

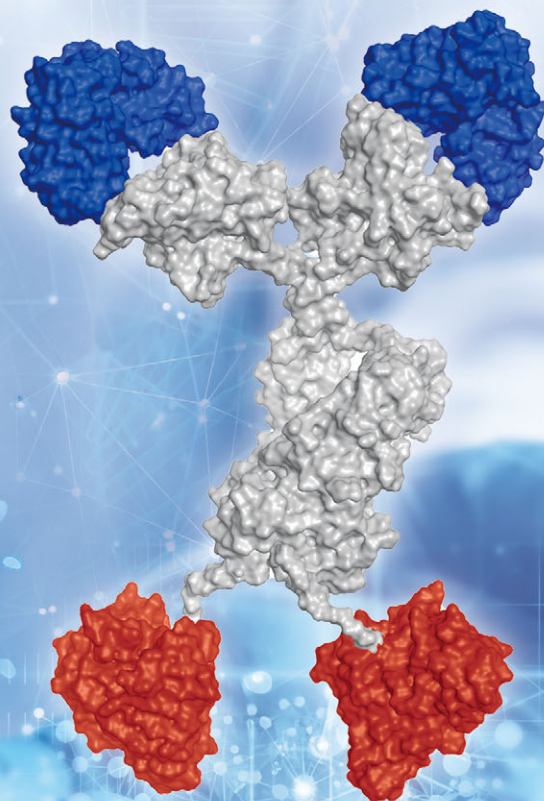
Leads Biolabs

南京维立志博生物科技股份有限公司 Nanjing Leads Biolabs Co., Ltd.

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

Stock code: 9887

GLOBAL OFFERING



Joint Sponsors

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 **建银国际**
CCB International

 **富途證券**

IMPORTANT

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

Leads Biolabs

Nanjing Leads Biolabs Co., Ltd. 南京维立志博生物科技股份有限公司

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

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	:	32,054,400 H Shares (subject to the Offer Size Adjustment Option and the Over-allotment Option)
Number of Hong Kong Offer Shares	:	3,205,500 H Shares (subject to reallocation)
Number of International Offer Shares	:	28,848,900 H Shares (subject to reallocation, the Offer Size Adjustment Option and the Over-allotment Option)
Maximum Offer Price	:	HK\$35.00 per H Share, plus brokerage of 1.0%, AFRC transaction levy of 0.00015%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal value	:	RMB1.00 per H Share
Stock code	:	9887

Joint Sponsors

Morgan Stanley



CITIC SECURITIES

Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

Morgan Stanley



CITIC SECURITIES



招銀國際
CMB INTERNATIONAL

Joint Bookrunners and Joint Lead Managers



建銀國際
CCB International



富途證券

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, 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 prospectus.

A copy of this prospectus, having attached thereto the documents specified in "Documents Delivered to the Registrar of Companies in Hong Kong and Available 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 (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other documents referred to above.

The Offer Price is expected to be determined by agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date. The Price Determination Date is expected to be on or before Wednesday, July 23, 2025 (Hong Kong time) and, in any event, not later than 12:00 noon on Wednesday, July 23, 2025 (Hong Kong time).

The Offer Price will not be more than HK\$35.00 per Offer Share and is currently expected to be not less than HK\$31.60 per Offer Share. If, for any reason, the Offer Price is not agreed by 12:00 noon on Wednesday, July 23, 2025 (Hong Kong time) between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company, the Global Offering will not proceed and will lapse.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may, with our consent, reduce the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range below that 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 case, an announcement will be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.leadsbiolabs.com and the offer will be canceled and relaunched at the revised number of Offer Shares and/or the revised Offer Price range and the requirements under Rule 11.13 of the Listing Rules (which include the issue of a supplemental or a new prospectus (as appropriate)), as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. Further details are set forth in the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) if certain events occur prior to 8:00 a.m. on the Listing Date. See "Underwriting — Hong Kong Underwriting Arrangements — Hong Kong Public Offering — Grounds for Termination" for further details.

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".

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered, sold, pledged or transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. The Offer Shares are being offered and sold (i) in the United States solely to qualified institutional buyers as defined in Rule 144A under the U.S. Securities Act pursuant to Rule 144A or another available exemption from registration requirements under the U.S. Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act. No public offering of the Offer Shares will be made in the United States.

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 on the websites of the Stock Exchange (www.hkexnews.hk) and our Company (www.leadsbiolabs.com). If you require a printed copy of this prospectus, you may download and print from the website addresses above.

July 17, 2025

IMPORTANT

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 any printed copies of this prospectus to the public in relation to the Hong Kong Public Offering.

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

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
White Form eIPO service	www.eipo.com.hk	Applicant 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 Thursday, July 17, 2025 to 11:30 a.m. on Tuesday, July 22, 2025. The latest time for completing full payment of application monies will be 12:00 noon on Tuesday, July 22, 2025.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit electronic application instructions on your behalf through HKSCC’s FINI system in accordance with your instruction.	Applicant who would <u>not</u> 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.

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 “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.

IMPORTANT

Your application through the **White Form eIPO** service or the **HKSCC EIPO** channel must be made for a minimum of 100 Hong Kong Offer Shares and in multiples of that number of Hong Kong Offer Shares as set out in the table below.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares.

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.

Nanjing Leads Biolabs Co., Ltd.
(HK\$35.00 per Hong Kong Offer Share)
NUMBER OF HONG KONG OFFER SHARES
THAT MAY BE APPLIED FOR AND PAYMENTS

No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application
	HK\$		HK\$		HK\$		HK\$
100	3,535.30	2,000	70,705.96	10,000	353,529.76	300,000	10,605,892.50
200	7,070.60	2,500	88,382.43	20,000	707,059.50	400,000	14,141,190.00
300	10,605.89	3,000	106,058.93	30,000	1,060,589.26	500,000	17,676,487.50
400	14,141.19	3,500	123,735.41	40,000	1,414,119.00	600,000	21,211,785.00
500	17,676.49	4,000	141,411.90	50,000	1,767,648.76	700,000	24,747,082.50
600	21,211.79	4,500	159,088.39	60,000	2,121,178.50	800,000	28,282,380.00
700	24,747.08	5,000	176,764.88	70,000	2,474,708.26	900,000	31,817,677.50
800	28,282.38	6,000	212,117.86	80,000	2,828,238.00	1,000,000	35,352,975.00
900	31,817.68	7,000	247,470.83	90,000	3,181,767.76	1,500,000	53,029,462.50
1,000	35,352.98	8,000	282,823.80	100,000	3,535,297.50	1,602,700 ⁽¹⁾	56,660,213.03
1,500	53,029.47	9,000	318,176.78	200,000	7,070,595.00		

Notes:

- (1) Maximum number of Hong Kong Offer Share you may apply for.
- (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) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

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

EXPECTED TIMETABLE

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

Date⁽¹⁾

Hong Kong Public Offering commences 9:00 a.m. on
Thursday, July 17, 2025

Latest time to complete electronic applications under
the **White Form eIPO** service through the designated website
at www.eipo.com.hk⁽²⁾ 11:30 a.m. on
Tuesday, July 22, 2025

Application lists open⁽³⁾ 11:45 a.m. on
Tuesday, July 22, 2025

Latest time for (a) completing payment of **White Form eIPO**
applications by effecting internet banking transfer(s) or
PPS payment transfer(s) and (b) applying through
the **HKSCC EIPO** channel⁽⁴⁾ 12:00 noon on
Tuesday, July 22, 2025

If you are instructing your **broker** or **custodian** who is a HKSCC Participant will submit **electronic application instructions** on your behalf through HKSCC's FINI system in accordance with your instruction, you are advised to contact your **broker** or **custodian** for the earliest and latest time for giving such instructions as this may vary by **broker** or **custodian**.

Application lists close⁽³⁾ 12:00 noon on
Tuesday, July 22, 2025

Expected Price Determination Date⁽⁵⁾ by 12:00 noon on
Wednesday, July 23, 2025

Announcement of the Offer Price, the level of applications in
the Hong Kong Public Offering; the level of indications of
interest in the International Offering; and the basis of
allocation of the Hong Kong Offer Shares to be published on
our website at www.leadsbiolabs.com⁽⁶⁾ and the website of
the Stock Exchange at www.hkexnews.hk at or before 11:00 p.m. on
Thursday, July 24, 2025

EXPECTED TIMETABLE

The results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be made available through a variety of channels, including:

- in the announcement to be posted on our website and the website of the Stock Exchange at www.leadsbiolabs.com⁽⁶⁾ and www.hkexnews.hk, respectively at or before 11:00 p.m. on Thursday, July 24, 2025
- on the designated results of allocation at www.iporesults.com.hk (alternatively: <http://www.eipo.com.hk/eIPOAllotment>) with a “search by ID” function from 11:00 p.m. on Thursday, July 24, 2025 to 12:00 midnight on Wednesday, July 30, 2025
- from the allocation results telephone enquiry line by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. on Friday, July 25, 2025, Monday, July 28, 2025, Tuesday, July 29, 2025 and Wednesday, July 30, 2025

For those applying through **HKSCC EIPO** channel,
you may also check with your broker or custodian from 6:00 p.m. on Wednesday, July 23, 2025

H Share certificates in respect of wholly or partially successful applications to be despatched or deposited into CCASS on or before⁽⁷⁾⁽⁹⁾ Thursday, July 24, 2025

White Form e-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 despatched on or before⁽⁸⁾⁽⁹⁾ Friday, July 25, 2025

Dealings in the H Shares on the Hong Kong Stock Exchange expected to commence at 9:00 a.m. on Friday, July 25, 2025

EXPECTED TIMETABLE

Notes:

- (1) All dates and times refer to Hong Kong local dates and times, except as otherwise stated. Details of the structure of the Global Offering, including conditions of the Hong Kong Public Offering, are set forth in the section headed “Structure of the Global Offering” in this prospectus.
- (2) You will not be permitted to submit your application through the designated website at www.eipo.com.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 before 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for making applications, when the application lists close.
- (3) If there is/are a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, July 22, 2025, the application lists will not open or close on that day. See “How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements” for details.
- (4) Applicants who apply for the Hong Kong Offer Shares by instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** to HKSCC via FINI should refer to “How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares — 2. Application Channels — **HKSCC EIPO** channel” in this prospectus.
- (5) The Price Determination Date is expected to be on or before Wednesday, July 23, 2025 and, in any event, not later than 12:00 noon on Wednesday, July 23, 2025. If, for any reason, we do not agree with the Overall Coordinators (for themselves and on behalf of the Underwriters) on the pricing of the Offer Shares by 12:00 noon on Wednesday, July 23, 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 will only become valid evidence of title provided that the Global Offering has become unconditional in all respects and neither of the Hong Kong Underwriting Agreement nor the International Underwriting Agreement is terminated in accordance with its respective terms prior to 8:00 a.m. on the Listing Date. The Listing Date is expected to be on or about Friday, July 25, 2025. Investors who trade the 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 evidence of title do so entirely at their own risk.
- (8) **White Form** e-Refund payment instructions/refund checks will be issued in respect of wholly or partially unsuccessful applications.
- (9) Applicants who have applied for Hong Kong Offer Shares through the **HKSCC EIPO** channel should see “How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies” for details.

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

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

EXPECTED TIMETABLE

The above expected timetable is a summary only. For details of the structure of the Global Offering, including its conditions, and the procedures for applications for Hong Kong Offer Shares, please see the sections headed “Structure of the Global Offering” and “How to Apply for Hong Kong Offer Shares” in this prospectus, respectively.

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

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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 publication 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 the Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters and the Capital Market Intermediaries, any of our or their respective directors, officers, employees, agents, or representatives of any of them or any other parties involved in the Global Offering. Information contained on our website (www.leadsbiolabs.com) does not form part of this prospectus.

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SUMMARY

*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 the whole document before you decide to invest in the Hong Kong Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Hong Kong Offer Shares are set out in the section headed “Risk Factors” in this prospectus. You should read that section carefully before you decide to invest in the Hong Kong Offer Shares. **In particular, we are a biotechnology company seeking a listing on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules on the basis that we are unable to meet the requirements under Rule 8.05 (1), (2) or (3) of the Listing Rules.** There are unique challenges, risks and uncertainties associated with investing in companies such as ours. In addition, the Core Product is the product for the purpose of satisfying the eligibility requirements under Chapter 18A of the Listing Rules and Chapter 2.3 of the Guide, and the applicant may continue to incur substantial costs and expenses in relation to R&D activities for the Core Product, and the Core Product may not be successfully developed or marketed. Your investment decision should be made in light of these considerations.*

OVERVIEW

Founded in 2012, we are a clinical-stage biotechnology company focused on the discovery, development, and commercialization of new therapies in oncology, autoimmune, and other severe diseases. Our Company has (i) one Core Product, LBL-024 (registrational-stage PD-L1 and 4-1BB dual-targeting bispecific antibody), which we are currently evaluating for its therapeutic potential in advanced extra-pulmonary neuroendocrine carcinoma (EP-NEC) — both as monotherapy for patients who have received at least three prior lines of therapy ($\geq 3L$) and part of combination therapy as first-line treatment (1L) — as well as in small cell lung cancer (SCLC) as 1L treatment, biliary tract cancer (BTC) as 1L/1L+ treatment, non-small cell lung cancer (NSCLC) as 1L/1L+ treatment, and other solid tumors in patients who have received at least two prior lines of therapy ($\geq 2L$); and (ii) 13 other drug candidates including five clinical-stage candidates and eight preclinical-stage drug candidates.

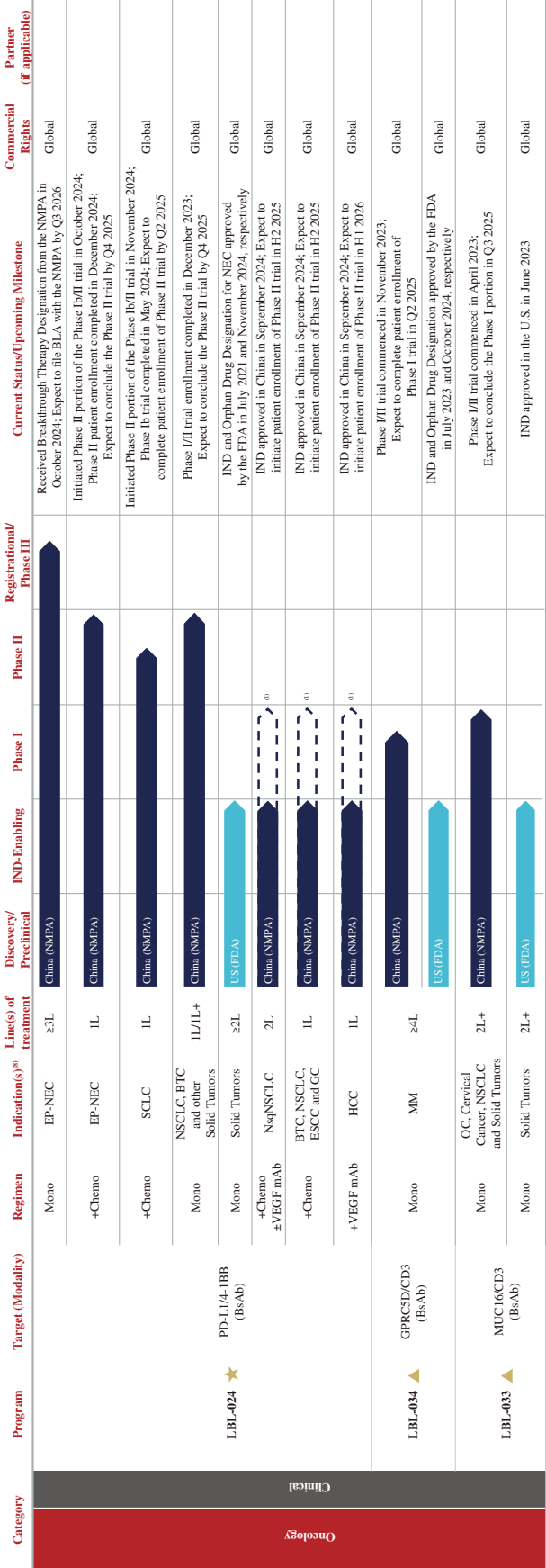
THERE IS NO ASSURANCE THAT WE WILL ULTIMATELY BE ABLE TO DEVELOP AND MARKET OUR CORE PRODUCT OR ANY OF OUR PIPELINE PRODUCTS SUCCESSFULLY.

SUMMARY

We have built a diversified portfolio with four core and key products, each positioned as a clinically advanced candidate on a global scale, either in its class or among those addressing the same target(s). Our Core Product LBL-024 has entered into a single-arm registrational trial for advanced EP-NEC in July 2024 and stands as the globally first 4-1BB-targeted drug candidate to have reached registrational stage for EP-NEC. As of the Latest Practicable, there are no approved drugs specifically for the treatment of advanced EP-NEC other than chemotherapy globally, LBL-024 aims to address this significant treatment gaps as a 4-1BB-targeted drug candidate at the registrational trial stage. With respect to each of our key products, (i) LBL-034 is the second most clinically advanced GPRC5D-targeted CD3 T-cell engager globally, (ii) LBL-033 is among the only two MUC16/CD3 bispecific antibodies globally to have entered clinical stage, and (iii) LBL-007 is among the top three clinical-stage LAG3-targeted monoclonal antibodies globally in terms of clinical development stage.

Leveraging our proprietary technology platforms and drug development capabilities, we have curated a rationally designed and differentiated pipeline, our Company has (i) one Core Product, LBL-024 (PD-L1/4-1BB bispecific antibody) and (ii) 13 other drug candidates including five other clinical-stage drug candidates (LBL-034, LBL-033, LBL-007, LBL-019, and LBL-015) and eight preclinical-stage drug candidates (LBL-043, LBL-049, LBL-054-TCE, LBL-054-ADC, LBL-061, LBL-058, LBL-051, and LBL-047), as of the Latest Practicable Date. Out of these 14 drug candidates, six have successfully progressed into the clinical stage, undergoing evaluation in an aggregate of ten clinical programs solely by us. To date, we have achieved proof-of-concept from Phase II clinical trials for two drug candidates in three indications and advanced one of these candidates into the registrational trial stage. We entered into a license and collaboration agreement with BeiGene regarding our LBL-007 in December 2021, which was terminated on the date of May 18, 2025. For details, see “— Collaboration Agreement — License and Collaboration Agreement with BeiGene.” We have also reached collaboration arrangement with a U.S. company (“**NewCo**”) newly formed by Aditum Bio, a biotech venture firm, dedicated to the global development and commercialization of certain of our trispecific T cell engager, with a total deal value of up to US\$614 million plus potential mid-single-digit royalties and an equity stake in this NewCo.

The following chart illustrates our pipeline and summarizes the development status of our clinical-stage drug candidates and selected preclinical-stage candidates as of the Latest Practicable Date:



Abbreviations: BTC = biliary tract carcinoma; EP-NEC = extra-pulmonary neuroendocrine carcinoma; ESCC = esophageal squamous cell carcinoma; GC = gastric cancer; HCC = hepatocellular carcinoma; MM = multiple myeloma; NSCLC = non-small cell lung cancer; NsqNSCLC = non-squamous non-small cell lung cancer; OC = ovarian cancer; SCLC = small cell lung cancer

Note:

- (1) As denoted by the dotted line, we have obtained an IND approval for a Phase II trial of LBL-024 in combination with SOC treatments in 1L BTC, NSCLC, ESCC, HCC, GC and other solid tumors from the NMPA in September 2024, and therefore we can skip the Phase I stage and directly initiate a Phase II trial.

SUMMARY

Category	Program	Target (Modality)	Regimen	Indications(s) ^(a)	Line(s) of treatment	Discovery/ Preclinical	IND-Enabling	Phase I	Phase II	Registration/ Phase III	Current Status/Upcoming Milestone	Commercial Rights	Partner (if applicable)
Oncology	Clinical	LAG3 (mAb)	+PD-1 mAb+Chemo	NPC	1L	China (NMPA)					Phase II patient enrollment completed in September 2023; Expect to conclude the Phase II trial by Q3 2025		
			+PD-1 mAb+Chemo	NPC	2L	China (NMPA)					Phase II patient enrollment completed in January 2024; Expect to conclude the Phase II trial by Q2 2025		
			+PD-1 mAb+TIM3 mAb	NSCLC	2L+	Global Trial conducted by		BeiGene			Collaboration terminated in May 2025, collaborating on transfer of clinical data		
			+PD-1 mAb+TIM3 mAb	HNSCC	2L ^(b)	Global Trial conducted by		BeiGene			Collaboration terminated in May 2025, collaborating on transfer of clinical data		
			+PD-1 mAb+TIM3 mAb	HNSCC	1L ^(c)	Global Trial conducted by		BeiGene			Collaboration terminated in May 2025, collaborating on transfer of clinical data	Global	BeiGene
			+PD-1 mAb+Chemo	ESCC and NSCLC	1L	Global Trial conducted by		BeiGene			Collaboration terminated in May 2025, collaborating on transfer of clinical data		Terminated in May 2025) ^(e)
			+PD-1 mAb+Chemo	NSCLC	Neoadju ^(d)	Global Trial conducted by		BeiGene			Collaboration terminated in May 2025, collaborating on transfer of clinical data		
			+PD-1 mAb+SOC	CRC	1L Maintenance	Global Trial conducted by		BeiGene			Collaboration terminated in May 2025, collaborating on transfer of clinical data		
			+PD-1 mAb+Chemo	Melanoma	1L/1L+	China (NMPA)					Phase I trial completed in August 2024	Global	
			Mono	Solid Tumors	2L+	China (NMPA) US (FDA)					Phase I trial completed in April 2024 IND approved by the FDA in December 2021	Global	
Pre-clinical	LBL-019	PD-1/TGF-βR2 (fusion protein)	Mono	Solid Tumors	2L+	China (NMPA) US (FDA)					Phase I trial completed in July 2021 IND approved by the FDA in July 2021	Global	
			Mono	Solid Tumors	2L+	China (NMPA) US (FDA)				IND approved by the FDA in July 2021 Expect to submit IND applications to FDA and NMPA in 1H 2026	Global		
	LBL-043	LILRB4/CD3 (BsAb)	/	AML and MM	/					Expect to submit IND applications to FDA and NMPA in 1H 2026	Global		
			/	Cachexia	/					Expect to submit IND applications to FDA and NMPA in 1H of 2027	Global		
	LBL-054-TCE	CDH17/CD3 (BsAb)	/	Gastrointestinal Cancer	/					Expect to submit IND applications to FDA and NMPA in 2H of 2026	Global		
			/	Gastrointestinal Cancer	/					Expect to submit IND applications to FDA and NMPA in 2H of 2026	Global		
	LBL-061	EGFR/PD-L1 (ADC)	/	HNSCC, NSCLC and NPC	/					Expect to submit IND applications to FDA and NMPA in 1H of 2027	Global		
			/	NEC and SCLC	/					Expect to submit IND applications to FDA and NMPA in 2H 2025	Global	Aditum Bio Global ^(e)	
	LBL-047	BDCA2/TACI (fusion protein)	/	Autoimmune diseases	/					Expect to submit IND applications to FDA and NMPA in 2H 2025	Global		
			/	Autoimmune diseases	/					Expect to submit IND applications to FDA and NMPA in 2H 2025	Global		
Autoimmune	★ Core Product ▲ Key Product												

Abbreviations: AML = acute myeloid leukemia; BC = breast cancer; CRC = colorectal cancer; ESCC = esophageal squamous cell carcinoma; GC = gastric cancer; HNSCC = head and neck squamous cell carcinoma; mCRPC = metastatic castration-resistant prostate cancer; MM = multiple myeloma; NPC = nasopharyngeal carcinoma; NSCLC = non-small cell lung cancer.

Note:

- (2) On November 5, 2024, we entered into a collaboration, exclusive option and license agreement with Oblenio Bio, Inc. (“**NewCo**”), a U.S. company newly formed by Aditum Bio Fund 3, L.P. (“**Aditum Bio**”). Under the Oblenio Agreement, we grant NewCo an exclusive, worldwide license to develop, manufacture, commercialize and otherwise exploit LBL-051 for all uses, subject to NewCo’s election to exercise its option to retain such license after the applicable option period. For details, see “Business — Collaboration Agreements — Collaboration, Exclusive Option and License Agreement with Oblenio, a NewCo formed by Aditum Bio.”
- (3) The combination of LBL-007+PD-1mAb +TIM3 mAb in 2L+ HNSCC is to investigate the safety, tolerability and efficacy of triplet combination in PD-1 pre-treated HNSCC.
- (4) 1L HNSCC study is to investigate safety and preliminary antitumor activity of different regimen, including LBL-007 + PD-1mAb, TIM3 + PD-1 mAb and LBL-007 + mAb + TIM3 mAb, compared to PD-1 monotherapy in PD-L1 positive 1L HNSCC.
- (5) All product candidates presented in the pipeline chart are internally developed by our Company. We retain full commercial rights to all our pipeline candidates, except for LBL-051, for which we granted NewCo an exclusive, worldwide license to develop, manufacture, commercialize and otherwise exploit LBL-051 for all uses.
- (6) A Registration Trial refers to a clinical trial designed to obtain sufficient data and results to support the submission of an application for regulatory approval. Regulatory approval can be categorized into (i) Conditional approval, which allows earlier access to promising new treatments with certain post-marketing requirements that must typically be met; and (ii) Full approval, which is granted without the need for further confirmatory studies and indicates that the treatment has met all regulatory requirements for widespread use.
- (7) Neoadjuvant therapy refers to any treatment that is given for cancer before the main treatment, with the goal of making the main treatment more likely to be successful.
- (8) All of our product candidates are currently targeted for the treatment of advanced-stage diseases. In the future, we may explore applications for early-stage disease as part of our ongoing research and development efforts.
- (9) We entered into a license and collaboration agreement with BeiGene in December 2021 for an exclusive license to develop, manufacture and commercialize LBL-007 outside Greater China. BeiGene had then been conducting various global trials to evaluate LBL-007 in combination with tislelizumab and standard of care in NSCLC, CRC, HNSCC and ESCC. The BeiGene Agreement was later terminated on the date of May 18, 2025 as specified in the termination notice provided by BeiGene. Our Directors confirmed that, having made enquiries with BeiGene, BeiGene’s decision to terminate this agreement was driven by its internal reassessment of portfolio priorities, rather than any unfavorable safety and efficacy results observed in the clinical trials of LBL-007. Following this termination, we regained full, global rights to develop, manufacture and commercialize LBL-007. We are not obliged to return any payments received or make any payments to BeiGene in respect of the termination of this agreement. We and BeiGene will collaborate to facilitate orderly transition of responsibilities under the BeiGene Agreement for a reasonable time after termination. Other than the BeiGene Agreement, we had not entered into any licensing and collaboration arrangements with BeiGene concerning any of our drug candidates, as of the Latest Practicable Date. We currently have no plans to establish further collaborations or arrangements with BeiGene related to our Core Product, LBL-024, going forward. Furthermore, upon our written request, BeiGene will provide all material non-clinical, preclinical and clinical data of terminated Licensed Products, including those generated from the previous global trials to evaluate LBL-007 in combination with tislelizumab and standard of care in NSCLC, CRC, HNSCC and ESCC, to us within six months after termination. BeiGene is currently transferring to us the relevant data of terminated Licensed Products, and we will carefully evaluate all available datasets to seize future development opportunities with LBL-007 in targeted indications of solid tumors. See “— Collaboration Agreements — License and Collaboration Agreement with BeiGene” for more information.

SUMMARY

OUR BUSINESS MODEL

Our core business model is to in-house discover, develop and commercialize immuno-oncology therapies. Our drug development capabilities are anchored by our integrated, in-house capabilities across R&D, clinical development, chemistry, manufacturing and controls (CMC), and business development. To complement our internal efforts, we also collaborate with third parties on the clinical development and commercialization of our drug candidates to better capture market opportunities through out-licensing, co-commercialization or other strategic collaborations.

- **Target selection:** We strategically focus on the discovery and development of T-cell-centered immunotherapies, by harnessing our bispecific antibody and other technology platforms. Our selection of targets is also informed by a research-driven strategy, and a thorough evaluation of regulatory trends and competitive landscape, aiming to address significant treatment gaps to ensure market entry and commercial viability for our products.
- **Drug discovery and research:** We leverage our insights in T-cell immunity, advanced antibody engineering, and a thorough understanding of disease biology to tackle the challenges associated with drug development for these targets. Our capabilities enable us to design molecules that can potentially elicit potent antitumor activity while mitigating the risks of adverse events. Our efficient drug development process typically progresses from target selection to investigational new drug (IND) submission within only three years, outpacing the industry average of approximately five to six years in innovative drug development, according to Frost & Sullivan.
- **Clinical development:** In clinical phase, our awareness of clinical needs as well as adeptness in trial design and management allow us to identify underserved cancer indications for fast market entry and pursue opportunities for indication expansion. In particular, our Core Product LBL-024 progressed from first patient enrolment of the first-in-human trial to registrational trial stage in only 2.3 years, significantly outpacing the industry average of 6.4 years in innovative drug development, according to Frost & Sullivan.
- **Strategic collaboration:** The competitive strengths of our drug candidates have attracted collaborations with strategic partners, such as NewCo formed by Aditum Bio, allowing us to leverage international clinical resources, accelerate drug development, and access overseas markets synergistically, efficiently and economically.

Our strategic methodology has established a business model for our growth, which not only demonstrates our ability to efficiently advance drug development to maximize their clinical and commercial value, but also support the application of our scientific achievements in the commercial sphere.

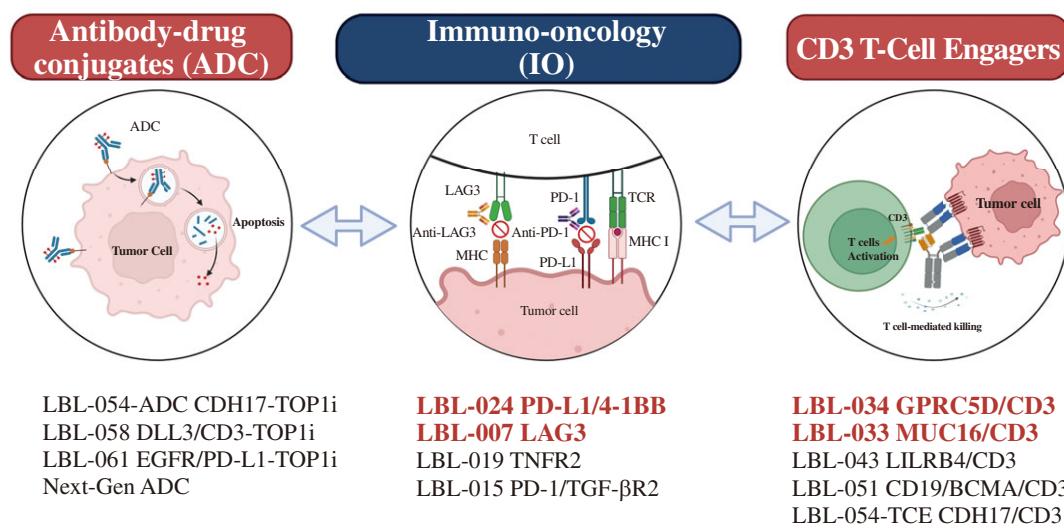
Our success is anchored by a seasoned leadership team with global vision. Our co-founders, Dr. Kang Xiaoqiang and Dr. Lai Shoupeng, bring their combined decades of experience in the pharmaceutical industry, particularly in antibody drug discovery and development. They initially

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connected through their research endeavors in the world-class immuno-oncology laboratory of Dr. Steven Rosenberg back in the late 1990s, where their mutual pursuit of advancing medical science was inspired. Dr. Kang is one of the few seasoned founders in China's biopharmaceutical industry with a proven track record of progressing the first-generation antibody drugs from discovery to commercialization. Led by our co-founders, our senior management team, composed of top talents with multi-disciplinary and complementary backgrounds, work collaboratively to execute our growth strategies. Driven by a vision to become a leader in immuno-oncology therapeutics, we are committed to implementing global strategies that maximize the therapeutic impact and commercial value of our products. This commitment empowers us to maintain a strong focus on innovation.

OUR PIPELINE

Our oncology portfolio offers extensive cancer treatment options with potential for both monotherapy and combination therapies. As illustrated in the figure below, our oncology drug candidates, each uniquely designed to target validated pathways in cancer biology and immunology, collectively reflect our strategic and comprehensive approach to oncology treatment. With varied and complementary mechanisms of action, these drug candidates hold synergistic potential when combined with other treatments, including agents within our own portfolio.

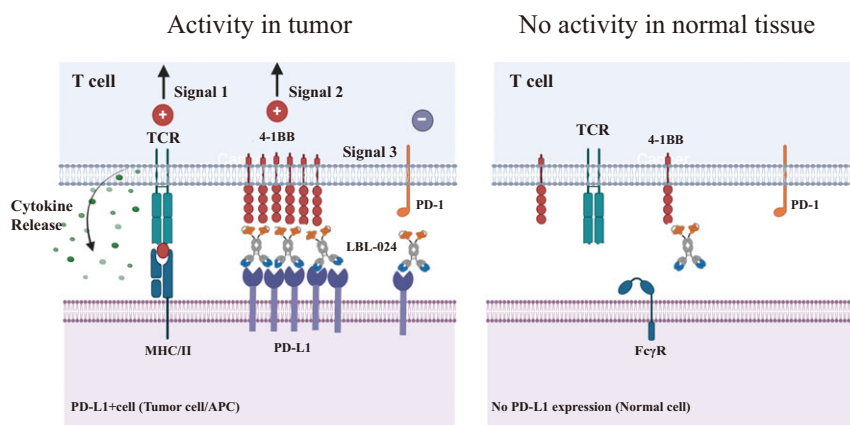


Our Core Product — LBL-024 (PD-L1/4-1BB BsAb)

LBL-024, our Core Product, is a bispecific antibody simultaneously targeting PD-L1 and 4-1BB. It stands as the first treatment targeting 4-1BB receptor to have reached registrational stage globally for EP-NEC. LBL-024 also has the potential to become the first drug approved for treating advanced EP-NEC. Additionally, we have received the Breakthrough Therapy Designation (BTD) for LBL-024 in treating late-line advanced EP-NEC from the National Medical Products Administration (NMPA) in October 2024, as well as the Orphan Drug Designation (ODD) in treating NEC from the U.S. Food and Drug Administration (FDA) in November 2024.

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The following diagram illustrates the mechanism of action of LBL-024:



We are currently evaluating LBL-024 both as monotherapy and in combination with other therapies for the treatment of advanced EP-NEC, SCLC, BTC, NSCLC and other solid tumors, with the goal of developing LBL-024 as a potential alternative to or after failure of the current standard of care (SOC). We plan to further investigate its therapeutic potential in other underserved cancer indications, such as esophageal squamous cell carcinoma (ESCC), gastric cancer (GC) and hepatocellular carcinoma (HCC). We commenced the Phase I/II study of LBL-024 monotherapy in China in January 2022. The Phase I portion targeting advanced malignant tumors that exhausted SOC treatments was completed in June 2023. We subsequently initiated the Phase II portion for the same indications across four trial cohorts in June 2023 and completed the patient enrolment for all trial cohorts in December 2023. Based on encouraging preliminary trial results, we obtained an approval from the NMPA for a single-arm registrational trial to evaluate LBL-024 monotherapy in patients with advanced EP-NEC who failed previous chemotherapy in April 2024, and enrolled the first patient in this trial in July 2024. We also launched a Phase Ib/II study of LBL-024 in combination with etoposide and platinum-based chemotherapy for the first-line treatment of advanced EP-NEC and SCLC in China in January 2024, and completed the Phase Ib portion of this study in May 2024. Additionally, we have received the IND approval for a Phase II study of LBL-024 in combination with SOC treatments in 1L BTC, NSCLC, ESCC, HCC, GC and other solid tumors in China in September 2024, and plan to enroll the first patient in relevant trials in the second half of 2025. We expect to file the first BLA for LBL-024 with the NMPA by the third quarter of 2026. For further details of our clinical trials and clinical development plan of LBL-024, see “Business — Our Drug Candidates — Our Clinical-Stage Drug Candidates — LBL-024 (PD-L1/4-1BB BsAb) — Our Core Product.”

Addressable Markets and Competitive Landscape

The broad expression nature of 4-1BB and PD-L1 provides opportunities for expanding the indications of LBL-024 across various solid tumors, particularly neuroendocrine carcinomas (NECs), SCLC (which is also an aggressive form of NEC), NSCLC, BTC, ESCC, HCC and GC, thereby offering significant market potential. However, the rare nature of NEC could also pose certain challenges in patient recruitment for certain clinical trials. For more details, please see section headed “Risk Factors — Other Risks Relating to Our Business — Risks Relating to the Development of Our Drug Candidates — If we encounter difficulties in enrolling subjects in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected”.

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The following table summarizes the projected number of eligible patients for LBL-024 in China in 2024:

Cancer Type	Market Size	Total		Late stage rate	Late stage patients	1L		2L		3L		Eligible number in 2024
		number in 2024				treatment rate	Patients who received 1L	treatment rate	Patients who received 2L	treatment rate	Patients who received 3L	
		(billion RMB)	(thousand)	(%)	(thousand)	(%)	(thousand)	(%)	(thousand)	(%)	(thousand)	(thousand)
EP-NEC	3.5	17.2		70.0	12.1	90.2	10.9	49.7	5.4	27.4	1.1	12.0 (1L and 3L EP-NEC)
SCLC	27.6	168.0		70.0	117.6	81.5	95.9	-	-	-	-	95.9 (1L SCLC)
NSCLC/	69.1	951.7		70.0	666.2	24.5	163.0	-	-	-	-	239.9 (1L
NsqNSCLC				70.0	666.2	63.4	422.5	18.2	76.9	-	-	NSCLC/2L NsqNSCLC)
BTC	23.0	139.8		70.0	97.9	81.5	79.8	-	-	-	-	79.8 (1L BTC)
GC	75.7	379.4		85.0	322.5	82.1	263.0	-	-	-	-	263.0 (GC)
ESCC	33.8	238.1		60.4	143.8	90.6	117.3	-	-	-	-	117.3 (1L ESCC)
HCC	12.2	345.9		45.0	155.7	27.2	42.3	-	-	-	-	42.3 (1L HCC)

Source: Frost & Sullivan Analysis

Note: The percentage calculation accounts for the stage of disease, lines of treatment, and the use of monotherapy or combination therapies. However, pricing and pipeline data are excluded from the estimation of the eligible patient population.

As of the Latest Practicable Date, there were 11 PD-L1/4-1BB bispecific antibodies in various stages of clinical development for cancer treatment globally. Among them, LBL-024 has achieved a rapid clinical progress, being the world's first 4-1BB-targeted immunotherapy to have reached the registrational stage for EP-NEC. For more information related to the market opportunities and competitive landscape of PD-L1/4-1BB bispecific antibodies, see "Industry Overview — 4-1BB Antibody Drugs."

Competitive Advantages

Synergistic efficacy through dual functions: LBL-024 represents a dual-action approach to cancer therapy, by simultaneously targeting PD-L1 and 4-1BB with a differentiated affinity ratio of approximately 1:300 for 4-1BB versus PD-L1. The dual-action approach allows LBL-024 to simultaneously block the immune suppression caused by PD-L1 and promote the immune activities of T cells through 4-1BB, thereby potentially achieving synergistic tumor-killing effects comparable to established PD-1/L1 inhibitors. The unique molecular design of LBL-024 is expected to allow it to potentially minimize the systemic toxicity. By precisely balancing immune activation with reduction of immune suppression, LBL-024 is expected to deliver potent tumor-fighting capabilities while potentially maintaining a favorable safety profile. Although ongoing clinical trials have yet to definitively affirm the correlation between the molecular design and the safety profile, and we cannot exclude other factors that may also influence the safety result of LBL-024, preliminary observations suggest a favorable safety profile for LBL-024 at dose level of up to 25 mg/kg in monotherapy and 15 mg/kg in combination with chemotherapy, as compared to urelumab (a 4-1BB antibody agonist), for which clinical development was discontinued due to liver toxicity observed at dose levels of 0.1 -15 mg/kg, and to acasunlimab (a registrational-stage 4-1BB/PD-L1 bispecific antibody) at dose levels of 25-1200 mg (approximately 0.4-20 mg/kg in a

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60 kg adult). While these clinical trial data were generated from independent studies and do not result from head-to-head comparisons, and there is no assurance that the safety data of LBL-024 in subsequent clinical trials will be as favorable as those observed in earlier Phase I/II trials, these observations nonetheless provide meaningful insight suggesting that LBL-024 could potentially offer a compelling safety profile.

Leverages our proprietary X-body™ platform, LBL-024 achieved optimal 2:2 structural design, allowing LBL-024 molecule binds two molecules of 4-1bb and PD-L1 simultaneously and symmetrically. Compared to alternative structures such as 1:1 formats, asymmetric configurations, or molecules with 4-1BB positioned differently, the X-body™ platform-derived 2:2 structure has the potential for improved efficacy, enhanced activity, safety, and better druggability.

Potentially the first drug approved for EP-NEC: LBL-024 has demonstrated encouraging efficacy and safety profile in the Phase I/II clinical trials in China for the treatment of advanced EP-NEC, either as a monotherapy or in combination with chemotherapy. In its monotherapy Phase I/II trial, LBL-024 reached an objective response rate (ORR) of 33.3% (demonstrating meaningful tumor shrinkage), and a disease control rate (DCR) of 51.1% (indicating that over half of patients achieved stable disease or better), as of February 12, 2025. The median overall survival (mOS) was 11.9 months (suggesting a significant survival benefit), as of February 12, 2025. The 6-month overall survival (OS) rates for the overall, 2L, and 3L+ populations were 79.5%, 90.0%, and 70.8%, respectively (highlighting durable clinical benefit even in later-line settings).

In comparison, the mOS of FOLFIRI, nivolumab as well as the combination of nivolumab and ipilimumab regimen was 8.9, 7.2 and 5.8 months, respectively, in the second-line or above treatment of EP-NEC, according to their respective publicly reported clinical data. Compared to standard immunotherapies, no new safety concerns were identified with LBL-024. In our Phase Ib/II trial of LBL-024 in combination with chemotherapy, the preliminary data cut off at February 14, 2025 showed that, among 61 patients with 1L EP-NEC, no dose-limiting toxicities (DLTs) were observed and the maximum tolerated dose (MTD) was not reached up to 15 mg/kg (supporting a favorable tolerability profile at higher doses). As of the same cut off date, LBL-024 demonstrated an encouraging ORR of 70.5% (43/61) and DCR of 91.8% (56/61) for the EP-NEC cohort (suggesting near-universal disease stabilization or improvement). Notably, the 15mg/kg dose group showed a particularly promising ORR of 71.4% (further validating dose-dependent efficacy, indicating higher drug doses are associated with increased treatment responses). Furthermore, during the dose optimization stage of the Phase II trial, an ORR of 83.3% (15/18) was observed at the 15 mg/kg dosage, which is approximately twice the ORR of recommended first-line chemotherapy regimens (ORR: 41.5% to 47.9%), as reported in publicly available clinical data. For more details on the clinical data of LBL-024, see “Business — Our Drug Candidates — Our Clinical-Stage Drug Candidates — LBL-024 (PD-L1/4-1BB BsAb) — Our Core Product — Summary of Clinical Trial Results.”

As the most clinically advanced candidate in its class — while other investigational therapies targeting DLL3/CD3 and SEZ6 remain in early clinical stages — LBL-024 has the potential to become the first drug approved for treating EP-NEC. The deficient of a standard of care for EP-NEC allows us to pursue an accelerated regulatory approval through a single-arm registrational trial. Subject to the clinical progress of such registrational trial, we expect to submit a biologics license application (BLA) to the NMPA by the third quarter of 2026 and anticipate obtaining a conditional approval by the second quarter of 2027.

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Encouraging efficacy signals in additional large cancer indications: LBL-024's preliminary efficacy in EP-NEC presents a strong case for its potential development for other NEC types, such as SCLC, and potentially as a frontline treatment in a broader range of tumor types. As of February 14, 2025, 38 patients had been enrolled in the SCLC cohort of the Phase Ib/II trial of LBL-024, with an observed ORR of 84.2% (16/19). LBL-024 monotherapy has also generated preliminary efficacy signals particularly in BTC and NSCLC. In its monotherapy Phase I/II trial, among 25 evaluable patients with BTC, one achieved complete response (CR), one achieved partial response (PR), and 11 achieved SD, indicating an ORR and a DCR of 8.0% and 52.0%, respectively, as of February 12, 2025.

Indication expansion potential: Moreover, we see indication expansion opportunities with LBL-024, potentially positioning LBL-024 a promising candidate for treating additional prevalent cancer types, such as ESCC, HCC and GC. For more details on the competitive advantages of LBL-024, see “Business — Our Drug Candidates — Our Clinical-Stage Drug Candidates — LBL-024 (PD-L1/4-1BB BsAb) — Our Core Product — Competitive Advantages.”

Our Key Product — LBL-034 (GPRC5D/CD3 BsAb)

LBL-034, one of our key products, is a bispecific T-cell engager targeting both GPRC5D and CD3. LBL-034 is one of the lead assets among our portfolio of CD3 T-cell engagers. We are currently evaluating the therapeutic potential of LBL-034 in a Phase I/II trial for the treatment of relapsed/refractory multiple myeloma (MM) in China. Including TALVEY® (talquetamab) by Janssen Biotech which has been approved for MM in the U.S., LBL-034 is the second most clinically advanced GPRC5D-targeted CD3 T-cell engager globally, according to Frost & Sullivan. Further, LBL-034 obtained the ODD from the FDA for the treatment of MM in October 2024. For details of our clinical trials and clinical development plan of LBL-034, see “Business — Our Drug Candidates — Our Clinical-Stage Drug Candidates — LBL-034 (GPRC5D/CD3 BsAb) — Our Key Product — Summary of Clinical Trial Results.”

The optimized 2:1 asymmetrical structure of LBL-034 enables conditional T cell activation in the presence of GPRC5D+ cells, thereby reducing off-target CD3 engagement, minimizing the risk of harmful immune reactions and improving safety. The binding of tumor cells is superior to the 1:1 format, resulting in stronger tumor cell killing and improved efficacy. Additionally, in its monotherapy Phase I/II trial targeting relapsed/refractory MM, an ORR of 63.2% (24/38) in all dose groups was observed (demonstrating robust antitumor activity in a heavily pretreated population), including four stringent complete response (sCR), five CR, 11 very good partial response (VGPR), and four PR, as of March 11, 2025. Notably, at doses of 200 µg/kg and above, encouraging efficacy results were observed (indicating a dose-dependent response trend). Particularly, we observed an ORR of 77.8% (14/18) (surpassing the response rates of many existing therapies) and a VGPR or better rate of 61.1% (highlighting deep responses even at sub-maximal doses) at 400 µg/kg and a VGPR or better rate of 100.0% at 800 µg/kg (suggesting potential curative potential at higher doses), as of March 11, 2025. In contrast, publicly available clinical data for TALVEY® (talquetamab) reported a VGPR or better rate of 52% in the patients with MM at a dose of 800 µg/kg. For more details on the competitive advantages of LBL-034, see “Business — Our Drug Candidates — Our Clinical-Stage Drug Candidates — LBL-034 (GPRC5D/CD3 BsAb) — Our Key Product — Competitive Advantages.”

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Our Key Product — LBL-033 (MUC16/CD3 BsAb)

LBL-033, one of our key products, is a bispecific T-cell engaging antibody targeting both MUC16 and CD3. It is being developed for the treatment of solid tumors with high MUC16 expression, particularly gynecological cancers such as ovarian cancer, cervical cancer and endometrial cancer. LBL-033 is among the only two MUC16/CD3 bispecific antibodies globally to have entered clinical stage, according to Frost & Sullivan. For details of our clinical trials and clinical development plan of LBL-033, see “Business — Our Drug Candidates — Our Clinical-Stage Drug Candidates — LBL-033 (MUC16/CD3 BsAb) — Our Key Product — Summary of Clinical Trial Results.”

LBL-033 shares the 2:1 asymmetrical structure similar to LBL-034 and is designed to specifically bind a key region of MUC16 with an affinity ten times higher than its affinity for CD3. The distinct molecular design of LBL-033 boosts its target specificity and avoids being blocked by other substances in the blood, thereby ensuring its therapeutic potency against cancer cells. Its conditional T-cell activation mechanism theoretically could also lead to reduced on-target off-tumor toxicity and lowered risks of harmful immune reactions. LBL-033 has demonstrated robust antitumor activity and a manageable safety profile in our preclinical and early clinical studies. In its monotherapy Phase I/II trial, the preliminary trial results as of June 28, 2024 indicated that five out of 20 evaluable patients achieved SD, with one patient maintaining stability for over nine months, only one DLT was observed and the MTD was not reached up to 10 mg/kg. For more details on the competitive advantages of LBL-033, see “Business — Our Drug Candidates — Our Clinical-Stage Drug Candidates — LBL-033 (MUC16/CD3 BsAb) — Our Key Product — Competitive Advantages.”

Our Key Product — LBL-007 (LAG3 mAb)

LBL-007, one of our key products, is a fully human IgG4 monoclonal antibody targeting LAG3. It ranks among the top three LAG3-targeted clinical-stage monoclonal antibodies globally in terms of clinical development (other than the only one marketed LAG3-targeted drug), and is the first in its class with proven efficacy in nasopharyngeal cancer (NPC), according to Frost & Sullivan. In China, we are currently evaluating this candidate in a Phase Ib/II study for its combination with tislelizumab and/or chemotherapy in advanced NPC and other solid tumors which was initiated in September 2022 and completed patient enrollment in January 2024. We also completed a Phase I trial of LBL-007 in combination with toripalimab and/or chemotherapy for the treatment of advanced acral melanoma in China in August 2024.

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Outside Greater China, we had entered into a license and collaboration agreement (the “**BeiGene Agreement**”) with BeiGene (the predecessor of BeOne Medicines Ltd.) with respect to the development, manufacture and commercialization of LBL-007 in December 2021. Since then, BeiGene had been conducting various global trials to evaluate LBL-007 in combination with tislelizumab and standard of care in NSCLC, CRC, HNSCC and ESCC pursuant to the BeiGene Agreement prior to the termination of this agreement. The BeiGene Agreement was later terminated on the date of May 18, 2025 as specified in the termination notice provided by BeiGene. Following this termination, we regained full, global rights to develop, manufacture and commercialize LBL-007. See “Business — Collaboration Agreement — License and Collaboration Agreement with BeiGene” for more information.

For further details of our clinical trials and clinical development plan of LBL-007, see “Business — Our Drug Candidates — Our Clinical-Stage Drug Candidates — LBL-007 (LAG3 mAb) — Our Key Product — Summary of Clinical Trial Results.”

LBL-007 has exhibited stronger inhibition of tumor growth and superior efficacy compared to the analog of relatlimab, the LAG3 antibody component in OpdualagTM, in our preclinical studies. The combination therapy integrating LBL-007 and PD-1 inhibitors has demonstrated promising synergistic antitumor effects and favorable safety across various tumor types in our clinical studies. Notably, in our Phase II trial, LBL-007 in combination with tislelizumab (anti-PD-1 antibody) and chemotherapy achieved an ORR of 83.3% and a DCR of 97.6% among 42 evaluable patients with 1L NPC, as of January 13, 2025. As of the same date, the observed 9-month PFS rate stood at 75.1% with mPFS of 15.0 months. In comparison, the ORR and median PFS of the combination of tislelizumab and chemotherapy regimen is about 69.5% and 9.2 months, respectively, in patients with 1L NPC, according to the publicly reported clinical data from Rationale-309 (a Phase III clinical trial for tislelizumab combined with gemcitabine and cisplatin in 1L RM-NPC). This combination therapy has also shown remarkable efficacy in patients who previously did not respond to PD-1 monotherapy. These impressive response rate and survival benefits position LBL-007 as the first LAG3 antibody to show robust efficacy in NPC. It also potentially offers a more effective treatment option than current standard of care for NPC. For more details on the competitive advantages of LBL-007, see “Business — Our Drug Candidates — Our Clinical-Stage Drug Candidates — LBL-007 (LAG3 mAb) — Our Key Product — Competitive Advantages.”

Moreover, we are actively advancing a diverse range of clinical-stage candidates and preclinical assets targeting oncology and autoimmune diseases, spanning the modalities of mono-/bi-/tri-specific antibody, ADC and fusion protein, including LBL-019 (TNFR2), LBL-015 (PD-1/TGFβR2), LBL-058 (DLL3/CD3 ADC), LBL-054-TCE (CDH17/CD3), LBL-054-ADC (CDH17 ADC), LBL-061 (EGFR/PD-L1 ADC), LBL-043 (LILRB4/CD3), LBL-049 (GDF15), LBL-047 (BDCA2/TACI) and LBL-051 (CD19/BCMA/CD3). See “Business — Our Drug Candidates — Our Clinical-Stage Drug Candidates” and “Business — Our Drug Candidates — Our Selected Pre-Clinical Drug Candidates.”

SUMMARY

OUR PLATFORM

We aim to develop into a biotechnology company with platform capabilities to efficiently move our drug candidates from early research to clinical application. To date, we have established all essential functionalities throughout the drug development process, from early-stage screening and discovery, preclinical research, clinical development, CMC to pilot manufacturing. These integrated capabilities underscore the scalability and reproducibility of our drug development activities, allowing us to continuously advance the development of our drug candidates. Capitalizing on the synergy among these diverse yet interconnected functions, we have achieved an efficient drug development process from target selection to IND submission within only three years, outpacing the industry average of approximately five to six years in innovative drug development, according to Frost & Sullivan. As our clinical assets approach commercial launch, we may consider establishing our commercial-scale manufacturing facilities and strengthening our commercialization capabilities through both collaboration and our internal sales force. Particularly, we are actively seeking strategic partnerships with different industry players and venture capitals to explore clinical development and commercialization opportunities outside of China. For details, please see “Business — Our Platform.”

OUR COMPETITIVE STRENGTHS

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

- Key player in immuno-oncology therapeutic development with multiple differentiated assets among global top three most clinically advanced candidates;
- Registrational-stage PD-L1/4-1BB bispecific antibody candidate (LBL-024) with the potential to become the globally first 4-1BB-targeted immunotherapy for EP-NEC with extensive indication expansion opportunities;
- Comprehensive and differentiated pipeline covering multiple modalities, including CD3 T-cell engagers, monoclonal antibodies, and ADCs;
- Viability of our business model from R&D to potential commercialization demonstrated by our strategic partnerships;
- Advanced bispecific antibody platforms and strong clinical development capabilities, facilitating continuous innovation and ensuring sustained long-term growth;
- A seasoned and visionary management team with extensive industry experience and multidisciplinary scientific expertise.

SUMMARY

OUR STRATEGIES

We intend to capitalize on our competitive strengths by pursuing the following strategies:

- To rapidly and strategically advance our clinical drug candidates towards commercialization and expand their indications;
- To expedite the entry into market and maximize the clinical and commercial potential of our drug candidates through value-accretive partnerships;
- To continuously advance our discovery programs and expand our pipeline through optimizing our R&D platform;
- To strategically enhance our operation capabilities, including manufacturing and commercialization capabilities;
- To further attract, train and retain talent to expand our capabilities.

RESEARCH AND DEVELOPMENT

We adopt a science-driven R&D approach which draws upon decades of experience of our founders in antibody drug development and is underscored by a culture that values open discussion. Through over a decade of R&D efforts, we have successfully established comprehensive R&D capabilities spanning antibody discovery and engineering, *in vivo* and *in vitro* efficacy evaluation, as well as druggability assessment. We have also developed multiple proprietary technology platforms featuring integrated, AI-powered and diversified antibody engineering capabilities, including LeadsBody™ platform (a CD3 T-cell engager platform), X-body™ platform (a 4-1BB engager platform), and several other bispecific antibody and fusion protein platforms. These advanced technology platforms offer us a broad arsenal of advanced tools and techniques for designing, screening and optimizing antibodies, serving as the engine to drive our continuous drug innovations for different targets, mechanisms of action, and modalities. For more details of our R&D capabilities and technology platforms, please see “Business — Our Platform — Drug Discovery and Preclinical Development — Our capabilities in drug discovery and preclinical development” and “Business — Our Platform — Drug Discovery and Preclinical Development — Proprietary technology platforms.”

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COLLABORATION AGREEMENT

License and Collaboration Agreement with BeiGene

In December 2021, we entered into a license and collaboration agreement (the “**BeiGene Agreement**”) with BeiGene with respect to the development, manufacture and commercialization of biopharmaceutical products that incorporates LBL-007 and any other monoclonal antibodies targeting LAG3 developed by the Company (the “**Licensed Products**”). BeiGene, an Independent Third Party to us, is a global oncology company that is discovering and developing innovative treatments that are more affordable and accessible to cancer patients worldwide.

Pursuant to the BeiGene Agreement, we granted to BeiGene (i) an exclusive, royalty-bearing and sublicensable license, under all know-how and patent rights owned or controlled by us necessary or useful for the exploitation of the Licensed Products under this agreement, to develop, manufacture and commercialize the Licensed Products for all uses outside Greater China; and (ii) a non-exclusive, royalty-bearing and sublicensable license, under the Licensed IP, to develop and manufacture the Licensed Products within Greater China, solely for purposes of obtaining and maintaining regulatory approvals for and commercialization of the Licensed Products outside Greater China. In turn, BeiGene granted to us a non-exclusive, fully paid, royalty-free and sublicensable license, under all know-how and patent rights controlled by BeiGene or its affiliates in the exploitation of the Licensed Products (the “**BeiGene Background IP**”) and any know-how or intellectual property rights conceived, developed, generated or otherwise made by or on behalf of either party or any of its affiliates solely, under this agreement relating to the Licensed Products (collectively, the “**Collaboration Improvements**”), solely to develop, manufacture and commercialize the Licensed Products within Greater China. Moreover, we granted to BeiGene a right of first offer with respect to the development, manufacture or commercialization of the Licensed Products within Greater China, which BeiGene can exercise within ten days following receipt of a written notice from us of our intent to grant rights to, or receiving an offer to acquire rights from, a third party. We also granted to BeiGene a right of first refusal in connection with the foregoing. If we and any third party agreed on terms of a definitive agreement regarding such exploitation of the Licensed Products within Greater China, we must notify BeiGene in writing and BeiGene would have a certain number of business days to exercise its right of first refusal.

The BeiGene Agreement was later terminated on the date of May 18, 2025 as specified in the termination notice provided by BeiGene. Our Directors confirmed that, having made enquiries with BeiGene, BeiGene’s decision to terminate this agreement was driven by its internal reassessment of portfolio priorities, rather than any unfavorable safety and efficacy results observed in the clinical trials of LBL-007. Following this termination, we regained full, global rights to develop, manufacture and commercialize LBL-007. We are not obliged to return any payments received or make any payments to BeiGene in respect of the termination of this agreement. No disagreements, disputes or claims arose between BeiGene and us related to this termination. We and BeiGene will collaborate to facilitate orderly transition of responsibilities under the BeiGene Agreement for a reasonable time after termination. Other than the BeiGene Agreement, we had not entered into any licensing and collaboration arrangements with BeiGene concerning any of our drug candidates, as of the Latest Practicable Date. We currently have no plans to establish further collaborations or arrangements with BeiGene related to our Core Product, LBL-024, going forward. Furthermore, upon our written request, BeiGene will provide all material non-clinical, preclinical and clinical data of Licensed Products, including those generated from the previous global trials to evaluate LBL-007 in combination with tislelizumab and standard

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of care in NSCLC, CRC, HNSCC and ESCC, to us within six months after termination. BeiGene is currently transferring to us the relevant data of terminated Licensed Products, and we will carefully evaluate all available datasets to seize future development opportunities with LBL-007 in targeted indications of solid tumors. Besides, we remain confident and committed to our ongoing clinical programs of LBL-007 for the treatment of advanced NPC, particularly in consideration of the favorable efficacy and safety profiles observed in its Phase Ib/II trial in combination with tislelizumab and/or chemotherapy. We also plan to further investigate the therapeutic potential of LBL-007 in melanoma, building on clinical data from our Phase I trial targeting this indication. For further details, please refer to the paragraphs headed “Business — Collaboration Agreement — License and Collaboration Agreement with BeiGene.” Save as disclosed above, our Directors confirmed that to the best of their knowledge, there are no other matters relating to the termination of the BeiGene Agreement that need to be brought to the Exchange’s attention.

Collaboration, Exclusive Option and License Agreement with Oblenio, a NewCo formed by Aditum Bio

On November 5, 2024, we entered into a collaboration, exclusive option and license agreement with Oblenio Bio, Inc. (“**NewCo**”), a U.S. company newly formed by Aditum Bio. Under this agreement, we grant NewCo an exclusive, worldwide license to develop, manufacture, commercialize and otherwise exploit our pre-clinical asset LBL-051, a CD19/BCMA/CD3 T cell engager for all uses, subject to NewCo’s election to exercise its option to retain such license after the applicable option period. For further details, please refer to the paragraphs headed “Business — Collaboration Agreements — Collaboration, Exclusive Option and License Agreement with Oblenio, a NewCo formed by Aditum Bio.”

RELATIONSHIP WITH CROs AND CDMOs

As is customary in the pharmaceutical industry, we engage contract research organizations (CROs) to conduct and support our preclinical studies and clinical trials under our close supervision and overall management. During the Track Record Period, we also outsourced certain manufacturing activities to industry-recognized contract development and manufacturing organizations (CDMOs) in China for preclinical and clinical supply of our drug candidates. During the Track Record Period and up to the Latest Practicable Date, all the CROs and CDMOs that we collaborate with were Independent Third Parties. For further details, please refer to the paragraphs headed “Business — Our Platform — CMC and Pilot Manufacturing” and “Business — Our Platform — Clinical Development.”

INTELLECTUAL PROPERTY

We have a global portfolio of patents to protect our drug candidates and technologies. As of the Latest Practicable Date, we owned (i) seven issued patents in China, (ii) six issued patents in the U.S., (iii) nine issued patents in other jurisdictions, and (iv) 61 patent applications, including 25 in China, four in the U.S., 16 under the Patent Cooperation Treaty (PCT), and 16 in other jurisdictions. As of the Latest Practicable Date, with respect to our Core Product LBL-024, we owned one issued patent in China, one issued patent in the U.S., and two issued patents in other jurisdictions, along with seven patent applications, including two in China, one in the U.S., two under the PCT, and two in other jurisdictions. For further details on our intellectual property rights, see “Business — Intellectual Property.”

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MANUFACTURING

We have established robust pilot manufacturing capabilities to support the early-stage clinical development of our selected drug candidates. Our pilot GMP-compliant manufacturing facility in Nanjing, Jiangsu Province has a gross floor area of approximately 6,999.3 sq.m. and houses our production lines with a scale of 200L or 500L disposable bioreactors. As of the Latest Practicable Date, we maintained an annual maximum production capacity of 20 batches with single bioreactor. In line with industry practice, we also outsource certain manufacturing activities to industry-recognized CDMOs for preclinical and clinical supply of our drug candidates. Going forward, we may plan to further scale up our in-house manufacturing capacity by setting up additional manufacturing facilities in China, so as to accommodate the growing demand for our drug candidates once commercialized. For details, see “Business — Our Platform — CMC and Pilot Manufacturing — Manufacturing facilities.”

OUR CUSTOMERS AND SUPPLIERS

Customers

During the Track Record Period, we had only one customer, BeiGene. In 2023, we received reimbursement totaling RMB8.9 million (US\$1.3 million) from BeiGene for our performance of a specified bridging study under the BeiGene Agreement. We did not generate any revenue in 2024 and the three months ended March 31, 2025. See “Business — Customer.”

Suppliers

During the Track Record Period, our suppliers primarily included reputable CDMOs, CROs, research and medical institutions, as well as providers of raw materials for biological products, and devices and equipment. Purchases from our five largest suppliers were RMB58.1 million, RMB27.2 million and RMB13.0 million in each year/period during the Track Record Period, respectively, representing 34.6%, 26.0% and 33.5% of our total purchases for the same year/period, respectively. Purchases from our single largest supplier were RMB19.4 million, RMB11.4 million and RMB3.6 million in each period during the Track Record Period, respectively, representing 11.5%, 10.9% and 9.3% of our purchases for the same period, respectively. See “Business — Raw Materials and Suppliers — Suppliers.”

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

SUMMARY

Summary Data of Consolidated Statements of Profit or Loss

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

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2023	2024	2024	2025
	(RMB in thousands) (unaudited)			
Revenue	8,865	–	–	–
Cost of sales	(3,185)	–	–	–
Gross profit	5,680	–	–	–
Other income and gains	13,472	18,309	2,237	3,224
Other expenses	–	(20)	–	(428)
Research and development expenses	(230,858)	(185,683)	(43,273)	(57,751)
Administrative expenses	(38,047)	(87,692)	(13,878)	(18,876)
Fair value gains on financial assets at FVTPL	6,436	1,718	434	368
Changes in fair value of convertible bonds	(199)	–	–	–
Finance costs	(1,400)	(5,764)	(744)	(1,904)
Changes in fair value of redemption liabilities on equity shares	(117,333)	(42,084)	(31,345)	–
Loss before tax	(362,249)	(301,216)	(86,569)	(75,367)
Income tax expense	–	–	–	–
Loss for the year/period	(362,249)	(301,216)	(86,569)	(75,367)
Total comprehensive loss for the year/period	(362,320)	(301,140)	(86,567)	(75,145)

SUMMARY

Non-IFRS Measure

To supplement our consolidated statements of profit or loss and other comprehensive expenses which are presented in accordance with IFRSs, we also use adjusted loss as a non-IFRS measure, which is not required by, or presented in accordance with, IFRSs. We believe that the presentation of the non-IFRS measure when shown in conjunction with the corresponding IFRS measures provides useful information to management and investors in facilitating a comparison of our operating performance from period to period. In particular, the non-IFRS measure eliminates impact of certain expenses, including changes in fair value of convertible bonds, changes in fair value of redemption liabilities on equity shares share-based compensation and listing expenses. Such non-IFRS measure allows investors to consider metrics used by our management in evaluating our performance.

We define adjusted loss (non-IFRS measure) as loss for the year/period adjusted by adding back (i) changes in fair value of convertible bonds, (ii) changes in fair value of redemption liabilities on equity shares, (iii) share-based compensation, and (iv) listing expenses. Changes in fair value of convertible bonds represent the fair value changes of convertible bonds issued by us, which are non-cash in nature. Such convertible bonds had all been converted into Shares with preferred rights in May 2023. Changes in fair value of redemption liabilities on equity shares represent the fair value changes of the Shares with preferred rights held by our Pre-IPO Investors, which are also non-cash in nature. The redemption rights granted to our Pre-IPO Investors had been terminated pursuant to certain supplemental agreements in 2024, and we no longer recognized any redemption liabilities on equity shares or any loss or gain on fair value changes of such liabilities thereafter. Share-based compensation represents expenses arising from granting share incentives to senior management and selected employees, which is non-cash in nature. Listing expenses are the expenses arising from activities in relation to the proposed Listing and Global Offering. The use of the non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for, or superior to, analysis of our results of operations or financial condition as reported under IFRSs. In addition, the non-IFRS measure may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.

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The following table reconciles our adjusted loss (non-IFRS measure) for the year/period presented in accordance with IFRSs, which is loss for the year/period:

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2023	2024	2024	2025
	<i>(RMB in thousands)</i> <i>(unaudited)</i>			
Loss for the year/period	(362,249)	(301,216)	(86,569)	(75,367)
<i>Add:</i>				
Changes in fair value of convertible bonds	199	–	–	–
Changes in fair value of redemption liabilities on equity shares	117,333	42,084	31,345	–
Share-based compensation	17,837	41,940	3,118	2,250
Listing expenses	–	14,531	4,427	6,595
Adjusted loss (non-IFRS measure) for the year/period	<u>(226,880)</u>	<u>(202,661)</u>	<u>(47,679)</u>	<u>(66,522)</u>

We recognized revenue of RMB8.9 million in 2023, which was derived from payments we received from BeiGene for our provision of bridging study services under the BeiGene Agreement. 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. In 2023, 2024 and the three months ended March 31, 2024 and 2025, we had net losses of RMB362.2 million, RMB301.2 million, RMB86.6 million and RMB75.4 million, respectively.

The decrease of our net losses from the three months ended March 31, 2024 to the corresponding period in 2025 was primarily due to a decrease of RMB31.3 million in change in fair value of redemption liabilities on equity shares, as the redemption rights granted to our Pre-IPO Investors had been terminated pursuant to certain supplemental agreements in 2024, and we no longer recognized any redemption liabilities on equity shares or any loss or gain on fair value changes of such liabilities thereafter; partially offset by (i) an increase of RMB14.5 million in research and development expenses, mainly attributable to increased clinical trial expenses and preclinical and CMC expenses incurred in the advancement of our respective drug candidates, and (ii) an increase of RMB5.0 million in administrative expenses, mainly attributable to an increase in professional service fees associated with listing expenses and other consulting service fees.

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The decrease of our net losses from 2023 to 2024 was primarily due to (i) a decrease of RMB75.2 million in change in fair value of redemption liabilities on equity shares, mainly because we terminated the redemption rights granted to our Pre-IPO Investors pursuant to certain supplemental agreements in 2024, and we no longer recognized any redemption liabilities on equity shares or any loss or gain on fair value changes of such liabilities thereafter; and (ii) a decrease of RMB45.2 million in research and development expenses, mainly attributable to decreases in clinical trial expenses and preclinical and CMC expenses, which aligned with the evolving progress of respective preclinical and clinical programs of our drug candidates; partially offset by an increase of RMB49.6 million in administrative expenses, mainly attributable to an increase in share-based compensation arising from increases in the number and value of share incentives granted, and an increase in professional service fees mainly in connection with the listing expenses incurred.

For a detailed discussion of the fluctuation of our net losses during the Track Record Period, see “Financial Information — Description of Selected Components of Consolidated Statements of Loss and Other Comprehensive Expense” in this prospectus.

In 2023, 2024 and the three months ended March 31, 2024 and 2025, we incurred research and development expenses of RMB230.9 million, RMB185.7 million, RMB43.3 million and RMB57.8 million, respectively. Our research and development expenses attributable to our Core Product were RMB68.7 million, RMB66.2 million, RMB19.1 million and RMB29.7 million in 2023, 2024 and the three months ended March 31, 2024 and 2025, respectively, accounting for 25.6%, 24.2%, 33.4% and 38.8% of our total operating expenses in the corresponding period, respectively.

Summary Data from Consolidated Statements of Financial Position

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

	As of December 31,		As of
	2023	2024	March 31,
			2025
	<i>(RMB in thousands)</i>		
Total non-current assets	80,361	73,136	82,625
Total current assets	367,121	596,307	586,206
Total current liabilities	1,394,510	398,336	461,665
Net current (liabilities)/assets	(1,027,389)	197,971	124,541
Total assets less current liabilities	(947,028)	271,107	207,166
Total non-current liabilities	1,777	5,547	14,501
Net (liabilities)/assets	(948,805)	265,560	192,665

SUMMARY

We have transitioned from net current liabilities and net liabilities positions to net current assets and net assets positions during the Track Record Period.

Our net current assets decreased from RMB198.0 million as of December 31, 2024 to RMB124.5 million as of March 31, 2025, primarily attributable to (i) a decrease in financial assets at FVTPL resulting from our redemption of structured deposits and wealth management products, and (ii) an increase in contract liabilities arising from our receipt of the second tranche of upfront payments under the Oblenio Agreement, the cash inflows from both were subsequently used as working capital to fuel our business operations in the three months ended March 31, 2025.

We recorded net current liabilities of RMB1,027.4 million as of December 31, 2023 and net current assets of RMB198.0 million as of December 31, 2024, primarily attributable to a decrease of RMB1,303.5 million in redemption liabilities on equity shares, as our Pre-IPO Investors' redemption rights had been terminated in partial pursuant to certain supplemental agreements in 2024. Consequently, such liabilities were reclassified into equity and we ceased recording any redemption liabilities on equity shares thereafter.

Our net assets decreased from RMB265.6 million as of December 31, 2024 to RMB192.7 million as of March 31, 2025, primarily attributable to our loss for the period of RMB75.1 million; partially offset by share-based payment compensation of RMB2.3 million. We recorded net liabilities of RMB948.8 million as of December 31, 2023 and net assets of RMB265.6 million as of December 31, 2024, primarily attributable to termination of redemption liabilities of RMB1,345.6 million and issue of Series C+ Shares of RMB130.0 million; partially offset by our loss for the year of RMB301.2 million.

For details of our financial position, see “Financial Information — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position” in this prospectus.

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Summary Data from Consolidated Statements of Cash Flows

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

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2023	2024	2024	2025
	<i>(RMB in thousands)</i>			
	<i>(unaudited)</i>			
Net cash flows used in operating activities	(192,685)	(118,816)	(36,872)	(26,365)
Net cash flows from/(used in) investing activities	135,492	(67,302)	49,268	91,076
Net cash flows from/(used in) financing activities	49,492	309,019	43,103	(5,673)
Net (decrease)/increase in cash and cash equivalents	(7,701)	122,901	55,499	59,038
Cash and cash equivalents at the beginning of year/period	252,526	247,523	247,523	372,542
Effect of foreign exchange rate changes, net	2,698	2,118	264	(204)
Cash and cash equivalents at the end of year/period	247,523	372,542	303,286	431,376

We had net operating cash outflow of RMB192.7 million, RMB118.8 million, RMB36.9 million and RMB26.4 million in 2023, 2024 and the three months ended March 31, 2024 and 2025, respectively, primarily attributable to our loss before tax since we incurred significant research and development expenses during the Track Record Period, as adjusted by certain non-cash or working capital items, mainly including change in fair value of redemption liabilities on equity shares, charge of share-based compensation expenses, depreciation of property, plant and equipment, decrease in contract liabilities and decrease/(increase) in prepayments and other current assets. Our net operating cash outflow decreased by 38.3% from RMB192.7 million in 2023 to RMB118.8 million in 2024, mainly due to an increase in contract liabilities of RMB84.2 million in connection with the upfront payments we received from NewCo under the Oblenio Agreement; partially offset by a decrease in change in fair value of redemption liabilities on equity shares of RMB75.2 million resulting from the termination of redemption rights granted to our Pre-IPO Investors in 2024. Our net operating cash outflow decreased by 28.5% from RMB36.9 million in the three months ended March 31, 2024 to RMB26.4 million in the three months ended March 31, 2025, mainly due to an increase in contract liabilities of RMB54.9 million arising from our receipt of the second tranche of upfront payments under the Oblenio Agreement; partially offset by an increase in inventories of RMB18.5 million associated with contract costs incurred under the Oblenio Agreement. We will closely monitor the level of our working capital, and diligently review future cash flow

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requirements and adjust our operation and expansion plans, if necessary. For details of our cash flows, see “Financial Information — Liquidity and Capital Resources — Cash Flows.”

Our primary use of cash during the Track Record Period was to fund research and development activities for our drug candidates, administrative expenses and other recurring expenses. During the Track Record Period and up to the Latest Practicable Date, we primarily funded our working capital requirements through equity financing, payments received under our collaboration and licensing arrangements and debt financing. Going forward, we believe our liquidity requirements will be satisfied by a combination of net proceeds from the Global Offering, funds received from existing and potential collaboration arrangements and cash generated from our operations after the commercialization of our drug candidates.

WORKING CAPITAL

Taking into account the financial resources available to us, including cash and cash equivalents, financial assets at FVTPL, unutilized bank facilities and the estimated net proceeds from the Global Offering, and considering our cash burn rate, our Directors are of the view that we have available sufficient working capital to cover at least 125% of our costs, including research and development expenses, administrative expenses, finance costs and other operating costs, for at least the next 12 months from the date of this prospectus.

Our cash burn rate refers to the average monthly amount of net cash used in operating activities, capital expenditures and lease payments. We had cash and cash equivalents and financial assets at FVTPL in an aggregate of RMB376.1 million as of May 31, 2025. We estimate that we will receive net proceeds of approximately HK\$916.0 million in the Global Offering, at an Offer Price of HK\$31.60 per H Share, being the low end of the indicative Offer Price range stated in this prospectus. Assuming an average cash burn rate going forward of 2.5 times the level in the three months ended March 31, 2025, we estimate that (i) our cash and cash equivalents and financial assets at FVTPL as of May 31, 2025 will be able to maintain our financial viability for over 16 months from May 31, 2025, (ii) if we take into account 10.0% of the estimated net proceeds from the Global Offering (namely, the portion allocated for our working capital and other general corporate purposes), 19 months, or, (iii) if we take into account all estimated net proceeds from the Global Offering, 51 months. Our Directors and management team will continue to monitor our working capital, cash flows and our business development progress. We expect to raise our next round of financing no earlier than six months after the completion of the Global Offering. For more information related to our working capital sufficiency, see “Financial Information — Working Capital Confirmation.”

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KEY FINANCIAL RATIOS

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

	As of December 31,		As of March
	2023	2024	31, 2025
Current ratio ⁽¹⁾	0.3	1.5	1.3

Note:

(1) Current ratio equals current assets divided by current liabilities as of the end of the year/period.

For details, see “Financial Information — Key Financial Ratios.”

RISK FACTORS

Our business and the Global Offering involve certain risks including those set out in the section headed “Risk Factors” in this prospectus. As different investors may have different interpretations and criteria when determining the significance of a risk, you should read the “Risk Factors” section in its entirety before you decide to invest in our Offer Shares. Some of the major risks that we face include:

- We may face intense competition and rapid technological change and the possibility that our competitors may develop therapies that are similar, more advanced, or more effective than ours, which may adversely affect our financial condition and our ability to successfully commercialize our drug candidates.
- Some of our product candidates target rare and advanced cancers with small patient populations and/or limited natural survival. For certain indications, our addressable market and the population of eligible patients may be smaller than expected or may decline in the future. As a result, we face significant market, commercial, and operational risks that could adversely impact our business and financial prospects.
- If we are unable to obtain and maintain adequate patent and other intellectual property protection for our drug candidates throughout the world, or if the scope of such intellectual property rights obtained is not sufficiently broad, 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 materially adversely affected.

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- We rely heavily on the success of our clinical-stage and preclinical-stage drug candidates. Failure to successfully complete clinical development, obtain regulatory approvals, or achieve commercialization, as well as significant delays or cost overruns in these processes, could materially harm our business, financial condition, results of operations, and prospects. Since inception, we have incurred substantial net losses and expect to continue doing so for the foreseeable future. There is no guarantee that we will generate sufficient revenue to achieve or maintain profitability, and potential investors risk losing substantially all of their investments in our H Shares.
- We have entered into collaborations with our partners, and may form or seek additional collaborations or strategic alliances or enter into additional licensing arrangements in the future. We may not realize any or all benefits of such alliances or licensing arrangements, and disputes may arise between us and our collaboration partners.

OUR SHAREHOLDING STRUCTURE

Substantial Shareholders

As of the Latest Practicable Date, Dr. Kang, Dr. Lai and our Share Incentive Platforms namely Lizhi Partnership, LeadsBio Limited and LeadsTech Limited were entitled to exercise voting rights of approximately 19.61% in our Company in aggregate pursuant to a concert party agreement entered into among the parties. Immediately upon completion of the Global Offering (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised), Dr. Kang, Dr. Lai, Lizhi Partnership, LeadsBio Limited and LeadsTech Limited will together control the voting rights of approximately 16.28% of the total issued share capital of our Company. For details, see “History, development and Corporate Structure — Acting in concert Arrangement” and “Substantial Shareholders.”

Pre-IPO Investors

Since its establishment, our Company has undertaken a series of capital increases and equity financing to raise funds for the development of our business and to bring in new shareholders. The Pre-IPO Investments include: (i) Angel Financing; (ii) Series Pre-A Financing; (iii) Series A Financing; (iv) Series A+ Financing; (v) Series B Financing; (vi) Series B+ Financing; (vii) Series C Financing and (viii) Series C+ Financing and we raised a total of approximately US\$150.7 million from the Pre-IPO Investments. As of the date of this prospectus, 95.1% of the proceeds from the Pre-IPO Investments have been utilized. Our Pre-IPO Investors will be subject to lock-up arrangements at the time of the Global Offering pursuant to the PRC Company Law. Generally, under these lock-up arrangements, each Pre-IPO Investor will not, at any time during the period commencing on the Listing Date and ending on a date which is 12 months from the Listing Date, offer, pledge, sell, transfer or otherwise dispose of their Shares. For details, see “History, Development and Corporate Structure — (d) Information about Our Pre-IPO Investors.”

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Our Pre-IPO Investors consist of private equity funds and private limited liabilities companies, among which some have a specific focus on the healthcare industry. Ennovation Ventures, Hankang Capital, Loyal Valley Capital and Huaige Capital are our Sophisticated Investors pursuant to Chapter 2.3 of the Guide for New Listing Applicants. For details, see “History, Development and Corporate Structure — Pre-IPO Investments — (d) Information about Our Pre-IPO Investors.”

OFFERING STATISTICS

The statistics in the following table are based on the assumptions that 32,054,400 H Shares will be issued pursuant to the Global Offering, 110,886,891 Unlisted Shares will be converted into H Shares and the Offer Size Adjustment Option and the Over-allotment Option are not exercised:

	Based on the Offer Price of HK\$31.60	Based on the Offer Price of HK\$35.00
Market capitalization of our Shares ⁽¹⁾	HK\$5,958.3 million	HK\$6,599.4 million
Market capitalization of our H Shares ⁽²⁾	HK\$4,516.9 million	HK\$5,002.9 million
Unaudited pro forma adjusted consolidated net tangible assets per Share ⁽³⁾	HK\$6.10	HK\$6.65

Notes:

- (1) The calculation of market capitalization is based on 188,554,400 Shares expected to be in issue immediately upon completion of the Global Offering.
- (2) The calculation of the market capitalization of our H Shares is based on the 142,941,291 H Shares, comprising 32,054,400 H Shares to be issued under the Global Offering and 110,886,891 H Shares to be converted from Unlisted Shares, expected to be in issue immediately upon completion of the Global Offering.
- (3) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after making the adjustments referred to in “Appendix II — Unaudited Pro Forma Financial Information” and on the basis that 188,554,400 Shares were in issue assuming that the Global Offering had been completed on March 31, 2025, without taking into account of (i) any Share which may be allotted and issued upon the exercise of the Offer Size Adjustment Option and the Over-allotment Option, or (ii) under the general mandates for the allotment and issue of Shares granted to the Directors of our Company.

