Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

INSILICO MEDICINE

InSilico Medicine Cayman TopCo
英矽智能

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3696)

DISCLOSEABLE TRANSACTION
PARTICIPATION IN THE ESTABLISHMENT OF AN INVESTMENT FUND

BACKGROUND

Reference is made to the announcement of the Company dated August 18, 2026 in relation to the possible participation in the establishment of the Fund.

On November 3, 2026, Insilico Shanghai and Insilico Pudong Development entered into the Partnership Agreement with Value Partners Shenzhen, Pudong Construction and Hanchen Lanxi in relation to the establishment of the Fund. The total capital commitment to the Fund is RMB610 million, of which the Group proposes to contribute a total of RMB302.5 million. Upon completion of its establishment, the Fund will not be a subsidiary of the Company, and its financial results will not be consolidated into the accounts of the Group.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the transaction contemplated under the Partnership Agreement exceeds 5% but is less than 25%, such transaction constitutes a discloseable transaction of the Company, which shall be subject to the reporting and announcement requirements, but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

Insilico Pudong Development is an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules. Notwithstanding that each of Pudong Construction and Pudong Development Group is a substantial shareholder of Insilico Pudong Development, Pudong Construction, Pudong Development Group and their respective ultimate beneficial owner(s) are not regarded as connected persons for the Company pursuant to Rule 14A.09 of the Listing Rules. Therefore, the transaction contemplated under the Partnership Agreement does not constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated August 18, 2026 in relation to the possible participation in the establishment of the Fund.

On November 3, 2026, Insilico Shanghai and Insilico Pudong Development entered into the Partnership Agreement with Value Partners Shenzhen, Pudong Construction and Hanchen Lanxi in relation to the establishment of the Fund. The total capital commitment to the Fund is RMB610 million, of which the Group proposes to contribute a total of RMB302.5 million. Upon completion of its establishment, the Fund will not be a subsidiary of the Company, and its financial results will not be consolidated into the accounts of the Group.

THE PARTNERSHIP AGREEMENT

The principal terms of the Partnership Agreement are set out as follows:

Date: November 3, 2026

Parties:

(i) Insilico Pudong Development, as a general partner and executive partner;

(ii) Value Partners Shenzhen, as a general partner, executive partner and fund manager;

(iii) Insilico Shanghai, as a limited partner;

(iv) Pudong Construction, as a limited partner; and

(v) Hanchen Lanxi, as a limited partner.

Name of the Fund: Insilico Pudong Development Value Partners (Shanghai) Private Investment Fund Partnership (Limited Partnership)* (英矽浦發惠理(上海)私募投資基金合夥企業(有限合夥)).

Nature of the Fund: A limited partnership to be established in the PRC and filed with the AMAC as a private equity investment fund.

Fund size and capital commitments:

Upon its establishment, the Fund will have a total capital commitment of RMB610 million, to be contributed by the partners as follows:

Partner	Type	Capital commitment *(RMB million)*	Proportion of contribution
Insilico Pudong Development	General partner	2.5	0.41%
Value Partners Shenzhen	General partner	2.5	0.41%
Insilico Shanghai	Limited partner	300	49.18%
Pudong Construction	Limited partner	300	49.18%
Hanchen Lanxi	Limited partner	5	0.82%
Total		**610**	**100.00%**

The target fund size is RMB1.01 billion. Subject to the consent of Value Partners Shenzhen, the Fund may admit new partners or accept additional commitments from existing partners within two years after its establishment. The Group is not obliged to increase its capital commitment under the Partnership Agreement.

The fund size and the capital commitment by the Group were determined based on arm's length negotiations among the partners with reference to the capital needs of the Fund and the partners' proportionate interests therein, the Fund's investment strategy, the fund manager's reputation and track record, and the amount of cash reserves and expected capital needs of the Group.

