suspended sentence, the period of two years has not elapsed since the expiration of the suspension of sentence;

(3) a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;

(4) a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law and has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the date of revocation of business license and the order for closure; or

(5) a person who is listed as a dishonest person subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of due debts.

Other circumstances under which a person is disqualified from acting as a director are set out in the Guidance for Articles of Association.

Supervisory Committee

Under the Company Law, a joint stock limited company may, in accordance with the provisions of its articles of association, establish an audit committee under the board of directors comprising directors to exercise the powers and functions of the Supervisory Committee, in place of a Supervisory Committee or supervisors. Otherwise, a joint stock limited company shall have a supervisory committee composed of not less than three members. The supervisory committee is made up of representatives of the shareholders and an appropriate proportion of representatives of the employees of the company. The actual proportion shall be stipulated in the articles of association, provided that the proportion of representatives of the employees shall not be less than one third of the supervisors. Representatives of the employees of the company in the supervisory committee shall be democratically elected by the employees at the employees' representative assembly, employees' general meeting or otherwise. The directors and senior management may not act concurrently as supervisors.

The supervisory committee shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the supervisory committee are elected with approval of more than half of all the supervisors. The chairman of the supervisory committee shall convene and preside over the meetings of the supervisory committee. In the event that the chairman of the supervisory committee is incapable of performing or not performing his duties, the vice chairman of the supervisory committee shall convene and preside over the meetings of the supervisory committee. In the event that the vice chairman of the supervisory committee is incapable of performing or not performing his duties, a supervisor nominated by more than half of the supervisors shall convene and preside over the meetings of the supervisory committee.

Each term of office of a supervisor is three years and he or she may serve consecutive terms if re-elected. A supervisor shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of supervisors results in the number of supervisors being less than the quorum.

The supervisory committee of a company shall hold at least one meeting every six months. According to the Company Law, a resolution of the supervisory committee shall be passed by more than half of all the supervisors.

The supervisory committee exercises the following powers:

(1) to review the company's financial position;

(2) to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, regulations, the articles of association or the resolutions of shareholders' meeting;

(3) when the acts of directors and senior management are harmful to the company's interests, to require correction of those acts;

(4) to propose the convening of extraordinary shareholders' meetings and to convene and preside over shareholders' meetings when the board of directors fails to perform the duty of convening and presiding over shareholders' meeting under this law;

(5) to initiate proposals for resolutions to shareholders' meeting;

(6) to initiate proceedings against directors and senior management;

(7) other powers specified in the articles of association; and

(8) supervisors may attend board meetings and make enquiries or proposals in respect of board resolutions. The supervisory committee may initiate investigations into any irregularities identified in the operation of the company and, where necessary, may engage an accounting firm to assist their work at the company's expense.

Manager and Senior Management

Under the Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager shall exercise his/her powers in accordance with provisions of the articles of association or as authorised by the board of directors. The manager attends board meetings. According to the Company Law, senior management shall mean the manager, deputy manager(s), person-in-charge of finance, board secretary (in case of a listed company) of a company and other personnel as stipulated in the articles of association.

Duties of Directors, Supervisors and Senior Management

Directors, supervisors and senior management of the company are required under the Company Law to comply with the relevant laws, regulations and the articles of association. Directors, supervisors and senior management have fiduciary and diligent duties to the company and should take measures to avoid any conflict between their own interests and the interests of the company and not make use of their powers to obtain improper benefits. Directors, supervisors and senior management have a duty of diligence to the company and should exercise reasonable care in performing their duties in the best interests of the company, as would normally be expected of a manager.

Directors, supervisors and senior management are prohibited from:

(1) misappropriating company property or funds;

(2) depositing the company's capital into accounts under his/her own name or the name of other individuals;

(3) giving bribes or accepting any other illegal proceeds by taking advantage of his/her power;

(4) taking commissions from the transactions between the company and any other person into his/her own pocket;

(5) unauthorized divulgence of confidential business information of the company; or

(6) other acts in violation of their fiduciary duty to the company.

Income generated by directors or senior management in violation of aforementioned regulations shall be returned to the company.

Directors, Supervisors and senior management, who directly or indirectly enter into contracts or conduct transactions with the company, shall report to the board of directors or the shareholders' meeting on matters relating to the entering into of such contracts or the conduct of such transactions, which shall be approved by a resolution of the board of directors or the shareholders' meetings in accordance with the provisions of the articles of association of the company.

Directors, supervisors and senior management shall not use the convenience of their positions to seek business opportunities belonging to the company for themselves or others, except in the following circumstances: i) after reporting to the board of directors or the shareholders' meetings and a resolution by the board of directors or the shareholders' meetings

in accordance with the articles of association of the company has been passed; or ii) the company is unable to take advantage of the business opportunity in accordance with the provisions of the laws, administrative regulations or the articles of association of the company.

A director, supervisor or senior management who contravenes any law, regulation or the company's articles of association in the performance of his duties resulting in any loss to the company shall be personally liable for the damages to the company.

Finance and Accounting

Under the Company Law, a company shall establish financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council and shall at the end of each financial year prepare a financial and accounting report which shall be audited by an accounting firm as required by law. The company's financial and accounting report shall be prepared in accordance with provisions of the laws, administrative regulations and the regulations of the financial department of the State Council.

Pursuant to the Company Law, a joint stock limited company shall prepare and make its financial and accounting reports available at the company for inspection by the shareholders at least 20 days before the convening of an annual shareholder' meetings. A joint stock limited company which has issued shares to the public must also publish its financial and accounting reports.

When distributing each year's after-tax profits, it shall set aside 10% of its after-tax profits into a statutory common reserve fund (except where the fund has reached 50% of its registered capital). If its statutory common reserve fund is not sufficient to make up losses of the previous year, profits of the current year shall be applied to make up losses before allocation is made to the statutory common reserve fund pursuant to the above provisions. After allocation of the statutory common reserve fund from after-tax profits, it may, upon a resolution passed at the shareholders' meetings, allocate discretionary common reserve fund from after-tax profits. The remaining after-tax profits after making up losses and allocation of common reserve fund shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the articles of association. Shares held by the company shall not be entitled to any distribution of profit.

The premium received through issuance of shares at prices above par value and other incomes required by the financial department of the State Council to be allocated to the capital reserve fund shall be allocated to the company's capital reserve fund. The company's reserve fund shall be applied to make up losses of the company, expand its business operations or be converted to increase the registered capital of the company. Where the reserve fund of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the

relevant provisions. Upon the conversion of statutory common reserve fund into capital, the balance of the statutory common reserve fund shall not be less than 25% of the registered capital of the company before such conversion.

The company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any accounts opened in the name of any individual.

Appointment and Retirement of Auditors

Pursuant to the Company Law, the appointment or dismissal of accounting firms responsible for the auditing of the company shall be determined by shareholders' meetings, board of directors or board of supervisors in accordance with provisions of articles of association. The accounting firm should be allowed to make representations when the shareholders' meetings, board of directors or the board of supervisors conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidences, books, financial and accounting reports and other accounting data to the accounting firm it employs without any refusal, withholding and misrepresentation.

The Guidance for Articles of Association provide that the company guarantees to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the employed accounting firm, and shall not refuse, conceal or falsely report. And the audit fee of the accounting firm shall be decided by the shareholders' meetings.

Profit Distribution

According to the Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve is drawn.

Merger And Division

According to the Company Law, in the event of merger, the parties to the merger shall enter into a merger agreement and prepare balance sheet and inventory of assets. The companies shall, within ten days as of making the decision of merger, notify the creditors, and shall make a public announcement through a newspaper or the National Enterprise Credit Information Publicity System within thirty days. The creditors may, within thirty days as of the receipt of the notice or within forty-five days as of the issuance of the public announcement if it fails to receive a notice, require the company to clear off its debts or to provide corresponding guarantees. In the case of a merger, the credits and debts of the parties involved shall be succeeded by the company that survives the merger or by the newly established company.

In a division, the asset of the company shall be split in an appropriate manner. The company shall notify its creditors within ten days of making the resolution on the division and make a public announcement through a newspaper or the National Enterprise Credit

Information Publicity System within thirty days. The liabilities of the company which have accrued prior to the division shall be jointly borne by the separated companies, unless it is otherwise prescribed by the company and the creditors before the division regarding the clearance of debts in written agreement.

Where the merger or division of the company involves changes in its registered particulars, such changes shall be filed with competent company registration authorities. Where the company is dissolved, the company shall apply for cancellation of its registration in accordance with the laws. Where a new company is established, the company shall apply for registration of incorporation in accordance with the laws.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved by reason of the following: (i) the term of its operations set down in the articles of association has expired or other events of dissolution specified in the articles of association occurred; (ii) the shareholders' meetings has resolved to dissolve the company; (iii) the company is dissolved by reason of merger or division; (iv) the business license is revoked, or the company is ordered to close down or be dissolved; or (v) the company is dissolved by the people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all its shareholders, on the grounds that the company suffers significant hardship in its operation and management that cannot be resolved through other means, and the ongoing existence of the company would bring significant losses for shareholders. If any of the situations as mentioned in the preceding paragraph arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

In the event of (i) or (ii) above, a company may carry on its existence by amending its articles of association or by a resolution of the shareholders' meetings if it has not distributed its assets to its shareholders yet. The amendment of the articles of association or resolution of a shareholders' meetings in accordance with provisions set out above shall require approval of more than two thirds of voting rights of shareholders attending a shareholders' meetings.

Where the company is dissolved in the circumstances described in subparagraphs (i), (ii), (iv), or (v) above, a liquidation group shall be established. The directors shall be the liquidation obligors of the company and form a liquidation group to carry out liquidation within 15 days after the occurrence of an event of dissolution.

The members of the company's liquidation group shall be composed of its directors except where the articles of association provide otherwise or the shareholders resolve to elect another person. If a liquidation group is not established within the stipulated period or fails to carry out the liquidation after its formation, any interested party may apply to the people's court and request the court to appoint relevant personnel to form the liquidation group. The people's court should accept such application and form a liquidation group to conduct liquidation in a timely manner.