SUMMARY

LISTING EXPENSES

Listing expenses to be borne by us are estimated to be approximately HK\$99.7 million (including underwriting commission, assuming an Offer Price of HK\$33.30 per H Share, being the mid-point of the indicative Offer Price range of HK\$31.60 to HK\$35.00 per H Share), which represent 9.3% of the gross proceeds from the Global Offering, assuming no H Shares are issued pursuant to the Offer Size Adjustment Option and the Over-allotment Option. The above listing expenses are comprised of (i) underwriting-related expenses of HK\$53.4 million, and (ii) non-underwriting-related expenses of HK\$46.3 million, including (a) the legal advisors and the reporting accountants expenses of HK\$26.0 million, and (b) other fees and expenses of HK\$20.3 million. During the Track Record Period, we incurred listing expenses of HK\$30.7 million, HK\$23.0 million of which was charged to our consolidated statements of profit or loss, and HK\$7.7 million of which was attributable to the issue of Shares and will be deducted from equity. We expect to incur additional listing expenses of approximately HK\$69.0 million after the Track Record Period, approximately HK\$18.5 million of which is expected to be charged to our consolidated statements of profit or loss, and approximately HK\$50.5 million of which is attributable to the issue of Shares and will be deducted from equity upon Listing. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

DIVIDENDS

We did not declare or pay any dividend during the Track Record Period. We do not currently have a formal dividend policy or a pre-determined dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Investors should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China. As advised by our PRC Legal Adviser, taking into account the aforesaid, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our accumulated losses, or even if we become profitable, as we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered by our after-tax profits, and (ii) sufficient statutory and other reserves are drawn in accordance with the relevant laws, regulations and our constitutional documents. In light of our accumulated losses as disclosed in this prospectus, it is unlikely that we will be eligible to pay dividends out of our profits in the foreseeable future.

SUMMARY

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$967.7 million, after deducting underwriting commissions, fees and other estimated expenses paid and payable by us in connection with the Global Offering, and assuming that the Offer Size Adjustment Option and the Over-allotment Option is not exercised and an Offer Price of HK\$33.30 per H Share, being the mid-point of the indicative Offer Price range of HK\$31.60 to HK\$35.00 per H Share. We currently intend to apply these net proceeds for the following purposes:

- Approximately 65.0%, or HK\$629.0 million, will be allocated to the ongoing and planned clinical development and regulatory affairs of our clinical-stage drug candidates, of which:
 - o Approximately 46.0%, or HK\$445.2 million, will be used to fund the continuous clinical development and regulatory affairs of our Core Product LBL-024; and
 - o Approximately 19.0%, or HK\$183.9 million, will be used to fund the continuous clinical development and regulatory affairs of our key products, including LBL-034, LBL-033 and LBL-007;
- Approximately 15.0%, or HK\$145.2 million, will be allocated to the advancement of our preclinical assets, expansion of our existing pipeline, as well as optimization of our technology platforms;
- Approximately 10.0%, or HK\$96.8 million, will be primarily used for upgrading our manufacturing capacity, and to a lesser extent, for commercialization of our drug candidates after they are approved for sale; and
- Approximately 10.0%, or HK\$96.8 million, will be used for working capital and general corporate purposes.

For more details, please see “Future Plans and Use of Proceeds.”

RECENT DEVELOPMENTS

Since the end of the Track Record Period, we have been consistently advancing our pipeline and developing our business. Notably, in recognition of the clinical potential of our Core Product LBL-024, we were selected to deliver an oral presentation on the clinical data observed in its Phase Ib/II clinical trial in combination with chemotherapy at the 2025 ASCO Annual Meeting in late May 2025 through early June 2025. Furthermore, we were also invited to present the latest preclinical data on our four pipeline assets across TCE and ADC modalities, including LBL-054-CD3, LBL-054-ADC, LBL-043 and LBL-058, at the 2025 AACR Annual meeting in late April 2025.

SUMMARY

On May 18, 2025, the BeiGene Agreement was terminated based on the termination notice provided by BeiGene which specified this date as the termination date. Our Directors confirmed that, having made enquiries with BeiGene, BeiGene's decision to terminate this agreement was driven by its internal reassessment of portfolio priorities, rather than any unfavorable safety and efficacy results observed in the clinical trials of LBL-007. Following the termination of BeiGene Agreement, we regained full, global rights to develop, manufacture and commercialize LBL-007.

We expect that we will continue to record net losses for the year ending December 31, 2025, primarily because (i) we expect to incur significant research and development expenses as we continue to advance and expand our pipeline and enhance our technology platforms; and (ii) we expect to incur listing expenses in connection with our proposed Listing.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since March 31, 2025, the end of the period reported in the Accountants' Report set out in Appendix I to this prospectus, and there has been no event since March 31, 2025 that would materially affect the information contained in the Accountants' Report set out in Appendix I to 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. During the COVID-19 pandemic, we primarily conducted clinical studies for two drug candidates, including LBL-007 and LBL-024. These clinical studies were independently carried out by our in-house clinical team. Benefiting from a robust internal team management system and extensive experience, we did not experience material interruptions or stagnation in our clinical activities during the pandemic, and the pandemic did not have a significant impact on the progress of our clinical trials. As a result, the overall impact of the COVID-19 pandemic on our clinical activities, drug development timeline, business, and results of operations has been immaterial, especially as the COVID-19 pandemic has come under control as of the Latest Practicable Date. Our Directors are of the view that it is unlikely that the COVID-19 pandemic will have a material adverse impact on our business going forward.

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below. Certain other terms are explained in “Glossary of Technical Terms.”

“Accountants’ Report”	the accountants’ report of our Company, the text of which is set out in Appendix I to this prospectus
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	Accounting and Financial Reporting Council of Hong Kong
“Articles of Association” or “Articles”	the articles of association of our Company adopted by special resolution on October 25, 2024 with effect from the Listing Date, as amended, supplemented or otherwise modified from time to time, a summary of which is set out in Appendix V to this prospectus
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of our Board
“Board” or “Board of Directors”	the board of Directors of our Company
“Business Day”	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“Capital Market Intermediary(ies)”	the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners and the Joint Lead Managers, being the syndicate capital market intermediaries (within the meaning ascribed thereto under the Listing Rules) participating in the Global Offering
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC
“China” or “mainland China” or “PRC”	the People’s Republic of China and for the purpose of this prospectus only, unless the context otherwise requires, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“close associate(s)”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	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
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “our Company” or “the Company”	Nanjing Leads Biolabs Co., Ltd. (南京维立志博生物科技股份有限公司) a joint stock company incorporated in the PRC with limited liability on August 14, 2024, or, where the context requires (as the case may be), its predecessor, Nanjing Leads Biolabs Co., Ltd. (南京维立志博生物科技股份有限公司), a limited liability company established under the laws of the PRC on November 27, 2012
“Compliance Adviser”	Rainbow Capital (HK) Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Core Product(s)”	has the meaning ascribed thereto in Chapter 18A of the Listing Rules and is the product for the purpose of satisfying the eligibility requirements under Chapter 18A of the Listing Rules and Chapter 2.3 of the Guide for New Listing Applicants; for the purpose of this prospectus, our Core Product refers to LBL-024
“Corporate Governance Code”	Corporate Governance Code set out in Appendix C1 to the Listing Rules
“CSDC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)” or “our Director(s)”	the director(s) of our Company
“Dr. Kang”	Dr. Kang Xiaoqiang, the co-founder of the Group, the chairman of our Board, an executive Director, the chief executive officer and the general manager of the Company

DEFINITIONS

“Dr. Lai”	Dr. Lai Shoupeng, the co-founder of the Group, an executive Director, the chief strategic officer and an executive vice president of the Company
“EIT”	PRC enterprise income tax
“EIT Law”	Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
“Exchange Participant”	a person (a) who, in accordance with the Rules of the Stock Exchange, may trade on or through the Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Stock Exchange as a person who may trade on or through the Stock Exchange
“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the Government of Hong Kong
“FINI” or “Fast Interface for New Issuance”	the 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 the Listing
“Frost & Sullivan” or “Industry Consultant”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant, an independent market research and consulting company
“General Rules of HKSCC”	the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Greater China”	for the purpose of this prospectus and for geographical reference only, references in this prospectus to “Greater China” apply to the PRC, Hong Kong, the Macau Special Administrative Region and Taiwan
“Group”, “our Group”, “we” or “us”	our Company and our subsidiaries from time to time, and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time

DEFINITIONS

“Guide for New Listing Applicants”	the Guide for New Listing Applicants issued by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“H Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.0 each, which will be subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“HK\$”, “Hong Kong dollars” or “HK Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing 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 HKSCC Participant 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 Operational Procedures”	the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC’s services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force
“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

DEFINITIONS

“Hong Kong Offer Shares”	the 3,205,500 H Shares offered by us for subscription at the Offer Price pursuant to the Hong Kong Public Offering (subject to reallocation as described in the section headed “Structure of the Global Offering”)
“Hong Kong Public Offering”	the offering of the Hong Kong Offer Shares for subscription by the public in Hong Kong (subject to reallocation as described in the section headed “Structure of the Global Offering”) at the Offer Price (plus brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy), on and subject to the terms and conditions described in the section headed “Structure of the Global Offering”
“Hong Kong Underwriters”	the underwriters listed in “Underwriting — Hong Kong Underwriters,” being the underwriters of the Hong Kong Public Offering
“Hong Kong Underwriting Agreement”	the underwriting agreement dated July 16, 2025 relating to the Hong Kong Public Offering entered into by, among others, our Company, KANG Xiaoqiang, LAI Shoupeng, Nanjing Lizhi Management & Consulting Center (Limited Partnership) (南京禮至企業管理諮詢中心(有限合夥)), LeadsBio Limited, LeadsTech Limited, the Joint Sponsors, the Overall Coordinators and the Hong Kong Underwriters, as further described in “Underwriting — Hong Kong Underwriting Arrangements — Hong Kong Public Offering — Hong Kong Underwriting Agreement”
“Independent Third Party(ies)”	entity(ies) or person(s) which, to the best of our Directors’ knowledge, information and belief having made all reasonable enquiries, is/are not connected person(s) of our Company within the meaning of the Listing Rules
“International Offer Shares”	28,848,900 H Shares initially offered by our Company pursuant to the International Offering, together, where relevant, with any additional H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option, subject to reallocation as described in “Structure of the Global Offering”

DEFINITIONS

“International Offering”	the conditional placing of the International Offer Shares by the International Underwriters at the Offer Price outside the United States in offshore transactions in reliance on Regulation S and in the United States to QIBs in reliance on Rule 144A or any other available exemptions from the registration requirements under the U.S. Securities Act, in each case on and subject to the terms and conditions of the International Underwriting Agreement, as further described in “Structure of the Global Offering — The International Offering”
“International Underwriters”	the international underwriters who are expected to enter into the International Underwriting Agreement to underwrite the International Offering
“International Underwriting Agreement”	the underwriting agreement relating to the International Offering expected to be entered into on or around the Price Determination Date by, among others, our Company, the Overall Coordinators and the International Underwriters, as further described in “Underwriting — Underwriting Arrangements — The International Offering — International Underwriting Agreement”
“Joint Sponsors”	the joint sponsors as named in the section headed “Directors, Supervisors and Parties Involved in the Global Offering”
“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”
“Latest Practicable Date”	July 11, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
“Listing”	the listing of the H Shares on the Main Board of the Stock Exchange

DEFINITIONS

“Listing Committee”	the listing committee of the Stock Exchange
“Listing Date”	the date expected to be on or about Friday, July 25, 2025, on which the H Shares become listed and from which dealings therein are permitted to take place on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Lizhi Partnership”	Nanjing Lizhi Management & Consulting Center (Limited Partnership) (南京禮至企業管理諮詢中心(有限合夥)), a limited partnership established in the PRC on May 30, 2016, one of our Share Incentive Platforms
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“MOF”	Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM” or “Ministry of Commerce”	the Ministry of Commerce of the PRC (中華人民共和國商務部) (formerly known as the Ministry of Foreign Trade and Economic Cooperation of the PRC (中華人民共和國對外經濟貿易部))
“NDRC”	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“Nomination Committee”	the nomination committee of our Board
“Offer Price”	the final price per Offer Share in Hong Kong dollars (exclusive of brokerage of 1.0%, AFRC transaction levy of 0.00015%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.00565%) at which the Offer Shares are to be subscribed for or purchased pursuant to the Global Offering, to be determined as described in “Structure of the Global Offering — Pricing and Allocation”
“Offer Share(s)”	the Hong Kong Offer Shares and the International Offer Shares, with any additional H Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option

DEFINITIONS

“Offer Size Adjustment Option”	the option expected to be granted by our Company under the International Underwriting Agreement to the International Underwriters, exercisable by the Overall Coordinators (on behalf of the International Underwriters), pursuant to which our Company may allot and issue up to an aggregate of 4,808,100 additional H Shares (representing in aggregate approximately 15% of the Offer Shares initially being offered under the Global Offering assuming the Over-allotment Option is not exercised) at the Offer Price, to cover the excess demand in the International Offering, if any, as described in the section headed “Structure of the Global Offering” in this prospectus
“Over-allotment Option”	the option granted by our Company to the International Underwriters, exercisable by the Overall Coordinators (on behalf of the International Underwriters) pursuant to the International Underwriting Agreement, to require our Company to allot and issue up to an aggregate of 4,808,100 additional H Shares (representing not more than 15% of the Offer Shares initially available under the Global Offering assuming the Offer Size Adjustment Option is not exercised at all) or up to an aggregate of 5,529,300 additional H Shares (representing not more than 15% of the Offer Shares being offered under the Global Offering assuming the Offer Size Adjustment Option is exercised in full) at the Offer Price, to cover over-allocations in the International Offering, if any
“Overall Coordinators”	the overall coordinators as named in “Directors, Supervisors and parties involved in the Global Offering”
“PBOC”	People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC AoA Guidelines”	Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》), as amended, supplemented or otherwise modified from time to time
“PRC Company Law”	Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“PRC GAAP”	PRC Accounting Standards and Accounting Regulations for Business Enterprise (《中國企業會計準則》), as amended, supplemented or otherwise modified from time to time
“PRC Government” or “State”	the central government of the PRC, including all governmental subdivisions (including principal, municipal and other regional or local government entities) and instrumentalities
“PRC Legal Adviser”	JunHe LLP, our legal adviser as to PRC law
“Pre-IPO Investment(s)”	the pre-IPO investment(s) in our Company undertaken by the Pre-IPO Investors prior to its initial public offering, the details of which are set out in “History, Development and Corporate Structure”
“Pre-IPO Investor(s)”	the investor(s) making investments in our Group prior to this initial public offering as set out in “History, Development and Corporate Structure — Pre-IPO Investments”
“Pre-IPO Share Incentive Plan”	the pre-IPO share incentive plan of our Company adopted on September 16, 2020 and further amended and approved on April 17, 2024, a summary of the principal terms of which is set forth in “Appendix VI — Statutory and General Information — C. Further Information about Directors, Supervisors and Substantial Shareholders — 4. Pre-IPO Share Incentive Plan”
“Pre-Series A Financing”	one of the Pre-IPO Investments in our Company, the details of which are set out in “History, Development and Corporate Structure — Establishment and Major Shareholding Changes of our Company — Pre-Series A Financing”
“Price Determination Agreement”	the agreement to be entered into by the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date to record and fix the Offer Price
“Price Determination Date”	the date, expected to be on or before Wednesday, July 23, 2025 (Hong Kong time) on which the Offer Price is determined, or such later time as our Company and the Overall Coordinators (on behalf of the Hong Kong Underwriters) may agree, but in any event not later than 12:00 noon on Wednesday, July 23, 2025

DEFINITIONS

“prospectus”	this prospectus being issued in connection with the Hong Kong Public Offering
“QIB”	a qualified institutional buyer within the meaning of Rule 144A
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration Committee”	the remuneration committee of our Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Rule 144A”	Rule 144A under the U.S. Securities Act
“SAFE”	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAIC”	the State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局), the function of which has now been merged into the SAMR
“SAMR”	State Administration for Market Regulation of the PRC (中華人民共和國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稅務總局)
“Series A Financing”	one of the Pre-IPO Investments in our Company, the details of which are set out in “History, Development and Corporate Structure — Establishment and Major Shareholding Changes of our Company — Series A Financing during 2018 and 2019”
“Series A+ Financing”	one of the Pre-IPO Investments in our Company, the details of which are set out in “History, Development and Corporate Structure — Establishment and Major Shareholding Changes of our Company — Series A+ Financing in 2019”
“Series B Financing”	one of the Pre-IPO Investments in our Company, the details of which are set out in “History, Development and Corporate Structure — Establishment and Major Shareholding Changes of our Company — Equity Transfers to Lizhi Partnership and Series B Financing in 2020”

DEFINITIONS

“Series B+ Financing”	one of the Pre-IPO Investments in our Company, the details of which are set out in “History, Development and Corporate Structure — Establishment and Major Shareholding Changes of our Company — Series B+ Financing in 2020”
“Series C Financing”	one of the Pre-IPO Investments in our Company, the details of which are set out in “History, Development and Corporate Structure — Establishment and Major Shareholding Changes of our Company — Series C Financing in 2021”
“Series C+ Financing”	one of the Pre-IPO Investments in our Company, the details of which are set out in “History, Development and Corporate Structure — Establishment and Major Shareholding Changes of our Company — Series C+ Financing in 2024”
“Securities Law” or “PRC Securities Law”	the Securities Law of the PRC (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai-Hong Kong Stock Connect”	a securities trading and clearing links program developed by the Stock Exchange, Shanghai Stock Exchange, HKSCC and CSDC for mutual market access between Hong Kong and Shanghai
“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, comprising Unlisted Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen-Hong Kong Stock Connect”	a securities trading and clearing links program to be developed by the Stock Exchange, Shenzhen Stock Exchange, HKSCC and CSDC for mutual market access between Hong Kong and Shenzhen

DEFINITIONS

“Share Incentive Platforms”	Lizhi Partnership, LeadsBio Limited and LeadsTech Limited, details of which are set out in “Appendix VI — Statutory and General Information — C. Further Information about Directors, Supervisors and Substantial Shareholders — 4. Pre-IPO Share Incentive Plan”
“Sophisticated Investor(s)”	has the meaning ascribed to it under the Chapter 2.3 of the Guide for the New Listing Applicants
“Stabilizing Manager”	Morgan Stanley Asia Limited
“State Council”	State Council of the PRC (中華人民共和國國務院)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	member(s) of our Supervisory Committee
“Supervisory Committee”	the supervisory committee of our Company
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the years ended December 31, 2023 and 2024 and the three months ended March 31, 2025
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“Trial Measures for Overseas Listing”	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》), as amended, supplemented or otherwise modified from time to time
“U.S.” or “United States”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“U.S. dollar” or “US\$”	United States dollar, the lawful currency of the United States

DEFINITIONS

“U.S. Securities Act”	United States Securities Act of 1933 and the rules and regulations promulgated thereunder, as amended, supplemented or otherwise modified from time to time
“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) issued by our Company with a nominal value of RMB1.0 each which is/are not listed on any stock exchange
“White Form eIPO”	the application for the Hong Kong Offer Shares to be issued in the applicant’s own name by submitting applications online through the designated website of White Form eIPO Service Provider at www.eipo.com.hk
“White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited
“%”	per cent

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including our subsidiary) have been included in this prospectus in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

Certain amounts and percentage figures included in this prospectus have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

GLOSSARY OF TECHNICAL TERMS

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.

“ADC”	antibody-drug conjugates, a rapidly emerging class of therapeutic agents that combine the target specificity of a monoclonal antibody with the lethality of cytotoxic cellular poison, which are widely used for the management or treatment of cancer
“ADCC”	antibody-dependent cell-mediated cytotoxicity
“ADCP”	antibody-dependent cellular phagocytosis, a process by which phagocytic cells, such as macrophages, engulf and digest target cells that have been opsonized (marked) by specific antibodies
“advanced cancer”	a stage of cancer that has spread extensively beyond its original site to nearby tissues or distant organs, often making it incurable but potentially manageable with treatments to improve quality of life
“alpaca immune library”	a collection of genetic sequences encoding the variable regions of antibodies derived from the immune cells of alpacas, particularly focusing on the single-domain antibodies known as VHH or Nanobodies. These libraries are created by immunizing alpacas with a specific antigen, extracting the relevant immune cells, and then cloning the antibody genes into a suitable vector for expression and screening, facilitating the discovery and development of highly specific and stable antibodies for research, diagnostic, and therapeutic applications
“ALT”	alanine transaminase, an enzyme found in the liver that helps convert proteins into energy for the liver cells; the level of ALT increases when the liver is damaged, making it a biomarker commonly associated with injury or apoptosis of liver cells
“AML”	acute myeloid leukemia, a type of cancer that progresses rapidly and aggressively, and affects the bone marrow and blood
“angiogenesis”	the formation of new blood vessels

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“anorectic neural signal”	a type of neural communication that suppresses appetite and reduces food intake, often mediated by specific hormones, neurotransmitters, or signaling molecules that act on the brain’s appetite-regulating centers, particularly within the hypothalamus and brainstem
“antigen”	substance that the immune system recognizes as foreign, which can trigger an immune response. Antigens are typically proteins or polysaccharides found on the surface of pathogens, such as bacteria, viruses, and fungi, or on abnormal cells, such as cancer cells
“APC”	antigen-presenting cell, a type of immune cell that processes and presents antigens on its surface to T cells, thereby initiating and regulating the adaptive immune response
“APRIL”	a proliferation-inducing ligand, a member of the TNF superfamily that primarily interacts with receptors on B cells, such as BCMA and TACI, to promote B cell proliferation, survival, and differentiation, thus playing a significant role in humoral immunity and the pathogenesis of various autoimmune diseases and malignancies
“AST”	aspartate aminotransferase, an enzyme found mostly in the liver, heart, muscles and kidneys; high levels of which in the blood may indicate hepatitis, cirrhosis, or other liver diseases
“autoantibody-driven autoimmune disease”	a condition in which the immune system mistakenly produces antibodies that target and attack the body’s own tissues and organs, leading to inflammation and tissue damage, as seen in diseases such as rheumatoid arthritis, systemic lupus erythematosus, and autoimmune thyroiditis
“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”	B lymphocyte, a type of white blood cell that produces antibodies
“BAFF”	B-cell activating factor

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“BCAP”	B-cell adapter for PI3K, an adaptor protein that plays a significant role in B cell receptor (BCR) signaling by linking the BCR to the phosphoinositide 3-kinase (PI3K) pathway, thereby contributing to B cell activation, proliferation, survival, and differentiation
“BCMA”	B-cell maturation antigen, a receptor found primarily on the surface of plasma cells and a subset of mature B cells that binds to the cytokines APRIL and BAFF, playing a crucial role in the survival and differentiation of plasma cells, and is a significant target in the treatment of multiple myeloma and other B cell malignancies
“BDCA2”	Blood dendritic cell antigen 2, a transmembrane receptor specifically expressed on plasmacytoid dendritic cells and functions as a key regulator of their activity, particularly in the context of innate immunity, by modulating the production of type I interferons and other cytokines in response to viral infections and other immune challenges
“biomarker”	a measurable indicator of a biological state or condition
“biparatopic engineering”	a technique in antibody engineering that involves creating a single antibody or antibody-like molecule that can simultaneously bind to two different epitopes, either on the same antigen or on different antigens
“bispecific antibody”	antibody or antibody-constructs that have dual-specificity in their binding arms
“BLA”	biologics license application
“BLNK”	B cell linker, an adaptor protein that plays a crucial role in B cell receptor signaling by serving as a scaffold for the assembly of signaling complexes, thereby facilitating the activation of downstream pathways essential for B cell development, differentiation, and immune responses
“BTC”	biliary tract carcinoma, a type of cancer that originates in the bile ducts, usually comprising cholangiocarcinomas and gallbladder carcinomas

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“BTD”	Breakthrough Therapy Designation, a status granted by regulatory agencies, such as the FDA and the NMPA, to expedite the development and review of drugs and biologics that are intended to treat serious or life-threatening conditions and have shown preliminary clinical evidence indicating that they may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints
“CA125”	cancer antigen 125, a protein that is often elevated in the blood of women with ovarian cancer and is used as a biomarker to help diagnose, monitor treatment, and detect recurrence of the disease, although it can also be elevated in other conditions such as endometriosis, pelvic inflammatory disease, and some non-gynecologic cancers.
“CAGR”	compound annual growth rate
“CD19”	cluster of differentiation 19
“CD19++”	a type of B cell that expresses high levels of the CD19 surface marker, which is an important co-receptor involved in B cell activation, signaling, and development, and is often used as a marker to identify and study various stages of B cell maturation and function in immunological research
“CD25”	α chain of the high-affinity IL-2 receptor that is encoded by the IL2RA gene
“CD3”	cluster of differentiation 3
“CD3-targeting scFv”	a single-chain fragment variable (scFv) engineered to specifically bind to the CD3 complex on T cells, used in various immunotherapeutic strategies, such as bispecific antibodies and CAR-T cell therapies, to direct and activate T cells against target cells, such as cancer cells
“CD4+ T cell”	a type of important T lymphocyte that helps coordinating the immune response by stimulating other immune cells to fight infections
“CD8+ T cell”	a type of important T lymphocytes for immune defense against intracellular pathogens, including viruses and bacteria, and for tumor surveillance

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“CDC”	complement-dependent cytotoxicity
“CDE”	Center for Drug Evaluation
“CDMO”	contract development and manufacturing organization
“cGMP”	current Good Manufacturing Practice regulations enforced by the FDA
“chemotherapy”	a treatment that uses drugs to inhibit the growth of cancer cells, either by killing the cells or by stopping them from dividing. Chemotherapy may be given by mouth, injection, or infusion, or on the skin, depending on the type and stage of the cancer being treated. It may be given alone or with other treatments, such as surgery, radiation therapy, or biologic therapy
“Chinese Hamster Ovary cells” or “CHO cells”	epithelial cell line derived from the ovary of the Chinese hamster, often used in biological and medical research and commercially in the production of recombinant therapeutic proteins
“cisplatin”	a class of chemotherapy medication used to treat a number of cancers
“cleavable linker”	a type of molecular connector used in bioconjugation that can be selectively broken under specific physiological conditions, such as pH changes, enzymatic activity, or reducing environments, allowing for the controlled release of the attached therapeutic agent or molecule at the target site, thereby enhancing the precision and effectiveness of drug delivery systems
“clinical trial”	a research study conducted with human participants to evaluate the safety, efficacy, and optimal dosing of new medical interventions, such as drugs, devices, or treatment protocols
“CMC”	chemistry, manufacturing and controls, processes used in preclinical and clinical development stages to ensure that pharmaceutical and biopharmaceutical drug products are consistently effective, safe and high quality for consumers
“CNIPA”	China National Intellectual Property Administration (國家知識產權局)

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“cold tumor”	a type of cancer with low immune cell infiltration, making it less responsive to immunotherapy, as the immune system fails to recognize and attack the tumor effectively
“combination therapy”	a term refers to the use of two or more drugs or treatment modalities simultaneously to manage or treat a disease, often to enhance efficacy, reduce resistance, or minimize side effects
“costimulatory receptor”	a type of receptor on immune cells that provides necessary secondary signals to enhance and sustain an immune response, typically in conjunction with antigen recognition
“CRC”	colorectal cancer, is the development of cancer from the colon or rectum (parts of the large intestine)
“CRO”	contract research organization
“CRS”	cytokine release syndrome, a potentially severe systemic inflammatory response triggered by the rapid release of cytokines from immune cells, often occurring as a side effect of certain immunotherapies, such as CAR-T cell therapy and monoclonal antibodies, and characterized by symptoms such as fever, fatigue, headache, and in severe cases, hypotension, respiratory distress, and multi-organ failure
“cytokine”	a small protein released by cells that acts as a signaling molecule to regulate inflammation, immune responses, and cell communication
“DCR”	disease control rate, the percentage of patients in a clinical trial who achieve complete response, partial response, or stable disease, indicating the overall effectiveness of a treatment in controlling cancer progression
“derivative linker”	a molecular connector used in bioconjugation processes, facilitating the attachment of various functional groups, drugs, or other molecules to a target, thereby enhancing the stability, specificity, or efficacy of the resultant compound, often employed in the development of targeted therapies and diagnostics
“DLT”	dose-limiting toxicity, a side effect or adverse reaction of a drug or treatment that is severe enough to prevent an increase in dose or continuation of therapy

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“DoR”	Duration of Response the period of time during which a tumor continues to respond to treatment without growth or progression, measured from the initial response to the point of disease progression or relapse
“early stage cancer”	a stage of cancer detected at an initial stage, where it is typically confined to its original site, has not spread significantly, and is more likely to be treated successfully
“EC”	etoposide plus carboplatin, a chemotherapy regimen that combines etoposide, a topoisomerase inhibitor, with carboplatin, a platinum-based drug, used to treat various cancers, including small cell lung cancer and ovarian cancer
“EP”	etoposide plus cisplatin, a chemotherapy regimen that combines etoposide, a topoisomerase inhibitor, with cisplatin, a platinum-based drug, commonly used to treat various cancers, including small cell lung cancer and testicular cancer
“EPO”	European Patent Office
“EP-NEC”	extra-pulmonary neuroendocrine carcinoma, a rare and aggressive cancer that originates in neuroendocrine cells outside the lungs, affecting organs such as the gastrointestinal tract, pancreas, and other tissues
“epithelial cell”	a type of cell that forms the epithelial tissue, which lines the surfaces and cavities of organs and structures throughout the body, providing functions such as protection, secretion, absorption, and filtration
“ESCC”	esophageal squamous cell carcinoma, a type of esophageal cancer that arises from the squamous cells lining the esophagus, commonly associated with risk factors such as smoking, alcohol consumption, and dietary habits
“Fab”	fragment antigen-binding, a term refers to regions of an antibody that consist of one constant and one variable domain from each of the heavy and light chains, retaining the antigen-binding specificity of the whole antibody but in a smaller size, making them useful in various therapeutic and diagnostic applications, and can be produced by proteolytic digestion of antibodies or through recombinant DNA technology

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“FcRn”	neonatal fragment crystallizable receptor, a protein that plays a crucial role in prolonging the half-life of IgG antibodies and albumin by protecting them from lysosomal degradation, facilitating their recycling and transcytosis across cellular barriers, and is important for maintaining immunity and therapeutic antibody efficacy
“FcγR”	a class of receptors that bind to the Fc region of IgG antibodies, playing a crucial role in immune response by mediating various functions such as phagocytosis, ADCC, and modulation of immune cell activity, and are expressed on the surface of various immune cells including macrophages, neutrophils, and NK cells
“FDA”	the U.S. Food and Drug Administration
“FGFR2b”	fibroblast growth factor receptor 2b, an isoform of the FGFR2 receptor that binds to specific fibroblast growth factors (FGFs), playing a critical role in regulating cellular processes such as proliferation, differentiation, and migration, and is implicated in various developmental processes and diseases, including cancer
“FGL1”	a protein primarily expressed in the liver and involved in immune regulation. It serves as a major ligand for the immune checkpoint receptor LAG3, playing a role in immune evasion by tumors and representing a potential target for immuno-oncology therapy
“first-line treatment”	the initial and primary therapy given for a disease or condition, typically considered the most effective and preferred option based on clinical evidence
“French-American-British” or “FAB”	a term refers to a subtype of acute myeloid leukemia characterized by the presence of both myeloid and monocytic cell features, typically identified by specific morphological, cytochemical, and immunophenotypic criteria used in the FAB cooperative group’s classification system for hematological malignancies
“fully human phage library”	a collection of bacteriophages engineered to display a diverse repertoire of human antibody fragments on their surfaces. This library is used to identify and isolate high-affinity human antibodies for therapeutic and diagnostic purposes, reducing the risk of immunogenicity when these antibodies are administered to patients

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“Gal-3”	a type of beta-galactoside-binding lectin involved in various cellular processes, including cell adhesion, proliferation, apoptosis, and immune regulation, and is implicated in numerous diseases such as cancer, fibrosis, and inflammatory conditions
“GC”	gastric cancer, a cancer that develops from the inner lining of the stomach. It causes bloating, stomach pain, difficulty in swallowing, nausea, vomiting, fatigue and weight loss
“GCP”	Good clinical practice
“GDF15”	a cytokine involved in regulating inflammation, apoptosis, and cellular growth, and is often upregulated in response to cellular stress and in various pathological conditions, including cancer, cardiovascular diseases, and metabolic disorders
“GDF15 neutralizing antibody”	a type of monoclonal antibody designed to specifically bind and inhibit the activity of GDF15, thereby blocking its signaling pathways and potential effects on processes such as appetite regulation, inflammation, and cellular stress responses, and is used in research and potential therapeutic applications
“generalized myasthenia gravis” or “gMG”	a chronic autoimmune neuromuscular disorder characterized by the production of autoantibodies against acetylcholine receptors or other components of the neuromuscular junction
“GFRAL”	a receptor that specifically binds to GDF15, mediating its effects on appetite regulation and energy balance, primarily expressed in the hindbrain and playing a significant role in the body’s response to metabolic stress and illness-induced anorexia
“GFRAL-RET”	the receptor system formed by the interaction between GFRAL and the receptor tyrosine kinase RET, which together mediate the signaling of GDF15, playing a critical role in regulating metabolic processes, including appetite suppression and energy homeostasis, particularly in response to physiological stress and disease conditions

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“glial cell-derived neurotrophic factor” or “GDNF”	a protein that plays a crucial role in the development, survival, and maintenance of neurons, particularly dopaminergic and motor neurons, making it a key factor in neuroprotection and repair processes in the nervous system
“glycoprotein”	a molecule consisting of a protein covalently bonded to one or more carbohydrate chains
“GMP”	Good Manufacturing Practice
“GPCR”	G protein-coupled receptors, a large family of cell surface receptors that play a crucial role in cellular signal transduction by responding to a wide variety of external signals, such as hormones, neurotransmitters, and environmental stimuli. Upon activation by their specific ligands, GPCRs undergo a conformational change that allows them to interact with and activate intracellular G proteins, which then trigger various downstream signaling pathways, ultimately leading to cellular responses. GPCRs are involved in numerous physiological processes and are significant targets for drug development
“GPC5D”	a protein that belongs to the GPCR family. It is expressed in various tissues, including the bone marrow and certain types of cancer cells, such as multiple myeloma cells. GPCR5D is being explored as a potential therapeutic target for cancer treatment, particularly in immunotherapy approaches for multiple myeloma
“GPC5D-targeting Fab”	a Fab engineered to specifically bind to the GPCR5D protein, which is expressed on certain cells such as multiple myeloma cells, and is used in therapeutic strategies to target and treat cancers by delivering drugs, engaging immune cells, or blocking critical pathways in tumor growth and survival
“HCC”	hepatocellular carcinoma, the most common type of primary liver cancer, originating in the hepatocytes, the main liver cells, and often associated with chronic liver diseases such as hepatitis and cirrhosis

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“HEK293”	Human Embryonic Kidney 293, a widely used human cell line originally derived from the kidney cells of a human embryo, known for its high transfection efficiency and versatility in molecular and cell biology research, including gene expression studies, protein production, and the development of viral vectors
“HEK293-LAG3”	a human embryonic kidney cell line, that have been genetically modified to express the LAG3 protein. These cells are used in research to study the function and signaling pathways of LAG3, as well as to screen for potential therapeutic agents targeting this immune checkpoint receptor
“hindbrain”	the posterior portion of the brain that includes structures such as the medulla oblongata, pons, and cerebellum, and is responsible for regulating vital functions including respiration, heart rate, balance, and coordination
“HLA”	human leukocyte antigen
“HNSCC”	head and neck squamous cell carcinoma, a type of cancer that originates from the squamous cells lining the mucosal surfaces of the head and neck region, including the oral cavity, pharynx, and larynx, often associated with risk factors such as tobacco use, alcohol consumption, and HPV infection
“HSC”	hematopoietic stem cell, a multipotent stem cell found primarily in the bone marrow that has the ability to self-renew and differentiate into all types of blood cells
“HT1080 tumor”	a type of human fibrosarcoma tumor derived from the HT1080 cell line, which is a well-characterized cancer cell line used extensively in research to study tumor biology, metastasis, and the efficacy of anticancer therapies due to its aggressive growth and ability to form tumors in xenograft models
“human IgG1”	a subclass of IgG characterized by its high affinity for Fc receptors on immune cells and its ability to mediate various effector functions

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“humanization”	a technique used in antibody engineering to modify non-human antibodies, typically from mouse origin, by replacing most of their non-human protein sequences with human sequences
“hybridoma technology”	a method used to produce large quantities of monoclonal antibodies, which involves the fusion of a specific antibody-producing B cell with a cancer cell, creating a hybrid cell line, or hybridoma, that combines the desirable traits of both parent cells: the ability to produce a specific antibody (from the B cell) and the ability to proliferate indefinitely in culture (from the cancer cell)
“ICANS”	immune effector cell-associated neurotoxicity syndrome, occurring when immune cells release large amounts of inflammatory cytokines that can cross the blood-brain barrier and cause neurological symptoms
“IFN α ”	interferon alpha, a type I interferon produced primarily by plasmacytoid dendritic cells and other immune cells in response to viral infections and other stimuli
“IFN β ”	interferon beta, a type I interferon produced by fibroblasts, epithelial cells, and other cell types in response to viral infections and other stimuli
“IFN- γ ”	interferon-gamma, a cytokine produced primarily by T cells and NK cells that plays a crucial role in the immune response by activating macrophages, enhancing the antigen-presenting capabilities of dendritic cells, promoting Th1 cell differentiation, and exerting antiviral, immunoregulatory, and antitumor effects
“IgG”	human immunoglobulin G, the most common antibody type found in blood circulation that plays an important role in antibody-based immunity against invading pathogens
“IgG4”	a subclass of IgG that has unique structural and functional properties, often associated with immune tolerance and implicated in certain chronic inflammatory and autoimmune conditions
“IL”	interleukin, a type of cytokine-signaling molecule in the immune system to provoke an immune response in the body of a human and other animals

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“immune cell”	a type of cell that plays a role in the body’s immune system, responsible for detecting, responding to, and eliminating pathogens, infected cells, and cancer cells, and includes various cell types such as T cells, B cells, NK cells, macrophages, dendritic cells, and neutrophils
“immunized camelid antibody”	an antibody derived from a camelid, such as a camel, llama, or alpaca, which has been exposed to a specific antigen to stimulate the production of antibodies
“immunogenicity”	the ability of a substance, such as an antigen or vaccine, to provoke an immune response in the body
“immunosurveillance”	the process by which the immune system monitors and detects abnormal cells, such as cancer cells or cells infected by pathogens, to eliminate them and maintain the body’s homeostasis and health
“immunotherapy”	a type of cancer treatment that harnesses and enhances the body’s immune system to recognize and destroy cancer cells more effectively
“immunotoxicity”	the adverse effects on the immune system caused by exposure to certain chemicals, drugs, or biological agents, which can result in immunosuppression, hypersensitivity, autoimmunity, or other immune-related conditions, impacting the body’s ability to fight infections and diseases
“IND”	investigational new drug
“inhibitor”	a substance that binds to and decreases the activity of a specific enzyme or protein, thereby regulating biological processes and often used therapeutically to block disease-related pathways
“interleukin-2” or “IL-2”	a cytokine produced by activated T cells that plays a crucial role in the growth, proliferation, and differentiation of immune cells, particularly T cells and NK cells
“Interleukin 6” or “IL-6”	a soluble mediator with a pleiotropic effect on inflammation, immune response, and hematopoiesis

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“Jurkat-NFAT”	a genetically modified line of Jurkat T cells that have been engineered to express a reporter gene under the control of an nuclear factor of activated T-cells (NFAT) promoter. These cells are commonly used in research to study T-cell activation, signal transduction, and the effects of various compounds on T-cell function
“LAG3”	lymphocyte-activation gene 3, an immune checkpoint receptor on T cells that negatively regulates immune responses by binding to MHC class II molecules, thereby contributing to T cell exhaustion and reduced immune activity
“LILRB4”	leukocyte immunoglobulin-like receptor B4, an inhibitory receptor expressed on certain immune cells, including monocytes and dendritic cells, that plays a role in modulating immune responses by binding to major histocompatibility complex class I molecules, thereby transmitting inhibitory signals that can suppress immune activation and promote immune tolerance
“LSECtin”	liver and lymph node sinusoidal endothelial cell C-type lectin, a receptor mainly expressed on liver sinusoidal endothelial cells and certain immune cells, involved in immune regulation and pathogen recognition by binding to specific glycan structures on pathogens and host cells
“luc-LAG3”	a cell line or experimental system in which the expression of the LAG-Luc-LAG3 refers to a cell line or experimental system in which the expression of the LAG3 protein is linked to a luciferase reporter. This allows researchers to monitor LAG3 activity and expression by measuring luciferase activity, providing a valuable tool for studying immune regulation and potential therapeutic interventions targeting LAG3
“lymphocyte”	a type of white blood cell crucial to the immune system, including B cells, T cells, and NK cells, which are involved in identifying and neutralizing pathogens and abnormal cells

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“MC38-OVA model”	a widely utilized experimental system in immuno-oncology therapy research, wherein the murine colon adenocarcinoma cell line MC38 is genetically engineered to express ovalbumin (OVA) as a model antigen, thereby facilitating the study of tumor-immune interactions, antigen-specific immune responses, and the efficacy of various immunotherapeutic strategies in a controlled and reproducible manner
“mCRPC”	metastatic castration-resistant prostate cancer, an advanced form of prostate cancer that continues to progress and spread to other parts of the body despite the suppression of androgen hormones, which are typically necessary for prostate cancer growth
“melanoma”	an aggressive form of skin cancer that originates in the melanocytes, the cells responsible for producing melanin, and is characterized by its potential to spread to other parts of the body
“metastatic cancer”	a stage of cancer that has spread from its original site to distant organs or tissues through the bloodstream or lymphatic system, often indicating an advanced stage of the disease
“MHC-II”	a class of major histocompatibility complex molecules normally found only on professional antigen-presenting cells such as dendritic cells, macrophages, some endothelial cells, thymic epithelial cells, and B cells
“MLR”	mixed lymphocyte reaction, an <i>in vitro</i> assay used to measure the interaction between lymphocytes from different individuals, assessing immune compatibility and the potential for immune response, often used in transplant immunology
“MM”	multiple myeloma, a type of blood cancer that originates in the plasma cells, a type of white blood cell found in the bone marrow. These cancerous plasma cells proliferate abnormally, producing excessive amounts of monoclonal protein, which can lead to bone damage, anemia, kidney dysfunction, and compromised immune function. Multiple myeloma is often characterized by symptoms such as bone pain, fatigue, frequent infections, and elevated calcium levels

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“monoclonal antibody”	a type of antibody produced by identical immune cells that are clones of a unique parent cell, designed to target and bind to a specific antigen with high specificity, often used in diagnostics and therapies
“monotherapy”	a term refers to the use of a single drug or treatment modality to manage or treat a disease or condition, without combining it with other therapies
“MS”	multiple sclerosis, a chronic autoimmune disease of the central nervous system characterized by the immune-mediated destruction of myelin, the protective sheath covering nerve fibers, leading to impaired communication between the brain and the rest of the body, resulting in a wide range of neurological symptoms such as muscle weakness, coordination problems, visual disturbances, and cognitive dysfunction
“MTD”	maximum tolerated dose, the highest dose of a drug or treatment that does not cause unacceptable side effects, established through clinical trials to determine the optimal balance between efficacy and toxicity
“NDA”	new drug application, a formal proposal submitted to the FDA seeking approval to market a new pharmaceutical for sale and use in the United States, including data on the drug’s safety, efficacy, and manufacturing process
“NENs”	neuroendocrine neoplasms, a diverse group of tumors that originate from neuroendocrine cells, which have traits of both nerve cells and hormone-producing cells, and can occur in various organs, including the gastrointestinal tract and lungs
“NK cell”	natural killer cell, a type of lymphocyte in the immune system that plays a crucial role in the innate immune response by identifying and destroying virus-infected cells and tumor cells without prior sensitization
“NMPA”	National Medical Products Administration, the regulatory authority in China responsible for the supervision and approval of pharmaceuticals, medical devices, and other medical products, ensuring their safety, efficacy, and quality

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“NSCLC”	non-small-cell lung cancer, the most common type of lung cancer, characterized by slower growth and spread compared to small cell lung cancer, and includes subtypes such as adenocarcinoma, squamous cell carcinoma, and large cell carcinoma
“OC”	ovarian cancer, a malignant tumor that originates in the ovaries, the female reproductive glands, and is characterized by late diagnosis, often leading to advanced-stage disease due to nonspecific early symptoms
“ODD”	Orphan Drug Designation, a special status granted by regulatory agencies, such as the FDA or the European Medicines Agency, to encourage the development of drugs and biologics intended to diagnose, prevent, or treat rare diseases or conditions affecting a small patient population, typically providing benefits such as market exclusivity, tax credits, and assistance with clinical trial design
“oncology”	the branch of medicine that specializes in the diagnosis, treatment, and research of cancer
“ORR”	objective response rate, the proportion of patients in a clinical trial who experience a measurable reduction in tumor size or cancer symptoms, encompassing both complete and partial responses to treatment
“OS”	overall survival, the duration of time from the start of treatment or diagnosis that patients are still alive, regardless of the cause of death, serving as a key endpoint in clinical trials
“PCT”	Patent Cooperation Treaty, an international treaty administered by the World Intellectual Property Organization that allows inventors and companies to seek patent protection for their inventions simultaneously in multiple countries through a single international patent application, simplifying the process of securing patent rights across different jurisdictions and providing a standardized procedure for the initial phase of patent filing

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“PD-1”	programmed death-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”	program death ligand 1, which is a protein on the surface of a normal cell or a cancer cell that attaches to certain proteins on the surface of the T-cell that causes the T-cell to turn off its ability to kill the cancer cell
“pDC”	plasmacytoid dendritic cell, a specialized type of dendritic cell known for its ability to produce large amounts of type I interferons in response to viral infections, playing a critical role in antiviral immunity and linking the innate and adaptive immune responses through the presentation of antigens and activation of T cells
“PFS”	progression-free survival, the length of time during and after treatment that a patient lives with cancer without the disease worsening or progressing
“phage display”	a laboratory technique used to study protein-protein, protein-peptide, and protein-DNA interactions by expressing a library of peptides or proteins on the surface of bacteriophages
“Phase I trial”	the initial stage of clinical study in humans, primarily focused on assessing the safety, tolerability, and pharmacokinetics of a new drug or treatment in a small group of participants
“Phase Ib trial”	a subset of Phase I clinical trials that further explores the safety and preliminary efficacy of a new treatment, often in a slightly larger group of patients, and may include initial assessments of dosage and treatment effects
“Phase II trial”	a clinical study designed to evaluate the efficacy and further assess the safety of a new treatment in a larger group of patients, often focusing on specific types of diseases or conditions

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“Phase III trial”	a clinical 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 and to provide adequate information for the labeling of the product
“PK”	pharmacokinetic, a term refers to the study of how a drug is absorbed, distributed, metabolized, and eliminated by the body, providing crucial information on the drug’s behavior and dosing regimen
“plasma blast”	an activated, proliferating B cell that differentiates from a naïve or memory B cell during an immune response and represents an intermediate stage before maturing into a terminally differentiated plasma cell, which is responsible for producing and secreting large quantities of antibodies to help combat infections
“plasma cell”	a fully differentiated B cell that develops from a plasmablast and is specialized for the production and secretion of antibodies, playing a crucial role in the adaptive immune response by providing long-term protection against pathogens through the generation of specific immunoglobulins
“PR”	partial response, a term used in clinical oncology to describe a significant reduction, but not complete disappearance, of tumor size or the extent of cancer in response to treatment
“primary endpoint”	the main outcome measure used in a clinical trial to determine the effect of a treatment, reflecting the primary objective of the study, such as overall survival or disease progression
“progenitor cell”	a type of early descendant of a stem cell that has the capacity to differentiate into a specific type of cell but has a more limited ability to proliferate compared to stem cells, serving as an intermediate stage in the development of specialized cells within various tissues and organs
“PSMA”	prostate-specific membrane antigen, a cell surface membrane protein that exhibits some enzymatic activity, although its biological role remains unclear

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“PTK”	protein tyrosine kinase, an enzyme that catalyzes the transfer of a phosphate group from ATP to the tyrosine residues of specific protein substrates, a critical process in signal transduction pathways that regulate various cellular functions, including growth, differentiation, metabolism, and apoptosis
“Q3W”	every three weeks, a term indicating the frequency at which a treatment or medication is administered
“R&D”	research and development
“Raji and Nalm-6 cell”	a term refers to human cell lines commonly employed in biomedical research
“Rationale-309”	Rationale-309 is a multicenter, randomized, double-blind, placebo-controlled Phase III clinical trial (NCT03924986) designed to evaluate the efficacy and safety of tislelizumab combined with gemcitabine and cisplatin (Arm A) versus placebo combined with gemcitabine and cisplatin (Arm B) as a first-line treatment for patients with recurrent or metastatic nasopharyngeal cancer (RM-NPC)
“renal cell cancer”	a type of kidney cancer that originates in the lining of the renal tubules, which are responsible for filtering blood and producing urine, and is the most common type of kidney malignancy in adults
“RET”	a receptor tyrosine kinase that plays a crucial role in cell growth, differentiation, and survival by transmitting signals from extracellular growth factors, particularly from the GDNF family, and is implicated in various developmental processes as well as in certain cancers and hereditary diseases
“RLU”	relative light unit, a unit of measurement used in luminescence assays to quantify the intensity of light emitted by a sample, providing a relative indicator of the presence or activity of specific biological or chemical components under investigation
“RP2D”	recommended phase 2 dose, typically the highest dose with acceptable toxicity, usually defined as the dose level that produces around 20% of dose-limiting toxicity

GLOSSARY OF TECHNICAL TERMS

“scFv”	single-chain fragment variable, a fusion protein that contains the Fab (antigen-binding site of antibody fragment) sites of the variable and light chains of the antibody
“SCLC”	small cell lung cancer, a highly aggressive form of lung cancer characterized by small, round cells that multiply rapidly and often spread early to other parts of the body
“sCR”	stringent complete response, a term used in clinical oncology to describe a high level of response to treatment, indicating no detectable cancer or disease symptoms according to stringent criteria
“SD”	stable disease, a cancer condition where the disease neither significantly decreases nor increases in size or severity following treatment
“secondary endpoint”	an additional outcome measure in a clinical trial used to evaluate the effects of a treatment, providing supplementary information on efficacy and safety, such as quality of life or biomarker changes
“second-line treatment”	the therapy administered after the failure or intolerance of the first-line treatment, used when the first-line treatment is ineffective or causes unacceptable side effects
“SLE”	systemic lupus erythematosus, a chronic, autoimmune disease characterized by the production of autoantibodies that target various cellular components, leading to widespread inflammation and tissue damage affecting multiple organ systems, including the skin, joints, kidneys, brain, and cardiovascular system, with clinical manifestations that can vary widely among individuals
“SOC”	standard of care, the best-known treatment or intervention that is widely accepted and used by medical professionals for a particular disease or condition, based on current evidence, guidelines, and consensus, serving as a benchmark for comparing new treatments in clinical trials

GLOSSARY OF TECHNICAL TERMS

“SRE-Luc cell”	a term refers to genetically engineered cell lines that contain a luciferase reporter gene under the control of a serum response element (SRE), allowing researchers to monitor and quantify the activation of the SRE pathway through luminescence, which is commonly used to study signal transduction, gene expression, and the effects of various stimuli on cellular signaling pathways
“SYK”	spleen tyrosine kinase, a non-receptor protein tyrosine kinase that plays a critical role in the signaling pathways of immune cells, particularly in the activation and regulation of B cells, mast cells, and other components of the immune system, by mediating cellular responses to antigen binding and contributing to processes such as phagocytosis, cell proliferation, and cytokine production
“symmetric bispecific antibody”	an engineered antibody that can simultaneously bind to two different antigens or epitopes with identical binding sites on each arm, enhancing therapeutic efficacy by facilitating effective targeting and interaction
“T cell” or “T-cell”	a type of lymphocyte, a white blood cell that plays a central role in the immune response, particularly in identifying and destroying infected or cancerous cells and in coordinating other aspects of the immune system
“T effector cell”	a subset of T cells, including both CD4+ and CD8+ T cells, that actively participate in the immune response by directly attacking infected or cancerous cells, producing cytokines to coordinate the immune response, and helping other immune cells such as B cells and macrophages to perform their functions more effectively
“TACI”	Transmembrane activator and CAML interactor, a receptor expressed on B cells and a subset of T cells that binds to the cytokines BAFF and APRIL
“TDCC”	targeted dependent cellular cytotoxicity, a mechanism by which immune cells are directed to kill target cells, typically tumor cells or infected cells, through the interaction with therapeutic agents like monoclonal antibodies that specifically bind to antigens on the surface of the target cells, facilitating their recognition and destruction by the immune system

GLOSSARY OF TECHNICAL TERMS

“TEAE”	treatment-emergent adverse event, a term refers to any adverse event that occurs or worsens in severity after a patient begins receiving a treatment or intervention in a clinical trial
“TGF- β ”	transforming growth factor- β , a multifunctional cytokine that plays a crucial role in regulating cell growth, differentiation, and immune responses, as well as maintaining tissue homeostasis and promoting processes such as wound healing and fibrosis
“TGI percentage”	tumor growth inhibition percentage, a metric used in preclinical and clinical studies to quantify the efficacy of a treatment by comparing the change in tumor size in treated subjects relative to untreated controls, thereby indicating the extent to which the treatment inhibits tumor growth
“third-line treatment”	the therapy administered after the failure of both the first line and second line treatments, typically used for patients with refractory or relapsed disease
“TLR”	an important family of receptors that constitute the first line of defense system against microbes
“TME”	tumor microenvironment, a term refers to the complex and dynamic network of non-cancerous cells, signaling molecules, extracellular matrix components, and blood vessels that surround and interact with a tumor, profoundly influencing its growth, progression, and response to therapy
“TNF”	tumor necrosis factor, a multifunctional cytokine that plays important roles in diverse cellular events such as cell survival, proliferation, differentiation, and death
“TNFR2”	tumor necrosis factor receptor-2, a receptor that binds to TNF- α , playing a role in immune regulation, inflammation, and cell survival, and is expressed on various cell types including immune cells and some cancer cells, making it a potential target for therapeutic interventions in autoimmune diseases and cancer

GLOSSARY OF TECHNICAL TERMS

“TOP-I inhibitor”	topoisomerase I inhibitor, a type of chemotherapeutic agent that interferes with the enzyme topoisomerase I, which is essential for DNA replication and transcription, thereby inducing DNA damage and cell death, particularly in rapidly dividing cancer cells
“Treg cell”	a subset of T cells that play a crucial role in maintaining immune homeostasis and preventing autoimmune responses by suppressing the activity of other immune cells, thereby modulating the immune response and promoting tolerance to self-antigens
“UC”	urothelial carcinoma, the most common type of bladder cancer, originating in the urothelial cells lining the inside of the bladder, ureters, and parts of the kidneys, which are responsible for stretching as the bladder fills and contract as it empties
“USPTO”	United States Patent and Trademark Office
“VHH”	a type of antibody fragment consisting of a single monomeric variable antibody domain derived from the heavy-chain antibodies found in camelids, which retains the full antigen-binding capacity and offers advantages such as smaller size, high stability, and the ability to bind to unique epitopes, making it valuable for therapeutic and diagnostic applications
“ α CD3 ϵ scFv”	an scFv that is engineered to specifically bind to the CD3 ϵ subunit of the CD3 complex on T cells, used in various immunotherapeutic applications to activate T cells or redirect them to target cells, such as in bispecific antibodies or CAR-T cell therapies

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements and information 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.” 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.

This prospectus contains forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this prospectus, the words “aim,” “anticipate,” “aspire,” “believe,” “could,” “expect,” “going forward,” “intend,” “may,” “ought to,” “plan,” “project,” “schedule,” “seek,” “should,” “target,” “vision,” “will,” “would,” and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in “Risk Factors” and elsewhere in this prospectus, some of which are beyond our control and may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our operations and business prospects;
- our financial condition and performance;
- our capital expenditure plan;
- our ability to maintain good relationships with our business partners;
- future developments, trends and conditions (including economic, political and business conditions) in the industries and markets in which we operate or plan to operate;
- changes to the 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 ability to control or reduce costs;

FORWARD-LOOKING STATEMENTS

- our ability to control our risks;
- our financial condition and performance, debt levels and capital needs;
- our dividend policy;
- various business opportunities that we may pursue;
- our business strategies, objectives and plans and our ability to achieve these strategies;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and the industry and markets in which we operate; and
- capital market developments.

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 out 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.

RISK FACTORS

An investment in our H 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 H 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, results of operations and prospects. In any such case, the market price of our H 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.

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) key risks relating to our business, business operations, intellectual property rights and financial prospects; (ii) other risks relating to our business, comprising (a) risks relating to the development of our drug candidates, (b) risks relating to extensive government regulation, (c) risks relating to manufacturing of our drug candidates, (d) risks relating to commercialization of our drug candidates, (e) risks relating to our intellectual property rights; and (f) risks relating to our reliance on third parties; (iii) other risks relating to our financial position and need for additional capital; (iv) other risks relating to our operations; (v) risks relating to doing business in the jurisdictions where we operate; and (vi) risks relating to the Global Offering.

Additional risks and uncertainties that are presently not known to us or not expressed or implied below or that we currently deem immaterial could also harm our business, financial condition, results of operations and prospects. You should consider our business and prospects in light of the challenges we face, including the ones discussed in this section.

RISK FACTORS

KEY RISKS RELATING TO OUR BUSINESS, BUSINESS OPERATIONS, INTELLECTUAL PROPERTY RIGHTS AND FINANCIAL PROSPECTS

We depend substantially on the success of our clinical-stage and preclinical-stage drug candidates. If we are unable to successfully complete clinical development, obtain regulatory approvals and achieve commercialization for our drug candidates, or if we experience significant delays or cost overruns in doing any of the foregoing, our business, financial condition, results of operations and prospects will be materially harmed.

All of our drug candidates are still in development. Our ability to generate revenue and realize profitability depends on our ability to successfully complete the development of our drug candidates, obtain necessary regulatory approvals, and manufacture and commercialize our drug candidates. We have invested a significant portion of our efforts and financial resources in the development of our existing drug candidates, and we expect to continue to incur substantial and increasing expenditures for the development, manufacturing and commercialization of our drug candidates. The success of our drug candidates will depend on several factors, including but not limited to:

- successful completion of preclinical and clinical studies;
- obtaining positive results in our clinical trials demonstrating efficacy, safety and durability of effect of our drug candidates;
- receipt of regulatory approvals for planned clinical trials, future clinical trials or drug registrations, manufacturing and commercialization;
- successful identification of potential drug candidates based on our research and development methodology or program selection criteria and process;
- sufficient resources to discover or acquire additional drug candidates;
- establishing sufficient commercial manufacturing capabilities, by expanding our existing facilities, building new facilities, and collaborating with CROs and CDMOs;
- successful collaboration on the development and commercialization efforts of our drug candidates with our strategic partners;
- the performance by CROs, CDMOs or other third parties we may retain to conduct research and development, of their duties to us in a manner that complies with our protocols and applicable laws and that protects the integrity of the resulting data;
- continued acceptable safety profile of our drug candidates following regulatory approval;
- obtaining, maintaining and enforcing patent, trademark, trade secret and other intellectual property protection and regulatory exclusivity for our drug candidates;
- ensuring we do not infringe, misappropriate or otherwise violate the patents, trademarks, trade secrets or other intellectual property rights of third parties;

RISK FACTORS

- successfully launching commercial sales of our drug candidates, if and when approved;
- obtaining and maintaining favorable governmental and private reimbursement from third-party payers, if any, for drugs, if and when approved; and
- competition with other drug products.

Some of our drug candidates represent an approach to therapeutic needs compared with more commonly used medical methods, which carries inherent development risks and could result in delays or failures in clinical development, regulatory approval or commercialization. Any modification to the protocols related to the demonstration of safety or efficacy of our drug candidates may delay the clinical program, regulatory approval and/or commercialization, and we may be required to supplement, modify, or withdraw and refile our applications for the regulatory approval. Further, we may fail to obtain full approval in a timely manner, and if we are granted conditional approval, there is also a risk that such conditional approval may be revoked if we fail to meet the necessary post-marketing requirements. As of the Latest Practicable Date, all of our drug candidates were in various phases of clinical trials and pre-clinical studies and we did not have any drug candidates that are at NDA/BLA stage with the relevant competent regulatory authorities. We therefore do not yet have experience in filing for regulatory approval for our drug candidates, and we have not yet demonstrated the ability to receive such approval. As a result, our ability to successfully obtain regulatory approval for our drug candidates may involve more inherent risk, take longer, and cost more than it would if we were a company with experience in obtaining regulatory approvals.

We may face intense competition and rapid technological change and the possibility that our competitors may develop therapies that are similar, more advanced, or more 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 our principal focus is to develop drug candidates with the potential to become 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. Large multinational pharmaceutical companies, well-established biopharmaceutical companies, specialty pharmaceutical companies, and research institutions have commercialized, are in the process of commercialization, or are pursuing the development of drugs for the treatment of cancers, autoimmune diseases or other indications for which we are developing our drug candidates. 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 entirely different approaches. See “Business — Our Drug Candidates.” Potential competitors further include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization.

RISK FACTORS

Even if 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 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 more established marketing and manufacturing teams than us. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. Additional mergers and acquisitions in the biopharmaceutical industry may result in even more resources being concentrated in our competitors. 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. For example, the NMPA has recently accelerated marketing approvals of drugs for life-threatening diseases, diseases without effective treatment options or rare diseases. Also, the NMPA may review and approve drugs that have gained regulatory marketing approvals in the U.S., the EU or Japan in the past ten years without requiring further clinical trials in the PRC. This may lead potential increased competition from drugs that have already obtained approvals in other jurisdictions.

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. In addition, any new product that competes with an approved product must demonstrate compelling advantages in efficacy, convenience, tolerability or safety in order to overcome price competition and to be commercially successful. Furthermore, disruptive technologies and medical breakthroughs may further intensify the competition and render our drug candidates obsolete or noncompetitive. Technologies developed by our competitors may render our potential drug candidates uneconomical or obsolete, and we may not be successful in marketing our drug candidates against competitors.

Clinical drug development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials and non-head-to-head analyses 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 humans. Clinical trials are expensive, difficult to design and implement, and can take years to complete, with uncertainty as to the outcomes. Our current drug candidates and any future drug candidates are susceptible to the risks of failure inherent at any stage of drug development, including the occurrence of unexpected or unacceptable adverse events or the failure to demonstrate efficacy in clinical trials. While we believe some of our drug candidates have the potential to be differentiated globally, we cannot guarantee that we will be able to realize such potential for any of our drug candidates. Failure can occur at any time during the clinical development process.

RISK FACTORS

The results of earlier studies and trials and non-head-to-head analyses of our drug candidates may not be predictive of the results of later-stage clinical trials. Drug candidates during later stages of clinical trials may fail to show the desired results in safety and efficacy despite having progressed through preclinical studies and initial clinical trials, and despite the level of scientific rigor in the design of such studies and trials and the adequacy of their execution. A number of companies in the pharmaceutical and biopharmaceutical industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials. In some instances, there can be significant variability in safety and/or efficacy results among different trials of the same drug candidate due to numerous factors, including, but not limited to, differences in individual patient conditions, including genetic differences, and other compounding factors, such as other medications or pre-existing medical conditions, patient adherence to the dosing regimen, other trial protocol elements and the rate of dropout among clinical trial participants. Furthermore, as our drug candidates are developed through preclinical and clinical trials towards approval and commercialization, it is customary that various aspects of the development programs, such as manufacturing and formulation, are altered along the way in an effort to optimize processes and results. Such changes carry the inherent risks that they may not necessarily achieve the intended objectives. Also, for non-head-to-head analyses, the results from clinical trials of one drug cannot be directly compared to those of another. Consequently, such findings may not accurately reflect the overall data.

Any disruptions, changes and delays in completing our clinical trials may increase our costs, slow down our drug candidate development and approval process, and jeopardize our ability to commence product sales and generate revenue for that drug candidate. Any of these occurrences may harm our business, financial condition and prospects significantly. We may adjust our clinical development strategy from time to time based on our evaluation of emerging data to maximize the value of our entire product portfolio. Although we believe that our strategically planned clinical development approach is designed to optimize the clinical and commercial potential of our drug candidates, we cannot guarantee that our specific plans will always efficiently anticipate regulatory and market trend shifts or be successfully implemented.

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

If the results of clinical trials of our product candidates are not positive or only modestly positive for proposed indications or if they raise safety concerns, we may (i) be subject to substantial liabilities, (ii) be delayed in or even prevented from obtaining regulatory approval for our drug candidates, (iii) obtain approval for indications that are not as broad as intended, (iv) have the product removed from the market after obtaining regulatory approval, (v) be subject to additional post-marketing testing requirements, (vi) be subject to restrictions on how the product is distributed or used, or (vii) be unable to obtain reimbursement for use of the product. Any of such events could materially and adversely affect our ability to commercialize the subject products and generate revenue.

RISK FACTORS

A major risk we face is the possibility that we may be prevented or delayed in obtaining marketing approval for such product candidates if the results of our ongoing or future preclinical studies and clinical trials are inconclusive with respect to the safety and efficacy of our product candidates, if we do not meet the clinical endpoints with statistical and clinically meaningful significance, or if there are safety concerns associated with our product candidates. In some instances, there can be significant variability in safety or efficacy results between different preclinical studies and clinical trials of the same drug candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations, changes in and adherence to the clinical trial protocols and the rate of dropout among clinical trial participants.

While we are in early stages of clinical trials with our product candidates, it is likely that there may be side effects associated with their use. If the results of our trials reveal a high and unacceptable severity and prevalence of these or other side effects associated with our drug candidates, our trials could be suspended or terminated and applicable authorities could order us to cease further development of or deny approval of our drug candidates for any or all targeted indications, and we may need to abandon their development or limit development to more narrow uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective. Treatment-related side effects could also affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. Any of these occurrences may harm our business, financial condition and prospects significantly.

We have incurred significant net losses since inception. We anticipate that we will continue to incur net losses for the foreseeable future and may not be able to generate sufficient revenue to achieve or maintain profitability. Potential investors are at risk of losing substantially all of their investments in our H Shares.

Investment in pharmaceutical drug companies is highly speculative. We have incurred substantial R&D expenses to date, and expect to continue to incur significant expenses related to clinical trials and pre-clinical studies. However, we cannot assure you that our drug candidates will obtain regulatory approvals and/or become commercially viable. Our ability to generate significant revenue from our drug candidates will depend primarily on the success of the regulatory approval, manufacturing and commercialization of the drug candidates, which is subject to significant uncertainty. Even if we obtain regulatory approval to market our drug candidates, our future revenue will depend upon other factors such as the market size for the proposed indications of our drug candidates, and our ability to achieve sufficient market acceptance.

RISK FACTORS

In 2023, 2024 and the three months ended March 31, 2024 and 2025, we incurred net losses of RMB362.2 million, RMB301.2 million, RMB86.6 million and RMB75.4 million, respectively. Substantially all of our net losses have resulted from costs and expenses incurred by our research and development programs and in relation to our operations. The amount of our future net losses will depend, in part, on our future expenditures resulted from costs and expenses incurred by our research and development programs and in relation to our operations, the cost of commercializing any approved products, our ability to generate revenues, and the timing and amount of milestone and other payments we make or receive with or through arrangements with third parties. We expect to continue to incur significant expenses and losses for the foreseeable future. We anticipate that our expenses will increase significantly if and as we:

- continue to advance the clinical trials and pre-clinical studies of our product pipeline;
- initiate pre-clinical, clinical or other studies for new drug candidates;
- seek regulatory approvals for our drug candidates to complete clinical development and commence commercialization;
- manufacture our drug candidates for clinical trials and for commercial sale;
- develop and expand our commercialization team to commercialize any drug candidates in our pipeline for which we may obtain regulatory approval;
- construct and expand manufacturing facilities;
- acquire or in-license other drug candidates, intellectual property assets and technologies;
- incur costs to develop or manufacture drug candidates under any collaboration or in-license agreements;
- maintain, protect, expand and enforce our intellectual property portfolio;
- attract and retain skilled personnel, and grant share options to our employees under our share incentive schemes; and
- create additional infrastructure to support our operations as a public company and our product development and planned future commercialization efforts.

In addition, considering the numerous risks and uncertainties associated with regulatory approval, we are unable to accurately predict the timing or amount of additional expenses, or when, or if, we will be able to achieve or maintain profitability. Our expenses could increase beyond expectations if we are required by the NMPA, FDA or other similar authorities to perform studies in addition to those that we currently anticipate. Even if our drug candidates are approved for commercial sale, we expect to continue incurring significant costs associated with the manufacturing and the commercial launch of the drug candidates.

RISK FACTORS

Even if we are able to generate revenue from the sale of our approved drug candidates, we may not become profitable and may need to obtain additional funding to continue operations. Moreover, even if we manage to achieve profitability, we may not be able to sustain or increase profitability on an ongoing basis. Our failure to become and remain profitable may also impact 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 and remain profitable may also adversely affect the market price of our H Shares. A decline in the market price of our H Shares could cause potential investors to lose all or part of their investment in our business.

We have entered into collaborations with our partners, and may form or seek additional collaborations or strategic alliances or enter into additional licensing arrangements in the future. We may not realize any or all benefits of such alliances or licensing arrangements, and disputes may arise between us and our collaboration partners.

We have in the past formed, and may in the future seek and form, strategic alliances, joint ventures or other collaborations, including entering into licensing arrangements with third parties that we believe will complement or augment our development and commercialization efforts with respect to our drug candidates and any future drug candidates that we may develop. Some of these are important to the business and performance of our Group. See "Business — Collaboration Agreements." Any of these relationships may require us to incur nonrecurring and other charges, increase our near-and long-term expenditures, issue securities that dilute our existing shareholders, or disrupt our management and business.

Our strategic collaboration with partners involves various risks, including that we may not achieve the revenue and cost synergies expected from the transaction. These synergies are inherently uncertain, and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and beyond our control. Additionally, interests or rights granted to different partners in certain territories or for certain drug candidates may give rise to potential or perceived competition or conflicts of interest, which could lead to challenges in managing relationships or potential disputes. Also, the synergies from our collaboration with partners may be offset by other costs incurred in the collaboration, increases in other expenses, operating losses or problems in the business unrelated to our collaboration. Moreover, the termination, expiration or non-renewal of any collaboration or license agreement could result in the loss of certain development or commercialization opportunities, potentially interrupt or delay our clinical programs or increase our costs, which may hinder our ability to advance and commercialize the affected drug candidates. As a result, there can be no assurance that expected synergies will be achieved in due course, or at all.

We face significant competition in seeking appropriate strategic partners and the negotiation process is time-consuming and complex. Moreover, as we established and continue to establish strategic relationships in various territories, managing collaboration terms in a coordinated manner may pose challenges. 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 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. If and when we collaborate with a third party for the development and commercialization of a drug candidate, we can expect to relinquish some or all of the control over the future success of that drug candidate to the third party. 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.

RISK FACTORS

Disputes or disagreements may arise between us and our current or future collaboration partners in connection with various reasons, such as disagreements over product development, delays in payments, potential or perceived conflicts between licensing or other collaboration agreements in terms of their scope or otherwise, and material breaches of agreements or competitive activities in shared or adjacent territories. Such disputes or disagreements may cause delays in or termination of the research, development or commercialization of our drug candidates, termination of the collaborations, or may result in costly litigation or arbitration that diverts management's attention and resources or otherwise adversely affect our relationships with our collaboration partners. In the event we are not able to manage the aforementioned risks, whether individually or collectively, partly or at all, our business, financial condition and results of operations may be materially and adversely affected.

Global markets are an important component of our growth strategy. We have retained rights for the development and commercialization of certain of our drug candidates globally. If we fail to obtain licenses or enter into collaboration arrangements with third parties in other markets, or if any third-party collaborator is not successful, our revenue-generating growth potential will be adversely affected.

Moreover, international business relationships subject us to additional risks that may materially adversely affect our ability to attain or sustain profitable operations, including:

- efforts to enter into collaboration or licensing arrangements with third parties in connection with our international sales, marketing and distribution efforts may increase our expenses or divert our management's attention from the development or acquisition of drug candidates;
- difficulty of effective enforcement of contractual provisions in local jurisdictions;
- third parties obtaining and maintaining patent, trade secret and other intellectual property protection and regulatory exclusivity for our drug candidates;
- difficulty of ensuring that third-party partners do not infringe, misappropriate, or otherwise violate the patent, trade secret, or other intellectual property rights of others;
- unexpected changes in or imposition of trade restrictions, such as tariffs, sanctions or other trade controls, and similar regulatory requirements;
- unsatisfactory performance in overseas markets;
- economic weakness, including inflation;
- compliance with tax, employment, immigration and labor laws for employees traveling abroad;
- the effects of applicable foreign tax structures and potentially adverse tax consequences;
- currency fluctuations, which could result in increased operating expenses and reduced revenue;

RISK FACTORS

- workforce uncertainty and labor unrest;
- failure of our employees and contracted third parties to comply with the U.S. Department of the Treasury's Office of Foreign Assets Control rules and regulations, the U.S. Foreign Corrupt Practices Act of 1977, as amended ("FCPA") and other applicable laws and regulations; and
- business interruptions resulting from geopolitical actions, including war and acts of terrorism, or natural disasters, including earthquakes, volcanoes, typhoons, floods, hurricanes and fires.

We have no track record and limited experience in commercialization of drugs. If we are unable to build and manage sales network, or maintain sufficient sales and marketing capabilities, either by ourselves or through third parties, we may not be able to successfully create or increase market awareness of our products or sell our products, which will materially affect our ability to generate sales revenue.

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

We will have to compete with other pharmaceutical companies to recruit, hire, train and retain marketing and sales personnel, but may be unable to, or decide not to, further develop internal sales, marketing and commercial distribution capabilities for any or all of our drug candidates. We may also pursue collaborative arrangements regarding the sales and marketing of our drug candidates. However, there can be no assurance that we will be able to establish or maintain such collaborative arrangements, or if we are able to do so, that they will have effective sales forces. Any revenue we receive will depend upon the efforts of such third parties. We would have little or no control over the marketing and sales efforts of such third parties, and our revenue from product sales may be lower than if we had commercialized our drug candidates ourselves. We also face competition in our search for third parties to assist us with the sales and marketing efforts for our drug candidates. This competition arises from numerous companies vying for the resources of third-party entities, including distribution networks. Faced with constraints such as limited capacity and strategic priorities, these third parties may carefully evaluate potential partnerships. There can be no assurance that we will be able to further develop and successfully maintain in-house sales and commercial distribution capabilities or establish or maintain relationships with third-party collaborators to successfully commercialize any product, and as a result, we may not be able to generate product sales revenue.

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

Our success depends in large part on our ability to protect our proprietary technologies 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 by filing patent applications in China, the U.S. and other jurisdictions, relying on patent rights, trade secrets or pharmaceutical regulatory protection or employing a combination of these methods. In particular, we have sought patents in China, the U.S. and various other jurisdictions for our core and major products. For further information on our patent portfolio, see “Business — Intellectual Property.” If we or our collaborators are unable to obtain and maintain patent and other intellectual property protection with respect to our drug candidates and technologies, our business, financial condition, results of operations and prospects could be materially harmed.

The patent prosecution process is expensive, time-consuming and complex, and we may not be able to file, prosecute, maintain, defend, enforce or license all necessary or desirable patents at a reasonable cost or in a timely manner in all desirable jurisdictions. As a result, we may not be able to prevent competitors or other third parties from developing and commercializing competitive drugs in all such fields and jurisdictions. Moreover, some of our 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. In addition, 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. Furthermore, the patent position of pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions, and has been the subject of much litigation in recent years. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain.

The requirements for patentability differ in certain jurisdictions. For example, many jurisdictions have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, many jurisdictions limit the enforceability of patents against government agencies or government contractors. In these jurisdictions, the patent owner may have limited remedies, which could materially diminish the value of such patents. If we or any of our collaborators are forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be materially impaired and our business, financial condition, results of operations, and prospects may be adversely affected.

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Patents may be invalidated and patent applications may not be granted for a number of reasons, including known or unknown prior art or deficiencies in the patent application or the lack of novelty of the underlying invention or technology. As of the Latest Practicable Date, we had 61 pending patent applications, including pending PCT patent applications that may enter various countries in the future. We cannot assure you that all of these patent applications will be granted. For further information on our patent portfolio, see “Business — Intellectual Property.” It is also possible that we will fail to identify patentable aspects of our research and development output in time to obtain patent protection. Although we enter into non-disclosure and confidentiality agreements with parties who have access to confidential or patentable aspects of our research and development output, such as our employees, corporate collaborators, outside scientific collaborators, contract manufacturers, consultants, advisors and other third parties, any of these parties may breach such agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to obtain patent protection. In addition, publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the U.S. and other jurisdictions are typically not published until 18 months after filing, or in some cases, not at all. Therefore, we cannot be certain that we or our collaborators were the first to make the inventions claimed in our owned or licensed patents or pending patent applications or that we or our collaborators were the first to file for patent protection of such inventions. Furthermore, China and, recently, the U.S. have adopted the “first-to-file” system under which whoever first files a patent application will be awarded the patent if all other patentability requirements are met. If a third party can establish that we or our licensors were not the first to file for patent protection of such inventions, our owned or licensed patent applications may not issue as patents and even if issued, may be challenged and invalidated or ruled unenforceable, and third parties may be granted a patent relating to a technology which we invented.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the PRC, the U.S., the EU, and other countries. We may be subject to a third-party pre-issuance submission of prior art to the CNIPA, USPTO, EPO, or other related intellectual property offices, or become involved in post-grant proceedings such as opposition, derivation, revocation and re-examination, or *inter partes* review, or interference proceedings or similar proceedings in foreign jurisdictions challenging our patent rights or the patent rights of others. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology, products or drug candidates and compete directly with us without payment to us. Moreover, we may have to participate in interference proceedings declared by the CNIPA, USPTO, EPO, or other related intellectual property offices to determine priority of invention or in post-grant challenge proceedings, such as oppositions in a foreign patent office, that challenge the priority of our invention or other features of patentability of our patents and patent applications. Such challenges may result in loss of patent rights, loss of exclusivity, or in patent claims being narrowed, invalidated, or held unenforceable, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology, products and drug candidates. Such proceedings also may result in substantial costs and require significant time from our scientists, experts and management, even if the eventual outcome is favorable to us. Consequently, we do not know whether any of our technologies, products or drug candidates will be protectable or remain protected by valid and enforceable patents. Our competitors or other third parties may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner.

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We are primarily focused on protecting our intellectual property rights in China, the U.S., and other jurisdictions. Filing, prosecuting, maintaining, defending and enforcing patents and other intellectual property rights with respect to our drug candidates in all other jurisdictions throughout the world would be prohibitively expensive for us. Our intellectual property rights in certain jurisdictions may have a lesser or different scope and strength compared to those in our target markets. In addition, the laws of certain jurisdictions do not protect intellectual property rights to the same extent as the laws of our target markets. Consequently, in some cases, we may not be able to obtain issued patents or other intellectual property rights covering our drug candidates in jurisdictions outside our target markets and, as a result, we may not be able to prevent third parties from using our inventions in all jurisdictions outside our target markets, or from selling or importing drugs made using our inventions in and into our target markets or other jurisdictions. Competitors and other third parties may use our technologies in jurisdictions where we have not pursued and obtained patent and other intellectual property protection to develop their own drugs and further, may export otherwise infringing drugs to jurisdictions where we have patent or other intellectual property protection, but where enforcement rights are not as strong as those in markets such as the U.S. 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.

Further, proceedings to enforce our patent and other intellectual property 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 and other intellectual property rights at risk of being invalidated or interpreted narrowly and 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 the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a commercial advantage from the intellectual property that we develop or license. In addition, under the PRC patent law, any organization or individual that applies for a patent in a foreign country for an invention or utility model accomplished in China is required to report to the NIPA, for confidentiality examination. Otherwise, if an application is later filed in China, the patent right will not be granted. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects.

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Historically, we have been funding our operations primarily through equity financing, payments received under our collaboration and licensing arrangements and debt financing. We will need to obtain additional financing to fund our operations, and if we are unable to obtain sufficient financing on terms acceptable to us or at all, we may be unable to complete the development and commercialization of our drug candidates.

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 will need to expend substantial resources on the research and development and commercialization of our product pipelines. Our future funding requirements will depend on many factors, including but not limited to:

- the progress, timing, scope and costs of our clinical trials, including the ability to timely identify and enroll patients in our planned and potential future clinical trials;
- the outcome, timing and cost of regulatory approvals of our drug candidates;
- the progress, timing, scope and costs related to discovery and early development of additional drug candidates;
- the preparation required for anticipated commercialization of our drug candidates, and if regulatory approvals are obtained, to fund the product launch;
- the manufacturing requirements and capabilities related to clinical development and future commercialization for any approved drug candidates;
- the level of market interest in our drug candidates and the therapeutic targets we are pursuing;
- selling and marketing costs associated with any future drug candidates that may be approved, including the cost and timing of expanding our marketing and sales capabilities;
- the amount and timing of any profit sharing, milestone and royalty payments we receive from our current or future collaborators;
- cash requirements of any future development of our pipeline drug candidates; and
- our headcount growth and associated costs.

We had net cash used in operating activities of RMB192.7 million, RMB118.8 million, RMB36.9 million and RMB26.4 million in 2023, 2024 and the three months ended March 31, 2024 and 2025, respectively. To date, we have funded our operations primarily through equity financing, payments received under our collaboration and licensing arrangements and debt financing. We expect to continue to spend substantial amounts on drug discovery, advancing the clinical development of our drug candidates, and launching and commercializing any approved drug candidates for which we receive regulatory approvals. However, if the commercialization of our drug candidates is delayed or terminated, or if the expenses associated with drug development and

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commercialization increase substantially, we may need to obtain additional financing to fund our operations. Additional funds may not be available when we need them on terms that are acceptable to us, or at all. Our ability to raise funds will depend on financial, economic and market conditions and other factors, 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 pre-clinical studies, clinical trials or other research and development activities or commercialization for one or more of our drug candidates, and in turn will adversely affect our business prospects.

All material aspects of the research, development, manufacturing and commercialization of our drug candidates are heavily regulated and are subject to change. Any failure to comply with existing regulations and industry standards or any adverse actions by the drug-approval authorities against us could negatively impact our reputation and our business, financial condition, results of operations and prospects.

All jurisdictions in which we intend to develop and commercialize our drug candidates regulate these activities in great depth and detail. We intend to initially focus our activities in China while pursuing global opportunities, including the U.S. and other major markets. The pharmaceutical and biopharmaceutical industries in these jurisdictions are subject to comprehensive government regulation and supervision, encompassing regulation of the development, approval, manufacturing, 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.

The process of obtaining regulatory approvals and maintaining compliance with appropriate laws and regulations requires the expenditure of substantial time and financial resources. Any recently enacted and future legislations may increase the difficulty and cost of us to obtain regulatory approval of, and commercialize, our drug candidates, and affect the prices we may obtain. Changes in government regulations or in practices relating to the pharmaceutical and biopharmaceutical industries, such as a relaxation in regulatory requirements, or the introduction of simplified approval procedures, which would lower the entry barrier for potential competitors, or an increase in regulatory requirements, which may increase the difficulty for us to satisfy such requirements, may have a material adverse impact on our business, financial condition, results of operations, and prospects.