Capital contribution:

All capital contributions shall be made in cash in RMB. Each partner shall contribute its capital commitment in two equal instalments, each of 50%, in accordance with the capital call notices issued by Value Partners Shenzhen. The timing and proportion of the instalments may be adjusted by Value Partners Shenzhen with the unanimous written consent of the general partners.

Term:

The duration of the Fund is ten years from the date of establishment of the Fund, comprising an investment period of five years and an exit period of five years. The exit period may be extended by one year at a time, up to two times, with the unanimous consent of the general partners. Any further extension shall be subject to approval by the partners' meeting.

Investment scope and restrictions:

The Fund shall principally invest in growth-stage companies (from series A to pre-IPO) in the relevant fields such as biomedicine, life sciences, artificial intelligence and their cross-disciplinary applications. The Fund may also subscribe for shares issued by listed companies in the aforesaid sectors to specific investors, or acquire shares in such listed companies through block trades, negotiated transfers or other non-public means permitted by applicable regulations, but shall not participate in centralized bidding trading on stock exchanges. The Fund may also invest in convertible bonds with equity conversion rights, privately offered or traded convertible bonds, and other investment instruments of an equity investment nature.

Idle cash of the Fund may only be placed in bank deposits, treasury bonds, fixed-income wealth management products, money market funds or other low-risk products with high liquidity.

The Fund shall not, among others, (i) make any investment under which it bears unlimited liability; (ii) invest in real estate, futures, derivatives or other high-risk financial products, or trade in listed shares on the secondary market for short-term gains; (iii) provide loans, guarantees or entrusted loans; or (iv) invest in other industry investment funds or investment entities. Unless otherwise unanimously agreed by the general partners, the Fund's investment in any single portfolio company shall not exceed 20% of the total capital commitment to the Fund at the time of such investment.

Management of the Fund:

Insilico Pudong Development and Value Partners Shenzhen are the executive partners of the Fund. Value Partners Shenzhen, as the fund manager, is responsible for fundraising, fund filing, investment management, post-investment management, exit and information disclosure. Insilico Pudong Development is responsible for providing industry resources, project sourcing, industry and technical due diligence support and post-investment value-added services.

Investment decision-making committee

The Fund has an investment decision-making committee comprising four members to be appointed by Value Partners Shenzhen, which is the highest investment decision-making body of the Fund. Resolutions of the investment decision-making committee require the approval of no fewer than three (3) members present at the meeting. The composition and powers of the investment decision-making committee may not be changed without the unanimous consent of the general partners.

Partners' meeting

The partners' meeting shall be convened by Value Partners Shenzhen when it considers necessary or upon the proposal of any general partner or the investment decision-making committee. Each partner votes in proportion to its capital commitment. Save as otherwise provided in the Partnership Agreement, resolutions require the approval of all general partners and partners holding one-half of the voting rights. The removal or replacement of the fund manager or an executive partner requires the unanimous consent of all partners other than the executive partner concerned, while the dissolution of the Fund requires unanimous consent of all partners.

Management fee and executive partner fee: Each of Value Partners Shenzhen (as management fee) and Insilico Pudong Development (as executive partner fee) is entitled to an annual fee calculated at 1% of (i) the total paid-in capital of the Fund during the investment period; and (ii) the investment cost of the un-exited portfolio investments during the exit period. No such fees will be charged during any extended period. The fees are payable semi-annually in advance by the Fund.

Value Partners Shenzhen will not charge any executive partner fee.

Distribution: Distributable cash of the Fund shall be distributed in the following order:

(i) to all partners in proportion to their paid-in capital, until each partner has received an amount equal to its paid-in capital;

(ii) to all partners, until each partner has received a hurdle return calculated at 8% per annum on its paid-in capital; and

(iii) the balance, as to 80% to the limited partners in proportion to their paid-in capital and as to 20% to the general partners as carried interest, which shall be shared by Insilico Pudong Development and Value Partners Shenzhen equally.