The liquidation group shall exercise the following powers during the liquidation period:

(1) to liquidate the company's assets and to prepare a balance sheet and an inventory of the assets;

(2) to notify creditors through notice or public announcement;

(3) to deal with the company's outstanding businesses related to liquidation;

(4) to pay any tax overdue as well as tax amounts arising from the process of liquidation;

(5) to settle the company's accounts payable and recover its accounts receivable;

(6) to distribute the company's remaining assets after its debts have been paid off; and

(7) to represent the company in civil lawsuits.

The liquidation group shall notify the company's creditors within 10 days after its establishment and issue public notices in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his claim with the liquidation group within 30 days after receiving notification, or within 45 days of the public notice if he did not receive any notification. A creditor shall state all matters relevant to his creditor rights in making his claim and furnish evidence. The liquidation group shall register such creditor rights. The liquidation group shall not make any debt settlement to creditors during the period of claim.

Upon liquidation of properties and the preparation of the balance sheet and inventory of assets, the liquidation group shall draw up a liquidation plan to be submitted to the shareholders' meetings or people's court for confirmation.

The company's remaining assets after payment of liquidation expenses, wages, social insurance expenses and statutory compensation, outstanding taxes and debts shall be distributed to shareholders according to their shareholding proportion. It shall continue to exist during the liquidation period, although it can only engage in any operating activities that are related to the liquidation. The company's properties shall not be distributed to the shareholders before repayments are made in accordance with the foregoing provisions.

Upon liquidation of the company's properties and the preparation of the balance sheet and inventory of assets, if the liquidation group becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to the people's court for a declaration for bankruptcy.

Following such declaration, the liquidation group shall hand over all matters relating to he liquidation to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation, the liquidation group shall submit a liquidation report to the shareholders' meetings or the people's court for verification. Thereafter, the report shall be submitted to the registration authority of the company in order to apply for deregistration.

The members of the liquidation group are obliged to perform their liquidation duties with fidelity and diligence. The members of the liquidation group shall be liable for damages caused to the company if they are negligent in performing their liquidation duties. A member of the liquidation group is liable to indemnify the company and its creditors in respect of any loss arising from his intentional or gross negligence.

Amendments to the Articles of Association

Any amendments to the company's articles of association must be made in accordance with the procedures set out in the company's articles of association. In relation to matters involving the company's registration, its registration with the authority must also be changed.

Overseas Listing

According to the Overseas Listing Trial Measures, where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within 3 working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within 3 working days after the completion of the issuance. If an issuer issues and lists in other overseas markets after overseas issuance and listing, it shall be filed in accordance with the provisions of the first paragraph of this article. Moreover, if the filing materials are complete and meet the requirements, the CSRC shall complete the filing within 20 working days from the date of receiving the filing materials, and publicize the filing information through the website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall inform the issuer of the materials to be supplemented within 5 working days after receiving the filing materials. The issuer shall supplement the materials within 30 working days.

Loss of Share Certificates

If a share certificate is lost, stolen or destroyed, the relevant shareholder may apply, in accordance with the relevant provisions set out in the Civil Procedure Law, to a people's court o declare such certificate invalid. After the people's court declares the invalidity of such certificate, the shareholder may apply to the company for a replacement share certificate.

This appendix contains a summary of the principal provisions of the Articles of Association of the Company which will be effective from the date of listing of H Shares on the Hong Kong Stock Exchange. This appendix is primarily intended to provide potential investors with an overview of the Company's Articles of Association and therefore may not contain all the information that is material to potential investors.

SHARES AND REGISTERED CAPITAL

The shares of the Company shall take the form of share certificates. All shares issued by the Company shall be denominated in Renminbi and have a par value of Renminbi 0.1.

The Company shall issue shares in an open, equitable and fair manner, and each of the shares in the same class shall carry the same rights. Shares of the same class issued at the same time shall be issued on the same conditions and at the same price. Any entity or individual shall pay the same price for each of the shares which it/he/she subscribes for.

INCREASE, REDUCTION AND REPURCHASE OF SHARES

Capital Increase

In light of the Company's operational and developmental needs, the Company may increase its capital in accordance with the laws and regulations, and subject to a resolution of the general shareholders' meeting, by any of the following methods:

(1) public offering of shares after approval or registration by the relevant authorities;

(2) private placement of shares;

(3) placement or allotment of bonus shares to existing shareholders;

(4) conversion of reserve funds to share capital; or

(5) other methods permitted by laws and administrative regulations.

Capital Reduction

The Company may reduce its registered capital. Any reduction of the Company's registered capital shall be subject to the procedures prescribed in the Company Law and other relevant regulations, the Hong Kong Listing Rules, as well as the Articles of Association.

Transfer of Shares

Shares already issued by the Company before the public offering shall not be transferred within one year of the date on which the shares of the Company are listed on the stock exchange.

The directors, supervisors, and senior management of the Company shall declare, to the Company, the information on their holdings of the shares of the Company (including preferred shares, if any) and the changes thereto. The shares transferrable by them during each year of their term of office shall not exceed 25% of the total shares of the same class they hold in the Company. The shares that they hold in the Company shall not be transferred within one year of the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer their shares of the Company within half a year from the date of their resignation.

If the shares are pledged within the period of restriction on transfer prescribed by laws and administrative regulations, the pledgee shall not exercise the pledge right within the period of restriction on transfer.

Where the relevant rules of the Hong Kong Stock Exchange contain any other provisions on the transfer restrictions of H Shares, such provisions shall prevail.

Where the Company's directors, supervisors, senior management and shareholders who hold 5% or more of the Company's shares sell the Company's shares or other securities with the nature of equity they hold within six months of the relevant purchase, or purchase any share they have sold within six months of the relevant sale, the proceeds generated therefrom shall be incorporated into the profits of the Company, and the Board of Directors of the Company shall recover the proceeds. However, the following circumstances shall be excluded where a securities company holds 5% or more of the shares of the Company due to its purchase of any remaining shares under best efforts underwriting or where the provisions of the CSRC are listed are applicable. Shares or other securities with the nature of equity held by directors, supervisors, senior management and natural person shareholders as mentioned in the preceding paragraph include shares or other securities with the nature of equity held by their spouses, parents or children, and held by them by using other people's accounts.

If the Board of Directors of the Company fails to comply with the above paragraph of this article, the shareholders are entitled to request the Board of Directors to do so within 30 days. If the Board of Directors of the Company fails to comply within the aforesaid period, the shareholders are entitled to initiate litigation directly in the people's court in their own names for the interest of the Company. If the Board of Directors fails to implement the provisions set forth in the above paragraph of this article, the responsible directors shall bear joint and several liability in accordance with law.

REGISTER OF SHAREHOLDERS

The Company shall establish a register of shareholders in accordance with certificates from the share registrar. The register of shareholders shall be ample evidence of holding of the Company's shares by a shareholder. Shareholders shall enjoy rights and assume obligations according to the class of shares held by him/her; shareholders who hold existing shares of the same class shall enjoy the equal rights and assume the equal obligations.

When the Company convenes the shareholders' meeting, distributes dividends, conducts liquidation or engages in other acts requiring the identification of shareholders, the Board of Directors or the convener of the shareholders' meeting should determine the record date. The shareholders contained in the register of shareholders after the trading hours on the record date shall be those entitled to the relevant rights and interests.

RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Shareholders of the Company shall enjoy the following rights:

(1) to receive dividends and profit distributions in any other form in proportion to their shareholdings;

(2) to lawfully request, convene, preside over, participate in or appoint a shareholder's proxy to participate in a shareholders' meeting in accordance with the law, and to exercise the corresponding voting rights;

(3) to supervise, present suggestions on or make inquiries about the operations of the Company;

(4) to transfer, give as a gift or pledge the shares it holds in accordance with laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association;

(5) to inspect the Articles of Association, register of shareholders, corporate bond stubs, minutes of shareholders' meetings, resolutions of the Board of Directors, resolutions of the Supervisory Committee and financial and accounting reports;

(6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining property of the Company in proportion to the number of shares held;

(7) shareholders who object to resolutions of merger or division made by the shareholders' meeting may request the Company to purchase the shares they hold; and

(8) other rights provided for by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or the Articles of Association.

Shareholders of the Company shall have the following obligations:

(1) to abide by laws, administrative regulations and the Articles of Association;

(2) to pay the share subscription price based on the shares subscribed for by them and the method of acquiring such shares;

(3) not to return shares unless prescribed otherwise in laws and regulations;

(4) not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of shareholders to harm the interests of the Company's creditors; and

(5) to assume other obligations required by laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association.

Any shareholder who abuses shareholders' rights and causes the Company or other shareholders to suffer a loss shall be liable for making compensation in accordance with law; any shareholder who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and causes sever harms to the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

RESTRICTIONS ON RIGHTS OF THE CONTROLLING SHAREHOLDERS

The controlling shareholders and the actual controllers of the Company shall not use their connected relationship to act in detriment to the interests of the Company. If they violate such provision and caused losses to the Company, they shall be liable for compensation.

The controlling shareholders and the actual controllers of the Company shall have fiduciary duties towards the Company and public shareholders of the Company. The controlling shareholders shall exercise its rights as a contributor in strict compliance with the laws. The controlling shareholders shall not do harm the legitimate rights and interests of the Company and public shareholders by means of profit distribution, asset restructuring, external investment, fund appropriation and borrowing guarantees, and shall not make use of its controlling status against the interests of the Company and public shareholders.