In many countries or regions where a drug is intended to be ultimately sold, such as China and the U.S., the relevant government agencies and industry regulatory bodies impose high standards on the efficacy of such drug, as well as strict rules, regulations and industry standards on how we develop such drug. For example, we may need to obtain clearance from the FDA, or other regulatory authorities as part of an IND application to seek authorization to begin clinical trials, or their clinical trials are filed as part of an NDA, BLA or other filings to seek marketing approval. These regulatory authorities may conduct scheduled or unscheduled periodic inspections of our facilities to monitor our regulatory compliance. We cannot assure you that we will be able to do so going forward. Any failure to comply with existing regulations and industry standards could result in fines or other punitive actions against us, and the disqualification of data for submission to regulatory authorities, each of which could have a material adverse impact on our reputation, business, financial condition, results of operations and prospects. In addition, any action against us for violation of the relevant regulations or industry standards, even if we successfully defend against it, could cause us to incur significant legal expenses, divert our management's attention from the operation of our business, and adversely affect our reputation and financial results.

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In addition, failure to comply with the applicable regulatory requirements in the jurisdictions 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 administrative or judicial sanctions. 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.

OTHER RISKS RELATING TO OUR BUSINESS

Risks Relating to the Development of Our Drug Candidates

We may be unable to identify, discover or develop new drug candidates, or to identify additional therapeutic opportunities for our drug candidates to maintain or expand our product pipeline.

We cannot guarantee that we will be successful in identifying potential drug candidates. Although we have developed certain proprietary R&D platforms, including LeadsBody™ platform (a CD3 T-cell engager platform), X-body™ platform (a 4-1BB engager platform), and several other bispecific antibody and fusion protein platforms, which we believe enables us to design, evaluate and select optimal candidates and continue to enrich our pipeline, some drug candidates are technically challenging to develop and manufacture, such as bispecific antibodies and ADCs that we are developing. We may also pursue collaboration with third parties in the discovery and development of potential drug candidates, but we cannot assure you that such collaboration will be able to deliver the intended results.

Research programs to pursue the development of our drug candidates for additional indications and to identify new drug candidates and drug targets require substantial technical, financial and human resources. Our research programs may initially show promising results in identifying potential indications and/or drug candidates, yet fail to yield results for clinical development for a number of reasons, including but not limited to the following factors, among others (a) the research methodology used may not be successful in identifying potential indications and/or new drug candidates; and (b) it may take greater resources to identify additional therapeutic opportunities for our drug candidates or to develop suitable potential drug candidates, thereby limiting our ability to diversify and expand our drug portfolio.

Accordingly, we cannot assure you that we will be able to identify new drug candidates or develop additional indications for our drug candidates, which could materially adversely affect our future growth and prospects. We may focus our efforts and resources on potential drug candidates or other potential programs that ultimately prove to be unsuccessful.

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We may 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.

As we have limited financial and managerial resources, we focus our product pipeline on research programs and drug candidates that we identify for specific 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. Our spending on current and future research and development programs and drug candidates for specific indications may not yield any commercially viable products. If we do not accurately evaluate the commercial potential or target market for a particular drug candidate, we may relinquish valuable rights to that drug candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such drug candidate, or we may allocate internal resources to a product candidate in a therapeutic area in which it would have been more advantageous to enter into a partnering arrangement.

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 label, or result in significant negative consequences following any regulatory approval.

Undesirable adverse events caused by our drug candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and may result in a more restrictive label, a delay or denial of regulatory approval by the NMPA, FDA or other comparable regulatory authorities, or a significant change in our clinical protocol or even our development plan. In particular, as is the case with drugs treating cancers and auto-immune diseases, it is likely that there may be side effects, such as nausea, fatigue and infusion-related reactions, associated with the use of certain of our drug candidates. Results of our trials could reveal a high and unacceptable severity or prevalence of certain adverse events. In such an event, our trials could be suspended or terminated and the NMPA, FDA or other comparable regulatory authorities could order us to cease further development of, or deny approval of, our drug candidates for any or all targeted indications. Adverse events related to our drug candidates may affect patient recruitment or the ability of enrolled subjects to complete the trial, and could result in potential liability claims. Any of these occurrences may significantly harm our reputation, business, financial condition and prospects.

Additionally, if we or others identify undesirable side effects caused by those of our other drug candidates after having received regulatory approval, this may lead to potentially significant negative consequences which include, but are not limited to, the following:

- we may suspend marketing of the drug candidate;
- regulatory authorities may withdraw their approvals of or revoke the licenses for the drug candidate;
- regulatory authorities may require additional warnings on the label;

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- the FDA may require the establishment of a Risk Evaluation and Mitigation Strategy (“REMS”) or the NMPA or a comparable regulatory authority may require the establishment of a similar strategy that may, for instance, restrict distribution of our drugs and impose burdensome implementation requirements on us;
- we may be required to conduct specific post-marketing studies;
- we could be subjected to litigation proceedings and held liable for harm caused to subjects or patients; and
- our reputation may suffer.

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, results of operations and prospects.

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

The timely completion of clinical trials depends on, among others, our ability to enroll a sufficient number of subjects who will remain in the clinical trials until their conclusion. We may not be able to initiate or continue clinical trials for our drug candidates if we are unable to locate and enroll a sufficient number of eligible subjects, or if there are delays in the enrollment of eligible subjects. We may encounter challenges with enrolling subjects in our clinical trials for various reasons beyond our control, such as:

- difficulties with recruiting a sufficient number of subjects that possess the traits and characteristics we seek;
- the subjects’ perceptions as to the potential advantages and risks of the drug candidates being studied in relation to other available drugs or drug candidates;
- the resources we have to facilitate timely subject enrollment in our clinical trials;
- the efforts made by trial executing personnel, including our CROs, to screen and recruit eligible subjects; and
- the proximity and availability of clinical trial sites for prospective subjects.

Our clinical trials will likely compete with other clinical trials for drug candidates that are in the same therapeutic areas as our drug candidates. This competition will reduce the number and types of patients available to us as some patients might choose to enroll in a trial being conducted by one of our competitors instead of ours.

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Even if we are able to enroll a sufficient number of patients in our clinical trials, patient enrollment may also be delayed as a result of public events, epidemics or similar incidences which are out of our control, such as the COVID-19 outbreak. During the Track Record Period, COVID-19 outbreak caused delays in our ongoing clinical trials for various drug candidates. Such delays in patient enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could prevent timely completion of these trials and adversely affect our ability to advance the development, regulatory approval and commercialization of our drug candidates.

If safety, efficacy, or other issues arise with any pharmaceutical product or medical treatment that is used in combination with our drug candidates, we may be unable to market such drug candidate or may experience significant regulatory delays or supply shortages, 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 the NMPA, FDA or another comparable regulatory agency revokes its approval of any therapy we use in combination with our drug candidates, we will not be able to market our drug candidates in combination. 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 experience significant regulatory delays, 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.

We may seek approvals from the NMPA, FDA or other comparable regulatory authorities to use data from registrational trials via accelerated approval pathways for our drug candidates. If we are not able to use such pathways, we may be required to conduct additional clinical trials beyond those that we contemplate, which would increase the expense of obtaining, and delay the receipt of, necessary marketing approvals, if we receive them at all.

The NMPA, FDA, and comparable regulatory authorities in other jurisdictions may allow the use of data from a registrational trial and grant accelerated approval to a drug candidate to treat a serious or life-threatening condition that provides meaningful therapeutic benefit over available therapies, upon a determination that the drug candidate has an effect on a surrogate endpoint or intermediate clinical endpoint that is reasonably likely to predict clinical benefit. For example, the FDA considers a clinical benefit to be a positive therapeutic effect that is clinically meaningful in the context of a given disease, such as irreversible morbidity or mortality. For the purposes of accelerated approval, a surrogate endpoint is a marker, such as a laboratory measurement, radiographic image, physical sign, or other measure that is thought to predict clinical benefit, but is not itself a measure of clinical benefit. An intermediate clinical endpoint is a clinical endpoint that can be measured earlier than an effect on irreversible morbidity or mortality that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit

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measurement of a therapeutic effect that is considered reasonably likely to predict the clinical benefit of a drug. The accelerated approval pathway may be used in cases in which the advantage of a new drug over available therapy may not be a direct therapeutic advantage, but is a clinically important improvement from a patient and public health perspective. Prior to seeking such accelerated approval, we will continue to seek feedback from the FDA and otherwise evaluate our ability to seek and receive such accelerated approval.

There can be no assurance that in the future the regulatory authorities will agree with our surrogate endpoints or intermediate clinical endpoints. Similarly, there can be no assurance that, after feedback from the regulatory authorities, we will continue to pursue or apply for accelerated approval or any other form of expedited development, review or approval, even if we initially decide to do so. Furthermore, for any submission of an application for accelerated approval or application under another expedited regulatory designation, there can be no assurance that such submission or application will be accepted for filing or that any expedited development, review or approval will be granted on a timely basis, or at all.

The data and information that we gather in our research and development process could be inaccurate or incomplete.

We collect, aggregate, process, and analyze data and information from our preclinical studies and clinical programs. We also engage in substantial information gathering following the identification of a promising drug candidate. Because data in the pharmaceutical industry is fragmented in origin, inconsistent in format, and often incomplete, the overall quality of data collected or accessed in the pharmaceutical industry is often subject to challenge, the degree or amount of data which is knowingly or unknowingly absent or omitted can be material, and we often discover data issues and errors when monitoring and auditing the quality of our data. If we make mistakes in the capture, input, or analysis of these data, our ability to advance the development of our drug candidates may be materially harmed and our business, prospects and reputation may suffer.

We also engage in the procurement of regulatory approvals necessary for the development and commercialization of our drug candidates, for which we manage and submit data to governmental entities. These processes and submissions are governed by complex data processing and validation policies and regulations. Notwithstanding such policies and regulations, interim, top-line or preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data, in which case we may be exposed to liability to a customer, court or government agency that concludes that our storage, handling, submission, delivery, or display of health information or other data was wrongful or erroneous. Even unsuccessful claims could result in substantial costs and diversion of management time, attention, and resources. A claim brought against us that is uninsured or under-insured could harm our business, financial condition and results of operations.

In addition, we rely on CROs, our business partners and other third parties to monitor and manage data for some of our ongoing preclinical and clinical programs and control only certain aspects of their activities. If any of our CROs, our business partners or other third parties do not perform to our standards in terms of data accuracy or completeness, data from those preclinical and clinical studies may be compromised as a result, and our reliance on these parties does not relieve

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us of our regulatory responsibilities. For a detailed discussion, see “— Risks Relating to Our Reliance on Third Parties — We work with various third parties to develop our drug candidates, such as those who help us conduct our preclinical studies and clinical trials. 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 harmed.” in this section.

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

We must keep pace with new technologies and methodologies to maintain our competitive position. We must continue to invest significant amounts of human and capital resources to develop or acquire technologies that will allow us to enhance the scope and quality of our clinical trials. We intend to continue to enhance our technical capabilities in drug discovery, development and manufacturing, which are capital-and-time-intensive. We cannot assure you that we will be able to develop, enhance or adapt to new technologies and methodologies, successfully identify new technological opportunities, develop and bring new or enhanced products to market, obtain sufficient or any patent or other intellectual property protection for such new or enhanced products, or obtain the necessary regulatory approvals in a timely and cost-effective manner, or, if such products are introduced, that those products will achieve market acceptance. Any failure to do so may make our techniques obsolete, which could materially and adversely affect our business and prospects.

Risks Relating to Extensive Government Regulations

The regulatory approval processes for our drug candidates are lengthy, time-consuming and inherently unpredictable. If we are unable to obtain without undue delay any regulatory approval for our drug candidates in our targeted markets, our business may be materially and substantially affected.

The time required to obtain relevant regulatory approvals for our drug candidates from competent authorities is uncertain and depends on numerous factors, including the substantial discretion of the regulatory authorities. Generally, such approvals take years to be obtained following the commencement of preclinical studies and clinical trials. In addition, approval policies, regulations or the type and amount of clinical data necessary to gain approval may change during the course of a drug candidate’s clinical development and may vary among jurisdictions.

We cannot guarantee that we will be able to obtain regulatory approvals for our other existing drug candidates or any drug candidates we may discover, in-license or acquire and seek to develop in the future. Our drug candidates could fail to receive the regulatory approvals from competent authorities for many reasons, including but not limited to:

- disagreement with the design or implementation of our clinical trials;
- failure to demonstrate that a drug candidate is safe and effective and potent for its proposed indication;
- failure of our clinical trial results to meet the level of statistical significance required for approval;

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- failure of our clinical trial process to pass relevant GCP inspections;
- disagreement with our interpretation of data from preclinical studies or clinical trials;
- insufficient data collected from the clinical trials of our drug candidates to support the submission and filing of a BLA or other submissions or to obtain regulatory approval;
- failure of our drug candidates to pass current GMP, inspections during the regulatory review process or across the production cycle of our drug candidates;
- failure of our clinical sites to pass audits carried out by the competent authorities, resulting in a potential invalidation of our research data;
- changes in approval policies or regulations that render our preclinical and clinical data insufficient for obtaining approvals; or
- failure of our clinical trial process to keep up with any scientific or technological advancements required by approval policies or regulations.

The applicable competent authorities may require more information, including additional preclinical or clinical data, to support approval, which may delay or prevent approval and our commercialization plans. Even if we were to obtain approval, regulatory authorities may approve any of our drug candidates for fewer or more limited indications than we request, grant approval contingent on the performance of costly post-marketing clinical trials, or approve a drug candidate with an indication that is not desirable for the successful commercialization of that drug candidate. Legislative and regulatory proposals may also, from time to time, be made to expand existing requirements. For example, increased scrutiny by the United States Congress of the FDA's approval process may significantly delay or prevent marketing approval, and potentially introduce more stringent product labeling and post-marketing conditions. Any of the foregoing scenarios could materially harm the commercial prospects of our drug candidates.

Even after we obtain regulatory approval for the marketing and distribution of our drug candidates, our products will continue to remain subject to ongoing or additional regulatory obligations and continued regulatory review, which may result in significant additional expenses, and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our future approved drugs.

If the NMPA, FDA or a comparable regulatory authority approves any of our drug candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion and record-keeping for the drug will be subject to extensive and ongoing regulatory requirements on pharmacovigilance. These requirements include submissions of safety and other post-marketing information and reports, registration, random quality control testing, adherence to any chemistry, manufacturing, and controls, or CMC, specifications, continued compliance with current GMP, and GCP and potential post-approval studies for the purposes of license renewal.

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Any approvals that we receive for our drug candidates may be subject to limitations on the approved indicated uses for which the drug may be marketed or to the conditions of approval, which could adversely affect the drug's commercial potential or contain requirements for potentially costly post-marketing 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 risk evaluation mitigation strategy program as a condition of approval of our drug candidates or following approval. In addition, if the NMPA, FDA or a comparable regulatory authority approves our drug candidates, we will have to comply with requirements, including, for example, submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with cGMP and GCP, for any clinical trials that we conduct post-approval.

A conditional marketing approval achieved through single-arm study design will typically have conditions that require the drug developer to obtain and report additional clinical data after the commercial launch of the approved drug to further confirm its efficacy and safety. The NMPA will grant a full marketing approval if the additional clinical data fulfills the requirements for a normal marketing approval. If our drug candidate is conditionally approved through single-arm trial design for accelerated marketing, we will need to discuss and reach consensus with the NMPA on details of the post-approval research pursuant to the relevant laws in China.

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. The NMPA, FDA and other regulatory authorities strictly regulate the marketing, labelling, advertising and promotion of products that are placed on the market. Drugs may be promoted only for their approved indications and for use in accordance with the provisions of the approved label. The NMPA, FDA and other regulatory authorities actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability.

While we believe that our drug candidates' Category 1 designation in China should confer certain regulatory advantages on us, these advantages may not result in commercial benefits to us as we have expected and may change in the future in a manner adverse to us.

In China, prior to seeking approval from the NMPA, a pharmaceutical company needs to determine the drug's registration category, which will determine the requirements for its clinical trial and marketing application. The categories of therapeutic biologics range from Category 1 (new biologics: biologics that have not previously been marketed anywhere in the world), to Category 2 (improved biologics: biologics that have been previously marketed in China or abroad with improved safety, efficacy and quality control and that have obvious therapeutic advantages), to Categories 3 (biologics that have been previously marketed in China and abroad). Among our pipeline of drug candidates, all of our clinical-stage drug candidates are designated as Category 1 drug candidates.

The NMPA has adopted several mechanisms for expedited review and approval for drug candidates that apply to Category 1 drug candidates. While we believe that our clinical stage drug candidates that have been designated as Category 1 drugs should provide us with a significant regulatory, and therefore commercial advantage over non-Chinese companies seeking to market products in China, we cannot be sure that this will be the case. We cannot be certain that the

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advantages we believe will be conferred by our Category 1 classifications will be realized or result in any material development or commercial advantage.

If we participate in compassionate use programs, current regulatory discrepancies among competent authorities of different countries may lead to increased risk of adverse drug reactions and serious adverse events arising from the use of our products.

Compassionate use programs are regulatory programs that facilitate access to investigational drugs for the treatment of patients with serious or immediately life-threatening diseases or conditions that lack therapeutic alternatives. Currently, there is no unified approach or standard practice to regulate compassionate use programs among competent authorities in different countries for access to investigational drugs. In China, currently there is no officially approved regulation to oversee compassionate use programs. In the U.S., compassionate use programs are limited to patients who have a life-threatening disease or serious disease or condition, who may gain access to an investigational pharmaceutical product for treatment outside of clinical trials when no comparable or satisfactory alternative therapy options are available.

The regulatory discrepancy for compassionate use programs among competent authorities in different countries may lead to uneven patient entry criteria and protocols for compassionate use programs. This may create increased risk of serious adverse events because of enrolled patients' advanced disease or comorbidities. In addition, because the products in compassionate use programs are investigational drugs, many of which are still in experimental stages and have not received marketing approval, patients in compassionate use programs may exhibit adverse drug reactions from using these products. If we participate in compassionate use programs, we may be subject to the risk of enrolled patients exhibiting adverse drug reactions or serious adverse events arising from the use of our products. These occurrences can potentially lead to clinical holds of our ongoing clinical trials or complicate the determination of the safety profile of a drug candidate under regulatory review for commercial marketing. Changes in government regulations or in practices relating to the pharmaceutical and biopharmaceutical industries, including healthcare reform in China, and compliance with new regulations may result in additional costs.

If we are able to commercialize our drug candidates, we may face uncertainties from national, provincial or other third-party drug reimbursement practices and unfavourable drug pricing policies or regulations, which could harm our business.

The regulations that govern regulatory approvals, pricing and reimbursement for new therapeutic products vary widely from country to country. We intend to seek approval to market our drug candidates in China, the U.S., and other jurisdictions, such as the EU. In both China and the EU, the pricing of drugs and biologics is subject to governmental control, which can take considerable time 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.

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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 National Healthcare Security Administration of China, the Ministry of Human Resources and Social Security of China or provincial or local human resources and social security authorities, 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**”), or provincial or local medical insurance catalogues for the National Medical Insurance Program (the “**PRDL**”) 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 or the PRDL. Products included in the NRDL or the PRDL are typically generic and essential drugs. Innovative drugs similar to our drug candidates have historically been more limited on their inclusion in the NRDL or the PRDL due to the affordability of the government's Basis Medical Insurance.

In the U.S., there is no uniform policy of medical insurance coverage and reimbursement for drugs. In China, the average period for innovative drugs to be included in the NRDL or the PRDL has shortened from five to two years. Nevertheless, 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. Our drug candidates, as biologics, generally have a higher cost of goods than conventional therapies such as small molecule drugs, due to various factors including complex manufacturing processes, quality control requirements, and supply chain management. These innovative biologic products may also require follow-up evaluations with longer term to continuously monitor their safety and efficacy. Thus, the risk that coverage and reimbursement rates may be inadequate for us to achieve profitability may be greater.

Increasingly, third-party payers are requiring that companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. We cannot be sure that reimbursement will be available for any approved drug candidates that we commercialize and, if reimbursement is available, what the level of reimbursement will be. Reimbursement may impact the demand for, or the price of, any approved drug candidates that we commercialize. Obtaining or maintaining reimbursement for our future approved drug candidates may be particularly difficult because of the higher prices often associated with drugs administered under the supervision of a physician. 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.

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There may be significant delays in obtaining reimbursement for approved drug candidates, and coverage may be more limited than the purposes for which the drug candidates are approved by the NMPA, 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. Interim payments for new drugs, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Payment rates may vary according to the use of the drug and the clinical setting in which it is 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. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payers and by any future weakening of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the U.S. Our inability to promptly obtain coverage and profitable payment rates from both government-funded and private payers for any future approved drug candidates and any new drugs that we develop could have a material adverse effect on our business, our operating results, and our overall financial condition.

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

Products distributed or sold in the biopharmaceutical 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 regulatory authorities actively enforce the laws and regulations prohibiting the promotion of off-label use, there remains a risk that our 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. Any of these occurrences can create negative publicity and significantly harm our business reputation, product brand name, commercial operations and financial condition, including our Company's share price. These occurrences may also expose us to liability and cause, or lead to, a delay in the progress of our clinical trials and may also ultimately result in failure to obtain regulatory approval for our drug candidates.

We may be unable to obtain or renew certain approvals, licenses, permits and certificates required for our business.

Pursuant to the relevant laws, regulations and relevant regulatory practice by governmental authorities, we are required to obtain and maintain various approvals, licenses, permits and certificates from relevant authorities to operate our business and construct our facilities. Some of these approvals, permits, licenses and certificates are subject to periodic renewal and/or reassessment by the relevant authorities, and the standards of such renewal and/or reassessment may change from time to time. Any failure to obtain or renew any approvals, licenses, permits and certificates necessary for our operations may result in enforcement actions thereunder, including orders issued by the relevant regulatory authorities ceasing our operations, and may include corrective measures requiring capital expenditure or remedial actions. Furthermore, if the interpretation or implementation of existing laws and regulations changes, or new regulations come into effect requiring us to obtain any additional approvals, permits, licenses or certificates that were previously not required to operate our existing businesses, there is no assurance that we will successfully obtain such approvals, permits, licenses or certificates.

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Additionally, under applicable PRC laws and regulations, construction projects are subject to broad and strict government supervision and approval procedures, including but not limited to project approvals and filings, construction land and project planning approvals, construction permits, work safety approvals, fire protection approvals, and the completion of inspection and acceptance by relevant authorities. We may experience difficulties, delays or failures in obtaining or maintaining the necessary approvals, permits or filings. To the extent relevant approvals, permits or filings are needed for our construction work and we fail to secure such approvals, permits or filings in time or at all, we may be imposed of administrative penalties such as fines, rectification within a specific period and suspension or close down of the construction or projects. If any of these occurs, our ongoing business, financial condition and our potential expansion plan may be adversely affected.

We are subject to stringent privacy laws, information security policies and contractual obligations related to data privacy and security, and we may be exposed to risks related to our management of the medical data of subjects enrolled in our clinical trials and other personal or sensitive information.

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, state, 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 jurisdictions in which we may 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, including fines, imprisonment of company officials and public censure, claims for damages by customers and other affected individuals, damage to our reputation and loss of goodwill. While we have taken measures to maintain the confidentiality of the medical records and personal data of subjects enrolled in our clinical trials we collected, including setting internal rules requiring our employees and business partners to maintain the confidentiality of our subjects' medical records, these measures may not be always effective.

Changes in laws and regulations or in practices relating to the biopharmaceutical industry may result in additional compliance risks and costs.

The policies of the applicable regulatory authorities may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell our products. We cannot predict the likelihood, nature or extent of governmental policies or regulations that may arise from future legislation or administrative actions in the jurisdictions where we operate. For instance, changes in regulatory requirements and guidance that require us to amend clinical trial protocols submitted to the regulatory authorities may also occur, and amendments thereto to reflect such changes may impact the costs, timing or successful completion of a clinical trial. In addition, there could be changes in government regulations specifically on pharmaceutical product registrations and approvals, such as a relaxation in regulatory requirements, or the introduction of simplified approval procedures which will lower the entry barrier for potential competitors, or an increase in regulatory requirements which may increase the difficulty for us to satisfy such requirements.

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Also, in recent years, there have been and will likely continue to be efforts to enact administrative or legislative measures which may result in more rigorous coverage criteria and downward pressure on the price that we fix for any approved product.

Finally, it is also possible that applicable government authorities in countries where we plan to sell our products could adopt new or different regulations affecting the way in which pharmaceutical products are sold to address bribery, corruption or other concerns. Any such new or different regulations could possibly increase the costs incurred by us, or our employees in selling our products, or impose restrictions on sales and marketing activities, which could in turn increase our costs.

We may be directly or indirectly subject to 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 other jurisdictions, which could, in the event of noncompliance, expose us to administrative sanctions, criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.

If we obtain approval from the NMPA or other comparable regulatory authorities approval for any of our product candidates and begin commercializing those product candidates in China and our other target markets, our operations may be subject to various fraud and abuse laws of various jurisdictions, including but not limited to, 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 Federal Anti-Kickback Statute and the Federal False Claims Act, and the physician payment sunshine laws and regulations. Violations of such 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 the relevant government. Moreover, as law enforcement authorities have been increasingly focused on enforcing these laws, efforts to ensure that our business arrangements with third parties comply with applicable healthcare laws and regulations will involve substantial costs.

Risks Relating to Manufacturing of Our Drug Candidates

We have limited experience in manufacturing therapeutic biologic products, which is a highly exacting and complex process, and our business could be materially and adversely affected if we encounter problems in manufacturing our future drug products.

As of the Latest Practicable Date, we had not commercialized any drug candidates and our drug manufacturing activities were primarily to facilitate our preclinical studies and clinical trials. Although we have established in-house pilot manufacturing capabilities, we have limited experience in managing the manufacturing process for commercial use. Additionally, in line with industry practice, we also engage qualified CDMOs for the clinical supply of our selected drug candidates during the Track Record Period.

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The manufacturing of pharmaceutical products is a highly complex process, due in part to strict regulatory requirements. Problems may arise during manufacturing for a variety of reasons, including equipment malfunction, failure to follow specific protocols and procedures, changes in product specification, low quality or insufficient supply of raw materials or our future expansion of our manufacturing facilities as a result of changes in manufacturing production sites and limits to manufacturing capacity due to regulatory requirements, changes in the types of products produced, advances in manufacturing techniques, physical limitations that could inhibit continuous supply and man-made or natural disasters and other environmental factors. If problems arise during the production of a batch of product, that batch of product may have to be discarded and we may experience product shortages or incur added expenses. This could, among other things, lead to increased costs, lost revenue, damage to customer relationships, time and expense spent investigating the cause and, depending on the cause, similar losses with respect to other batches or products. If problems are not discovered before the product is released to the market, recall and product liability costs may also be incurred.

In addition, we face additional manufacturing risks in relation to the CDMOs we engage from time to time. We cannot assure you that any stability failures or other issues relating to the manufacture of our drug candidates will not occur in the future, either relating to our third-party CDMOs or on our manufacturing facilities we plan to build in the future. Please refer to the paragraphs headed “Risks Relating to Manufacturing of Our Drug Candidates — We engage third parties and may rely on those to manufacture our drug products for clinical development and commercial sales. If these third-party manufacturers fail to deliver sufficient quantities of product or fail to do so at acceptable quality levels or prices, our business could be harmed.”

Manufacturing methods and formulation are sometimes altered through the development of drug candidates from clinical trials to approval, and further to commercialization, in an effort to optimize manufacturing processes and results. Such alterations carry the risk that they will not achieve these intended objectives. Any of these alterations could cause the drug candidates to perform differently and affect the results of planned clinical trials or other future clinical trials conducted with the altered materials. This could delay the commercialization of drug candidates and require bridging studies or the repetition of one or more clinical trials, which may result in increases in clinical trial costs, delays in drug approvals and jeopardize our ability to commence product sales and generate revenue.

We may also encounter problems with achieving adequate or clinical-grade products that meet the NMPA, FDA, or other comparable regulatory authorities standards or specifications, maintaining consistent and acceptable production costs, and experience shortages of qualified personnel, raw materials or key contractors, and experience unexpected damage to our facilities or the equipment in them. In these cases, we may be required to delay or suspend our manufacturing activities. We may be unable to secure temporary, alternative manufacturers for our drugs with the terms, quality and costs acceptable to us, or at all. Such an event could delay our clinical trials and/or the availability of our future drug products for commercial sale. Moreover, we may spend significant time and costs to remedy these deficiencies before we can continue production at our manufacturing facilities.

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Furthermore, the quality of our future drug products, including drug candidates manufactured by us upon the completion of the construction of our new manufacturing facilities or by the CDMOs for research and development purposes and for commercial use in the future, depends significantly on the effectiveness of our quality control and quality assurance, which in turn depends on factors such as the production processes used in the CDMOs or in our future manufacturing facilities, the quality and reliability of equipment used, the quality of manufacturing staff and related training programs and our ability to ensure that our employees, CDMOs adhere to our quality control and quality assurance protocol. However, we cannot assure you that the quality control and quality assurance procedures of our Company, CDMOs will be effective in consistently preventing and resolving deviations from our quality standards. We are, however, working with CDMOs on improving our documentation procedures for quality control and quality assurance activities. Any significant failure or deterioration of our quality control and quality assurance protocol could render our future drug products unsuitable for use, jeopardize any GMP certifications we may have and/or harm our market reputation and relationship with business partners. Any such developments may have a material adverse effect on our business, financial condition and results of operations.

We may face damage to, destruction of or interruption of production at our facilities, which could impede the development plans for any subsequent commercialization efforts towards our drug candidates.

We have established pilot GMP-compliant manufacturing facilities in Nanjing, Jiangsu Province to support the early-stage clinical development of our drug candidates. Our facilities may be harmed or rendered inoperable by physical damage from fire, floods, earthquakes, typhoons, tornadoes, power loss, telecommunications failures, break-ins and similar events. Any interruption in manufacturing operations at our manufacturing facilities could result in our inability to satisfy the demands of our clinical trials or commercialization. There can be no assurance that our existing manufacturing facilities will produce products in sufficient volumes in the event of any significant change in market demand. Additionally, we also engage qualified CDMOs for the clinical supply of our selected drug candidates from time to time. As such, we are exposed to the risks of increased pricing for our sub-contracted production and that the third parties may not manufacture products meeting our specifications or in sufficient volumes to meet market demand. Consequently, our sales volumes and margins for the relevant products could be materially and adversely affected.

Advances in manufacturing techniques may render our facilities and equipment inadequate or obsolete, and therefore we may also need to develop advanced manufacturing techniques and process controls in order to fully utilize our facilities. If we are unable to do so, or if the process to do so is delayed, or if the cost of this scale up is not economically feasible for us or we cannot find a third-party supplier, we may not be able to supply our products in a sufficient quantity to meet future demand, which would limit our development and commercialization activities and our opportunities for growth.

Manufacturing of our products depends on the continued service of qualified manufacturing personnel. Competition for qualified manufacturing in the pharmaceutical industry is intense and the pool of qualified candidates is limited. Although we have not historically experienced unique difficulties attracting and retaining qualified manufacturing personnel, we could experience such problems in the future. If we are unable to maintain a sufficient number of qualified manufacturing personnel to support our products manufacture, production capacity may be adversely affected.

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To further upgrade our in-house manufacturing capacity, we may plan to establish new manufacturing facilities in China. Such new manufacturing facility may require prior review by regulatory authorities and/or approval of the manufacturing process and procedures in accordance with applicable requirements. This review may be costly and time-consuming and could delay or halt the launch of our products. The new facility will also be subject to pre-approval inspection. In addition, we have to demonstrate that the products made at the new facility are equivalent to the products made at the former facility by physical and chemical methods, which are costly and time consuming. Regulatory authorities may also require clinical testing as a way to prove equivalency, which would result in additional costs and delay. In the event we fail to increase our production capacity or develop the new manufacturing facility, we may not capture the expected growth in demand for our products, or to successfully commercialize new products, each of which could materially and adversely affect our business prospects.

Any delays in completing and receiving regulatory approvals for our manufacturing facilities, or any disruption of our current facilities or in the development of new facilities, could reduce or restrict our production capacity or our ability to develop or sell products, which could have a material and adverse effect on our business, financial condition and results of operations.

We currently have pilot GMP-compliant manufacturing facilities in Nanjing, Jiangsu Province that can supply for early-stage clinical development of selected drug candidates. We may plan to establish additional manufacturing facilities in China to scale up our manufacturing capacity. Construction of such manufacturing facility may encounter delays or interruptions due to a number of factors, some of which are beyond our control. Such delays and interruptions could reduce or restrict our production capacity, slow down our drug development and commercialization efforts, especially if we could not source manufacturing to a third party in a timely or cost-effective manner. Even if collaboration with a third party is feasible, we will incur additional manufacturing costs. All could have a material and adverse effect on our business operations, financial condition and results of operations.

Cost overruns associated with constructing or maintaining our new facility could require us to raise additional funds from other sources. Our manufacturing facility is required to obtain and maintain regulatory approvals, including being subject to ongoing, periodic inspection by the NMPA, FDA or other comparable regulatory authorities to ensure compliance with GMP regulations. Further, we will be subject to continued review and site inspections to assess compliance with GMP and adherence to commitments made in any biologics license application, other marketing application and previous responses to any inspection observations. Accordingly, we and others with whom we work must continue to spend time, money and efforts in all areas of regulatory compliance, including manufacturing, production and quality control. In addition, to obtain FDA approval for our products in the U.S., we would need to undergo strict pre-approval inspections of our manufacturing facilities. Historically, manufacturing facilities in China have had difficulty meeting FDA standards. When inspecting our manufacturing facilities, the FDA may cite GMP deficiencies. Remediating deficiencies can be laborious, time consuming and costly. Moreover, the FDA will generally re-inspect the facility to determine whether the deficiency was remediated to its satisfaction and may note further deficiencies during re-inspection.

Our failure to follow and document our adherence to such GMP regulations or other regulatory requirements may lead to significant delays in the availability of products for clinical or, in the future, commercial use, may result in the termination of or a hold on a clinical trial, or

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may delay or prevent filing or approval of marketing applications for our drug candidates or their commercialization, if approved. Regulatory authority may also impose fines, injunctions, civil penalties, suspension or withdrawal of approvals, seizures or recalls of our drug candidates, operating restrictions and criminal prosecutions, any of which could harm our business. Furthermore, if the interpretation or implementation of existing laws and regulations changes or new regulations come into effect, we may be required to obtain additional approvals, permits, licenses or certificates and we cannot assure you that we will be able to do so.

Our therapeutic biologics products, like any other biologic product, may involve risks of contamination.

Therapeutic biologics products manufacturing usually requires cultivation steps, including growth of the appropriate organism and the use of substances of animal origin, which makes it easy to introduce a contaminant and to amplify low levels of contamination. In addition, cross-contamination could result from manufacturing activities at shared equipment and facilities, which are common. Other activities such as diagnosis and research are frequently linked to manufacturing, which may create opportunities for cross-contamination. Furthermore, improper actions during the long-distance transportation, storage and delivery services may also result in contamination.

In the event of contamination or injury resulting from such contamination, we could be subject to liabilities for any resulting damages to patients, product recalls, confiscation and/or destroy. We also could incur significant costs associated with civil or criminal fines and penalties for failure to comply with laws and regulations. In addition, contamination of our products could cause customers or other third parties with whom we conduct business to lose confidence in our products' quality and the reliability of our manufacturing procedures, which could adversely affect our sales and profits. In addition, contaminated products that are unknowingly distributed could result in harm on patients, threaten the reputation of our products and expose us to product liability claims, criminal charges and administrative sanctions.

Any failure to perform proper quality control and quality assurance would have a material adverse effect on our business and financial results.

Manufacturing of pharmaceutical products for commercial sale are subject to applicable laws, regulations and GMP requirements. These regulations and laws govern the manufacturing processes and procedures, such as record keeping, operating and implementing the quality management systems to control and assure the quality of investigational products and products approved for sale. We adopt stringent quality control standards at every stage of our manufacturing process not only to fulfil the legal requirements but to ensure a high-quality output. Apart, we perform extensive tests throughout the manufacturing processes to ensure the safety and effectiveness of our products. However, there can be no assurance that such standards or tests will be effective. We may, however, detect instances in which an unreleased product was produced without adherence to our manufacturing procedures or the raw material used in our manufacturing process was not collected to store in accordance with the GMP standards or other regulations, resulting in a determination that the implicated products should be destroyed. In addition, if we fail to comply with relevant quality control requirements under any laws or GMP, we could experience disruptions in manufacturing of our products, which could delay or prevent further sales of such products, and may result in material adverse effect on our business and financial results.

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Quality issues may also arise during the large volume manufacturing process. If we are unable to maintain the consistent and high-quality manufacturing of our products during large-volume manufacturing, the sales of our products may be unencouraged and interrupted. These could have a material adverse effect on our business and financial results.

Risks Relating to Commercialization of Our Drug Candidates

Some of our product candidates target rare and advanced cancers with small patient populations and/or limited natural survival. For certain indications, our addressable market and the population of eligible patients may be smaller than expected or may decline in the future. As a result, we face significant market, commercial, and operational risks that could adversely impact our business and financial prospects.

Our product candidates targeting rare and advanced cancers are designed to address conditions with inherently limited patient populations, which exposes us to significant market, commercial, and operational risks. The rarity of these indications means the addressable market for our therapies is relatively small, potentially limiting our ability to generate significant revenue and achieve profitability. Moreover, recent improvements in early cancer screening rates have resulted in more patients being diagnosed at earlier disease stages, particularly in indications such as hepatocellular carcinoma (HCC) and gastric cancer (GC). As a result, the relative number and future growth rate of late-stage patients could decline, which may reduce the addressable market and the population of eligible patients for our drug candidates.

A substantial portion of the target patient population may have undergone extensive prior treatments, leading to heightened cost sensitivity and reduced financial capacity to afford innovative therapies. This pretreated status may also result in skepticism or reluctance among patients and healthcare providers to adopt new therapeutic approaches, especially if there is limited clinical familiarity or perceived uncertainty regarding long-term benefits. Furthermore, the high cost of rare disease therapies may attract scrutiny from public and private payers, leading to reimbursement restrictions, stricter coverage criteria, or step therapy requirements, which could delay or limit patient access to our therapies and adversely impact our revenue potential.

The specialized nature of rare diseases also presents unique operational challenges. Identifying and enrolling eligible patients for clinical trials may be more time-consuming and costly due to the inherently small patient populations, potentially delaying development timelines and increasing expenses. Post-approval, the need for targeted education and outreach to healthcare providers and patients may require significant investments in specialized marketing and support programs, further straining our resources. Additionally, competition in rare disease markets is often intense, as other companies may develop therapies targeting the same or similar indications, potentially capturing market share if their products demonstrate superior efficacy, safety, or broader payer acceptance. Given our reliance on a single or limited number of indications for our core product candidates, any failure to achieve commercial success for these therapies could materially and adversely affect our business, financial condition, and growth prospects.

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If the market opportunities for our drug candidates are limited to those patients who are ineligible for or have failed prior treatments, the market could be small.

In markets with approved therapies, we may initially seek approval of our drug candidates as a later-stage therapy for patients who have failed other approved treatments. Subsequently, for those drugs that prove to be sufficiently beneficial, if any, we may seek approval as a first-line therapy, but there is no guarantee that our drug candidates, even if approved, would be approved for second-line or first-line therapy.

Our projections of both the number of people who have the cancers we are targeting, as well as the subset of people with these cancers in a position to receive later-stage therapy and who have the potential to benefit from treatment with our drug candidates, are based on our beliefs and estimates and may prove to be inaccurate or based on imprecise data. Similarly, our projections of both the number of people who have the autoimmune diseases we are targeting, as well as the subset of people with these autoimmune diseases that are in a position to receive treatment and who have the potential to benefit from treatment with our drug candidates, are also based on our beliefs and estimates and may prove to be inaccurate or based on imprecise data.

Further, new studies may change the estimated incidence or prevalence of these cancers and autoimmune diseases. The number of patients may turn out to be lower than expected. Additionally, the potentially addressable patient population for our drugs and drug candidates may be limited or may not be amenable to treatment with our drugs and drug candidates. Even if we obtain significant market share for our drug candidates, because the potential target populations are small, we may never achieve profitability without obtaining regulatory approval for additional indications, including use as a first- or second-line therapy.

Our drug candidates, once approved, may fail to achieve the degree of market acceptance by physicians, hospitals, patients, third-party payers and others in the medical community that would be necessary for their commercial success, and the actual market size of our drug candidates might be smaller than expected.

The commercial success of our drug candidates, upon regulatory approval, depends upon the degree of market acceptance each of such products achieves. Our drug candidates, once approved, may fail to gain sufficient market acceptance by physicians, patients, third-party payers and others in the medical community. In addition, physicians, patients and third-party payers may prefer other products to ours. If our drug candidates (once approved and upon commercialization) do not achieve an adequate level of acceptance, the sales of our future drug products will be adversely affected, and we may fail to effectively market our drug candidates (once approved and upon commercialization). The degree of market acceptance of our drug candidates, if approved for commercial sale, will depend on a number of factors, including, but not limited to:

- the clinical indications for which our drug candidates are approved;
- physicians, hospitals, medical treatment centers and patients considering our drug;
- efficacy and safety of our drug candidates;
- the potential and perceived advantages of our drug candidates over alternative treatments;

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- the prevalence and severity of any side effects;
- product labelling or product insert requirements of regulatory authorities;
- limitations or warnings contained in the labelling approved by regulatory authorities;
- the timing of market introduction of our drug candidates as well as competitive drugs;
- the cost of treatment in relation to alternative treatments;
- the availability of adequate coverage, reimbursement and pricing by third-party payers and government authorities;
- the willingness of patients to pay out-of-pocket in the absence of coverage and reimbursement by third-party payers and government authorities; and
- the effectiveness of our sales and marketing efforts.

Once approved, if any drug candidates that we commercialize fail to achieve market acceptance among physicians, patients, hospitals, medical treatment centers or others in the medical community, we will not be able to generate significant revenue. Even if our future approved drug candidates achieve market acceptance, we may not be able to maintain such market acceptance over time if new products or technologies are introduced that are more favorably received than our drug candidates, are more cost-effective or render our drug candidates 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.

Lack of third-party combination drugs may materially and adversely affect demand for our drugs.

Our drug candidates may be administered in combination with drugs of other pharmaceutical companies as one regimen. We may also use third-party drugs in our development and clinical trials as controls for our studies. As a result, both the results of our clinical trials and the sales of our drugs may be affected by the availability of these third-party drugs. We generally have no influence over the availability and pricing of such drugs. If other pharmaceutical companies discontinue these combination drugs, or if these drugs become prohibitively expensive, regimens that use these combination drugs may no longer be prescribed, and we may not be able to introduce or find an alternative drug to be used in combination with our drugs in a timely manner and on commercially reasonable terms, or at all. As a result, demand for our drugs may be lowered, which would in turn materially and adversely affect our business, financial condition, results of operations and prospects.

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Counterfeit biopharmaceutical products and the illegal and/or parallel import of competing drugs may reduce demand for our drug candidates and compromise reputation, which could adversely affect our business.

The illegal importation of similar or competing products from countries where government price controls or other market dynamics result in lower prices may adversely affect the demand for our future approved drug candidates and, in turn, may adversely affect our sales and profitability in the PRC and other countries where we commercialize our products. Unauthorized foreign imports of prescription drugs are illegal under the current laws of the PRC. However, illegal imports have occurred and 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 into higher-priced markets, which are known as parallel imports, could harm sales of our future drug products and exert commercial pressure on pricing within one or more markets. In addition, competent government authorities may expand consumers' ability to import lower-priced biosimilar products of our future approved products or competing products from outside China or other countries in which we operate, conduct our clinical trials and perform our contractual obligations. Any future legislation or regulations that increase consumer access to lower priced drugs from outside China or other countries in which we operate, conduct our clinical trials and perform our contractual obligations could have a material adverse effect on our business.

Certain drug products distributed or sold may be manufactured without proper licenses or approvals or be fraudulently mislabeled with respect to their contents or manufacturers. These products are generally referred to as counterfeit pharmaceutical products. Relevant governmental authorities may be unable to timely prevent counterfeit pharmaceutical products imitating our products. As counterfeit pharmaceutical products in many cases resemble the authentic pharmaceutical products, yet are generally sold at lower prices, any counterfeiting of our products could reduce the demand for our future approved drug candidates.

Counterfeit pharmaceutical products are unlikely to meet our or our collaborators' rigorous manufacturing and testing standards, and may even cause health damage to patients. Our reputation and business could suffer harm as a result of counterfeit pharmaceutical products.

Risks Relating to Our Intellectual Property Rights

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

The China National Intellectual Property Administration (the "CNIPA") and various governmental patent agencies require compliance with a number of procedural, documentary, fee payment, and other similar provisions during the patent application process. For instance, periodic maintenance fees on any issued patent are due to be paid to the CNIPA and other patent agencies in several stages over the lifetime of the patent. 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, 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. Such non-compliance events may include failure to respond to official actions within prescribed time limits, non-payment of

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fees, and failure to properly legalize and submit formal documents. In addition, under the PRC patent law, any organization or individual that applies for a patent in a foreign country for an invention or utility model accomplished in China is required to report to the CNIPA for confidentiality examination; otherwise the patent right will not be granted, if an application is later filed in China.

Issued patents covering one or more of our drug candidates or technologies could be found invalid or unenforceable if challenged in court.

Competitors may infringe our patent rights or misappropriate or otherwise violate our intellectual property rights. To counter infringement or unauthorized use, litigation may be necessary in the future to enforce or defend our intellectual property rights, to protect our trade secrets or to determine the validity and scope of our own intellectual property rights or the proprietary rights of others. This can be expensive and time consuming. Any claims that we assert against perceived infringers could also provoke these parties to assert counterclaims against us alleging that we infringe their intellectual property rights. Many of our current and potential competitors have the ability to dedicate substantially greater resources to enforce and/or defend their intellectual property rights than we can. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. An adverse result in any litigation proceeding could put our patents, as well as any patents that may issue in the future from our pending patent applications, at risk of being invalidated, held unenforceable or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, some of our confidential information could be compromised by disclosure during this type of litigation.

Defendant counterclaims alleging invalidity or unenforceability are commonplace, a third party can assert invalidity or unenforceability of a patent on numerous grounds. Third parties may also raise similar claims before administrative bodies in China or abroad, even outside the context of litigation. Such proceedings could result in revocation or amendment to our patents in such a way that they no longer cover and protect our products or product candidates. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity of our patents, for example, we, our patent counsel, and the patent examiner could be unaware of invalidating prior art during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our products or product candidates. Such a loss of patent protection could have a material adverse impact on our business.

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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.

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 in-licensed 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 promulgated in October 2020 introduces 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.

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In addition, some of our patents and patent applications are, and 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.

Our owned patents and other intellectual property may be subject to further priority disputes or to inventorship disputes and similar proceedings, and we or our collaboration partners may be unsuccessful in any of these proceedings, therefore requiring us to obtain licenses from third parties that may not be available on commercially reasonable terms or at all, or to cease the development, manufacturing and commercialization of one or more of the drug candidates we may develop.

We or our collaboration partners may be subject to claims that former employees, collaboration partners or other third parties have an interest in our owned patents or other intellectual property. If we or our collaboration partners are unsuccessful in any interference proceedings or other priority or validity disputes to which we or they are subject, we may lose valuable intellectual property rights, such as loss of one or more patents or exclusive ownership, or our patent claims' being narrowed, invalidated, or held unenforceable. As a result, we may be required to obtain and maintain licenses from third parties, including parties involved in any such interference proceedings or other priority or inventorship disputes, in order to continue the development, manufacture and commercialization of one or more of our product candidates. However, such licenses may not be available on commercially reasonable terms or at all, or may be non-exclusive. Even if we are successful in an interference proceeding or other similar priority or inventorship disputes, it could result in substantial costs and be a distraction to our management and other employees.

Claims that our product candidates or the sale, distribution or use of our future products infringes, misappropriates or otherwise violates the patent or other intellectual rights of third parties could result in costly litigation, the outcome of which would be uncertain, or could require substantial time and money to resolve, even if litigation is avoided.

Our commercial success depends upon our ability to develop, manufacture, market and sell our product candidates without infringing, misappropriating or otherwise violating the intellectual property rights of others. The pharmaceutical industry is characterized by extensive litigation regarding patents and other intellectual property rights. We cannot guarantee that our product candidates or any sales, distributions or uses of our product candidates do not and will not in the future infringe or otherwise violate third-party patents or other intellectual property rights. It is also possible that we failed to identify, or may in the future fail to identify, relevant patents or patent applications held by third parties that cover our product candidates. Additionally, pending patent applications which have been published can, subject to certain limitations, be later amended in a manner that could cover our products or their use.

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Third parties might allege that we are infringing their patent rights or that we have misappropriated their trade secrets, or that we are otherwise violating their intellectual property rights, whether with respect to the manner in which we have conducted our research, use or manufacture of the product candidates we have developed or are developing. Such third parties might resort to litigation against us or other parties we have agreed to indemnify, which litigation could be based on either existing intellectual property or intellectual property that arises in the future. We have noticed that some third-party U.S. patents might overlap with our Core Product. In the unlikely hypothetical worst-case scenario that such patent infringement claims against us do arise, the court subsequently rules against us and we also lose all the subsequent appeal regarding the infringement claims (“**Hypothetical Worst-case Scenario**”), we may not be able to commercialize the LBL-024 product in the U.S. for certain indications in certain years unless and until we obtain a license under the applicable patents or such patents expire. Any such license arrangement may require us to pay royalties and other fees to the third parties. We may not be able to obtain a license from third parties, or the terms of the license may not be commercially viable. Such Hypothetical Worst-case Scenario could further expose us to diversion of our resources and our management’s attention. See “Business — Intellectual Property” for more information.

Parties making infringement, misappropriation, or other intellectual property claims against us may obtain injunctive or other equitable relief, which could block our ability to further develop and commercialize one or more of our product candidates. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of management and employee resources from our business. In addition, even if we believe any third-party intellectual property claims are without merit, there is no assurance that a court would find in our favor on questions of validity, enforceability, priority, or non-infringement. A court of competent jurisdiction could hold that such third-party patents are valid, enforceable, and infringed, which could materially and adversely affect our ability to commercialize any of our products or technologies covered by the asserted third-party patents.

In order to avoid or settle potential claims with respect to any patent or other intellectual property rights of third parties, we may choose or be required to seek a license from a third party and be required to pay license fees or royalties or both, which could be substantial. These licenses may not be available on acceptable terms, or at all. Even if we were able to obtain a license, the rights may be non-exclusive, which could result in our competitors gaining access to the same intellectual property, and it could require us to make substantial licensing and royalty payments. Ultimately, we could be prevented from commercializing future approved products, or be forced, by court order or otherwise, to cease some or all aspects of our business operations, if, as a result of actual or threatened patent or other intellectual property claims, we are unable to enter into licenses on acceptable terms. Further, we could be found liable for significant monetary damages as a result of claims of intellectual property infringement, including treble damages and attorneys’ fees if we are found to willfully infringe a third party’s patent.

Defending against claims of patent infringement, misappropriation of trade secrets or other violations of intellectual property rights could be costly and time consuming, regardless of the outcome. Thus, even if we were to ultimately prevail, or to settle at an early stage, such litigation could burden us with substantial unanticipated adverse impacts on our business.

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Changes in patent and other intellectual property laws of China, the U.S. or other jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our drug candidates and future drugs.

As is the case with other pharmaceutical companies, our success is heavily dependent on obtaining, maintaining, enforcing and defending intellectual property, particularly patents. Obtaining and enforcing patents in the pharmaceutical industry involves technological and legal complexity, and obtaining and enforcing pharmaceutical patents is costly, time-consuming and inherently uncertain. Changes in either the patent laws or their interpretation in China, the U.S. or other jurisdictions may increase the uncertainties and costs surrounding 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 value of our intellectual property or narrow the scope of our patent rights.

In China, intellectual property laws are constantly evolving, with efforts being made to improve intellectual property protection in China. For example, the fourth Amendments to the PRC Patent Law was put into effect on June 1, 2021, provides a patent term extension and patent term adjustment. Patent term extension of up to five years is available to invention patents claiming new drugs, to compensate for the time occupied by review and approval for marketing the new drugs. Patent term adjustment is available to all invention patents. The third Amendments to Implementing Rules of the Patent Law of the People's Republic of China put into effect on January 20, 2024, and stipulated detailed implementation rules for patent term extension and adjustment, including for example, the eligible type of patents, requirements for the application for patent term extension and adjustment, how to calculate the extension, and limitations during the extended patent term. As a result, patents owned by third parties eligible for submitting applications for a patent term extension or adjustment may be extended, which may in turn affect our ability to commercialize our drug candidates without facing infringement risks. If we are required to delay commercialization for an extended period of time, technological advances may develop and new products may be launched, which may in turn render our drug candidates non-competitive. We cannot guarantee that any other future changes to PRC intellectual property laws would not have a negative impact on our intellectual property protection.

Under the America Invents Act, enacted in 2011, the U.S. moved to First Inventor to File system under which the first to make the claimed invention was entitled to the patent. Assuming the other requirements for patentability are met, the first to file a patent application is entitled to the patent. Publications of discoveries in the scientific literatures often lag behind the actual discoveries, and patent applications in the U.S. and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot be certain that we were the first to make the inventions claimed in our patents or pending patent applications, or that we were the first to file for patent protection of such inventions.

In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents once obtained, if any. Depending on decisions by the U.S. Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that could weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. There could be similar changes in the laws of foreign jurisdictions that may impact the value of our patent rights or our other intellectual property rights. Any of the foregoing 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 condition, results of operations and prospects.

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If we are unable to protect the confidentiality of our trade secrets and confidential information, our business and competitive position would be harmed. We may be subject to claims that our employees, consultants or advisers have wrongfully used or disclosed alleged trade secrets of their former employers, and we may be subject to claims asserting ownership of what we regard as our own intellectual property.

In addition to our issued patent and pending patent applications, we rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position and to protect our drug candidates. We seek to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements or including such undertakings in agreements with parties that have access to them, such as our employees, corporate partners, outside scientific partners, sponsored researchers, contract manufacturers, consultants, advisors and other third parties. We cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary technology and processes. Despite our efforts, any of these parties may breach such agreements and disclose our proprietary information, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time consuming, and the outcome is unpredictable. If any of our trade secrets were lawfully obtained or independently developed by a competitor, 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, certain of our employees were previously employed at other pharmaceutical companies, including our competitors or potential competitors. Some of these employees might have executed proprietary rights, non-disclosure and non-competition agreements in connection with such previous employment. Although we try to ensure that our employees do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these employees or consultants have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individuals' former employer. We are not aware of any material threatened or pending claims related to these matters or concerning our senior management, but in the future litigation may be necessary to defend against such claims. 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 management.

In addition, while we typically require our employees involved in the 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. The assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, 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.

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

We currently own issued trademark registrations and have trademark applications pending, any of which may be the subject of a governmental or third-party objection, which could prevent the registration or maintenance of the same. We cannot assure you that any currently pending trademark applications or any trademark applications we may file in the future will be approved. During trademark registration proceedings, we may receive rejections and although we are given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in proceedings before the USPTO and in proceedings before comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceeding may be filed against our trademarks and our trademarks may not survive such proceedings. If we are unsuccessful in obtaining trademark protection for our primary brands, we may be required to change our brand names, which could materially adversely affect our business. Moreover, as our drug candidates mature in the future, upon regulatory approval, our reliance on our trademarks to differentiate us from our competitors will increase, and as a result, if we are unable to prevent third parties from adopting, registering or using trademarks and trade dress that infringe, dilute or otherwise violate our trademark rights, or engaging in conduct that constitutes unfair competition, defamation or other violation of our rights, our business could be materially adversely affected.

Our trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may be unsuccessful 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 or other third parties may adopt trade names or trademarks similar to ours, and impede 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. Any of the foregoing could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

We may from time to time be involved in legal proceedings and disputes to protect or enforce our intellectual property rights, or defend 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 third parties, if any) could be challenged 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. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be

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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.

Even if we establish infringement, the court may decide not to grant an injunction against further infringing activity and instead award only monetary damages, which may not be an adequate remedy. Enforcing our intellectual property rights against third parties may also cause such third parties to file other counterclaims against us, which could be costly to defend and could require us to pay substantial damages. In addition, if the breadth or strength of protection provided by our patents and other intellectual property rights is threatened, it could dissuade companies from collaborating with us to license, develop, or commercialize our current or future drug candidates. Any loss of intellectual property protection could have a material adverse impact on one or more of our drug candidates and our business.

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. 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 H Shares. There is no assurance that our drug candidates will not be subject to the same risks.

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

We are primarily focused on protecting our intellectual property rights in our target markets, being China and the United States. As of the Latest Practicable Date, we owned (i) seven issued patents in China, (ii) six issued patents in the U.S., (iii) nine issued patents in other jurisdictions, and (iv) 61 pending patent applications, including 25 in China, four in the U.S., 16 under the PCT which have not entered into national phases, and 16 in other jurisdictions. Filing, prosecuting, maintaining and defending patents on drug candidates in all other countries throughout the world could be prohibitively expensive for us. Our intellectual property rights in other countries can have a different scope and strength compared to those in our target markets. In addition, the laws of certain countries do not protect intellectual property rights to the same extent as the laws of our target markets. Consequently, we may not be able to prevent third parties from using our inventions in all countries outside our target markets, or from selling or importing drugs made using our inventions in and into our target markets or other 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 jurisdictions where we have patent protection, but where enforcement rights are not as strong as those in markets such as the United States. 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.

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Proceedings to enforce our intellectual property and proprietary rights 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 the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

China, the United States, and other countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, countries such as the United States limit the enforceability of patents against government agencies or government contractors. In China and the United States, the patent owner may have limited remedies, which could materially diminish the value of such patent. If we, co-owners of our patents and patent applications, or licensors are forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired, and our business, financial condition, results of operations, and prospects may be adversely affected.

As a result, we may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful. Patent rights relating to our drug candidates could be found invalid or unenforceable if challenged in court or before the USPTO, or CNIPA, or another comparable authority.

Intellectual property rights do not necessarily protect us from all potential threats.

As intellectual property rights have limitations, they do not necessarily protect us from all potential threats in our competition with other biotech companies. Some of such limitations include:

- others may be able to manufacture drugs that are similar to our drug candidates or apply similar technology that is not covered by the patents we own or in-license, now or in the future;
- others may independently develop similar drugs through methods or means that do not technically infringe, misappropriate or otherwise violate our intellectual property rights, particularly if the scope of protection afforded by our intellectual property rights is limited by the laws and regulations of certain jurisdictions or pursuant to court judgments or other legal proceedings;
- we might not have been the first to file patent applications covering certain of our inventions;
- it is possible that our pending in-licensed patent applications or those that we may own in the future will not lead to issued patents;

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- we may not develop additional proprietary technologies that are patentable;
- we may choose not to file a patent for certain trade secrets or know-how, and a third party may subsequently file a patent covering such intellectual property;
- our patents may be rendered invalid or unenforceable as a result of legal challenges by our competitors; and
- our competitors might conduct research and development activities in countries where we do not have patent rights and use the information learned to develop competitive drugs for sale in our major markets.

Risks Relating to Our Reliance on Third Parties

We work with various third parties to develop our drug candidates, such as those who help us conduct our preclinical studies and clinical trials. 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 harmed.

We have worked with and plan to continue to work with third-party collaborators, such as CROs, to assist in the execution of our pre-clinical studies and clinical trials. We control only certain aspects of their activities and we cannot ensure that these collaborators will adequately and timely perform all of their obligations to us. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards, and our collaboration with the CROs does not relieve us of our regulatory responsibilities. We, our CROs for our clinical programs and our clinical investigators are required to comply with GCP, which are regulations and guidelines enforced by the NMPA, FDA and other comparable regulatory authorities for all of our drug candidates in clinical development. If we or any of our CROs or clinical investigators fail to comply with applicable GCP, the clinical data generated in our clinical trials may be deemed unreliable and the NMPA, FDA or comparable regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. Our failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process.

If any of our relationships with these CROs terminate, we may not be able to enter into arrangements with alternative CROs or to do so on commercially reasonable terms. In addition, our CROs are not our employees, and except for remedies available to us under our agreements with such CROs, we cannot control whether or not they devote sufficient time and resources to our ongoing pre-clinical studies, and clinical and non-clinical programs. If CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they or our clinical investigators obtain is compromised due to failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated and we may not be able to obtain regulatory approval for or successfully commercialize our drug candidates. As a result, our results of operations and the commercial prospects for our drug candidates would be harmed, our costs could increase and our ability to generate revenues could be delayed.

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Switching or adding additional CROs involves additional cost and delays, which can materially influence 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.

Furthermore, we will rely on third parties to perform certain specification tests on our drug candidates prior to delivery to patients. If these tests are not appropriately done and test data are not reliable, patients could be put at risk of serious harm and regulatory authorities could place significant restrictions on our Company until deficiencies are remedied or related actions are taken.

We engage third parties and may rely on those to manufacture our drug products for clinical development and commercial sales. If these third-party manufacturers fail to deliver sufficient quantities of product or fail to do so at acceptable quality levels or prices, our business could be harmed.

We expect to rely on third parties to manufacture most of our drug candidates. Our anticipated reliance on contract manufacturers exposes us to certain risks, such as:

- we or our licensees may be unable to identify manufacturers on acceptable terms or at all because the number of potential manufacturers is limited and the NMPA, FDA or other comparable regulatory authorities must approve any manufacturers as part of their regulatory oversight of our drug candidates. This approval would require new testing and GMP-compliance inspections by the NMPA, FDA or other comparable regulatory authorities. In addition, a new manufacturer would have to be educated in, or develop substantially equivalent processes for, production of our drugs;
- the contract manufacturers may have little or no experience with manufacturing our drug candidates, and therefore may require a significant amount of support from us or our licensees in order to implement and maintain the infrastructure and processes required to manufacture our drug candidates;
- the contract manufacturers may have limited capacity or limited manufacturing slots, which may affect the timeline for the production of our drugs;
- the contract manufacturers might be unable to timely manufacture our drug candidates or produce the quantity and quality required to meet our clinical and commercial needs, if any;
- the contract manufacturers may not be able to execute our or our licensees' manufacturing procedures and other logistical support requirements appropriately;
- our or our licensees' future contract manufacturers may not perform as agreed, may not devote sufficient resources to our drugs, or may not remain in the contract manufacturing business for the time required to supply our clinical trials or to successfully produce, store and distribute our drugs;

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- the contract manufacturers are subject to ongoing periodic unannounced inspections by the NMPA and the FDA to ensure strict compliance with GMP and other government regulations in the PRC and the United States, respectively, and by other comparable regulatory authorities for corresponding regulatory requirements. We or our licensees do not have control over contract manufacturers' compliance with these regulations and requirements;
- we may not own, or may have to share, the intellectual property rights to any improvements made by contract manufacturers in the manufacturing process for our drugs;
- the contract manufacturers could breach or terminate their agreements with us or our licensees;
- the contract manufacturers may be unable to sustain their business and become bankrupt as a result;
- raw materials and components used in the manufacturing process, particularly those for which we or licensees have no other source or supplier, may not be available or may not be suitable or acceptable for use due to material or component defects;
- products and components from our or our licensees' contract manufacturers may be subject to additional customs and import charges, which may cause us to incur delays or additional costs as a result;
- the contract manufacturers and critical reagent suppliers may be subject to inclement weather, as well as natural or man-made disasters; and
- the contract manufacturers may have unacceptable or inconsistent product quality success rates and yields.

Each of these risks could delay or prevent the completion of our clinical trials or the approval of any of our drug candidates by the NMPA, FDA or other comparable regulatory authorities, result in higher costs or adversely impact the commercialization of our drug candidates.

We have a limited number of suppliers for major purchases during the Track Record Period and the loss of one or more key suppliers could disrupt our operations.

During the Track Record Period, our major purchases were fees paid to CDMOs, CROs, and research and medical institutions we engaged to manage, conduct and/or support our pre-clinical research and clinical trials. Our purchases from our five largest suppliers in each year/period during the Track Record Period in the aggregate accounted for 34.6%, 26.0% and 33.5% of our total purchases during the same year/period, respectively. We expect to continue our purchases from these suppliers as we fund the continuing research and development activities of our Core Product and other drug candidates in our pipeline. We believe that we have long and stable relationships with our existing large third-party suppliers. However, the stability of operations and

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business strategies of our suppliers are beyond our control, and we cannot assure you that we will be able to secure a stable relationship and high-quality outsourced services with our large suppliers. If any of our large suppliers terminates its business relationship with us, we may encounter difficulty in finding a replacement that can provide services of equal quality at a similar price. If this occurs, our operations may be significantly disrupted.

We depend on a stable and adequate supply of quality raw materials, including consumables, devices and equipment from our suppliers, and price increases or interruptions of such supply could have an adverse impact on our business.

During our business operations, we require a substantial amount of raw materials and consumables, such as culture media, filters and stirring bags. For the years ended December 31, 2023 and 2024 and the three months ended March 31, 2024 and 2025, our costs of materials and consumables in our research and development expenses were RMB14.8 million, RMB12.3 million, RMB1.4 million and RMB2.6 million, respectively. In the event of significant price increases for raw materials, consumables and equipment, we cannot assure you that we will be able to raise the prices of our drug candidates upon commercialization sufficiently to cover such increased costs. As a result, our profitability could be adversely affected.

Although we believe that we have stable relationships with our existing suppliers, we cannot assure you that we will be able to secure a stable supply of raw materials, consumables and research and development services going forward. Our suppliers may not be able to keep up with our fast growth or may reduce or cease their supply of raw materials to us at any time. In addition, we cannot assure you that our suppliers have obtained and will be able to renew all licenses, permits and approvals necessary for their operations or comply with all applicable laws and regulations, and failure to do so by them may lead to interruption in their business operation, which in turn may result in shortage of raw materials, consumables and services provided to us. Some of our suppliers are based overseas and therefore may need to maintain export or import licenses. If the supply of these raw materials, consumables and services is interrupted, our business operation and financial position may be adversely affected.

Our relationships with certain principal investigators, KOLs and leading hospitals may affect the clinical development and future marketing of our products.

Our relationships with principal investigators, KOLs, and leading hospitals play an important role in our R&D and marketing activities. We implement a clinical demand-oriented and highly responsive R&D strategy by establishing extensive interaction channels with principal investigators, KOLs, leading hospitals to gain first-hand knowledge of clinical needs and clinical practice trends, which is critical to our ability to develop new market-responsive drugs and improve our existing drug candidates. We are committed to enhancing our collaborations with KOLs, top hospitals and academic institutions, in China and globally, to ensure our timely access to cutting-edge research and support our existing and future pipeline. See also “Business — Commercialization.”

However, we cannot assure you that we will be able to maintain or strengthen our clinical collaborations and relationships with principal investigators, KOLs and leading hospitals, or that our efforts to maintain or strengthen such relationships will yield the successful development and marketing of new products. These industry participants may leave their roles, change their business

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or practice focus, choose to no longer cooperate with us or cooperate with our competitors instead. Even if they continue to cooperate with us, their market insights and perceptions, which we take into account in our R&D process, may be inaccurate and lead us to develop drugs that do not have significant market potential. Even if their insights and perceptions are correct, we may fail to develop commercially viable drugs. If we are unable to develop new drugs or generate returns from our relationships with industry participants as anticipated, or at all, our business, financial condition and results of operations may be materially and adversely affected.

Our Directors, employees, principal investigators, consultants, commercial partners and independent contractors may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements, and insider trading, which could harm our reputation and subject us to penalties and significant expenses that have a material and adverse effect on our business, financial condition and results of operations.

Despite our compliance program, which includes internal controls and third-party compliance training, we are exposed to the risk of employee fraud or other misconduct or failure to comply with applicable regulatory requirements. Misconduct by employees and independent contractors, such as principal investigators, consultants, commercial partners, and vendors, could include failures to comply with regulations of the NMPA, FDA or other regulatory authorities, to provide accurate information to such regulators, to comply with manufacturing standards we have established, to comply with healthcare fraud and abuse laws, to report financial information or data accurately or to disclose unauthorized activities to us. In particular, sales, marketing and other business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of business activities, including, but not limited to, research, manufacturing, distribution, pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee and independent contractor misconduct could also involve the improper use of individually identifiable information, including, without limitation, information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation.

It is not always possible to identify and deter employee and independent contractor misconduct, and any precautions we take to detect and prevent improper activities may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws. If any such actions are instituted against us, those actions could have a significant impact on our business, including the imposition of significant civil, criminal and administrative penalties, damages, monetary fines, disgorgement of profits, imprisonment, possible exclusion from participation in government healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, additional reporting or oversight obligations if we become subject to a corporate integrity agreement or other agreement to resolve allegations of noncompliance with the law and curtailment or restructuring of our operations, any of which could adversely affect our ability to operate.

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

We historically incurred net liabilities, net current liabilities and net operating cash outflows, which may continue into the foreseeable future and expose us to liquidity risk.

We recorded net liabilities of RMB948.8 million as of December 31, 2023 and net assets of RMB265.6 million and RMB192.7 million as of December 31, 2024 and March 31, 2025, respectively. Additionally, we recorded net current liabilities of RMB1,027.4 million as of December 31, 2023, and net current assets of RMB198.0 million, RMB124.5 million and RMB86.8 million as of December 31, 2024, March 31 and May 31, 2025, respectively. We have transitioned from net liabilities and net current liabilities positions to net assets and net current assets positions during the Track Record Period, primarily due to a substantial decrease in redemption liabilities on equity shares, as our Pre-IPO Investors' redemption rights had been terminated in partial pursuant to certain supplemental agreements in 2024, such liabilities were consequently reclassified into equity and we ceased recording any redemption liabilities on equity shares thereafter. While we believe we have sufficient working capital to fund our current operations, we may have net liabilities and/or net current liabilities for the foreseeable future. A net liabilities and/or net current liabilities position can expose us to liquidity and financial risks. This in turn could require us to seek financing from external sources such as debt issuance and bank borrowings, which may not be available on terms favorably or commercially reasonable to us, or at all. See also “— Key Risks Relating to Our Business, Business Operations, Intellectual Property Rights and Financial Prospects — Historically, we have been funding our operations primarily through equity financing, payments received under our collaboration and licensing arrangements and debt financing. We will need to obtain additional financing to fund our operations, and if we are unable to obtain sufficient financing on terms acceptable to us or at all, we may be unable to complete the development and commercialization of our drug candidates.”

Our net cash used in operating activities was RMB192.7 million, RMB118.8 million, RMB36.9 million and RMB26.4 million in 2023, 2024 and the three months ended March 31, 2024 and 2025, respectively, primarily used for funding research and development activities for our drug candidates, administrative expenses and other recurring expenses. See also “Financial Information — Liquidity and Capital Resources.” 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 have indebtedness and may incur additional indebtedness in the future, which may materially and adversely affect our financial condition and results of operations.

We maintained certain borrowings to finance our operations during the Track Record Period. We had interest-bearing bank borrowings of RMB61.0 million, RMB255.2 million, RMB255.2 million and RMB189.3 million as of December 31, 2023 and 2024, March 31 and May 31, 2025,

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respectively. See “Financial Information — Indebtedness — Interest-Bearing Bank Borrowings.” We may incur additional indebtedness in the future, and may not be able to generate sufficient cash to satisfy our existing and future debt obligations.

Our indebtedness could have a material adverse effect on us by, among others, increasing our vulnerability to adverse developments in general economic or industry conditions, such as significant increases in interest rates, and limiting our flexibility in making changes in our business and operations. Our borrowings may subject us to certain restrictive covenants which may restrict or otherwise adversely affect our operations. These covenants may restrict our ability to, among others, incur additional debt, provide loans or guarantees, provide security and quasi-security, incur liens, dispose of material assets through sale, lease or other methods, pay dividends or distributions on certain of our subsidiaries’ capital stock, repay or transfer certain indebtedness, reduce registered capital, make investments and acquisitions, establish joint ventures, conduct mergers, consolidation and other change-of-control transactions, and file for bankruptcy or dissolution. In addition, some of the loans may have restrictive covenants linked to our financial performance, such as maintaining a prescribed maximum debt-to-asset ratio or minimum profitability levels during the term of the loans.

We have historically received government grants, subsidies and other preferential policies for our R&D and other activities and enjoyed preferential tax treatment during the Track Record Period. Expiration of, or changes to, these incentives or policies or our failure to satisfy any condition for these incentives would have an adverse effect on our results of operations.

We have historically benefited from government grants, subsidies and other preferential policies as incentives for our R&D and other activities. We recorded government grants of RMB4.1 million, RMB8.0 million, RMB0.2 million and RMB0.2 million in 2023, 2024 and the three months ended March 31, 2024 and 2025, respectively. Please refer to the paragraphs headed “Financial Information — Description of Selected Components of Consolidated Statements of Loss and Other Comprehensive Expense — Other Income and Gains” in this prospectus for further details. Going forward, our government grants may vary from period to period and our entitlement to the preferential treatment may expire or be terminated. As a result, our results of operations may be affected. Our eligibility for government grants and the preferential income tax treatment is dependent on a variety of factors, including the assessment of our improvement on existing technologies, relevant government policies, the availability of funding at different granting authorities and the research and development progress made by other peer companies. The government grants and preferential income tax treatment are subject to the discretion of the central government or relevant local government authorities, which could determine whether to eliminate, suspend or reduce these financial incentives or our eligibility for the preferential income tax treatment, generally with prospective effect. Since our receipt of the government grants and eligibility for the preferential income tax treatment are subject to periodic time lags, as long as we continue to receive these government grants and enjoy the preferential income tax treatment, our net income in a particular period may be higher or lower relative to other periods depending on the potential changes in these government grants or preferential income tax policies 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, receive similar level of government grants, or at all, or be eligible to enjoy the preferential income tax treatment in the future. The discontinuation of government grants, subsidies and our eligibility for the preferential income tax treatment currently available to us could have a material adverse effect on our business, financial condition and results of operations.

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We are subject to credit risks arising from prepayments, deposits and other receivables, and the impairment of these items may affect our business operations.

As of December 31, 2023 and 2024, and March 31, 2025, we had prepayments, deposits and other receivables of RMB38.7 million, RMB83.2 million and RMB90.5 million, respectively, which primarily consisted of (i) prepayments for research and development services, representing prepayments to service providers for our preclinical and clinical studies, (ii) value-added tax recoverable, (iii) deferred listing expense, (iv) rental and other deposits, (v) prepayments for other expense, mainly in relation to certain short-term software licenses and other miscellaneous expenses, and (vi) prepayments for long-term assets, associated with purchase of equipment. There is no guarantee that related parties, suppliers and other third parties will perform their obligations in a timely manner, and we are subject to credit risk in relation to prepayments, deposits and other receivables. We may be exposed to credit risk with our counterparties and may not be able to collect all of such receivables due to a variety of factors that are outside of our control. We make allowance for impairment of prepayments, deposits and other receivables when we determine the chances of recovering the relevant amounts due are remote. If the relationship between us and any of our counterparties is terminated or deteriorated, or if our counterparties experience financial or operational difficulties, the recoverability of our receives may be negatively affected, which may have a material and adverse effect on our business, financial condition and results of operations.

We conduct assessments on the recoverability of prepayments, deposits and other receivables based on, among others, our historical settlement records, our relationship with relevant counterparties, payment terms, economic trends and, to a certain extent, the larger economic and regulatory environment, which involve the use of various judgments, assumptions and estimates by our management. As our management's estimates and related assumptions were made in accordance with information available to us at the time the allowance was determined, there is no assurance that our expectations or estimates will remain accurate for the future. If we are not able to recover the amount as scheduled, we may need to make allowance for impairment of prepayments, deposits and other receivables and our business, financial condition and results of operations may be materially and adversely affected.

Our financial performance and results of operations may be adversely affected by fair value changes of our financial assets at FVTPL.

As of December 31, 2023 and 2024, and March 31, 2025, we recorded financial assets at FVTPL of RMB100.1 million, RMB166.2 million and RMB75.1 million, respectively. Our financial assets at FVTPL represented investments in structured deposits and wealth management products. As these wealth management products were not traded in active market, their fair values were determined based on the expected rate of return on our investment. The valuation involves the exercise of professional judgment and the use of certain bases, assumptions and unobservable inputs. For more details about the fair value estimation, please see Note 7 to the Accountants' Report in Appendix I to this prospectus. As a result, such treatment of carrying amounts of our financial assets measured at FVTPL may cause significant volatility in or materially and adversely affect our period-to-period earnings, financial condition and results of operations.

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

We have established share incentive platforms for the benefit of our employees and consultants as remuneration for their services provided to us and to incentivize and reward the

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eligible persons who have contributed to the success of our Company. For further details, see “History, Development and Corporate Structure — Pre-IPO Share Incentive Plan” and “Appendix VI — Statutory and General Information — C. Further Information about Our Directors, Supervisors and Substantial Shareholders — 4. Pre-IPO Share Incentive Plan.” We recorded share-based compensation expenses of RMB17.8 million, RMB41.9 million, RMB3.1 million and RMB2.3 million in 2023, 2024 and the three months ended March 31, 2024 and 2025, respectively.

To further incentivize our employees, we may incur additional share-based payment expenses in the future. Expenses incurred with respect to such share-based payments may also increase our operating expenses and therefore have a negative effect on our financial performance. Issuance of additional H Shares with respect to such share-based payments may dilute the shareholding of our Shareholders and could result in a decline in the value of our H Shares.

Fluctuations in exchange rates of the Renminbi could result in foreign currency exchange losses.

Certain of our cash and cash equivalents are denominated in foreign currencies. Therefore, we are exposed to foreign currency risk. The proceeds from the Global Offering will be received in HKD. As a result, any appreciation of RMB against USD, HKD or any other foreign currencies may result in the decrease in the value of our proceeds from the Global Offering. The exchange rate of RMB against HKD and other foreign currencies is affected by, among other things, the policies of the PRC Government and changes in China’s and international political and economic conditions, as well as supply and demand in the local market. It is difficult to predict how market forces or government policies may impact the exchange rate between RMB, USD, HKD or other currencies in the future. There remains significant international pressure on the PRC Government to adopt a more flexible currency policy, which, together with domestic policy considerations, could result in a significant appreciation of RMB against USD, HKD or other foreign currencies.

In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. Any 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, our H Shares in foreign currency terms.

OTHER RISKS RELATING TO OUR OPERATIONS

The loss of any key members of our senior management team or our inability to attract and retain highly skilled scientists, clinical and sales personnel could delay or prevent the successful development of our drug candidates and result to a material and adverse effect on our business and results of operations.

As a biotechnology company, our success is highly dependent on the expertise, leadership and vision of a limited number of key research and development personnel, in particular our co-founders and executive Directors, Dr. Kang Xiaoqiang and Dr. Lai Shoupeng. Both Dr. Kang and Dr. Lai have played, and are expected to continue to play, pivotal roles in shaping our research and development strategies, driving scientific innovation and overseeing the execution of our core business initiatives. Their deep industry knowledge, technical expertise and extensive experience have been instrumental to our achievements during the Track Record Period, and we expect their continued involvement to be critical to our future prospects. See “Directors and Senior Management” for more details of our senior management.

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Recruiting and retaining qualified scientific, technical, clinical, sales and marketing personnel in the future will also be critical to our success. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our discovery, clinical development and commercialization strategy. To retain valuable employees, in addition to salary and cash incentives, we have provided share incentives that vest over time. The value to employees of these equity grants that vest over time may be significantly affected by movements in the market price of our H Shares that are beyond our control and may, at any time, be insufficient to counteract more lucrative offers from other companies. The loss of the services of our executive officers or other key employees and consultants could impede the achievement of our research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy.

Although we have not historically experienced unique difficulties attracting and retaining qualified employees, we could experience such problems in the future. Competition for qualified employees in the pharmaceutical industry is intense and the pool of qualified candidates is limited. We may not be able to retain the services of, or attract and retain, experienced senior management or key scientific and clinical personnel in the future. The departure of one or more of our senior management or key scientific and clinical personnel, regardless of whether or not they join a competitor or form a competing company, may subject us to risks relating to replacing them in a timely manner or at all, which may disrupt our drug development progress and have a material and adverse effect on our business and results of operations.

Furthermore, replacing executive officers, key employees or consultants 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 pharmaceutical and 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 have significantly increased, and may need to keep increasing, the size and capabilities of our organization, and we may experience difficulties in managing our growth. If we fail to effectively manage our anticipated growth or execute on our growth strategies, our business, financial condition, results of operations and prospects could suffer.

We are a relatively small company, operating in China and the U.S. and working on a rich and expanding pipeline of drug candidates. We had a total of 192 full-time employees as of the Latest Practicable Date. Our future financial performance and our ability to commercialize our drug candidates will depend, in part, on our ability to effectively manage our recent growth and any future growth. We might not be able to effectively manage the expansion of our operations, which may result in weaknesses in our infrastructure, operational inefficiencies, loss of business opportunities, loss of employees and reduced productivity among remaining employees. Our management may also have to divert a disproportionate amount of its attention away from day-to-day activities in order to devote a substantial amount of time to managing these growth activities.

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As our development and commercialization plans and strategies evolve, we must add a significant number of additional managerial, operational, manufacturing, sales, marketing, financial and other personnel. Our recent growth and any future growth will impose significant added responsibilities on our management, including but not limited to:

- identifying, recruiting, integrating, maintaining and motivating additional employees;
- continuing to innovate and develop advanced technology in the highly competitive pharmaceutical industry;
- managing our relationships with third parties, including suppliers and partners;
- managing our internal development efforts effectively, including the clinical and regulatory authority review process for our drug candidates, while complying with our contractual obligations to contractors and other third parties; and
- improving our operational, financial and management controls, reporting systems and procedures.

If we are not able to effectively manage our growth and further expand our organization by hiring new employees and expanding our groups of consultants and contractors as needed, we may not be able to successfully implement the tasks necessary to further 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.

If we engage in acquisitions or strategic partnerships, this may increase our capital requirements, cause dilution to our Shareholders, cause us to incur debt or assume contingent liabilities and subject us to other risks.

From time to time, we may evaluate various acquisitions and strategic partnerships, including licensing or acquiring complementary products, intellectual property rights, technologies or businesses. Any completed, in-process or potential acquisition or strategic partnership may entail numerous risks, including:

- increased operating expenses and cash requirements;
- the assumption of additional indebtedness or contingent or unforeseen liabilities;
- the issuance of our equity securities;

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- assimilation of operations, intellectual property and products of an acquired company, including difficulties associated with integrating new personnel;
- the diversion of our management's attention from our existing product programs and initiatives in pursuing such a strategic merger or acquisition;
- retention of key employees, the loss of key personnel, and uncertainties in our ability to maintain key business relationships;
- risks and uncertainties associated with the other party to such a transaction, including the prospects of that party and their existing drugs or drug candidates and regulatory approvals; and
- our inability to generate revenue from acquired technology or products sufficient to meet our objectives in undertaking the acquisition or even to offset the associated acquisition and maintenance costs.