Any carried interest received by the general partners in excess of their entitlement based on the overall performance of the Fund shall be returned to the Fund upon liquidation.

Loss sharing: Losses of the Fund shall be shared by the partners in proportion to their capital commitments. The liability of each limited partner is limited to its capital commitment. The general partners shall bear unlimited joint and several liability for the debts of the Fund.

Transfer of interests: A limited partner may not transfer its interest in the Fund without the prior consent of Value Partners Shenzhen, or pledge its interest without the approval of the partners' meeting. A general partner may not transfer its interest in the Fund save in limited circumstances provided in the Partnership Agreement.

Dissolution and liquidation: The Fund shall be dissolved upon the occurrence of, among others, (i) the expiry of the term of the Fund (including any extension) without further extension approved by the partners' meeting; (ii) the full exit of all portfolio investments after the investment period; (iii) the removal or withdrawal of all general partners without admission of a new general partner; or (iv) the unanimous consent of all partners.

Upon dissolution, the general partners shall jointly act as the liquidators, unless otherwise unanimously agreed by all partners. The liquidation period shall not exceed 12 months, subject to extension by the liquidators. The assets of the Fund shall be applied in the following order: (i) liquidation expenses, staff wages, social insurance and statutory compensation; (ii) outstanding taxes; (iii) debts of the Fund; (iv) unpaid fees under the Partnership Agreement; and (v) distribution to the partners in accordance with the distribution waterfall set out above.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The participation in the Fund is in line with the Group's strategic direction and would enable the Group to participate in growth opportunities arising from the continued development and innovation of the biopharmaceutical and life sciences sectors.

The Group's total commitment under the transaction contemplated under the Partnership Agreement will be funded by its internal resources (without using any proceeds from the Global Offering). The Board is of the view that such commitment will not adversely affect the Group's working capital position or its day-to-day operations.

The Directors (including independent non-executive Directors) are of the view that the terms of the Partnership Agreement and the transaction contemplated thereunder are on normal commercial terms, fair and reasonable, and in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE PARTIES

The Company

The Company is an exempted company with limited liability incorporated under the laws of the Cayman Islands on November 19, 2018, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3696). The Company is a pioneering global biotechnology company dedicated to integrating artificial intelligence and automation technologies to accelerate drug discovery, drive innovation in the life sciences, and extend health longevity to people on the planet.

Insilico Shanghai

Insilico Shanghai is an indirect wholly-owned subsidiary of the Company established in the PRC with limited liability, principally engaged in the new drug discovery and research and development collaboration activities.

Insilico Pudong Development

Insilico Pudong Development is an indirect non-wholly owned subsidiary of the Company established in the PRC with limited liability on September 7, 2026, owned as to 60% by Insilico Shanghai Investment (a wholly-owned subsidiary of the Company), 20% by Pudong Construction and 20% by Pudong Development Group. It is principally engaged in enterprise management and consulting services.

Value Partners Shenzhen

Value Partners Shenzhen is a company established in the PRC with limited liability, and is principally engaged in private equity investment and fund management business. As at the date of this announcement, Value Partners Shenzhen is ultimately wholly owned by Value Partners Group Limited, the shares of which are listed on the Stock Exchange (stock code: 806).

Pudong Construction

Pudong Construction is a joint stock company established in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600284). It is principally engaged in the investment, construction and operation of infrastructure projects, with business covering engineering construction, engineering design and consultancy, industrial park development and operation, and the production and sale of construction materials. As at the date of this announcement, Pudong Development Group is the controlling shareholder of Pudong Construction and is wholly owned by the State-owned Assets Supervision and Administration Commission of Pudong New Area, Shanghai.