SHAREHOLDERS' MEETINGS

General Provisions of the shareholders' meetings

The shareholders' meeting is the organ of authority of the Company and shall exercise the following functions and powers:

(1) to elect and replace the directors and supervisors who are not employee representatives and to decide on the matters relating to the remuneration of directors and supervisors;

(2) to review and approve the reports of the Board of Directors;

(3) to review and approve the reports of the Supervisory Committee;

(4) to review and approve the profit distribution plans and loss recovery plans of the Company;

(5) to decide on any increase or reduction of the company's registered capital;

(6) to decide on the issuance of corporate bonds or repurchase of shares;

(7) to decide on merger, division, dissolution and liquidation of the company or change of its corporate form;

(8) to amend the Articles of Association;

(9) to decide on the Company's engagement and dismissal of engagement of an accounting firm;

(10) to review and approve the guarantees prescribed in Article 42 hereof;

(11) to review the purchase or sale of major assets of the Company in excess of 30% of the Company's latest audited total assets within one year;

(12) to review and approve changes in the use of proceeds;

(13) to review the equity incentive plans and employee shareholding schemes; and

(14) to review other matters on which decisions shall be made by the shareholders' meeting as required by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association.

The shareholders' meetings are classified into annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be convened once a year and be held within six months of the end of the previous accounting year.

In any of the following circumstances, the Board of Directors shall convene an extraordinary shareholders' meeting within two months from the date of the occurrence of the circumstance:

(1) the number of directors is less than the number stipulated by the Company Law or less than two-thirds of the number specified in the articles of association;

(2) the outstanding losses of the company amounted to one-third of the company's total paid-up share capital;

(3) shareholders individually or in aggregate holding 10% or more of the company's shares request the convening of an extraordinary shareholders' meeting;

(4) the board deems necessary;

(5) the Supervisory Committee proposes to hold; or

(6) other circumstances as stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, or the Articles of Association.

Convening of shareholders' meetings

Independent non-executive directors shall be entitled to submit a proposal to the Board of Directors on holding an extraordinary shareholders' meeting. For such a proposal, the Board of Directors shall give a written reply as to whether it agrees or disagrees to hold an extraordinary shareholders' meeting within 10 days upon receipt of the proposal in accordance with laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association.

Where the Board of Directors agrees to hold an extraordinary shareholders' meeting, a notice of the shareholders' meeting shall be given within five days after the resolution of the Board of Directors is made. Where the Board of Directors does not agree to hold such a meeting, its reasons shall be given and an announcement shall be made.

The Supervisory Committee shall be entitled to submit a proposal in writing to the Board of Directors on holding an extraordinary shareholders' meeting. The Board of Directors shall give a written reply as to whether it agrees or disagrees to hold an extraordinary shareholders' meeting within 10 days upon receipt of the proposal in accordance with laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association.

Where the Board of Directors agrees to hold an extraordinary shareholders' meeting, a notice of shareholders' meeting shall be given within five days after the resolution of the Board of Directors is made. Any change to the original proposal in the notice shall be subject to the approval from the Supervisory Committee.

Where the Board of Directors does not agree to hold an extraordinary shareholders' meeting or fails to give a reply within 10 days upon receipt of the proposal, it shall be deemed that the Board of Directors is unable or fails to perform its duty of convening a shareholders' meeting. In such case, the Supervisory Committee may convene and preside over the meeting on its own.

Shareholders who individually or together hold 10% or more of the shares of the Company shall have the right to request the Board of Directors to convene an extraordinary shareholders' meeting and such request shall be made to the Board of Directors in writing. The Board of Directors shall give a written reply as to whether it agrees or disagrees to hold an extraordinary shareholders' meeting within 10 days upon receipt of the request in accordance with laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association.

Where the Board of Directors agrees to hold an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days after the resolution was made. Any change to the original request in the notice shall be subject to the approval from the relevant shareholders.

Where the Board of Directors does not agree to hold an extraordinary shareholders' meeting or fails to give a reply within 10 days upon receipt of the request, shareholders who individually or together hold 10% or more of the shares of the Company shall have the right to submit a proposal to the Supervisory Committee on holding an shareholders' extraordinary shareholders' meeting and such request shall be made to the Supervisory Committee in writing.

Where the Supervisory Committee agrees to hold an extraordinary shareholders' meeting, it shall issue a notice of shareholders' meeting within five days after receiving the request. Any changes to the original request in the notice shall be approved by the relevant shareholders.

Where the Supervisory Committee fails to give the notice of the shareholders' meeting within the specified time limit, it shall be deemed that the Supervisory Committee does not convene or preside over the meeting, in which case, shareholders who individually or together hold 10% or more of the shares of the Company for 90 or more consecutive days may convene and preside over the meeting on their own.

Proposals of Shareholders' Meeting

When the Company convenes a shareholders' meeting, the Board of Directors, the Supervisory Committee and shareholders who individually or together hold 1% or more of the shares of the Company are entitled to put forward a proposal to the Company.

Shareholders individually or together holding 1% or more of the shares of the Company can put forward a temporary proposal 10 days before the shareholders' meeting is held and submit the proposal to the convener of the meeting in writing. The convener shall issue a supplemental notice within two days upon receiving such proposal and notify shareholders of the content of such proposal.

Except for the circumstances prescribed in the preceding paragraph, the convener shall not change the proposals specified in the notice of the shareholders' meeting or add new proposals after sending the notice of the shareholders' meeting.

The shareholders' meeting shall not vote or resolve on proposals not contained in the notice of the shareholders' meeting or not in compliance with the Articles of Association.

Notification of Shareholders' Meeting

For an annual shareholders' meeting, the convenor shall notify the shareholders by way of public announcement at least 21 days before the meeting is held; for an extraordinary shareholders' meeting, the convenor shall notify the shareholders by way of public announcement at least 15 days before the meeting is held. The above period shall not include the day on which the meeting is convened. Where otherwise provided by laws, administrative regulations and the rules of securities supervision of the place where the Company's shares are listed, such provisions shall apply.

Holding of Shareholders' Meeting

All shareholders whose names appear on the register of shareholders on the record date or their proxies are entitled to attend the shareholders' meeting and exercise their rights of speaking and voting in accordance with relevant laws, regulations, the Hong Kong Listing Rules and the Articles of Association.

An individual shareholder who attends the meeting in person shall produce his/her own identification card or other valid documents or proof evidencing his/her identity. If a shareholder appoints a proxy to attend the meeting on his/her behalf, such proxy shall produce his/her own valid proof of identity and the power of attorney from the shareholder.

A corporate shareholder shall attend the meeting by its legal representative or proxy appointed by the legal representative. Where the legal representative attends the meeting, he/she shall produce his/her own identification card, valid certificates evidencing his/her capacity as the legal representative. Where a proxy is appointed to attend the meeting, he/she shall produce his/her own identification card, the written power of attorney issued by the legal representative of the corporate or institutional shareholder according to law.

The shareholders of an unincorporated organization shall be represented at the meeting by the person in charge (in the case where the shareholders of an unincorporated organization are a partnership, the person in charge shall be the managing partner if the managing partner is a natural person, and the person in charge shall be the appointed representative of the managing partner if the managing partner is a legal person or an unincorporated organization; the same shall apply hereinafter), or by an agent entrusted by the person in charge. If the person in charge attends the meeting, he/she shall present his/her identity card, valid proof of his/her qualification as a person in charge and the corresponding shareholding certificate; if he/she entrusts a proxy to attend the meeting, the proxy shall present his/her identity card, the original written power of attorney issued by the person in charge of the shareholders of an unincorporated organization in accordance with the law (with the shareholders of the unincorporated organization stamped with the official seal at the same time) and the corresponding shareholding certificate.

If the shareholder is a recognized clearing house (or its nominee) as defined in the relevant ordinances enacted in Hong Kong from time to time, such shareholder may authorize one or more persons as he/she deems appropriate to act on his/her behalf at any shareholders' meetings and creditors' meeting; however, if more than one persons are thus authorized, the power of attorney shall specify the numbers and classes of shares in respect of which such persons are authorized, and signed by the authorized person of the recognized clearing house. The person(s) so authorized may attend the meeting and exercise the rights on behalf of the recognized clearing house (or its nominee) without producing certificates of shareholding, the notarized power of attorney and/or further evidence to prove that he/she has been duly authorized as if such person is an individual shareholder of the Company.

Resolution at the Shareholders' Meeting

The resolutions of the shareholders' meeting shall be divided into ordinary resolutions and special resolutions. An ordinary resolution shall be adopted by a simple majority of the votes held by the shareholders (including proxies of shareholders) attending the shareholders' meeting. A special resolution shall be adopted by a two-thirds or more of the votes held by the shareholders (including proxies of shareholders) attending the shareholders' meeting.

The following matters shall be approved by the shareholders' meeting through ordinary resolutions:

(1) work report of the Board of Directors and the Supervisory Committee;

(2) annual report of the Company;

(3) the profit distribution plans and loss recovery plans drafted by the Board of directors;

(4) appointment and removal of members of the Board of Directors and the Supervisory Committee who are not employee representatives, as well as their payment and method of payment; and

(5) other matters other than those approved by special resolution stipulated in the laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association.

The following matters shall be approved by special resolution at the shareholders' meeting:

(1) the increase or reduction of the registered capital of the Company;

(2) merger, division, separation, dissolution, liquidation or change of corporate form of the Company;

(3) the amendment to the Articles of Association;

(4) the purchases or sales of material assets by the Company within one year or the guarantee amount exceeding 30% of the latest audited total assets of the Company;

(5) the share incentive plan; and

(6) other matters stipulated by laws, administrative regulations, the Hong Kong Listing Rules, or the Articles of Association, as well as other matters that the shareholders' meeting determines by ordinary resolution will have a significant impact on the Company and need to be passed by special resolution.

DIRECTORS AND BOARD OF DIRECTORS

Directors

Directors shall be elected or replaced by the shareholders' meeting and may be removed from office by the shareholders' meeting before the expiration of their terms of office. The term of office of a director shall be three years, and he/she may be re-elected upon expiration of the term of office, unless otherwise provided by relevant laws, regulations, or rules of securities supervision of the place where the company's shares are listed.