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.

According to the Anti-Monopoly Law of the 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, 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 State Administration for Market Regulation of China when the threshold is crossed and such concentration shall not be implemented without the clearance of prior filing.

We may be involved in lawsuits or other legal proceedings, which could adversely affect our business, financial conditions, results of operations and reputation.

We may be subject to legal proceedings and claims that arise in the ordinary course of business or pursuant to governmental or regulatory enforcement activity. Litigation to which we subsequently become a party might result in substantial costs and divert management's attention and resources. Furthermore, any litigations, legal disputes, claims or administrative proceedings that may initially not appear to be of material importance may escalate and become important to us due to a variety of factors, such as the facts and circumstances of the cases, the likelihood of loss, the monetary amount at stake and the parties involved. Additionally, 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. A claim brought against us that is uninsured or underinsured could result in unanticipated costs and could have a material and adverse effect on our financial condition, results of operations or reputation.

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

We face an inherent risk of product and professional 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, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the drug, negligence, strict liability or a breach of warranties. Claims could also be asserted under applicable consumer protection laws. If we cannot successfully defend ourselves against the claims, we may incur substantial liabilities or be required to limit commercialization of our drug candidates. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for our drug candidates;
- injury to our reputation;
- withdrawal of clinical trial participants and inability to continue clinical trials;
- initiation of investigations by regulatory authorities;
- costs to defend the related litigation;
- a diversion of management's time and our resources;
- substantial monetary awards to trial participants or patients;
- product recalls, withdrawals or labelling, marketing or promotional restrictions;
- loss of revenue;
- exhaustion of any available insurance and our capital resources;
- the inability to commercialize any approved drug candidate; and
- a decline in the market price of our H Shares.

To cover such liability claims arising from clinical studies, we purchase clinical trial insurance to cover adverse events in our clinical trials. 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.

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We are subject to the risks of doing business globally, including risks relating to political and economic instability and changes in diplomatic and trade relationships, which may materially and adversely affect our business and results of operations.

Given our primary operations in the PRC, alongside potential expansions into the U.S. and other regions, coupled with the conduct of clinical trials in various jurisdictions, our business is subject to risks associated with doing business globally. Accordingly, our business and financial results in the future could be adversely affected due to a variety of factors, including:

- changes in a specific country's or region's political and cultural climate or economic condition;
- unexpected changes in laws and regulatory requirements in local jurisdictions;
- differences between national and local practice with respect to laws and regulatory requirements in a specific jurisdiction;
- difficulty of effective enforcement of contractual provisions in certain jurisdictions;
- efforts to develop an international sales, marketing and distribution organization may increase our expenses, divert our management's attention from the acquisition or development of drug candidates or cause us to forgo profitable licensing opportunities in these geographies;
- the occurrence of economic weakness, including inflation or political instability;
- inadequate intellectual property protection in certain jurisdictions;
- difficulty of ensuring that third-party partners do not infringe, misappropriate, or otherwise violate the patent, trade secret, or other intellectual property rights of others;
- enforcement of anti-corruption and anti-bribery laws;
- trade protection measures, import or export licensing requirements and fines, penalties or suspension or revocation of export privileges;
- delays resulting from difficulty in obtaining export licenses, tariffs and other barriers and restrictions, potentially longer payment cycles, and greater difficulty in accounts receivable collection;
- compliance with tax, employment, immigration and labor;
- the effects of applicable local tax regimes and potentially adverse tax consequences;
- significant adverse changes in local currency exchange rates; and

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- business interruptions resulting from geo-political actions and cultural climate or economic condition, including war and acts of terrorism, natural disasters, including earthquakes, volcanoes, typhoons, floods, hurricanes and fires, or the impact of public health pandemics or epidemics, including, for example, the outbreak of COVID-19.

The occurrence of any one or more of these risks of doing business internationally, alone or in the aggregate, could materially adversely affect our business 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. We cannot guarantee that all our employees or third parties will conduct their duties at all times in good faith and in a manner which is in full compliance with the laws and our policies. 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.

If we fail to comply with anti-bribery laws, our reputation may be harmed and we could be subject to penalties and significant expenses that have a material adverse effect on our business, financial condition and results of operations.

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. In addition, although currently our primary operating business is in China, we are subject to the Foreign Corrupt Practices Act, the FCPA. The FCPA generally prohibits us from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. Although we have policies and procedures designed to ensure that we, our employees and our agents comply with anti-bribery laws, there is no assurance that such policies or procedures 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. Other remedial measures could include further changes or enhancements to our procedures, policies, and controls and potential personnel changes and/or disciplinary actions, any of which could have a material adverse effect on our business, financial condition, results of operations and liquidity. We could also be adversely affected by any allegation that we violated such laws.

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If we fail to maintain effective internal controls, we may not be able to accurately report our financial results or prevent fraud, and our business, financial condition, results of operations and reputation could be materially and adversely affected.

Prior to this offering, we were a private company with limited accounting and financial reporting personnel and other resources with which to address our internal controls and procedures. Our independent registered public accounting firm has not conducted an audit of our internal control over financial reporting. In preparation for the Global Offering, we engaged an internal control consultant to perform the internal control review, and the review scope covers certain areas including financial closing and reporting. We have implemented a number of measures and procedures to manage our risk exposure. However, we may not effectively monitor risks due to limited information resources or tools and other reasons. In addition, we cannot assure you that all of our employees will comply with our internal control systems and procedures. Although we regularly update our risk management systems and procedures, we may fail to predict risks arising from rapid changes in market conditions, regulatory measures and our entry into new markets. If we fail to effectively improve our risk management and internal control procedures and systems, or if we cannot achieve the intended results of such procedures or systems in a timely manner, our business, financial condition and results of operations may be materially adversely affected.

Our internal information technology systems, or those used by our CROs, CDMOs, partners, other independent contractors or consultants, may fail or suffer security breaches, which may require us to expend additional resources to protect our information technology systems and could materially and adversely affect our business, financial condition, results of operations and prospects.

Our internal computer systems and those of our current and any future third-party vendors, collaborators, consultants, and third parties performing services for us, as well as our clinical sites and regulatory authorities, are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, and telecommunication and electrical failures. In addition, the COVID-19 outbreak has intensified our dependence on information technology systems as many of our critical business activities are currently being conducted remotely.

Although we have not experienced any such material system failure, accident, or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a disruption of our drug candidate development and our business operations, whether due to a loss of our trade secrets or other proprietary information or other similar disruptions. For example, the loss of clinical trial data from our current or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach were to result in the theft or destruction of intellectual property, data, or other misappropriation of assets, financial loss, or otherwise compromise our confidential or proprietary information and disrupt our operations, our competitive position could be harmed, and the further development and commercialization of our drug candidates could be delayed.

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We could be subject to risks caused by misappropriation, misuse, leakage, falsification, or intentional or accidental release or loss of information maintained in the information systems and networks of our company, our third-party vendors, and clinical sites, including personal information of our employees and, potentially, our clinical study patients, and company and vendor confidential data. In addition, third parties may attempt to penetrate our systems or those of our vendors or fraudulently induce our personnel or the personnel of our vendors to disclose sensitive information in order to gain access to data and systems. We may experience threats to our data and systems, including malicious codes and viruses, phishing, and other cyber-attacks. The number and complexity of these threats continue to increase over time. If a material breach of our information technology systems or those of our vendors occurs, the market perception of the effectiveness of our security measures could be harmed and our reputation and credibility could be damaged. We could be required to expend significant amounts of money and other resources to repair or replace information systems or networks.

In addition, we could be subject to regulatory actions or claims made by individuals and groups in private litigation involving privacy issues related to data collection and use practices and other data privacy laws and regulations, including claims for misuse or inappropriate disclosure of data, as well as unfair or deceptive practices. Although we develop and maintain systems and controls designed to prevent these events from occurring, and we have a process to identify and mitigate threats, the development and maintenance of these systems, controls, and processes is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become increasingly sophisticated.

Moreover, despite our efforts, the possibility of these events occurring cannot be eliminated entirely. As we outsource more of our information systems to vendors, engage in more electronic transactions with clinical sites and collaborators, and rely more on cloud-based information systems, the related security risks will increase, and we will need to expend additional resources to protect our technology and information systems. In addition, there can be no assurance that our internal information technology systems, or those of third parties with which we conduct business, will be sufficient to protect us against breakdowns, service disruption, data deterioration, or loss in the event of a system malfunction, or prevent data from being stolen or corrupted in the event of a cyber-attack, security breach, industrial espionage attacks, or insider threat attacks, which could result in financial, legal, business, or reputational harm.

Increased labor costs could result in exceeding expenses, slow our growth and affect our profitability.

Our success depends in part upon our ability to attract, motivate and retain a sufficient number of qualified employees, including management, technical, research and development, sales and marketing, production, quality control and other personnel. We face intense competition in recruiting and retaining qualified personnel, as competitors are competing for the same pool of qualified personnel and our remuneration packages may not be as competitive as those of our competitors. Increasing market competition may cause market demand and competition for qualified employees to intensify. 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. In addition, we could face labor disputes with our employees, which could lead to fines by governmental authorities and settlement costs to resolve the disputes. Labor disputes could also make it more difficult to recruit new employees due to the reputational damage caused by labor disputes.

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Any failure to comply with the PRC regulations regarding mandatory social insurance and housing provident fund contributions may subject us to fines and other legal or administrative sanctions.

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) which was last amended on December 29, 2018 and other applicable PRC regulations, any employer operating in China must open social insurance registration accounts and contribute social insurance premium for its employees. Any failure to open social insurance registration account may trigger an order of correction where correction is not made within a specified period of time, the competent authority may further impose fines. Any failure to make timely and adequate contribution of social insurance premium for its employees may trigger an order of correction from competent authority requiring the employer to make up the full contribution of such overdue social insurance premium within a specified period of time, and the competent authority may further impose fines or penalties. According to the Regulation on the Administration of Housing Accumulation Funds (《住房公積金管理條例》), as amended in 2002 and 2019, the relevant housing fund authority may order an enterprise to pay outstanding contributions within a prescribed time limit.

During the Track Record Period, we have engaged a third-party human resources agency to pay, on behalf of the Company, the relevant contribution for certain offsite employees. As a result, we may be required by competent authorities to rectify the non-compliance and could be subject to a fine or penalty. As of the Latest Practicable Date, no competent government authorities had imposed administrative action, fine or penalty to us with respect to this non-compliance incident. We cannot assure you that we will not be subject to any penalty, or order to rectify non-compliance in the future. We may incur additional expenses to comply with such laws and regulations.

If we or our CROs fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could materially adversely affect our business.

We are subject to numerous environmental, health, and safety laws and regulations in China and the U.S., including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations involve the use of hazardous and flammable materials, including chemicals and biological materials. Our operations also produce hazardous waste products. We contract with third parties for the disposal of these materials and wastes. We cannot fully eliminate the risk of accidental contamination, biological or chemical hazards or personal injury at our facilities during the process of discovery, testing, development and manufacturing of our drug candidates. 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 harm our business. 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.

We also could incur significant costs associated with civil or criminal fines and penalties for failure to comply with such laws and regulations. In addition, we may incur substantial costs in order to comply with current or future environmental, health, and safety laws and regulations. These current or future laws and regulations may impair our drug candidate R&D program efforts. Moreover, there is increasing stakeholder pressure on companies to diligence environmental,

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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, CDMOs or other third parties 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.

In terms of the construction of our R&D, manufacturing or other facilities, they can be put into operation after the relevant administrative authorities in charge of environmental protection and health and safety examine and approve such facilities. We cannot assure you that we will be able to obtain all the regulatory approvals for our construction projects in a timely manner, or at all. Delays or failures in obtaining all the requisite regulatory approvals for our construction projects may affect our abilities to develop, manufacture and commercialize our drug candidates as we plan.

We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources, which may negatively impact our R&D progress and overall operations.

We maintain insurance policies that are required under the PRC laws and regulations and that we believe are in line with market practice and adequate for our business to safeguard against risks and unexpected events. Our insurance policies cover adverse events in our clinical trials. We maintain social welfare insurance for our employees in accordance with relevant PRC laws and regulations. However, our insurance coverage may be insufficient to cover any claims that we may have. Any liability or damage to, or caused by, our facilities or our personnel beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources and may negatively impact our drug development and overall operations.

We are subject to risks associated with leasing space.

We lease our offices and facilities in China. The lessors of the leased properties may not have valid title or the legal rights to such leased properties or may not have complied with all the necessary property leasing procedures. In addition, as our leases expire, we may fail to obtain renewals, either on commercially acceptable terms or at all, which could compel us to close such offices or manufacturing facilities. Our inability to enter into new leases or renew existing leases on terms acceptable to us could materially and adversely affect our business, results of operations or financial condition.

Pursuant to PRC laws, both lessors and lessees are required to file the lease agreements with relevant authorities for record 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, we and our lessors have filed all of our leases agreements with the governmental authorities. In practice, since the filing of the lease agreements requires the coordination of both lessors and lessees, we cannot assure you that the lessor will cooperate and complete the registration in a timely manner in the future.

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Negative publicity and allegations involving us, our Shareholders, Directors, officers, employees and business partners may affect our reputation and may, as a result, negatively affect our business, financial condition and results of operations.

Any negative publicity concerning us, our affiliates, our Shareholders, Directors, officers, employees and business partners, management, even if untrue, could adversely affect our reputation and business prospects. Such negative coverage in the media and publicity could threaten the perception of our reputation. In addition, to the extent our Shareholders, Directors, officers, employees and business partners were in compliance with any laws or regulations or became involved in lawsuits, disputes, or other legal proceedings or became subject to administrative measures, penalties or investigations by regulatory authorities, we may also suffer negative publicity or harm to our reputation. As a result, we may be required to spend significant time and incur substantial costs in response to allegations and negative publicity. In addition, any negative publicity about us could adversely affect our ability to maintain our existing collaboration arrangements or attract new collaboration partners, and we may not be able to diffuse such negative publicity to the satisfaction of our investors.

Negative publicity about us, our business and our management could threaten the perception of our brands. Our reputation could be adversely affected by negative publicity regarding our clinical trials, study results, regulatory interactions, product candidates, or relationships with clinical research organizations, contract manufacturing organizations, or other business partners. For example, we may face criticism about our clinical trial designs, patient enrollment criteria, safety signals, or the interpretation of our clinical data. Additionally, any misconduct by our clinical investigators, business partners, or other third parties involved in our development programs could result in negative media coverage. We may also receive negative publicity if our employees or business partners are involved in scientific misconduct, data integrity issues, or compliance violations. During the Track Record Period, we had not received material negative publicity, including negative internet and blog postings, in relation to us, our business and our management team. Any such negative publicity, regardless of veracity, could damage our reputation, subject us to government or regulatory investigations, divert our management's attention, or cause us to incur additional other resources. We may not be able to conclusively refute each of the allegations within a reasonable period of time, or at all. Our reputation may also be damaged for many other reasons, including misconduct of our employees or any third parties we conduct business with. As a result of any aforementioned circumstance, our ability to advance our clinical programs, attract partners, retain talent, and raise capital may be adversely affected, and the price of our Shares may decline.

We may be subject to natural disasters, acts of war or terrorism or other factors beyond our control, such as the COVID-19 pandemic, which may have a material adverse effect on our business, financial condition and results of operations.

Our operations may be under the threat of floods, earthquakes, sandstorms, snowstorms, fire or drought, power, water or fuel shortages, failures, malfunction and breakdown of information management systems, unexpected maintenance or technical problems, or may be susceptible to potential wars or terrorist attacks. Serious natural disasters may result in loss of lives, injury, destruction of assets and disruption of our business and operations. Acts of war or terrorism may also injure our employees, cause loss of lives, disrupt our business network and destroy our markets. Any of these factors and other factors beyond our control could have an adverse effect on

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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 conditions and results of operations.

Our business could be adversely affected by the effects of epidemics, including COVID-19, avian influenza, severe acute respiratory syndrome (SARS), influenza A (H1N1), Ebola or another epidemic. Any such occurrences could cause severe disruption to our daily operations and may even require a temporary closure of our offices and laboratories. In recent years, there have been outbreaks of epidemics globally.

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 Russo-Ukrainian conflicts, 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.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

The pharmaceutical industry in major markets is highly regulated and such regulations are subject to change which may affect approval and commercialization of our drugs.

The pharmaceutical industry in various jurisdictions including major markets is subject to comprehensive government regulation and supervision, encompassing the approval, registration, manufacturing, packaging, licensing and marketing of new drugs. There have been, and we expect there will continue to be, a number of legislative and regulatory changes relating to the pharmaceutical industry in jurisdictions where we operate. 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 in different markets and reduce the benefits we believe are available to us from developing and manufacturing drugs.

Changes in the relevant laws, rules and regulations, may affect our business, financial condition, results of operations and prospects.

Our business, financial condition, results of operations and prospects are affected by economic and legal developments in jurisdictions where we operate. Laws, rules and regulations in relation to economic matters are promulgated from time to time, including those related to such as

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foreign investment, corporate organization and governance, commerce, taxation, finance, foreign exchange and trade, so as to develop a comprehensive system of commercial law. In addition, the laws and regulations relating to pharmaceutical industry also evolve from time to time. We currently do not experience or foresee any potential material adverse impact of changes in these regulations on our business operations. However, as regulations may be generally evolving, we cannot assure you if our business operations will not be adversely affected in the future.

Changes in U.S. and international trade policies, and in relationships between the PRC and other countries, may adversely impact our business and operating results.

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 affecting certain products manufactured in the PRC. In March 2018, the then U.S. President Donald J. Trump announced the imposition of tariffs on steel and aluminum entering the U.S. and in June 2018 announced further tariffs targeting goods imported from the PRC. Despite the recent re-exemption of U.S. tariffs on some Chinese goods, it remains unclear what actions, if any, the U.S. government will take with respect to other existing international trade agreements. It is also 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.

While we have not started commercialization of any of our drug candidates, any unfavorable 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 R&D personnel, and import or export of raw materials in relation to drug development, 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 or, in particular, if the U.S. government takes retaliatory trade actions, such changes could have an adverse effect on our business, financial condition and results of operations.

The existing trade disputes may escalate going forward and may result in certain types of goods, such as advanced R&D 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 relationships between China and the relevant foreign countries or regions. Relationships between the PRC and the relevant foreign countries or regions may therefore adversely affect our business, financial condition, results of operations, cash flows and prospects.

We may face risks from transferring our scientific data.

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), or the Scientific Data Measures, which provided a broad definition of scientific data and relevant rules for the management of scientific data. According to the Scientific Data Measures, if the provision of scientific data involving “state secrets” is required in foreign exchanges and cooperation, Chinese enterprises should clarify the type, scope and purpose of the data to be used, and report to the competent authority for approval in accordance with relevant procedures of confidentiality management regulations. When publishing a paper in a foreign academic journal requires the author to submit the relevant

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scientific data, the author should, prior to the publication, submit such scientific data to the belonged institution for unified management if such scientific data are generated with the government funding. Given the term “state secret” is not clearly defined in the Measures for the Management of Scientific Data, 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 the PRC, abroad or to our foreign partners in the PRC. If we are unable to obtain necessary approvals in a timely manner, or at all, our R&D of drug candidates may be hindered, which could 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 rectification and other administrative penalties imposed by those government authorities.

Holders of H Shares and dividends on the 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.

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There might be uncertainties in effecting service of legal process, enforcing foreign judgments against us or our Directors and senior management personnel in the PRC.

We are a joint stock company incorporated in China. In addition, a majority of our Directors and senior management personnel reside within mainland China, and substantially all of their assets are located within the PRC. 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, the Supreme People's Court of the PRC and the government of Hong Kong Special Administrative Region entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region pursuant to Choice of Court Agreements between Parties Concerned, or the Arrangement, which was taken into effect on August 1, 2008.

Pursuant to the Arrangement, where any designated PRC court or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil or commercial case under a choice of court agreement in writing, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the judgment. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a mainland court is expressly selected as the court having sole jurisdiction for the dispute.

On January 18, 2019, the Supreme People's Court and the Hong Kong SAR 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, 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 SAR and the mainland China. The New Arrangement does not include the requirement for a choice of court agreement in writing by the parties. The New Arrangement, which came into effect on January 29, 2024, supersedes the Arrangement. Under the New Arrangement, judgments rendered by Hong Kong courts can generally be recognized and enforced in the PRC even if the parties in the dispute have not entered into a written choice of court agreement. However, we cannot guarantee that all judgments from Hong Kong courts will be recognized and enforced in the PRC. The recognition and enforcement of a specific judgment are subject to a case-by-case examination by the relevant court in accordance with the New Arrangement.

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RISKS RELATING TO THE GLOBAL OFFERING

No public market currently exists for our H Shares, and an active trading market for our H Shares may not develop, especially taking into account that certain of our existing shareholders may be subject to a lock-up period.

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

In particular, certain part of the H 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 H 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 H Shares will develop, especially during the period when certain portion of our H Shares may be subjected to lock-up, or if it does develop, that it will sustained following the Global Offering, or that market price of the H Shares will rise following the Global Offering.

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

The price and trading volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. In particular, the business and performance and the market price of the shares of other companies engaging in similar business may affect the price and trading volume of our H Shares. In addition to market and industry factors, the price and trading volume of our H Shares may be highly volatile for specific business reasons, including the following:

- the results of clinical trials of our drug candidates;
- the results of our applications for regulatory approvals of our drug candidates;
- regulatory developments affecting the pharmaceutical industry, healthcare, health insurance and other related matters;
- fluctuations in our revenue, earnings, cash flows, investments and expenditures;

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- relationships with our suppliers;
- movements or activities of key personnel; and
- actions taken by competitors.

Moreover, shares of other companies listed on the Stock Exchange have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance.

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

Prior to the Global Offering, there has not been a public market for our H Shares. Future sales or perceived sales by our existing Shareholders of our H Shares after the Global Offering could result in a significant decrease in the prevailing market price of our H Shares. Only a limited number of the H 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 H Shares in the public market or the perception that these sales may occur could significantly decrease the prevailing market price of our H Shares and our ability to raise equity capital in the future.

Should the Offer Price be higher than the net tangible book value per H Share, subject to pricing, you may experience an immediate dilution in the book value of the Offer Shares you purchased in the Global Offering.

Potential investors will pay a price per H Share in the Global Offering that substantially exceeds the per H Share value of our tangible assets after subtracting our total liabilities as of March 31, 2025. Therefore, purchasers of our H Shares in the Global Offering will experience a substantial immediate 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. For more details, please refer to “Appendix II — Unaudited Pro Forma Financial Information” to this prospectus.

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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. If we fail to become profitable or obtain sufficient equity or other financings, we may be unable to continue our operations according to our plans and be forced to scale back our operations. 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.

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

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

Our Board has complete discretion as to whether to distribute dividends. Even if our Board decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions 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 H Shares will likely depend entirely upon any future price appreciation of our H Shares. There is no guarantee that our H Shares will appreciate in value after the Global Offering or even maintain the price at which you purchased the H Shares. You may not realize a return on your investment in our H Shares and you may even lose your entire investment in our H Shares.

RISK FACTORS

Governmental control of currency conversion, and restrictions on the remittance of Renminbi into and out of the PRC may limit our ability to pay dividends and other obligations and affect the value of your investment.

The convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency into and out of China are subject to PRC foreign exchange regulations. A substantial majority of our future revenue is expected to be denominated in Renminbi and we will need to convert Renminbi into foreign currencies for the payment of dividends, if any, to holders of our H Shares. Shortages in the availability of foreign currency may restrict our ability to remit sufficient foreign currency to pay dividends or other payments, or otherwise satisfy our foreign currency denominated obligations.

Under China's current foreign exchange control system, foreign exchange transactions under the current account conducted by us do not require advance approval from SAFE, but we are required to present relevant documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business. Approval from appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. If we cannot obtain sufficient foreign currencies under the current foreign exchange control system to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. Further, there is no assurance that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of Renminbi into or out of China.

Any possible conversion of our Unlisted Shares into H Shares in the future could increase the number of our H Shares in the market and negatively impact the market price of our H Shares.

Potential conversion of Unlisted Shares into H Shares may result in an increase in the number of our H Shares available in the market, which could, in turn, affect the price of our H Shares. Our remaining Unlisted Shares may also be converted into H Shares upon completion of required procedures in the future, and such converted shares may be listed or traded on an overseas stock exchange, provided that, prior to the conversion and trading of such converted shares, any requisite filings with relevant PRC regulatory authorities shall be completed. However, the PRC Company Law provides that in relation to the public offering of a company, the shares of that company which are issued prior to the public offering shall not be transferred within one year from the date of listing of the public offering. Therefore, upon completing the requisite filing, our Unlisted Shares may be traded, after the conversion, in the form of H Shares on the Stock Exchange one year after this Global Offering, which at that time could further increase the number of our H Shares available in the market and may negatively impact the market price of our H Shares.

RISK FACTORS

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

On April 30, 2018, the Stock Exchange adopted rules under Chapter 18A of its Rules Governing the Listing of Securities on the Stock Exchange. Under these rules, without the prior consent of the Stock Exchange, we will not be able to effect any acquisition, disposal or other transaction or arrangement or a series of acquisitions, disposals or other transactions or arrangements, which would result in a fundamental change in our principal business activities as set forth in this prospectus. As a result, we may be unable to take advantage of certain strategic transactions that we might otherwise choose to pursue in the absence of Chapter 18A. Were any of our competitors that are not listed on the Stock Exchange to take advantage of such opportunities in our place, we may be placed at a competitive disadvantage, which could have a material adverse effect on our business, financial condition and results of operations.

Facts, forecasts and statistics obtained from various government sources in this prospectus relating to the pharmaceutical industry may not be fully reliable.

Facts, forecasts and statistics in this prospectus relating to the pharmaceutical industry in and outside China are obtained from various sources, comprising information provided or published by government agencies, and we can guarantee neither the quality nor 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 Joint Sponsors, the Overall Coordinators, the Underwriters 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 official governmental sources. Therefore, we make no representation as to the accuracy of such facts, forecast and statistics. 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. 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.

RISK FACTORS

Forward-looking information in this document is subject to risks and uncertainties.

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as “believe,” “expect,” “estimate,” “predict,” “aim,” “intend,” “will,” “may,” “plan,” “consider,” “anticipate,” “seek,” “should,” “could,” “would,” “continue,” 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 document 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 document, 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 document 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.

Subsequent to the date of this prospectus but prior to the completion of the Global Offering, there may be press and media coverage regarding us and the Global Offering, which may contain, 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 responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this prospectus, we disclaim responsibility for them. 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.

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

In preparation for the Global Offering, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemption from strict compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong. This normally means that at least two of our executive directors must be ordinarily resident in Hong Kong.

Since (i) the business operations of our Group are principally managed and conducted in the PRC and the Company's head office is situated in the PRC, (ii) all of our executive Directors and senior management ordinarily reside in the PRC and (iii) the management and operations of our Group have mainly been under the supervision of our executive Directors and senior management, it is important for them to remain in close proximity to the place of the Group's operations. Therefore, our Directors consider that it would be practically difficult and commercially unreasonable for us to arrange for an executive Director to be ordinarily resident in Hong Kong, either by means of relocation of our existing executive Directors or appointment of an additional executive Director. We do not have, and do not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and Rule 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with 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) **Authorized Representatives:** pursuant to Rule 3.05 of the Listing Rules, we have appointed Dr. Kang, our executive Director, chairman of the Board, chief executive officer and general manager, and Mr. Zuo Honggang (左鴻剛) (“**Mr. Zuo**”), our executive Director and Chief Financial Officer as our authorized representatives and will continue to maintain two authorized representatives to be our principal channel of communication at all times with the Stock Exchange (the “**Authorized Representatives**”). Each of them will be readily contactable by phone and email to deal promptly with enquiries from the Stock Exchange. In addition, Mr. Zuo is a Hong Kong resident. Accordingly, the Authorized Representatives will be able to meet with the relevant members of the Stock Exchange to discuss any matters in relation to our Company within a reasonable period as and when required. Our Company will also inform the Stock Exchange promptly in respect of any change in the Authorized Representatives. See “Directors, Supervisors and Senior Management” for more information about our Authorized Representatives;

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- (b) **Directors:** to facilitate communication with the Stock Exchange, the contact details of each Director have been provided to each of our Authorized Representatives and the Compliance Adviser (as defined below) who have the means of contacting all Directors promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. Furthermore, Mr. Zuo is a Hong Kong resident, and to the best of our knowledge and information, the rest of our Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and will be able to come to Hong Kong to meet with the Stock Exchange within a reasonable period as and when required; and
- (c) **Compliance Adviser:** pursuant to Rule 3A.19 of the Listing Rules, our Company has appointed Rainbow Capital (HK) Limited as our compliance adviser (the “**Compliance Adviser**”) for the period commencing from the Listing Date until the date on which our Company announces our financial results and distributes our annual report for the first full financial year after the Listing Date. The Compliance Adviser will provide us with professional advice on ongoing compliance with the Listing Rules and will act as our Company’s additional channel of communication with the Stock Exchange. The Compliance Adviser and its representatives will be readily available to answer enquiries from the Stock Exchange. We will ensure that the Compliance Adviser has prompt access to our Authorized Representatives and our Directors who will provide to the Compliance Adviser such information and assistance as the Compliance Adviser may need or reasonably request in connection with the performance of the Compliance Adviser’s duties. We shall ensure that there are adequate and efficient means of communication among our Company, our Authorized Representatives, our Directors, and other officers and the Compliance Adviser, and will keep the Compliance Adviser fully informed of all communications and dealings between the Stock Exchange and us.

WAIVER IN RELATION TO APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules and Chapter 3.10 of the Guide for New Listing Applicants, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary.

Note 1 to Rule 3.28 of the Listing Rules further provides that 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).

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Note 2 to Rule 3.28 of the Listing Rules further sets out the factors that the Stock Exchange will consider in assessing an individual's "relevant experience":

- (a) length of employment with the issuer and other issuers and the roles he or she played;
- (b) familiarity with the Listing Rules and other relevant law and regulations including the Securities and Futures Ordinance, 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 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 regulations in Hong Kong, he/she also needs to have experience relevant to our Company's operations, a nexus to our Board and a 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. Zuo (our executive Director and Chief Financial Officer) and Ms. Jian as our joint company secretaries. Ms. Jian is a member of the Hong Kong Institute of Certified Public Accountants and therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules. Mr. Zuo, however, does not possess the qualifications set out in Rule 3.28 of the Listing Rules. We believe that Mr. Zuo, by virtue of his knowledge and experience in handling financing activities, internal control and securities and listing matters of the Group, is capable of discharging his functions as a joint company secretary. We therefore believe that it would be in the best interests of our Company to appoint Mr. Zuo as a joint company secretary. For the biographical information of Mr. Zuo and Ms. Jian, see "Directors, Supervisors and Senior Management."

Accordingly, we have 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 in relation to the appointment of Mr. Zuo as our joint company secretary. Pursuant to paragraphs 13 and 15 of Chapter 3.10 of the Guide for New Listing Applicants, the waiver will be for a three-year period from the Listing Date (the "**Waiver Period**") and on the following conditions: (i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules (the "**Qualified Person**") and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver will be revoked if there are material breaches of the Listing Rules by the issuer.

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We have appointed Ms. Jian, who is a Qualified Person, as a joint company secretary to provide assistance to Mr. Zuo during the Waiver Period so as to enable Mr. Zuo to acquire the relevant experience (as required under Note 2 to Rule 3.28 of the Listing Rules) to duly discharge his duties. Given Ms. Jian's professional qualifications and experience, she will be able to explain to both Mr. Zuo and our Company the relevant requirements under the Listing Rules. Ms. Jian will also assist Mr. Zuo in organizing Board meetings and Shareholders' meetings as well as other matters of our Company which are incidental to the duties of a company secretary. She is expected to work closely with Mr. Zuo, and will maintain regular contact with Mr. Zuo, our Directors, Supervisors and senior management. In addition, Mr. Zuo will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the Waiver Period. Mr. Zuo will also be assisted by (a) the Compliance Adviser, particularly in relation to compliance with the Listing Rules; and (b) the Hong Kong legal adviser of our Company on matters concerning our Company's ongoing compliance with the Listing Rules and the applicable laws and regulations. If and when Ms. Jian ceases to be a joint company secretary before the end of the Waiver Period, our Company will appoint another Qualified Person as a replacement. Such a waiver can be revoked if there are material breaches of the Listing Rules by our Company.

We will liaise with the Stock Exchange before the end of the Waiver Period to enable it to assess whether Mr. Zuo, having had the benefit of Ms. Jian's and, if applicable, another Qualified Person's assistance for three years, 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 IN RELATION TO FINANCIAL STATEMENTS IN THIS PROSPECTUS

Section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires all prospectuses to include matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and set out the reports specified in Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires a company to include in its prospectus a statement as to the gross trading income or sales turnover (as the case may be) of the company during each of the three financial years immediately preceding the issue of the prospectus, including an explanation of the method used for the computation of such income or turnover and a reasonable breakdown between the more important trading activities.

Paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance further requires a company to include in its prospectus a report by the auditors of the company with respect to (i) the profits and losses of the company for each of three financial years immediately preceding the issue of the prospectus and (ii) the assets and liabilities of the company of each of the three financial years immediately preceding the issue of the prospectus.

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Section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance provides that the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from strict 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 strict compliance with any or all of such requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

Rule 4.04(1) of the Listing Rules requires that the consolidated results of the issuer and its subsidiaries in respect of each of the three financial years immediately preceding the issue of the listing document be included in the accountants' report to its prospectus.

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

In compliance with the abovementioned requirements under the Listing Rules, the Accountants' Report of our Company set out in Appendix I to this prospectus is currently prepared to cover the two financial years ended December 31, 2023 and 2024 and the three months ended March 31, 2025.

As such, the Joint Sponsors have applied, on behalf of our Company, to the SFC for a certificate of exemption from strict compliance with section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the requirements of paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance regarding the inclusion of the accountants' report covering the full three financial years immediately preceding the issue of this prospectus on the following grounds:

- (a) our Company is a clinical-stage biotechnology company dedicated to the discovery, development, and commercialization of new therapies in oncology, autoimmune, and other severe diseases, and falls within the scope of biotech company as defined under Chapter 18A of the Listing Rules. Our Company will fulfill the additional conditions for listing required under Chapter 18A of the Listing Rules;
- (b) the Accountants' Report for the two years ended December 31, 2023 and 2024 and the three months ended March 31, 2025 has been disclosed in the prospectus of the Company and is set out in Appendix I to this prospectus in accordance with Rule 18A.06 of the Listing Rules;

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- (c) as Chapter 18A of the Listing Rules provides a track record period of two years for biotech companies in terms of financial disclosure, strict compliance with section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the requirements of 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 to reflect the up-to date circumstance of the Company as no revenue was derived and no business collaboration or licensing agreement was signed in 2022. In particular, the Company recorded upfront payment as revenue in 2021 and payment for provision of services as revenue in 2023 under certain collaboration and licensing agreement. In November 2024, the Company entered into the collaboration, exclusive option and license agreement with Oblenio Bio, Inc., a U.S. company newly formed by Aditum Bio, for LBL-051. In addition, the Company did not conduct any Pre-IPO financing in 2022, and all of the Company's pre-IPO financings were completed before or after 2022. As such, financial information for the additional year of 2022 does not provide investors with material or meaningful information to effectively assess the Company's current business model and operating performance;
- (d) notwithstanding that the financial results set out in this prospectus are only for the two financial years ended December 31, 2023 and 2024 and the three months ended March 31, 2025 in accordance with Chapter 18A of the Listing Rules, other information required to be disclosed under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance has been adequately disclosed in this prospectus pursuant to the relevant requirements; and
- (e) our Directors are of the view that the Accountants' Report covering the two financial years ended December 31, 2023 and 2024 and the three months ended March 31, 2025 (as set out in Appendix I to this prospectus), together with other disclosures in this prospectus, have already provided adequate and reasonable up-to-date information in the circumstances for the potential investors to make an informed assessment of the business, assets and liabilities, financial position, trading position, management and prospects and to form a view on the track record of our Company. Therefore, the exemption would not prejudice the interest of the investing public.

The SFC has granted a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with section 342(1)(b) 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 condition that particulars of the exemption are set out in this prospectus and that this prospectus will be issued on or before July 17, 2025.

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**CORNERSTONE SUBSCRIPTION BY AN EXISTING SHAREHOLDER AND CLOSE
ASSOCIATES OF EXISTING SHAREHOLDERS**

Rule 10.04 of the Listing Rules provides that a person who is an existing shareholder of the applicant may only subscribe for or purchase securities for which listing is sought if no securities will be offered to them on a preferential basis and no preferential treatment will be given to them in the allocation of securities.

Paragraph 5(2) of Appendix F1 to the Listing Rules (the “**Placing Guidelines**”) provides, inter alia, that without the prior written consent of the Stock Exchange, no allocations will be permitted to directors or existing shareholders of the applicant or their close associates, whether in their own names or through nominees unless the conditions set out in Rules 10.03 and 10.04 of the Listing Rules are fulfilled.

Chapter 2.3 of the Guide provides that existing shareholders and/or their close associates are allowed to participate in the initial public offering of a Biotech Company (as defined under Chapter 18A of the Listing Rules) provided that the applicant complies with Rules 8.08(1) and 18A.07 of the Listing Rules in relation to shares held by the public. Further, pursuant to paragraph 18 of Chapter 2.3 of the Guide, an existing shareholder holding less than 10% of shares in a Biotech Company may subscribe for shares in the proposed listing as either a cornerstone investor or as a placee and an existing shareholder holding 10% or more of shares in a Biotech Company must subscribe for shares in the proposed listing as a cornerstone investor.

Our Company has applied for (i) a waiver from strict compliance with Rule 10.04 of the Listing Rules and a written consent under paragraph 5(2) of the Placing Guidelines to permit Loyal Valley Capital Advantage Fund III LP (“**Loyal Valley Fund III**”) as an existing shareholder to participate as a cornerstone investor in the Global Offering, and (ii) a written consent under paragraph 5(2) of the Placing Guidelines, to allow Golden Valley Global Limited, Golden Valley Value Select Master Fund, Splendid Biotech Fund L.P. and Hankang Biotech Fund III, L.P., each a close associates of our existing Shareholders, to participate as cornerstone investors in the Global Offering to subscribe for the H Shares to be issued by the Company under the International Offering (the “**Proposed Cornerstone Investments**”):

- (a) each of Splendid Biotech Fund L.P. and Hankang Biotech Fund III, L.P. (collectively, “**Hankang Entities**”) is a close associate of Suzhou Jianxin Hankang Venture Investment Partnership Enterprise (Limited Partnership) (蘇州建信漢康創業投資合夥企業(有限合夥)) (“**Suzhou Hankang**”), Beijing Hankang Jianxin Venture Investment Co., Ltd. (北京漢康建信創業投資有限公司) (“**Beijing Hankang**”) and Hankang Small and Medium Enterprises Development Fund (Weifang) Partnership Enterprise (Limited Partnership) (漢康中小企業發展基金(濰坊)合夥企業(有限合夥)) (“**Hankang SME**”), each an existing Shareholder of our Company. As at the Latest Practicable Date, Suzhou Hankang, Beijing Hankang and Hankang SME aggregately held 8.03% of the total issued share capital of the Company; and

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- (b) (i) Loyal Valley Fund III, an existing Shareholder; and (ii) each of Golden Valley Global Limited and Golden Valley Value Select Master Fund (together with Loyal Valley Fund III, “**LVC Entities**”) is a close associate of Loyal Valley Fund III, Shanghai Leyong Investment Partnership Enterprise (Limited Partnership) (上海樂永投資合夥企業(有限合夥)) (“**Shanghai Leyong**”) and Shanghai Jishi Lemei Private Equity Investment Fund Partnership Enterprise (Limited Partnership) (上海濟世樂美私募投資基金合夥企業(有限合夥)) (“**Shanghai Jishi Lemei**”), each an existing Shareholder of the Company. As at the Latest Practicable Date, Loyal Valley Fund III, Shanghai Leyong and Shanghai Jishi Lemei aggregately held 8.67% of the total issued share capital of the Company;

For further details, please refer to the section headed “Cornerstone Investors” in this prospectus.

The Stock Exchange has given the requested consent subject to the conditions that:

- (i) our Company will comply with the public float requirements of Rules 8.08(1) and 18A.07 of the Listing Rules;
- (ii) the H Shares to be subscribed by and allocated to each of the Hankang Entities and the LVC Entities as Cornerstone Investors under the Global Offering will be at the same Offer Price and on substantially the same terms as the other Cornerstone Investors (including being subject to a lock-up period of six months from the Listing Date, and LVC Entities and Hankang Entities shall pay and settle in full the consideration for the Offer Shares before the dealing commence on the Listing Date);
- (iii) our Company, the Overall Coordinators and the Joint Sponsors confirm that no preferential treatment has been, nor will be, directly or indirectly, given to each of the Hankang Entities and the LVC Entities as Cornerstone Investors by virtue of its relationship with our Company in any allocation in the Global Offering, other than the preferential treatment of assured entitlement under the Proposed Cornerstone Investments which follows the principles set out in the Chapters 2.3 and 4.15 of the Guide that, the cornerstone investment agreements of the Hankang Entities and LVC Entities do not contain any material terms which are more favorable to them than those in the other cornerstone investment agreements. In addition, each of the Hankang Entities and the LVC Entities have no influence over the allocation process of the Global Offering; and
- (iv) details of the subscription of the H Shares by each of the Hankang Entities and the LVC Entities as Cornerstone Investors under the Global Offering are disclosed in this prospectus, and details of the allocation will be disclosed in the allotment results announcement of our Company.

For further information about the Proposed Cornerstone Investments, please refer to the section headed “Cornerstone Investors” in this prospectus.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors (including any proposed director who is 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 us. 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 respects and not misleading or deceptive, and there are no other facts, the omission of which would make this prospectus or any statement in this prospectus misleading.

CSRC FILING REQUIREMENT

We have filed the required documents with the CSRC, and the CSRC has issued the filing notice dated May 30, 2025, confirming our completion of the filing pursuant to the new filing regime introduced by the Overseas Listing Trial Measures for the Global Offering, the conversion of certain Unlisted Shares into H Shares and the listing of the H Shares on the Stock Exchange. The notice of filing only confirms the filing information of our Company's overseas offering and listing, and does not represent that the CSRC makes any substantial judgment or guarantee about the investment value of our Company's securities or the proceeds of investors, nor does it indicate that the CSRC makes any guarantee or affirmation about the authenticity, accuracy and completeness of this prospectus.

UNDERWRITING

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 contain the terms and conditions of the Hong Kong Public Offering.

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 herein and therein. 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 and therein must not be relied upon as having been authorized by our Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters or Capital Market Intermediaries, any of their respective directors, agents, employees or advisors or any other party involved in the Global Offering.

The listing of the Offer Shares on the Stock Exchange is sponsored by the Joint Sponsors and the Global Offering is managed by the Overall Coordinators. Pursuant to the Hong Kong Underwriting Agreement, the Hong Kong Public Offering is underwritten by the Hong Kong Underwriters on a conditional basis, with one of the conditions being that the Offer Price is agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us. The International Offering is managed by the Overall Coordinators and is underwritten by the International Underwriters. The International Underwriting Agreement is expected to be entered into on or about the Price Determination Date, subject to agreement on the Offer Price between the

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

Company and the Overall Coordinators (for themselves and on behalf of the Underwriters). If, for any reason, the Offer Price is not agreed between the Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) on or before the Price Determination Date, or such later date or time as may be agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company, the Global Offering will not proceed. See “Underwriting” for details about the Underwriters and the underwriting arrangements.

Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Offer Shares should, 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 at any date subsequent to the date of this prospectus.

DETERMINATION OF THE OFFER PRICE

The Offer Shares are being offered at the Offer Price which the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company will determine on or before Wednesday, July 23, 2025, and in any event not later than 12:00 noon on Wednesday, July 23, 2025.

If, for any reason, the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company are unable to reach an agreement on the Offer Price on or before the Price Determination Date, or such later date or time as may be agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company, the Global Offering (including the Hong Kong Public Offering) will not become unconditional and will lapse.

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

No action has been taken to permit a Hong Kong Public Offering of the Offer Shares or the general distribution of this prospectus in any jurisdiction other than 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 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. Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to confirm, or be deemed by his or her acquisition of Hong Kong Offer Shares to confirm, that he or she is aware of the restrictions on offers and sales of the Offer Shares described in this prospectus. In particular, the Offer Shares have not been offered or sold, and will not be offered or sold, directly or indirectly, in the PRC.

The Offer Shares are offered for subscription 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 herein and therein. No person is authorized in connection with the Global Offering to give any information, or to make any representation not contained in this prospectus, and any information or representation not contained in this prospectus must not be relied upon as having been authorized by the Company, the Joint Sponsors, the Overall Coordinators, the Joint

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

Global Coordinators, the Joint Bookrunners, the Underwriters, the Capital Market Intermediaries, any of their respective directors, officers, employees, agents, affiliates or advisers or any other persons or parties involved in the Global Offering. For further details of the structure of the Global Offering, including its conditions, and the procedures for applying for Hong Kong Offer Shares, see “Structure of the Global Offering” and “How to Apply for Hong Kong Offer Shares”.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the granting of the listing of, and permission to deal in, our H Shares to be converted from the Unlisted Shares, our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the Offer Size Adjustment Option and the Over-allotment Option). No part of our H Shares is listed on or dealt in on any other stock exchange, and no such listing or permission to list is being or proposed to be sought in the near future.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotments made in respect of any applications will be invalid if the listing of, and permission to deal in, the Offer 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 the Stock Exchange.

COMMENCEMENT OF DEALINGS IN THE H SHARES

Dealings in the H Shares on the Stock Exchange are expected to commence on Friday, July 25, 2025. The H Shares will be traded in board lots of 100 H Shares. The stock code of the H Shares is 9887.

COMPLIANCE WITH LISTING RULES

We will comply with applicable laws and regulations in Hong Kong (including the Listing Rules) and any other undertakings which have been given in favor of the Stock Exchange from time to time. If the Listing Committee finds that there has been a breach by us of the Listing Rules or such other undertakings which may have been given by us in favor of the Stock Exchange from time to time, the Listing Committee may instigate cancellation or disciplinary proceedings in accordance with the Listing Rules.

H SHARE REGISTER AND STAMP DUTY

All H Shares issued pursuant to applications made in the Hong Kong Public Offering and the International Offering will be registered on the Company’s H Share register of members to be maintained by our H Share Registrar, Computershare Hong Kong Investor Services Limited. We will maintain the Company’s principal register of members 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 the Hong Kong stamp duty. See “Statutory and General Information — D. Other Information — 10. Taxation of Holders of H Share” in Appendix VI to this prospectus. Investors should seek professional tax advice for further details of Hong Kong stamp duty.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

Unless otherwise determined by our Board, dividends will be paid to Shareholders whose names are listed on our H Share register of members in Hong Kong, by ordinary post, at the Shareholders' risk in Hong Kong dollars to the registered address of each Shareholder.

REGISTRATION OF SUBSCRIPTION, PURCHASE AND TRANSFER OF H SHARES

We have instructed our H Share Registrar, and our H Share Registrar has agreed, not to register the subscription, purchase or transfer of any H Shares in the name of any particular holder unless and until such holder delivers a signed form to our H Share Registrar in respect of those H Shares bearing statements to the effect that the holders:

- agrees with us and each of our Shareholders, and we agree with each Shareholder, to observe and comply with the PRC Company Law, the Overseas Listing Trial Measures and our Articles of Association;
- agrees with us, each of our Shareholders, Directors, Supervisors, managers and officers, and we, acting for ourselves and for each of our Directors, Supervisors, managers and officers agree with each of our Shareholders, to refer all differences and claims arising from our Articles of Association or any rights or obligations conferred or imposed by the PRC Company Law or other relevant laws and administrative regulations concerning our affairs to arbitration, and any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearings in open session and to publish its award, which arbitration shall be final and conclusive;
- agrees with us and each of our Shareholders that the H Shares are freely transferable by the holders thereof; and
- authorizes us to enter into a contract on his or her behalf with each of our Directors, Supervisors, managers and officers whereby such Directors, Supervisors, managers and officers undertake to observe and comply with their obligations to our Shareholders as stipulated in our Articles of Association. Persons applying for or purchasing H Shares under the Global Offering are deemed, by their making an application or purchase, to have represented that they are not associates of any of our Directors, Supervisors or existing Shareholder or a nominee of any of the foregoing.

DIVIDENDS PAYABLE TO HOLDERS OF H SHARES

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

According to the Guide to the Program for "Full Circulation" of H-shares of the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited promulgated by the Shenzhen Branch of CSDC on September 20, 2024, cash dividends to domestic investors of H-share "full circulation" shall be distributed through Shenzhen Branch of CSDC. An H-share listed company shall transfer RMB cash dividends to the designated bank account of the Shenzhen Branch of CSDC, who shall complete the clearing of cash dividends by distributing the cash dividends to investors through domestic securities companies.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange and our compliance with the stock admission requirements of HKSCC, our 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 our H Shares on the Stock Exchange or any other date as determined by HKSCC. Settlement of any 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. All necessary arrangements have been made for our H Shares to be admitted into CCASS. 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.

PROFESSIONAL TAX ADVICE RECOMMENDED

Applicants for the Offer Shares are recommended to consult their professional advisers if they are in any doubt as to the tax implications of subscribing for, purchasing, holding, disposing of and dealing in our H Shares or exercising rights attached to them. None of the Company, the Underwriters, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, any of their respective directors, supervisors, officers, employees, agents or advisers or representatives or any other persons involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any holders of Shares resulting from the subscription, purchase, holding or disposal of, or dealing in, our H Shares or exercising any rights attached to them.

OVER-ALLOTMENT AND STABILIZATION

In connection with the Global Offering, the Stabilizing Manager (on behalf of the International Underwriters) or any persons acting for it may over-allot shares or effect any other transactions with a view to prevent a decline in the market price of our H Shares for a limited period after the issue date. However, there is no obligation on the Stabilizing Manager or any person acting for it to do this. Such stabilization action, if taken, may be discontinued at any time and is required to end after a limited period. In Hong Kong and certain other jurisdictions, activities aimed at reducing the market price are prohibited, and the price at which stabilization is effected is not permitted to exceed the Offer Price.

In connection with the Global Offering, the Company intends to grant to the International Underwriters the Over-allotment Option, exercisable by the Overall Coordinators (on behalf of the International Underwriters) for up to 30 days after the last day for the lodging of applications under the Hong Kong Public Offering. Pursuant to the Over-allotment Option, the Company may be required to allot and issue at the Offer Price up to an aggregate of 4,808,100 additional H Shares (representing not more than 15% of the Offer Shares initially available under the Global Offering assuming the Offer Size Adjustment Option is not exercised at all) or up to an aggregate of 5,529,300 additional H Shares (representing not more than 15% of the Offer Shares being offered under the Global Offering assuming the Offer Size Adjustment Option is exercised in full), in connection with over-allocations in the Global Offering, if any.

See the section headed “Structure of the Global Offering” for further details with respect to stabilization and the Over-allotment Option.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

INFORMATION ON THE CONVERSION OF UNLISTED SHARES INTO H SHARES

Our Company has applied for conversion of Unlisted Shares into H Shares, which involves 110,886,891 Unlisted Shares held by the existing Shareholders. See the sections headed “History, Development and Corporate Structure” and “Share Capital” for details of our existing Shareholders and their respective interests in our Company and relevant procedures for the conversion of Unlisted Shares into H Shares. Such H Shares to be converted from Unlisted Shares are restricted from trading for a period of one year after the Listing. The relevant filing procedure in relation to the conversion of certain Unlisted Shares into H Shares has been completed on May 30, 2025.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for the Hong Kong Offer Shares are set out in the section headed “How to Apply for Hong Kong Offer Shares.”

STRUCTURE OF THE GLOBAL OFFERING

See the section headed “Structure of the Global Offering” for details of the structure of the Global Offering, including its conditions.

LANGUAGE

If there is any inconsistency between this prospectus and its Chinese translation, this prospectus shall prevail. The English names of the PRC nationals, entities, departments, facilities, certificates, titles, laws, regulations and the like are translations of their Chinese names and are included herein for identification purposes only. If there is any inconsistency, the Chinese name prevails.

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any tables or charts between the total shown and the sums of the amounts listed are due to rounding.

MARKET SHARE DATA

The statistical and market share information contained in this prospectus has been derived from official government publications, market data providers and other independent third-party sources. Unless otherwise indicated, the information has not been verified by us independently. This statistical information may not be consistent with other statistical information from other sources within or outside the PRC. While reasonable caution has been made in the process of reproducing the data and statistics extracted from such official government publications or other sources, the Joint Sponsors and our Company, or any of their directors, employees, agents, and representatives make no representation to the appropriateness, accuracy, completeness or reliability of any such statistical and market share information.

EXCHANGE RATE CONVERSION

Solely for your convenience, certain translations among amounts in Renminbi, HK dollars or US dollars are contained in this prospectus. None should be regarded as and be interpreted as an amount in one currency that can be on the relevant dates or any other dates actually converted into that in another currency at the rates below or cannot be converted at all. Unless otherwise specified:

- (i) all amounts in Renminbi are translated into HK dollars at an exchange rate of RMB0.91054 to HK\$1.00, being the middle exchange rate set by the PBOC prevailing on the Latest Practicable Date;
- (ii) all amounts in Renminbi are translated into US dollars at an exchange rate of RMB7.1475 to US\$1.00, being the middle exchange rate set by the PBOC prevailing on the Latest Practicable Date; and
- (iii) all amounts in HK dollars are translated into US dollars at an exchange rate of HK\$7.8497 to US\$1.00 (calculated based on (i) and (ii) above).

Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

DIRECTORS

Name	Address	Nationality
Executive Directors		
Dr. Kang Xiaoqiang	Room 1702, Unit 1, Building 3 No. 139 Songshan Road, Jianye District Nanjing PRC	American
Dr. Lai Shoupeng	Room 703, Unit 2, Building 3 No. 139 Songshan Road, Jianye District Nanjing PRC	American
Mr. Zuo Honggang (左鴻剛)	Room 952, Building B6 No. 9 Bailongjiang East Street, Jianye District Nanjing PRC	Chinese (Hong Kong)
Non-executive Directors		
Mr. Zhang Yincheng (張銀成)	Room 1701, No. 7, Lane 999 Tianyaoqiao South Road, Xuhui District Shanghai PRC	Chinese
Dr. Chen Renhai (陳仁海)	Room 602, No. 39, Lane 388 Chang Yi Road, Baoshan District Shanghai PRC	Chinese
Dr. Ni Jia (倪佳)	Room 1002, No. 99, Lane 2466 Jinxu Road, Pudong New Area Shanghai PRC	Chinese

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Name	Address	Nationality
Independent Non-executive Directors		
Dr. Zhang Hongbing	100 Norway ST, APT 221 Boston MA 02115-3405 United States	American
Mr. Du Yilong (杜以龍)	1B, Block 10 18 Pak Pat Shan Road Tai Tam Hong Kong	Chinese (Hong Kong)
Ms. Du Jiliu (杜季柳)	Room 904, Building 5 No. A3 Yard, Yong'an Dongli, Chaoyang District Beijing PRC	Chinese

SUPERVISORS

Name	Address	Nationality
Mr. Jin Hui (金輝)	Room 1103, No. 38, Lane 280 Jin'an East Road, Pudong New Area Shanghai PRC	Chinese
Mr. Wang Zhou (汪舟)	4-4-1308, North Park Langshi International Neighborhood Shazhou Street, Jianye District Nanjing PRC	Chinese
Ms. Li Mengwei (李夢薇)	Room 2402 No. 127 Jiqing Road, Qinhuai District Nanjing PRC	Chinese

For further details on our Directors and Supervisors, see “Directors, Supervisors and Senior Management.”

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors

Morgan Stanley Asia Limited

46/F, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

CITIC Securities (Hong Kong) Limited

18/F, One Pacific Place
88 Queensway
Hong Kong

**Sponsor — Overall
Coordinators**

Morgan Stanley Asia Limited

46/F, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

CLSA Limited

18/F, One Pacific Place
88 Queensway
Hong Kong

**Overall Coordinators and Joint
Global Coordinators**

Morgan Stanley Asia Limited

46/F, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

CLSA Limited

18/F, One Pacific Place
88 Queensway
Hong Kong

CMB International Capital Limited

45/F, Champion Tower
3 Garden Road
Central
Hong Kong

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

**Joint Bookrunners,
Joint Lead Managers and
Capital Market Intermediaries**

Morgan Stanley Asia Limited
46/F, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

CLSA Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

CMB International Capital Limited
45/F, Champion Tower
3 Garden Road
Central
Hong Kong

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

Futu Securities International (Hong Kong) Limited
34/F, United Centre
No. 95 Queensway
Admiralty
Hong Kong

Legal Advisers to our Company

As to Hong Kong and United States law:

Cooley HK
35/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

As to PRC law:

JunHe LLP
26F HKRI Centre One,
HKRI Taikoo Hui 288 Shimen Road (No. 1)
Shanghai
PRC

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Legal Advisers to the Joint

As to Hong Kong and United States law:

Sponsors and the Underwriters

Herbert Smith Freehills Kramer

23rd Floor, Gloucester Tower

15 Queen's Road Central

Hong Kong

As to PRC law:

Jingtian & Gongcheng

34/F, Tower 3, China Central Place

77 Jianguo Road Beijing

PRC

Reporting Accountants and

Independent Auditor

Ernst & Young

Certified Public Accountants

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.

2504 Wheelock Square, 1717 West Nanjing Road

Shanghai

PRC

Receiving Bank

CMB Wing Lung Bank Limited

45 Des Voeux Road Central

Hong Kong

CORPORATE INFORMATION

Registered Office	Building 05, Accelerator IV No. 122 Huakang Road Jiangbei New District Nanjing Jiangsu Province PRC
Head Office and Principal Place of Business in the PRC	Floor 8, Building 03 18E, Jialingjiang Street Nanjing PRC
Principal Place of Business in Hong Kong	40/F, Dah Sing Financial Centre 248 Queen's Road East Wan Chai Hong Kong
Company's Website	<u>www.leadsbiolabs.com</u> <i>(The information contained on this website does not form part of this prospectus)</i>
Joint Company Secretaries	<p>Mr. Zuo Honggang (左鴻剛) Room 952, Building B6 No. 9 Bailongjiang East Street, Jianye District Nanjing PRC</p> <p>Ms. Jian Xuegen (簡雪艮) 40/F, Dah Sing Financial Centre 248 Queen's Road East Wan Chai Hong Kong</p>
Authorized Representatives	<p>Dr. Kang Xiaoqiang Room 1702, Unit 1, Building 3 No. 139 Songshan Road, Jianye District Nanjing PRC</p> <p>Mr. Zuo Honggang (左鴻剛) Room 952, Building B6 No. 9 Bailongjiang East Street, Jianye District Nanjing PRC</p>

CORPORATE INFORMATION

Audit Committee	Ms. Du Jiliu (杜季柳) (<i>Chairperson</i>) Mr. Du Yilong (杜以龍) Dr. Chen Renhai (陳仁海)
Nomination Committee	Dr. Kang Xiaoqiang (<i>Chairperson</i>) Dr. Zhang Hongbing Mr. Du Yilong (杜以龍)
Remuneration Committee	Mr. Du Yilong (杜以龍) (<i>Chairperson</i>) Ms. Du Jiliu (杜季柳) Mr. Zhang Yincheng (張銀成)
Compliance Adviser	Rainbow Capital (HK) Limited
H Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Principal Banks	China Merchants Bank (Nanjing Branch) China Merchants Bank Tower No. 199 Lushan Road Jianye District Nanjing PRC

INDUSTRY OVERVIEW

Certain information and statistics set out in this section have been extracted from various official government publications, available sources from public market data providers and an independent third-party source, Frost & Sullivan. The report prepared by Frost & Sullivan and cited in this prospectus was commissioned by us. The information from official government sources has not been independently verified by our Company, the Joint Sponsors, any of the Underwriters, any of our or their respective directors, officers, employees, agents or advisers or any other person or party involved in the Global Offering, and no representation is given as to its accuracy, fairness and completeness. For discussion of the risks relating to our industry, see “Risk Factors” in this prospectus.

OVERVIEW OF THE PHARMACEUTICAL MARKET

In 2024, the pharmaceutical market in China reached RMB1,699.1 billion in 2024, projected to grow to RMB2,089.1 billion by 2027 and RMB2,510.0 billion by 2030, reflecting a CAGR of 7.1% from 2024 to 2027 and 6.3% from 2027 to 2030. The pharmaceutical markets, particularly in China, are driven by several key growth factors. Globally, the rise in chronic disease prevalence and advancements in biotechnology propel the market. In China, these factors are fostered by supportive government policies, including regulatory reforms and financial incentives that encourage innovation in biologics and pharmaceuticals. Moreover, demographic shifts such as an aging population and improved healthcare access significantly boost demand for advanced treatments. Enhanced R&D investment further accelerates the development and adoption of innovative biologics and pharmaceutical therapies, cementing China’s role as a critical player in the global pharmaceutical landscape.

The pharmaceutical industry, especially in the development of innovative drugs, is considered a sunrise industry receiving robust support from the national government at all levels. Since the implementation of favorable policies for innovative drugs in 2017, the NMPA has significantly speeded up its review and approval process. Over the past five years, the number of innovative drugs approved has increased by more than two times, from 18 in 2019 to 59 in 2023. This surge in approvals highlights the successful impact of regulatory efficiencies introduced between 2019 and 2023. Furthermore, the growth drivers of China’s innovative drug market include the expanding coverage of both public health insurance and private insurance plans, which positively influence the market by increasing accessibility and affordability of new treatments. Looking ahead, the market for innovative drugs is expected to continue its growth trajectory. This will likely be driven by ongoing policy support, enhanced healthcare infrastructure, and the increasing prevalence of chronic conditions that demand new therapeutic solutions. These factors collectively ensure that innovative drugs remain a crucial component of China’s healthcare strategy. China’s substantial market demand, particularly for oncology and autoimmune disease treatments, underscores the potential for Chinese pharmaceutical companies to emerge as global industry leaders and major contributors to new medications, aiming to meet the needs of patients worldwide.

INDUSTRY OVERVIEW

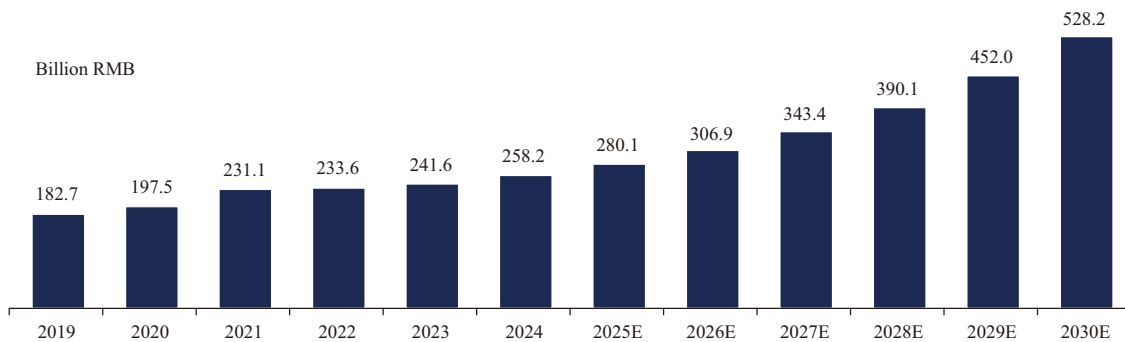
OVERVIEW OF THE ONCOLOGY DRUG MARKET

Market Size of the Oncology Drug Market

In recent years, the oncology drug market in China has demonstrated consistent growth, with revenues reaching RMB258.2 billion in 2024 and a CAGR of 7.2% from 2019 to 2024. The market is forecasted to expand significantly, projected to reach RMB343.4 billion by 2027 at a CAGR of 10.0% from 2024 to 2027, and further to RMB528.2 billion by 2030 at a CAGR of 15.4% from 2027 to 2030. The following table describes the China oncology drug market from 2019 to 2030.

China Oncology Drug Market, 2019-2030E

Period	CAGR
2019-2024	7.2%
2024-2027E	10.0%
2027E-2030E	15.4%

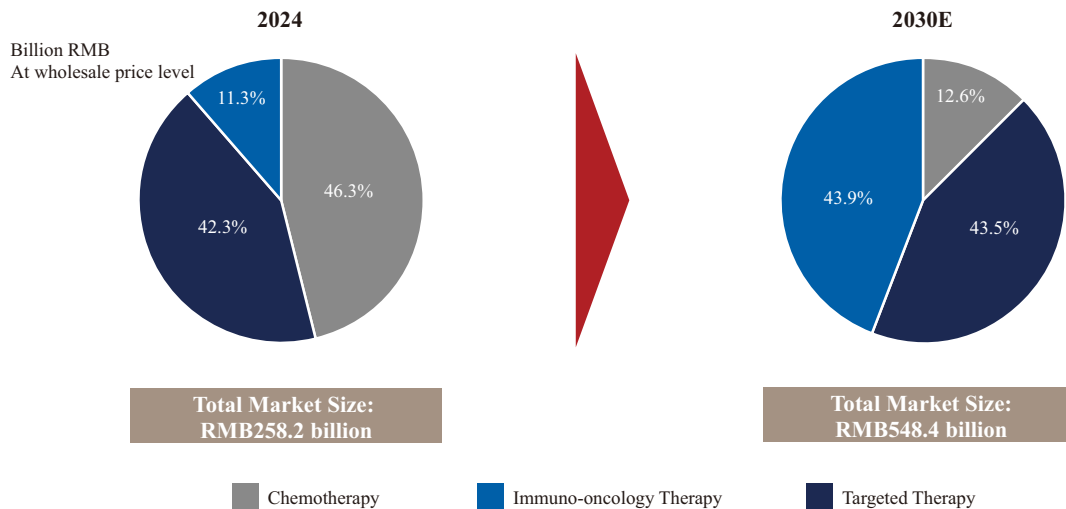


Source: Annual Reports of Listed Medical Companies, NMPA, CDE, NRDL, MOHRSS, NCCR, Frost & Sullivan Analysis

Oncology drugs can be categorized into three types: immuno-oncology, chemotherapy and targeted therapy. Among them, immuno-oncology is experiencing rapid growth, accounting for 11.3% of the oncology drug market in 2024. It is expected to continue expanding, reaching 43.9% by 2030. The following table the breakdown of China oncology market by therapy from 2024 to 2030.

INDUSTRY OVERVIEW

Breakdown of China Oncology Market by Therapy, 2024 and 2030E



Note: Chemotherapy includes chemical drugs, traditional Chinese medicine injections and adjuvant anti-tumor drugs.

Source: Annual Reports of Listed Medical Companies, NMPA, CDE, NRDL, MOHRSS, NCCR, Frost & Sullivan Analysis

Growth Drivers and Future Trends of the Oncology Drug Market

According to Frost & Sullivan, the primary growth drivers and future trends for the oncology drug market globally and in China include:

- **Increasing cancer incidence.** Cancer incidence has risen globally and in China over recent years and is projected to continue increasing. This surge can be attributed to various factors, such as longer lifespans, an aging population, and rising obesity rates. The high incidence of cancer drives the demand for oncology drugs, which, in turn, fuels the growth of the oncology drug market. Furthermore, with more oncology treatment options available and growing health management awareness, cancer patients are seeing improved 5-year survival rates.
- **Improving affordability and payment capabilities.** Managing cancer is often complicated by the high costs. Improved affordability for patients is, therefore, crucial in driving the oncology drug market forward by reducing the burden of cancer treatment. The expanding coverage of innovative drugs under public health insurance and private insurance plans has substantially improved accessibility and affordability for patients. Since 2016, China's government has implemented reforms such as national drug price negotiations, reducing the prices of newly included cancer drugs by over 50%, and expanding the National Reimbursement Drug List (NRDL) to include innovative therapies. These measures have directly alleviated financial burdens on patients and increased access to new treatments.
- **Rising demand for innovative drugs.** Currently approved immuno-oncology therapies have emerged as a groundbreaking class of cancer treatment. However, many patients do not benefit from these immunotherapies due to low response rates or limited treatment outcomes. Additionally, patients may eventually relapse or become refractory to certain treatments. This has led to an increasing demand for innovative drugs. Recent breakthroughs in scientific research have identified promising new targets for immunotherapeutic strategies to treat a broad spectrum of cancer

indications. The development of more new therapies with diverse targets will address treatment gaps, further driving the expansion of the oncology drug market.

- *Advancements in therapeutic innovation.* Emerging therapies, such as the new wave of antibody-based treatments including immuno-oncology therapies and ADCs, will play a pivotal role in cancer treatment. Clinical evidence suggests that synergistic combination and bispecific strategies, which enable dual targeting, enhance tumor-killing effects and improve clinical outcomes. For instance, 4-1BB activation can enhance T cell proliferation and survival, while PD-1 inhibitors alleviate immune suppression by disrupting PD-1 interactions; dual targeting these pathways results in robust tumor-killing effects. Additionally, LAG3 antibodies show synergistic antitumor efficacy when used in combination with PD-1/PD-L1 inhibitors. Specifically, bispecific antibodies represent a significant advancement in oncology drug development, offering substantial clinical benefits over traditional monotherapies and combination therapies.

Overview of Immuno-oncology Therapies

A critical area of innovation in oncology is immunotherapy, which harnesses the pivotal role of T cells in immune system. T cells are central to the immune system's ability to recognize and destroy cancer cells. Their function is supported and regulated by various signals and interactions within the immune system. Current immuno-oncology therapies offer limited clinical benefits, largely due to such complexity and variability of the tumor microenvironment (TME). For instance, immune microenvironments lacking T-cell infiltration, often referred to as "cold tumors", exhibit low objective response rates to PD-1/PD-L1 antibody drugs. These cold tumors present significant challenges, including primary and acquired resistance to immunotherapies. As such, understanding and addressing the diverse characteristics of the tumor microenvironment (TME) is essential for improving the effectiveness of immuno-oncology therapy treatments.

The development of tumor immunotherapy has progressed through distinct phases, each marked by significant advancements in therapeutic strategies. The first wave focused on immune checkpoint inhibitor (ICI) monotherapies to enhance T-cell-mediated antitumor responses, achieving an ORR of approximately 20%. Examples include ipilimumab (CTLA-4 inhibitor), pembrolizumab (PD-1 inhibitor), and nivolumab (PD-1 inhibitor). While PD-1/PD-L1 monotherapy has proven efficacy for some patients, it does not induce durable responses universally. Some patients develop resistance or adverse reactions, and the therapy often fails to fully restore impaired immune responses, resulting in limited overall effectiveness.

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The following table summarizes the marketed immune checkpoint inhibitors globally.

Target	Drug Name	Indications	FDA Approval Date
LAG3	Nivolumab + Relatlimab (OPDUALAG)	Unresectable or Metastatic Melanoma	2022-03-18
CTLA-4	YERVOY (Ipilimumab)	Previously treated unresectable/metastatic melanoma; RCC, CRC, HCC, NSCLC, MPM, EC	2011-03
	Imjudo (Tremelimumab)	Adult patients with unresectable hepatocellular carcinoma (HCC); NSCLC	2022-10
PD-1/PD-L1	JEMPERLI (Dostarlimab)	dMMR recurrent/advanced endometrial cancer; dMMR solid tumors	2021-04
	OPDUALAG (Nivolumab + Relatlimab)	Unresectable/metastatic melanoma (>12 years)	2022-03
	Zynyz (Retifanlimab)	Adult patients with metastatic/recurrent locally advanced Merkel cell carcinoma (MCC)	2023-03
	Toripalimab	First-line treatment for adult metastatic/recurrent locally advanced nasopharyngeal carcinoma; recurrent/unresectable/metastatic nasopharyngeal carcinoma progressed on platinum-based chemo	2023-10
	Tislelizumab	Adult patients with unresectable/metastatic esophageal squamous cell carcinoma (ESCC) who received prior systemic chemo without PD-(L)1 inhibitors	2024-03
	UNLOXCYT	CSCC	2024-12-13
	PENPULIMAB-KCQX	NPC	2025-04-23

Source: ClinicalTrials.gov, FDA, Frost & Sullivan Analysis

The second wave introduced combination therapies, significantly improving clinical outcomes by integrating immune checkpoint inhibitors with chemotherapy or anti-angiogenesis agents, resulting in an ORR of 40% to 50%. Notable combinations include the combined use of nivolumab and ipilimumab for melanoma, as well as pembrolizumab and chemotherapy for NSCLC.

The third wave represents a sophisticated approach that systematically targets multiple immune pathways to achieve maximal antitumor effects, with the goal of reaching higher ORR. This phase illustrates the future trend and mission of immuno-oncology therapy, focusing on comprehensive immune system exploitation to combat cancer. Promising therapeutics with emerging targets in this wave, such as antibodies targeting 4-1BB and LAG3. Dual-targeting strategy for 4-1BB and PD-L1 exhibits high potential, and the broad expression of which targets offers significant opportunities for effective bispecific antibodies in indication expansion across a range of solid tumors. Similarly, targeting LAG3 alongside PD-1 effectively revitalizes exhausted T cells more robustly than targeting PD-1 alone, leveraging the unique mechanism of LAG3 on these frequently co-expressed cells. However, these antibody-based tumor drugs are characterized by their complex structure and significant research and development challenges, reflecting their substantial platform effects. The development process mirrors systemic engineering, where selecting the right target, antibody, and structural design is crucial.

Complexity and Strategic Design of Antibody-Based Therapies for Cancer

In designing and developing third-wave antibody-based cancer therapies, each decision must balance and optimize the following elements to achieve targeted and effective treatment solutions:

- *Target Selection:* Selecting targets involves identifying molecules or pathways predominantly altered in cancer cells, ensuring the treatment's specificity and minimizing off-target effects. Notably, targets such as 4-1BB and LAG3 have shown promise in modulating the immune system more effectively.
- *Antibody Selection:* Critical attributes like immunogenicity, half-life, and internalization efficiency guide antibody selection. Ideal antibodies exhibit high affinity, stability, low immunogenicity, efficient internalization, and extended plasma half-life to sustain therapeutic effects.
- *Structural Design:* Structural optimizations of antibodies aim to enhance their druggability, stability, and safety. Modifications might include improving the Fc region for better immune cell interaction or refining antigen-binding sites for increased specificity and strength.

The development of these therapies requires the integration of advanced biotechnology in designing with strategic clinical approaches, ensuring the creation of safe, effective, and stable treatments for various cancers. For instance, to address the challenges in achieving optimal therapeutic efficacy while minimizing toxicity, certain bispecific antibodies targeting both 4-1BB and PD-L1 have been carefully designed to overcome liver toxicity hurdles and have been clinically validated as effective. Also, LAG3 antibody that could maximize the synergistic effects of combination between PD-1 and LAG3 could substantially increase overall efficacy, presenting a powerful strategy that could significantly enhance clinical outcomes in oncology.

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Overall, the development path of tumor immunotherapy has evolved from single target to multi-specific synergistic strategies, enhancing therapeutic efficacy and expanding treatment options for cancer patients. However, the development of multi-targeting therapeutics including bispecific antibodies faces several challenges. One major hurdle is ensuring their efficacy without causing excessive toxicity. The dual-target engagement must be carefully balanced to maximize therapeutic benefits while reducing adverse effects. Additionally, challenges occur when designing and manufacturing bispecific antibodies with optimal stability and functionality.

Clinical Advantages of Antibody-based Therapies

Immuno-oncology therapies encompass several approaches, including cellular immunotherapy, cytokines, therapeutic cancer vaccines, and antibody-based therapies. Among these, antibody-based therapies particularly have demonstrated significant clinical advantages. These therapies enhance the immune system's ability to kill cancer by inhibiting checkpoints that cancer cells use to evade immune detection. Checkpoint inhibitors such as PD-1/PD-L1 and CTLA-4 antibodies have proven efficacy in releasing the immune system's "brakes", allowing T cells to robustly attack tumor cells. While they carry risks of allergic reactions and side effects, and do not directly stimulate T cells to attack tumors, their ability to modulate the immune system strategically places them at the forefront of cancer treatment. The clinical success of these antibodies in various cancers highlights their potential to significantly extend patient survival and improve quality of life.

Among antibody-based therapies, bispecific antibodies emerge as a promising therapeutic strategy. They are engineered to bind two different antigens or epitopes simultaneously, enhancing their ability to recruit immune cells to target tumors directly. This dual targeting capability allows for a more precise attack on cancer cells, reducing the likelihood of off-target effects. The structural variations in bispecific antibodies confer distinct advantages and disadvantages; some structures may enhance tumor specificity and reduce immunogenicity, while others might improve stability and ease of production.

Compared to monoclonal antibodies, bispecific antibodies enhance the immune system's capacity to kill tumor cells through dual-target engagement. This approach not only increases the efficacy of the immune response but also ensures a more targeted and robust interaction with cancer cells, potentially overcoming the limitations of single-target therapies. Moreover, bispecific antibodies demonstrate enhanced tumor specificity, which significantly lowers the risk of off-target toxicity. Additionally, bispecific antibodies are showing promise in the treatment of autoimmune disorders by simultaneously engaging T cells and B cells, which redirects the T cells to target and eliminate B cells. This specificity also contributes to reduced resistance to therapy, as the simultaneous targeting of two pathways can overcome or delay the development of resistance mechanisms commonly seen with monotherapies.

When compared to combination therapies, bispecific antibodies offer a more cost-effective solution, reducing the complexity and expense associated with administering multiple therapeutic agents. Additionally, bispecific antibodies tend to show improved efficacy and better clinical feasibility and safety profiles. By combining the therapeutic effects of two antibodies into a single molecule, bispecific antibodies simplify treatment regimens and minimize the cumulative side effects associated with combination treatments. Overall, bispecific antibodies are poised to redefine therapeutic approaches in oncology, providing a powerful, targeted, and efficient method to combat cancer more effectively than traditional therapies.

Trends in the Development of Antibody-based Therapies

The antibody-based immuno-oncology market is undergoing transformative advancements, characterized by the development of more effective and diversified targets and antibodies. The evolution of immuno-oncology therapies has transitioned from monotherapies with immune checkpoint inhibitors like PD-1/PD-L1 and CTLA-4, which generally elicit limited responses of approximately 20%, to sophisticated “Cocktail” therapies. These “Cocktail” therapies are advanced ICI combination treatments that systematically harness the immune system to achieve maximum antitumor effects. Such innovations not only improve therapeutic efficacy but also broaden the treatable spectrum of both oncological and non-oncological conditions, thereby significantly enhancing patient care. In parallel, there is a heightened focus on safety. Efforts to reduce toxicity and enhance treatment safety profiles are intensifying, aimed at improving patient outcomes and meeting stringent regulatory standards. This emphasis on safety is essential for maintaining patient compliance and ensuring the successful transition of new therapies from clinical trials to widespread clinical use.

The sector is also witnessing an increased demand for robust, integrated R&D capabilities. This demand spans from early-stage research to comprehensive late-stage production, crucial for the seamless delivery of new therapies to the market. Such integration ensures that therapeutic innovations are not only scientifically robust but also commercially viable. Furthermore, the range of therapeutic indications for antibody-based treatments is broadening significantly. Originally focused on hematologic cancers, these therapies are now being applied to a variety of solid tumors, including major cancers like non-small cell lung cancer and breast cancer.

There is also burgeoning interest in exploring therapeutic applications beyond traditional oncology, opening new avenues for treatment and research. The trend towards combination therapies is also prominent, with an increasing adoption of strategies that integrate established treatments. This approach leverages synergistic effects to enhance treatment efficacy and tackle the complex nature of cancer more effectively, promising improved patient outcomes. These developments in the antibody-based immuno-oncology market underscore a dynamic approach to tackling modern healthcare challenges, highlighting innovation, safety, and efficacy as key drivers of successful therapeutic advancements.

4-1BB ANTIBODY DRUGS

Overview of 4-1BB Antibodies

4-1BB, a member of the TNFR superfamily, is a critical protein in the immune system found on the surface of T cells. It acts as a co-stimulatory molecule, enhancing T cell activation, survival, and growth when it binds to its ligand, 4-1BBL, typically present on APCs. This interaction strengthens the immune system's capacity to combat cancer. Recognized for its wide expression and key role in eliciting T-cell responses, 4-1BB-targeted therapies show significant potential, especially in cancers where PD-1/PD-L1 inhibitors are effective. Effectively utilizing activation of 4-1BB can significantly enhance T-cell proliferation, showing potential in overcoming the limitations associated with PD-1 inhibitors. 4-1BB plays an essential role in the activation and longevity of T cells, which are pivotal for effective immune responses against tumors. Its impact is evident from the indirect evidence provided by the successes in CAR-T cell therapies, which have demonstrated improved outcomes when 4-1BB is involved. Moreover, 4-1BB is crucial for facilitating the infiltration and penetration of T cells into the TME, a key factor for achieving tumor-specific immune responses.

Currently, anti-4-1BB antibody drugs are being developed for various cancers, including but not limited to neuroendocrine carcinoma (NEC), small cell lung cancer (SCLC), non-small cell lung cancer (NSCLC), biliary tract cancer (BTC), hepatocellular carcinoma (HCC), esophageal squamous cell carcinoma (ESCC), and gastric cancer (GC). These therapies aim to fully leveraging the body's immune system to provide more effective and lasting responses against cancer while containing favorable safety profile. The development of 4-1BB monoclonal antibodies has been progressing in recent years, with a number of clinical trials underway to evaluate their effectiveness in various cancer types. However, challenges include potential toxicity from over-activation of the immune system and determining the optimal design and best dosing to balance efficacy and side effects, resulting in the absence of an approved 4-1BB targeting drug. Bispecific antibodies, which target two molecular pathways, are emerging as a new strategy. Specifically, bispecific antibodies targeting both PD-L1 and 4-1BB are highly promising due to the complementary mechanisms of action by relieving immunosuppression and inducing immune cell activation. This approach effectively addresses the limitation of PD-1/PD-L1 monotherapy, which typically demonstrates modest response rates and can lead to resistance. For instance, 4-1BB can influence relevant tumor cell-extrinsic processes that alter the TME. Notably, targeting both PD-L1 and 4-1BB within the TME is considered more crucial than their inhibition in peripheral blood, especially for immune-excluded and immune-desert tumors. Dual targeting of PD-L1 and 4-1BB not only permits tumor cell binding dependent T cell activation, thereby potentially minimizing off-target liver toxicity, but also enables optimal engagement of antitumor immunity.