Hanchen Lanxi

Hanchen Lanxi is a company established in the PRC with limited liability, and is principally engaged in the operation of technology innovation and incubation platforms. As at the date of this announcement, Hanchen Lanxi is owned as to approximately 57%, 31% and 12% by Geng Zhongwei, Guo Haiqiu and Yu Guoan, respectively.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of Value Partners Shenzhen, Pudong Construction, Hanchen Lanxi and their respective ultimate beneficial owner(s) is a third party independent from the Company and its connected persons (as defined under the Listing Rules).

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the transaction contemplated under the Partnership Agreement exceeds 5% but is less than 25%, such transaction constitutes a discloseable transaction of the Company, which shall be subject to the reporting and announcement requirements, but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

Insilico Pudong Development is an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules. Notwithstanding that each of Pudong Construction and Pudong Development Group is a substantial shareholder of Insilico Pudong Development, Pudong Construction, Pudong Development Group and their respective ultimate beneficial owner(s) are not regarded as connected persons for the Company pursuant to Rule 14A.09 of the Listing Rules. Therefore, the transaction contemplated under the Partnership Agreement does not constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

"AMAC"	the Asset Management Association of China (中國證券投資基金業協會)
"Board"	the board of Directors of the Company
"Company"	InSilico Medicine Cayman TopCo (英矽智能) (formerly known as Insilico Medicine Cayman TopCo), an exempted company with limited liability incorporated under the laws of the Cayman Islands on November 19, 2018, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3696)
"Director(s)"	the director(s) of the Company
"Fund"	Insilico Pudong Development Value Partners (Shanghai) Private Investment Fund Partnership (Limited Partnership)* (英矽浦發惠理(上海)私募投資基金合夥企業(有限合夥)), a limited partnership to be established in the PRC under the Partnership Agreement
"Global Offering"	the Hong Kong public offering and the international offering of the shares of the Company
"Group"	the Company and its subsidiaries
"Hanchen Lanxi"	Shanghai Hanchen Lanxi Intelligent Technology Co., Ltd.* (上海瀚辰藍西智能科技有限公司), a company established in the PRC with limited liability
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Insilico Shanghai"	Insilico Medicine Ltd.* (英矽智能科技(上海)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Insilico Shanghai Investment"	Insilico Medicine (Shanghai) Investment Co., Ltd.* (英矽智能(上海)投資有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Insilico Pudong Development"	Insilico Pudong Development (Shanghai) Enterprise Management Co., Ltd.* (英矽浦發(上海)企業管理有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

"Partnership Agreement"	the partnership agreement dated November 3, 2026 entered into among Insilico Pudong Development, Value Partners Shenzhen, Insilico Shanghai, Pudong Construction and Hanchen Lanxi in relation to the establishment of the Fund
"percentage ratio"	has the same meaning ascribed to it under the Listing Rules
"PRC"	the People's Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region and Taiwan
"Pudong Construction"	Shanghai Pudong Construction Co., Ltd. (上海浦東建設股份有限公司), a joint stock company established in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600284)
"Pudong Development Group"	Shanghai Pudong Development (Group) Co., Ltd.* (上海浦東發展(集團)有限公司), a company established in the PRC with limited liability
"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary"	has the same meaning ascribed to it under the Listing Rules
"Value Partners Shenzhen"	Value Partners Equity Investment Management (Shenzhen) Co., Ltd.* (惠理股權投資管理(深圳)有限公司), a company established in the PRC with limited liability
"%"	per cent

By order of the Board
InSilico Medicine Cayman TopCo
Mr. Aleksandrs Zavoronkovs, Ph.D.
Chairman, Executive Director, CEO and CBO

Hong Kong, November 3, 2026

As at the date of this announcement, the Board comprises Mr. Aleksandrs Zavoronkovs, Ph.D. and Mr. Feng Ren, Ph.D. as executive directors; Mr. Chuen Yan Leung, Ph.D. as non-executive director; and Mr. Jingsong Wang, Ph.D., Ms. Denitsa Milanova, Ph.D. and Mr. Roman Kyrychynskyi as independent non-executive directors.

* *For identification purpose only*