The term of office of a director shall commence from the date on which the said director assumes office until the expiry of the term of office of the current session of the Board of Directors. A director shall continue to perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office.

Board of Directors

The Company shall have a Board of Directors. The Board of Directors shall consist of nine directors, four of whom shall be independent non-executive directors, and at all times the independent non-executive directors shall constitute one-third or more of the total number of the Board of Directors. At least one of the independent non-executive directors shall have appropriate professional qualifications and one of the independent non-executive directors shall ordinarily reside in Hong Kong.

The Board of Directors shall exercise the following functions and powers:

(1) to convene shareholders' meetings and report on its work to the shareholders' meetings;

(2) to implement resolutions of the shareholders' meeting;

(3) to decide on the Company's operational plans and investment proposals;

(4) to formulate the Company's profit distribution proposals and loss recovery proposals;

(5) to formulate proposals for the increase or reduction of the registered capital, debentures or other securities of the Company and the listing plan of the Company;

(6) to formulate plans for the Company's major acquisition, repurchase of the shares of the Company, or merger, division, dissolution or change of corporate form of the Company;

(7) to decide on matters such as investments, purchase and sale of assets, pledge of assets, external guarantee, entrustment of financial management, connected transactions and donations of the Company within the scope of authorization by the shareholders' meeting;

(8) to decide on establishment of internal management organs of the Company;

(9) to decide on the appointment or dismissal of the Company's general manager, secretary to the Board of Directors and other members of the senior management and decide on matters of their remuneration; according to the nomination of the general manager, decide to appoint or dismiss the Company's deputy general manager, chief financial officer and other senior management, and decide on matters of their remuneration;

(10) to formulate the basic management system of the Company;

(11) to formulate proposals to amend the Articles of Association;

(12) to manage the Company's information disclosures;

(13) to propose to the shareholders' meeting the appointment or replacement of the accounting firm that provides audit service to the Company;

(14) to listen to the work report of the general manager of the Company and to inspect the work of the general manager; and

(15) other powers and functions stipulated by laws, administrative regulations, departmental rules or these Articles of Association and granted by the shareholders' meeting.

Matters beyond the scope of authorization of the shareholders' meeting shall be submitted to the shareholders' meeting for deliberation.

SENIOR MANAGEMENT

General Manager

The Company shall have one general manager, who shall be appointed or dismissed by the Board of Directors, and exercise the following functions and powers:

(1) to be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the Board of Directors, and to report his/her works to the Board of Directors;

(2) to organize the implementation of the Company's annual business plans and investment plans;

(3) to draft plans for the establishment of the Company's internal management organization;

(4) to draft the Company's basic management system;

(5) to formulate the specific rules and regulations of the Company;

(6) to propose to the Board of Directors the appointment or dismissal of the Company's deputy general manager, financial controller and other senior management personnel;

(7) to decide on appointment or dismissal of management personnel other than those required to be appointed or dismissed by the Board of Directors; and

(8) other functions and powers conferred by the Articles of Association or the Board of Directors.

The general manager attends the meetings of the Board of Directors, and the non-director general manager has no voting rights in the Board of Directors.

Secretary to the Board of Directors

The Company shall have a secretary to the Board of Directors, who is responsible for preparing for the shareholders' meeting and the meetings of the Board of Directors, keeping documents and shareholders' materials and handling matters relating to information disclosure, investor relations, etc.

The secretary of the Board shall comply with the relevant provisions of laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and these Articles of Association.

SUPERVISORY COMMITTEE

The Company shall have a Supervisory Committee. The Supervisory Committee shall consist of three supervisors, including two shareholder representatives and one employee representative of the Company. Employee representatives on the Supervisory Committee shall be democratically elected by the Company's employees through the Employee Congress, Employee Assembly or other forms.

The Supervisory Committee shall have a Chairman of the Supervisory Committee. The Chairman of the Supervisory Committee shall be elected by a majority of all Supervisors. The Chairman of the Supervisory committee shall convene and preside over the meetings of the Supervisory committee. If the Chairman of the Supervisory committee is unable to perform his duties or fails to perform his duties, more than half of the Supervisors shall jointly elect a Supervisor to convene and preside over the meetings of the Supervisory committee.

The Supervisory Committee shall exercise the following functions and powers:

(1) to review and give written opinions on the periodic reports of the Company prepared by the Board of Directors;

(2) to review the company's financial position;

(3) to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, regulations, the articles of association or the resolutions of shareholders' meeting;

(4) when the acts of directors and senior management are harmful to the company's interests, to require correction of those acts;

(5) to propose the convening of extraordinary shareholders' meetings and to convene and preside over shareholders' meetings when the board of directors fails to perform the duty of convening and presiding over shareholders' meeting under the Company Law;

(6) to initiate proposals for resolutions to shareholders' meeting;

(7) to initiate proceedings against directors and senior management in accordance with the Company Law;

(8) in case of any abnormal matters during the business operation of the Company, to investigate, and if necessary, to engage professionals such as accounting firms or law firms to assist its work with expenses being borne by the Company; and

(9) other powers and functions prescribed by laws, administrative regulations, the Hong Kong Listing Rules and these Articles or granted by the shareholders' meeting.

FINANCIAL AND ACCOUNTING SYSTEMS

The Company shall develop its financial and accounting systems pursuant to laws, administrative regulations and the requirements of the competent authorities of China.

NOTICE

The notices of the Company may be sent out in the following manner:

(1) by personal delivery;

(2) by express mail;

(3) by mail, e-mail, or facsimile;

(4) by announcement;

(5) by publishing the information on the websites designated by the Company and the Hong Kong Stock Exchange, subject to compliance with laws and regulations and the rules of securities regulation of the place where the Company's shares are listed;

(6) in such other form as may be agreed upon in advance by the Company or the person to be notified or recognized by the person to be notified upon receipt of the notice; or

(7) in any other form prescribed by laws, administrative regulations, departmental rules and these Articles of Association.

DISSOLUTION AND LIQUIDATION OF THE COMPANY

The Company may be dissolved for the following reasons:

(1) the circumstances for dissolution as stipulated by the Articles of Association arise;

(2) the shareholders' meeting resolves to dissolve the Company;

(3) dissolution is necessary as a result of the merger or division of the Company;

(4) the business license is revoked or it is ordered to close down or it is deregistered according to law; or

(5) serious difficulties arise in the operation and management of the Company and its continued existence would cause material loss to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding 10% or more of all shareholders' voting rights of the Company may petition a people's court to dissolve the Company.

If the company is dissolved due to the provisions of the above items (1), (2), (4) and (5) of these Articles of Association, it shall be liquidated. The directors shall be the obligors of the company's liquidation and shall form a liquidation group to carry out the liquidation within 15 days from the date when the cause of dissolution arises. The liquidation group shall consist of the directors, unless the shareholders' meeting resolves to elect another person. If the liquidation obligor fails to fulfill the liquidation obligation in time and causes losses to the company or creditors, he shall be liable for compensation.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association in any of the following circumstances:

(1) after amendments are made to the Company Law, or relevant laws, administrative regulations and the Hong Kong Listing Rules, the Articles of Association run counter to the amended laws, administrative regulations and the Hong Kong Listing Rule;

(2) the conditions of the Company have changed, and such changes are inconsistent with the matters stipulated in the Articles of Association; or

(3) the shareholders' meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association passed by the shareholders' meetings need the examination and approval of the competent authorities, these amendments shall be submitted thereto for approval. Where the amendment of the Articles of Association involves registration, it shall be necessary to carry out the lawfully prescribed procedures for registration change.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Establishment of our Company

Our Company was established in the PRC on December 19, 2014 and was converted to a joint stock company with limited liability under the PRC Company Law with effect from November 1, 2024. Our Company has established a principal place of business in Hong Kong at 3/F, Building 2W, Science Park Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on December 18, 2024. Mr. Li Kin Wai (李健威), one of our joint company secretaries, has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. As our Company was incorporated in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in "Summary of the Articles of Association" in Appendix V to this prospectus. A summary of certain relevant aspects of the laws and regulations of the PRC is set out in the section headed "Summary of Principal PRC Legal and Regulatory Provisions" in Appendix IV to this prospectus.

2. Changes in the share capital of our Company

The following sets out the changes in the share capital of our Company within the two years immediately preceding the date of this prospectus:

- on July 16, 2024, Yangtze Hong Kong subscribed for 0.66% equity interests (RMB77,994) in an amount of RMB10.65 million. Upon completion of the subscription, the registered capital of our Company increased from approximately RMB11.71 million to RMB11.79 million;

- on November 1, 2024, our Company was converted into a joint stock company with limited liability under the PRC Company Law. Upon completion of such conversion, the registered capital of our Company was RMB11,789,783 divided into 11,789,783 Shares with a nominal value of RMB1.00 each;

- as approved by our Shareholders' meeting held on November 15, 2024, immediately upon Listing, the ordinary shares of our Company were split on a one-for-ten basis, and the par value of the Shares was changed from RMB1 per Share to RMB0.1 per Share. Immediately after the Global Offering (assuming the Share Split is completed), and the Over-allotment Option is not exercised, the registered share capital of the Company became RMB11,789,783 divided into 117,897,830 Shares of par value RMB0.1 each, all of which were fully paid up; and

- immediately following the completion of the Global Offering, the Share Split and Conversion of the Unlisted Shares into H Shares, the registered share capital of our Company will be increased to RMB13,621,883 divided into 136,218,830 H Shares fully paid up or credited as fully paid up.

Save as aforesaid and as disclosed in the paragraph headed "4. Resolutions of our Shareholders passed on November 15, 2024" below, there has been no alteration in our share capital within the two years immediately preceding the date of this prospectus.

3. Restriction of share repurchase

For details of the restrictions on the share repurchase by our Company, please refer to the section headed "Summary of the Articles of Association" in Appendix V to this prospectus.