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Global Competitive Landscape of 4-1BB Antibodies

Multiple players are developing 4-1BB monoclonal antibodies targeting solid tumors and LVGN6051 by Lyvgen being the only product candidate entered Phase II trail. The table below sets forth details of the global pipeline of 4-1BB monoclonal antibodies:

Drug Name	Target	Company	Clinical Stage	Indication	Mono or Combo Therapy in Trial Design	First Posted Date
LVGN6051	4-1BB	Lyvgen Biopharma Holdings Limited	Phase 2	HNSCC	Combo	2024-04-22
EU101	4-1BB	Eutilex/Huabo Biopharm Co., Ltd.	Phase 1/2	NSCLC, RCC, Prostate cancer and Other Solid Tumor	Mono	2021-05-27
ADG106	4-1BB	Adagene Inc.	Phase 1/2	NSCLC	Combo	2022-02-11
PE0116	4-1BB	HyaMab Biotech Co., Ltd.	Phase 1/2	Locally Advanced and Metastatic Solid Tumor	Mono	2023-04-06
CTX-471	4-1BB	Compass Therapeutics	Phase 1	NSCLC, SCLC, Mesothelioma, Melanoma, HNC	Mono	2019-03-19
AGEN2373	4-1BB	Agenus Inc.	Phase 1	Advanced Cancer	Mono	2019-10-10
ATOR-1017	4-1BB	Alligator Bioscience AB	Phase 1	Advanced Solid Tumor	Mono	2019-10-30
TWP-101/ Sytalizumab	4-1BB	TheraWisdom Biopharma Co., Ltd.	Phase 1	Advanced Melanoma, UC and Other Solid Tumor	Mono	2021-05-04
YH004	4-1BB	Eucure Biopharma Co., Ltd	Phase 1	Advanced Solid Tumor, NHL	Mono	2022-10-04
ADG206	4-1BB	Adagene Inc.	Phase 1	Advanced and Metastatic Solid Tumor	Mono	2022-11-14
FTL001	4-1BB	Sound Biopharmaceuticals	Phase 1	Advanced Solid Tumors	Mono	2024-05-10

Note: Industry information as of July 11, 2025

Includes only active development programs; discontinued assets are excluded.

Source: ClinicalTrials.gov, Frost & Sullivan Analysis

The use of 4-1BB monoclonal antibodies in cancer therapy is fraught with significant challenges, particularly safety concerns. One of the primary issues is the potential for immune system overstimulation, which can lead to severe inflammatory responses. Additionally, liver toxicity remains a critical concern. Public data from an integrated safety analysis of urelumab (anti-4-1BB antibody), involving 346 patients with advanced cancers, highlights these risks. One patient treated with a 6.0 mg/kg dose experienced severe liver enzyme elevations and hyperbilirubinemia. Two fatalities occurred at doses of 1.0 mg/kg and 5.0 mg/kg, respectively, attributed to drug-related liver toxicity. These safety issues are compounded by efficacy limitations when 4-1BB antibodies are used as monotherapy, typically requiring combination with PD-1 or PD-L1 inhibitors to achieve meaningful clinical outcomes.

To enhance therapeutic outcomes and reduce adverse effects, the rationale for combining 4-1BB with PD-L1 inhibitors involves leveraging the synergistic effects of both pathways. This approach not only amplifies the antitumor response through more controlled and potent immune activation but also incorporates special design strategies in bispecific antibodies or tailored treatment protocols that aim to minimize side effects. By strategically moderating the immune response, this combination ensures a safer treatment regimen, balancing potent efficacy with manageable toxicity, thereby addressing the critical needs in immuno-oncology therapies to maximize patient benefit while minimizing risks. The table below illustrates details of the global pipeline of bispecific antibodies targeting both 4-1BB and PD-L1. Having entered into a

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single-arm registrational trial in China for the treatment of extra-pulmonary neuroendocrine carcinoma (EP-NEC) in July 2024, LBL-024 stands as the world's first and only 4-1BB-targeted immunotherapy for EP-NEC to have reached registrational trial stage as of the Latest Practicable Date. Apart from LBL-024, no other PD-L1/4-1BB bispecific antibodies are being evaluated under accelerated approval pathway worldwide.

Drug Name	Target	Company	Clinical Stage	Indication	Mono or Combo Therapy in Trial Design	First Posted Date	Location
LBL-024*	PD-L1/4-1BB	Leads Biolabs Co., Ltd.	Pivotal stage	Advanced EP-NEC	Mono	2024-07-11	China
			Phase 2	Advanced Solid Tumor	Combo	2025-01-21	China
Acasunlimab	PD-L1/4-1BB	Genmab	Phase 3	NSCLC	Combo	2024-10-10	Global
INBRX-105	PD-L1/4-1BB	Inhibrx Biosciences, Inc	Phase 2	NSCLC, Melanoma, HNSCC, GC, RCC, Esophageal Adenocarcinoma, NPC, Oropharyngeal Cancer	Mono	2019-01-18	Global
QLF31907*	PD-L1/4-1BB	Qilu Pharmaceutical Co., Ltd.	Phase 2	Melanoma, UC	Mono	2023-04-21	China
AP203	PD-L1/4-1BB	AP Biosciences Inc.	Phase 1/2	NSCLC, HNSCC, ESCC and Other Solid Tumor	Mono	2022-07-25	Global
PM1003*	PD-L1/4-1BB	Biotheus Inc.	Phase 1/2	Advanced Solid Tumor	Mono	2023-05-17	China
MCLA-145	PD-L1/4-1BB	Merus N.V./Incyte Corporation	Phase 1	Advanced Solid Tumor, B-cell Lymphoma	Mono	2019-04-19	Global
FS222	PD-L1/4-1BB	invoX Pharma Limited/F-star Therapeutics Limited	Phase 1	Advanced Solid Tumor	Mono	2021-02-05	Global
ABL503	PD-L1/4-1BB	ABL Bio, Inc.	Phase 1	Advanced Solid Tumor	Mono	2021-02-21	Global
ATG-101	PD-L1/4-1BB	Antengene Biologics Limited	Phase 1	Advanced Solid Tumor, B-cell NHL	Mono	2021-08-03	Global
BH3120	PD-L1/4-1BB	Hanmi Pharmaceutical Company Limited	Phase 1	Advanced Solid Tumor	Mono	2024-01-31	Global

Note: Industry information as of July 11, 2025

Includes only active development programs; discontinued assets are excluded.

* Only LBL-024, QLF31907, and PM1003 are conducting clinical trials in China

In oncology drug development, the NMPA adopts a regulatory guiding principle combining single-arm trials with conditional approval to expedite market access for new therapeutics. According to the relevant laws and regulations in the PRC and industry practice, the NMPA may grant approvals of single-arm registrational trials based on consideration of specific trial progress and data evaluation. Such registrational trials are explicitly defined as “registrational” rather than as Phase II or Phase III studies. LBL-024 was approved in April 2024 to initiate a “registrational” study rather than a conventional Phase II or III trial.

Source: ClinicalTrials.gov, Frost & Sullivan Analysis

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The following table summarizes the absolute amounts of incidence and market size in China for each major indication of LBL-024 for the period indicated:

Indication	Unit		2024	2027E	2030E	CAGR 2024-2027E	CAGR 2027E-2030E
EP-NEC	Eligible patient	Thousand	12.0	14.0	16.5	5.3%	5.6%
	Market	Billion RMB	3.5	4.0	4.8	4.6%	6.3%
SCLC	Eligible patient	Thousand	95.9	103.4	110.7	2.5%	2.3%
	Market	Billion RMB	27.6	29.8	31.9	2.6%	2.3%
NSCLC	Eligible patient	Thousand	239.9	253.0	277.5	1.8%	3.1%
	Market	Billion RMB	69.1	72.9	79.9	1.8%	3.1%
BTC	Eligible patient	Thousand	79.8	85.8	91.9	2.5%	2.3%
	Market	Billion RMB	23.0	24.7	26.5	2.4%	2.4%
GC	Eligible patient	Thousand	263.0	286.7	272.6	2.9%	-1.7%
	Market	Billion RMB	75.7	82.6	78.5	3.0%	-1.7%
ESCC	Eligible patient	Thousand	117.3	127.7	241.8	2.9%	23.7%
	Market	Billion RMB	33.8	36.8	69.6	2.9%	23.7%
HCC	Eligible patient	Thousand	42.3	45.1	30.9	2.2%	-11.8%
	Market	Billion RMB	12.2	13.0	8.9	2.4%	-11.8%

Source: Frost & Sullivan Analysis

Note: The data are based on a 100% penetration rate within the eligible patient population, representing the total addressable market.

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The following table summarizes the estimated population of patients eligible for the use of PD-L1/4-1BB BsAb in China in 2024:

Cancer Type	Market Size	Total number in 2024	Late stage rate	Late stage patients	1L treatment rate	Patients who received 1L	2L treatment rate	Patients who received 2L	3L treatment rate	Patients who received 3L	Eligible number in 2024
	(billion RMB)	(thousand)	(%)	(thousand)	(%)	(thousand)	(%)	(thousand)	(%)	(thousand)	(thousand)
EP-NEC	3.5	17.2	70.0	12.1	90.2	10.9	49.7	5.4	27.4	1.1	12.0 (1L and 3L EP-NEC)
SCLC	27.6	168.0	70.0	117.6	81.5	95.9	-	-	-	-	95.9 (1L SCLC)
NSCLC/			70.0	666.2	24.5	163.0	-	-	-	-	239.9 (1L
NsqNSCLC	69.1	951.7	70.0	666.2	63.4	422.5	18.2	76.9	-	-	NSCLC/2L NsqNSCLC)
BTC	23.0	139.8	70.0	97.9	81.5	79.8	-	-	-	-	79.8 (1L BTC)
GC	75.7	379.4	85.0	322.5	82.1	263.0	-	-	-	-	263.0 (GC)
ESCC	33.8	238.1	60.4	143.8	90.6	117.3	-	-	-	-	117.3 (1L ESCC)
HCC	12.2	345.9	45.0	155.7	27.2	42.3	-	-	-	-	42.3 (1L HCC)

Source: Frost & Sullivan Analysis

Note: The percentage calculation accounts for the stage of disease, lines of treatment, and the use of monotherapy or combination therapies. However, pricing and pipeline data are excluded from the estimation of the eligible patient population.

LBL-024 binds to PD-L1 and 4-1BB with distinct affinities, exhibiting improved safety profile in the clinical trials. The binding affinity of LBL-024 for PD-L1 versus 4-1BB is approximately 300:1, as compared to 0.9:1 of Genmab's acasunlimab, according to publicly available data. In its Phase I/II clinical trials, only 1.1% (2/175) of patients experienced Grade 3 or higher adverse events related to increased AST levels, and only 0.6% (1/175) of patient showed increased ALT levels. In comparison, according to the publicly reported clinical data of Genmab's acasunlimab, in combination with Keytruda® for the treatment of metastatic NSCLC, 13.3% of the patients experienced Grade 3 or above liver-related adverse events. Such clinical data in comparison was generated from its respective clinical studies according to publicly available source, not from head-to-head studies with LBL-024. The observed differences in efficacy outcomes may be influenced by various factors, including but not limited to differences in patient baseline characteristics, disease status, prior treatment history, and study design parameters across these independent trials. Therefore, these cross-trial comparisons should be interpreted with caution. Simultaneously blocking PD-1/PD-L1 pathway and conditionally activating 4-1BB pathway with its 2:2 format, it also achieved an encouraging efficacy during the clinical evaluation. This dual action enhances T cell activation and proliferation more effectively than PD-1/L1 antibodies alone, leading to stronger antitumor effects.

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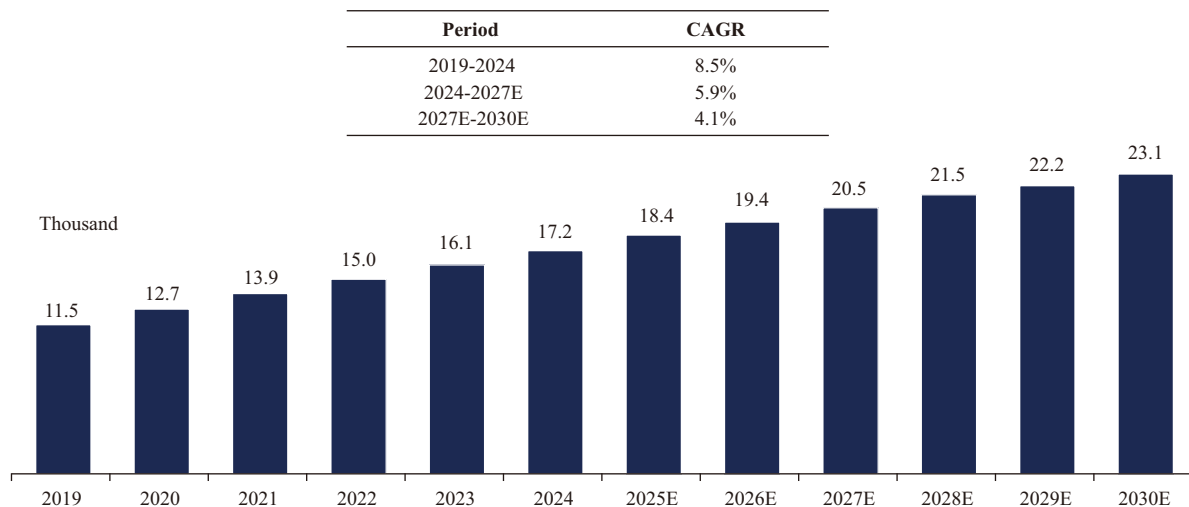
Currently, several other new treatment modalities are also under investigation for the treatment of EP-NEC, SCLC, NSCLC, BTC, GC, ESCC, and HCC, including CAR-T cell therapy, which involves genetically engineered T cells expressing chimeric antigen receptors to recognize tumor antigens and mediate tumor cell killing and is currently undergoing clinical trials for solid tumors. Bispecific ADCs, combining bispecific antibodies with cytotoxic payloads via linkers to precisely target and deliver therapeutic agents to cancer cells, are also in clinical evaluation for solid tumors. RNA-targeted small molecules, designed to modulate splicing, inhibit translation of undruggable proteins, or disrupt non-coding RNA structures, are being explored in ongoing trials for solid malignancies. Gene therapy approaches utilizing CRISPR technology to edit immune cell genes, enhancing anti-tumor activity by knocking out inhibitory receptors or inserting functional genes, are progressing through early clinical trials. Cancer vaccines, which deliver tumor-associated antigens or neoantigens to activate antigen-specific T cell responses, are under clinical investigation. Additionally, proteolysis-targeting chimeras (PROTACs), leveraging the ubiquitin-proteasome system to degrade disease-causing proteins, are in clinical trials for solid tumors.

Major Indications for 4-1BB Antibodies

Neuroendocrine Carcinoma

NEC is a class of poorly differentiated neuroendocrine neoplasms (NENs). NEN originates from neuroendocrine cells and occurs in any organs all over the body, mainly including lung, stomach, pancreas, colon and rectum. NECs are characterized by an aggressive clinical course with early metastasis and frequent recurrence. EP-NEC, which refers to NECs occur outside the lungs and affect organs such as the gastrointestinal tract, pancreas, and other tissues, had a China incidence of EP-NEC increased from 11.5 thousand in 2019 to 17.2 thousand in 2024 and is expected to reach 23.1 thousand in 2030. The chart below shows historical and projected incidences of EP-NEC in China for the periods indicated:

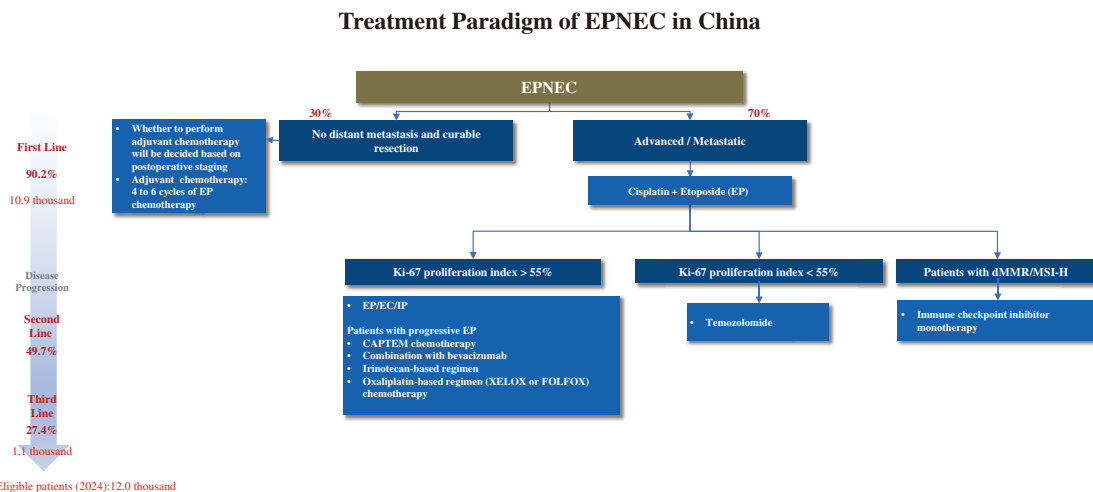
Incidence of Extra-pulmonary Neuroendocrine Carcinoma in China, 2019-2030E



Source: NCCR, Frost & Sullivan Analysis

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Currently, platinum-based combination chemotherapy is the first line standard of care (SOC) for advanced NEC, though it is associated with severe adverse effects, such as kidney toxicity, and often leads to resistance issues, limiting its clinical utility. For EP-NEC, combination therapy (platinum/etoposide combination) is the first-line SOC for most patients. Second-line treatment depends on biomarkers: patients with a high Antigen Kiel (Ki) 67 index (>55%) often receive combination regimens like CAPTEM or oxaliplatin-based therapies such as oxaliplatin and capecitabine (XELOX) as well as folinic acid, fluorouracil and oxaliplatin (FOLFOX), while those with a lower Ki-67 index (<55%) may benefit from temozolomide monotherapy, accounting for about 30% of second-line EP-NEC patients. Patients with dMMR/MSI-H tumors, a smaller subgroup (5% to 10%), are treated with immune checkpoint inhibitors. The following flow chart illustrates the treatment paradigm of EP-NEC in China.



Note: For patients who have failed second-line treatment, neither the CSCO Guidelines nor the NCCN Guidelines recommend any systemic treatment regimens.

Source: CSCO, Frost & Sullivan Analysis

Advanced NEC patients who fail first-line SOC treatments face a poor prognosis and have very limited treatment options. ORR of the second-line chemotherapy is relatively low, as FOLFIRI only revealed an ORR of 18.3% in NEC. Only a minority of these patients respond positively to PD-1/PD-L1 inhibitors, making monotherapy with these agents of limited efficacy and offering only short-term disease control. For example, the ORR, median PFS and median overall survival (mOS) of Keytruda® are approximately 7%, 1.8 months, and 7.8 months, respectively, in patients with 2L/3L+ EP-NEC, according to its publicly reported clinical data. The median PFS and mOS of Opdivo® are approximately 1.8 months and 7.2 months, respectively, in patients with 2L and above NEC. In contrast, patients are more likely to benefit from combination use or bispecific strategy, presenting limited treatment options available with the new generation of bispecific antibodies in treating EP-NEC. Specifically, bispecific antibodies targeting both 4-1BB and PD-L1 represent a promising avenue address the challenge posted by peptide receptor radioligand therapy, such as limited efficacy in poorly differentiated and low SSTR-expressing tumors. These antibodies synergistically enhance the immune response by simultaneously activating T cells via the co-stimulatory molecule 4-1BB and blocking the inhibitory PD-L1 pathway, thereby potentially improving therapeutic outcomes in this challenging clinical setting. This dual-targeted approach addresses the complex dynamics of tumor immunity and offers a tailored strategy to enhance efficacy in patients with EP-NEC.

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The following table illustrates the clinical efficacy data of main antibodies for the treatment of EP-NEC around the globe. With its promising clinical data and advanced clinical progress, LBL-024 has also exhibited the potential to become the first approved drug for treating EP-NEC.

NCT	Phase	Treatment	Patient Number	Indication	Treatment Line	ORR (%)	mPFS (m)	mOS (m)
NCT05170958	I/II	LBL-024	45	EP-NEC	≥2L	33.3%	2.8	11.9
NCT05170958	I/II	LBL-024	21	EP-NEC	2L	38.1%	4.1	Not reached
NCT04169672	II	Surufatinib + Toripalimab	21	NEC	2L	23.8%	4.1	10.9
NCT03167853	Ib	Toripalimab	40	NEN	≥2L	20.0%	2.5	7.8
NCT02820857	II	FOLFIRI	67	NEC	2L	18.3%	3.5	8.9
NCT03136055	II	Pembrolizumab	14	EP-NEC	≥2L	7.0%	1.8	7.8
NCT03591731	II	Nivolumab	83	NEC	≥2L	7.2%	1.8	7.2
		Nivolumab + Ipilimumab	87	NEC	≥2L	14.9%	1.9	5.8
NCT02955069	II	PDR001	21	GEP-NEC	≥2L	4.8%	1.8	6.8
NCT03095274	II	Durvalumab+Tremelimumab	18	GEP-NEC	2L	16.7%	2.4	5.9
NCT04400474	II	Cabozantinib+Atezolizumab	9	G3 EP-NEN	≥2L	0	2.7	5.4

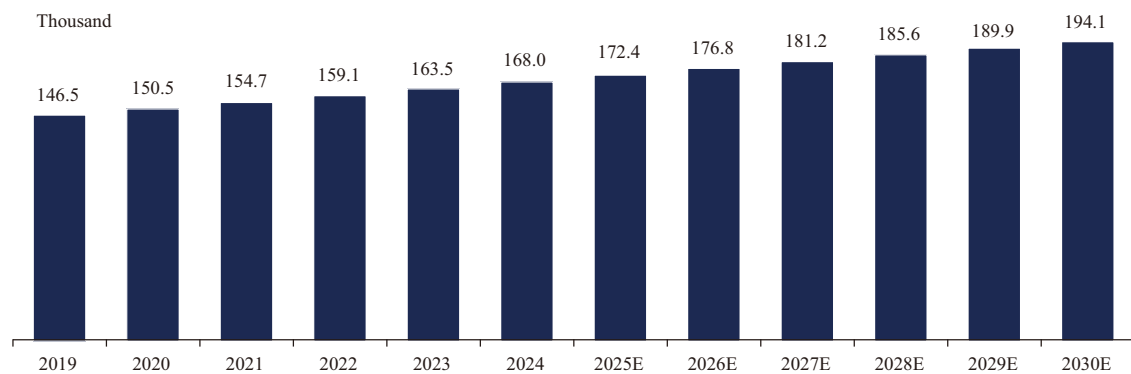
Source: Company data, Frost & Sullivan Analysis

Small Cell Lung Cancer

SCLC, also an aggressive form of NEC, accounts for 15% of all lung cancer cases and is most commonly diagnosed in patients with histories of heavy smoking. In general, SCLC grows aggressively and is highly metastatic, resulting in a high mortality rate. The China incidence of SCLC increased from 146.5 thousand in 2019 to 168.0 thousand in 2024 and is expected to reach 194.1 thousand in 2030. Over 90% of advanced SCLC patients receive the first-line treatment. The chart below illustrates historical and projected incidences of SCLC in China for the periods indicated:

Incidence of Small Cell Lung Cancer in China, 2019-2030E

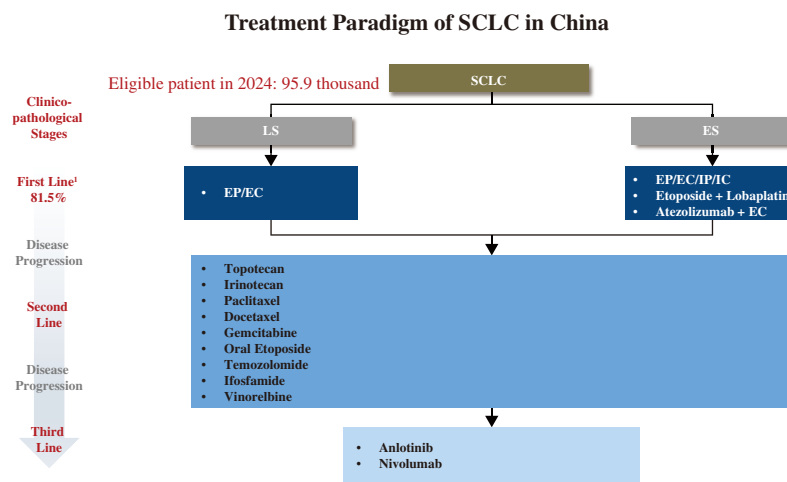
Period	CAGR
2019-2024	2.8%
2024-2027E	2.6%
2027E-2030E	2.3%



Source: NCCR, Frost & Sullivan Analysis

INDUSTRY OVERVIEW

As SCLC is often asymptomatic and progresses quickly, most patients are diagnosed at an advanced stage with distant metastases, known as the extensive stage. The high heterogeneity of SCLC makes developing targeted therapies difficult due to the lack of common, actionable oncogenic drivers. After several decades, chemotherapy remains the standard first-line treatment for extensive-stage SCLC, with regimens such as etoposide plus carboplatin, etoposide plus carboplatin (EC) or atezolizumab plus EC playing a central role. Although these patients initially respond well to chemotherapy, most eventually relapse due to drug resistance. In such cases, second-line or third-line therapies, including agents like topotecan and nivolumab, are utilized to manage disease progression. It is estimated that 70% to 80% of patients are eligible for first-line combination treatments, while 20% to 30% qualify for monotherapy or combination therapies in later treatment lines, reflecting a tailored approach to managing this challenging disease. The following flow chart illustrates the treatment paradigm of SCLC in China.



Note: IC = Irinotecan + Carboplatin; IP = Irinotecan + Cisplatin; EC = Etoposide + Carboplatin; EP = Etoposide + carboplatin

Source: CSCO, Frost & Sullivan Analysis

In recent years, combining PD-1/PD-L1 inhibitors with chemotherapy has been recommended for treating extensive-stage SCLC in both first and later-line settings. However, the benefits of this combination therapy have been disappointing. Most patients either have primary resistance or quickly develop acquired resistance to current treatments, and very few drugs are approved for effective second-line treatment of SCLC. Without effective treatment options, the prognosis for SCLC patients is generally poor, with a median overall survival (mOS) of 15-20 months for limited-stage SCLC and 8-13 months for extensive-stage SCLC. Relapsed or refractory SCLC has an even worse prognosis, with a median survival of 4-5 months. The limitations of current treatments underscore the urgent need for more effective therapies and expanded strategies, such as bispecific antibodies. Targeting 4-1BB and PD-L1 offers a promising strategy to overcome SCLC treatment limitations. 4-1BB enhances the immune response, and when combined with PD-L1 inhibitors, it can potentially overcome immune evasion. This dual-target approach aims to sustain and amplify the antitumor response, reduce resistance, and improve treatment efficacy, offering new solutions for patients with extensive-stage SCLC.

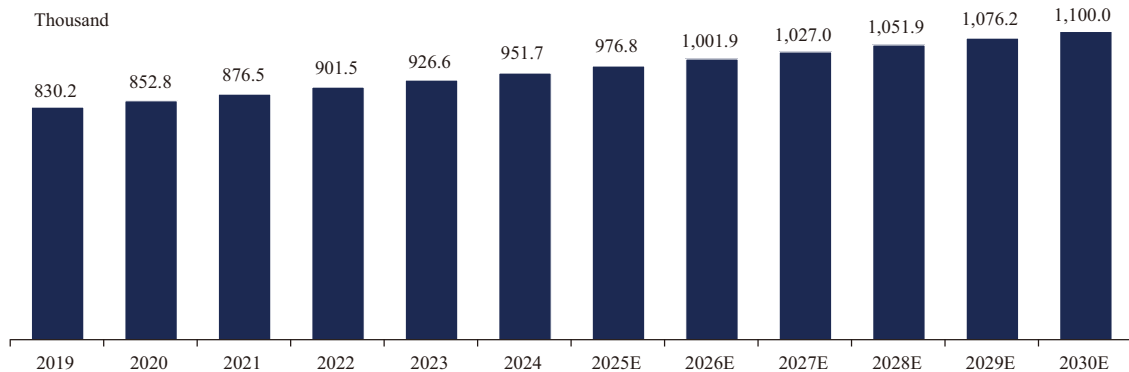
INDUSTRY OVERVIEW

Non-Small-Cell Lung Cancer

NSCLC is the most prevalent lung cancer and accounts for 85% of all lung cancer cases. The most common types of NSCLC are adenocarcinoma, large cell carcinoma, and squamous cell carcinoma. The China incidence of NSCLC increased from 830.2 thousand in 2019 to 951.7 thousand in 2024 and is expected to reach 1,099.9 thousand in 2030. Around 85% and 68% of advanced NSCLC patients receive the first-line and second-line treatment. The chart below illustrates historical and projected incidences of NSCLC in China for the periods indicated:

Incidence of Non-Small Cell Lung Cancer in China, 2019-2030E

Period	CAGR
2019-2024	2.8%
2024-2027E	2.6%
2027E-2030E	2.3%

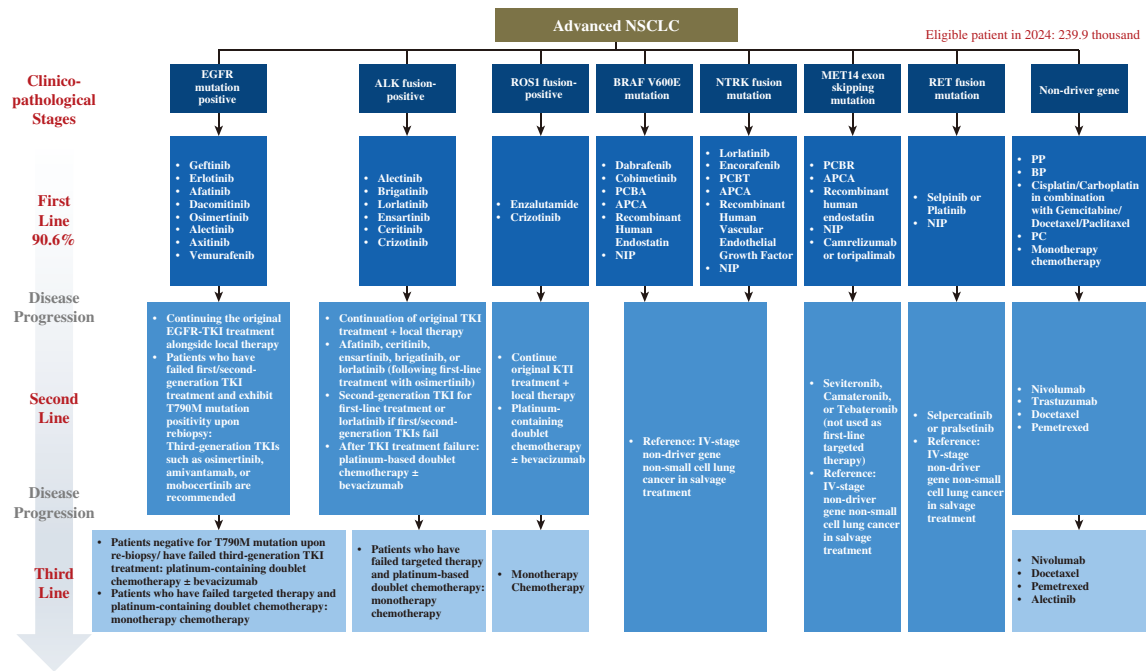


Source: NCCR, Frost & Sullivan Analysis

Most patients with NSCLC are diagnosed at an advanced or metastatic stage. For these late-stage cases, the SOC often involves chemotherapy, molecular targeted therapy, and immunotherapy, which can be used either alone or in combination. Monotherapy or combination therapies are utilized across first-line to salvage treatments, tailored based on genetic mutations. In China, approximately 30% to 40% of patients are eligible for targeted therapies, while in the U.S., this proportion is around 15% to 20%, and patients without actionable driver mutations, systemic chemotherapy or immunotherapy is broadly applied. The following flow chart illustrates the treatment paradigm of NSCLC in China.

INDUSTRY OVERVIEW

Treatment Paradigm of NSCLC in China



Note: PCBA=Paclitaxel + Carboplatin + Bevacizumab in combination with Atezolizumab; PCBT=Paclitaxel + Carboplatin + Bevacizumab combined with Trastuzumab; PCBR=Paclitaxel + carboplatin + bevacizumab combined with ramucirumab; APCA=Albumin-bound Paclitaxel + Carboplatin in combination with Atezolizumab; NIP=Nivolumab and Ipilimumab in combination with Pembrolizumab; PP=Pemetrexed in combination with platinum agents; BP=Bevacizumab in combination with platinum-based doublet chemotherapy; PC=PD-L1 inhibitors as monotherapy or in combination with chemotherapy

Source: CSCO, Frost & Sullivan Analysis

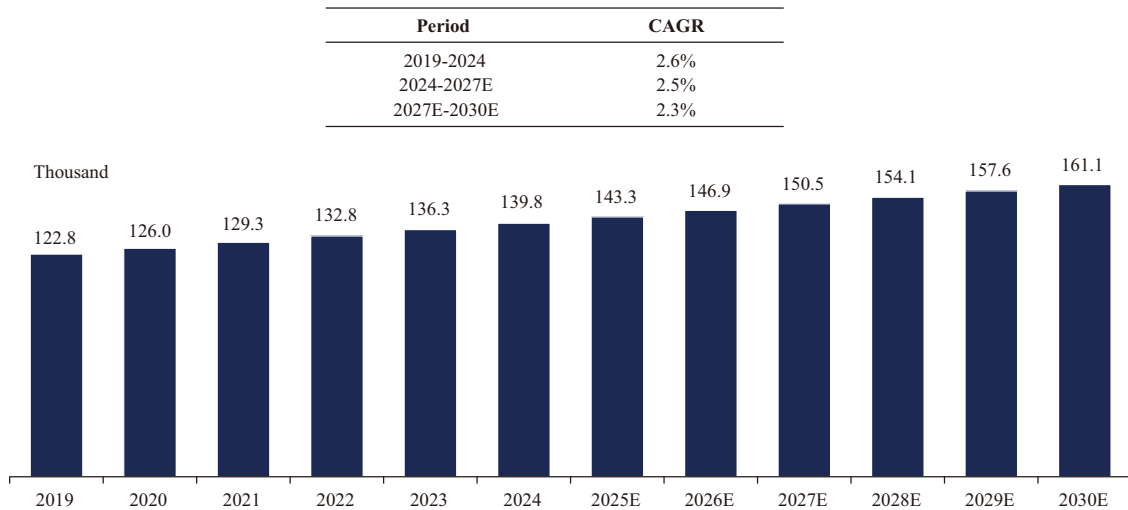
While these therapies provide options for managing the disease, chemotherapy often presents challenges due to toxicity and the development of resistance, which can limit its long-term effectiveness and impact patient quality of life. It is well established that acquired genetic alterations in certain driver genes result in tumor growth and invasiveness, thus, patients with oncogenic driver-positive NSCLC may benefit from molecular-targeted therapies. These therapies are specifically designed for subgroups of NSCLC patients with identifiable mutations, yet they also face challenges related to drug resistance, further restricting their applicability to specific patients. Immunotherapy, such as PD-1/PD-L1 inhibitors, either alone or in combination with chemotherapy, is currently at the forefront of treatment for oncogenic driver-negative NSCLC. However, its current application is limited to a subset of patients who respond positively to ICIs and shows limited effectiveness. Considering the high global incidence of NSCLC and the limitations of existing therapies. Therapies that adopt a dual-targeting approach are anticipated to enhance treatment outcomes and provide substantial clinical benefits for NSCLC patients who have limited responses to PD-1/PD-L1 inhibitors.

INDUSTRY OVERVIEW

Biliary Tract Cancer

BTC represents the second most common type of hepatobiliary cancer worldwide. It is a rare and highly fatal malignant tumor and can be formed anywhere in the bile duct. BTC typically consist of cholangiocarcinomas (CCA) and gallbladder carcinoma. CCA are tumors that develop along the bile duct. The China incidence of BTC increased from 122.8 thousand in 2019 to 139.8 thousand in 2024 and is expected to reach 161.1 thousand in 2030. Around 80% of advanced BTC patients receive the first-line treatment. The chart below demonstrates historical and projected incidences of BTC in China for the periods indicated:

Incidence of Biliary Tract Cancer in China, 2019-2030E

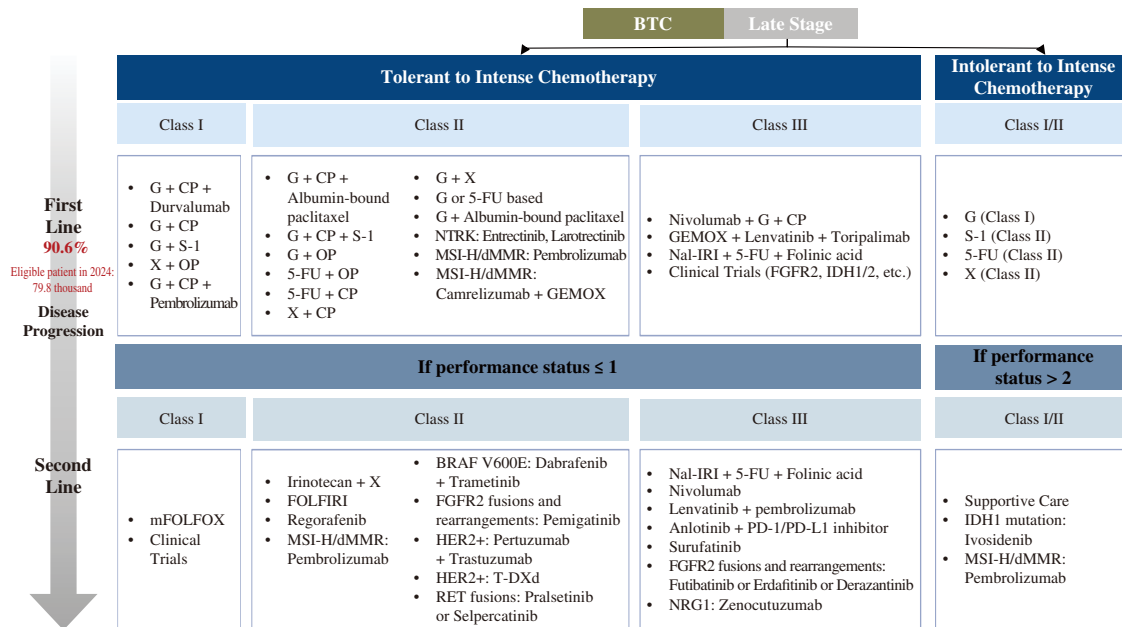


Source: NCCR, Frost & Sullivan Analysis

BTC typically present at an advanced stage and are resectable in less than 30% of cases, often characterized by a poor prognosis. The incidence rate of BTC is relatively low, but the disease's severity due to its late presentation poses significant challenges in management. Currently, the treatment options for BTC are limited, with a majority of patients presenting with locally advanced or metastatic disease. The following flow chart illustrates the treatment paradigm of BTC in China.

INDUSTRY OVERVIEW

Treatment Paradigm of BTC in China



Note: G = Gemcitabine; CP = Cisplatin; S-1 = Tegafur/Gimeracil/Oteracil; OP = Oxaliplatin, X = Capecitabine; 5-FU = 5-Fluorouracil; mFOLFOX = Oxaliplatin + 5-Fluorouracil; FOLFIRI = Folinic acid, Fluorouracil and Irinotecan; T-DXd = Trastuzumab Deruxtecan

Source: CSCO, Frost & Sullivan Analysis

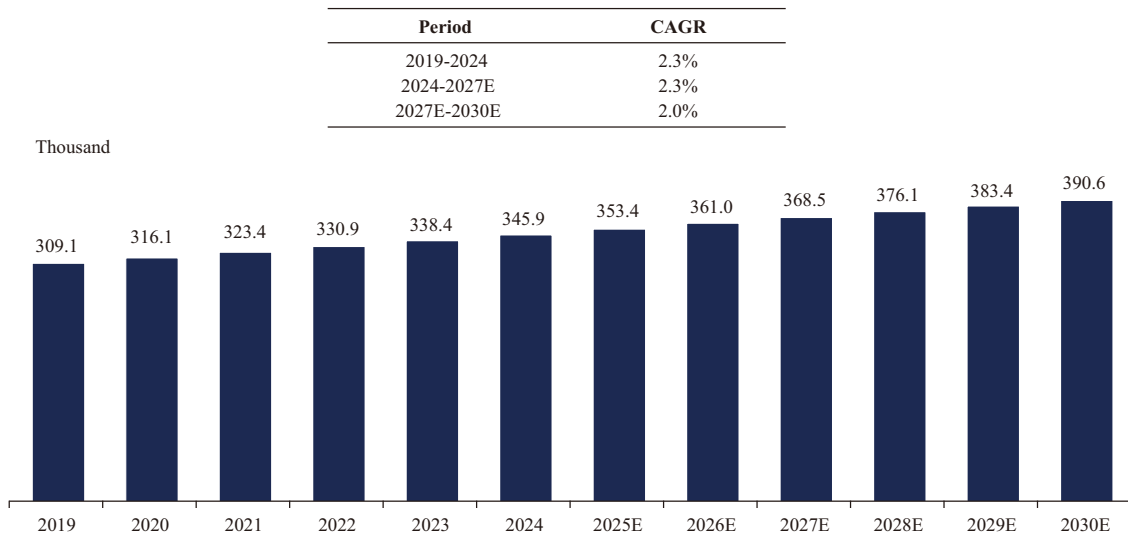
Surgery and liver transplantation are the primary treatment options for eligible CCA patients. Recent advancements suggest that bispecific antibodies, such as PD-L1/4-1BB, which can simultaneously bind to both co-inhibitory and co-stimulatory molecules, may enhance durable antitumor responses. Current estimates suggest that approximately 70% of BTC patients are eligible for monospecific antibody monotherapy or chemotherapy-based combinations, yet these approaches often yield suboptimal outcomes due to intrinsic or acquired resistance. This approach could potentially benefit patients who do not respond to traditional monospecific antibody therapies, offering a new avenue for treatment in this challenging oncological landscape.

INDUSTRY OVERVIEW

Hepatocellular Carcinoma

HCC accounts for around 90% of all liver cancer cases. It occurs most often in people with chronic liver diseases, such as cirrhosis caused by hepatitis B or hepatitis C infection, and it is a leading cause of death in people with cirrhosis. The China incidence of HCC increased from 309.1 thousand in 2019 to 345.9 thousand in 2024 and is expected to reach 390.6 thousand in 2030. Around 70% of advanced HCC patients receive the first-line treatment. The chart below demonstrates historical and projected incidences of HCC in China for the periods indicated:

Incidence of Hepatocellular Carcinoma in China, 2019-2030E



Source: IARC, Frost & Sullivan Analysis

INDUSTRY OVERVIEW

Therapeutic options for HCC are typically based on the stage of the disease. Monotherapy or combination therapies remain the SOC for advanced HCC, including small molecule targeted drugs and immunotherapy-based combinations. Sorafenib and lenvatinib, two small molecule targeted drugs, are first-line treatment options for late-stage cases. However, fewer than one-third of patients benefit from sorafenib, and drug resistance typically develops within six months of the initial regimen. Long-term use of sorafenib is further limited by issues of toxicity and declining efficacy. In both China and the U.S., approximately 30% to 40% of advanced HCC patients are eligible for systemic therapies, particularly combination regimens such as checkpoint inhibitors paired with anti-angiogenic agents. The following flow chart illustrates the treatment paradigm of HCC in China.

Treatment Paradigm of HCC in China

Disease Stage	Recommended Therapies					Summary
Early Stage	Liver Resection	Tumor Ablation	Radiation Therapy	Radio-immuno-therapy	Liver Transplantation	Early stage HCC treatment options are majorly locoregional ones such as liver resection, ablation, radiation therapy, radioimmunotherapy, which can be used in combination with TACE, immunomodulators, chemotherapy or targeted therapies to achieve a better treatment outcome.
	+					
	TACE	Immu-nodulators	Chemotherapy	Targeted Therapy (e.g. sorafenib)		
Late Stage 90.6%	Small molecule targeted therapy		Eligible patient in 2024: 42.3 thousand 1st Line (27.2%): Sorafenib, Lenvatinib, Donafenib; Sintilimab + Bevacizumab Apatinib + Camrelizumab, Immobilizumab + temselimab, akradine		2nd Line: Regorafenib, Apatinib)	Late stage HCC treatment options are majorly systemic treatments, including small molecular targeted therapy, checkpoint inhibitor alone or with anti-angiogenic monoclonal antibodies (such as Bevacizumab) as well as chemotherapy.
	Checkpoint inhibitors + (Monoclonal antibody) (1st Line: Atelizumab + Bevacizumab; 2nd Line: PD-1)					
	Chemotherapy (Oxaliplatin-based, etc.)					

Source: CSCO, Frost & Sullivan Analysis

Due to the limited improvement in clinical outcomes with small molecule targeted drugs, PD-1/PD-L1 inhibitors have been introduced to improve outcomes. Despite this, current immuno-oncology therapies still do not provide significant benefits in terms of progression-free and overall survival. The limited efficacy of these treatments highlights the urgent need for more effective strategies, such as bispecific antibodies.

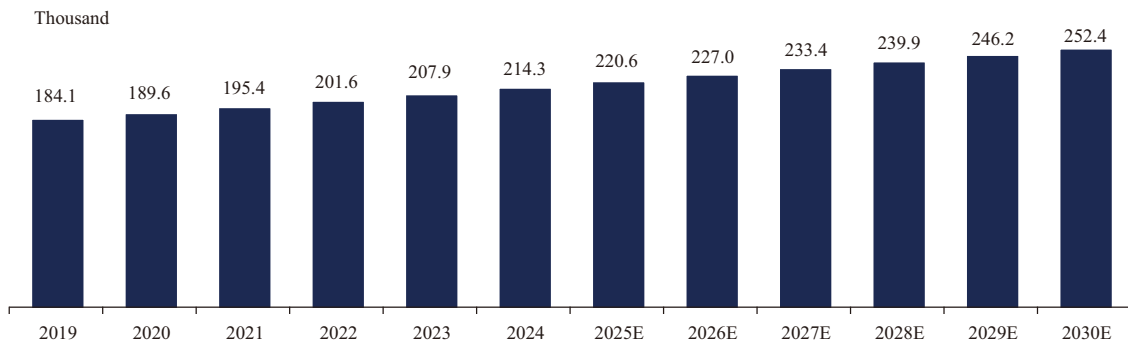
INDUSTRY OVERVIEW

Esophageal Squamous Cell Carcinoma

Esophageal squamous-cell carcinoma (ESCC) is the predominant histological subtype of esophageal cancer, accounting for approximately 90% of esophageal cancer cases. The China incidence of ESCC increased from 184.1 thousand in 2019 to 214.3 thousand in 2024 and is expected to reach 252.4 thousand in 2030. Around 60% of advanced ESCC patients receive the first-line treatment. The chart below demonstrates historical and projected incidences of ESCC in China for the periods indicated:

China Incidence of Esophageal Cancer, 2019-2030E

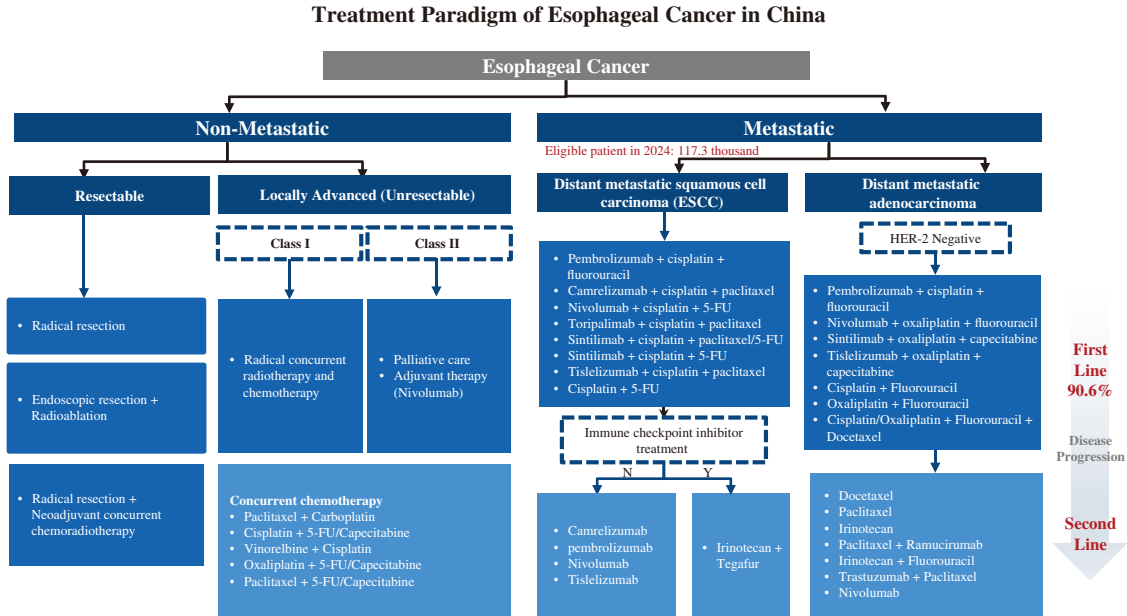
Period	CAGR
2019-2024	3.1%
2024-2027E	2.9%
2027E-2030E	2.6%



Source: IARC, Frost & Sullivan Analysis

INDUSTRY OVERVIEW

For the SOC of advanced ESCC, PD-1/PD-L1 inhibitors combined with chemotherapy or used as monotherapy, which accounts for approximately 11% are primarily indicated in both the first-line and second-line settings. The following flow chart illustrates the treatment paradigm of ESCC in China.



Source: CSCO, Frost & Sullivan Analysis

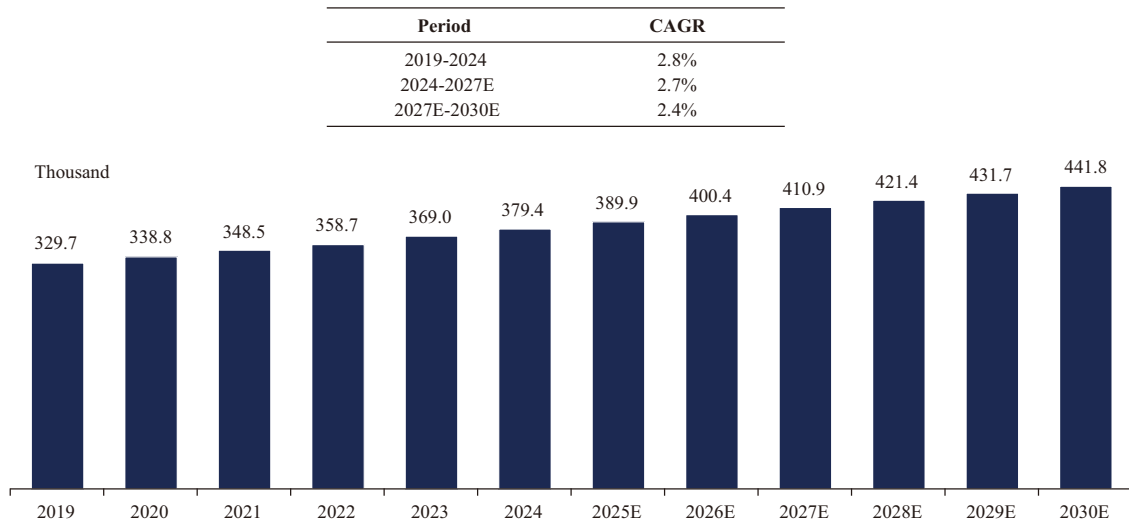
However, the efficacy of current treatments for advanced ESCC remains limited. Firstly, these PD-1/PD-L1 inhibitor-based therapies offer limited benefits due to a relatively low response rate in advanced ESCC patients, and the improvement in OS is still modest, typically around 3 to 6 months. 4-1BB presents a promising mechanism by promoting cytotoxic T-cell proliferation, survival, and effector function upon activation. The TME of ESCC is typically characterized by high regulatory T cell infiltration and a paucity of functional CD8+ T cells, which contribute to immune evasion. 4-1BB agonists address these challenges through a dual mechanism: they selectively enhance CD8+ T cell survival (via upregulation of Bcl-xL) and cytotoxicity (mediated by increased IFN- γ secretion through NF- κ B pathway activation) while simultaneously inhibiting the immunosuppressive activity of Tregs (via downregulation of FoxP3 expression). This dual effect effectively combats immune escape in ESCC. Furthermore, by amplifying T-cell activity even in low-inflammation tumor settings, 4-1BB targeting has the potential to overcome the “cold” tumor phenotype commonly observed in ESCC.

INDUSTRY OVERVIEW

Gastric Cancer

Gastric cancer is one of the most common types of cancer, developing from the lining of the stomach. It often spreads to other parts of the body, such as the liver, lungs, bones, abdominal lining, and lymph nodes, and typically progresses over several years. In China, the incidence rose from 329.7 thousand in 2019 to 379.4 thousand in 2024 and is projected to grow to 441.8 thousand by 2030. Most cases of gastric cancer are adenocarcinomas, which develop from the innermost lining of the stomach. The chart below illustrates the historical and projected incidences of gastric cancer in China for the periods indicated.

Incidence of Gastric Cancer in China, 2019-2030E

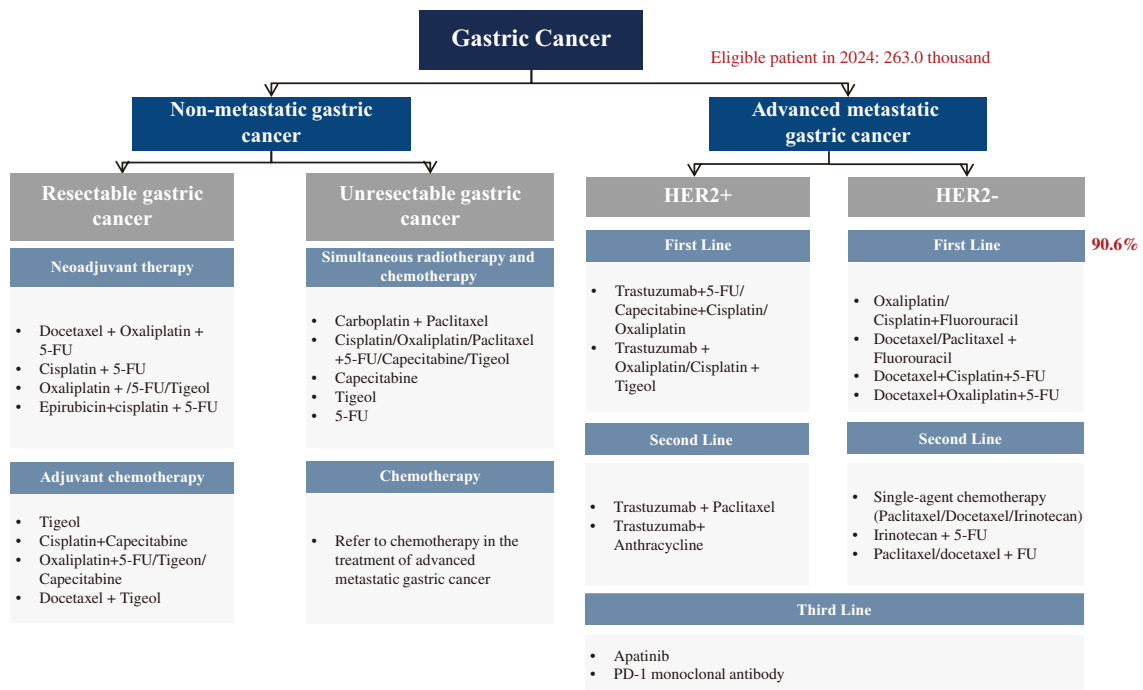


Source: NCCR, Frost & Sullivan Analysis

Gastric cancer treatment strategies vary based on the stage of the disease, with distinct approaches for early and advanced stages. For early-stage gastric cancer, ranging from stage I to stage III, surgery remains the SOC and is often complemented by adjuvant chemotherapy to reduce recurrence risk. Commonly used regimens include combinations of oxaliplatin with fluorouracil (5-FU) or capecitabine, as well as cisplatin-based therapies. In cases of non-metastatic, resectable gastric cancer, neoadjuvant therapy, which involves agents like docetaxel, cisplatin, and 5-FU, is employed to shrink tumors before surgery. However, for unresectable cases, simultaneous radiotherapy and chemotherapy are critical, typically using carboplatin, paclitaxel, or cisplatin-based regimens. For advanced metastatic gastric cancer, usually refers to stage IV, the focus shifts to systemic therapies aimed at prolonging survival and improving quality of life. The following flow chart illustrates the treatment paradigm of Gastric cancer in China.

INDUSTRY OVERVIEW

Treatment Paradigm for Gastric Cancer in China



Source: CSCO, Frost & Sullivan Analysis

HER2 status plays a pivotal role in guiding treatment decisions. HER2-positive patients typically receive trastuzumab, a HER2-targeting monoclonal antibody which is widely used by half of the patients, as the foundation of first-line therapy, combined with fluoropyrimidines, such as fluorouracil or capecitabine and platinum agents like cisplatin or oxaliplatin. Second-line therapies for HER2-positive patients often involve trastuzumab with paclitaxel or anthracyclines, while third-line options include PD-1 inhibitors or targeted therapies such as apatinib. For HER2-negative patients, first-line treatment options include fluorouracil-based regimens combined with docetaxel, paclitaxel, or platinum agents, while second-line therapies often involve irinotecan or monotherapy with agents like paclitaxel or docetaxel. Immunotherapy, particularly PD-1/PD-L1 inhibitors like pembrolizumab and nivolumab, has seen increasing use in advanced cases, particularly for microsatellite instability subtypes or PD-L1-positive tumors. Despite advancements, treatment for advanced gastric cancer remains challenging, with limited improvements in progression-free and overall survival. Precision oncology, encompassing molecular diagnostics and targeted therapies, is increasingly being integrated, but drug resistance and the limited options for HER2-negative patients highlight the urgent need for new therapies, including bispecific antibodies and immune checkpoint inhibitors, to improve clinical outcomes.

T-CELL ENGAGERS

Overview of T-cell Engagers

Engineered to harness the human body's immune response against cancer, T-cell engagers represent a promising frontier in cancer therapies. These specialized antibodies are designed to redirect the immune system's T cells, guiding them to recognize and eliminate cancer cells effectively. T-cell engagers achieve this by simultaneously binding to a specific antigen on the surface of a cancer cell and to a critical activation molecule on T cells, such as CD3. This dual-binding mechanism effectively brings T cells into close proximity with cancer cells, facilitating targeted cell destruction and offering a potent approach to cancer treatment. Additionally, T-cell engagers are increasingly being explored for applications beyond oncology, including the treatment of autoimmune disorders. These molecules work by simultaneously binding to T cells and a specific antigen present on the surface of cells involved in the autoimmune response. The engagement directs the T cells to target and potentially destroy the antigen-presenting cells, which helps in modulating the immune response and reducing the autoimmune attack on the body's own tissues.

The China T-cell engagers market is projected to grow from RMB0.7 billion in 2024 to RMB8.3 billion in 2030 at a CAGR of 67.4%, according to Frost & Sullivan. The significant market potential has attracted widespread attention in T-cell engager research and development, evidenced by several recent blockbuster licensing deals. In September 2024, EpimAb Biotherapeutics and Vignette Bio established a strategic collaboration to develop EMB-06, a BCMA/CD3 bispecific antibody, with EpimAb receiving US\$60 million in upfront considerations through cash and equity, plus potential earnings of up to US\$575 million in development, regulatory and commercial milestones, along with royalties on net sales. Similarly, WuXi Biologics (Cayman) Inc. secured a US\$1.5 billion T-cell engager antibody partnership with GlaxoSmithKline plc on January 5, 2023, comprising US\$40 million upfront payment and potential milestone payments of up to US\$1.46 billion for four T-cell engager antibodies, plus royalties.

CD3 is an integral membrane protein within the T-cell receptor (TCR) complex, prominently expressed on the surface of T cells. This protein plays a pivotal role in the activation of both cytotoxic and helper T cells, which are essential for orchestrating targeted immune responses. As an essential component of the immune response, CD3 serves as an important target for T-cell engagers to fight cancer through linking T cells to cancer cells. One of the key mechanisms of CD3 bispecific antibodies is to redirect T cells, facilitating their infiltration into the TME. This is particularly significant in addressing the challenge of "cold tumors", which are characterized by low immunogenicity and poor response to first-generation immuno-oncology therapies. By redirecting T cells and promoting their penetration into the TME, CD3-targeted therapies can potentially transform these cold tumors into more immunologically active sites. In recent years, CD3 has emerged as a prominent target globally in the development of bispecific antibodies for cancer treatment. Over half of FDA approved bispecific antibodies target CD3 and those in clinical trials around the world target CD3. Having been validated in hematologic malignancies, CD3 engagers present substantial potential to expand their application to solid tumors, representing a significant frontier in cancer therapy. Advances in the understanding of TMEs and the development of more sophisticated delivery mechanisms are facilitating this transition, promising to broaden the impact of CD3-targeted therapies in oncology. For example, FDA granted an accelerated approval to tarlatamab for extensive stage SCLC on May 16, 2024.

The significant advantage of CD3 multi-targeting therapies lies in bispecific antibodies' unique ability to simultaneously target cancer cells and T cells, directing an immune response against tumor cells without requiring tumor-specific T cells or neoantigen presentation on cancer cells. While this immuno-oncology modality has revolutionized treatment options for patients with certain cancers, its broader application has been limited by high toxicities and on-target effects on healthy cells. Consequently, the success of Bi-specific T-cell engager (Bi-TCE) therapy in solid-tumor malignancies will likely depend on mitigating severe toxicity and on-target effects on healthy cells. Bi-TCE therapy toxicity, particularly cytokine release syndrome (CRS), is highly predictable, with some form of systemic inflammatory response expected in nearly all patients. Early identification of toxicity and intervention with corticosteroids has proven effective in preventing severe toxicity that could lead to end-organ dysfunction. Another key success factor for Bi-TCE therapy in solid-tumor malignancies is the optimal identification and selection of patients who may benefit most from immunologic response. Patient selection remains a challenge and may be an area of focus for future research. Although we have identified numerous tumor-associated antigens (TAAs) that demonstrate high specificity for target antigen-expressing tumors, TAA as a biomarker has proven insufficient in identifying exceptional responders during patient selection.

GPRC5D/CD3 Bispecific Antibodies

G-Protein coupled receptors (GPCRs) represent one of the largest families in the mammalian genome and are involved in numerous physiological functions, making them key targets for drug development. GPRC5D, a member of the GPCR family, is notably overexpressed on multiple myeloma cells, distinguishing it as a significant therapeutic target. This overexpression suggests a role in cancer's growth or survival, although the specific function of GPRC5D in myeloma is still under investigation. Targeting both GPRC5D and CD3 is thus increasingly recognized as a critical therapeutic focus in the treatment of multiple myeloma (MM). The GPRC5D/CD3 bispecific antibody introduces a new therapeutic approach, engineered to link GPRC5D on multiple myeloma cells and CD3 on T-cells. The engagement of CD3 results in the activation of T-cells, which then exert cytotoxic effects specifically directed towards the myeloma cells expressing GPRC5D.

The GPRC5D/CD3 target exhibits several advantages over other therapeutic targets, making it a valuable focus for drug development. One of the primary benefits of targeting GPRC5D/CD3 is the reduced incidence of side effects, including lower infection rates and fewer immune-related adverse reactions such as cytokine release syndrome and neurotoxicity, compared with CAR-T therapy. This is due to the specific expression of GPRC5D on tumor cells and its low expression in normal tissues. Consequently, this approach can significantly improve patient quality of life and compliance with treatment regimens. Another significant advantage is its efficacy across a diverse range of indications. In addition, the unique properties of the GPRC5D/CD3 interaction may offer new pathways for drug development, including combination therapies that could potentially enhance treatment outcomes.

INDUSTRY OVERVIEW

Global Competitive Landscape of GPRC5D/CD3 Bispecific Antibodies

LBL-034 is positioned as one of the top three clinically advanced GPRC5D/CD3 bispecific antibodies in the world. The following table summarizes the information of clinical-stage GPRC5D/CD3 antibodies globally:

Drug Name	Target	Company	Clinical Stage	Indication	First Posted Date
LBL-034	GPRC5D/CD3	Leads Biolabs Co., Ltd	Phase 1/2	r/r MM	2023-09-22
Forimtamig*	GPRC5D/CD3	Roche	Phase 1/2	r/r MM	2023-09-26
QLS32015	GPRC5D/CD3	Qilu Pharmaceutical Co., Ltd.	Phase 2	r/r MM	2025-6-12
TQB2029	GPRC5D/CD3	Chia Tai Tianqing Pharmaceutical	Phase 1	r/r MM	2024-11-22

Note: Industry information as of July 11, 2025

Includes only active development programs; discontinued assets are excluded.

According to the latest product development portfolio of Roche last updated on October 23, 2024, Forimtamig has been removed from its pipeline

r/r MM = relapsed or refractory multiple myeloma

Source: ClinicalTrials.gov, Frost & Sullivan Analysis

In the therapeutic landscape targeting GPRC5D/CD3, talquetamab-tgvs (TALVEY®) by Janssen Biotech, was approved in August 2023 for the treatment of patients with relapsed or refractory multiple myeloma who have received at least four prior lines of therapy, representing the only approved GPRC5D/CD3 bispecific antibody drug to date. The chart below sets forth certain details of TALVEY®:

Drug Name	Brand Name	Target	Company	Indications	Approval Date	Treatment Cost
talquetamab-tgvs	TALVEY®	GPRC5D/CD3	Janssen Biotech	r/r MM who have received at least four prior lines of therapy	2023-08-09	US\$270,000 to US\$360,000 based on the need for 6 to 8 months of treatment in the U.S.

Note: Industry information as of July 11, 2025

Source: FDA, Frost & Sullivan Analysis

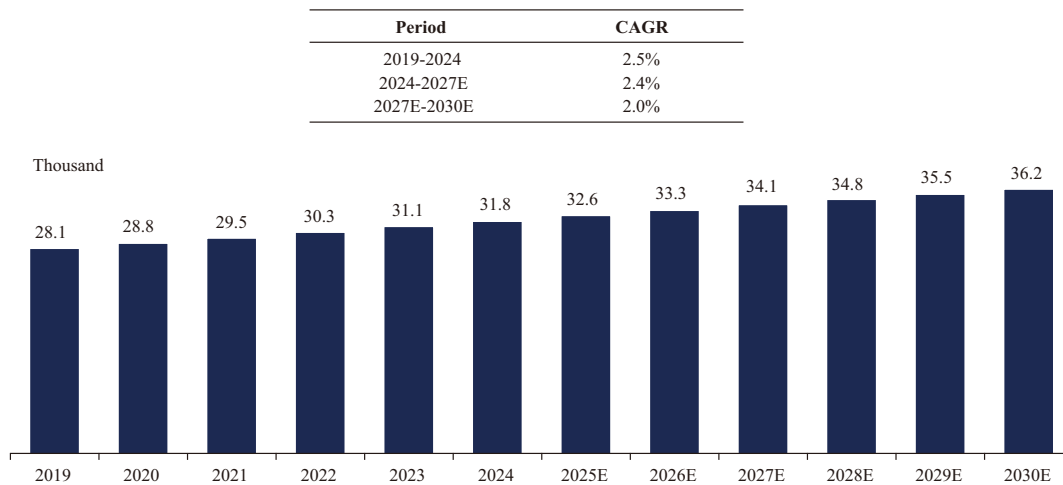
INDUSTRY OVERVIEW

Major Indications for GPRC5D/CD3 Bispecific Antibodies

Multiple Myeloma

MM is a malignant disorder characterized by the proliferation of plasma cells in the bone marrow. These plasma cells are critical components of the immune system, responsible for antibody production. In MM, these cells undergo malignant transformation, leading to extensive skeletal destruction marked by osteolytic lesions, osteopenia, and potential pathologic fractures. The China incidence of MM increased from 28.1 thousand in 2019 to 31.8 thousand in 2024 and is expected to reach 36.2 thousand in 2030. MM is challenging to cure, with nearly all patients experiencing relapse. The chart below demonstrates historical and projected incidences of MM in China for the periods indicated:

Incidence of Multiple Myeloma in China, 2019-2030E



Source: NCCR, Frost & Sullivan Analysis

MM is typically challenging to cure, with treatment goals focused on achieving and maintaining remission, improving quality of life, and prolonging OS. Currently, the first-line therapy includes a combination of the anti-CD38 monoclonal antibody daratumumab with bortezomib, lenalidomide, and dexamethasone. While this regimen has shown efficacy, it also has limitations such as significant toxicity, the potential for drug resistance, and the eventual relapse in many patients. For relapsed or recurrent multiple myeloma patients, there remains significant treatment gaps for effective later-line treatments. In both China and the U.S., combination regimens, particularly those based on bortezomib, are widely used for 70% to 80% of patients, while monotherapy is typically reserved for 20% to 30% based on factors like transplantation eligibility and disease progression. However, relapsed or recurrent multiple myeloma highlights the need for more effective and less toxic options. One of the primary benefits of targeting GPRC5D/CD3 bispecific antibodies is the reduced incidence of side effects, including lower infection rates and fewer immune-related adverse reactions such as cytokine release syndrome and neurotoxicity. This approach offers a promising new way for treating MM, potentially improving patient outcomes while minimizing adverse effects.

Overview of MUC16/CD3 Bispecific Antibodies

MUC16, also known as CA-125, is a glycoprotein highly expressed in gynecological cancers such as ovarian, cervical, and endometrial cancers. This protein was identified as a critical membrane protein specifically associated with ovarian carcinoma. In addition to gynecological cancers, MUC16 is also highly expressed in other solid tumors, such as NSCLC, pancreatic cancer, epithelioid sarcoma, and renal medullary carcinoma. MUC16/CD3 bispecific antibodies harness this expression pattern by targeting MUC16 on tumor cells alongside CD3 on T cells. The CD3 complex is critical for T cell activation and signaling, involving pathways that stimulate cell responses through molecular interactions and phosphorylation cascades. The current therapeutic landscape varies widely between these cancers, with first-line treatments typically including a combination of surgery, chemotherapy, and, increasingly, targeted therapies. However, issues such as drug resistance, relapse, and limited efficacy in late-stage cancers persist, driving the need for more effective treatments like MUC16/CD3 bispecific antibodies.

MUC16/CD3 bispecific antibody therapy utilizes dual targeting mechanisms that selectively engage both T-cells, via the CD3 molecule, and tumor cells that express the MUC16 antigen. This specificity is crucial as it ensures that the therapy induces cytotoxicity primarily in MUC16-positive tumor cells, sparing healthy tissues and minimizing potential side effects. Additionally, the interaction between the bispecific antibodies and the immune cells leads to the secretion of pro-inflammatory cytokines, which are vital for remodeling the TME from an immunosuppressive to an immune-responsive state. Such transformation is pivotal in enhancing the efficacy of the immune response against the tumor. Moreover, MUC16/CD3 bispecific antibody therapy promotes sustained immune surveillance, which is instrumental in preventing cancer recurrence and thus improves long-term patient outcomes.

INDUSTRY OVERVIEW

Global Competitive Landscape of MUC16/CD3 Bispecific Antibodies

The following table summarizes the information of clinical-stage MUC16/CD3 bispecific antibodies globally. In such an uncrowded track, the anticipated emergence of additional data is expected to accelerate the race to develop and market this therapy.

Drug Name	Target	Company	Clinical Stage	Indication	First Posted Date
REGN4018/ Ubamamab	MUC16/CD3	Regeneron Pharmaceuticals	Phase 2	SMARCB1—Deficient Malignancies	2024-06-06
			Phase 1/2	Recurrent Ovarian Cancer, Fallopian Tube Cancer, Primary Peritoneal Cancer and Endometrial Cancer	2018-06-20
LBL-033	MUC16/CD3	Leads Biolabs Co., Ltd	Phase 1/2	Advanced Solid Tumor	2023-03-22

Note: Industry information as of July 11, 2025

Includes only active development programs; discontinued assets are excluded.

Source: ClinicalTrials.gov, Frost & Sullivan Analysis

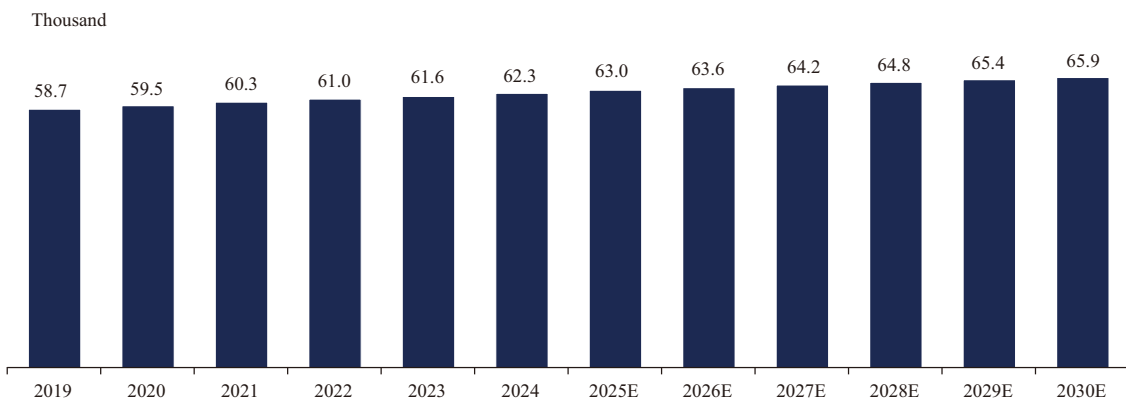
Major Indications for MUC16/CD3 Bispecific Antibodies

Ovarian Cancer

Ovarian cancer (OC) is a malignant disorder characterized by the uncontrolled growth of cells in the ovaries, which are the female reproductive glands responsible for producing eggs during a woman's reproductive years. OC often asymptomatic in its early stage, leading to late-stage diagnoses that contribute to a high recurrence rate, poor prognosis, and significant mortality. Currently, platinum-based chemotherapy is the first-line SOC for ovarian cancer patients. However, platinum resistance is a significant factor contributing to treatment failure and mortality in these patients. The China incidence of OC increased from 58.7 thousand in 2019 to 62.3 thousand in 2024 and is expected to reach 65.9 thousand by 2030. The chart below demonstrates historical and projected incidences of OC in China for the periods indicated:

Incidence of Ovarian Cancer in China, 2019-2030E

Period	CAGR
2019-2024	1.2%
2024-2027E	1.0%
2027E-2030E	0.9%



Source: NCCR, Frost & Sullivan Analysis

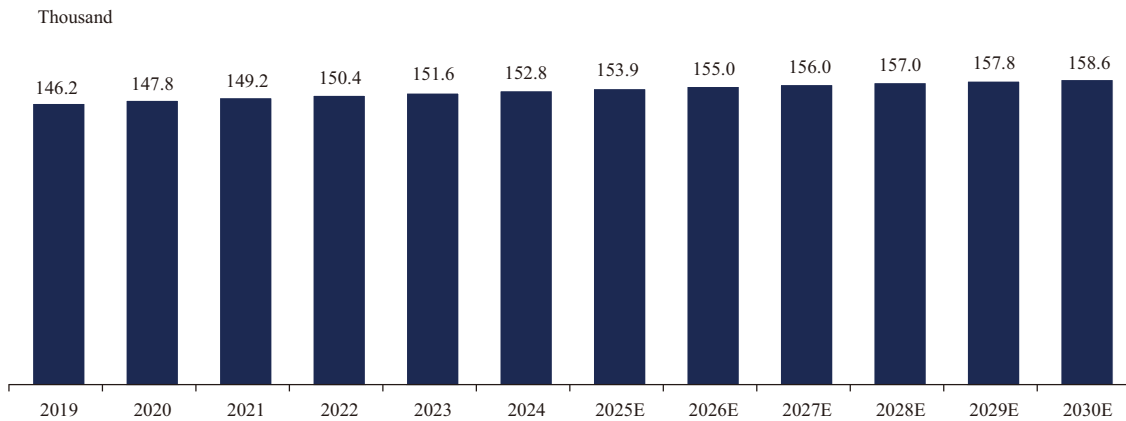
INDUSTRY OVERVIEW

Cervical Cancer

Cervical cancer is a type of cancer that affects the cervix, the lower part of the uterus. Almost all cervical cancer cases are linked to infection with high-risk HPV, an extremely common virus transmitted through sexual contact. Worldwide, cervical cancer is both the fourth most common type of cancer and the fourth most common cause of death from cancer in women. The China incidence of cervical cancer increased from 146.2 thousand in 2019 to 152.8 thousand in 2024 and is expected to reach 158.6 thousand in 2030. Approximately 80% of advanced cervical cancer patients receive first-line treatment. Among those who complete this therapy, around 50% proceed to second-line treatment. The chart below demonstrates historical and projected incidences of cervical cancer in China for the periods indicated:

Incidence of Cervical Cancer in China, 2019-2030E

Period	CAGR
2019-2024	0.9%
2024-2027E	0.7%
2027E-2030E	0.6%



Source: NCCR, Frost & Sullivan Analysis

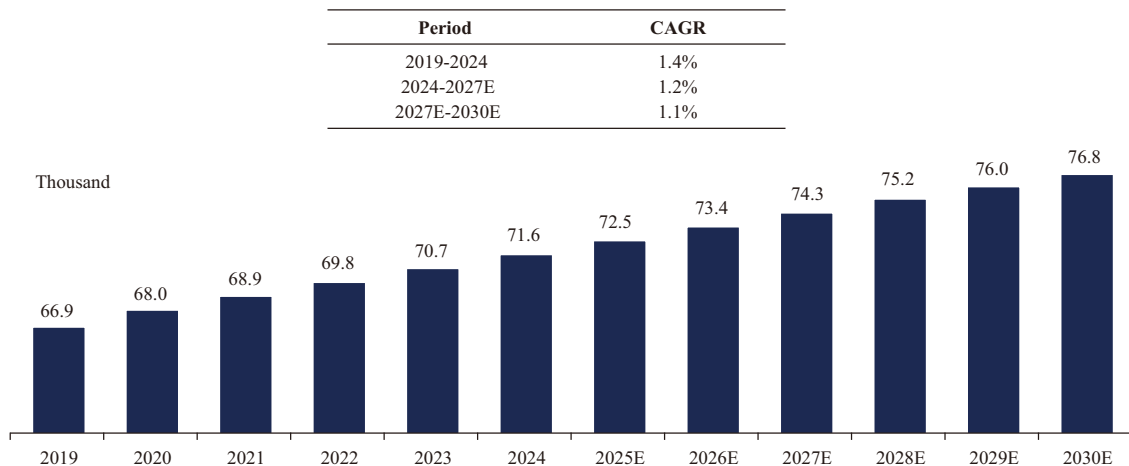
The SOC of cervical cancer includes radiotherapy, chemotherapy, surgical resection, and targeted therapy. However, these treatments often face limitations, particularly in advanced and metastatic stages, where efficacy diminishes and side effects can be severe. Specifically, radiotherapy and chemotherapy can control local tumor growth but it may not be effective against distant metastases. Additionally, long-term use of radiotherapy and chemotherapy can lead to significant side effects, reducing quality of life and limiting the feasibility of prolonged treatment. While surgery may be effective in removing localized tumors, it is not a viable option for metastatic cases where cancer has spread beyond the primary site. Besides, although targeted therapies such as bevacizumab have improved outcomes, their efficacy is often limited to specific patient subgroups and can vary based on the molecular profile of the tumor. Among the emerging therapies, MUC16/CD3 bispecific antibodies show promise, specifically targeting the MUC16 protein overexpressed in some cancers. These antibodies directly engage the immune system's T-cells to kill tumor cells, offering a new potential treatment avenue for patients with advanced disease who have limited options. This approach not only enhances treatment specificity but also boosts the immune response against cancer cells, providing an effective solution for improved outcomes in advanced cervical cancer cases.

INDUSTRY OVERVIEW

Endometrial Cancer

Endometrial cancer is an epithelial malignant tumor that occurs in the endometrium, also known as uterine corpus cancer. It is one of the top three common malignant tumors of the female reproductive tract and mostly occurs in perimenopausal and postmenopausal women. The China incidence of endometrial cancer increased from 66.9 thousand in 2019 to 71.6 thousand in 2024 and is expected to reach 76.8 thousand in 2030. The chart below demonstrates historical and projected incidences of endometrial cancer around the world for the periods indicated:

Incidence of Endometrial Cancer in China, 2019-2030E



Source: NCCR, Frost & Sullivan Analysis

The current SOC for advanced endometrial cancer includes chemotherapy, hormonal therapy, and immunotherapy. Recurrence of this cancer occurs in approximately 15% of patients, predominantly among those with locally advanced disease. Local and locoregional recurrences may be addressed curatively with surgery or chemoradiotherapy, both of which demonstrate acceptable toxicity and control rates. In cases of distant recurrences, palliative systemic therapies, such as first-line chemotherapy or hormonal therapy, are typically employed. Furthermore, the incorporation of immunotherapy into treatment regimens is becoming increasingly significant, particularly for recurrent endometrial cancer, based on specific tumor characteristics and molecular profiles. A notable advancement in this area is the approval of AstraZeneca's PD-L1 inhibitor, durvalumab. This immunotherapeutic agent is specifically approved as a first-line treatment for patients with mismatch repair deficient primary advanced or recurrent endometrial cancer. Durvalumab's limitations in treating advanced endometrial cancer include variable efficacy and the necessity for combination strategies to enhance its effectiveness. While it has shown significant benefits when combined with chemotherapy, particularly in mismatch repair deficient (dMMR) endometrial cancer, its effectiveness as a standalone treatment is inconsistent. Additionally, emerging therapies such as MUC16/CD3 bispecific antibodies are being explored to overcome the current limitations of treatments like durvalumab. These antibodies are designed to enhance the immune system's ability to target and destroy cancer cells more effectively, providing a promising answer for those who do not respond adequately to existing immunotherapies.

LAG3 ANTIBODY DRUGS

Overview of LAG3 Antibodies

LAG3 is an immune checkpoint receptor found on activated T-cells, where it negatively regulates their activity through several ligands, including MHC-II, LSECtin, Gal-3, and FGL1. Due to its role in antigen presentation, chronic exposure to antigens from infections or tumors can lead to high and sustained LAG3 expression on T-cells. This causes T-cells to become “exhausted”, losing their effector functions, which diminishes immunosurveillance and allows tumors to evade the immune system. Anti-LAG3 antibodies work by binding to LAG3, preventing its interaction with ligands, inhibiting the signaling pathway, and promoting T-cell proliferation and cytokine secretion. This subsequently restores tumor immunosurveillance. Anti-LAG3-targeted antibodies are being developed or have been developed for treating various solid tumors.