4. Resolutions of our Shareholders passed on November 15, 2024

At the extraordinary shareholders' meeting of our Company held on November 15, 2024, among other things, the following resolutions were passed by our Shareholders:

(a) immediately upon Listing, the ordinary Shares of the Company will be split on a one-for-ten basis, and the nominal value of the Shares will be changed from RMB1 each to RMB0.1 each;

(b) the issue of H Shares with a nominal value of RMB0.1 each and such H Shares to be listed on the Stock Exchange was approved;

(c) the number of H Shares to be issued shall be no more than 15% of the total issued share capital of our Company upon completion of the Global Offering;

(d) subject to the completion of the filing procedure with the CSRC, upon completion of the Global Offering, the Share Split and Conversion of the Unlisted Shares in aggregate into H Shares on a one-for-one basis was approved;

(e) subject to the completion of the Global Offering, the Articles of Association were approved and adopted, which shall become effective on the Listing, and our Board has been authorized to amend the Articles of Association in accordance with any comments from the Stock Exchange and the relevant PRC regulatory authorities; and

(f) our Board has been authorized to handle all relevant matters relating to, among other things, the Global Offering, the issue of H Shares and the Listing.

5. Particulars of our subsidiaries

Please refer to the paragraph headed "History, Development and Corporate Structure — Our major subsidiaries and major shareholding changes" and note 1 of the Accountants' Report for further information of our subsidiaries.

6. Change in the registered capital of our subsidiaries

Save as disclosed in "History, Development and Corporate Structure — Our major subsidiaries and major shareholding changes" in this prospectus, there has been no other alteration in the registered capital of any of our subsidiaries within the two years immediately preceding the date of this prospectus.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of material contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years preceding the date of this prospectus that are or may be material:

(a) the Deed of Non-competition;

(b) the cornerstone investment agreement dated December 11, 2025 entered into among our Company, TFI Investment Fund SPC (acting for and on behalf of its segregated portfolio, TFI Lakeside SP), ICBC International Capital Limited and ICBC International Securities Limited, pursuant to which TFI Investment Fund SPC (acting for and on behalf of its segregated portfolio, TFI Lakeside SP) agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of HK$10 million in accordance with the terms of the cornerstone investment agreement;

(c) the cornerstone investment agreement dated December 11, 2025 entered into among our Company, Awaken Thunder Capital Limited, ICBC International Capital Limited, ICBC International Securities Limited and China Securities (International) Corporate Finance Company Limited, pursuant to which Awaken Thunder Capital Limited agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of HK$4 million in accordance with the terms of the cornerstone investment agreement;

(d) the cornerstone investment agreement dated December 11, 2025 entered into among our Company, Fund Resources Investment Holding Group Company Limited, ICBC International Capital Limited and ICBC International Securities Limited, pursuant to which Fund Resources Investment Holding Group Company Limited agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US$5 million in accordance with the terms of the cornerstone investment agreement;

(e) the cornerstone investment agreement dated December 11, 2025 entered into among our Company, YStem Holding Limited, ICBC International Capital Limited and ICBC International Securities Limited, pursuant to which YStem Holding Limited agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US$1 million in accordance with the terms of the cornerstone investment agreement;

(f) the cornerstone investment agreement dated December 11, 2025 entered into among our Company, Main Source Capital Limited, ICBC International Capital Limited and ICBC International Securities Limited, pursuant to which Main Source Capital Limited agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of HK$10 million in accordance with the terms of the cornerstone investment agreement;

(g) the cornerstone investment agreement dated December 11, 2025 entered into among our Company, Guotai Junan Investments (Hong Kong) Limited, ICBC International Capital Limited, ICBC International Securities Limited and Haitong International Securities Company Limited, pursuant to which Guotai Junan Investments (Hong Kong) Limited agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of RMB10 million in accordance with the terms of the cornerstone investment agreement;

(h) the cornerstone investment agreement dated December 11, 2025 entered into among our Company, Sage Partners Master Fund, ICBC International Capital Limited and ICBC International Securities Limited, pursuant to which Sage Partners Master Fund agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US$1.5 million in accordance with the terms of the cornerstone investment agreement; and

(i) the Hong Kong Underwriting Agreement.

2. Our Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, our Group was the registered proprietor of the following trademarks which, in the opinion of our Directors, were material to our business:

No	Trademark	Place of registration	Name of registered proprietor	Class	Registration number	Date of registration	Expiry date
1. . .	翰思艾泰	PRC	the Company	42	76738432	February 1, 2024	July 27, 2034
2. . .	翰思艾泰	PRC	the Company	10	76738910	February 1, 2024	July 27, 2034
3 . .	翰思艾泰	PRC	the Company	44	76738426	February 1, 2024	July 20, 2034
4 . .	翰思艾泰	PRC	the Company	5	76726804	February 1, 2024	July 20, 2034
5 . .	翰思艾泰	PRC	the Company	41	76731319	February 1, 2024	July 27, 2034
6 . .	翰思艾泰	PRC	the Company	35	76732539	February 1, 2024	July 20, 2034

No	Trademark	Place of registration	Name of registered proprietor	Class	Registration number	Date of registration	Expiry date
7. . .		PRC	the Company	5	82265587	June 21, 2025	June 20, 2035
8. . .		PRC	the Company	42	82257397	June 14, 2025	June 13, 2035
9 . .		PRC	the Company	42	82262787	September 14, 2025	September 13, 2035

As at the Latest Practicable Date, two applications in the Hong Kong had been made for the registrations of the following trademarks:

No.	Trademark	Applicant	Class	Place of Application	Application date	Application Number
1 . . .	 	our Company	5, 16	Hong Kong	November 20, 2024	306731875
2	 	our Company	5, 16	Hong Kong	November 20, 2024	306731866

(b) Patents

As of the Latest Practicable Date, our Group had registered the following patents which, in the opinion of our Directors, were material to our business:

No.	Patent title	Name of registered proprietor	Patent category	Place of registration	Patent number	Date of application
1 . . .	Anti-PD-1/CD47 Bispecific anti-bodies and its application	Hangzhou Hanx	Invention	PRC	ZL201711298703.7	December 8, 2017
2 . . .	Anti-OX40 monoclonal anti-body and its application	Hangzhou Hanx	Invention	PRC	ZL201811593852.0	December 25, 2018

As of the Latest Practicable Date, we had not applied for any patents which, in the opinion of our Directors, material to our business.

(c) Domain names

As of the Latest Practicable Date, our Group had registered the following domain names which, in the opinion of our Directors, were material to our business:

No.	Domain name	Registered owner	Date of registration	Expiry date
1	hanxbio.cn	the Company	December 4, 2016	December 4, 2026
2	hanxbio.com	the Company	December 4, 2016	December 4, 2026
3	hanxbio.com.cn	the Company	December 4, 2016	December 4, 2026

C. FURTHER INFORMATION ABOUT DIRECTORS, SUPERVISORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of interests

(a) Interests and short positions of the Directors, Supervisors and the chief executive of our Company in the registered capital of our Company and its associated corporations

Immediately following the completion of the Global Offering, Share Split and the Conversion of Unlisted Shares into H Shares, the interests or short positions of Directors, Supervisors or chief executive of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, under section 352 of the SFO, to be entered in the register referred to in that section, or which will be required, under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**"), to be notified to our Company and the Stock Exchange once the H Shares are listed will be as follows:

Interest in Shares of our Company

Name	Nature of interest	Type of Shares	Number of Shares	Approximate percentage of shareholding in the total issued share capital
Dr. Zhang	Interest in controlled corporations[1]	H Shares	76,138,710	55.89%
Ms. Xiao	Beneficial owner	H Shares	11,100	0.0081%

Note:

1. The 76,138,710 Shares consist of: (i) 55,300,000 Shares held by CZ Biotechnology; (ii) 17,793,640 Shares held by Hanx Biopharmaceuticals (HK); and (iii) 3,045,070 Shares held by Wuhan Hanx.

   CZ Biotechnology is legally and beneficially owned as to 99.9% by Dr. Zhang and 0.1% by Ms. Luo Fang. CZ Biotechnology, Ms. Luo Fang and Dr. Zhang are considered as a group of controlling shareholders of our Group pursuant to the Listing Rules. Hanx Biopharmaceuticals (HK) is controlled by HanxBio (BVI), which is in turn controlled by Hanx Biopharmaceuticals. Hanx Biopharmaceuticals is controlled by Caizhang Vision, which is controlled by Dr. Zhang. Furthermore, Wuhan Hanx is owned as to 75% by CZ Biotechnology, which is also the general partner of Wuhan Hanx. Therefore, Dr. Zhang is deemed to be interested in the 76,138,710 Shares.

(b) Substantial Shareholders

Save as disclosed in the section headed "Substantial Shareholders" in this prospectus, our Directors are not aware of any persons (other than our Directors, Supervisors and chief executive of our Company) who will, immediately following the completion of the Global Offering, will have or be deemed or taken to have interests and/or short position in our Shares or underlying Shares which would be required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any types of the issued voting shares of any member of our Group.

2. Particulars of Directors' and Supervisors' service agreements and letters of appointment

Each of our Directors and Supervisors has entered into a service agreement or letter of appointment with our Company. The principal particulars of these service agreements and letters of appointment comprise (a) the term of the service; (b) termination provisions; and (c) dispute resolution provision. The service agreements and letters of appointment may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of our Directors or Supervisors has or is proposed to have a service agreement with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation)).

3. Directors' and Supervisors' remuneration

For the two years ended December 31, 2023 and 2024 and the eight months ended August 31, 2025, the aggregate remuneration (including salaries, allowances, benefits in kind, discretionary bonuses, retirement scheme contributions and share-based payments) paid or payable to our Directors, Supervisors, and senior management were approximately RMB1.9 million, RMB18.3 million and RMB14.4 million, respectively. For details, please refer to note 9 of the Accountants' Report set out in Appendix I to this prospectus.