Combining LAG3 inhibitors with anti-PD-1/PD-L1 agents has shown synergistic potential. When used in combination, these therapies can more effectively regulate T-cell function, enhancing the immune system’s ability to recognize and attack tumors. This combination restores the function of suppressed effector T cells, increases the number of activated CD8+ and CD4+ T cells, and boosts their ability to target tumor cells. Additionally, preclinical and early-phase clinical studies have demonstrated that this combination therapy can enhance response rates compared to PD-1 monotherapy, thereby addressing the critical challenge of PD-1 resistance in cancer therapy. The development of combination therapies involving LAG3 and PD-1/PD-L1 inhibitors is ongoing worldwide. This strategy gained clinical validation with the FDA’s approval of the relatlimab-nivolumab regimen in advanced melanoma.

However, in recent years, development of LAG3-targeted therapies has been hindered by critical gaps in understanding of its intracellular signaling. Unlike other checkpoints such as PD-1 or CTLA-4, LAG3’s cytoplasmic domain does not contain classical inhibitory motifs (ITIM or ITSM), and although intracellular regions like FSAL, KIEELE and EX-repeat have been linked to downstream suppression, the exact molecular partners and pathways they engage remain unidentified. This leaves the mechanism by which LAG3 dampens T-cell activation largely speculative, making it difficult to design drugs that reliably modulate its activity. Moreover, the complete repertoire of LAG3 binding receptors has yet to be mapped, and early monotherapy trials have delivered only modest antitumor activity. These mechanistic ambiguities and the undefined receptor landscape pose obstacles to advancing LAG3 inhibitors.

In fact, several LAG3-targeted programs have already been halted. On September 25, 2024, Merck announced that its KEYFORM-007 Phase III study (NCT05064059) of favezelimab plus pembrolizumab failed to extend overall survival versus regorafenib or TAS-102 in previously treated, PD-L1-positive, microsatellite-table colorectal cancer. Likewise, on December 18, 2023, BMS discontinued its Phase III RELATIVITY-123 trial (NCT05328908) after relatlimab plus nivolumab showed no OS benefit over regorafenib or TAS-102 in 1L-4L MSS colorectal cancer, either in the PD-L1-positive subgroup (CPS ≥ 1) or the overall population. Additionally, in the adjuvant setting, BMS’s OpdualagTM missed its primary endpoint of relapse-free survival in the global Phase III RELATIVITY-098 adjuvant melanoma trial, prompting a stop to further development in that indication.

INDUSTRY OVERVIEW

Global Competitive Landscape of LAG3 Monoclonal Antibodies

In March 2022, the FDA approved the first and only LAG3-targeted antibody combination, Opdualag™ (relatlimab in combination use with nivolumab, an anti-PD-1 antibody) for the treatment of unresectable or metastatic melanoma. In 2023, the first full year following its commercial launch, Opdualag™ achieved global sales of US\$627 million. As a validated target, LAG3 has attracted attention from various pharmaceutical or biotechnology companies both globally and in China. The drug development pipeline for LAG3 monoclonal antibodies is currently quite robust, as demonstrated in the following table of global pipeline:

Drug Name	Target	Company	Clinical Stage	Indication	Mono or Combo Therapy in Trial Design	First Posted Date
Fianlimab	LAG3	Regeneron Pharmaceuticals	Phase 3	Melanoma	Combo	2024-02-07
			Phase 2/3	NSCLC	Combo	2023-03-27
			Phase 2	HCC, HNSCC	Combo	2019-04-16
MK-4280	LAG3	Merck Sharp & Dohme	Phase 3	Hodgkin Lymphoma	Combo	2022-08-19
			Phase 2	Cutaneous Squamous Cell Carcinoma, Endometrial Cancer	Combo	2023-09-14
LBL-007	LAG3	Leads Biolabs Co., Ltd	Phase 1/2	NPC and Other Advanced Solid Tumor*	Combo	2021-11-01
INCAGN02385	LAG3	Incyte Corporation	Phase 2	Endometrial Cancer	Combo	2020-07-09
			Phase 2	HNC	Combo	2022-03-18
			Phase 1/2	Melanoma	Combo	2020-05-01
SHR-1802	LAG3	Hengrui Medicine Co., Ltd.	Phase 2	Advanced Solid Tumor	Combo	2022-01-26
HLX26	LAG3	Henlius Biotech	Phase 2	Advanced NSCLC	Combo	2023-03-28
IBI110	LAG3	Innovent Biologics Co. Ltd.	Phase 2	Advanced or Metastatic ESCC	Combo	2023-10-12
GLS-012	LAG3	Gloria Biosciences Co., Ltd.	Phase 1/2	Advanced NSCLC	Combo	2023-08-07
TSR-033	LAG3	Tesaro, Inc.	Phase 1	Advanced Solid Tumor	Combo	2017-08-16
Sym022	LAG3	Symphogen A/S	Phase 1	Advanced Solid Tumor and Lymphoma	Combo	2017-10-17
TQB2223	LAG3	Chia Tai Tianqing Pharmaceutical Group Co., Ltd.	Phase 1	Advanced HCC	Combo	2024-03-20
IMP761	LAG3	Immutep S.A.S.	Phase 1	Healthy Subjects	Mono	2024-10-15

Note: Industry information as of July 11, 2025

Includes only active development programs; discontinued assets are excluded.

** The trial has been substantially completed in September 2024 and are in the process of finalizing the clinical study report.*

Source: ClinicalTrials.gov, Frost & Sullivan Analysis

INDUSTRY OVERVIEW

The following table displays the current global pipeline progress by indication:

Indication	Drug Name	Target	Company	Clinical Stage	First Posted Date
NSCLC	Fianlimab	LAG3	Regeneron Pharmaceuticals	Phase 2/3	2023/3/27
NSCLC	HLX26	LAG3	Henlius Biotech	Phase 2	2023/6/19
NSCLC	LBL-007	LAG3	Leads Biolabs Co., Ltd/ BeiGene Biological Pharmaceutical Co., Ltd	Phase 2	2023/3/29
Advanced NSCLC	HLX26	LAG3	Henlius Biotech	Phase 2	2023/3/28
Advanced NSCLC	GLS-012	LAG3	Gloria Biosciences Co., Ltd.	Phase 1/2	2023/8/2
Advanced NSCLC	GLS-012	LAG3	Gloria Biosciences Co., Ltd.	Phase 1/2	2023/8/7
HNSCC	LBL-007	LAG3	Leads Biolabs Co., Ltd/ BeiGene Biological Pharmaceutical Co., Ltd	Phase 2	2023/7/12
CRC	LBL-007	LAG3	Leads Biolabs Co., Ltd/ BeiGene Biological Pharmaceutical Co., Ltd	Phase 1/2	2022/12/29
ESCC	LBL-007	LAG3	Leads Biolabs Co., Ltd/ BeiGene Biological Pharmaceutical Co., Ltd	Phase 2	2023/10/13
Melanoma	Fianlimab	LAG3	Regeneron Pharmaceuticals	Phase 3	2024/2/7
Locally advanced unresectable and metastatic melanoma	DNV3	LAG3	CentryMed Pharmaceutical	Phase 2	2024/10/29
Advanced or Metastatic ESCC	IBI110	LAG3	Innovent Biologics Co. Ltd.	Phase 2	2023/10/12
Advanced Solid Tumor	SHR-1802	LAG3	Hengrui Medicine Co. Ltd.	Phase 2	2022/1/26
Advanced Solid Tumor	SHR-1802	LAG3	HengRui Medicine Co., Ltd	Phase 1/2	2023/3/23
Advanced Solid Tumor	LBL-007	LAG3	Leads Biolabs Co., Ltd/ BeiGene Biological Pharmaceutical Co., Ltd	Phase 1/2	2021/11/15

Note: Industry information as of July 11, 2025

Includes only active development programs; discontinued assets are excluded.

Source: ClinicalTrials.gov, Frost & Sullivan Analysis

INDUSTRY OVERVIEW

Certain details of Opdualag™ are set forth in the following table:

Drug Name	Brand Name	Target	Company	Indications	Regimen	Approval Date	Annual Treatment Cost in the US
Nivolumab + Relatlimab	OPDUALAG®	LAG3	BMS	Unresectable or Metastatic Melanoma	Combo	2022-03-18	Annual treatment cost is around US\$370 thousand

Note: Industry information as of July 11, 2025

Source: FDA, Frost & Sullivan Analysis

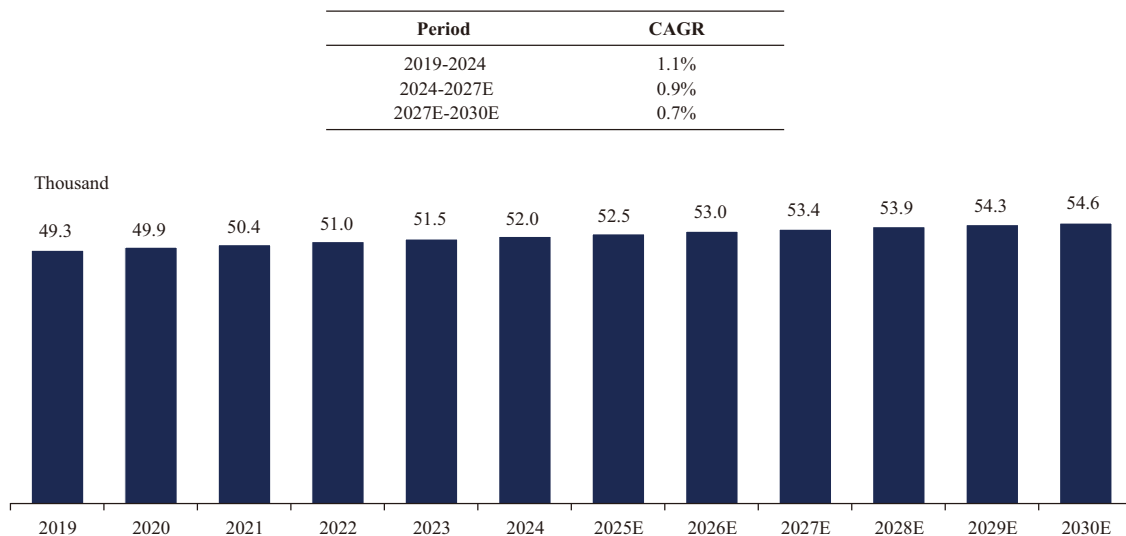
LBL-007 is among the top three LAG3-targeted clinical-stage monoclonal antibodies globally in terms of clinical development stage. LBL-007 is also the first in its class with proven efficacy in NPC.

Major Indications for LAG3 Antibodies

Nasopharyngeal Cancer

Nasopharyngeal cancer (NPC) is a type of head and neck cancer mostly common in epithelia cells lining the inner surface of the nasopharynx. Nasopharynx is located at the upper part of the pharynx that lies behind the nasal cavity. Due to this central location and its innocuous, subtle symptoms, early diagnosis of nasopharyngeal carcinoma is difficult. The China incidence of NPC increased from 49.0 thousand in 2019 to 52.2 thousand in 2024 and is expected to reach 55.5 thousand in 2030. Around 85% of advanced NPC patients receive the first-line treatment, and 65% of advanced NPC patients receive second-line treatment. The chart below illustrates historical and projected incidences of NPC in China for the periods indicated:

Incidence of Nasopharyngeal Cancer in China, 2019-2030E



Source: NCCR, Frost & Sullivan Analysis

INDUSTRY OVERVIEW

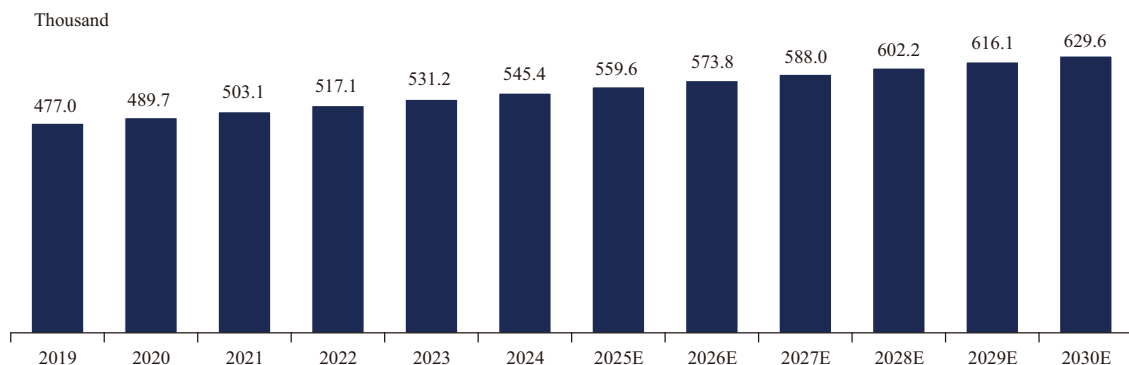
Currently, chemotherapy is the standard first-line treatments for recurrent or metastatic NPC. However, the outcomes remain suboptimal, with a median PFS of seven months and a mOS of less than two years using chemotherapy alone. Patients who received immunotherapy combined with chemotherapy showed significant improvements in ORR, PFS, and OS compared to those who received only chemotherapy. However, long-term chemotherapy use leads to acute toxicities, grade 3 and above, such as acute mucositis and torrential bleeding. Tislelizumab combined with chemotherapy is now recommended as the first-line treatment for advanced NPC patients. Notably, the combination of a LAG3 inhibitor, tislelizumab, and gemcitabine and cisplatin chemotherapy has demonstrated manageable safety, with no new safety concerns and encouraging antitumor activity in previously untreated and advanced NPC patients. The promising efficacy and safety profile may support a registrational study of the LAG3 inhibitor in combination with tislelizumab and gemcitabine and cisplatin chemotherapy for first-line NPC treatment.

Colorectal Cancer

Colorectal cancer (CRC) represents any cancer that affects the colon and the rectum. Most CRC develop first as polyps, which are abnormal growths inside the colon or rectum that may later become cancerous if they are not removed. The China incidence of CRC increased from 477.1 thousand in 2019 to 545.2 thousand in 2024 and is expected to reach 628.8 thousand in 2030. Around 70% of advanced CRC patients receive the first-line treatment. The chart below demonstrates historical and projected incidences of CRC in China for the periods indicated:

Incidence of Colorectal Cancer in China, 2019-2030E

Period	CAGR
2019-2024	2.7%
2024-2027E	2.5%
2027E-2030E	2.3%



Source: NCCR, Frost & Sullivan Analysis

INDUSTRY OVERVIEW

The early detection rate of CRC in China is significantly low for various reasons, resulting in most cases being diagnosed at an advanced stage. For late-stage CRC, the standard treatments include chemotherapy alone or in combination with immunotherapy for both first-line and later-line treatments. Additionally, PD-1/PD-L1 inhibitors are recommended for the small fraction of patients with the MSI-H/dMMR phenotype in first-line and second-line settings. However, the efficacy of current treatments remains modest, with the five-year survival rate for late-stage CRC patients being only about 15%. After initial standard treatments fail due to toxicity or disease progression, there are few effective options to slow or halt the disease. In the absence of alternative therapies, the initial treatment drugs are often reused in clinical practice for patients who have progressed, even though the response and survival benefits from second-line chemotherapy combined with immunotherapy are generally very limited. To address the significant treatment gaps of CRC patients, the quest to develop novel medicine strategies continues. Notably, targeting LAG3 in combination with PD-1/PD-L1 inhibitors emerge as attractive solutions with the potential to improve the clinical outcomes for CRC patients.

Esophageal Squamous Cell Carcinoma

The LAG3 immune checkpoint has emerged as a compelling therapeutic target in ESCC due to its dual role in modulating antitumor immunity. Expressed predominantly on exhausted T cells and Tregs, LAG3 synergizes with PD-1 to suppress T-cell activation and perpetuate immunosuppression — a critical barrier in ESCC treatment. This mechanistic interplay is particularly relevant in ESCC, where preclinical and clinical evidence demonstrates that LAG3 inhibition not only reinvigorates T-cell function and enhances tumor cell cytotoxicity but also counteracts Treg-mediated immunosuppression, a hallmark of the ESCC tumor microenvironment (TME). By addressing these interconnected immune evasion pathways, LAG3 antibodies directly target key limitations of current ESCC therapies. For instance, they overcome resistance to PD-1/PD-L1 inhibitors through a non-redundant inhibitory pathway, with early-phase trials showing improved response rates in combination regimens. Additionally, unlike conventional therapies such as chemotherapy or broad-spectrum immunotherapies, LAG3-targeted agents mitigate systemic toxicity risks via a tissue-sparing mechanism. Concurrently, these therapies remodel the immunosuppressive TME, fostering durable immune memory and reducing relapse risk — a critical advantage in ESCC's aggressive clinical course.

Building on this mechanistic foundation, LAG3-targeted therapies hold unique advantages tailored to ESCC biology. Tumor-specific LAG3 overexpression correlates strongly with poor prognosis, positioning it as both a therapeutic target and a biomarker for patient stratification. Further, ESCC's characteristic high tumor mutational burden and inflammatory TME create an immunogenic context that amplifies the synergy between LAG3 inhibitors and existing ICIs. This combination enables a dual-checkpoint blockade strategy, simultaneously disrupting PD-1 and LAG3 pathways to counteract compensatory resistance mechanisms. Notably, early clinical data in ESCC and other solid tumors suggest that such combinatorial approaches enhance antitumor activity while maintaining manageable safety profiles, supporting their potential as a next-generation SOC.

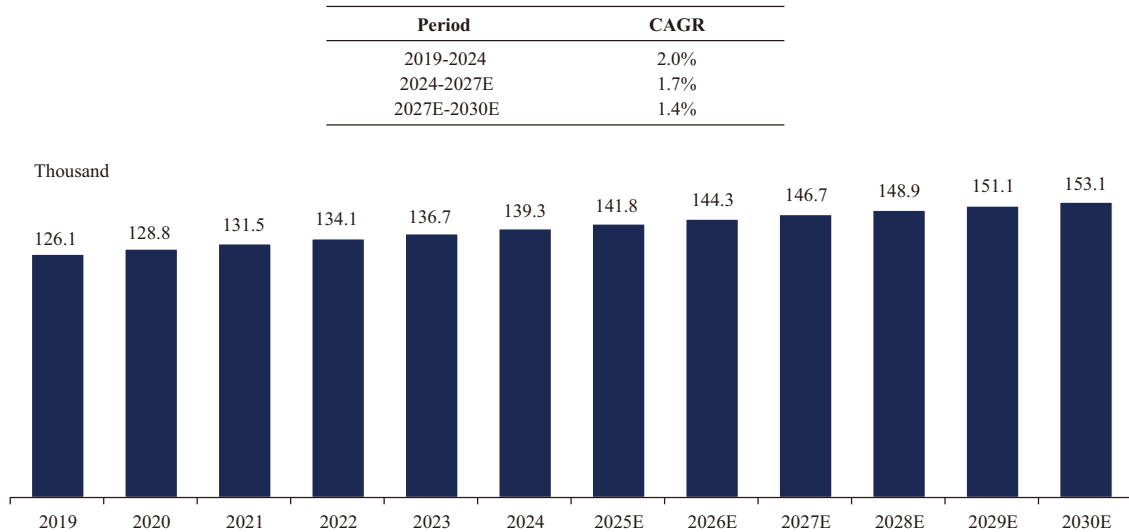
For more details of ESCC, please refer to paragraphs “4-1BB Antibody Drugs — Major Indications for 4-1BB Antibodies — Esophageal Squamous Cell Carcinoma” in this section.

INDUSTRY OVERVIEW

Head and Neck Squamous Cell Carcinoma

HNSCC develop from the mucous membranes of the mouth, nose, and throat and are the most common cancer that arises in the head and neck region. The China incidence of HNSCC increased from 126.1 thousand in 2019 to 139.3 thousand in 2024 and is expected to reach 153.1 thousand in 2030. The chart below demonstrates historical and projected incidences of HNSCC in China for the periods indicated:

Incidence of Head and Neck Squamous Cell Carcinoma in China, 2019-2030E



Source: NCCR, Frost & Sullivan Analysis

For patients with recurrent and metastatic HNSCC, the recommended first-line treatment options include chemotherapy, immunotherapy (PD-1 inhibitor monotherapy), and combinations of chemotherapy with immunotherapy or targeted therapy. In the second-line setting, PD-1 inhibitor monotherapy (such as pembrolizumab and nivolumab) and chemotherapy are advised. Despite these treatment options, survival rates for metastatic HNSCC remain significantly low, highlighting the need for more effective therapies. Although immuno-oncology therapy offers a promising approach for treating HNSCC, the currently available treatments yield poor responses in the majority of patients. Given the significant treatment gaps, novel combination strategies are showing great promise in improving responses to PD-1 treatment and achieving better efficacy in HNSCC. Targeting LAG3 in combination with PD-1 inhibitors could enhance the antitumor immune response, potentially overcoming resistance and improving treatment outcomes for patients with recurrent and metastatic HNSCC. This dual-target approach represents a promising solution for developing more effective therapies.

INDUSTRY OVERVIEW

TNFR2 MONOCLONAL ANTIBODY DRUGS

The Tumor Necrosis Factor Receptor (TNFR) superfamily plays a pivotal role in immune responses, inflammation, cell proliferation, differentiation, and apoptosis. TNFR1 primarily mediates inflammatory and apoptotic responses, while TNFR2 is involved in immune modulation and cell survival. TNFR2, in particular, stands both as a potential tumor promoter and as a target for cancer therapy. It is frequently overexpressed in various tumors, contributing to tumor progression, angiogenesis, and metastasis by promoting an immunosuppressive TME. This environment supports the expansion of Tregs and myeloid-derived suppressor cells, which are implicated in tumor growth. Therapeutic strategies focusing on TNFR2 include the development of monoclonal antibodies that block its interaction with TNF- α , inhibiting its pro-tumorigenic effects. Additionally, in some contexts, TNFR2 agonists are used to selectively stimulate TNFR2 on immune cells to enhance antitumor immunity. These approaches highlight the complex yet critical role TNFR2 plays in cancer biology and the strategies employed to counteract its effects.

The following table summarizes the information of clinical-stage TNFR2 monoclonal antibodies globally.

Drug Name	Target	Company	Clinical Stage	Indication	First Posted Date
BI-1808	TNFR2	BioInvent International	Phase 1/2	Advanced Solid Tumor	2021-02-12
LBL-019	TNFR2	Leads Biolabs Co., Ltd	Phase 1/2	Advanced Solid Tumor	2022-02-03
BI-1910	TNFR2	BioInvent International	Phase 1/2	NSCLC, HCC and Other Solid Tumor	2024-01-16
HFB200301	TNFR2	HiFiBiO Therapeutics	Phase 1	GC, RCC, Melanoma, Sarcoma, Testicular Cancer, Cervical Cancer, Mesothelioma, NSCLC, HNSCC	2022-02-14
SIM0235	TNFR2	Simcere Pharmaceutical Co., Ltd.	Phase 1	Advanced Solid Tumor, Cutaneous T-cell Lymphoma	2022-10-06
NBL-020	TNFR2	NovaRock Biotherapeutics, Ltd	Phase 1	Advanced Solid Tumor	2023-05-26
BITR2101	TNFR2	Boston Immune Technologies and Therapeutics	Phase 1	NHL, Cutaneous T Cell Lymphoma, Peripheral T-cell Lymphoma	2024-04-26

Note: Industry information as of July 11, 2025

Includes only active development programs; discontinued assets are excluded.

Source: ClinicalTrials.gov, Frost & Sullivan Analysis

TGF- β R2 ANTIBODY DRUGS

Transforming Growth Factor- β (TGF- β) superfamily encompasses a diverse group of cytokines that regulate critical cellular processes such as proliferation, differentiation, migration, and apoptosis. TGF- β R2 is a serine/threonine kinase receptor part of the TGF- β receptor complex, critical for mediating these effects. TGF- β R2 monoclonal antibodies target the receptor involved in the signaling pathways of TGF- β , aiming to disrupt the negative effects TGF- β signaling often exerts in TME, including immunosuppression and tumor cell proliferation. Combining treatment with PD-1/PD-L1 inhibitors or dual-targeting of TGF- β R2 and PD-1/PD-L1 could synergistically lift immune suppression and activate T cells and potentially create a more robust and comprehensive immune response.

INDUSTRY OVERVIEW

The following table summarizes the information of clinical-stage PD-(L)1/TGF- β (R) fusion protein globally.

Drug Name	Target	Company	Clinical Stage	Indication	First Posted Date
SHR-1701	PD-L1/TGF- β R	Hengrui Medicine Co., Ltd.	Phase 3	Gastric Cancer or Gastroesophageal Junction Cancer	2021-07-06
			Phase 3	Non-squamous NSCLC	2021-11-24
			Phase 3	Cervical Cancer	2022-01-05
JS201	PD-1/TGF- β	Junshi Biosciences Co., Ltd.	Phase 2	Advanced SCLC	2021-07-07
TQB2868	PD-1/TGF- β	Chia Tai Tianqing Pharmaceutical Group Co., Ltd.	Phase 2	Advanced HCC	2024-06-04
LBL-015	PD-1/TGF- β R	Leads Biolabs Co., Ltd.	Phase 1/2	Advanced Solid Tumor	2021-11-04
6MW3511	PD-L1/TGF- β R	Mabwell Bioscience Co., Ltd.	Phase 1/2	Solid Tumor	2022-09-01
HB0028	PD-L1/TGF- β	Huabo Biopharm Co., Ltd.	Phase 1/2	Advanced Solid Tumor	2024-01-25
QLS31901	PD-L1/TGF- β	Qilu Pharmaceutical Co., Ltd.	Phase 1	Advanced Solid Tumor	2021-07-08
BJ-005	PD-L1/TGF- β R	BJ Bioscience, Inc.	Phase 1	Advanced Solid Tumor or Lymphoma	2021-11-10
PM8001	PD-L1/TGF- β	Biotheus Inc.	Phase 1	Advanced Solid Tumor	2022-09-13

Note: Industry information as of July 11, 2025

Includes only active development programs; discontinued assets are excluded.

Source: ClinicalTrials.gov, Frost & Sullivan Analysis

OVERVIEW OF ADC MARKET

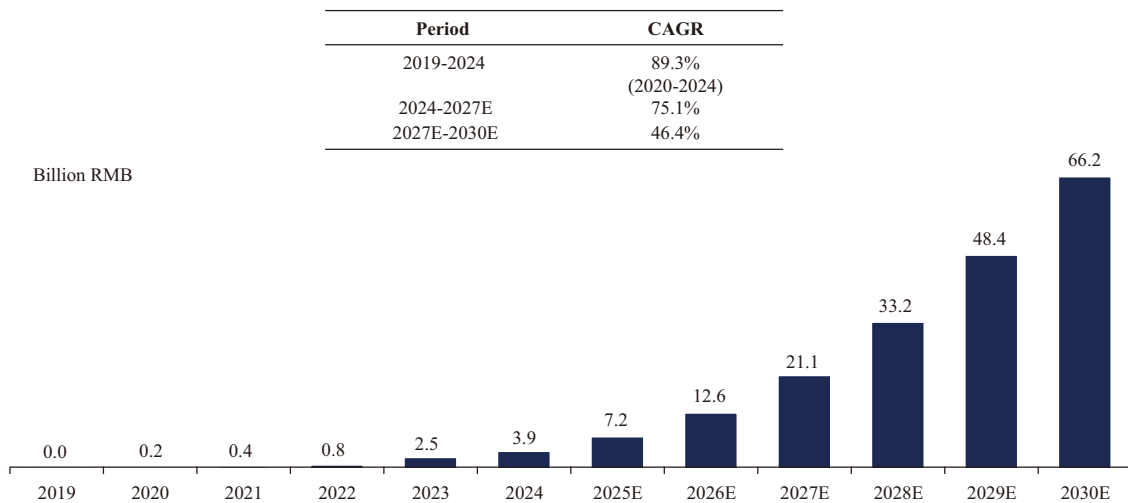
ADCs are sophisticated targeted therapies designed to deliver potent cytotoxic drugs directly to cancer cells. Each ADC consists of an antibody linked to a cytotoxic drug via a chemical linker. This targeted approach allows ADCs to specifically bind to antigens expressed on tumor cells, facilitating the direct delivery of the cytotoxin to the tumor, thereby minimizing the impact on normal cells. By combining specificity with potent cancer-killing properties, ADCs have demonstrated the capability to offer patients a treatment option that is both more effective and safer than traditional chemotherapies and the previous generation of precision oncology.

Market Size of the ADC

The ADC market has shown significant growth over recent years, driven by the pressing need for more effective and less toxic cancer treatment. The ADC market in China reached RMB3.9 billion in 2024, and are expected to grow to reach 66.2 billion in 2030, with growth further reinforced by indication expansion strategies, as several ADC developers shift pipelines from oncology to non-oncology areas including autoimmune diseases and infectious diseases. The following diagram sets forth the size of the ADC market in China.

INDUSTRY OVERVIEW

Historical and Forecasted of ADC Drug Market Size in China, 2019-2030E



Source: Frost & Sullivan Analysis

Market Drivers and Future Trends of ADC Development

Advances in ADC design and conjugation technologies have seen significant progress since the first FDA approval in 2000. This momentum is largely driven by the successful launch of innovative drugs like Enhertu® (HER2-directed) in 2019, Padcev® (Nectin-4-directed) in 2019, and Trodelvy® (TROP2-directed) in 2020. With 12 FDA-approved ADCs now on the market, these therapies have evolved from being limited to late-line blood cancer treatments to a promising early-line option for a wider array of solid tumors and other medical conditions. Ongoing research in ADC technology and cancer biology is poised to uncover new molecular targets, refine payload molecules, and improve linker design and conjugation techniques. Research is actively pursuing new molecular targets and improved designs, including PSMA-directed and FGFR2b-directed ADCs, which are showing potential in clinical trials for their specificity and efficacy against particular cancer types.

Moreover, the scope of ADC applications is expanding, with advancements enabling exploration into non-oncological fields like autoimmune diseases and the potential for use in earlier treatment phases of cancers, thus addressing larger patient populations. Furthermore, ADCs are increasingly being combined with other treatment modalities, such as ICIs, showing enhanced antitumor efficacy in clinical trials.

The growing complexity in ADC development underscores the need for comprehensive end-to-end capabilities in R&D, spanning biologics, small molecules, and bioprocessing. The development of fully human antibodies has greatly improved the safety profile of antibody drugs by reducing immunogenicity and anti-drug antibodies (ADA), minimizing side effects. Additionally, the efficacy of these drugs has been enhanced through advancements in Fab affinity modification and Fc glycosylation. Antibody-conjugated drugs, bispecific antibodies, and single-domain antibodies have further contributed to these improvements. Moreover, the therapeutic areas for antibody drugs have expanded significantly, now covering cancer, autoimmune diseases, and ophthalmology, beyond their initial use in reducing acute rejection in organ transplants.

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PSMA-directed ADCs and FGFR2b-directed ADCs

Research in ADCs is making significant steps by targeting molecular markers such as PSMA and FGFR2b, which demonstrate promising efficacy in clinical trials. PSMA-directed ADCs have emerged as a promising therapeutic approach for prostate cancer, leveraging the high PSMA expression on prostate cancer cells to deliver potent cytotoxic payloads with enhanced precision, maximizing therapeutic efficacy while minimizing collateral damage to healthy tissues and offering a crucial advantage in treating aggressive forms of the disease such as metastatic castration-resistant prostate cancer. Similarly, FGFR2b-directed ADCs target cancers like gastric and breast cancers, where FGFR2b is overexpressed. By delivering potent anti-cancer agents directly to the tumor site, these ADCs have shown the potential to effectively shrink tumors with manageable side effects. The advancements in targeting PSMA and FGFR2b highlight the evolution of ADC technology towards more precise, effective, and less toxic treatments in oncology, marking a significant step forward in the development of cancer therapy.

OVERVIEW OF AUTOIMMUNE MARKET

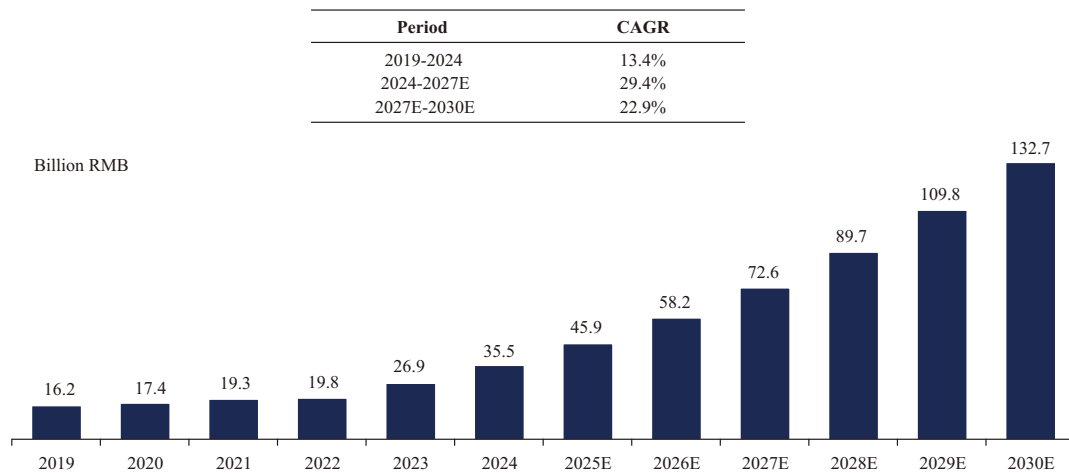
Autoimmune diseases are characterized by the immune system's abnormal activity, leading to the body mistakenly attacking its own tissues. With over 100 different types of autoimmune diseases affecting various parts of the body, such as skin, joints, muscles, bones, and the digestive system, these conditions can trigger severe symptoms like acute pain, persistent itchiness, and disfigurement. In some instances, they can lead to life-threatening complications. Recent advances in targeted biologic therapies have significantly transformed the treatment landscape for autoimmune diseases. These therapies offer improved efficacy and safety profiles, providing new hope for effective management and potentially reducing the overall impact of these diseases on patients.

Market Size of Autoimmune Diseases

In 2024, the size of the China autoimmune diseases market reached RMB35.5 billion in 2024, and are expected to grow to reach RMB132.7 in 2030, representing a CAGR of 24.6% from 2024 to 2030. The following diagram sets forth the size of autoimmune diseases in China.

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Historical and Forecasted of China Autoimmune Disease Drug Market Size, 2019-2030E



Source: Frost & Sullivan Analysis

Market Drivers and Future Trends of autoimmune diseases

The autoimmune diseases market is experiencing significant growth, driven by several key factors. First, the longstanding need for personalized treatment has been highlighted by the adverse effects of drug toxicity and the lack of targeted therapies. Advances in genetics and medicine are increasingly enabling the development of treatments tailored to specific autoimmune conditions. Additionally, autoimmune diseases often require lifelong management, positioning them as the third most common chronic illness after cardiovascular diseases and cancer, necessitating sustained therapeutic engagement. Public awareness of these diseases is also on the rise, enhancing early diagnosis and treatment, which are critical for managing over 100 different types of autoimmune conditions effectively. Finally, demographic shifts such as an aging global population, coupled with changing environmental factors, are leading to an increase in autoimmune disease prevalence, further boosting the demand for effective therapies. These dynamics collectively propel the market forward, as stakeholders aim to improve patient outcomes through more precise and effective treatment solutions.

The future landscape of the autoimmune diseases market is poised for transformative changes driven by the development of innovative biologics and refined treatment strategies. Currently, there is no cure for autoimmune diseases. However, an increasing understanding of their pathophysiology and related biological pathways is fueling the development of innovative biologics. These advancements are poised to expand the array of available treatments for conditions like rheumatoid arthritis (RA) and systemic lupus erythematosus, and to broaden the scope of therapeutic areas addressed. Moreover, as the understanding of disease pathophysiology improves, biologics are increasingly recommended as first-line treatments due to their superior efficacy and emerging affordability and accessibility. Furthermore, the biologics sector is experiencing increased penetration, with several products under development and top-selling drugs indicating significant market potential. However, limitations of existing NSAIDs and steroidal anti-inflammatory drugs, which fail to fully control disease activity or progression. As biologics become more entrenched in treatment protocols, the autoimmune diseases market is expected to witness substantial growth, meeting the pressing demands for effective, long-term management solutions.

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Emerging Therapeutic Innovations

Recent developments in autoimmune disease therapy have focused on creating more targeted and effective treatments. Two approaches stand out: the BDCA2/TACI fusion protein and the CD19/BCMA/CD3 TriAb. These therapies represent a significant shift towards precision medicine in immunology. These therapies signify a move towards treatments that utilize the immune system more effectively, promising greater efficacy and reduced adverse effects. They mark significant progress in developing more tailored therapeutic approaches for managing autoimmune diseases.

BDCA2/TACI Fusion Protein: This therapeutic strategy involves a fusion protein that combines BDCA2, a receptor expressed on plasmacytoid dendritic cells, with TACI, a receptor involved in B cell regulation. The fusion aims to modulate the immune system's response, reducing inflammation without broad immunosuppression. By targeting specific immune cells that contribute to autoimmune pathology, this approach could minimize side effects associated with general immune suppression and improve disease management.

CD19/BCMA/CD3 TriAb: This tri-specific antibody is designed to engage multiple targets involved in the immune response of autoimmune diseases. CD19 and BCMA are primarily expressed on B cells, while CD3 is a component of T-cell receptors. The TriAb aims to bring these immune cells into close proximity, facilitating a more effective elimination of pathogenic B cells while activating T cells to support regulatory functions. This could potentially lead to more durable remissions in autoimmune conditions.

Both therapies are at the forefront of biomedical research, aiming to harness the body's own immune system in a more precise and controlled manner to combat autoimmune diseases. Their development underscores the growing trend towards therapies that not only treat symptoms but also address the underlying mechanisms of autoimmunity, potentially transforming the therapeutic landscape for patients suffering from these challenging conditions.

SOURCE OF INFORMATION

We engaged Frost & Sullivan, a market research consultant, to prepare the Frost & Sullivan Report for use in this prospectus. The information from Frost & Sullivan disclosed in this prospectus is extracted from the Frost & Sullivan Report and is disclosed with the consent of Frost & Sullivan. In preparing the Frost & Sullivan Report, Frost & Sullivan 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.

Frost & Sullivan 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 Frost & Sullivan a fee of RMB730,000 for the preparation and update of the Frost & Sullivan Report, which is not contingent on the Global Offering proceeding.

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OVERVIEW OF LAWS AND REGULATIONS IN THE PRC

We are subject to a variety of PRC laws, rules and regulations affecting many aspects of our business. This section summarizes the major PRC regulatory authorities and PRC laws and regulations that we believe are relevant to our business and operations in the PRC.

PRINCIPAL REGULATORY AUTHORITIES

The operations of the Company in the PRC are mainly supervised and regulated by the following authorities, in addition to the authorities generally administering the companies in the PRC:

NMPA and CDE

National Medical Products Administration (國家藥品監督管理局) (formerly the China Food and Drug Administration (國家食品藥品監督管理總局) (the “CFDA”)) (the “NMPA”) is the department in charge of the pharmaceutical industry of China. It is responsible for drawing up the laws and regulations related to pharmaceuticals and medical devices, making policy planning, formulating departmental regulations, organizing the development and issuance of pharmaceutical and medical device standards, classification and management systems, such as national formulary, and supervising the implementation.

Center for Drug Evaluation (國家藥品監督管理局藥品審評中心) (the “CDE”) is the technical evaluation unit for drug registration with NMPA. It is mainly responsible for conducting technical evaluation on the drugs applying for registration and verifying the relevant drug registrations.

NHC

The National Health Commission (國家衛生健康委員會) (formerly known as the National Health and Family Planning Commission (國家衛生和計劃生育委員會)) (the “NHC”), is the primary national regulator for public health and family planning management. It is primarily responsible for drafting national health policies, supervising and regulating public health, healthcare services, and health emergency systems, coordinating the reform of medical and health system, organizing the formulation of national drug policies and national essential medicine system, launching an early warning mechanism for the monitoring of the use and clinical comprehensive evaluation of medicine as well as the drug shortage, giving suggestions on the pricing policy of national essential medicine, and regulating the operation of medical institutions and practicing of medical personnel.

NHSA

The National Healthcare Security Administration (國家醫療保障局) (the “NHSA”), a new authority established in May 2018, is directly under the State Council and is responsible for the management of the healthcare security system. It is primarily responsible for drafting and implementing policies and standards on medical insurance, maternity insurance and medical assistance, supervising and administering the healthcare security funds, formulating a uniform medical insurance catalog and payment standards on drugs, medical disposables and healthcare

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services, and formulating and supervising the implementation of the bidding and tendering policies for drugs and medical disposables.

Ministry of Commerce

The Ministry of Commerce of the PRC (中華人民共和國商務部) (the “**MOFCOM**”) is responsible for the overall guidance and management of foreign investment. It formulates, revises and implements the laws, regulations, rules and policies of foreign investment. It also participates in the formulation and promulgation of the Special Management Measures for the Market Entry of Foreign Investment (Negative List) (《外商投資准入特別管理措施(負面清單)》) and Catalog of Industries for Encouraging Foreign Investment (《鼓勵外商投資產業目錄》). The MOFCOM is also responsible for the administration and supervision of the approval and registration of foreign investment in China.

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 March 2, 2019, 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

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 Circular on 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 (“**GLP**”) to undertake non-clinical research on drugs. The NMPA is responsible for the administration of the certification of GLP in China, and the drug regulatory authorities at the provincial level are responsible for the daily supervision and management on institutions of non-clinical safety evaluation studies within their administrative regions. The NMPA will approve and issue GLP

certificates to the applicants that meet the GLP requirements, and the GLP certificates are valid for 5 years. Any entity without such certification must engage a qualified third party to conduct non-clinical studies regulated under relevant laws and regulations.

Application For Clinical Trial

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 and became effective on May 1, 2017, the decision on the approval of clinical trials of drugs shall be made by the CDE from May 1, 2017. According to the Administrative Measures for Drug Registration (《藥品註冊管理辦法》) (the “**Registration Measures**”), which was promulgated on January 22, 2020 and took effect on July 1, 2020, 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. The CFDA issued the Announcement on Certain Policies Pertaining to the Review and Approval of Drug Registration (《關於藥品註冊審評審批若干政策的公告》) on November 11, 2015, according to which, the drug approval process was further simplified by implementing a one-time approval for INDs of new drugs, and no longer adopting declarations, reviews or approvals at different phases. In accordance with the Registration Measures 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

After obtaining clinical trial approval, the applicant shall conduct clinical trials at qualified clinical trial institutions. The qualified clinical trial institution 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.

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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, 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 CDE to discuss with 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》), promulgated 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.

International Multi-Centre Clinical Trials

According to the International Multi-Center Clinical Trial Guidelines (Trial) (《國際多中心藥物臨床試驗指南(試行)》), which was issued by the CFDA on January 30, 2015 and became effective on March 1, 2015, the sponsor may conduct clinical trials simultaneously at multiple centres in multiple regions in accordance with the same clinical trial protocol, and may also conduct regional clinical trials simultaneously at multiple centres in different countries within a region in accordance with the same clinical trial protocol. If the applicants plan to use the data derived from international multi-centre clinical trials for approval of drug registration in China, such international multi-center clinical trials shall comply with the provisions concerning clinical trials in the Registration Measures. When planning and implementing international multi-centre clinical trials in China, the sponsor shall comply with the Drug Administration Law, the Implementation Regulations, the Registration Measures and other related laws and regulations, implement the Good Clinical Practice in China, make reference to Good Clinical Practice (臨床試驗質量管理規範) provided by the International Conference on Harmonization of Technical Requirements for the Registration of Pharmaceuticals for Human Use (人用藥品註冊技術國際協調會議), and meet the legal and regulatory requirements of the corresponding countries.

The NMPA issued the Technical Guiding Principles for the Acceptance of 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》) on July 6, 2018, according to which, for drugs applied for registration within the PRC, overseas clinical trial data submitted by the applicant may be accepted as the information for clinical evaluation.

New Drug Registration

Pursuant to the Registration Measures, 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. The applicant must obtain the marketing authorization for a new drug before the drug can be manufactured and sold in the China market. According to the Registration Measures, 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.

The CFDA released the Circular Concerning Several Policies on Drug Registration Review and Approval (《關於藥品註冊審評審批若干政策的公告》) in November 2015, which clarified the measures and policies regarding simplifying and accelerating the approval process of clinical trials, and provided that a fast drug registration pathway can be available for the applications for certain drugs, including the registration of innovative new drugs treating HIV, cancer, serious infectious diseases and orphan diseases, and registration of pediatric drugs, etc.

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**”) established a framework for reforming the evaluation and approval system for drugs, medical devices and equipment. The Innovation Opinion indicated enhancing the standard of approval for drug marketing registration and accelerating the evaluation and approval process for innovative drugs as well as improving the approval of drug clinical trials.

The CFDA promulgated the Opinions on Encouraging the Priority Review and Approval for Drug Innovations (《關於鼓勵藥品創新實行優先審評審批的意見》) in December 2017, which further clarified that a fast track clinical trial approval or drug marketing registration pathway will be available to innovative drugs. The Opinions on Encouraging the Priority Review and Approval for Drug Innovations was replaced by the Announcement of the NMPA on Promulgating Three Documents including the Working Procedures for Evaluation of Breakthrough Therapy Designation Drugs (Trial) (《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》), which was issued and implemented on July 7, 2020, refined the requirements and scope of the fast track.

According to the Announcement on Matters Concerning the Optimization of Drug Registration Review and Approval (《關於優化藥品註冊審評審批有關事宜的公告》) jointly issued by the NMPA and the NHC in May 2018, the CDE will prioritize the allocation of resources for review, inspection, examination and approval of registration applications that have been included in the scope of fast track clinical trial approval.

The Registration Measures has incorporated the previous reform in respect of the accelerated approval for clinical trial and drug marketing registration and introduces four

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procedures for expedited marketing registration of drugs, which are procedures for groundbreaking therapeutic drugs, procedures for conditional approval, procedures for prioritized reviews and approval, and procedures for special examination and approval:

- (i) **Procedures for ground-breaking therapeutic drugs:** during the drug clinical trials, for an innovative drug or improved new drug used for prevention and treatment of life-threatening illnesses or illnesses which have a serious impact on quality of life and for which there is no other effective prevention and treatment method or there is adequate evidence to prove that the said innovative drug or improved new drug has obvious clinical advantages over existing treatment approach, the applicant may request for application of procedures for ground-breaking therapeutic drugs.
- (ii) **Procedures for conditional approval:** during the drug clinical trials, for drugs which fall under the following circumstances, an application for conditional approval of marketing registration may be submitted (i) for drugs for treatment of life-threatening illnesses for which there is no effective treatment approach, the clinical trial of drugs already has data to prove efficacy and is able to forecast the clinical value; (ii) for drugs urgently needed for public health, the clinical trial of drugs already has data to prove efficacy and is able to forecast the clinical value; and (iii) for other vaccines urgently needed for major public health emergencies or deemed by the NHC to be urgently needed, its benefits outweigh the risks according to the evaluation.
- (iii) **Procedures for prioritized reviews and approval:** at the time of the drug marketing registration, drugs have obvious clinical value may apply for application of procedures for prioritized review and approval, including (i) clinically and urgently needed but insufficient drug, innovative drugs and improved new drugs for prevention and treatment of major contagious diseases and rare diseases; (ii) new pharmaceutical product types, dosage form and specifications of pediatric drugs which comply with pediatric physiological characteristics; (iii) vaccines and innovative vaccines urgently needed for prevention and control of diseases; (iv) drug included in the procedures for groundbreaking therapeutic drug; (v) drug which comply with conditional approval criteria; and (vi) other circumstances of prioritized review stipulated by the NMPA.
- (iv) **Procedures for special examination and approval:** at the time of a threat or occurrence of public health emergency, the NMPA may, in accordance with law, decide to implement special examination and approval for urgently needed drug required for the prevention and treatment during the public health emergency.

Marketing Authorization Holder Mechanism

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.

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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.

Pharmacovigilance

According to the Good Pharmacovigilance Practices (《藥物警戒質量管理規範》) which was issued by the NMPA on May 7, 2021 and became effective on December 1, 2021, the drug marketing authorization holder and the drug registration applicant who has been approved to conduct drug clinical trials shall establish a pharmacovigilance system, through the effective operation and maintenance of which, they can monitor, identify, evaluate and control the adverse drug reactions and other drug-related harmful reactions. The drug marketing authorization holder shall formulate pharmacovigilance quality objectives, establish a quality assurance system, and conduct quality management of the pharmacovigilance system and activities, so as to continuously improve the operation efficiency of the pharmacovigilance system and ensure that pharmacovigilance activities continue to comply with the requirements of relevant laws and regulations. The legal representative or the key person-in-charge of the drug marketing authorization holder is fully responsible for the pharmacovigilance activities. The drug marketing authorization holder shall complete information registration in the National Adverse Drug Reaction Monitoring System within 30 days after obtaining the first drug approval document.

Gathering, Collection and Filing of Human Genetic Resources

In June 1998, the Ministry of Science and Technology (the “MOST”) and the Ministry of Health (the “MOH”, which was canceled in the institutional reform of the State Council in 2013, its functions were first inherited by the National Health and Family Planning Commission and then by the NHC, which was established in 2018) promulgated the Interim Measures for the Management of Human Genetic Resources (《人類遺傳資源管理暫行辦法》), which sets out rules for the protection and use of human genetic resources in China. 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 MOST 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 MOST in August 2015, the gathering and collection of human genetic resources through clinical trials by a foreign-invested sponsor shall be filed for record with the China Human Genetic Resources Management Office through an online system. The MOST 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 PRC (《中華人民共和國人類遺傳資源管理條例》), last amended by the State Council on March 10, 2024 and came into effect 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. The Implementing Rules of the Regulation on the Administration of Human Genetic Resources (《人類遺傳資源管理條例實施細則》), which was promulgated by the MOST on May 26, 2023 and became effective on July 1, 2023, further provides specific requirements on the collection, preservation, utilization and external provision of China's human genetic resources.

The Biosecurity Law of the PRC (《中華人民共和國生物安全法》) (the “**Biosecurity Law**”), which was promulgated by SCNPC on October 17, 2020 and last amended on April 26, 2024, 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 microbial laboratories, security management of human genetic resources and biological resources, countermeasures for microbial resistance, and prevention of bioterrorism and defending threats of biological weapons. According to the Biosecurity Law, the research and development activities of high-risk and medium-risk biotechnology shall be carried out by a legal person organization established within the territory of the PRC in accordance with the law, upon obtaining the approval or record-filing. The following activities are subject to approval of the competent health department: (i) collecting human genetic resources of important genetic families or specific areas in the PRC, or collecting human genetic resources of which the types and quantities are subject to provisions of the competent health department under the State Council, (ii) preserving China's human genetic resources, (iii) using China's human genetic resources to carry out international scientific research cooperation, or (iv) transporting, mailing, and carrying China's human genetic resource materials out of the country.

Administrative Protection and Monitoring Period for New Drugs

According to the Implementation Regulations, the NMPA may, for the purpose of protecting public health, provide for an administrative monitoring period of up to five years for new drugs approved to be manufactured, to continually monitor the safety of those new drugs. During the monitoring period of a new drug, the NMPA will not approve any other enterprise's application to manufacture or import a similar new drug.

Laws and Regulations on the Manufacturing of Drugs

Drug Manufacturing Certificate

Pursuant to the Drug Administration Law and the Implementation Regulations, a drug manufacturer must obtain a Drug Manufacturing Certificate (藥品生產許可證) from the drug regulatory authority at provincial, autonomous regional or municipal level before it may start manufacturing drugs in the PRC. The Drug Manufacturing Certificate shall indicate the validity period and the scope of production. Each Drug Manufacturing Certificate is valid for a period of five years and the manufacturer is required to apply for renewal of the permit within six months prior to its expiration date.

Good Manufacturing Practice

The drug manufacturer must conduct the manufacturing process in accordance with the Good Manufacturing Practice for Drugs (《藥品生產質量管理規範》) issued by the MOH in January 2011, which sets forth a set of detailed standard guidelines governing the manufacture of drugs including institution and staff qualifications, production premises and facilities, equipment, hygiene conditions, production management, quality controls, product operation, raw material management, maintenance of sales records and management of customer complaints and adverse event reports.

Prior to December 1, 2019, pursuant to the Certification Measures for Good Manufacturing Practice for Drugs (《藥品生產質量管理規範認證管理辦法》) issued by the CFDA in August 2011, when establishing a pharmaceutical manufacturer or a new factory or expanding the production scope, the drug manufacturer is required to submit an application for a good manufacturing practice certificate (the “**GMP certificate**”) with the drug regulatory authority. If the Good Manufacturing Practices (the “**GMP**”) are satisfied, a GMP certificate will be issued. On December 30, 2015, the CFDA issued the Notice on Matters concerning the Implementation of Good Manufacturing Practice (《關於切實做好實施藥品生產質量管理規範有關工作的通知》), which provided that drug manufacturers failing to obtain the GMP certificates will not be issued with the drug manufacturing license.

Pursuant to the Circular on the Relevant Issues Concerning the Implementation of the Drug Administration Law of the PRC (《關於貫徹實施〈中華人民共和國藥品管理法〉有關事項的公告》), promulgated by the NMPA on November 29, 2019, and the Drug Administration Law, since December 1, 2019, the GMP and Good Supply Practice (the “**GSP**”) certifications have been canceled, applications for GMP and GSP certifications are no longer accepted, and GMP and GSP certificates are no longer issued. The legal representative of and principal person in charge of a drug manufacturer are fully responsible for the drug manufacturing activities of the enterprise.

The Administrative Measures for the Inspection of Pharmaceuticals (Trial) (《藥品檢查管理辦法(試行)》) was promulgated by the NMPA on May 24, 2021 and amended on July 19, 2023, and the Certification Measures for Good Manufacturing Practice for Drugs was repealed simultaneously. The Administrative Measures for the Inspection of Pharmaceuticals (Trial) stipulated that if a drug manufacturer applies for a drug manufacturing license for the first time, it will be subject to on-site inspection under relevant contents of the GMP. If a drug manufacturer applies for re-issuance of drug manufacturing license, relevant authorities shall conduct

examination pursuant to risk management principle, taking into account the enterprise's compliance with pharmaceutical administration laws and regulations, operation status of GMP and quality system, and may conduct GMP compliance inspection where necessary.

Entrusted Manufacturing of Drugs

Pursuant to the Administrative Regulations for the Entrusted 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 entrusted 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 State Administration for Market Regulation (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 entrustment 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. The drug marketing authorization holder shall follow the Guidelines for the Quality Agreements of Entrusted Manufacturing of Drugs (《藥品委託生產質量協議指南》) formulated by the NMPA to supervise the entrusted party to fulfill the obligations agreed upon in the agreement. The entrusted party shall not re-entrust a third party to manufacture the drugs for which it has accepted the manufacturing entrustment. A drug marketing authorization holder shall establish a drug quality assurance system which shall be independently managed by professionals for the quality control of drugs. A drug marketing authorization holder shall regularly examine the quality management system of drug producers and drug trading companies entrusted by it to ensure that they remain capable in quality assurance and control. The legal representative and the key person-in-charge of a drug marketing authorization holder shall be fully responsible for the quality of drugs, while the legal representative and the key person-in-charge of a drug manufacturer shall be fully responsible for the manufacturing activities of its own. The drug marketing authorization holder and drug manufacturers shall establish and implement a drug traceability system, assign traceability labels to sales packaging of their drugs in accordance with regulations, implement drug traceability through information-based means, record and keep drug traceability data in a timely manner, and provide traceability information to the drug traceability collaborative service platform.

Laws and Regulations on the Medical Insurance Program

Coverage of the National Medical Insurance Program

The national medical insurance program was first adopted according to the Decision of the State Council on the Establishment of the Urban Employee Basic Medical Insurance Program (《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 in urban cities are required to enroll their employees 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 about 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》), further enlarged the coverage of the basic medical insurance program, under which urban residents of the pilot district, rather than urban employees, may voluntarily join 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.

Medical Insurance Catalogue

According to the Interim Measures for the Administration of Use of Drugs Covered by the Basic Medical Insurance (《基本醫療保險用藥管理暫行辦法》) promulgated by the NHSA on July 30, 2020 and took effect on September 1, 2020, the scope of drugs covered by the basic medical insurance shall be administered through the Catalogue of Drugs for Basic National Medical Insurance (《基本醫療保險藥品目錄》). The 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**”), which was promulgated by the NHSA and the Ministry of Human Resources and Social Security on December 7, 2023 and took effect on January 1, 2024, sets forth the payment standard for pharmaceutical products under the basic medical insurance, work-related injury insurance and maternity insurance funds. Medicines listed in the NRDL are divided into two parts, List A and List B. List A drugs are widely used clinical treatments with good efficacy and lower prices compared to similar drugs, while List B drugs are clinical treatments with good efficacy and slightly higher prices compared to List A drugs.

According to the Interim Measures for the Administration of Use of Drugs Covered by the Basic Medical Insurance, a Provincial Reimbursement Drug List (the “**PRDL**”) must be made by the provincial healthcare security authorities. The provincial healthcare security authorities have the right to add ethnic drugs and preparations of medical institutions as List B drugs in the PRDL in accordance with relevant rules.

According to the Interim Measures for the Administration of Use of Drugs Covered by the Basic Medical Insurance, patients purchasing List A drugs can directly obtain reimbursement under the basic medical insurance program. Patients purchasing List B drugs shall pay a certain percentage of the purchase price first and then obtain reimbursement under the basic medical insurance program.

National Essential Drug List

On August 18, 2009, the MOH and eight other ministries and commissions in the PRC issued the Provisional Measures on the Administration of the National Essential Drug List (《國家基本藥物目錄管理辦法(暫行)》), which was revised as the Notice on Issuing Measures for the Administration of Medicines for Basic National Medical Insurance (《關於印發國家基本藥物目錄管理辦法的通知》) on February 13, 2015, and the Guidelines on the Implementation of the National Essential Drug List System (《關於建立國家基本藥物制度的實施意見》), which aims to

promote essential medicines sold to consumers at fair prices in the PRC and ensure that the general public in the PRC has equal access to the drugs contained in the National Essential Drug List. On September 13, 2018, the General Office of the State Council issued the Opinions of the General Office of the State Council on Improving the National Essential Drug System (《國務院辦公廳關於完善國家基本藥物制度的意見》). The NHC and the National Administration of Traditional Chinese Medicine promulgated the National Essential Drug List (2018) (《國家基本藥物目錄(2018年版)》) (the “**National Essential Drug List**”) on September 30, 2018, effective from November 1, 2018, replacing the National Essential Drug List (2012) (《國家基本藥物目錄(2012年版)》) which was promulgated on March 13, 2013. According to these regulations, basic healthcare institutions funded by 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 of the PRC (the “**NDRC**”). For therapeutic drugs in the National Essential Drug List, when adjusting the NRDL, the medical insurance department shall prioritize the inclusion of those eligible in the scope of the list or adjust the classification of List A and B.

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》) (the “**Patent Law**”), 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 was promulgated by the State Council on June 15, 2001 and 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 any new technical solution relating to a product, a process or improvement thereof; “utility model” refers to any new technical solution relating to the shape, structure, or their combination, of a product, which is suitable for practical use; and “design” refers to any new design of the shape, pattern, color or the combination of any two of them, of a product, which creates an aesthetic 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, 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.

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》) (the “**Anti-Unfair Competition Law**”), promulgated by the SCNPC in September 1993 and last amended on April 23, 2019, the term “trade secrets” refers to technical and business information that is unknown to the public, has utility, may create business interests or profits for its legal owners or holders, and is maintained as a secret by its legal owners or holders. Under the Anti-Unfair Competition Law, business persons are prohibited from infringing others’ trade secrets by: (i) acquiring a trade secret from the right holder by theft, bribery, fraud, coercion,

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electronic intrusion, or any other means; (ii) disclosing, using, or allowing another person to use a trade secret acquired from the right holder by any means as specified in the item (i) above; (iii) 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; (iv) abetting a person, or tempting another 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 of the above-mentioned illegal conduct but nevertheless obtains, uses or discloses trade secrets of others, the third party may 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 may stop any illegal activities 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 the 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 and last amended on January 30, 2013. These law and regulation provide provisions on the classification of works and the obtaining and protection of copyright.

Domain Names

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 Industry and 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. 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

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“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.

Laws and Regulations on Labor, Work Safety

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 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, 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.

The Prevention and Control of Occupational Diseases Law of the PRC (《中華人民共和國職業病防治法》), which was promulgated by the SCNPC on October 27, 2001 and latest amended on December 29, 2018 (the “**Prevention and Control of Occupational Diseases Law**”), is the basic law for the prevention and control of occupational diseases. According to the Prevention and Control of Occupational Diseases Law, budget for facilities for the prevention and control of occupational diseases of a construction project shall be included in the budget of the project and those facilities shall be designed, constructed and put into operation simultaneously with the main body of the project. The entity that takes charge of the project should carry out the assessment of the effectiveness of measures for the prevention and control of occupational diseases before the final acceptance of the construction project. In addition, employers shall take required administrative measures to prevent and control occupational diseases in work.

Laws and Regulations on Work Safety

According to the Work Safety Law of the PRC (《中華人民共和國安全生產法》) (the “**Work Safety Law**”) which was promulgated by the SCNPC on June 29, 2002 and newly amended on June 10, 2021, production and business operation entities shall abide by the Work Safety Law and other laws and regulations concerning work safety, and guarantee work safety by strengthening the management on safe production, setting up and improving the responsibility system for work safety and work safety rules and regulations, improving the conditions, pushing forward the development of work safety standards, and raising the work safety level. The major person-in-charge of the production and business operation entities shall undertake the overall duties concerning the work safety of the concerned entity. If the production and business operation entities fail to abide by the relevant rules of the Work Safety Law, they will be confronted with administrative penalties, even criminal liabilities.

Laws and Regulations on Environmental Protection and Fire Control

Environment Protection

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), which was promulgated by the SCNPC on December 26, 1989, came into effect on the same day and last amended on April 24, 2014, 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, a 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》), 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.

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 Hazardous Chemicals

The Regulation on Safety Administration of Hazardous Chemicals (《危險化學品安全管理條例》) (the “**Hazardous Chemicals Regulation**”) was promulgated by the State Council on January 26, 2002 and newly revised on December 7, 2013. The Hazardous Chemicals Regulation provides regulatory requirements on the safe production, storage, use, operation and transportation of hazardous chemicals. An enterprise that has obtained a work safety permit of hazardous chemicals, safety use permit of hazardous chemicals or operation permit of hazardous chemicals according to law shall purchase hyper-toxic chemicals or hazardous chemicals that can be used to make explosives upon the strength of relevant permits or certificates. A producer of civil explosives shall purchase hazardous chemicals that can be used to make explosives upon the strength of the permit for production of civil explosives. Any entity other than those as prescribed in the preceding paragraph, when purchasing hyper-toxic chemicals, shall apply to the public security organ of the local people's government at the county level for a permit for purchasing hyper-toxic chemicals; when hazardous chemicals that can be used to make explosives are purchased, the explanations on the legal use of such chemicals issued by such entity shall be presented.

According to the Regulation on the Administration of Precursor Chemicals (《易製毒化學品管理條例》) promulgated by the State Council on August 26, 2005, effective on November 1, 2005, and revised on July 29, 2014, February 6, 2016 and September 18, 2018, the State regulates the production, operation, purchase, transportation, import and export of precursor chemicals. The precursor chemicals are classified into three categories. Category I refers to the major materials that may be used to produce drugs. Categories II and III refer to the chemical auxiliary substances that may be used to produce drugs. An enterprise that applies for purchasing the precursor chemicals in Category I shall submit the related certificates and shall obtain the purchase license upon the examination and approval of the supervisory and administrative department of drugs of the people's government of the province, autonomous region or centrally administered municipality where the applicant is located. Entities that purchase Category II and Category III precursor chemicals shall report the types and quantities of required precursor chemicals to the public security authority of the local people's governments at the county level for filing before purchasing.

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According to the Measures for the Public Security Administration of Explosive Hazardous Chemicals (《易製爆危險化學品治安管理办法》) issued by the Ministry of Public Security on July 6, 2019 and effective on August 10, 2019, enterprises which have obtained permits for safe production of hazardous chemicals, permits for the safe use of hazardous chemicals and permits for business operation of hazardous chemicals in accordance with the law shall purchase explosive precursor hazardous chemicals upon the strength of relevant permits. A buyer of explosives precursors shall, within five days after purchasing, shall report the information about the types, quantity and flowing direction of explosives precursors purchased to the local county-level public security authority for filing.

Laws and Regulations on Foreign Investment

On March 15, 2019, the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “**Foreign Investment Law**”) was promulgated by the NPC. The Foreign Investment Law took effect on January 1, 2020, and the Sino-Foreign Equity Joint Ventures Law of the PRC (《中華人民共和國中外合資經營企業法》), the Wholly Foreign-Owned Enterprises Law of the PRC (《中華人民共和國外資企業法》) and the Sino-Foreign Cooperative Joint Ventures Law of the PRC (《中華人民共和國合作經營企業法》) were abolished at the same time. Since then, the Foreign Investment Law has become the basic law regulating foreign-invested enterprises wholly or partially invested by foreign investors, while the organization form, institutional framework and standard of conduct of foreign-invested enterprises shall be subject to the provisions of the Company Law of the PRC (《中華人民共和國公司法》) and other laws.

The PRC implements a pre-access national treatment plus negative list management system for foreign investment, which means that foreign investors and their investments are given treatment no less favourable than that accorded to domestic investors and their investments at the stage of investment access; the so-called negative list refers to the special access management measures that the State has stipulated to be applied to foreign investment in specific areas, and the State grants national treatment to foreign investment that is not on the negative list.

The Catalogue of Industries Encouraging Foreign Investment (2022 Version) (《鼓勵外商投資產業目錄(2022年版)》) issued by the NDRC and the MOFCOM on October 26, 2022 (effective January 1, 2023), and the Special Administrative Measures for Foreign Investment Entry (Negative List) (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) issued by the NDRC and the MOFCOM on September 26, 2024 (the “**Negative List**”), which became effective on November 1, 2024) together constitute the catalogue of industries encouraging foreign investment and the special administrative measures for foreign investment access to industries restricted or prohibited for foreign investment, of which the Negative List has uniformly listed the special administrative measures in respect of foreign investment access, such as shareholding requirements and senior management requirements. Fields outside the Negative List are managed in accordance with the principle of consistency between domestic and foreign investments. Domestic enterprises engaging in businesses in the areas of investment prohibited by the Negative List that issue shares abroad and list them for trading shall be subject to the examination and consent of the relevant competent state authorities. Foreign investors shall not participate in the operation and management of the enterprise, and the proportion of their shareholding shall be implemented with reference to the relevant provisions on the management of domestic securities investment by foreign investors.

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While strengthening investment promotion and protection, the Foreign Investment Law further regulates foreign investment management and proposes the establishment of a foreign investment information reporting system that replaces the original foreign investment enterprise approval and filing system of the MOFCOM. The foreign investment information reporting shall be subject to the Foreign Investment Information Reporting Method (《外商投資信息報告辦法》) jointly developed by the MOFCOM and the SAMR, which came into effect on January 1, 2020. According to the Foreign Investment Information Reporting Method, foreign investors who directly or indirectly carry out investment activities in China shall submit investment information to the competent commercial department through the enterprise registration system and the National Enterprise Credit Information Publicity System, and the reporting methods include initial reports, change reports, cancellation reports, and annual reports.

Laws and Regulations on Outbound Investment

Pursuant to the Administrative Measures on Outbound Investments (《境外投資管理辦法》) issued by the MOFCOM on March 16, 2009 and amended on September 6, 2014, and 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 (the “**Project**”), it shall be subject to approval or filing for the Project, report relevant information, and cooperate with 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.

Laws and Regulations on Foreign Exchange and Taxation

Foreign Exchange

On January 29, 1996, the State Council promulgated the Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》), which became effective on April 1, 1996 and was amended on January 14, 1997 and August 5, 2008. Foreign exchange payments under current account items shall, pursuant to the administrative provisions of the foreign exchange control department of the State Council on payments of foreign currencies and purchase of foreign currencies, be made using self-owned foreign currency or foreign currency purchased from financial institutions engaging in conversion and sale of foreign currencies by presenting the valid document. Domestic entities and domestic individuals making overseas direct investments or engaging in issuance and trading of overseas securities and derivatives shall process registration formalities pursuant to the provisions of the foreign exchange control department of the State Council.

On November 19, 2012, the SAFE issued the Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment (《國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知》) (the “**SAFE Circular 59**”), which came into effect on December 17, 2012 and was revised on May 4, 2015, October 10, 2018 and partially abolished on December 30, 2019. The SAFE Circular 59 aims to simplify the foreign exchange procedure and promote the facilitation of investment and trade. According to the SAFE Circular

59, the opening of various special purpose foreign exchange accounts, such as pre-establishment expenses accounts, foreign exchange capital accounts and guarantee accounts, the reinvestment of RMB proceeds derived by foreign investors in the PRC, and remittance of foreign exchange profits and dividends by a foreign-invested enterprise to its foreign shareholders no longer require the approval or verification of SAFE, as well multiple capital accounts for the same entity may be opened in different provinces. Later, the SAFE promulgated the Circular on Further Simplifying and Improving Foreign Exchange Administration Policies in Respect of 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》) on February 13, 2015, which was partially abolished on December 30, 2019 and prescribed that the bank instead of the SAFE can directly handle the foreign exchange registration and approval under foreign direct investment, while the SAFE and its branches indirectly supervise the foreign exchange registration and approval under foreign direct investment through the bank.

On May 11, 2013, the SAFE issued the Administrative Provisions on Foreign Exchange in Domestic Direct Investment by Foreign Investors (《外國投資者境內直接投資外匯管理規定》) (the “**SAFE Circular 21**”), which became effective on May 13, 2013, amended on October 10, 2018 and partially abolished on December 30, 2019. The SAFE Circular 21 specifies that the administration by the SAFE or its local branches over direct investment by foreign investors in the PRC must be conducted by way of registration and the bank must process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by the SAFE and its branches.

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 on December 26, 2014, a domestic company shall, within 15 PRC business days from the date of the end of its overseas listing issuance, register the overseas listing with the local branch office of state administration of foreign exchange 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 of the prospectus and other disclosure documents.

According to the Notice of the State Administration of Foreign Exchange on Reforming the Management Mode of Foreign Exchange Capital Settlement of Foreign Investment Enterprises (《國家外匯管理局關於改革外商投資企業外匯資金結匯管理方式的通知》) (the “**SAFE Circular 19**”) promulgated on March 30, 2015, coming effective on June 1, 2015, partially abolished on December 30, 2019 and partially amended on March 23, 2023, foreign-invested enterprises could settle their foreign exchange capital on a discretionary basis according to the actual needs of their business operations. Whilst, foreign-invested enterprises are prohibited to use the foreign exchange capital settled in RMB (i) for any expenditures beyond the business scope of the foreign-invested enterprises or forbidden by laws and regulations; (ii) for direct or indirect securities investment; (iii) to provide entrusted loans (unless permitted in the business scope), repay loans between enterprises (including advances by third parties) or repay RMB bank loans that have been on lent to a third party; and (iv) to purchase real estate not for self-use purposes (save for real estate enterprises).

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On June 9, 2016, the SAFE issued the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the “**SAFE Circular 16**”), which came into effect on the same day and was partially amended according to Notice of the State Administration of Foreign Exchange on Further Deepening Reforming to Facilitate Cross-border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) promulgated by the SAFE on December 4, 2023. The SAFE Circular 16 provides that discretionary foreign exchange settlement applies to foreign exchange capital, foreign debt offering proceeds and remitted foreign listing proceeds, and the corresponding RMB capital converted from foreign exchange may be used to extend loans to related parties or repay inter-company loans (including advances by third parties).

According to the Circular of the State Administration of Foreign Exchange on Optimizing Foreign Exchange Administration to Support the Development of Foreign-Related Businesses (《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》) promulgated and effective on April 10, 2020 by the SAFE, provided that the use of funds is genuine, compliant and in line with the existing regulations for the management of the use of income under capital accounts, eligible enterprises will be allowed to use the income under capital accounts such as capital funds, foreign debt and income from overseas listing for domestic payments without having to provide materials proving authenticity to the banks on a case-by-case basis beforehand.

Taxation

Enterprise Income Tax (the “EIT”)

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, 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 and amended on April 23, 2019, 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. 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. 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.

Value-Added Tax (the “VAT”)

The major PRC law and regulation governing value-added tax are the Interim Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) 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稅暫行條例實施細則》) issued on December 25, 1993 by the Ministry of Finance (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. Depending on the taxable acts of the general taxpayers, the applicable VAT rates are 17%, 11%, 6% and 0%, respectively. The Notice of the MOF and the STA on the Adjustment of the Value-added Tax Rate (《財政部、稅務總局關於調整增值稅稅率的通知》), which was jointly issued by the MOF and the STA on April 4, 2018 and became effective from May 1, 2018, adjusted the VAT rates for relevant taxable acts of general taxpayers originally subject to the tax rates of 17% and 11% to 16% and 10%, respectively. The Announcement of the MOF, the STA and the General Administration of Customs of the PRC on the Relevant Policies on Deepening the Value-added Tax Reform (《財政部、稅務總局、海關總署關於深化增值稅改革有關政策的公告》), which was jointly issued by the MOF and other departments on March 20, 2019 and became effective from April 1, 2019, has further adjusted the VAT rates for taxable acts related to general taxpayers originally subject to the tax rates of 16% and 10% to 13% and 9%, respectively.

Laws and Regulations on Information Security and Data Privacy

Data Security and Data Export

The SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) on June 10, 2021, which became effective from September 1, 2021, for the establishment of a data classification and grading protection system to conduct classified and hierarchical protection of data. Entities engaged in data processing activities shall, in accordance with laws and regulations, establish a sound full-process data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to ensure data security.

On December 28, 2021, the Cyberspace Administration of China (the “CAC”) and other twelve PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the “**Cyber Review Measures**”), which came into effect on February 15, 2022. The Cyber Review Measures stipulate that, among others, (i) when the purchase of network products and services by a critical information infrastructures operator (the “**CIIO**”) (關鍵信息基礎設施運營者) or the data processing activities conducted by a network platform operator (網絡平台運營者) affect or may affect national security, a cybersecurity review shall be conducted pursuant to the Cyber Review Measures; (ii) an application for cybersecurity review shall be made by an issuer who is a network platform operator holding personal information of more than one million users before such issuer applies to list its securities abroad; and (iii) the relevant PRC governmental authorities may initiate cybersecurity review if such governmental authorities determine that the issuer’s network products or services, or data processing activities affect or may affect national security.

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According to the Measures on Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》) issued by the CAC on July 7, 2022 and effective on September 1, 2022, a data processor that provides data overseas under any of the following circumstances shall apply to the national cyberspace administration for the security assessment of the outbound data transfer through local provincial cyberspace administration: (i) a data processor provides important data abroad; (ii) the CIIO or the data processor that has processed the personal information of more than 1 million people provides personal information abroad; (iii) the data processor that has provided the personal information of over 100,000 people or the sensitive personal information of over 10,000 people cumulatively since January 1 of the previous year provides personal information abroad; and (iv) any other circumstance where an application for the security assessment of outbound data transfer is required by the national cyberspace administration.

According to the Measures for Standard Contract for Outbound Transfer of Personal Information (《個人信息出境標準合同辦法》) issued by the CAC on February 22, 2023 and effective from June 1, 2023, to provide personal information to an overseas recipient through the conclusion of the standard contract, a personal information processor shall meet all of the following circumstances: (i) it is not a CIIO; (ii) it has processed the personal information of less than one million individuals; (iii) it has cumulatively provided the personal information of less than 100,000 individuals to overseas recipients since January 1 of the previous year; and (iv) it has cumulatively provided the sensitive personal information of less than 10,000 individuals since January 1 of the previous year. In addition, the Measures for Standard Contract for Outbound Transfer of Personal Information require that all Outbound Transfers of personal information that have been carried out before June 1, 2023 and do not comply with the provisions of the Measures for Standard Contract for Outbound Transfer of Personal Information be rectified within 6 months.

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》), which was promulgated by the CAC on March 22, 2024 and came into effect on the same day, if the data have not been informed or publicly announced as important data by relevant departments or regions, data handlers are not required to declare security assessment for cross-border provision of the data as important data.

Personal Information Protection

According to the Civil Code of the PRC (《中華人民共和國民法典》), personal information of natural persons is protected by law. If any organization or individual needs to obtain other people's personal information, they should obtain it in accordance with the law, ensure the security of the information, and must not illegally collect, use, process, or transmit other people's personal information or illegally buy, sell, provide, or disclose the information. The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) promulgated by the SCNPC on August 20, 2021 and implemented on November 1, 2021 further emphasizes the obligations and responsibilities of processors for the protection of personal information, and requests higher level of protective measures on the processing of sensitive personal information.

According to the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) promulgated by the SCNPC on November 7, 2016 and effective on June 1, 2017, network operators must follow the principles of legality, legitimacy and necessity when collecting and using personal information, publicly disclose the rules for collection and use, clearly state the purpose, method

and scope of collecting and using information, and obtain the consent of the person whose data is being collected. Network operators shall not collect personal information unrelated to the services they provide. Network operators are not allowed to leak, tamper with, or damage the personal information they collect, and are not allowed to provide personal information to others without the consent of the person whose data is being collected. However, this does not apply to cases where a specific individual cannot be identified and the identity cannot be recovered after processing. Network operators should take technical measures and other necessary measures to ensure the security of the personal information they collect and prevent leakage, damage and loss of information.

Laws and Regulations on Overseas Securities Offering and Listing by Domestic Companies

CSRC Filing Requirements for Overseas Offering and Listing

On February 17, 2023, the China Securities Regulatory Commission (the “CSRC”) promulgated 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**”) and relevant supporting guidelines, which came into effect on March 31, 2023. The Overseas Listing Trial Measures comprehensively improves and reforms the existing regulatory regime for overseas offering and listing of PRC domestic companies’ securities and regulates both direct and indirect overseas offering and listing of PRC domestic companies’ securities. Any domestic company that is deemed to conduct overseas offering and listing activities shall file with the CSRC in accordance with the Overseas Listing Trial Measures.

The Overseas Listing Trial Measures provides that the overseas securities offering and listing will be considered a direct overseas offering by a PRC domestic company if the issuer is a company limited by shares registered and established in mainland China. In addition, the overseas securities offering and listing will be considered an indirect overseas offering by a PRC domestic company if the issuer meets both of the following criteria: (i) 50% or more of any of the issuer’s operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent fiscal year is accounted for by a domestic company; and (ii) the main parts of the issuer’s business activities are conducted in mainland China, or its main place(s) of business are located in mainland China, or the majority of senior management staff in charge of its business operations and management are PRC citizens or have their usual place(s) of residence located in mainland China.

Pursuant to the Overseas Listing Trial Measures, an issuer shall file with the CSRC within three PRC business days after its application for initial public offering is submitted to competent overseas securities regulators.

Overseas Listing Confidentiality and Archives Administration

According to the Provisions on Strengthening the Confidentiality and Archives Administration Concerning the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) jointly issued by the CSRC and other departments on February 24, 2023 and effective on March 31, 2023, in the overseas offering and listing activities of domestic enterprises, domestic enterprises, securities companies and securities service institutions that provide corresponding services shall strictly

comply with the applicable laws and regulations of the PRC and satisfy the requirements of the Provisions, enhance the legal awareness of safeguarding state secrets and strengthening archives administration, establish and improve the confidentiality and archives work system, and take necessary measures to fulfill the confidentiality and archives administration obligations, and shall not divulge state secrets or work secrets of state organs, or harm the interests of the state or the public. A domestic enterprise that, either directly or through its overseas listed entity, publicly discloses or provides to relevant securities companies, securities service institutions, overseas regulators, and other entities and individuals any documents and materials that involve state secrets or work secrets of state organs, shall obtain approval from the competent department with the power of examination and approval according to the law, and report to the administrative department of confidentiality at the same level for filing. A domestic enterprise that, either directly or through its overseas listed entity, publicly discloses or provides to relevant securities companies, securities service institutions, overseas regulators, and other entities and individuals, other documents and materials whose divulgence will have adverse impact on national security or public interest, shall strictly undergo the relevant procedures in accordance with the relevant regulations of the state.

H-share Full Circulation

“Full circulation” means listing and circulating on the 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 filing with the CSRC for full circulation has been completed, the H-share listed company shall submit a report on the relevant situation to the CSRC within 15 days after the registration with China Securities Depository and Clearing Corporation Limited (“**CSDC**”) of the shares related to the application has been completed.

On December 31, 2019, CSDC and the Shenzhen Stock Exchange jointly announced the Measures for Implementation of H-share Full Circulation Business (《H股“全流通”業務實施細則》), which are applicable to cross-border transfer registration, depository and holding, details maintenance, transaction entrustment and instruction transmission, settlement, clearing participant management, nominee holder services and other related operations involved in H-Share Full Circulation Business.

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In order to fully promote the reform of H-share “Full Circulation” and clarify the business arrangement and procedures for the relevant shares’ registration, custody, settlement and delivery, the Guide to the Program for “Full Circulation” of H-shares of the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (《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》) was promulgated by the Shenzhen Branch of CSDC on September 20, 2024 and came into effect on September 23, 2024, which specifies the business preparation, cross-border transfer registration, overseas depository of shares and initial maintenance of domestic holding details, etc.

Other PRC National and Provincial-Level Laws and Regulations

We are subject to changing regulations under many other laws and regulations administered by PRC governmental authorities at the national, provincial and municipal levels, some of which are or may become applicable to our business.

We believe that we are currently in compliance with these laws and regulations in all material aspects; however, we may be required to incur significant costs to comply with these laws and regulations in the future. Unanticipated changes in existing regulatory requirements or adoption of new requirements could therefore have a material adverse effect on our business, results of operations and financial condition.

OVERVIEW OF LAWS AND REGULATIONS IN THE UNITED STATES

This section summarizes the principal laws and regulations in the United States that are relevant to our business.

U.S. Government Regulation of Drug and Biological Products

In the United States, the FDA regulates drugs under the Federal Food Drug and Cosmetic Act (the “**FDCA**”), its implementing regulations, and biologics implemented 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 FDA’s Good Laboratory Practice regulations. A sponsor of an IND must submit the results of the preclinical tests, manufacturing information, analytical data, the clinical trial protocol, and any available clinical

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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. FDA may also impose clinical holds or partial clinical holds at any time during clinical trials due to safety concerns or non-compliance.

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 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 (the “**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 re-approve 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 in 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 pharmacokinetics and pharmacodynamics 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 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.

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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 current Good Manufacturing Practice (“cGMP”) 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.

U.S. 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 a BLA. Unless deferred or waived, 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 a BLA is subject to the payment of a substantial user fee and an annual prescription drug program fee.