Under the arrangement currently in force, the aggregate remuneration (including salaries, allowances, benefits in kind, discretionary bonuses, retirement scheme contributions and share-based payments) of our Directors, Supervisors, and senior management for the year ending December 31, 2025 is estimated to be no more than RMB26.9 million.

4. Agency fees or commissions received

Save as disclosed in the section headed "Underwriting" in this prospectus, no commissions, discounts, agency fee, brokerages or other special terms were granted in connection with the issue or sale of any capital of any member of our Group within the two years immediately preceding the date of this prospectus.

5. Disclaimers

(a) save as disclosed in this section, none of our Directors, Supervisors or chief executive of our Company has any interest or short position in our shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once our H Shares are listed on the Stock Exchange;

(b) within the two years immediately preceding the date of this prospectus, none of our Directors or Supervisors nor any of the experts referred to under the paragraph headed "E. Other Information — 6. Qualifications and consents of experts" in this appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(c) none of our Directors or Supervisors nor any of the experts referred to under the paragraph headed "E. Other Information — 6. Qualifications and consents of experts" in this appendix, is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;

(d) save as disclosed in this section, none of our Directors or Supervisors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));

(e) save as disclosed in the section headed "Substantial Shareholders" in this prospectus and the paragraph headed "C. Further information about Directors, Supervisors and Substantial Shareholders — 1. Disclosure of interests" in this appendix above, none of our Directors or Supervisors knows of any person (not being a Director, Supervisor or chief executive of our Company) who will, immediately following the completion of the Global Offering, have an interest or short position in our Shares or underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the issued voting shares of any member of our Group; and

(f) so far as is known to our Directors as of the Latest Practicable Date, none of our Directors, Supervisors or their respective close associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interests in any of our top five suppliers.

D. EMPLOYEE SHARE INCENTIVE SCHEME

Our Stock Incentive Plan

The following is a summary of the principal terms of the stock incentive plan, which includes stock option incentive plan (the "**Stock Option Incentive Plan**") and the restricted share incentive scheme (the "**Restricted Share Incentive Scheme**"). Given no further share option will be granted under the Stock Option Incentive Plan and no further restricted shares unit will be granted under the Restricted Share Incentive Scheme after the Listing, the terms of the Stock Option Incentive Plan and the Restricted Share Incentive Scheme are not subject to the provisions of Chapter 17 of the Listing Rules.

A. Stock Option Incentive Plan

(i) Purpose

The purpose of the Stock Option Incentive Plan is to improve our Group's corporate governance structure and incentive mechanism, ascertain the contribution made by our employees to our Group, incentivize our Group's management and key employees to enhance the competitiveness of our Group to ensure realization of our Group's future development strategy and business targets. The Stock Option Incentive Plan is implemented to align the interests of the Shareholders with the interests of our Group and employee which will benefit the sustained development of our Group.

(ii) Administration

The Stock Option Incentive Plan is subject to the approval of the Shareholders' meeting, administration of the Board and the supervision of the board of Supervisors.

(iii) Participants

The participants of the Stock Option Incentive Plan include key personnel of our Group (including our executive Director, our Supervisor, our senior management and other employees).

(iv) Maximum number of options and shares

The Stock Option Incentive Plan consists of: (i) options to subscribe for 304,507 Shares (which will become 3,045,070 H Shares upon Listing) granted to the eligible PRC employees (the "**PRC Stock Options**"); and (ii) options to subscribe for approximately 1,533,407 Shares (which will become 15,334,075 H Shares upon Listing) granted to the eligible foreign and Hong Kong employees (the "**Foreign and Hong Kong Stock Options**"). In relation to the PRC Stock Options, they represent the right to purchase units of the Wuhan Hanx within the exercise period at the exercise price; in relation to each of the Foreign and Hong Kong Stock Options, they represent the right to subscribe shares of HanxBio (BVI) within the exercise period at the exercise price.

The maximum number of Shares the grantees entitled to subscribed for under the PRC Stock Options is 304,507 Shares (which will become 3,045,070 H Shares upon completion of the Share Split and the Global Offering), which represents the number of Unlisted Shares transferred from Hanx Biopharmaceuticals (HK) to Wuhan Hanx at a consideration of RMB2,785,594 on September 29, 2024. The maximum number of Shares the grantees entitled to subscribed for under the Foreign and Hong Kong Stock Options is approximately 1,533,407 Shares (which will become 15,334,075 H Shares upon completion of the Share Split and the Global Offering).

As of the Latest Practicable Date, all the Unlisted Shares, which will be converted into H Shares upon Listing, to be granted under the PRC Stock Options have been transferred to Wuhan Hanx by Hanx Biopharmaceuticals (HK). The eligible employees of the PRC Stock Options and the Foreign and Hong Kong Stock Options will not be entitled to any rights to the Shares underlying the PRC Stock Options and the Foreign and Hong Kong Stock Options before the exercise of the PRC Stock Options and the Foreign and Hong Kong Stock Options (the "**Underlying Shares**"). Upon exercise of the PRC Stock Options and the Foreign and Hong Kong Stock Options, the eligible employees will be entitled to the economic benefits of the Underlying Shares. Furthermore, the eligible employees should entrust the rights other than the economic rights of the Underlying Shares to the person as appointed by our Company.

(v) Date of grant and duration

The date on which the options are granted shall be the date of grant agreement entered into between our Group and the eligible employees. As of the Latest Practicable Date, all the options have been granted. The Stock Option Incentive Plan shall be valid for a term of no longer than 10 years from the date of approval of the Stock Option Incentive Plan by our Board to the date of completion of the exercise of the options or cancellation of the options under the Stock Option Incentive Plan.

(vi) Exercise of the options

Options may be exercised by a grantee provided that the annual assessment and performance targets as set out under the Stock Option Incentive Plan is achieved.

The exercise price for the option to be granted under the PRC Stock Options and the Foreign and Hong Kong Stock Options is RMB0.92 and US$0.14 per H Share, respectively.

The vesting schedule of the options granted are: (i) (in relation to the PRC Stock Options) vested in tranches of 25% on the date of grant, the first, second and third anniversary of the date of grant; and (ii) (in relation to the Foreign and Hong Kong Stock Options) vested in tranches of one-third of the total options on each of January 1 of 2024, 2025 and 2026, in tranches of one-fourth of the total options on each of January 1 of 2023, 2024, 2025 and 2026 or in tranches of 25% on the date of grant, the first, second and third anniversary of the date of grant.

Upon vesting of the options, the eligible employees can exercise the options by written notice to our Company: (i) in relation to the PRC Stock Options, within 5 years; or (ii) in relation to the Foreign and Hong Kong Stock Options, within 5 or 7 years from the date of vesting of the options.

(vii) Outstanding options

(i) The number of H Shares underlying the outstanding options granted under the PRC Stock Options amounted to 2,283,803 H Shares immediately following the completion of the Listing and Share Split. Such H Shares are held by the general partner of Wuhan Hanx on behalf of the grantees; and (ii) the number of H Shares underlying the outstanding option granted under the Foreign and Hong Kong Stock Options amounted to 13,345,230 H Shares immediately following the completion of the Listing (assuming no changes to our issued and outstanding shares between the Latest Practicable Date and the Listing Date).

The table below sets forth the details of the Shares granted to connected persons who are the Directors, Supervisors or senior management of our Company under the Stock Option Incentive Plan which were outstanding as of the Listing Date:

Name of the grantee	Position in the Company	Address	Date of grant	Number of underlying H Shares under options granted	Exercise price per H Share	Option period	Vesting schedule	H Shares underlying outstanding options as a percentage of issued Shares immediately after the Listing[1]
The PRC Stock Option[2]								
Mr. Liu.	Chief operating officer, vice general manager, and executive Director	Unit 4-1-504, Lidao 2046, Xiongchu Avenue Hongshan District, Wuhan, Hubei, PRC	August 29, 2024	2,186,280	RMB0.92	5 years from the date of vesting of options	25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant	1.61%
Ms. Sun .	Supervisor	Unit 1002, No. 138, Lane 1688, Landian Road, Zhoupu Town, Pudong New Area, Shanghai, PRC	August 29, 2024	210,530	RMB0.92	5 years from the date of vesting of options	25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant	0.16%
Dr. Ke .	Supervisor, and Chairman of Supervisory Committee	Unit 202 Building 3 Block 3, No. 21 Zhongnan Road, Wuchang District, Wuhan, Hubei, PRC	August 29, 2024	169,440	RMB0.92	5 years from the date of vesting of options	25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant	0.12%

Name of the grantee	Position in the Company	Address	Date of grant	Number of underlying H Shares under options granted	Exercise price per H Share	Option period	Vesting schedule	H Shares underlying outstanding options as a percentage of issued Shares immediately after the Listing[1]
Ms. Chen	Employee representative Supervisor	Unit 307, Building E9, Talent Apartment, Guanggu 3rd Road, Hongshan District, Wuhan, Hubei, PRC	August 29, 2024	13,120	RMB0.92	5 years from the date of vesting of options	25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant	0.01%
The Foreign and Hong Kong Stock Option[3]								
Dr. Zhang	Chairman and executive Director	Unit 601 Unit 1, Block 42, Hengda Huafu, No. 22 Luoyu East Road, Wuhan East Lake New Technology Development Area, Wuhan, Hubei, PRC	August 28, 2024[4]	4,675,960	US$0.14	7 years from the date of vesting of options	25% on each of : (i) January 1, 2023; (ii) January 1, 2024; (iii) January 1, 2025; and (iv) January 1, 2026	3.43%
Dr. Li	Chief executive officer, chief scientific officer and executive Director	3561 Voyager Ct., Oceanside, California, USA	August 28, 2024[4]	4,099,275	US$0.14	7 years from the date of vesting of options	One-third on each of: (i) January 1, 2024; (ii) January 1, 2025; and (iii) January 1, 2026	3.01%
Ms. Zhang	Chief medical officer	9 Hadley Court Basking Ridge, New Jersey, USA	August 28, 2024[4]	3,279,420	US$0.14	7 years from the date of vesting of options	One-third on each of: (i) January 1, 2024; (ii) January 1, 2025; and (iii) January 1, 2026	2.41%

Notes:

(1) The calculation is based on the assumption that no new Shares are issued under the Over-Allotment Option and our Share Schemes.

(2) Pursuant to the PRC Stock Options, the grantees will be granted with units in Wuhan Hanx. The number of H Shares for grantees of the PRC Stock Options represent the portion of the units to be held by the grantees in Wuhan Hanx.

(3) Pursuant to the Foreign and Hong Kong Stock Options, the grantees will be granted with HanxBio (BVI) shares. The number of H Shares for grantees of the Foreign and Hong Kong Stock Options represent the portion of the HanxBio (BVI) shares to be held by the grantees.

(4) As confirmed by our Company, the options granted to Dr. Zhang, Dr. Li and Ms. Zhang under the Stock Option Incentive Plan are replacement of the options to subscribe for equity interests in Hangzhou Hanx granted to Dr. Zhang, Dr. Li and Ms. Zhang on January 1, 2022. For further details, please refer to note 27 to the Accountants Report included in Appendix I to this prospectus.

The table below sets forth the details of Shares granted to other grantees (excluding the abovementioned connected persons of our Company) under the Stock Option Incentive Plan which were outstanding upon Listing:

Name of the grantee	Position in the Company	Address	Date of grant	Number of underlying H Shares under options granted	Exercise price per Share	Option period	Vesting schedule	H Shares underlying outstanding options as a percentage of issued Shares immediately after the Listing[1]
The PRC Stock Option[2]								
Mr. Yang Tao (楊濤) . . .	Non-clinical Senior Director of the Research and Development Department	Room 405, Building 18, Qiupingyuan, Century Court, No. 12 Dongcang South Road, Taicang, Jiangsu	August 29, 2024	131,180	RMB0.92	5 years from the vesting of the options	25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant	0.10%

Name of the grantee	Position in the Company	Address	Date of grant	Number of underlying H Shares under options granted	Exercise price per Share	Option period	Vesting schedule	H Shares underlying outstanding options as a percentage of issued Shares immediately after the Listing[(1)]
Mr. Peng Feiyu (彭飛宇) . .	CMC Director of the Research and Development Department	Room 304, Building 2, Chengtousixinzhiguang Guanting, Laoguan Community, Jiangdi Street, Hanyang District, Wuhan, Hubei	August 29, 2024	81,990	RMB0.92	5 years from the vesting of the options	25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant	0.06%
Mr. Wang Shuai (王帥) . . .	Clinical Operation Senior Director	Room 1001, No. 1, Lane 593, Chuangxin Middle Road, Pudong New Area, Shanghai	August 29, 2024	76,520	RMB0.92	5 years from the vesting of the options	25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant	0.06%
Ms. Lei Juan (雷娟) . . .	Director of Pharmaceutical Regulations/ Project Quality Management	Room 303, Unit 1, Building 22, No. 1, Xiangzhang 3rd Road, Changqing Garden Street, Dongxihu District, Wuhan, Hubei	August 29, 2024	71,050	RMB0.92	5 years from the vesting of the options	25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant	0.05%

Name of the grantee	Position in the Company	Address	Date of grant	Number of underlying H Shares under options granted	Exercise price per Share	Option period	Vesting schedule	H Shares underlying outstanding options as a percentage of issued Shares immediately after the Listing[(1)]
Ms. Li Jialin (李佳霖) . .	Scientist	Room 806, Building 3, Residential Property, Hankou Branch, Central Military Region General Hospital, No. 68 Huangpu Road, Jiangan District, Wuhan	August 29, 2024	12,020	RMB0.92	5 years from the vesting of the options	25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant	0.01%
Ms. Chen Cen (陳岑) . . .	Scientist	14-1-1602, Dahua Platinum Ruifu, No. 15 Yuanlin Road, Qingshan District, Wuhan, Hubei	August 29, 2024	8,750	RMB0.92	5 years from the vesting of the options	25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant	0.01%
Mr. Zhong Ren (鍾仁) . . .	Senior IT manager	Room 220, Building K6, Guanggu Biocity, Wuhan, Hubei	August 29, 2024	8,750	RMB0.92	5 years from the vesting of the options	25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant	0.01%

Name of the grantee	Position in the Company	Address	Date of grant	Number of underlying H Shares under options granted	Exercise price per Share	Option period	Vesting schedule	H Shares underlying outstanding options as a percentage of issued Shares immediately after the Listing[(1)]
Mr. Xu Jianling (許健翎) . .	Financial Manager	Room 701, Unit 1, Building 1, Phase III of Guoxin New City, Guocikou, Qintai Avenue, Hanyang District, Wuhan, Hubei, China	August 29, 2024	8,750	RMB0.92	5 years from the vesting of the options	25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant	0.01%
Ms. Ren Liping (任莉萍) . .	Financial Manager	Room 1703, Unit 2, Building 7, No. 143 Xudong Street, Hongshan District, Wuhan	August 29, 2024	7,650	RMB0.92	5 years from the vesting of the options	25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant	0.01%
Ms. Yu Ting (余婷) . . .	Deputy Medical Manager	Room 314, Building K2, Guanggu Biocity, No. 666, Gaoxin Avenue, Hongshan District, Wuhan, Hubei	August 29, 2024	7,650	RMB0.92	5 years from the vesting of the options	25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant	0.01%

Name of the grantee	Position in the Company	Address	Date of grant	Number of underlying H Shares under options granted	Exercise price per Share	Option period	Vesting schedule	H Shares underlying outstanding options as a percentage of issued Shares immediately after the Listing[(1)]
Mr. Tian Chen (田琛) . . .	Project Manager	24L, Building Wanguocheng, Wuhan City, Hubei Province	August 29, 2024	6,560	RMB0.92	5 years from the vesting of the options	25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant	0.005%
Ms. Liao Hongxiu (廖紅秀) . .	Purchasing Manager	Room 1604, Unit 1, Building 17, Qingjianghongjing, Wenhua Avenue, Jiangxia District, Wuhan City, Hubei	August 29, 2024	6,560	RMB0.92	5 years from the vesting of the options	25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant	0.005%
Mr. Mo Yunlong (莫蕓隆) . .	Senior Medical Manager	3-204, Lane 388, Zhoudongnan Road, Pudong New Area, Shanghai	August 29, 2024	5,470	RMB0.92	5 years from the vesting of the options	25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant	0.004%

Name of the grantee	Position in the Company	Address	Date of grant	Number of underlying H Shares under options granted	Exercise price per Share	Option period	Vesting schedule	H Shares underlying outstanding options as a percentage of issued Shares immediately after the Listing[(1)]
Ms. Liu Chang (劉暢) . . .	Senior Manager	4-3-1103, Phase II, Dahua South Lake Park, No. 108 Wenxin Street, Hongshan District, Wuhan City, Hubei	August 29, 2024	5,470	RMB0.92	5 years from the vesting of the options	25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant	0.004%
Ms. Liu Shuang (劉爽) . . .	Senior Project Manager	Room 204, No. 42, Lane 791, Xiangyin Road, Yangpu District, Shanghai	August 29, 2024	5,470	RMB0.92	5 years from the vesting of the options	25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant	0.004%
Ms. Ma Junjiao (馬俊姣) . .	Senior Clinical Quality Manager	Room 1304, Unit 1, Building 8, Gaoloujindi, Liyuan Town, Tongzhou District, Beijing	August 29, 2024	5,470	RMB0.92	5 years from the vesting of the options	25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant	0.004%

Name of the grantee	Position in the Company	Address	Date of grant	Number of underlying H Shares under options granted	Exercise price per Share	Option period	Vesting schedule	H Shares underlying outstanding options as a percentage of issued Shares immediately after the Listing[(1)]
Ms. Ha Shaohong (哈紹紅) . .	Project Manager	Room 501, Building 117, Lane 1107, Phase III, Yulan Xiangyuan, Zhangjiang Town, Pudong New Area, Shanghai	August 29, 2024	4,370	RMB0.92	5 years from the vesting of the options	25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant	0.003%
Ms. Zhang Meng (張萌).	Data Manager	Room 905, Unit 1, Building 15, Nangaoying Area 2, Chang'an District, Shijiazhuang City, Hebei	August 29, 2024	4,370	RMB0.92	5 years from the vesting of the options	25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant	0.003%
Ms. Gao Xinbao (高欣寶).	Medical Manager	Room 2702, Unit 2, Jinhua Xinduhui, No. 38 Changle Middle Road, Xincheng District, Xi'an City, Shaanxi	August 29, 2024	4,370	RMB0.92	5 years from the vesting of the options	25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant	0.003%

Name of the grantee	Position in the Company	Address	Date of grant	Number of underlying H Shares under options granted	Exercise price per Share	Option period	Vesting schedule	H Shares underlying outstanding options as a percentage of issued Shares immediately after the Listing[1]
Mr. Yan Liangbo (晏良波) . .	Deputy Manager of Pharmaceutical Regulations/Project Quality Management	Room 603, Unit 1, Building 8, Phase 1, Taohuayuan Community, Optics Valley 7th Road, Donghu New Technology Development Zone, Wuhan City, Hubei	August 29, 2024	3,280	RMB0.92	5 years from the vesting of the options	25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant	0.002%
The Foreign and Hong Kong Stock Option[3]								
Mr. Zhang Hui .	Chief financial officer, joint company secretary of our Company, the secretary of our Board, and vice general manager	Unit 2704 E8 Building, Talent Apartment, Optics Valley Biotech City, Hongshan District, Wuhan, Hubei, PRC	August 28, 2024	3,279,420	US$0.14	5 years from the vesting of the options	25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant	2.41%

Notes:

(1) The calculation is based on the assumption that no new Shares are issued under the over-allotment Option and our Share Schemes.