Within 60 days of its receipt, the FDA reviews the BLA to ensure that it is sufficiently complete for substantive review before it accepts the BLA for filing. After accepting the 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 cGMP-compliant to assure the product’s identity, strength, quality and purity. Before approving the BLA, the FDA typically will inspect whether the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. The FDA may refer the 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 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 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 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 BLA approval and may require testing and surveillance programs to monitor the safety of approved products that have been commercialized.

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Expedited Development and Review Programs

The FDA has various programs that are intended to expedite or streamline the process for the development and FDA review of drugs that are intended for the treatment of serious or life-threatening diseases or conditions. The purpose of these programs is to provide important new drugs to patients earlier than under standard FDA review procedures.

Fast-track Designation

To be eligible for a fast-track designation, the FDA must determine, based on the request of a sponsor, that a drug is intended to treat a serious or life-threatening disease or condition for which there is no effective treatment and demonstrates the potential to address treatment gaps for the disease or condition. Under the fast-track program, the sponsor of a drug candidate may request FDA to designate the product for a specific indication as a fast-track product concurrent with or after the filing of the IND for the drug candidate. The FDA must make a fast-track designation determination within 60 days after receipt of the sponsor's request.

In addition to other benefits, such as the ability to use surrogate endpoints and have greater interactions with FDA, FDA may initiate review of sections of a fast-track product's NDA before the application is complete. This rolling review is available if the applicant provides, and FDA approves, a schedule for the submission of the remaining information and the applicant pays applicable user fees. However, FDA's time period goal for reviewing a fast-track application does not begin until the last section of the NDA is submitted. In addition, the fast-track designation may be withdrawn by FDA if FDA believes that the designation is no longer supported by data emerging in the clinical trial process.

Priority Review

The FDA may give a priority review designation to drugs that offer major advances in treatment, or provide a treatment where no adequate therapy exists. A priority review means that the goal for the FDA to review an application is six months, rather than the standard review of ten months under the Prescription Drug User Fee Act (the "PDUFA") guidelines. These six- and ten-month review periods are measured from the "filing" date rather than the receipt date for NDAs for new molecular entities, which typically adds approximately two months to the timeline for review and decision from the date of submission. Most products that are eligible for fast-track designation are also likely to be considered appropriate to receive a priority review.

Accelerated Approval

Under FDA's accelerated approval regulations, the FDA may approve a drug or biologic candidate for a serious or life-threatening illness that provides meaningful therapeutic benefit to patients over existing treatments and demonstrates an effect on either a surrogate endpoint that is reasonably likely to predict clinical benefit or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality ("IMM"), that is reasonably likely to predict an effect on IMM or other clinical benefit, taking into account the severity, rarity, or prevalence of the disease or condition and the availability or lack of alternative treatments. A product candidate approved on this basis is subject to rigorous post-marketing compliance requirements, including the completion of post-approval clinical trial to confirm the effect on the clinical endpoint. Failure to conduct

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required post-approval studies, or to confirm a clinical benefit during post-marketing studies, will allow the FDA to withdraw the product from the market on an expedited basis. All promotional materials for product candidates approved under accelerated regulations are subject to prior review by the FDA.

Breakthrough Designation

Another program available for sponsors is the Breakthrough Therapy Designation. A drug or biologic may be eligible for designation as a breakthrough therapy if the product is intended, alone or in combination with one or more other drugs or biologics, to treat a serious or life-threatening condition and preliminary clinical evidence indicates that the product may demonstrate substantial improvement over currently approved therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. A sponsor may request that a product be designated as a breakthrough therapy concurrently with, or at any time after, the submission of an IND, and the FDA must determine if the candidate qualifies for such designation within 60 days of receipt of the request. If so designated, the FDA shall act to expedite the development and review of the product's marketing application, including by meeting with the sponsor throughout the product's development, providing timely advice to the sponsor to ensure that the development program to gather preclinical and clinical data is as efficient as practicable.

Orphan Drugs

Under The Orphan Drug Act of 1983, the FDA may grant Orphan Drug Designation to drugs or biologic candidates intended to treat a rare disease or condition generally affecting fewer than 200,000 individuals in the U.S. or for which a manufacturer has no reasonable expectation of recovering drug treatment research and development costs. The first applicant to receive FDA approval for the disease or indication for which it has Orphan Drug Designation is entitled to a seven-year exclusive marketing period. During the exclusivity period, the FDA may not approve any other applications to market the same product for the same disease or condition except in limited circumstance.

Post-Marketing Requirements

Following the approval of a new product, the manufacturer and the approved product are subject to continuing regulation by the FDA, including, among other things, monitoring and record-keeping activities, reporting of adverse experiences, complying with promotion and advertising requirements, which include restrictions on promoting products for unapproved uses or patient populations, known as "off-label use," and limitations on industry-sponsored scientific and educational activities. Although physicians may prescribe legally available products for off-label uses, manufacturers may not market or promote such uses. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability, including investigation by federal and state authorities. Prescription drug promotional materials must be submitted to the FDA in conjunction with their first use or first publication. Further, if there are any modifications to the drug or biologic, including changes in indications, labeling or manufacturing processes or facilities, the applicant may be required to submit and obtain FDA approval of a new BLA or BLA supplement, which may require the development of additional data or preclinical studies and clinical trials.

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The FDA may also place other conditions on approvals including the requirement for a risk evaluation and mitigation strategy (the “**REMS**”), to assure the safe use of the product. If the FDA concludes a REMS is needed, the sponsor of the BLA must submit a proposed REMS. The FDA will not approve the BLA without an approved REMS, if required. A REMS could include medication guides, physician communication plans or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. Any of these limitations on approval or marketing could restrict the commercial promotion, distribution, prescription or dispensing of products. Product approvals may be withdrawn for noncompliance with regulatory standards or if problems occur following initial marketing.

FDA regulations require that products be manufactured in specific approved facilities and in accordance with cGMP regulations. These manufacturers must comply with cGMP regulations that require, among other things, quality control and quality assurance, the maintenance of records and documentation and the obligation to investigate and correct any deviations from cGMP.

Manufacturers and other entities involved in the manufacture and distribution of approved drugs or biologics are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP requirements and other laws. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain cGMP compliance. The discovery of violative conditions, including failure to conform to cGMP regulations, could result in enforcement actions, and the discovery of problems with a product after approval may result in restrictions on a product, manufacturer or holder of an approved BLA, including recall.

Once an approval is granted, the FDA may issue enforcement letters or withdraw the approval of the product if compliance with regulatory requirements and standards is not maintained or if problems occur after the drug or biologic reaches the market. Corrective action could delay drug or biologic distribution and require significant time and financial expenditures. Later discovery of previously unknown problems with a drug or biologic, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical trials to assess new safety risks; or imposition of distribution or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the drug or biologic, suspension of the approval, complete withdrawal of the drug from the market or product recalls;
- fines, warning letters or holds on post-approval clinical trials;
- refusal of the FDA to approve applications or supplements to approved applications, or suspension or revocation of drug or biologic approvals; drug or biologic seizure or detention, or refusal to permit the import or export of drugs; or
- injunctions or the imposition of civil or criminal penalties.

Patient Protection and Affordable Health Care Act

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act (collectively, the “ACA”), became law in the United States in March 2010, and have driven healthcare reform in the United States by extending health insurance coverage and substantially changing the way healthcare financed by both governmental and private insurers in the United States. With regard to pharmaceutical products specifically, the ACA expanded and increased industry rebates for drugs covered under Medicaid programs and made changes to the coverage requirements under the Medicare prescription drug benefit. Among other things, the ACA contains provisions that may reduce the profitability of drug products through increased rebates for drugs reimbursed by Medicaid programs, extension of Medicaid rebates to Medicaid managed care plans, and mandatory discounts for certain Medicare Part D beneficiaries and annual fees based on pharmaceutical companies’ share of sales to federal health care programs.

Since its enactment, there have been judicial and congressional challenges to certain aspects of the ACA, and there may be additional challenges and amendments to the ACA in the future. Since January 2017, former President Trump has signed Executive Orders and other directives designed to delay the implementation of certain provisions of the ACA or otherwise circumvent some of the requirements for health insurance mandated by the ACA. Concurrently, Congress has considered legislation that would repeal or repeal and replace all or part of the ACA. While Congress has not passed comprehensive repeal legislation, several bills affecting the implementation of certain taxes under the ACA have passed, for example, the Tax Act enacted by the Congress in 2017 which eliminated the tax-based shared responsibility payment imposed by the ACA on certain individuals who fail to maintain qualifying health coverage for all or part of a year that is commonly referred to as the “individual mandate.” In addition, the 2020 federal spending package permanently eliminated, effective January 1, 2020, the ACA mandated “Cadillac” tax on high-cost employer-sponsored health coverage and medical device tax and, effective January 1, 2021, also eliminates the health insurer tax. There may be other efforts to challenge, repeal or replace the ACA.

Patent Term Restoration and Marketing Exclusivity

After approval, owners of relevant drug or biological product patents may apply for up to a five-year patent extension to restore a portion of patent term lost during product development and FDA review of a BLA if approval of the application is the first permitted commercial marketing or use of a biologic containing the active ingredient under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Act. The allowable patent term extension is calculated as one-half of the product’s testing phase, which is the time between IND and BLA submission, and all of the review phase, which is the time between BLA submission and approval, up to a maximum of five years. The time can be shortened if the FDA determines that the applicant did not pursue approval with due diligence. The total patent term after the extension may not exceed more than 14 years from the date of FDA approval of the product. Only one patent claiming each approved product is eligible for restoration, only those claims covering the approved product, a method for using it, or a method for manufacturing it may be extended, and the patent holder must apply for restoration within 60 days of approval. The United States Patent and Trademark Office (the “USPTO”), in consultation with the FDA, reviews and approves the application for patent term restoration. For patents that might expire during the application phase,

REGULATORY OVERVIEW

the patent owner may request an interim patent extension. An interim patent extension increases the patent term by one year and the patent owner may apply for no more than four subsequent interim extensions. For each interim patent extension granted, the post-approval patent extension is reduced by one year. The director of the USPTO must determine that approval of the drug candidate covered by the patent for which a patent extension is being sought is likely. Interim patent extensions are not available for a drug candidate for which a BLA has not been submitted.

Proposed BIOSECURE Act

On December 20, 2023, members of the U.S. Senate introduced legislation to prohibit federal contracting with certain biotechnology providers connected to foreign adversaries. On March 6, 2024, the version of the legislation introduced in the U.S. Senate was advanced by the Homeland Security and Governmental Affairs Committee for consideration by the full U.S. Senate. On January 24, 2024, the U.S. House of Representatives proposed a similar version of such legislation titled the BIOSECURE Act (the “**BIOSECURE Act**”). On May 15, 2024, the BIOSECURE Act was advanced by the Committee on Oversight and Accountability to the full U.S. House of Representatives. On September 9, 2024, the U.S. House of Representatives voted in favor of the BIOSECURE Act, and sent the legislation to full U.S. Senate. BIOSECURE Act was left out in the amendment to a Senate amendment to the National Defense Authorization Act for fiscal year 2025 by the U.S. House of Representatives released on December 7, 2024, and the continuing resolution to fund the U.S. government released on December 18. Further, the Senate did not act on the House passed version. As a result, BIOSECURE Act had not been enacted into law in 2024. The BIOSECURE Act could return in 2025 but it would have to be reintroduced and voted upon again in the House of Representatives and Senate.

The BIOSECURE Act, if enacted in its current form, would prohibit the U.S. government from procuring biotechnology equipment or services from designated “biotechnology companies of concern,” and would prohibit government contracts, loans and grants to any entity that uses biotechnology equipment or services from a designated “biotechnology company of concern.” The most recent House version (H.R.8333) of the legislation names five specific Chinese companies as “biotechnology companies of concern.” The U.S. government has the authority to identify additional entities for inclusion as “biotechnology companies of concern,” specifically any entity that is subject to the administrative governance structure, direction, control, or operates on behalf of the government of a foreign adversary (defined by law to be China, Iran, North Korea, and Russia), is involved in the manufacturing, distribution, provision, or procurement of a biotechnology equipment or service, and poses a risk to the national security of the U.S. This most recent House version of the legislation would delay the application of the BIOSECURE Act’s provisions (i) until January 1, 2032, with respect to biotechnology equipment or services provided or produced by one of the named biotechnology companies of concern under a contract or agreement entered before the effective date of the legislation; and (ii) for a period of five years after the identification of new biotechnology companies of concern, with respect to biotechnology equipment and services provided or produced by an entity that the government identifies in the future as a biotechnology company of concern.

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A Senate version (S.3558) of the BIOSECURE Act was also submitted for a full Senate vote, in which WuXi Biologics was not listed as a “biotechnology company of concern.” The Senate version also differs from the House version in certain other aspects, which, for example, does not contain a grandfathering provision allowing biotechnology equipment and services provided or produced by named biotechnology companies of concern under a contract or agreement entered into before the effective date until January 1, 2032.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Our Group was founded in November 2012 and commenced business operations since May 2014. Since the inception of our Group, we have been led by our co-founders, Dr. Kang and Dr. Lai, who have combined decades of experience in the pharmaceutical industry, particularly in antibody drug discovery and development and a proved track record in drug development from discovery to commercialization. For more details of the experience and qualifications of our co-founders, see “Directors, Supervisors and Senior Management.”

Our Company was established in the PRC on November 27, 2012. In August 2024, our Company was converted from a limited liability company into a joint stock limited company.

After years of development, we have built up our business in its current form as we become a clinical-stage biotechnology company dedicated to the discovery, development, and commercialization of new therapies in oncology, autoimmune, and other severe diseases. In particular, we are committed to employing a multitude of therapeutic strategies across various modalities and identifying targets and mechanisms to develop breakthrough therapies, which offer enhanced efficacy and safety for cancer patients who do not respond adequately to existing immunotherapies. For details, see “Business.”

MILESTONES

The following is a summary of our key development milestones since our inception:

Year	Milestone
2012	Our Company was established in the PRC
2015	Completed the Angel Financing in an aggregate amount of RMB10,000,000
	Established our in-house research and development team
2017	Completed the Series Pre-A Financing in an aggregate amount of RMB27,000,000
2019	Completed the Series A Financing in an aggregate amount of RMB85,000,000
	Completed the Series A+ Financing in an aggregate amount of RMB20,000,000
	Obtained IND approval from the NMPA to launch the first-in-human study of LBL-007 (LAG3 mAb) in China

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Milestone
2020	Completed the Series B Financing in an aggregate amount of RMB75,000,000
	Completed the Series B+ Financing in an aggregate amount of RMB130,000,000
	Initiated the first-in-human Phase Ia trial of LBL-007 in China
	Obtained IND approval from the FDA to launch the first-in-human study of LBL-007 in the U.S.
2021	Completed the Series C Financing in an aggregate amount of RMB607,000,000
	Entered into a license and collaboration agreement with BeiGene for LBL-007, making us eligible for up to US\$772 million in upfront and milestone payments and tiered double-digit royalties
	Received the IND approval from NMPA and initiated the first-in-human Phase I/II trial of LBL-015 (PD-1/TGF- β R2 fusion protein) monotherapy for solid tumors in China
	Obtained IND approval from the FDA to launch the first-in-human study of LBL-015 in the U.S.
	Received the IND approval from NMPA and FDA respectively to launch the first-in-human study of LBL-024 (PD-L1/4-1BB BsAb) in solid tumor
	Received the IND approval from NMPA and FDA respectively to launch the first-in-human study of LBL-019 (TNFR2 mAb) in solid tumor
2022	Our Jiangbei Development & Manufacture Center was established
	Launched the Phase I/II trial of LBL-024 in solid tumor in China
	Received IND approval from NMPA and initiated the Phase Ib/II trial of LBL-007 in combination with tislelizumab \pm chemotherapy for advanced solid tumor and NPC
	Initiated the Phase I trial of LBL-019 in solid tumor in China
	Commenced business development operations in the U.S.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Milestone
2023	Received the IND approval from NMPA and initiated the Phase I/II trial of LBL-034 (GPRC5D/CD3 BsAb) monotherapy for relapsed/refractory multiple myeloma in China
	Received IND approval from FDA to launch the first-in-human study of LBL-034 in the U.S.
	Received the IND approval from NMPA and initiated the Phase I/II trial of LBL-033 (MUC16/CD3 BsAb) for advanced malignant tumors in China
	Received IND approval from FDA to launch the first-in-human study of LBL-033 in the U.S.
	Received the IND approval from NMPA to evaluate LBL-024 in combination with chemotherapy in first line EP-NEC and SCLC in China
2024	Completed the Series C+ Financing in an aggregate amount of RMB130,000,000
	Received NMPA approval and initiated a single-arm registrational trial of LBL-024 monotherapy in relapsed/refractory advanced EP-NEC
	Launched the Phase Ib/II trial of LBL-024 in combination with chemotherapy in first line EP-NEC and SCLC in China
	Received IND approval of Phase Ib/II study by NMPA to evaluate LBL-024 in combination with chemotherapy in NSCLC, BTC, HCC, GC and ESCC
	Advancement of our pipeline assets for the treatment of autoimmune diseases, including LBL-051 (CD19/BCMA/CD3) and LBL-047 (BDCA2/TACI), into the IND-enabling stage
	Received Breakthrough Therapy Designation of LBL-024 from the NMPA for treating patients with late-line EP-NEC
	Converted from a limited liability company into a joint stock limited company
	Received approval from FDA for Orphan Drug Designation of LBL-034 in the treatment of MM

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Milestone
	Entered into a collaboration, exclusive option and license agreement with Oblenio Bio, Inc., a U.S. company newly formed by Aditum Bio, for LBL-051, making us eligible for up to US\$614 million in upfront, milestone and other payments, mid-single-digit royalties, and an equity stake in Oblenio Bio
	Received approval from the FDA for Orphan Drug Designation of LBL-024 for the treatment of NEC

OUR SUBSIDIARIES

As of the Latest Practicable Date, we had four wholly-owned subsidiaries and their details are set forth below:

Subsidiary	Place of establishment	Date of establishment	Principal business ⁽¹⁾
Nanjing Lizhi Biopharmaceutical Co., Ltd. (南京禮至生物醫藥有限公司)	PRC	July 12, 2018	R&D and sale of drug product
Leads Biolabs Inc.	Delaware, the U.S.	June 23, 2022	Business development and commercial cooperation
Leads Biolabs Hong Kong Limited (香港禮至生物醫藥有限公司)	Hong Kong	March 15, 2024	Business and commercial cooperation
Wuhu Leads Biolabs Biopharmaceutical Co., Ltd. (蕪湖維立志博生物製藥有限公司)	PRC	May 8, 2024	R&D, manufacturing and sale of drug product

Notes:

- (1) During the Track Record Period, Nanjing Lizhi Biopharmaceutical Co. Ltd., Leads Biolabs Inc., Leads Biolabs Hong Kong Limited and Wuhu Leads Biolabs Biopharmaceutical Co., Ltd. did not have substantial business operations.
- (2) As of the Latest Practicable Date, each of our subsidiaries had been wholly owned by our Company since its establishment.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

ESTABLISHMENT AND MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

(a) Establishment of Our Company in 2012

Dr. Kang and Dr. Lai became acquainted with each other while both of them conducted research in tumor immunotherapy as postdoctoral fellow at the National Cancer Institute (the “NCI”) in the U.S., in the laboratory of Dr. Steven Rosenberg, the esteemed Director of Surgery at the NCI. Driven by their commitment to researching and developing antibody drugs targeting the challenges in cancer immunotherapy, Dr. Kang and Dr. Lai established our Company as a limited liability company in China on November 27, 2012. After a period of preparation, the Company commenced its operations in May 2014. Upon establishment, the beneficial ownership of our Company was as follows:

Shareholder	Registered capital subscribed for	Equity interest
	(RMB)	(%)
Dr. Kang ⁽¹⁾	1,110,000	37.00
Dr. Lai ⁽¹⁾	900,000	30.00
Dr. Lu Dongcheng (“Dr. Lu”) ⁽¹⁾⁽²⁾	990,000	33.00
Total	3,000,000	100.00

Notes:

- (1) Upon the establishment of our Company, the registered capital of our Company was registered in the name of Mr. Kang Chongjin (康崇瑾), Dr. Kang’s father, Ms. Zhan Lizhen (詹麗珍), the spouse of Dr. Lai and Mr. Lu Chengwen (魯成文), Dr. Lu’s brother, as nominee shareholders holding equity interests in the Company on behalf of Dr. Kang, Dr. Lai and Dr. Lu, respectively. At the time of the Company’s establishment, as Dr. Kang, Dr. Lai and Dr. Lu were residing abroad, it was inconvenient for them to deal with the business registration procedures in the PRC directly. Therefore, they entrusted their close relatives in the PRC to hold the Company’s equity interest on their behalf as a transitional arrangement (the “**Entrustment Arrangement**”). The registered capital of our Company was partially paid up in an aggregate amount of RMB1,000,000 upon its establishment by Mr. Kang Chongjin, Ms. Zhan Lizhen and Mr. Lu Chengwen on behalf of Dr. Kang, Dr. Lai and Dr. Lu in proportion to their respective subscribed registered capital pursuant to the Entrustment Arrangement, which was funded by Dr. Kang, Dr. Lai and Dr. Lu using their own respective funds sourced from employment remuneration, investments and personal savings. The Entrustment Arrangement was terminated following the share transfers back to Dr. Kang, Dr. Lai and Dr. Lu in September 2016 and September 2019, respectively. As advised by our PRC Legal Adviser, the Entrust Arrangement does not violate the then effective relevant laws and regulations of the PRC. For details, see “— Establishment and Major Shareholding Changes of Our Company — Equity Transfers to Lizhi Partnership and Capital Increase in 2016” below.
- (2) Dr. Lu was introduced to Dr. Kang and Dr. Lai through a mutual acquaintance before the establishment of our Company. Dr. Lu has been serving as a director of our Company since November 2015. Sharing similar aspiration with Dr. Kang and Dr. Lai in the biotechnology industry, Dr. Lu invested in the Company as a passive investor and has not been participating in the day to day business operations of the Group since its establishment. Pursuant to the resolutions passed at our general meeting on October 25, 2024, Dr. Lu will cease to be a director of our Company conditional and with effect upon the Listing. His resignation is for the purpose of improving the corporate governance structure of the Company and he confirmed that he had no disagreement with Company. For further details, see the note in “Directors, Supervisors and Senior Management.” As of the Latest Practicable Date, Dr. Lu was interested in approximately 4.49% equity interest in our Company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(b) Capital Reduction and Angel Financing in 2015

On August 10, 2015, the registered capital of our Company was reduced by RMB2,000,000 to optimize the capital structure and improve the efficiency of fund utilization. As such, the Company's registered capital was adjusted to RMB1,000,000, matching the then paid-up capital of the Company. Upon completion of the share capital reduction, all share capital of our Company was fully paid up at that time.

On December 8, 2015, the registered capital of our Company was increased by RMB333,334, which was subscribed by Nanjing Kaiyuan Growth Startup Investment Partnership Enterprise (Limited Partnership) (南京凱元成長創業投資合夥企業(有限合夥)), “**Nanjing Kaiyuan**” and Shanghai Zhuangzhong Venture Investment Co., Ltd. (上海莊鍾創業投資有限公司), “**Shanghai Zhuangzhong**”, each at a consideration of RMB5,000,000. For details of the Angel Financing, see “— Pre-IPO Investments” below.

Upon completion of the aforementioned capital reduction and the Angel Financing, the shareholding structure of our Company was as follows:

Shareholder	Registered capital subscribed for	Equity interest
	(RMB)	(%)
Dr. Kang ⁽¹⁾	370,000	27.75
Dr. Lai ⁽¹⁾	300,000	22.50
Dr. Lu ⁽¹⁾	330,000	24.75
Nanjing Kaiyuan	166,667	12.50
Shanghai Zhuangzhong	166,667	12.50
Total	1,333,334	100.00

Note:

- (1) Their respective interests in the registered capital of the Company were registered in the name of Mr. Kang Chongjin, Ms. Zhan Lizhen and Mr. Lu Chengwen pursuant to the Entrustment Arrangement.

(c) Equity Transfers to Lizhi Partnership and Capital Increase in 2016

On September 8, 2016, for the purpose of providing share incentive to key employees and consultants who had contributions to the Company, each registered shareholder of the Company agreed to transfer 15% of their respective shareholding interests in the Company to Lizhi Partnership, our onshore Employee Share Incentive Platform, at a total consideration of RMB200,000, which was determined by the corresponding amount of the registered capital of the Company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

On September 13, 2016, we resolved to increase the registered capital of our Company by RMB3,000,000. The increased registered capital was subscribed by the then registered shareholders of the Company in proportion to their respective equity interests in the Company.

Upon completion of the aforementioned equity transfers and capital increase, the shareholding structure of our Company was as follows:

Shareholder	Registered capital subscribed for (RMB)	Equity interest (%)
Dr. Kang ⁽¹⁾	1,022,125	23.59
Dr. Lai ⁽²⁾	828,750	19.13
Dr. Lu ⁽¹⁾	911,625	21.04
Lizhi Partnership	650,000	15.00
Nanjing Kaiyuan	460,417	10.63
Shanghai Zhuangzhong	460,417	10.63
Total	4,333,334	100.00

Notes:

- (1) On September 8, 2016, Mr. Kang Chongjin transferred his entire shareholding in our Company to Dr. Kang and Lizhi Partnership, each at a cash consideration of RMB314,500 and RMB55,500, respectively; Mr. Lu Chengwen transferred his entire shareholding in our Company to Dr. Lu and Lizhi Partnership, each at cash consideration of RMB280,500 and RMB49,500, respectively. The consideration for such equity transfers were set for the purpose of regulatory compliance in relation to the requirements of foreign exchange management and foreign direct investment, as the transferees, Dr. Kang and Dr. Lu, are U.S. citizens, and were determined by the corresponding amount of the registered capital of the Company at that time. Upon completion of the aforementioned equity transfers, the Entrustment Arrangement in respect of Dr. Kang's and Dr. Lu's equity interests in the Company have been terminated and each of Dr. Kang and Dr. Lu held their respective equity interests in the Company directly.
- (2) Dr. Lai's interest in the then registered capital of the Company were registered in the name of Ms. Zhan Lizhen pursuant to the Entrustment Arrangement. On September 10, 2019, Ms. Zhan Lizhen transferred her entire shareholding in our Company to Dr. Lai at a cash consideration of RMB828,750. The consideration for such equity transfers were set for the purpose of regulatory compliance in relation to the requirements of foreign exchange management and foreign direct investment, as the transferee, Dr. Lai, is U.S. citizen, and were determined by the corresponding amount of the registered capital of the Company at that time. Upon completion of the aforementioned equity transfer, the Entrustment Arrangement in respect of Dr. Lai's equity interest in the Company have been terminated and Dr. Lai held his equity interest in the Company directly.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(d) Pre-Series A Financing in 2017

We resolved to enter into the Pre-Series A Financing on July 4, 2017 through capital increase as detailed below. For details of the Pre-Series A Financing, see “— Pre-IPO Investments” below. As a result, the registered capital of our Company was increased to RMB6,004,763.

Pre-Series A Investor ⁽¹⁾	Registered capital subscribed for	Consideration
	(RMB)	(RMB)
Beijing Hankang Jianxin Venture Investment Co., Ltd. (北京漢康建信創業投資有限公司) (“ Beijing Hankang ”)	464,286	7,500,000
Nanjing Jieyuan Growth Venture Capital Partnership (Limited Partnership) (南京捷源成長創業投資合夥企業 (有限合夥)) (“ Nanjing Jieyuan ”)	464,286	7,500,000
Nanjing Kaitai Venture Investment Partnership Enterprise (Limited Partnership) (南京凱泰創業投資合夥企業 (有限合夥)) (“ Nanjing Kaitai ”)	309,524	5,000,000
Beijing Chongshan Yuanwei Investment Center (Limited Partnership) (北京重山遠為投資中心 (有限合夥)) (“ Beijing Chongshan ”)	247,619	4,000,000
Nanjing Jingyong Medical Health Venture Investment Fund Partnership Enterprise (Limited Partnership) (南京景永醫療健康創業投資基金合夥企業 (有限合夥)) (“ Nanjing Jingyong ”)	185,714	3,000,000
Total	1,671,429	27,000,000

Note:

- (1) For background information of such Pre-IPO Investors, see “— Pre-IPO Investments — (d) Information about Our Pre-IPO Investors” below.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(e) Series A Financing during 2018 and 2019

We resolved to enter into the Series A Financing during 2018 and 2019 through capital increase as detailed below. For details of the Series A Financing, see “— Pre-IPO Investments” below. As a result, the registered capital of our Company was increased to RMB8,232,518.

Series A Investor ⁽¹⁾	Registered capital subscribed for (RMB)	Consideration (RMB)
Suzhou Jianxin Hankang Venture Investment Partnership Enterprise (Limited Partnership) (蘇州建信漢康創 業投資合夥企業(有限合夥)) (“ Suzhou Hankang ”)	800,636	30,000,000
Nanjing Ennovation Raylight Venture Capital Partnership (Limited Partnership) (南京恩然瑞光創業投資合 夥企業(有限合夥)) (formerly known as Nanjing Ennovation Raylight Healthcare Investment Partnership (Limited Partnership) (南京恩然瑞光健 康產業投資合夥企業(有限合夥))) (“ Ennovation Raylight ”)	533,757	20,000,000
Kunming High-tech Nuotai Big Health Industry Investment Partnership Enterprise (Limited Partnership) (昆明 高新諾泰大健康產業投資合夥企業(有 限合夥)) (“ Kunming Nuotai ”)	405,293	16,000,000
Ningbo Huaige Gongxin Venture Investment Partnership Enterprise (Limited Partnership) (寧波懷格共信創 業投資合夥企業(有限合夥)) (“ Ningbo Huaige ”) (formerly known as Ningbo Huaige Gongxin Equity Investment Partnership Enterprise (Limited Partnership) (寧波懷格共信股權投資合 夥企業(有限合夥) at the time of Series A Financing)	253,308	10,000,000
Beijing Chongshan	133,438	5,000,000
Hangzhou Hofon Heyi Investment Management Partnership Enterprise (Limited Partnership) (杭州華方和頤投 資管理合夥企業(有限合夥)) (“ Hangzhou Hofon ”)	101,323	4,000,000
Total	2,227,755	85,000,000

Note:

- (1) For background information of such Pre-IPO Investors, see “— Pre-IPO Investments — (d) Information about Our Pre-IPO Investors” below.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(f) Series A+ Financing in 2019

We resolved to enter into the Series A+ Financing on August 29, 2019 through capital increase as detailed below. For details of the Series A+ Financing, see “— Pre-IPO Investments” below. As a result, the registered capital of our Company was increased to RMB8,561,823.

Series A+ Investor ⁽¹⁾	Registered capital subscribed for <i>(RMB)</i>	Consideration <i>(RMB)</i>
Nanjing Jiangbei Medical Innovation Industry Fund (Limited Partnership) (南京江北醫療創新產業基金(有限合 夥)) (“ Jiangbei Fund ”) ⁽²⁾	329,305	20,000,000
Total	329,305	20,000,000

Note:

- (1) For background information of such Pre-IPO Investors, see “— Pre-IPO Investments — (d) Information about Our Pre-IPO Investors” below.
- (2) On August 1, 2019, Jiangbei Fund, Dr. Kang, Dr. Lai and our Company entered into a convertible note investment agreement pursuant to which, our Company agreed to issue a secured convertible note in the principal amount of RMB30 million (the “**Jiangbei Convertible Note**”) to Jiangbei Fund. The Jiangbei Convertible Note was secured by RMB131,281 and RMB65,641 of the registered share capital of the Company pledged by Dr. Kang and Dr. Lai in favor of Jiangbei Fund, respectively (collectively, the “**Share Pledge**”). The Jiangbei Convertible Note was due and payable on April 8, 2023 unless they were converted into registered capital subscribed in accordance with the terms of the Jiangbei Convertible Notes. On May 30, 2023, the Jiangbei Convertible Note was fully converted into approximately RMB233,448 registered share capital of our Company and the Share Pledge was released. For details, see “— Establishment and Major Shareholding Changes of Our Company — (m) Capital Increase upon Conversion in 2023” below.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(g) Equity Transfers to Lizhi Partnership and Series B Financing in 2020

On May 26, 2020, for the purpose of providing share incentive to more employees, each of Dr. Kang, Dr. Lu and Dr. Lai agreed to transfer RMB102,212, RMB91,162 and RMB82,875 registered capital of the Company to Lizhi Partnership, our onshore Share Incentive Platform, at consideration equaling to the amount of registered capital transferred.

On the same day, we resolved to increase the registered share capital of the Company to RMB9,632,051 which were subscribed by the investors in the Series B Financing as detailed below. For details of the Series B Financing, see “— Pre-IPO Investments” below.

Series B Investor ⁽¹⁾	Registered capital subscribed for	Consideration
	(RMB)	(RMB)
Wuhan Hofon Jianmin Yichao Investment Partnership Enterprise (Limited Partnership) (武漢華方健民醫潮投資合夥企業(有限合夥)) (“ Hofon Jianmin ”)	428,091	30,000,000
Nanjing Qiruiyoukang Venture Capital Partnership (Limited Partnership) 南京其瑞佑康創業投資合夥企業(有限合夥) (formerly known as Nanjing Qiruiyoukang Technology Development Investment Partnership (Limited Partnership) (南京其瑞佑康科技發展投資合夥企業(有限合夥)) (“ Nanjing Qiruiyoukang ”)	356,743	25,000,000
Ningbo Huaige	285,394	20,000,000
Total	1,070,228	75,000,000

Note:

- (1) For background information of such Pre-IPO Investors, see “— Pre-IPO Investments — (d) Information about Our Pre-IPO Investors” below.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(h) Series B+ Financing in 2020

We resolved to enter into the Series B+ Financing on November 3, 2020 through capital increase as detailed below. For details of the Series B+ Financing, see “— Pre-IPO Investments” below. As a result, the registered capital of our Company was increased to RMB11,487,113.

Series B+ Investor ⁽¹⁾	Registered capital subscribed for	Consideration
	(RMB)	(RMB)
KPC Pharmaceuticals, Inc. (昆藥集團股份有限公司) (“ KPC Group ”)	713,485	50,000,000
Shanghai Guohong Zhiyan Venture Investment Partnership Enterprise (Limited Partnership) (上海國鴻智言創業投資合夥企業(有限合夥)) (“ Shanghai Guohong ”)	428,091	30,000,000
Xinyu City Shangrun Investment Partnership Enterprise (Limited Partnership) (新余市上潤投資合夥企業(有限合夥)) (“ Xinyu Shangrun ”)	214,046	15,000,000
Jiaxing Minglang No. 2 Equity Investment Fund Partnership Enterprise (Limited Partnership) (嘉興銘朗二號股權投資基金合夥企業(有限合夥)) (“ Jiaxing Minglang ”)	214,046	15,000,000
Nanjing Jiangbei High-tech Industrial Development Equity Investment Fund (Limited Partnership) (南京江北高新技術產業發展股權投資基金(有限合夥)) (“ Nanjing Jiangbei High-tech Fund ”)	142,697	10,000,000
Ningbo Lan Hui Investment Management Partnership Enterprise (Limited Partnership) (寧波攬慧投資管理合夥企業(有限合夥)) (“ Ningbo Lanhui ”)	142,697	10,000,000
Total	1,855,062	130,000,000

Note:

- (1) For background information of such Pre-IPO Investors, see “— Pre-IPO Investments — (d) Information about Our Pre-IPO Investors” below.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(i) Equity Transfers in 2021

On March 30, 2021 and March 31, 2021, the following transfers of registered capital of our Company were effected. The consideration for such transfers were determined with reference to the valuation of the Company at the time of the Series B+ financing. The equity transfer from KPC Group to New Hope Medical Health Nanjing Investment Center (Limited Partnership) (新希望醫療健康南京投資中心(有限合夥)) (“**New Hope Medical**”) was completed in September 2021 and the equity transfer from Hofon Jianmin to Gongqingcheng Jiuyou Shenghui Investment Management Partnership Enterprise (Limited Partnership) (共青城久友生暉投資管理合夥企業(有限合夥)) (“**Gongqingcheng Jiuyou Shenghui**”) and to Gongqingcheng Jiuyou Shengrui Investment Management Partnership Enterprise (Limited Partnership) (共青城久友生瑞投資管理合夥企業(有限合夥)) (“**Gongqingcheng Jiuyou Shengrui**”) were completed in April 2021.

<u>Transferor</u>	<u>Transferee</u>	<u>Registered capital transferred</u>	<u>Consideration</u>
		<i>(RMB)</i>	<i>(RMB)</i>
KPC Group	New Hope Medical	428,091	30,000,000
Hofon Jianmin	Gongqingcheng Jiuyou Shenghui	146,978	10,300,000
Hofon Jianmin	Gongqingcheng Jiuyou Shengrui	138,416	9,700,000

Note:

- (1) For background information of such Pre-IPO Investors, see “— Pre-IPO Investments — (d) Information about Our Pre-IPO Investors” below.

(j) Capital Increase by Lizhi Partnership in 2021

On September 3, 2021, our Company’s registered capital was resolved to be increased by RMB574,356, which was subscribed by Lizhi Partnership, our Onshore Share Incentive Platform, at a consideration of RMB574,356. As a result, the registered capital of our Company was increased to RMB12,061,469.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(k) Series C Financing in 2021

We resolved to enter into the Series C Financing on September 24, 2021 through capital increase as detailed below. For details of the Series C Financing, see “— Pre-IPO Investments” below. As a result, the registered capital of our Company was increased to RMB16,784,896.

Series C Investor	Registered capital subscribed for (RMB)	Consideration (RMB)
Loyal Valley Capital Advantage Fund III LP (“ Loyal Valley Fund III ”)	1,167,239	150,000,000
Hangzhou Yuhang Longpan Health Medical Equity Investment Fund Partnership Enterprise (Limited Partnership) (杭州余杭龍磐健康醫療 股權投資基金合夥企業(有限合夥)) (“ Hangzhou Longpan ”)	544,711	70,000,000
Xiamen Dyee Evergreen Venture Investment Partnership Enterprise (Limited Partnership) (廈門德屹長青創 業投資合夥企業(有限合夥)) (“ Dyee Evergreen ”)	389,079	50,000,000
AJS AlphaTech Limited	249,011	32,000,000
Shanghai Leyong Investment Partnership Enterprise (Limited Partnership) (上海 樂永投資合夥企業(有限合夥)) (“ Shanghai Leyong ”)	233,448	30,000,000
Yellow River Delta Rongchang (Yantai) Venture Capital Partnership Enterprise (Limited Partnership) (黃河三角洲榮昌(煙台)創業投資合夥 企業(有限合夥)) (“ Yellow River Delta Rongchang ”)	233,448	30,000,000
Hankang Small and Medium Enterprises Development Fund (Weifang) Partnership Enterprise (Limited Partnership) (漢康中小企業發展基金(濰坊) 合夥企業(有限合夥)) ⁽²⁾ (“ Hankang SME ”)	233,448	30,000,000
New Hope Medical	233,448	30,000,000
Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司) (“ SCGC ”)	194,540	25,000,000

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Series C Investor	Registered capital subscribed for (RMB)	Consideration (RMB)
Shenzhen Hongtu Medical Health Industry Equity Investment Fund Partnership (L.P.) (深圳紅土醫療健康產業股權投資 基金合夥企業(有限合夥)) (“ Shenzhen Hongtu ”)	194,540	25,000,000
Jingning Huaige Ruixin Venture Investment Partnership Enterprise (Limited Partnership) (景寧懷格瑞信創 業投資合夥企業(有限合夥)) (“ Jingning Huaige ”)	194,540	25,000,000
Gongqingcheng Ruiji Phase V Investment Partnership Enterprise (Limited Partnership) (共青城瑞吉五期投資合夥 企業(有限合夥)) (“ Gongqingcheng Ruiji Fund V ”)	155,632	20,000,000
Truman Enterprises (Hong Kong) Limited	155,632	20,000,000
Nanjing Enjie Venture Capital Partnership (Limited Partnership) (南京恩捷創業投 資合夥企業(有限合夥)) (“ Nanjing Enjie ”)	155,632	20,000,000
Jiaxing Tongren Hefu Equity Investment Partnership Enterprise (Limited Partnership) (嘉興同人合富股權投資合 夥企業(有限合夥)) (“ Jiaxing Tongren ”)	155,632	20,000,000
Ennovation Raylight	155,632	20,000,000
Xinyu City Xinguolu Investment Partnership Enterprise (Limited Partnership) (新余市新國路投資 合夥企業(有限合夥)) (“ Xinyu City Xinguolu ”)	77,815	10,000,000
Total	4,723,427	607,000,000

Note:

- (1) For background information of such Pre-IPO Investors, see “— Pre-IPO Investments — (d) Information about Our Pre-IPO Investors” below.
- (2) The name of Hankang SME was Weifang Hankang Venture Capital Partnership Enterprise (Limited Partnership) (濰坊漢康創業投資合夥企業(有限合夥)) at the time of the Series C Financing. Hankang SME subsequently changed its name to Hankang Small and Medium Enterprises Development Fund (Weifang) Partnership Enterprise (Limited Partnership) (漢康中小企業發展基金(濰坊)合夥企業(有限合夥)).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(I) Equity Transfers in 2021

On December 21, 2021, the following transfers of the registered capital of our Company were effected. The consideration for such transfer was determined with reference to the valuation of the Company at the time of the Series C Financing. Such equity transfers were completed in December 2021.

Transferor	Transferee ⁽²⁾	Registered capital transferred (RMB)	Consideration (RMB)
Nanjing Kaiyuan ⁽¹⁾	CCBI Venture Capital Shenzhen Co., Ltd (建銀國際(深圳)創業 投資有限公司) ("CCBI Venture Capital")	265,877	34,167,400
Nanjing Kaiyuan	Guangdong Bozi Tongze No. 1 Equity Investment Partnership (Limited Partnership) (廣東博資同澤一號股 權投資合夥企業(有限 合夥)) ("Guangdong Bozi")	194,540	25,000,000

Note:

- (1) Upon the completion of the abovementioned equity transfer, Nanjing Kaiyuan ceased to hold any equity interest in the Company. Nanjing Kaiyuan is a limited partnership established in the PRC and is managed by its general partner, Nanjing Kaiyuan Venture Capital Management Partnership (Limited Partnership) (南京凱元創業投資管理合夥企業(有限合夥)). Based on publicly available information, Nanjing Kaiyuan had eight limited partners, and was held as to approximately 30.80% by Nanjing Jiangning Talent Group Co., Ltd. (南京江寧人才集團有限公司) as the largest limited partner.
- (2) For background information of transferee, see "— Pre-IPO Investments — (d) Information about Our Pre-IPO Investors" below.

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(m) Capital Increase upon Conversion in 2023

On May 30, 2023, we resolved to increase the registered capital of the Company by approximately RMB233,448, which was subscribed by Jiangbei Fund upon conversion of the Jiangbei Convertible Note. The increased registered capital upon conversion of the Jiangbei Convertible Note represent the quotient obtained by dividing the principal amount of the Jiangbei Convertible Note by the conversion price equaled to the purchase price per RMB1 registered capital of the Company. Concurrent with the conversion, the Share Pledge made by Dr. Kang and Dr. Lai was released. As a result, the registered capital of our Company was increased to RMB17,018,344.

(n) Capital Increase by Our Offshore Share Incentive Platforms in 2024

As our Group's business continued to grow, to further increase the share incentive pool for the key employees and consultants who have contributions to the Company, on April 12, 2024, we resolved to increase the registered capital of our Company by RMB504,663, which was subscribed by LeadsBio Limited and LeadsTech Limited, our offshore Share Incentive Platforms incorporated under the laws of Hong Kong on March 4, 2024, at the consideration of RMB280,368 and RMB224,295, respectively. As a result, the registered capital of our Company was increased to RMB17,523,007.

(o) Conversion of Our Company into a Joint Stock Limited Company in 2024

On May 31, 2024, the then Shareholders resolved to, among others, convert our Company from a limited liability company into a joint stock limited company, and change the name of our Company to Nanjing Leads Biolabs Co., Ltd. (南京维立志博生物科技股份有限公司). Pursuant to a promoters' agreement dated May 31, 2024 entered into by all the then Shareholders, all promoters approved the conversion of the audited net assets of our Company as of April 30, 2024 into 150,000,000 Shares with a nominal value of RMB1.0 each, with the excess of the net assets of RMB163,102,656.54 credited as capital reserves of our Company. Upon the completion of the conversion in August 2024, the 150,000,000 Shares with a nominal value of RMB1.0 each were subscribed by all the then Shareholders in proportion to their respective equity interest in our Company before the conversion.

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(p) Series C+ Financing in 2024

We resolved to enter into the Series C+ Financing on November 22, 2024 through capital increase as detailed below. For details of the Series C+ Financing, see “— Pre-IPO Investments” below. As a result, the share capital of our Company was increased to RMB156,500,000.

Series C+ Investor ⁽¹⁾	Number of Shares subscribed for	Consideration (RMB)
Anhui Kunlu Venture Capital Partnership (Limited Partnership) (安徽昆路創業投資合夥企業 (有限合夥)) (“ Anhui Kunlu ”)	4,500,000	90,000,000
Guangzhou Kaide Phase I Biopharmaceutical Industry Investment Fund Partnership (Limited Partnership) (廣州凱得一期生物醫藥產業投資基金 合夥企業(有限合夥)) (“ Guangzhou Kaide ”)	1,500,000	30,000,000
Xinyu Shangxuan Equity Investment Partnership (Limited Partnership) (新余上宣股權投資合夥企業 (有限合夥)) (“ Xinyu Shangxuan ”)	500,000	10,000,000
Total	6,500,000	130,000,000

Note:

- (1) For background information of such Pre-IPO Investors, see “— Pre-IPO Investments — (d) Information about Our Pre-IPO Investors” below.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(q) Equity Transfers in 2024

From September to November 2024, the following transfers of the Shares of our Company were effected. The consideration for such transfers were determined through arms-length negotiations among the relevant Shareholders. All of the following Share transfers have been completed by November 27, 2024.

Transferor	Transferee ⁽¹⁾	Number of Shares transferred	Consideration (RMB)
Nanjing Kaitai	Mr. Liang Jie (梁傑) ("Mr. Liang")	937,500	7,500,000
Nanjing Kaitai	Mr. Sun Yi (孫頤) ("Mr. Sun")	937,500	7,500,000
Nanjing Jieyuan	Jiaxing Zhongying Zhonghui Venture Capital Partnership (Limited Partnership) (嘉興中贏眾匯創業投資 合夥企業(有限合夥)) ("Jiaxing Zhongying")	1,000,000	16,000,000
Beijing Hankang	Nanjing Ennovation Chengfeng Entrepreneurship Investment Partnership (Limited Partnership) (南京恩然呈豐創業投資合夥企 業(有限合夥)) ("Ennovation Chengfeng")	937,500	14,700,000
Anhui Kunlu	Intellective Biologics (Suzhou) Limited (智享生物(蘇州) 有限公司) ("Intellective Biologics (Suzhou)")	1,150,000	23,000,000
Anhui Kunlu	Hankang SME	500,000	10,000,000
Anhui Kunlu	Shanghai Jishi Lemei Private Equity Investment Fund Partnership Enterprise (Limited Partnership) (上海濟世樂美私募 投資基金合夥企業(有限合夥)) (formerly known as Xiamen Jishi Lemei Equity Investment Partnership (Limited Partnership) (廈門濟世樂美股權 投資合夥企業(有限合夥)) ("Shanghai Jishi Lemei")	500,000	10,000,000

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<u>Transferor</u>	<u>Transferee⁽¹⁾</u>	<u>Number of Shares transferred</u>	<u>Consideration⁽¹⁾</u> (RMB)
Anhui Kunlu	Nanjing Jiakang Ruizhen Venture Investment Partnership (Limited Partnership) (南京佳康瑞臻創業投資合夥企業(有限合夥)) ("Nanjing Jiakang Ruizhen")	500,000	10,000,000
Anhui Kunlu	Chengdu Huaige Guosheng Venture Investment Partnership (Limited Partnership) (成都懷格國生創業投資合夥企業(有限合夥)) ("Chengdu Huaige")	500,000	10,000,000

Note:

- (1) For background information of transferee, see "— Pre-IPO Investments — (d) Information about Our Pre-IPO Investors" below.

Equity Transfer in December 2024

In December 2024, the following transfers of the Shares of our Company were effected. The consideration for such transfers were determined through arm's-length negotiations among the relevant Shareholders, taking into account our business prospects, research and development progress of our drug candidates, and the commercial considerations of the relevant parties at the time of the transfer. All of the following Share transfers have been fully settled by February 6, 2025.

<u>Transferor</u>	<u>Transferee</u>	<u>Number of Shares transferred</u>	<u>Consideration⁽¹⁾</u> (RMB)
Hofon Jianmin	Shanghai Jishi Lemei	895,954	10,000,000
LeadsBio Limited	Hankang SME	184,016	450,000
LeadsBio Limited	Shanghai Jishi Lemei	184,016	450,000
LeadsBio Limited	Nanjing Jiakang Ruizhen	184,016	450,000
LeadsBio Limited	Chengdu Huaige	184,016	450,000

Note:

- (1) The price per Share for share transfers between LeadsBio Limited and the relevant Pre-IPO investors was approximately RMB2.4 per Share, which was lower than the price per Share for the share transfer between other Shareholders conducted during the same period (i.e. approximately RMB11.2 per Share). To the best knowledge and information of our Directors, such Share transfers were based on commercial negotiation between the shareholders of LeadsBio Limited, namely Dr. Kang and Mr. Zuo Honggang ("Mr. Zuo"), and the relevant Pre-IPO Investors, which are long-term Shareholders of the Company. The consideration for

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such Share transfers between LeadsBio Limited and the relevant Pre-IPO investors were determined after arm's length negotiation taking into account, among the others, the lower priority of such Shares in the event of liquidation, the low initial subscription price by LeadsBio Limited comparing to the consideration for the Share transfers, and lack of liquidity of such Shares, which are Unlisted Shares that will not be converted into H Shares upon Listing. The shareholders of LeadsBio Limited believed that such Share transfers would strengthen the alignment of interest between the relevant Shareholders and the Company, enhance their ability to support the Company's long-term strategic objectives and demonstrate their confidence in the Company.

MERGER AND ACQUISITION

Throughout the Track Record Period and as of the Latest Practicable Date, we did not conduct any acquisitions, mergers or disposals.

REASONS FOR THE LISTING

Our Company is seeking a listing of its H Shares on the Stock Exchange in order to raise further capital for the development of our business, to fund the ongoing and planned clinical development of our product candidates. For details of our future plans, see "Future Plans and Use of Proceeds" in this prospectus.

PRE-IPO INVESTMENTS

Our Company obtained several rounds of investments from the Pre-IPO Investors. For details, see “— Establishment and Major Shareholding Changes of Our Company” above and the table below.

(a) Principal Terms of the Pre-IPO Investments

The following table summarizes the key terms of the Pre-IPO Investments to our Company made by the Pre-IPO Investors:

	Angel Financing	Series Pre-A Financing	Series A Financing	Series A+ Financing	Series B Financing	Series B+ Financing	Series C Financing	Series C+ Financing
Date of agreement	July 10, 2015	June 16, 2017	August 27, 2018; December 10, 2018; December 26, 2018	August 1, 2019	May 26, 2020	September 30, 2020	September 1, 2021	September 13, 2024; November 15, 2024
Amount of registered capital subscribed for (RMB)	333,334	1,671,429	2,227,755	329,305	1,070,228	1,855,062	4,723,427	6,500,000
Amount of consideration paid (RMB)	10,000,000	27,000,000	85,000,000	20,000,000	75,000,000	130,000,000	607,000,000	130,000,000
Date of payment of consideration in full	August 11, 2015	June 29, 2017	January 4, 2019	August 26, 2019	August 11, 2020	December 11, 2020	October 15, 2021	November 22, 2024

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	Angel Financing	Series Pre-A Financing	Series A Financing	Series A+ Financing	Series B Financing	Series B+ Financing	Series C Financing	Series C+ Financing
Approximate cost per Share ⁽¹⁾ (RMB)	3.50 ⁽²⁾	1.89	4.38; 4.61 ⁽³⁾	7.09	8.19	8.19	15.01	20.00
Approximate discount to the Offer Price ⁽⁴⁾	89.49%	94.32%	86.85%; 86.16%	78.71%	75.41%	75.41%	54.92%	39.94%
Post-money valuation of/ our Company (RMB) ⁽⁵⁾	RMB40,000,000	RMB97,000,000	RMB315,000,000	RMB520,000,000	RMB675,000,000	RMB805,000,000	RMB2,157,000,000	RMB3,130,000,000
Basis of determination of valuation and consideration	The valuation and consideration for each round of Pre-IPO Investments were determined based on arm's length negotiation between the respective Pre-IPO Investors and our Company after taking into account of the timing of the investments and the status of our business operations and prospect.							
Lock-up period	Pursuant to applicable PRC law, within 12 months following the Listing Date, all existing Shareholders (including the Pre-IPO Investors) shall not dispose of any of the Shares held by them.							
Use of proceeds from the Pre-IPO Investments	We utilized the proceeds from the Pre-IPO Investments for the principal business of our Group, including financing R&D development activities and clinical development of pipeline products as well as supporting the working capital needs of our Group. As of the date of this prospectus, 95.1% of the net proceeds from the Pre-IPO Investments had been utilized.							
Strategic benefits to our Company brought by the Pre-IPO Investors	At the time of the Pre-IPO Investors' investment, our Directors were of the view that our Company could benefit from (i) the additional capital provided by the Pre-IPO Investors and (ii) the Pre-IPO Investors' commitment to our Group as their investments demonstrate their confidence in the operation of our Group and serve as an endorsement of our Group's performance, strength and prospects.							

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Notes:

- (1) The cost per Share was calculated based on the amount of investment made and amount of registered capital or number of Shares held by the Pre-IPO Investor immediately after the Pre-IPO Investment.
- (2) The decrease in the cost per Share from the Angel Financing to the Series Pre-A Financing is due to the Company's decision in September 2016 to convert its capital reserves into registered capital. The increase in registered capital was proportionally subscribed by the then existing Shareholders based on their equity interests in the Company. As a result, the total number of registered capital held by the angel investors increased and the cost per Share for the angel investors was effectively diluted. The actual cost per Share for angel investors was RMB1.27, which is lower than the cost per Share for the Series Pre-A Financing. The valuation of our Company has increased from the Angel Financing stage to the Series Pre-A Financing stage. For detailed reasons, please refer to note (5)(i) below.
- (3) The reason for the difference in the approximate cost per Share is due to the fluctuations in the market conditions during the period between the separate closings of Series A Financing.
- (4) The discount to the Offer Price is calculated based on the assumption that the Offer Price is HK\$33.30 per Offer Share (being the mid-point of the indicative Offer Price range of HK\$31.60 to HK\$35.00 per Offer Share), assuming that the Offer Size Adjustment Option and the Over-allotment Option is not exercised.
- (5) The primary reasons for the increase in the valuation of our Company are set forth below:
 - (i) the increase in the valuation of our Company from Angel Financing to Series Pre-A Financing was primarily due to the progress in the research and development of LBL-007, as the study had entered the IND enabling stage;
 - (ii) the increase in the valuation of our Company from Series Pre-A Financing to Series A Financing was primarily due to (a) the advancement of LBL-007 towards IND application submission, (b) the continued progression of our other preclinical pipeline assets according to development timelines, and (c) our strategic expansion into bispecific antibody research and development capabilities;
 - (iii) the increase in the valuation of our Company from Series A Financing to Series A+ Financing was primarily due to (a) the grant of IND approval for LBL-007 from the NMPA, and (b) the establishment of our in-house clinical teams;
 - (iv) the increase in the valuation of our Company from Series A+ Financing to Series B and B+ Financing was primarily due to (a) the grant of IND approval for LBL-007 from the FDA, and (b) the commencement of Phase Ia clinical trial for LBL-007 monotherapy in advanced solid tumors and lymphomas;
 - (v) the increase in the valuation of our Company from Series B and B+ Financing to Series C Financing was primarily due to (a) the grants of IND approvals for LBL-024, LBL-015 from the NMPA and the FDA, (b) the encouraging results of Phase Ia clinical trial for LBL-007 monotherapy in advanced solid tumors and lymphomas and (c) our strategic collaboration with BeiGene;
 - (vi) the increase in the valuation of our Company from Series C Financing to Series C+ Financing was primarily due to (a) the continued advancement in clinical development of our key pipeline assets including LBL-007, LBL-034, LBL-015, and LBL-019, (b) the commencement of operations at our Jiangbei Development & Manufacture Center, which features production lines equipped with 200L or 500L disposable bioreactors, and (c) the enhancement of our integrated capabilities across research, development, and manufacturing functions and further expansion of our business since Series C Financing; and
 - (vii) the increase in the valuation of our Company from Series C+ Financing to the Listing was primarily due to the following progresses since the Company and the investors from Series C+ Financing agreed on the term sheet in August 2023, including but not limited to (a) the ongoing clinical trials of LBL-024, LBL-034 and other product candidates, which demonstrated encouraging clinical trial results and significant potential in their respective therapeutic areas, with LBL-024 obtaining BTM from the NMPA for late-line EP-NEC in October 2024 and ODD from the FDA for the treatment of NEC in November 2024, LBL-034 receiving ODD from the FDA for the treatment of MM in October 2024, (b) the advancement of our pipeline assets for the treatment of autoimmune diseases, including LBL-051 and LBL-047, into the IND-enabling stage, (c) our collaboration, exclusive option and license agreement for LBL-051 with Oblenio Bio, Inc., a U.S. company newly formed by Aditum Bio Fund 3, L.P., and (d) the premium attached to the Shares of the Company as they become freely tradeable upon the Listing.

(b) Special Rights of the Pre-IPO Investors

Certain Pre-IPO Investors were granted certain customary special rights in relation to our Company under their investment agreements, including, among others, redemption rights, pre-emptive and co-sale rights, anti-dilution rights, drag-along rights, liquidation rights, and information rights.

Pursuant to the investment agreements entered into by our Company and the relevant Shareholders on September 13, 2024 and November 15, 2024 respectively, the redemption rights were automatically terminated from the date preceding our Company's first submission of the listing application form to the Stock Exchange, and all other special rights available to our Pre-IPO Investors will be terminated upon the Listing.

(c) Joint Sponsors' Confirmation

On the basis that (i) the respective consideration for the Pre-IPO Investments was settled no less than 120 clear days before the Listing Date, and (ii) redemption rights were automatically terminated from the date preceding our Company's first submission of the listing application form to the Stock Exchange, and all other special rights available to our Pre-IPO Investors will be terminated upon the Listing, the Joint Sponsors confirm that the Pre-IPO Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants published by the Stock Exchange.

(d) Information about Our Pre-IPO Investors

Our existing Pre-IPO Investors include Sophisticated Investors identified pursuant to Chapter 2.3 of the Guide for New Listing Applicants issued by the Stock Exchange, namely Ennovation Ventures, Hankang Capital, Loyal Valley Capital and Huaige Capital. To the best knowledge of our Directors, save as disclosed in this section, each of our Pre-IPO Investors is an Independent Third Party. The background information on our Pre-IPO Investors is as set out below.

1. Ennovation Ventures

Ennovation Raylight is a limited partnership established under the laws of the PRC and is primarily engaged in equity investment. The general partner of Ennovation Raylight is Nanjing Ennovation Raylight Venture Management Partnership (Limited Partnership) (南京恩然瑞光投資管理中心(有限合夥)), holding approximately 1.03% of the partnership interest and ultimately controlled by its executive partner, Dr. Chen Renhai (陳仁海), ("**Dr. Chen**"), one of our non-executive directors. As of the Latest Practicable Date, Ennovation Raylight had seven limited partners, with the largest limited partner, Sun Qinghua (孫青華), holding approximately 41.24% of the partnership interest. Each of the remaining limited partners of Ennovation Raylight held less than 30% of the partnership interest.

Nanjing Jieyuan is a limited partnership established under the laws of the PRC and is primarily engaged in venture investment, investment consulting and entrepreneurship management. The general partner of Nanjing Jieyuan is Nanjing Jieyuan Investment Management Partnership (Limited Partnership) (南京捷源投資管理合夥企業(有限合夥)), holding 4.42% of

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the partnership interest and ultimately controlled by its executive partner, Dr. Chen. As of the Latest Practicable Date, Nanjing Jieyuan had 11 limited partners, among which, Nanjing Gaoxin Venture Capital Co., Ltd. (南京高新創業投資有限公司) and Nanjing Biotech and Pharmaceutical Valley Construction and Development Co., Ltd. (南京生物醫藥谷建設發展有限公司), holding 26.55% and 8.85% of the partnership interests in Nanjing Jieyuan, respectively, are ultimately controlled by Nanjing Jiangbei New Area Management Committee (Nanjing High-tech Industrial Development Zone Management Committee, Nanjing Area Management Committee of China (Jiangsu) Pilot Free Trade Zone) (南京江北新區管理委員會(南京高新技術產業開發區管理委員會、中國(江蘇)自由貿易試驗區南京片區管理委員會)) (“**NJNA Management Committee**”), which is an administrative agency of Nanjing Municipal People’s Government (南京市人民政府) for the management of Jiang Bei New Zone.

Nanjing Enjie is a limited partnership established under the laws of the PRC and is primarily engaged in venture capital and equity investment. The general partner of Nanjing Enjie is Nanjing Jiakang Venture Capital Partnership (Limited Partnership) (南京佳康創業投資合夥企業(有限合夥)) (“**Nanjing Jiakang**”), holding 1.00% of the partnership interests of Nanjing Enjie. As of the Latest Practicable Date, Nanjing Enjie had seven limited partners, with the largest limited partner, Mr. Liang, holding 45.00% of the partnership interests. Each of the remaining limited partners of Nanjing Enjie held less than 30% of the partnership interest.

Ennovation Chengfeng is a limited partnership established under the laws of the PRC and is primarily engaged in venture capital investment. The general partner of Ennovation Chengfeng is Shanghai Ennovation Entrepreneurship Investment Management Center (Limited Partnership) (上海恩然創業投資管理中心(有限合夥)), holding approximately 1.41% of the partnership interest and ultimately controlled by its executive partner, Dr. Chen. As of the Latest Practicable Date, Ennovation Chengfeng had two limited partners, namely Nanjing Ennovation Yuehong Entrepreneurship Investment Partnership (Limited Partnership) (南京恩然悅鴻創業投資合夥企業(有限合夥)), which is ultimately controlled by Dr. Chen, and Nanjing Jiangbei Xingchuang Entrepreneurship Investment Fund Partnership (Limited Partnership) (南京江北星創創業投資基金合夥企業(有限合夥)), each holds approximately 78.59% and 20.00% of the partnership interest.

Nanjing Jiakang Ruizhen is a limited partnership established under the laws of the PRC, and is primarily engaged in venture capital investment in unlisted companies and equity investment. The general partner of Nanjing Jiakang Ruizhen is Nanjing Jiakang, holding 1.00% partnership interest of Nanjing Jiakang Ruizhen and ultimately controlled by Dr. Chen. As of the Latest Practicable Date, Nanjing Jiakang Ruizhen had six limited partners, among which, Nanjing Jiangbei New Area High Quality Development Industry Investment Fund (Limited Partnership) (南京江北新區高質量發展產業投資基金(有限合夥)), Nanjing Biotech and Pharmaceutical Valley Construction and Development Co., Ltd. (南京生物醫藥谷建設發展有限公司) and Nanjing Yangtze River Investment Fund Management Co., Ltd. (南京揚子江投資基金管理有限公司), holding approximately 59.67%, 20.00% and 0.33% of the partnership interest, respectively, are ultimately controlled by NJNA Management Committee. Each of the remaining limited partners held less than 30% of the partnership interest.

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Ennovation Raylight, Nanjing Jieyuan, Nanjing Enjie, Ennovation Chengfeng, and Nanjing Jiakang Ruizhen, as investment arms of Ennovation Ventures, collectively hold total assets under management of approximately RMB1.8 billion as of the Latest Practicable Date. Ennovation Ventures was founded in 2015 and strategically invests in revolutionary new technologies and new products in the global biopharmaceutical and medical health industry chain and is committed to becoming a professional investment in the field of biomedicine and medical health mechanism. Its investment portfolio includes Proviva Therapeutics (Shanghai) Co., Ltd. (博致生物科技(上海)有限公司), Jiaxing Accunome Biotechnology Co., Ltd. (嘉興市艾科諾生物科技有限公司), Nanjing Hippocrates Health Technology Co., Ltd. (南京辛格迪健康科技有限公司), Dinfectome Medical Science and Technology (Nanjing) Co., Ltd. (迪飛醫學科技(南京)有限公司).

2. *Hankang Capital*

Suzhou Hankang is a limited partnership incorporated under the laws of the PRC, and is primarily engaged in the venture capital, investment management and investment consulting. The general partner of Suzhou Hankang is Shanghai Hankang Private Equity Fund Management Co., Ltd. (上海漢康私募基金管理有限公司) (“**Shanghai Hankang**”), holding approximately 1.70% partnership interest and ultimately controlled by Yuan Quanhong (苑全紅). We became acquainted with Hankang Capital in 2017 through our business network. As of the Latest Practicable Date, Suzhou Hankang had 12 limited partners, with the largest limited partner, Suzhou Industrial Park Yuanhe Bingsheng Equity Investment Fund Partnership (L.P.) (蘇州工業園區元禾秉勝股權投資基金合夥企業(有限合夥)), holding approximately 14.31% of the partnership interest.

Beijing Hankang is a limited liability company incorporated under the laws of the PRC, and is primarily engaged in the project investment, investment management and investment consulting. Beijing Hankang is owned as to approximately 53.47% by its largest shareholder, Zhongjianxin Holdings Group Co., Ltd. (中建信控股集團有限公司), which is ultimately controlled by Fang Chaoyang (方朝陽), approximately 27.19% by Beijing Service Center for Small-Medium Enterprises (北京市中小企業服務中心), approximately 9.06% by Beijing Changping Small and Medium Sized Enterprise Growth Investment Fund (Limited Partnership) (北京昌平中小企業成長投資基金(有限合夥)) and the remaining equity interests were held by five other corporate shareholders, each holding less than 5% equity interest in Beijing Hankang. Beijing Hankang is also managed by a private fund manager, Beijing Hankang Venture Capital Management Co., Ltd. (北京漢康創業投資管理有限公司), which is wholly owned by Shanghai Hankang and ultimately controlled by Yuan Quanhong (苑全紅). Mr. Yuan has extensive experience in the finance sector and has held leadership roles at several companies. He had served as a non-executive director at InnoCare Pharma Limited (HKEX: 9969) from 2019 to 2022.

Hankang SME is a limited partnership established under the laws of the PRC and is primarily engaged in private equity investment, venture capital management and assets management. The general partner of Hankang SME is Shanghai Hanshan Management Consulting Partnership (Limited Partnership) (上海漢杉管理諮詢合夥企業(有限合夥)), holding approximately 1.18% of the partnership interests and ultimately controlled by Yuan Quanhong (苑全紅). As of the Latest Practicable Date, Hankang SME had 15 limited partners, with the largest limited partner, National Small and Medium Sized Enterprise Development Fund Co., Ltd. (國家中小企業發展基金有限公司), holding approximately 29.41% of the partnership interest.

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Suzhou Hankang, Beijing Hankang and Hankang SME are investment arms of Hankang Capital and collectively hold total assets under management of approximately RMB3 billion as of the Latest Practicable Date. Hankang Capital is venture capital firm focusing on biotech opportunities. Hankang Capital focuses on the in-depth research in major diseases and medical needs, conducting forward-looking research, and investing in start-ups to help them grow through value-added services. Its investment portfolio includes Akeso, Inc. (HKEX: 9926), InnoCare (HKEX: 9969, SSE: 688428), Keymed Biosciences Inc. (HKEX: 2162), Shenzhen Chipscreen Biosciences Co., Ltd. (深圳微芯生物科技股份有限公司) (SSE: 688321) and Shanghai Opm Biosciences Co., Ltd. (上海奥浦邁生物科技股份有限公司) (SSE: 688293).

3. *Loyal Valley Capital*

Loyal Valley Fund III is a private equity fund established in 2020 by Loyal Valley Capital, a private equity firm with over 20 investors that mainly focuses on segments including new consumer (media, entertainment and education), healthcare and advanced manufacturing.

Shanghai Leyong is a limited partnership established under the laws of the PRC and is primarily engaged in equity investment, investment management and financial consulting business. The general partner of Shanghai Leyong is Shanghai Zhengxingu Investment Management Co., Ltd. (上海正心谷投資管理有限公司) (formerly known as Shanghai Shengge Asset Management Co., Ltd.*, (上海盛歌投資管理有限公司)), holding approximately 1.01 % of the partnership interests and is wholly owned by its sole director Mr. Lin Lijun (林利軍). As of the Latest Practicable Date, Shanghai Leyong had 31 limited partners, with the largest limited partner, ICBC Wealth Management Co., Ltd. (工銀理財有限責任公司), holding approximately 13.83 % of the partnership interest.

Shanghai Jishi Lemei is a limited partnership established under the laws of the PRC and is primarily engaged in equity investment, investment management and asset management businesses. The general partner of Shanghai Jishi Lemei is Xiamen Zhengxincheng Enterprise Management Consulting Partnership (Limited Partnership) (廈門正心誠企業管理諮詢合夥企業 (有限合夥)), holding approximately 0.39% of the partnership interests in Shanghai Jishi Lemei and ultimately controlled by Mr. Lin Lijun (林利軍). As of the Latest Practicable Date, Shanghai Jishi Lemei had six limited partners, with the largest limited partner, Wuxi Lelan Venture Capital Partnership (Limited Partnership) (無錫樂嵐創業投資合夥企業 (有限合夥)), holding approximately 47.27% of the partnership interest and is ultimately controlled by Mr. Lin Lijun (林利軍). Each of the remaining limited partners held less than 30% of the partnership interest.

Mr. Lin Lijun (林利軍) is a seasoned executive with extensive experience in finance and corporate governance. He had served as a non-executive director at Shanghai Junshi Biosciences Co., Ltd. (HKEX: 1877) from June 2018 to December 2022. He is currently a partner at Loyal Valley Capital. We became acquainted with Loyal Valley Capital in 2021 through shared business contacts.

Each of Loyal Valley Fund III, Shanghai Leyong and Shanghai Jishi Lemei is an investment arm of Loyal Valley Capital, a private equity firm with over RMB50 billion of assets under management as of the Latest Practicable Date that mainly focuses on the following segments: new consumer (media, entertainment and education), healthcare and advanced manufacturing. It has investments in, without limitation, Sichuan Baicha Baidao Industrial Co., Ltd (HKEX: 2555),

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Cloud Music Inc. (HKEX: 9899), Shanghai Junshi Biosciences Co., Ltd. (HKEX: 1877) and InnoCare Pharma Limited (“**InnoCare**”) (HKEX: 9969).

4. *Beijing Chongshan*

Beijing Chongshan is a limited partnership established under the laws of the PRC and is primarily engaged in investment management, assets management and project investments. The general partner of Beijing Chongshan is New Vision Ventures (北京重山遠志投資管理中心(有限合夥)), holding approximately 0.43% of the partnership interests, which is ultimately controlled by Mr. Hu Bo (胡波). Dr Lu, the designated executive representative appointed by New Vision Ventures, is responsible for managing the operations of Beijing Chongshan. The executive partner of New Vision Ventures is Beijing Youlin Fund Management Co., Ltd. (北京有鄰基金管理有限公司). As of the Latest Practicable Date, Beijing Chongshan had 20 limited partners, including Mr. Hu Bo, Changsheng Bio-technology Co., Ltd. (長生生物科技股份有限公司), each of which held approximately 17.39%, being the two largest limited partners.

5. *Huaige Capital*

Ningbo Huaige is a limited partnership established under the laws of the PRC, and its principal businesses include equity investment and relevant consulting services. The general partner of Ningbo Huaige is Ningbo Huaige Health Investment Management Partnership (L.P.) (寧波懷格健康投資管理合夥企業(有限合夥)) (“**Huaige Health Investment**”), holding 7.25% partnership interest of Ningbo Huaige and ultimately controlled by Wang Kai (王鐸). As of the Latest Practicable Date, Ningbo Huaige had 24 limited partners, with the largest limited partner, Zhuhai Kindly Medical Industry Investment Co., Ltd. (珠海康德萊醫療產業投資有限公司), holding approximately 22.50% of the partnership interest.

Jingning Huaige is a limited partnership established under the laws of the PRC and is primarily engaged in venture capital and equity investment. The general partner of Jingning Huaige is Huaige Health Investment, holding 1.20% partnership interest of Jingning Huaige. As of the Latest Practicable Date, Jingning Huaige had 20 limited partners, with the largest two limited partners, Shanghai INT Medical Instruments Co., Ltd. (HKEX: 1501) and Warom Technology Incorporated Company (華榮科技股份有限公司) (SSE: 603855), each holding 15.83 % of the partnership interest in Jingning Huaige.

Chengdu Huaige is a limited partnership established under the laws of the PRC, and is primarily engaged in venture capital investment. The general partner of Chengdu Huaige is Huaige Health Investment, holding approximately 1.02% partnership interest of Chengdu Huaige. As of the Latest Practicable Date, Chengdu Huaige had 14 limited partners, with the two largest limited partner, Chengdu Biological City No.1 Equity Investment Fund Partnership (Limited Partnership) (成都生物城一號股權投資基金合夥企業(有限合夥)) and Changsha Xiezihao Medical Investment Co., Ltd. (長沙械字號醫療投資有限公司), holding approximately 15.00% and 13.35% of the partnership interest respectively.

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Ningbo Huaige, Jingning Huaige, and Chengdu Huaige, as the investment arms of Huaige Capital, collectively hold a total assets under management of approximately RMB1.60 billion as of the Latest Practicable Date. Huaige Capital is a Shanghai-headquartered specialized investment institution founded in 2017 and focusing on healthcare sector and biotechnology sector. Its investment portfolio includes Shanghai INT Medical Instruments Co., Ltd. (HKEX: 1501) and Cofee Medical Technology Co., Ltd. (可孚醫療科技股份有限公司) (SESZ: 301087), etc.

6. *New Hope Medical*

New Hope Medical is a limited partnership established under the laws of the PRC and is primarily engaged in equity investment in healthcare industry and related consulting services. The general partner of New Hope Medical is Beijing Hosencare Brothers Investment Management Co., Ltd. (北京厚新投資管理有限公司) (“**Hosencare Brothers**”), holding approximately 1.82% of the partnership interest and ultimately controlled by Yang Jianxin (楊建新). As of the Latest Practicable Date, New Hope Medical had seven limited partners, with the two largest limited partners, Hainan Wanghua Industrial Co., Ltd. (海南望華實業有限公司), which is ultimately controlled by Liu Yonghao (劉永好), and Nanjing Jiangbei New Area Investment Development Co., Ltd. (南京江北新區投資發展有限公司), holding approximately 37.10% and 29.45% of the partnership interests, respectively. Hosencare Brothers had total assets under management of over RMB3.2 billion as of the Latest Practicable Date.

7. *Hofon Capital*

Kunming Nuotai is a limited partnership established under the laws of the PRC and is primarily engaged in project investment, investment information consulting, economic information consulting and business management consulting. The general partner of Kunming Nuotai is Hangzhou Hofon Chuang Liang Investment Management Co., Ltd. (杭州華方創量投資管理有限公司, “**Hangzhou Hofon Chuang Liang**”), holding approximately 1.28% of the partnership interests and ultimately controlled by Wang Licheng (汪力成) (“**Mr. Wang**”). As of the Latest Practicable Date, Kunming Nuotai had three limited partners, namely KPC Pharmaceuticals, Inc. (昆藥集團股份有限公司) (SSE: 600422), Yunnan Biomedical Great Health Achievement Transformation and Industrialization Investment Fund Partnership (Limited Partnership) (雲南生物醫藥大健康成果轉化及產業化投資基金合夥企業(有限合夥)), which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Yunnan Provincial People’s Government (雲南省人民政府國有資產監督管理委員會), and Kunming State Hi-new Tech. Ind. Development State Capital Management Co., Ltd. (昆明國家高新技術產業開發區國有資產經營有限公司), holding approximately 37.78%, 36.56% and 24.38% of the partnership interests, respectively.

Hofon Jianmin is a limited partnership established under the laws of the PRC and is primarily engaged in equity investment and consulting business. The general partner of Hofon Jianmin is Wuhan Hofon Movement Investment Management Co., Ltd. (武漢華方樂章投資管理有限公司), holding approximately 1.62% of the partnership interests and ultimately controlled by Mr. Wang. As of the Latest Practicable Date, Hofon Jianmin had three limited partners, namely Wuhan Jianmin Capital Partnership (limited Partnership) (武漢健民資本合夥企業(有限合夥)), which is ultimately controlled by Mr. Wang, Changjiang Venture Capital Fund Co., Ltd. (長江創業投資基金有限公司) and Wuhan Industrial Development Fund Co., Ltd. (武漢產業發展基金有限公司), holding approximately 66.04%, 16.17% and 16.17% of the partnership interests, respectively.

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Hangzhou Hofon is a limited partnership established under the laws of the PRC and is primarily engaged in investment management and consulting business. The general partner of Hangzhou Hofon is Hangzhou Hofon Chuang Liang, holding 0.99% of the partnership interests. As of the Latest Practicable Date, Hangzhou Hofon had 19 limited partners, with the largest limited partner Shen Danhong (沈丹紅) holding 9.66% of the partnership interests.

Each of Kunming Nuotai, Hofon Jianmin and Hangzhou Hofon is an investment arm of Hofon Capital, a fund manager founded in 2017 and focusing on early and mid-stage investment in biomedicine and high-end manufacturing, with a total of nearly RMB1,500 million assets under management as of the Latest Practicable Date. Hofon Capital has invested in Ficont Industry (Beijing) Co., Ltd. (中際聯合(北京)科技股份有限公司) (SSE: 605305) and other leading pharmaceutical, biotechnology and high-end manufacturing companies.

8. *Jiangbei Fund, Nanjing Jiangbei High-tech Fund and Nanjing Qiruiyoukang (collectively the “NJNA Entities”)*

Jiangbei Fund is a limited partnership established under the laws of the PRC and is primarily engaged in industrial investment in healthcare, biopharmaceuticals, medical devices and medical services, equity investment and corporate management business. The general partner of Jiangbei Fund is Ningbo Zhirong Beita Investment Management Co., Ltd. (寧波志榮貝塔投資管理有限公司), holding approximately 1.43% of the partnership interests and ultimately controlled by Sun Jigang (孫冀剛). As of the Latest Practicable Date, Jiangbei Fund had four limited partners, namely Nanjing Beilian Venture Capital Co., Ltd. (南京北聯創業投資有限公司), Nanjing Jiangbei New Area Technology Investment Group Co., Ltd. (南京江北新區科技投資集團有限公司), Nanjing Biotech and Pharmaceutical Valley Construction and Development Co., Ltd. (南京生物醫藥谷建設發展有限公司) and Nanjing Software Park Technology Development Co., Ltd. (南京軟件園科技發展有限公司), holding approximately 35.71%, 28.57%, 28.57% and 5.71% of the partnership interests, respectively. All of the four limited partners of Jiangbei Fund are ultimately controlled by NJNA Management Committee.

Nanjing Jiangbei High-tech Fund is a limited partnership established under the laws of the PRC and is primarily engaged in science and technology industry, high-tech industry and venture capital investment business. The general partner of Nanjing Jiangbei High-tech Fund is Nanjing Yangtze River Investment Fund Management Co., Ltd. (南京揚子江投資基金管理有限公司), holding approximately 2.22% of the partnership interests and ultimately controlled by NJNA Management Committee. As of the Latest Practicable Date, Nanjing Jiangbei High-tech Fund had three limited partners, namely Nanjing Yangzijiang Innovation and Venture Capital Fund (Limited Partnership) (南京揚子江創新創業投資基金(有限合夥)), Nanjing Yangzi State-owned Investment Group Co., Ltd. (南京揚子國資投資集團有限責任公司) and Nanjing Software Park Technology Development Co., Ltd. (南京軟件園科技發展有限公司), holding approximately 44.44%, 42.22% and 11.11% of the partnership interests, respectively. All of the three limited partners of Nanjing Jiangbei High-tech Fund are ultimately controlled by NJNA Management Committee.

Nanjing Qiruiyoukang is a limited partnership established under the laws of the PRC and is primarily engaged in venture capital business. The general partner of Nanjing Qiruiyoukang is Nanjing Jiakang, holding 1.00% of the partnership interests and owned by Dr. Chen. As of the Latest Practicable Date, Nanjing Qiruiyoukang had two limited partners, being Nanjing Gaoxin

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Venture Capital Co., Ltd. (南京高新創業投資有限公司) and Nanjing Jiangbei Xingchuang Venture Capital Fund Partnership (Limited Partnership) (南京江北星創創業投資基金合夥企業(有限合夥)), holding approximately 70.71% and 28.29% of the partnership interests, respectively, and are ultimately controlled by NJNA Management Committee.

9. Hangzhou Longpan

Hangzhou Longpan is a limited partnership established under the laws of the PRC, and is primarily targets start-up, early-stage and fast-growing companies that have innovative and disruptive healthcare technologies, including small-molecule therapies, biologics, and medical devices. The general partner of Hangzhou Longpan is Tibet Lapam Management Consulting Center (Limited Partnership) (西藏龍磐管理諮詢中心(有限合夥)), holding approximately 3.69% partnership interest of Hangzhou Longpan and ultimately controlled by Yu Zhihua (余治華). As of the Latest Practicable Date, there were 19 limited partners with the largest limited partner being National Council for Social Security Fund (全國社會保障基金理事會) which is affiliated with the State Council of the PRC, holding approximately 32.3% partnership interest in Hangzhou Longpan. Each of the remaining limited partners of Hangzhou Longpan held less than 30% of the partnership interest.

10. Shanghai Zhuangzhong

Shanghai Zhuangzhong is a limited liability company incorporated under the laws of the PRC, and is primarily engaged in venture capital, industrial investment, asset management, investment management and investment consulting. It is wholly owned by Ms. Zhong Changni (鍾昌妮), who is a director of the Company as of the Latest Practicable Date and will cease to be a director of the Company upon Listing. For further details, see the note in “Directors, Supervisors and Senior Management — Directors.”