(2) Pursuant to the PRC Stock Options, the grantees will be granted with units in Wuhan Hanx. The number of H Shares for grantees of the PRC Stock Options represent the portion of the units to be held by the grantees in Wuhan Hanx.

(3) Pursuant to the Foreign and Hong Kong Stock Options, the grantees will be granted with HanxBio (BVI) shares. The number of H Shares for grantees of the Foreign and Hong Kong Stock Options represent the portion of the HanxBio (BVI) shares to be held by the grantees.

B. Restricted Share Incentive Scheme

(i) Purpose

The purpose of the Restricted Share Incentive Scheme is to improve our Group's corporate governance structure and incentive mechanism, ascertain the contribution made by our employees to our Group, incentivize our Group's management and key employees to enhance the competitiveness of our Group to ensure realization of our Group's future development strategy and business targets. The Restricted Share Incentive Scheme is implemented to align the interests of the Shareholders with the interests of our Group and employee which will benefit the sustained development of our Group.

(ii) Administration

The Restricted Share Incentive Scheme is subject to the approval of the Shareholders' meeting, administration of the Board and the supervision of the board of Supervisors.

(iii) Participants

The participants of the Restricted Share Incentive Scheme include key personnel of our Group, namely Dr. Li and Ms. Zhang.

(ix) Maximum number of options and shares

The Restricted Share Incentive Scheme consists of approximately 17 HanxBio (BVI) shares (the "**Restricted HanxBio (BVI) Shares**") to be granted to the eligible employees, representing 2,459,565 H Shares upon Listing. As of the Latest Practicable Date, all the Restricted HanxBio (BVI) Shares have been granted and vested in the eligible employee.

(x) Date of grant and duration

The date on which the Restricted HanxBio (BVI) Shares are granted shall be the date of grant agreement entered into between our Group and the eligible employees. As of the Latest Practicable Date, all the Restricted HanxBio (BVI) Shares have been granted. The Restricted Share Incentive Scheme shall be valid for a term of no longer than 10 years from the date of approval of the Stock Option Incentive Plan by our Board to the date of vesting of the Restricted HanxBio (BVI) Shares under the Restricted Share Incentive Scheme. As of the Latest Practicable Date, all of the Restricted HanxBio (BVI) Shares have been vested and the Restricted Share Incentive Scheme has already ended.

(xi) Unlocking and vesting of restricted Shares

As of the Latest Practicable Date, all the Restricted HanxBio (BVI) Shares have been unlocked and vested to the employees. The following table sets forth the number of Shares granted to Directors, senior management or connected persons of our Company under the Restricted Share Incentive Scheme as of the Latest Practicable Date:

Name of the grantee	Position in the Company	Address	Number of underlying H Shares represented by the Restricted HanxBio (BVI) Shares	Grant price per H Share	Approximate percentage of issued Shares represented by the Restricted HanxBio (BVI) Shares immediately after completion of the Listing (assuming the Over-allotment option is not exercised)
Dr. Li	Chief executive officer, chief scientific officer, general manager, and executive Director	3561 Voyager Ct., Oceanside, California, USA	1,366,425	US$0.14	1.00%
Ms. Zhang. . . .	Chief medical officer, and vice general manager	9 Hadley Court Basking Ridge, New Jersey, USA	1,093,140	US$0.14	0.80%

Note: As confirmed by our Company, the Restricted HanxBio (BVI) Shares granted to Dr. Li and Ms. Zhang under the Restricted Share Incentive Scheme are replacement of the restricted equity interests in Hangzhou Hanx granted to Dr. Li and Ms. Zhang on January 1, 2022. For further details, please refer to note 27 to the Accountants Report included in Appendix I to this prospectus.

E. OTHER INFORMATION

1. Estate duty

Our Directors have been advised that currently no material liability for estate duty is likely to fall on our Company or any of our subsidiaries in the PRC.

2. Litigation

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any litigation, arbitration or administrative proceedings which could have a material adverse impact on our business, financial condition or results of operations. As of the

Latest Practicable Date, we were not aware of any pending or threatened litigation, arbitration or administrative proceedings against us which may have a material and adverse impact on our business, financial condition or results of operations.

3. Sole Sponsor

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor's fee for acting as the sponsor for the Listing is US$600,000.

The Sole Sponsor has made an application on behalf of our Company to the Stock Exchange for the Listing of, and permission to deal in, the H Shares to be converted from Unlisted Shares and the H Shares to be issued pursuant to the Global Offering.

4. Preliminary expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses.

5. Promoters

The promoters of our Company are as follows:

No.	Name of promoters of our Company
1.	CZ Biotechnology
2.	Hanx Biopharmaceuticals (HK)
3.	Hangzhou Hongye Ruiji
4.	Wuhan Hanx
5.	Beijing Lapam
6.	Betta Pharmaceuticals
7.	Wuhan Donggaorensi
8.	Hangzhou Taikun
9.	Tibet Lapam
10.	Hainan Yangtze
11.	Yangtze Hong Kong
12.	Lapam Capital
13.	Ms. Xiao

Save as disclosed in the section headed "History, Development and Corporate Structure" in this prospectus, within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters named above in connection with the Listing and the related transactions described in this prospectus.

6. Qualifications and consents of experts

The following are the qualifications of the experts who have given opinions or advice which are contained in this prospectus:

Name	Qualifications
ICBC International Capital Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
Jingtian & Gongcheng	Legal advisors to our Company as to the PRC law
Ernst & Young	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

Each of the experts named above has given and has not withdrawn its respective written consent to the issue of this prospectus with the inclusion of its reports, letters, opinions, summaries of opinions and/or references to its name included herein in the form and context in which they respectively appear.

7. Interests of experts in our Company

Except as disclosed in this prospectus and save for its obligations under the Global Offering, none of the persons named in the paragraph headed "E. Other Information — 6. Qualifications and consents of experts" in this section above is interested beneficially or otherwise in any Shares or shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any shares or securities in any member of our Group.

8. Taxation of holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate chargeable on each of the seller and purchaser is 0.1% of the consideration or, if higher, the fair value of the H Shares being listed or transferred. For further information in relation to taxation, see the paragraph headed "Taxation and Foreign Exchange" in Appendix III to this prospectus.

9. Binding effect

This prospectus shall have the effect, if an application is made in pursuance of this prospectus, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

10. Miscellaneous

(a) within the two years immediately preceding the date of this prospectus:

(i) save as disclosed in the section headed "History, Development and Corporate Structure" in this prospectus, no share or loan capital of our Company or any of our subsidiaries had been issued or agreed to be issued or proposed to be fully or partly paid either for cash or for a consideration other than cash;

(ii) save as disclosed in the section headed "History, Development and Corporate Structure" in this prospectus, no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(iii) save as disclosed in the section headed "Underwriting" in this prospectus, no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and

(iv) save as disclosed in the section headed "Underwriting" in this prospectus, no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries;

(b) there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;

(c) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus;

(d) there has been no material adverse change in the financial or trading position or prospects of our Group since August 31, 2025 (being the date to which the latest audited consolidated financial statements of our Group were prepared);

(e) no company within our Group is presently listed on any stock exchange or traded on any trading system;

(f) all necessary arrangements have been made to enable our H Shares to be admitted into CCASS for clearing and settlement;

(g) our Company has no outstanding convertible debt securities or debentures;

(h) there is no arrangement under which future dividends are waived or agreed to be waived; and

(i) none of the equity and debt securities of our Company, if any, is listed or traded in any other stock exchange nor is any listing or permission to list being or proposed to be sought.

11. Bilingual prospectus

The English and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong). In case of any discrepancies between the English language version and Chinese language version of this prospectus, the English language version shall prevail.

A. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

(a) the written consents referred to in the paragraph headed "Statutory and General Information — E. Other Information — 6. Qualifications and consents of experts" in Appendix VI to this prospectus; and

(b) a copy of each of the material contracts referred to in the paragraph headed "Statutory and General Information — B. Further Information about our Business — 1. Summary of material contracts" in Appendix VI to this prospectus.

B. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (**www.hkexnews.hk**) and our Company (**http://www.hanxbio.com**) up to and including the date which is 14 days from the date of this prospectus:

(a) the Articles of Association;

(b) the Accountants' Report from Ernst & Young, the text of which is set out in Appendix I to this prospectus;

(c) the report from Ernst & Young in respect of the unaudited *pro forma* financial information, the text of which is set out in Appendix II to this prospectus;

(d) the audited consolidated financial statements of our Group for the two years ended December 31, 2024 and the eight months ended August 31, 2025;

(e) the material contracts referred to in the paragraph headed "Statutory and General Information — B. Further Information about our Business — 1. Summary of material contracts" in Appendix VI to this prospectus;

(f) the service agreements and letters of appointment entered into between our Company and each of our Directors and Supervisors (as applicable) referred to in the paragraph headed "Statutory and General Information — C. Further Information about Directors, Supervisors and Substantial Shareholders — 2. Particulars of Directors' and Supervisors' service agreements and letters of appointment" in Appendix VI to this prospectus;

(g) the rules of the employee share incentive scheme;

(h) the legal opinion issued by Jingtian & Gongcheng, our PRC Legal Adviser, in respect of certain general corporate matters of our Group;

(i) the legal opinion issued by Jingtian & Gongcheng, our PRC IP Legal Adviser, in respect of certain intellectual properties matters of our Group in the PRC;

(j) the written consents referred to in the paragraph headed "Statutory and General Information — E. Other Information — 6. Qualifications and consents of experts" in Appendix VI to this prospectus;

(k) the PRC Company Law;

(l) the PRC Securities Law, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, together with their unofficial English translation; and

(m) the industry report issued by F&S.

翰思艾泰生物醫藥科技(武漢)股份有限公司

Hanx Biopharmaceuticals (Wuhan) Co., Ltd.