11. Shanghai Guohong

Shanghai Guohong is a limited partnership established under the laws of the PRC and is primarily engaged in venture investment, investment consulting and entrepreneurship management. The general partner of Shanghai Guohong is Shanghai GoldHold Wisdom Venture Capital Co., Ltd. (上海國鴻智臻創業投資有限公司), holding 1.00% of the partnership interest. Shanghai GoldHold Wisdom Venture Capital Co., Ltd. is owned as to approximately 37.72% and 34.00% by its largest and second largest shareholder, Shanghai Shangshi Technology Venture Capital Co., Ltd. (上海上實科技創業投資有限公司) and Shanghai Hongyuan Investment Group Co., Ltd. (上海鴻元投資集團有限公司), which is ultimately controlled by Shanghai Municipal State-owned Assets Administration Office (上海市國有資產管理辦公室) and Chen Jiawei (陳嘉偉), respectively. As of the Latest Practicable Date, Shanghai Guohong had four limited partners, with the largest limited partner, Shanghai Zehuan Investment Management Co., Ltd. (上海澤桓投資管理有限公司), holding 59.71% of the partnership interests and is ultimately controlled by Chen Jiawei (陳嘉偉). Each of the remaining limited partners of Shanghai Guohong held less than 30% of the partnership interest.

12. SCGC and Shenzhen Hongtu (collectively the “SCGC Entities”)

SCGC is a limited liability company established in 1999 under the laws of the PRC by the Shenzhen Municipal People’s Government (深圳市人民政府) with a focus on venture capital investment to nurture entrepreneurship and innovation and is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People’s Government (深圳市人民政府國有資產監督管理委員會) (“**Shenzhen SASAC**”). SCGC mainly invests in companies in information technology, biomedicine and health, intelligent manufacturing, new energy, new materials, Internet, consumer goods and modern services, etc. during their emerging phrases.

Shenzhen Hongtu is an investment arm of SCGC, a limited partnership established under the laws of the PRC and is primarily engaged in equity investment, assets management and investment consulting business. The general partner of Shenzhen Hongtu is Shenzhen Red Earth Gaocheng Investment Co., Ltd. (深圳市紅土高成投資有限公司), holding approximately 0.49% of the partnership interests and ultimately controlled by Shenzhen SASAC. As of the Latest Practicable Date, Shenzhen Hongtu had 13 limited partners, among which, SCGC and Shenzhen City Kunpeng Equity Investment Co., Ltd. (深圳市鯤鵬股權投資有限公司) are ultimately controlled by Shenzhen SASAC, holding approximately 21.40% and 14.58% of the partnership interests, respectively. Each of the remaining limited partners held less than 30% of the partnership interest.

13. Dyee Evergreen

Dyee Evergreen is a limited partnership established under the laws of the PRC and is mainly engaged in private equity investments. Focusing on modern service industries, Dyee Evergreen mainly invested in medical, healthcare, biopharmaceutical, information technology and services business. The general partner of Dyee Evergreen is Xiamen Derong Investment Partnership Enterprise (Limited Partnership) (廈門德嶸投資合夥企業(有限合夥)), holding 1.00% of the partnership interests whose general partner is Xiamen Dyee Evergreen Equity Investment Management Partnership (Limited Partnership) (廈門德屹長青股權投資管理合夥企業(有限合夥)) (“**Dyee Evergreen Equity**”). Xiamen Zhisheng Investment Management Co., Ltd. (廈門至升投資管理有限公司) (“**Xiamen Zhisheng**”) acts as the general partner of Dyee Evergreen Equity and Zhu Qiuzhen (朱秋貞), an Independent Third Party, held 80.0% equity interest in Xiamen Zhisheng as of the Latest Practicable Date. As of the Latest Practicable Date, Dyee Evergreen had seven limited partners, with the largest limited partner, Xiamen Delihong Investment Partnership (Limited Partnership) (廈門德利泓投資合夥企業(有限合夥)) (“**Xiamen Delihong**”) holding approximately 50.00% partnership interest. Ma Keran (馬柯然), an Independent Third Party, acts as the general partner of Xiamen Delihong, holding 1.0% interests in Xiamen Delihong. Each of the remaining limited partners of Dyee Evergreen held less than 30% of the partnership interest.

14. NSR Capital

Xinyu Shangrun is a limited partnership established under the laws of the PRC and is primarily engaged in corporate investment, assets management, corporate management and investment management and consulting business. The general partner of Xinyu Shangrun is Shanghai NSR Lead Private Equity Fund Management Co., Ltd. (上海新絲路領軍私募基金管理有限公司) (“**Shanghai NSR**”), holding approximately 0.12% of the partnership interests and

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ultimately controlled by Wang Maoting (王茂廷). As of the Latest Practicable Date, Xinyu Shangrun had 24 limited partners, with the largest two limited partners, Sang Jingmin (桑敬民) and Huang Hongsheng (黃宏聲), each holding approximately 12.73% of the partnership interest.

Xinyu City Xinguolu is a limited partnership established under the laws of the PRC and is primarily engaged in investment, management, and consulting of non-securities business. The general partner of Xinyu City Xinguolu is Shanghai NSR, holding approximately 0.03% of the partnership interests and ultimately controlled by Wang Maoting (王茂廷). As of the Latest Practicable Date, Xinyu City Xinguolu had four limited partners, namely Xinyu Shangyou Equity Investment Center (Limited Partnership) (新余市上友股權投資中心(有限合夥)), which is ultimately controlled by Wang Maoting (王茂廷), Chen Hua (陳華), Wang Lei (王磊) and Bingcheng Business Management (Puyang City) Co., Ltd. (秉承商業管理(濮陽市)有限公司), holding approximately 81.82%, 7.36%, 5.39% and 5.39% of the partnership interests, respectively.

Xinyu Shangxuan is a limited partnership established under the laws of the PRC and is primarily engaged in equity investment, investment management, assets management business. The general partner of Xinyu Shangxuan is Shanghai NSR, holding 0.01% of the partnership interests and ultimately controlled by Wang Maoting (王茂廷). As of the Latest Practicable Date, Xinyu Shangxuan had 19 limited partners, with the largest limited partner, Langxi Langrui No. 1 Investment Partnership (Limited Partnership) (郎溪縣郎瑞一號投資合夥企業(有限合夥)), holding 35.23% of the partnership interest and is ultimately controlled by Cao Leyun (曹樂雲). Each of the remaining limited partners held less than 30% of the partnership interest.

Anhui Kunlu is a limited partnership established under the laws of the PRC and is primarily engaged in venture capital, investment management and assets management business. The general partner of Anhui Kunlu is Shanghai NSR, which holds approximately 0.03% of the partnership interests and ultimately controlled by Wang Maoting (王茂廷). As of the Latest Practicable Date, Anhui Kunlu had one limited partner, Shenzhen Shengzhong Investment Development Co., Ltd. (深圳市生眾投資發展有限公司), holding approximately 99.97% of the partnership interests and is ultimately controlled by Liu Ruyin (劉如銀).

Each of Xinyu Shangrun, Xinyu City Xinguolu, Xinyu Shangxuan and Anhui Kunlu is an investment arm of NSR Capital, a venture capital founded in 2015 and focusing on biotechnology, medical devices and innovative drug investment.

15. Nanjing Kaitai

Nanjing Kaitai is a limited partnership established under the laws of the PRC and is primarily engaged in industrial investment in healthcare, biopharmaceuticals, medical devices and medical services, equity investment and corporate management business. The general partner of Nanjing Kaitai is Nanjing Kaitai Venture Capital Management Partnership (Limited Partnership) (南京凱泰創業投資管理合夥企業(有限合夥)), holding approximately 1.00% of the partnership interests and ultimately controlled by Zhao Guibin (趙貴賓). As of the Latest Practicable Date, Nanjing Kaitai had 17 limited partners, with the two largest limited partners, Xiamen Xiangyu Venture Investment Management Co., Ltd. (廈門象嶼創業投資管理有限公司) and SDIC Chuanghe National Emerging Industry Venture Capital Guiding Fund (L.P.) (國投創合國家新興產業創業投資引導基金(有限合夥)), holding approximately 18.17% and 17.86% of the partnership interests, respectively.

16. *Jiuyou Capital*

Gongqingcheng Jiuyou Shenghui is a limited partnership established under the laws of the PRC and is primarily engaged in equity investment, investment and assets management business. The general partner of Gongqingcheng Jiuyou Shenghui is Ningbo Jiuyou Tongxin Investment Management Co., Ltd. (寧波久友同心投資管理有限公司, “**Ningbo Jiuyou Tongxin**”), holding approximately 1.30% of the partnership interests and ultimately controlled by Li Yang (李陽). As of the Latest Practicable Date, Gongqingcheng Jiuyou Shenghui had 15 limited partners, with the largest limited partner Shi Haotian (施皓天) holding approximately 12.99% of the partnership interest.

Gongqingcheng Jiuyou Shengrui is a limited partnership established under the laws of the PRC and is primarily engaged in investment and assets management business. The general partner of Gongqingcheng Jiuyou Shengrui is Ningbo Jiuyou Tongxin, holding approximately 18.11% of the partnership interests. As of the Latest Practicable Date, Gongqingcheng Jiuyou Shengrui had 14 limited partners, with the largest limited partner Chen Daoyong (陳道永) holding approximately 12.53% of the partnership interest.

Both Gongqingcheng Jiuyou Shenghui and Gongqingcheng Jiuyou Shengrui are investment arms of Jiuyou Capital, a private equity firm founded in 2015 that mainly focuses on hard science and technology. It has investments in, without limitation, Beijing Tianyishangjia New Material Corp., Ltd. (北京天宜上佳新材料股份有限公司) (SSE: 688033), Cambricon Technologies Corporation Limited (中科寒武紀科技股份有限公司) (SSE: 688256) and Qinhuangdao Tianqin Equipment Manufacturing Co., Ltd. (秦皇島天秦裝備製造股份有限公司) (SESZ: 300922).

17. *KPC Group*

KPC Group is a joint stock company incorporated in the PRC and listed on the Shanghai stock exchange (SSE: 600422) and is primarily engaged in the pharmaceuticals industry with focuses on chronic disease management, healthy consumption, overseas international, and beauty and wellness. As of the Latest Practicable Date, KPC Group was owned as to approximately 28.05% by its largest shareholder, China Resources Sanjiu Medical & Pharmaceutical Co., Ltd. (華潤三九醫藥股份有限公司) (SESZ: 000999), which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of State Council (國務院國有資產監督管理委員會).

18. *CCBI Venture Capital*

CCBI Venture Capital is a limited liability company incorporated under the laws of the PRC and is primarily engaged in venture capital and investment management business. It is wholly owned by CCB International Financial Advisory Shenzhen Co., Ltd. (建銀國際(深圳)諮詢有限公司), which is ultimately beneficially owned by China Construction Bank Corporation (中國建設銀行股份有限公司) (HKEX: 939, SSE: 601939).

19. AJS Alphatech Limited

AJS Alphatech Limited is a private company limited by shares incorporated under the laws of Hong Kong and is owned by Cao Lei (曹蕾), who is an Independent Third Party.

20. Yellow River Delta Rongchang

Yellow River Delta Rongchang is established under the laws of the PRC and is a private equity fund focusing on healthcare, biomedical, medical devices and medical services industry. The executive and general partner of Yellow River Delta Rongchang is Yellow River Delta Industrial Investment Fund Management Co., Ltd. (黃河三角洲產業投資基金管理有限公司), holding 2.00% of the partnership interests and ultimately controlled by Luxin Venture Capital Group Co., Ltd. (魯信創業投資集團股份有限公司), a company listed on the Shanghai stock exchange (SSE: 600783). The other general partner is Rongchang Equity Investment management (Yantai) Co., Ltd (榮昌股權投資管理(煙台)有限公司), holding 0.50% of the partnership interest and ultimately controlled by Wang Weidong (王威東). As of the Latest Practicable Date, Yellow River Delta Rongchang had five limited partners, the largest limited partner, Rongchang Pharmaceutical (Zibo) Co., Ltd. (榮昌製藥(淄博)有限公司) held 30.50% of the partnership interests and is ultimately controlled by Wang Weidong (王威東). The second largest limited partner, Yantai Yeda Economic Development Group Co., Ltd. (煙台業達經濟發展集團有限公司) held 30.00% of the partnership interests and is ultimately controlled by the State-owned Assets Supervision and Administration Bureau of Yantai Economic & Technological Development Area (煙台經濟技術開發區國有資產監督管理局).

21. Jiaxing Minglang

Jiaxing Minglang is a limited partnership established under the laws of the PRC and is primarily engaged in investment, investment management and consulting in non-securities business. The general partner of Jiaxing Minglang is Jiaxing Minglang Investment Management Partnership (Limited Partnership) (嘉興銘朗投資管理合夥企業(有限合夥)), holding approximately 0.40% of the partnership interests and ultimately controlled by Zhang Xiaoda (張小達) and Su Deke (蘇德科). As of the Latest Practicable Date, Jiaxing Minglang had 14 individual limited partners, with the largest two limited partners, Zhang Xiaoda (張小達) and Su Deke (蘇德科), each holding approximately 28.21% and 27.81% of the partnership interests, respectively.

22. Guangdong Bozi

Guangdong Bozi is a limited partnership incorporated under the laws of the PRC and primarily engaged in equity investment. The general partner of Guangdong Bozi is Hainan Bosera Innovation Management Co., Ltd. (海南博時創新管理有限公司), holding approximately 0.01% partnership interest and ultimately controlled by its sole shareholder, Bosera Asset Management Co., Limited (博時基金管理有限公司). As of the Latest Practicable Date, Bosera Asset Management Co. Limited was held as to 49% shareholding interest by China Merchants Securities Co., Ltd. (招商證券股份有限公司) (HKEX: 6099, SESH:600999), with none of the other shareholders held more than 30% equity interest. The remaining approximately 99.99% partnership interest in Guangdong Bozi are held by its limited partner, China Merchants Securities Investment Co., Ltd. (招商證券投資有限公司), a subsidiary of China Merchants Securities Co., Ltd.

23. *Nanjing Jingyong*

Nanjing Jingyong is a limited partnership established under the laws of the PRC and is primarily engaged in venture capital in healthcare industry, equity investment, investment management and investment consulting business. The general partner of Nanjing Jingyong is Nanjing Endure Venture Investment Co., Ltd. (南京景泰恒投資管理有限公司), holding approximately 0.99% of the partnership interests and ultimately controlled by Zhou Hai (周海). As of the Latest Practicable Date, Nanjing Jingyong had five limited partners, with the two largest limited partners, Nanjing Hi-tech Venture Capital Co., Ltd. (南京市高新技術風險投資股份有限公司), which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Nanjing Municipal Government (南京市人民政府國有資產監督管理委員會), and Shanghai Jing Feng Equity Investment Fund Management Co., Ltd. (上海景豐股權投資基金管理有限公司), holding approximately 46.41% and 24.75% of the partnership interests, respectively.

24. *Gongqingcheng Ruiji Fund V*

Gongqingcheng Ruiji Fund V is a limited partnership established under the laws of the PRC and is primarily engaged in project investment, investment management and industrial investment. The general partner of Gongqingcheng Ruiji Fund V is Shenzhen Zhenji Capital Private Equity Investment Management Co., Ltd. (深圳市貞吉資本私募股權投資管理有限公司), holding approximately 1.33% of the partnership interests and ultimately controlled by Dai Shan (戴珊). As of the Latest Practicable Date, Gongqingcheng Ruiji Fund V had 33 limited partners, with the largest limited partner Shenzhen Lingnan Yongtai Investment Partnership (Limited Partnership) (深圳市嶺南永泰投資合夥企業(有限合夥)) holding 20.00% of the partnership interest.

25. *Truman*

Truman Enterprises (Hong Kong) limited is a limited company incorporated under the laws of Hong Kong and is owned by Mr. Zhuang Jacky (莊積奇).

26. *Jiaxing Tongren*

Jiaxing Tongren is a limited partnership established under the laws of the PRC and is primarily engaged in equity investment and relevant consulting business. The general partner of Jiaxing Tongren is Nanjing Tongren Boda Investment Management Co., Ltd. (南京同人博達投資管理有限公司), holding approximately 1.90% of the partnership interests and ultimately controlled by Sun Jianjun (孫建軍). As of the Latest Practicable Date, Jiaxing Tongren had four limited partners, namely Chen Ling (陳玲), Jiang Xiuyun (姜秀雲), Zhejiang Ningtai Enterprise Management Co., Ltd. (浙江寧泰企業管理有限公司) and Huang Meiqin (黃梅芹), each holding approximately 31.65%, 31.65%, 18.99% and 15.82% of the partnership interests, respectively.

27. *Ningbo Lanhui*

Ningbo Lanhui is a limited partnership established under the laws of the PRC and is primarily engaged in investment management and assets management business. The general partner of Ningbo Lanhui is Hunan Shangyi Guanxi Asset Management Company Limited (湖南熈一貫喜資產管理有限公司), holding approximately 0.16% of the partnership interests and ultimately controlled by Zhang Xu (張旭). As of the Latest Practicable Date, Ningbo Lanhui had

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17 limited partners, with the largest limited partner Wu Xingxing (伍星星) holding approximately 9.51% of the partnership interest.

28. Jiaxing Zhongying

Jiaxing Zhongying is a limited partnership established under the laws of the PRC and is primarily engaged in venture capital activities with private equity funds. The general partner of Jiaxing Zhongying is Shenzhen Co-way Capital Services Co., Ltd. (深圳眾匯投資管理有限公司), holding approximately 3.33% of the partnership interests and ultimately controlled by Fan Miaojiang (樊苗江). As of the Latest Practicable Date, Jiaxing Zhongying had 10 limited partners, with the largest limited partner Fan Miaojiang (樊苗江) holding approximately 36.67% of the partnership interests.

29. Mr. Liang

Mr. Liang is an individual investor of our Company. Mr. Liang is a limited partner of Nanjing Enjie, holding 45.00% of the partnership interests of Nanjing Enjie, and a director and chairman of the Board of Nanjing Hanrui Cobalt Co., Ltd. (南京寒銳鈷業股份有限公司), a company listed on the Shenzhen Stock Exchange (SESZ: 300618).

30. Mr. Sun

Mr. Sun is an individual investor of our Company. Mr. Sun is a limited partner of Nanjing Enjie, holding 10% of the partnership interests of Nanjing Enjie, and an executive director of Jiangsu Deshenzhi Equity Investment Co., Ltd. (江蘇德紳智股權投資有限公司).

31. Guangzhou Kaide

Guangzhou Kaide is a limited partnership incorporated under the laws of the PRC, and is primarily engaged in biomedical industry investment. The general partner of Guangzhou Kaide is Guangzhou Huangpu Biopharmaceutical Industry Investment Fund Management Co., Ltd. (廣州黃埔生物醫藥產業投資基金管理有限公司), holding approximately 1.20% partnership interest in Guangzhou Kaide and ultimately controlled by the Guangzhou Development District Administrative Committee (廣州開發區管委會), also known as the Administrative Committee of Guangzhou Economic and Technological Development Zone, Guangzhou High-Tech Industrial Development Zone, Guangzhou Export processing Zone, and Guangzhou Free Trade Zone (廣州經濟技術開發區、廣州高新技術產業開發區、廣州出口加工區、廣州保稅區管理委員會), which is under the People's Government of Guangzhou Municipality (廣州市人民政府). As of the Latest Practicable Date, Guangzhou Kaide had 5 limited partners, among which, Guangzhou High-Tech Zone Technology Holdings Group Co., Ltd. (廣州高新區科技控股集團有限公司) and Guangzhou Guoju Investment Co., Ltd. (廣州國聚創業投資有限公司), holding approximately 30.94% and 9.64% of the partnership interest, respectively, are ultimately controlled by the Guangzhou Development District Administrative Committee.

32. *Intellective Biologics (Suzhou)*

Intellective Biologics (Suzhou), (formerly known as Suzhou Intellective Zongchuang Incubation Management Co., Ltd. (蘇州智享眾創孵化管理有限公司)), is a limited liability company incorporated under the laws of the PRC in 2018 and is primarily engaged in the production, retail, wholesale, import and export of pharmaceutical products. As of the Latest Practicable Date, Intellective Biologics (Suzhou) had 37 shareholders and was owned as to approximately 32.08% by its largest shareholder Suzhou Zhilihui Enterprise Management Co., Ltd. (蘇州知立匯企業管理有限公司), which is ultimately controlled by Li Zhi (李智).

ACTING IN CONCERT ARRANGEMENT

Pursuant to a concert party agreement dated April 22, 2021 and an updated concert party agreement dated March 5, 2024, Dr. Kang and Dr. Lai confirmed that they had been acting in concert in exercising Shareholder's rights in the Company since April 22, 2021. To formalize and consolidate the shareholding structure and ensure the stable ownership and business development of the Company and consistent with their past voting practice since the inception of the Company, Dr. Kang, Dr. Lai and our Share Incentive Platforms namely Lizhi Partnership, LeadsBio Limited and LeadsTech Limited (collectively, the “**AIC Parties**”) entered into an acting-in-concert agreement on April 12, 2024 (the “**AIC Agreement**”). Each of Lizhi Partnership, LeadsBio Limited and LeadsTech Limited is a Share Incentive Platform of our Company of which the exercise of voting rights was controlled by Dr. Kang. Pursuant to the AIC Agreement, the AIC Parties had confirmed and agreed that they would: (i) act in concert with respect to the matters relating to the daily operations, key matters or any other matters required to be approved by the shareholders' meetings or board meetings of the Company; (ii) consult each other and reach a consensus before voting at board meetings and/or shareholders' meetings of the Company; and (iii) in case that the AIC Parties fail to reach a consensus, vote based on Dr. Kang's opinion. Pursuant to the AIC Agreement, each of the AIC Parties further confirmed that he/it had been acting in concert on all major matters involving the Group's business, operations, finance, and management since they first acquired interests (directly or indirectly) in the Company, and agreed to continue to act in the same manner for such matters in relation to the business operation and development of the Company required to be approved by the shareholders' meetings or board meetings of the Company or required to be presented to the shareholders' meetings or board meetings of the Company for approval pursuant to the terms of the AIC Agreement.

As of the Latest Practicable Date, the AIC Parties were our single largest group of Shareholders and were entitled to exercise voting rights of an aggregate of approximately 19.61% in our Company through (i) Dr. Kang as to approximately 5.03%; (ii) Dr. Lai as to approximately 4.08%; (iii) Lizhi Partnership as to approximately 8.21%; (iv) LeadsTech Limited as to approximately 1.23%; and (v) LeadsBio Limited as to approximately 1.06%. For further details of our Share Incentive Platforms, see “Appendix VI — Statutory and General Information — C. Further Information about our Directors, Supervisors and Substantial Shareholders — 4. Pre-IPO Share Incentive Plan.” Immediately upon completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), the AIC Parties will be entitled to exercise an aggregate of approximately 16.28% of the voting rights in our Company.

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PUBLIC FLOAT

Upon the completion of the Global Offering (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised) and the conversion of Unlisted Shares into H Shares, the 45,613,109 Unlisted Shares held by our Shareholders, representing approximately 24.19% of our total issued Shares upon the completion of the Global Offering (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised), will not be considered as part of the public float as the Shares are Unlisted Shares which will not be converted into H Shares and listed on the Stock Exchange following the completion of the Global Offering. In addition, the H Shares held by certain of our Shareholders who are, our core connected persons or directly or indirectly controlled by our core connected persons, will not be counted towards the public float. Details of these Shareholders are set out below:

- (a) Since Dr. Kang and Dr. Lai are our executive Directors and have been acting in concert with the other AIC Parties pursuant to the AIC Agreement, the total of 15,712,443 H Shares held by the AIC Parties, representing an aggregate of approximately 8.33% of our total issued Shares upon the completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), will not be counted towards the public float.
- (b) Since Ennovation Raylight, Nanjing Jieyuan, Nanjing Enjie, Ennovation Chengfeng and Nanjing Jiakang Ruizhen are ultimately controlled by Dr. Chen, one of our non-executive Directors, the total of 6,591,133 H Shares held by them, representing an aggregate of approximately 3.50% of our total issued Shares upon the completion of the Global Offering (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised), would not be counted towards the public float.

To the best knowledge of our Directors, save as disclosed above, immediately upon the completion of the Global Offering and conversion of Unlisted Shares into H Shares (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), (i) assuming 32,054,400 H Shares are issued to the public Shareholders in the Global Offering and 88,583,315 Unlisted Shares held or controlled by our existing Shareholders who are not our core connected persons will be converted into H Shares, an aggregate of 120,637,715 H Shares representing approximately 63.98% of our total issued Shares will be counted towards the public float, which is in compliance with the requirement under Rule 8.08 of the Listing Rules; and (ii) based on an Offer Price of HK\$33.30 per Share, being the mid-point of the indicative Offer Price range of HK\$31.60 to HK\$35.00 per H Share, the Company will have a market capitalization of at least HK\$375 million held by the public (excluding the H Shares to be subscribed by any existing Shareholders) as required under Rule 18A.07 of the Listing Rules.

PRE-IPO SHARE INCENTIVE PLAN

In recognition of the contributions of our employees and consultants and to incentivize them to further promote our development, we adopted the Pre-IPO Share Incentive Plan, details of which are set forth in “Appendix VI — Statutory and General Information — C. Further Information about Directors, Supervisors and Substantial Shareholders — 4. Pre-IPO Share Incentive Plan.” As of the Latest Practicable Date, all awards subject to the Pre-IPO Share Incentive Plan were granted to and subscribed for by the specified participants.

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As of the Latest Practicable Date, all the underlying Shares of the awards granted under the Pre-IPO Share Incentive Plan have been issued to our Share Incentive Platforms. For details of the Share Incentive Platforms, see “Appendix VI — Statutory and General Information — C. Further Information about our Directors, Supervisors and Substantial Shareholders — 4. Pre-IPO Share Incentive Plan — Share Incentive Platforms.”

CAPITALIZATION OF OUR COMPANY

Our Company has filed with CSRC for H-share full circulation to convert certain Unlisted Shares into H Shares upon the Listing. The conversion of Unlisted Shares into H Shares will involve an aggregate of 110,886,891 Unlisted Shares, representing approximately 70.9% of total issued share capital of the Company as of the Latest Practicable Date.

The table below sets out the capitalization of our Company as of the date of this prospectus and upon the completion of the Global Offering (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised) and the conversion of Unlisted Shares into H Shares:

Shareholder	As of the Latest Practicable Date		Immediately upon completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised)		
	Number of Unlisted Shares held	Ownership percentage (approx.)	Number of Unlisted Shares held	Number of H Shares held	Ownership percentage of total issued Shares (approx.)
AIC Parties	30,688,820	19.61%	14,976,377	15,712,443	16.28%
– Dr. Kang	7,874,617	5.03%	3,937,308	3,937,309	4.18%
– Dr. Lai	6,384,821	4.08%	3,192,410	3,192,411	3.39%
– Lizhi Partnership	12,845,442	8.21%	6,422,721	6,422,721	6.81%
– LeadsTech Limited	1,920,004	1.23%	960,002	960,002	1.02%
– Leadsbio Limited	1,663,936	1.06%	463,936	1,200,000	0.88%
Loyal Valley Capital	13,570,096	8.67%	12,674,142	895,954	7.20%
– Loyal Valley Fund III	9,991,770	6.38%	9,991,770	–	5.30%
– Shanghai Leyong	1,998,356	1.28%	1,998,356	–	1.06%
– Shanghai Jishi Lemei	1,579,970	1.01%	684,016	895,954	0.84%
Hankang Capital	12,572,825	8.03%	1,683,194	10,889,631	6.67%
– Suzhou Hankang	6,853,584	4.38%	–	6,853,584	3.63%
– Beijing Hankang	3,036,869	1.94%	–	3,036,869	1.61%
– Hankang SME	2,682,372	1.71%	1,683,194	999,178	1.42%
Ennovation Ventures	11,829,412	7.56%	5,238,279	6,591,133	6.27%
– Ennovation Raylight	5,901,290	3.77%	2,950,645	2,950,645	3.13%
– Nanjing Jieyuan	2,974,369	1.90%	–	2,974,369	1.58%
– Nanjing Enjie	1,332,237	0.85%	666,118	666,119	0.71%
– Ennovation Chengfeng	937,500	0.60%	937,500	–	0.50%
– Nanjing Jiakang Ruizhen	684,016	0.44%	684,016	–	0.36%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

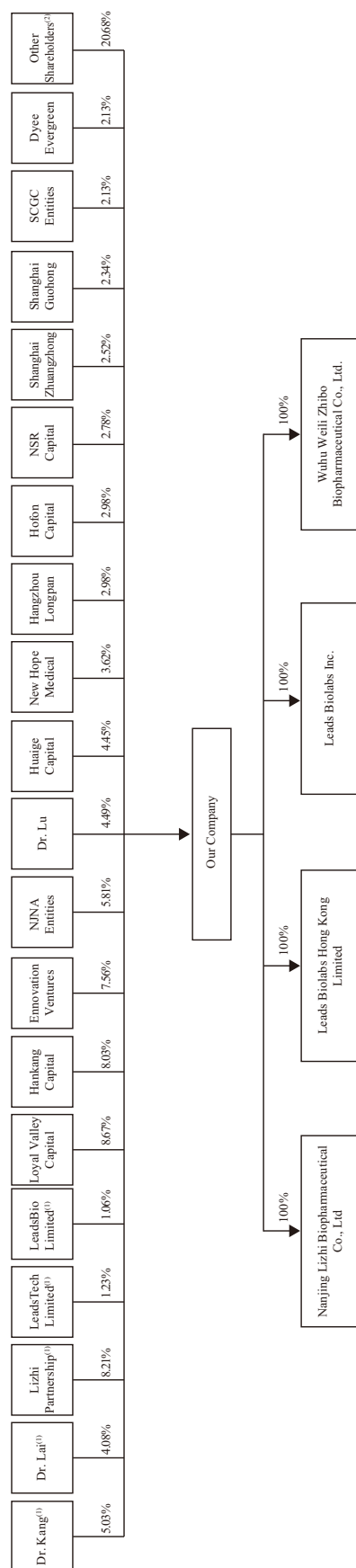
Shareholder	As of the Latest Practicable Date		Immediately upon completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised)		
	Number of Unlisted Shares held	Ownership percentage (approx.)	Number of Unlisted Shares held	Number of H Shares held	Ownership percentage of total issued Shares (approx.)
NJNA Entities	9,092,557	5.81 %	2,748,402	6,344,155	4.82 %
– Jiangbei Fund	4,817,264	3.08%	–	4,817,264	2.55%
– Nanjing Jiangbei High-tech Fund	1,221,511	0.78%	1,221,511	–	0.65%
– Nanjing Qiruiyoukang	3,053,782	1.95%	1,526,891	1,526,891	1.62%
Dr. Lu	7,023,307	4.49 %	–	7,023,307	3.72 %
Huaige Capital	6,960,695	4.45 %	1,516,664	5,444,031	3.69 %
– Ningbo Huaige	4,611,383	2.95%	–	4,611,383	2.45%
– Jingning Huaige	1,665,296	1.06%	832,648	832,648	0.88%
– Chengdu Huaige	684,016	0.44%	684,016	–	0.36%
New Hope Medical	5,662,889	3.62 %	–	5,662,889	3.00 %
Hangzhou Longpan	4,662,821	2.98 %	–	4,662,821	2.47 %
Hofon Capital	4,662,279	2.98 %	–	4,662,279	2.47 %
– Kunming Nuotai	3,469,379	2.22%	–	3,469,379	1.84%
– Hangzhou Hofon	867,343	0.55%	–	867,343	0.46%
– Hofon Jianmin	325,557	0.21%	–	325,557	0.17%
NSR Capital	4,348,381	2.78 %	1,850,000	2,498,381	2.31 %
– Xinyu Shangrun	1,832,271	1.17%	–	1,832,271	0.97%
– Anhui Kunlu	1,350,000	0.86%	1,350,000	–	0.72%
– Xinyu City Xinguolu	666,110	0.43%	–	666,110	0.35%
– Xinyu Shangxuan	500,000	0.32%	500,000	–	0.27%
Shanghai Zhuangzhong	3,941,250	2.52 %	–	3,941,250	2.09 %
Shanghai Guohong	3,664,534	2.34 %	–	3,664,534	1.94 %
SCGC Entities	3,330,592	2.13 %	1,665,296	1,665,296	1.77 %
– SCGC	1,665,296	1.06%	832,648	832,648	0.88%
– Shenzhen Hongtu	1,665,296	1.06%	832,648	832,648	0.88%
Dyee Evergreen	3,330,584	2.13 %	–	3,330,584	1.77 %
Beijing Chongshan	3,261,914	2.08 %	–	3,261,914	1.73 %
Jiuyou Capital	2,443,022	1.56 %	–	2,443,022	1.30 %
– Gongqingcheng Jiuyou Shenghui	1,258,157	0.80%	–	1,258,157	0.67%
– Gongqingcheng Jiuyou Shengrui	1,184,865	0.76%	–	1,184,865	0.63%
KPC Group	2,443,022	1.56 %	–	2,443,022	1.30 %
CCBI Venture Investment	2,275,954	1.45 %	–	2,275,954	1.21 %
AJS Alphatech Limited	2,131,578	1.36 %	–	2,131,578	1.13 %
Yellow River Delta Rongchang	1,998,356	1.28 %	–	1,998,356	1.06 %
Jiaxing Minglang	1,832,271	1.17 %	–	1,832,271	0.97 %
Guangdong Bozi	1,665,296	1.06 %	–	1,665,296	0.88 %

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholder	As of the Latest Practicable Date		Immediately upon completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised)		
	Number of Unlisted Shares held	Ownership percentage (approx.)	Number of Unlisted Shares held	Number of H Shares held	Ownership percentage of total issued Shares (approx.)
Nanjing Jingyong	1,589,744	1.02%	–	1,589,744	0.84%
Guangzhou Kaide	1,500,000	0.96%	1,500,000	–	0.80%
Gongqingcheng Ruiji Fund V	1,332,237	0.85%	–	1,332,237	0.71%
Truman Enterprises (Hong Kong) limited	1,332,237	0.85%	–	1,332,237	0.71%
Jiaxing Tongren	1,332,237	0.85%	–	1,332,237	0.71%
Ningbo Lanhui Intellective Biologics (Suzhou)	1,221,511	0.78%	610,755	610,756	0.65%
Jiaxing Zhongying	1,150,000	0.73%	1,150,000	–	0.61%
Mr. Liang	1,000,000	0.64%	–	1,000,000	0.53%
Mr. Sun	937,500	0.60%	–	937,500	0.50%
Nanjing Kaitai	937,500	0.60%	–	937,500	0.50%
	774,579	0.49%	–	774,579	0.41%
Subtotal	156,500,000	100.00%	45,613,109	110,886,891	83.00%
Other public investors taking part in the Global Offering	–	–	–	32,054,400	17.00%
Total	156,500,000	100.00%	45,613,109	142,941,291	100.00%

CORPORATE STRUCTURE IMMEDIATELY BEFORE THE COMPLETION OF THE GLOBAL OFFERING

The chart below sets out the corporate structure of our Company and subsidiaries immediately before the completion of the Global Offering:

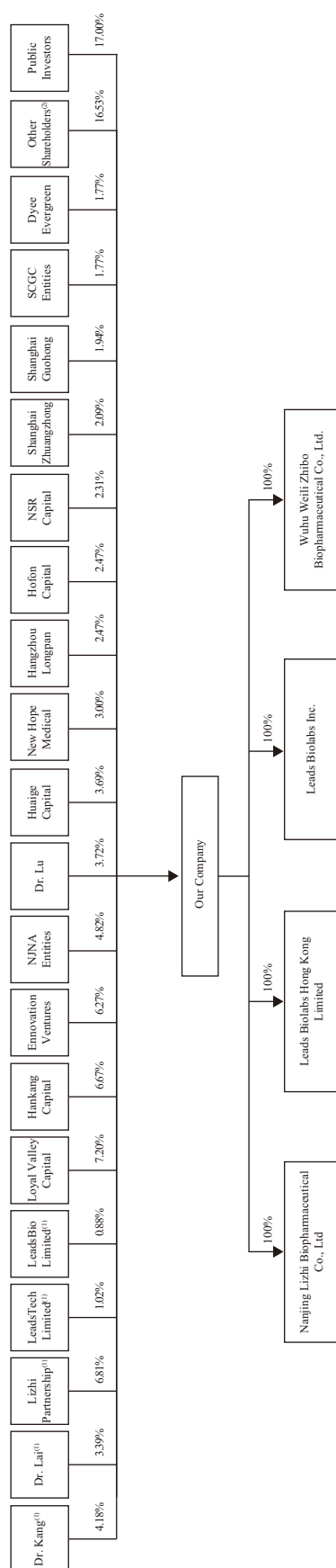


Notes:

- (1) Pursuant to the AIC Agreement, the AIC Parties including Dr. Kang, Dr. Lai and our Share Incentive Platforms namely Lizhi Partnership, LeadsBio Limited and LeadsTech Limited had been and will continue to act in concert with respect to the matters relating to the daily operations, key matters or any other matters required to be approved by the shareholders' meetings or board meetings of the Company. For details, see "— Acting in Concert Arrangement" above.
- (2) Other Shareholders include Beijing Chongshan, Jiuyou Capital, KPC Group, CCBI Venture Capital, AJS Alphatech Limited, Yellow River Delta Rongchang, Jiaxing Minglang, Guangdong Bozi, Nanjing Jingyong, Guangzhou Kaide, Gongqingcheng Ruiji Fund V, Truman Enterprises (Hong Kong) Limited, Jiaxing Tongren, Ningbo Lanhui, Intellectual Biologics (Suzhou), Jiaxing Zhongying, Mr. Liang, Mr. Sun and Nanjing Kaitai. For background of the other Shareholders, see "— Pre-IPO Investments — (d) Information about Our Pre-IPO Investors" above.
- (3) The percentages are subject to rounding difference.

CORPORATE STRUCTURE IMMEDIATELY FOLLOWING THE COMPLETION OF THE GLOBAL OFFERING

The chart below sets out the corporate structure of our Company and subsidiaries immediately following the completion of the Global Offering (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised):



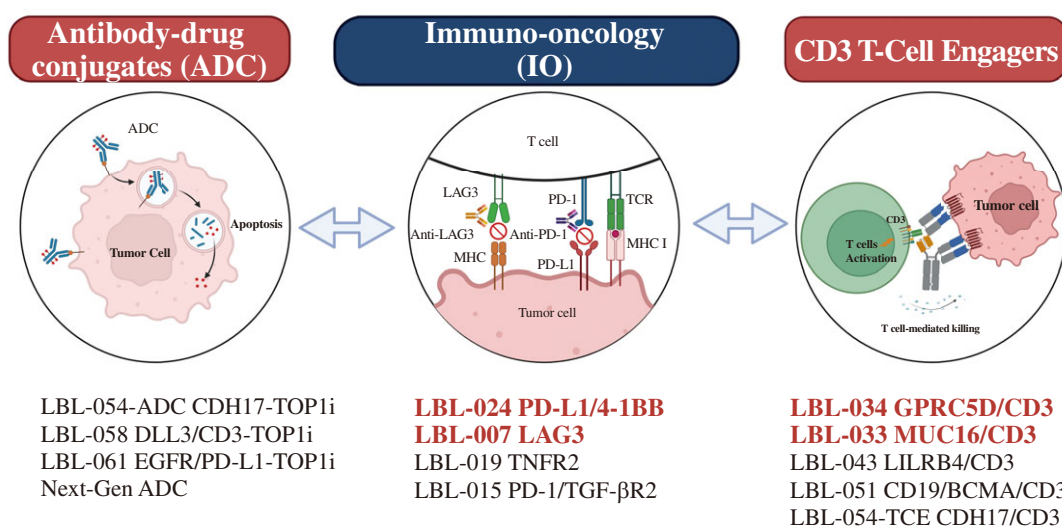
Notes: See notes (1) to (3) to the chart in “— Corporate Structure Immediately Before the Completion of the Global Offering” above.

OVERVIEW

We are a clinical-stage biotechnology company focused on the discovery, development, and commercialization of new therapies in oncology, autoimmune, and other severe diseases. In particular, we are a key player in immuno-oncology treatments dedicated to advancing breakthrough cancer therapies that transform patient outcomes. Since our inception, we are committed to employing a multitude of therapeutic strategies across various modalities and identifying targets and mechanisms to develop new therapies, which offer enhanced efficacy and safety for cancer patients who do not respond adequately to existing immunotherapies. We have built a diversified portfolio with four core and key products, each positioned as a clinically advanced candidate on a global scale, either in its class or among those addressing the same target(s). Building on our in-house innovations, we seek to forge strategic partnerships with different industry players and venture capitals to accelerate the clinical development and commercial launch of our drug candidates, thereby maximizing the impact and reach of our transformative therapies.

Leveraging our proprietary technology platforms and drug development capabilities, we have curated a rationally designed and differentiated pipeline, our Company has (i) one Core Product, LBL-024 (PD-L1/4-1BB bispecific antibody) and (ii) 13 other drug candidates including five other clinical-stage drug candidates (LBL-034, LBL-033, LBL-007, LBL-019, and LBL-015) and eight preclinical-stage drug candidates (LBL-043, LBL-049, LBL-054-TCE, LBL-054-ADC, LBL-061, LBL-058, LBL-051, and LBL-047), as of the Latest Practicable Date. Out of these 14 drug candidates, six have successfully progressed into the clinical stage, undergoing evaluation in an aggregate of ten clinical trials solely by us. To date, we have achieved proof-of-concept from Phase II clinical trials for two drug candidates in three indications and advanced one of these candidates into the registrational trial stage. Notably, our Core Product, LBL-024, has entered into a single-arm registrational trial for extra-pulmonary neuroendocrine carcinoma (EP-NEC) in China in July 2024 and stands as the globally first 4-1BB-targeted drug candidate to have reached registrational stage for EP-NEC. As other investigational therapies targeting such as DLL3/CD3 and SEZ6 are still in early clinical stages, LBL-024 has the potential to become the first drug approved for treating advanced EP-NEC. Additionally, we have received the Breakthrough Therapy Designation (BTD) for LBL-024 in treating late-line EP-NEC from the National Medical Products Administration (NMPA) in October 2024. With respect to each of our key products, (i) LBL-034 is the second most clinically advanced GPRC5D-targeted CD3 T-cell engager globally, (ii) LBL-033 is among the only two MUC16/CD3 bispecific antibodies globally to have entered clinical stage, and (iii) LBL-007 is among the top three LAG3-targeted clinical-stage monoclonal antibodies globally in terms of clinical development stage. We reached collaboration arrangements with a U.S. company (“**NewCo**”) newly formed by Aditum Bio, a biotech venture firm, dedicated to the global development and commercialization of certain of our trispecific T cell engager, with a total deal value of up to US\$614 million plus potential mid-single-digit royalties and an equity stake in this NewCo.

Our oncology portfolio offers extensive cancer treatment options with significant potential for both monotherapy and combination therapies. As illustrated in the figure below, our oncology drug candidates, each uniquely designed to target validated pathways in cancer biology and immunology, collectively reflect our strategic and comprehensive approach to oncology treatment. Grounded in our deep understanding of cancer biology and treatment gaps, we not only focus on developing immunotherapies involving immune checkpoints, such as co-stimulatory agonists and checkpoint inhibitors, but also expand into other therapeutic strategies, such as CD3 T-cell engagers and ADCs. With varied and complementary mechanisms of action, these drug candidates hold synergistic potential when combined with other treatments, including agents within our own portfolio.



Our six clinical-stage drug candidates have all shown the potential encouraging antitumor activity and favorable safety profile in clinical trials. Our experience in advancing drug candidates into clinical stage is anchored by our integrated, in-house capabilities across R&D, clinical development, chemistry, manufacturing and controls (CMC), and business development.

- Target selection:** To effectively compete in the race to develop oncology treatments, we strategically focus on the discovery and development of T-cell-centered immunotherapies, by harnessing our bispecific antibody and other technology platforms. Our selection of targets is also informed by a research-driven strategy, and a thorough evaluation of regulatory trends and competitive landscape, aiming to address significant treatment gaps to ensure market entry and commercial viability for our products.
- Drug discovery and research:** We leverage our insights in T-cell immunity, advanced antibody engineering, and a thorough understanding of disease biology to tackle the challenges associated with drug development for these targets. Our capabilities enable us to design molecules that can potentially elicit potent antitumor activity while mitigating the risks of adverse events. Our efficient drug development process typically progresses from target selection to investigational new drug (IND) submission within only three years, outpacing the industry average of approximately five to six years in innovative drug development, according to Frost & Sullivan.

- ***Clinical development:*** In clinical phase, our awareness of clinical needs as well as adeptness in trial design and management allow us to identify underserved cancer indications for fast market entry and pursue opportunities for indication expansion. In particular, our Core Product LBL-024 progressed from first patient enrolment of the first-in-human trial to registrational trial stage in only 2.3 years, significantly outpacing the industry average of 6.4 years in innovative drug development, according to Frost & Sullivan. Our expertise in clinical strategy is geared towards optimizing the therapeutic potential of our drug candidates and fast-tracking their clinical development process.
- ***Global collaboration:*** The competitive strengths of our drug candidates have attracted collaborations with strategic partners, such as NewCo formed by Aditum Bio, allowing us to leverage international clinical resources, accelerate drug development, and access overseas markets synergistically, efficiently and economically.

Our strategic methodology has established a business model for our sustainable growth, which not only demonstrates our ability to efficiently advance drug development to maximize their clinical and commercial value, but also translate our scientific achievements into potential commercial success. This model is particularly exemplified by our development of LBL-051, a preclinical CD19/BCMA/CD3 T cell engager that originated from our in-house discovery. In recognition of the first-in-class potential of LBL-051, we have reached a collaboration with a U.S. company (“**NewCo**”) newly formed by Aditum Bio, a biotech venture firm, to promote the development and commercialization of this drug candidate. This long-term partnership, valued at up to US\$614 million plus potential royalties and an equity stake in NewCo, enables us to capitalize on Aditum Bio’s established operational expertise and extensive resources to further develop LBL-051, meanwhile sharing the scientific and commercial upside. By combining our pipeline asset with Aditum Bio’s multi-faceted strengths, we accelerate LBL-051’s path to market and reinforce the scalability of our business model. We also entered into a license and collaboration agreement with BeiGene regarding our LBL-007 in December 2021. The BeiGene Agreement was later terminated on the date of May 18, 2025 as specified in the termination notice provided by BeiGene. For details, see “— Collaboration Agreement — License and Collaboration Agreement with BeiGene.” Despite of the termination, our past partnership with BeiGene broadens the research on LBL-007 into multiple global Phase Ib/II studies for large cancer indications including non-small cell lung cancer (NSCLC), colorectal cancer (CRC), head and neck squamous cell carcinoma (HNSCC), and esophageal squamous cell carcinoma (ESCC), and in overseas markets. We believe that this business model will also drive the successful development of our other pipeline assets, enabling us to consistently deliver new therapies to the markets, and propel a sustainable growth for our Company.

Category	Program	Target (Modality)	Regimen	Indication(s) ^(s)	Line(s) of treatment	Discovery/ Preclinical	IND-Enabling	Phase I	Phase II	Registration/ Phase III	Current Status/Upcoming Milestone	Commercial Rights	Partner (if applicable)
Oncology	LBI-404 ★	PD-L1/4-1BB (BsAb)	Mono	EP-NEC	≥3L	China (NMPA)					Received Breakthrough Therapy Designation from the NMPA in October 2024; Expect to file BLA with the NMPA by Q3 2026	Global	
			+Chemo	EP-NEC	1L	China (NMPA)					Initiated Phase II portion of the Phase Ib/II trial in October 2024; Phase II patient enrollment completed in December 2024; Expect to conclude the Phase II trial by Q4 2025	Global	
			+Chemo	SCLC	1L	China (NMPA)					Initiated Phase II portion of the Phase Ib/II trial in November 2024; Phase Ib trial completed in May 2024; Expect to complete patient enrollment of Phase II trial by Q2 2025	Global	
			Mono	NSCLC, BTC and other Solid Tumors	1L/1L+	China (NMPA)					Phase I/II trial enrollment completed in December 2023; Expect to conclude the Phase II trial by Q4 2025	Global	
			Mono	Solid Tumors	≥2L	US (FDA)					IND and Orphan Drug Designation for NEC approved by the FDA in July 2021 and November 2024, respectively	Global	
			+Chemo ±VEGF mAb	NsqNSCLC	2L	China (NMPA)					IND approved in China in September 2024; Expect to initiate patient enrollment of Phase II trial in H2 2025	Global	
	LBI-403 ▼	MUC16/CD3 (BsAb)	+Chemo	BTC, NSCLC, ESCC and GC	1L	China (NMPA)					IND approved in China in September 2024; Expect to initiate patient enrollment of Phase II trial in H2 2025	Global	
			+VEGF mAb	HCC	1L	China (NMPA)					IND approved in China in September 2024; Expect to initiate patient enrollment of Phase II trial in H1 2026	Global	
			Mono	MM	≥4L	China (NMPA)					Phase III trial commenced in November 2023; Expect to complete patient enrollment of Phase I trial in Q2 2025	Global	
			Mono	OC, Cervical Cancer, NSCLC and Solid Tumors	2L+	China (NMPA)					IND and Orphan Drug Designation approved by the FDA in July 2023 and October 2024, respectively	Global	
LBI-403 ▼	MUC16/CD3 (BsAb)	Mono	Solid Tumors	2L+	US (FDA)					Phase I/II trial commenced in April 2023; Expect to conclude the Phase I portion in Q3 2025	Global		
										IND approved in the U.S. in June 2023	Global		

Abbreviations: BTC = biliary tract carcinoma; EP-NEC = extra-pulmonary neuroendocrine carcinoma; ESCC = esophageal squamous cell carcinoma; GC = gastric cancer; HCC = hepatocellular carcinoma; MM = multiple myeloma; NSCLC = non-small cell lung cancer; NsqNSCLC = non-squamous non-small cell lung cancer; OC = ovarian cancer; SCLC = small cell lung cancer

Note:

- (1) As denoted by the dotted line, we have obtained an IND approval for a Phase II trial of LBL-024 in combination with SOC treatments in 1L BTC, NSCLC, ESCC, HCC, GC and other solid tumors from the NMPA in September 2024, and therefore we can skip the Phase I stage and directly initiate a Phase II trial.

Category	Program	Target (Modality)	Regimen	Indications ^(*)	Line(s) of treatment	Discovery/ Preclinical	IND-Enabling	Phase I	Phase II	Registration/ Phase III	Current Status/Upcoming Milestone	Commercial Rights	Partner (if applicable)
Oncology	Clinical		+PD-1 mAb+Chemo	NPC	1L	China (NMPA)					Phase II patient enrollment completed in September 2023; Expect to conclude the Phase II trial by Q3 2025		
			+PD-1 mAb+Chemo	NPC	2L	China (NMPA)					Phase II patient enrollment completed in January 2024; Expect to conclude the Phase II trial by Q2 2025		
			+PD-1 mAb+TIM3 mAb	NSCLC	2L+	Global Trial conducted by		BeiGene			Collaboration terminated in May 2025, collaborating on transfer of clinical data		
			+PD-1 mAb+TIM3 mAb	HNSCC	2L+ ^(*)	Global Trial conducted by		BeiGene			Collaboration terminated in May 2025, collaborating on transfer of clinical data		
			+PD-1 mAb+TIM3 mAb	HNSCC	1L ^(*)	Global Trial conducted by		BeiGene			Collaboration terminated in May 2025, collaborating on transfer of clinical data		BeiGene
		LAG3 (mAb)	+PD-1 mAb+Chemo	ESCC and NSCLC	1L	Global Trial conducted by		BeiGene			Collaboration terminated in May 2025, collaborating on transfer of clinical data	Global	(Terminated in May 2025) ^(*)
			+PD-1 mAb+Chemo	NSCLC	Neoadjuvant ^(*)	Global Trial conducted by		BeiGene			Collaboration terminated in May 2025, collaborating on transfer of clinical data		
			+PD-1 mAb+SOC	CRC	1L Maintenance	Global Trial conducted by		BeiGene			Collaboration terminated in May 2025, collaborating on transfer of clinical data		
			+PD-1 mAb+Chemo	Melanoma	1L/1L+	China (NMPA)					Phase I trial completed in August 2024	Global	
		TNFR2 (mAb)	Mono	Solid Tumors	2L+	China (NMPA)					Phase I trial completed in April 2024	Global	
Pre-clinical						US (FDA)					IND approved by the FDA in December 2021	Global	
						China (NMPA)					Phase I trial completed in July 2024	Global	
						US (FDA)					IND approved by the FDA in July 2021	Global	
						US (FDA)					Expect to submit IND applications to FDA and NMPA in 1H 2026	Global	
											Expect to submit IND applications to FDA and NMPA in 1H 2026	Global	
											Expect to submit IND applications to FDA and NMPA in 1H of 2027	Global	
											Expect to submit IND applications to FDA and NMPA in 2H of 2026	Global	
											Expect to submit IND applications to FDA and NMPA in 2H of 2026	Global	
											Expect to submit IND applications to FDA and NMPA in 1H of 2027	Global	
											Expect to submit IND applications to FDA and NMPA in 2H 2025	Global	Aditum Bio Global ^(*)
Autoimmune											Expect to submit IND applications to FDA and NMPA in 2H 2025	Global	

★ Core Product ▲ Key Product

Abbreviations: AML = acute myeloid leukemia; BC = breast cancer; CRC = colorectal cancer; ESCC = esophageal squamous cell carcinoma; GC = gastric cancer; HNSCC = head and neck squamous cell carcinoma; mCRPC = metastatic castration-resistant prostate cancer; MM = multiple myeloma; NPC = nasopharyngeal carcinoma; NSCLC = non-small cell lung cancer.

Note:

- (2) On November 5, 2024, we entered into a collaboration, exclusive option and license agreement with Oblenio Bio, Inc. (“**NewCo**”), a U.S. company newly formed by Aditum Bio Fund 3, L.P. (“**Aditum Bio**”). Under the Oblenio Agreement, we grant NewCo an exclusive, worldwide license to develop, manufacture, commercialize and otherwise exploit LBL-051 for all uses, subject to NewCo’s election to exercise its option to retain such license after the applicable option period. For details, see “Business — Collaboration Agreements — Collaboration, Exclusive Option and License Agreement with Oblenio, a NewCo formed by Aditum Bio.”
- (3) The combination of LBL-007+PD-1mAb +TIM3 mAb in 2L+ HNSCC is to investigate the safety, tolerability and efficacy of triplet combination in PD-1 pre-treated HNSCC.
- (4) 1L HNSCC study is to investigate safety and preliminary antitumor activity of different regimen, including LBL-007 + PD-1mAb, TIM3 + PD-1 mAb and LBL-007 + mAb + TIM3 mAb, compared to PD-1 monotherapy in PD-L1 positive 1L HNSCC.
- (5) All product candidates presented in the pipeline chart are internally developed by our Company. We retain full commercial rights to all our pipeline candidates, except for LBL-051, for which we granted NewCo an exclusive, worldwide license to develop, manufacture, commercialize and otherwise exploit LBL-051 for all uses.
- (6) A Registration Trial refers to a clinical trial designed to obtain sufficient data and results to support the submission of an application for regulatory approval. Regulatory approval can be categorized into (i) Conditional approval, which allows earlier access to promising new treatments with certain post-marketing requirements that must typically be met; and (ii) Full approval, which is granted without the need for further confirmatory studies and indicates that the treatment has met all regulatory requirements for widespread use.
- (7) Neoadjuvant therapy refers to any treatment that is given for cancer before the main treatment, with the goal of making the main treatment more likely to be successful.
- (8) All of our product candidates are currently targeted for the treatment of advanced-stage diseases. In the future, we may explore applications for early-stage disease as part of our ongoing research and development efforts.
- (9) We entered into a license and collaboration agreement with BeiGene in December 2021 for an exclusive license to develop, manufacture and commercialize LBL-007 outside Greater China. BeiGene had then been conducting various global trials to evaluate LBL-007 in combination with tislelizumab and standard of care in NSCLC, CRC, HNSCC and ESCC. The BeiGene Agreement was later terminated on the date of May 18, 2025 as specified in the termination notice provided by BeiGene. Our Directors confirmed that, having made enquiries with BeiGene, BeiGene’s decision to terminate this agreement was driven by its internal reassessment of portfolio priorities, rather than any unfavorable safety and efficacy results observed in the clinical trials of LBL-007. Following this termination, we regained full, global rights to develop, manufacture and commercialize LBL-007. We are not obliged to return any payments received or make any payments to BeiGene in respect of the termination of this agreement. We and BeiGene will collaborate to facilitate orderly transition of responsibilities under the BeiGene Agreement for a reasonable time after termination. Other than the BeiGene Agreement, we had not entered into any licensing and collaboration arrangements with BeiGene concerning any of our drug candidates, as of the Latest Practicable Date. We currently have no plans to establish further collaborations or arrangements with BeiGene related to our Core Product, LBL-024, going forward. Furthermore, upon our written request, BeiGene will provide all material non-clinical, preclinical and clinical data of terminated Licensed Products, including those generated from the previous global trials to evaluate LBL-007 in combination with tislelizumab and standard of care in NSCLC, CRC, HNSCC and ESCC, to us within six months after termination. BeiGene is currently transferring to us the relevant data of terminated Licensed Products, and we will carefully evaluate all available datasets to seize future development opportunities with LBL-007 in targeted indications of solid tumors. See “— Collaboration Agreements — License and Collaboration Agreement with BeiGene” for more information.

Our core and key drug candidates within our pipeline include:

- **LBL-024**, our Core Product, is a PD-L1 and 4-1BB dual-targeting bispecific antibody designed to work by boosting the anti-tumor immune responses, combining the blocking of immune “brakes” with the activation of T cells. It stands as the globally first molecule targeting co-stimulatory receptor 4-1BB to have reached registrational stage for EP-NEC. LBL-024 has shown the potential for encouraging efficacy and safety profile in our multiple clinical trials targeting EP-NEC, small cell lung cancer (SCLC), biliary tract cancer (BTC), non-small cell lung cancer (NSCLC) and other solid tumors. Additionally, we have received the BTD for our Core Product, LBL-024, in treating late-line EP-NEC from the NMPA in October 2024. Further, LBL-024 obtained the Orphan Drug Designation (ODD) from the FDA for the treatment of NEC in November 2024.

Engineered in a 2:2 format, LBL-024 features two binding domains for each of PD-L1 and 4-1BB and a significantly differentiated affinity ratio of approximately 1:300 for 4-1BB versus PD-L1. The dual functions of LBL-024 — lifting PD-1/PD-L1 immune inhibition and intensifying 4-1BB modulated T cell activation — could allow it to achieve synergistic tumor-killing effects and promising cancer therapeutic potential comparable to PD-1/L1 inhibitors. Moreover, our unique molecular design, characterized by a balance between efficacy and safety profiles, and is expected to provide LBL-024 the potential to conditionally activate 4-1BB-mediated immune responses, thereby localizing 4-1BB activation in TME and theoretically could reduce the systemic toxicity that long impeded the development of 4-1BB agonistic therapies. Although ongoing clinical trials have yet to definitively affirm the correlation between the molecular design and the safety profile, and we cannot exclude other factors that may also influence the safety result of LBL-024, preliminary observations suggest a favorable safety profile for LBL-024 at dose level of up to 25 mg/kg in monotherapy and 15 mg/kg in combination with chemotherapy, as compared to urelumab (a 4-1BB antibody agonist), for which clinical development was discontinued due to liver toxicity observed at dose levels of 0.1-15 mg/kg, and to acasunlimab (a registrational-stage 4-1BB/PD-L1 bispecific antibody) at dose levels of 25-1,200 mg (approximately 0.4-20 mg/kg in a 60 kg adult). While these clinical trial data were generated from independent studies and do not result from head-to-head comparisons, and there is no assurance that the safety data of LBL-024 in subsequent clinical trials will be as favorable as those observed in earlier Phase I/II trials, these observations nonetheless provide meaningful insight suggesting that LBL-024 could potentially offer a compelling safety profile.

In our Phase I/II clinical trials in China, LBL-024 has demonstrated encouraging efficacy and safety profile for the treatment of advanced EP-NEC, either as a monotherapy or in combination with chemotherapy. In its monotherapy Phase I/II trial, among 45 evaluable patients with 2L/3L+ EP-NEC, 15 achieved partial response (PR), and eight achieved stable disease (SD), indicating an objective response rate (ORR) of 33.3%, and a disease control rate (DCR) of 51.1%, as of February 12, 2025. The median progression-free survival (PFS) for the overall, 2L, and 3L+ patients was 2.8, 4.1, and 2.8 months, respectively. The median follow-up period was 18.2 months, and the median overall survival (OS) was 11.9 months, as of February 12, 2025. The

6-month OS rates for the overall, 2L, and 3L+ populations were 79.5%, 90.0%, and 70.8%, respectively. As of February 12, 2025, no dose-limiting toxicity (DLT) was observed, and the maximum tolerated dose (MTD) was not reached, even at the highest dose tested of 15.0 mg/kg. Most adverse events are Grade 1 or 2 and manageable. In the 1L EP-NEC cohort of our Phase Ib/II clinical trial of LBL-024 in combination with chemotherapy, the preliminary data cut off at February 14, 2025 showed that, among 61 evaluable EP-NEC patients (all in the 6, 10 and 15 mg/kg LBL-024 dose groups), 43 achieved PR and 13 achieved SD, demonstrating an encouraging ORR of 70.5% (43/61) and DCR of 91.8% (56/61). Notably, the 15mg/kg dose group showed a particularly promising ORR of 71.4%. Furthermore, during the dose optimization stage of the Phase II trial, an ORR of 83.3% was observed at the 15 mg/kg dosage, which is approximately twice the ORR of recommended first-line chemotherapy regimens (ORR: 41.5% to 47.9%), as reported in publicly available clinical data. No DLTs were observed and the MTD was not reached up to 15 mg/kg, as of February 14, 2025.

In comparison, the ORR, median PFS and median overall survival (mOS) of Keytruda® are approximately 7%, 1.8 months, and 7.8 months, respectively, in patients with 2L/3L+ EP-NEC, according to its publicly reported clinical data. The ORR, median PFS and mOS of Opdivo® are approximately 7.2%, 1.8 months and 7.2 months, respectively, in patients with 2L EP-NEC, according to its publicly reported clinical data. The mOS of FOLFIRI, nivolumab as well as the combination of nivolumab and ipilimumab regimen was 8.9, 7.2 and 5.8 months, respectively, in the second-line or above treatment of EP-NEC, according to their respective publicly reported clinical data. As of the Latest Practicable Date, none of the PD-L1 inhibitors have been approved for treating EP-NEC given their limited efficacy for this indication observed in clinical trials, according to Frost & Sullivan. Although the foregoing clinical trial data were generated in independent studies and do not come from head-to-head analysis, and there is no assurance that the data of LBL-024 in later clinical trials will be as favorable as that of that Phase I/II trial, we believe meaningful insight may be drawn that LBL-024 could potentially offer a compelling treatment option for EP-NEC.

Based on such encouraging trial results and considering other investigational therapies targeting DLL3/CD3 and SEZ6 remain in early clinical stages, LBL-024 has the potential to become the first drug approved for treating advanced EP-NEC. In 2024, there was 17.2 thousand patients with EP-NEC in China, which is expected to increase to 23.1 thousand by 2030, according to Frost & Sullivan. In the deficient of a standard of care for EP-NEC, we obtained an approval from the NMPA for a single-arm registrational trial to evaluate LBL-024 monotherapy in patients with EP-NEC who failed previous chemotherapy in April 2024, and enrolled the first patient in this trial in July 2024. Subject to the clinical progress, we expect to submit a biologics license application (BLA) to the NMPA by the third quarter of 2026 and anticipate obtaining a conditional approval by the second quarter of 2027.

Beyond EP-NEC, we see extensive indication expansion opportunities with LBL-024, considering the selective expression of 4-1BB on tumor-experienced cytotoxic T cells, its key co-stimulatory effects, and the broad expression of PD-L1 across various cancer types. LBL-024's proven preliminary efficacy in advanced EP-NEC presents a strong case for its potential development for other NEC types, such as SCLC, and potentially as a frontline treatment. In our Phase Ib/II trial of LBL-024 in combination with chemotherapy, among 19 evaluable patients, ORR of 84.2% (16/19) and DCR of 100% were observed in the SCLC cohort, as of February 14, 2025. Beyond NECs, LBL-024 monotherapy has also generated preliminary efficacy signals in multiple other large cancer indications, particularly BTC and NSCLC. Additionally, we are also actively exploring the therapeutic potential of LBL-024 in combination with standard of care (SOC) treatments in ESCC, HCC, GC and other solid tumors. We have received the IND approval from the NMPA for a Phase II study of LBL-024 in combination with SOC targeting HCC, GC and ESCC, among other cancer types, in China in September 2024, and plan to enroll the first patient in the relevant trials in the second half of 2025.

- **LBL-034**, one of our key products, is a humanized bispecific T-cell engager targeting both GPRC5D and CD3, enable to redirects T cells to selectively attack cancer cells, offering a promising therapeutic approach for the treatment of hematological malignancies. LBL-034 is one of the lead assets among our portfolio of CD3 T-cell engagers. We are currently evaluating the therapeutic potential of LBL-034 in a Phase I/II trial for the treatment of relapsed/refractory multiple myeloma (MM) in China. Including TALVEY® (talquetamab) by Janssen Biotech which has been approved for MM in the U.S., LBL-034 is the second most clinically advanced GPRC5D-targeted CD3 T-cell engager globally, according to Frost & Sullivan. Further, LBL-034 obtained the ODD from the FDA for the treatment of MM in October 2024.

By harnessing our proprietary LeadsBody™ platform, a CD3 T-cell engager platform developed in-house, LBL-034 is designed with a 2:1 format, with two high-affinity Fabs targeting GPRC5D and one scFv targeting CD3. The tailored positioning and spatial arrangement of the molecule enable LBL-034 to selectively bind to T cells only when GPRC5D+ cells are present, thereby conditionally activating T cells within the GPRC5D-expressing TME. This distinct molecular design and conditional T-cell activation mechanism minimize the safety concerns associated with off-target CD3 engagement and lower risks related to cytokine release syndrome (CRS).

LBL-034 has exhibited promising efficacy signals in our preclinical studies, at a level comparable to or exceeding its major competitors. Additionally, in its monotherapy Phase I/II trial targeting relapsed/refractory MM, an ORR of 63.2% (24/38) in all dose groups was observed, including four stringent complete response (sCR), five complete response (CR), 11 very good partial response (VGPR), and four PR, as of March 11, 2025. Notably, at doses of 200 µg/kg and above, encouraging efficacy results were observed. Particularly, we observed an ORR of 77.8% (14/18) and a VGPR or better rate of 61.1% at 400 µg/kg and a VGPR or better rate of 100.0% at 800 µg/kg, as of the same cut off date. In contrast, publicly available clinical data for TALVEY® (talquetamab), the only approved GPRC5D-targeting bispecific antibody to date, reported a VGPR or better rate of 52% in the patients with MM at a dose of

800 µg/kg. Although the foregoing clinical trial data were generated in independent studies and do not come from head-to-head analysis, and there is no assurance that the data of LBL-034 in later clinical trials will be as favorable as that of that Phase I/II trial, we believe meaningful insight may be drawn that LBL-034 could potentially offer improved efficacy for the treatment of MM with a more favorable therapeutic window. Further, no DLT or Grade ≥ 3 CRS were observed up to a dosage of 800 µg/kg, as of February 28, 2025.

MM is the second most prevalent blood cancer with a high relapse rate post current 1L treatment. In 2024, the prevalence of MM reached 132.3 thousand in China. According to Frost & Sullivan, the MM drug market size in China grew from RMB5.7 billion in 2019 to RMB9.2 billion in 2024 at a CAGR of 10.0%, and is projected to reach RMB23.4 billion in 2030, respectively. According to the forecast of Janssen Biotech, TALVEY® (talquetamab) is expected to generate peak annual sales of US\$5 billion worldwide in the future. In consideration of the sizable population of patient with MM, the relatively long progression-free survival of patients treated with TALVEY®, and various shortcomings of existing antibody drugs targeting other therapeutic targets, such as CD38 and BCMA, we believe our LBL-034 holds significant market potential. Based on the results from its monotherapy Phase I/II trial, we plan to file an application for a single-arm registrational trial with the NMPA by the third quarter of 2025, which may allow us to pursue accelerated marketing approval of LBL-034 for the 4L+ treatment of MM.

- **LBL-033**, one of our key products, is a bispecific T-cell engaging antibody targeting both MUC16 and CD3, leveraging the immune system to precisely eliminate cancers with high MUC16 expression, which allows for selective targeting of tumor cells while minimizing damage to healthy tissues. It is being developed for the treatment of solid tumors with high MUC16 expression, particularly gynecological cancers such as ovarian, cervical and endometrial cancer. LBL-033 is among the top two MUC16/CD3 bispecific antibodies globally to have entered clinical stage, according to Frost & Sullivan.

Developed on our LeadsBody™ platform, LBL-033 shares the 2:1 asymmetrical structure similar to LBL-034, and is designed to specifically bind a membrane-proximal domain of MUC16 with an affinity ten times higher than its affinity for CD3. This design enhances its targeting specificity, unaffected by the serum form of MUC16, CA125, in the blood circulation. LBL-033 is showed to conditionally activate T cells in the presence of MUC16+ tumor cells in preclinical studies, leading to reduced off-target toxicity and lowered risks of CRS.

LBL-033 has demonstrated promising antitumor activity and a manageable safety profile in our preclinical and early clinical studies. We are conducting a Phase I/II clinical trial of LBL-033 monotherapy in various solid tumors in China. The preliminary trial results as of June 28, 2024 indicated that five out of 20 evaluable patients achieved SD, with one patient maintaining stability for over nine months, only one DLT was observed and the MTD was not reached up to 10 mg/kg in this trial.

Ovarian cancer (OC), known for its low five-year survival rate, saw a total of 62.3 thousand incidences in China in 2024, according to Frost & Sullivan. We are also exploring the synergistic therapeutical potential of LBL-033 in combination therapies, both with SOC and certain agents in our own portfolio, for the treatment of a range of MUC16-overexpressed cancer types.

- **LBL-007**, one of our key products, is a fully human IgG4 monoclonal antibody targeting LAG3 to restore immune function, boosting T-cell activity and enhancing the effectiveness of cancer immunotherapy. It ranks among the top three LAG3-targeted clinical-stage monoclonal antibodies globally in terms of clinical development (other than the only one marketed LAG3-targeted drug), and is the first in its class with proven efficacy in NPC, according to Frost & Sullivan.

LAG3 is an immune checkpoint receptor that negatively regulates T-cell function. Configured to target unique epitopes of LAG3, our LBL-007 can bind to LAG3 with high affinity and block LAG3's engagement with all four identified immune inhibitory ligands, including MHC-II, LSECtin, Gal-3 and FGL-1. Upon binding to LAG3, LBL-007 induces potent endocytosis, reducing LAG3 expression on the cell surface, which further blocks ligand interaction and enhances immune responses.

The combination therapy integrating LBL-007 and PD-1 inhibitors demonstrates promising synergistic antitumor effects and favorable safety across various tumor types in the clinical studies. Notably, in our Phase II trial, LBL-007 in combination with tislelizumab (anti-PD-1 antibody) and chemotherapy achieved an ORR of 83.3% and a DCR of 97.6% among 42 evaluable patients with 1L NPC, as of January 13, 2025. As of the same date, the observed 9-month PFS rate stood at 75.1% with mPFS of 15.0 months. In comparison, the ORR and median PFS of the combination of tislelizumab and chemotherapy regimen is about 69.5% and 9.2 months, respectively, in patients with recurrent/metastatic NPC, according to the publicly reported clinical data from Rationale-309 (a Phase III clinical trial for tislelizumab combined with gemcitabine and cisplatin in 1L RM-NPC). These impressive response rate and survival benefits position LBL-007 as the first LAG3 antibody to show robust efficacy in NPC.

We entered into a license and collaboration agreement with BeiGene in December 2021 for an exclusive license to develop, manufacture and commercialize LBL-007 outside Greater China. BeiGene had then been conducting various global trials to evaluate LBL-007 in combination with tislelizumab and standard of care in NSCLC, CRC, HNSCC and ESCC. The BeiGene Agreement was later terminated on the date of May 18, 2025 as specified in the termination notice provided by BeiGene. Our Directors confirmed that, having made enquiries with BeiGene, BeiGene's decision to terminate this agreement was driven by its internal reassessment of portfolio priorities, rather than any unfavorable safety and efficacy results observed in the clinical trials of LBL-007. Following this termination, we regained full, global rights to develop, manufacture and commercialize LBL-007. We are not obliged to return any payments received or make any payments to BeiGene in respect of the termination of this agreement. We and BeiGene will collaborate to facilitate orderly transition of responsibilities under the BeiGene Agreement for a reasonable time after

termination. Other than the BeiGene Agreement, we had not entered into any licensing and collaboration arrangements with BeiGene concerning any of our drug candidates, as of the Latest Practicable Date. We currently have no plans to establish further collaborations or arrangements with BeiGene related to our Core Product, LBL-024, going forward. Furthermore, upon our written request, BeiGene will provide all material non-clinical, preclinical and clinical data of LBL-007, including those generated from the previous global trials to evaluate LBL-007 in combination with tislelizumab and standard of care in NSCLC, CRC, HNSCC and ESCC, to us within six months after termination. BeiGene is currently transferring to us the relevant data of terminated Licensed Products, and we will carefully evaluate all available datasets to seize future development opportunities with LBL-007 in targeted indications of solid tumors. Besides, we remain confident and committed to our ongoing clinical programs of LBL-007 for the treatment of advanced NPC, particularly in consideration of the favorable efficacy and safety profiles observed in its Phase Ib/II trial in combination with tislelizumab and/or chemotherapy. We also plan to further investigate the therapeutic potential of LBL-007 in melanoma, building on clinical data from our Phase I trial targeting this indication. See “— Collaboration Agreements — License and Collaboration Agreement with BeiGene” for more information.

Our proprietary drug candidates and technologies are safeguarded by a well-structured global patent portfolio, which comprises seven issued patents in China, six issued patents in the U.S., nine issued patents in other jurisdictions, as well as 25 patent applications in China, 4 patent applications in the U.S., 16 patent applications in other jurisdictions and 16 Patent Cooperation Treaty (PCT) patent applications that may enter various countries in the future, as of the Latest Practicable Date.

We adopt a science-driven R&D approach which draws upon decades of experience of our founders in antibody drug development and is underscored by a culture that values open discussion. Our R&D capabilities, combined with a rigorous, data-driven decision-making process, have been crucial to our past success and will continue to propel us forward in creating effective therapeutic solutions. Through over a decade of R&D efforts, we have developed proprietary technology platforms, including LeadsBodyTM platform (a CD3 T-cell engager platform), X-bodyTM platform (a 4-1BB engager platform), and several other bispecific antibody and fusion protein platforms. These technology platforms offer us a broad arsenal of advanced tools and techniques for designing, screening and optimizing antibodies, serving as the engine to drive our continuous drug innovations for different targets, mechanisms of action, and modalities.

We aim to develop into a biotechnology company with platform capabilities to efficiently move our drug candidates from early research to clinical application. To date, we have established all essential functionalities throughout the drug development process, from early-stage screening and discovery, preclinical research, clinical development, CMC to pilot manufacturing. These integrated capabilities underscore the scalability and reproducibility of our drug development activities, allowing us to continuously advance the development of our antibody-based therapies. Capitalizing on the synergy among these diverse yet interconnected functions, we have achieved an efficient drug development process from target selection to IND submission within only three years, outpacing the industry average of approximately five to six years in innovative drug development, according to Frost & Sullivan. As our clinical assets approach commercial launch,

we may consider establishing our commercial-scale manufacturing facilities and strengthening our commercialization capabilities through both collaboration and our internal sales force. Particularly, we are actively seeking strategic partnerships with different industry players and venture capitals to explore clinical development and commercialization opportunities outside of China.

Our success is anchored by a seasoned leadership team with global vision. Our co-founders, Dr. Kang Xiaoqiang and Dr. Lai Shoupeng, bring their combined decades of experience in the pharmaceutical industry, particularly in antibody drug discovery and development. They initially connected through their research endeavors in the world-class immuno-oncology laboratory of Dr. Steven Rosenberg back in the late 1990s, where their mutual pursuit of advancing medical science was inspired. Dr. Kang is one of the few seasoned founders in China's biopharmaceutical industry with a proven track record of progressing the first-generation antibody drugs from discovery to commercialization. Led by our co-founders, our senior management team, composed of top talents with multi-disciplinary and complementary backgrounds, work collaboratively to execute our growth strategies. Driven by a vision to become a global leader in immuno-oncology therapeutics, we are committed to implementing rationalized strategies that maximize the therapeutic impact and commercial value of our products. This commitment empowers us to maintain a strong focus on innovation.

OUR COMPETITIVE STRENGTHS

Key player in immuno-oncology therapeutic development with multiple differentiated assets among global top three most clinically advanced candidates

We are dedicated to the discovery and development of immuno-oncology therapies for patients worldwide with medical needs left behind by currently available cancer treatments. To that end, we have rationally designed and built a pipeline of drug candidates that is both broad and focused, exploring a multitude of combinatorial anti-cancer strategies across various modalities. This strategy enables us to develop four core and key products positioned as clinically advanced candidates globally, either in their respective classes or among those addressing the same target(s).

The last decade has seen transformative shifts in cancer treatment paradigms, largely due to the advent of immunotherapies, such as PD-1/PD-L1 and CTLA-4 inhibitors. Despite their successes, these therapies only induce meaningful responses in about 20% of cancer patients, and some eventually face relapse or resistance. The limited efficacy of current immunotherapies is often due to the complex and varied immunosuppressive factors within the tumor microenvironment (TME). To overcome the immunosuppressive TME and activate effective cancer killing, we employ a multi-faceted approach that combines different therapeutic strategies based on our deep understanding of cancer biology and clinical needs. Initially focused on a new generation of immunotherapies such as co-stimulatory agonists and checkpoint inhibitors, we have expanded our pipeline to include CD3 T-cell engagers, and ADCs. This comprehensive approach offers huge cancer treatment opportunities with significant potential for combination strategies.

Our visionary founders, Dr. Kang Xiaoqiang and Dr. Lai Shoupeng, have decades of specialized experience in developing antibody drugs, particularly bispecific antibodies. Their profound expertise and insights in target selection, molecular design, and clinical medicine have shaped our approach towards cancer treatment. Since 2014, we strategically focus on emerging targets and advanced platform technologies that empower us in the race to develop cancer drugs.

With this strategic focus and rigorous validation processes, we identify and pursue untapped or underserved targets, which typically present significant technical challenges that impact agents' efficacy and safety profiles. Overcoming these hurdles not only advances therapeutic innovation but also potentially unlocks substantial market opportunities, enabling us to capitalize on emerging opportunities in this competitive landscape. Our sophisticated antibody engineering capabilities and robust technology platforms equip us to effectively tackle these hard-to-drug targets, advancing molecules rapidly from discovery to clinical trials. Additionally, our clinical expertise and efficient trial execution enable us to swiftly identify and expand underserved cancer indications for fast market entry. Our broad perspectives, proactive strategy, and efficient clinical validation have made us an attractive partner of choice. We are actively pursuing value-accretive collaboration opportunities to enhance our ability to access international markets at optimized costs and controlled risks, turning our scientific research into potential commercial successes.

This model showcases the strengths of our R&D, clinical development, CMC and business development capabilities in antibody drug development. This strategic approach has led to our success in drug development, as exemplified by four of our core and key drug candidates, including LBL-024, LBL-034, LBL-033, and LBL-007, each having entered the clinical stage and ranking among the world's clinically advanced, either in its class or among those addressing the same target(s).

One achievement that stems from our integrated approach is LBL-024, a 4-1BB/PD-L1 bispecific antibody. We conducted thorough immuno-oncology research, and extensively tested our X-body™ platform before selecting the co-stimulatory target 4-1BB for development. Our unique molecular design is expected to provide LBL-024 with the potential to overcome the major hurdle of liver toxicity associated with 4-1BB and to achieve synergistic antitumor effects through both immune activation and the alleviation of immune suppression. Although ongoing clinical trials have yet to definitively affirm the correlation between the molecular design and the safety profile, and we cannot exclude other factors that may also influence the safety result of LBL-024, preliminary observations suggest a favorable safety profile for LBL-024 at dose level of up to 25 mg/kg in monotherapy and 15 mg/kg in combination with chemotherapy, as compared to urelumab (a 4-1BB antibody agonist), for which clinical development was discontinued due to liver toxicity observed at dose levels of 0.1-15 mg/kg, and to acasunlimab (a registrational-stage 4-1BB/PD-L1 bispecific antibody) at dose levels of 25-1,200 mg (approximately 0.4-20 mg/kg in a 60 kg adult). While these clinical trial data were generated from independent studies and do not result from head-to-head comparisons, and there is no assurance that the safety data of LBL-024 in subsequent clinical trials will be as favorable as those observed in earlier Phase I/II trials, these observations nonetheless provide meaningful insight suggesting that LBL-024 could potentially offer a compelling safety profile.

Initiated in 2019, LBL-024 entered the registrational trial stage with the first patient enrolled in July 2024, taking only five years. Targeting EP-NEC, a condition without effective treatment options, LBL-024 is expected to receive an accelerated market approval by the second half of 2027, and it has the potential to become the first approved 4-1BB targeted therapy globally for EP-NEC. The rapid development of this candidate underscores our acuity in target selection, technical prowess in antibody drug engineering, and efficiency in the execution of our drug development strategy.

The advancement of our CD3 T-cell engagers, including LBL-034 (GPRC5D/CD3) and LBL-033 (MUC16/CD3), is another testament to our integrated approach. Their distinct molecular design and conditional T-cell activation mechanism effectively reduces off-target CD3 engagement and lowers the safety risks related to CRS. Both of LBL-034 and LBL-033 is among the world's first three bispecific antibodies for their respective targets to have entered into clinical stage. Leveraging our expertise in bispecific antibody engineering, we have established the proprietary LeadsBody™ platform, which is specialized in designing CD3 T-cell engagers that optimize the balance between efficacy and safety. These T-cell engagers are characterized by a unique 2:1 asymmetrical structure, which precisely controls how strongly they bind to both CD3 and tumor markers, allowing them to efficiently activate T cells while minimizing cytokine release and decreasing T-cell exhaustion. This unique design could reduces side effects that often force patients to stop treatment, extending treatment duration, and enhancing patient quality of life. LBL-034 and LBL-033 share this unique structure and have both demonstrated the potential for encouraging efficacy and safety profiles in preclinical studies and early-stage clinical trials. We are currently evaluating LBL-034 for the treatment of relapsed/refractory MM and LBL-033 for the treatment of solid tumors with high MUC16 expression, particularly OC, in Phase I/II clinical trials in China. Additionally, we received the ODD from the FDA of LBL-034 for the treatment of MM in October 2024.

Another achievement is LBL-007, a LAG3 antibody. Designed with a unique structure to bind to specific epitopes of LAG3 with high affinity, LBL-007 effectively unveils the intricate inhibitory signaling mechanism of LAG3 and blocks its interaction with all four identified immune inhibitory ligands. We advanced this antibody from discovery to clinical stage covering several cancer indications. Based on our understanding of cancer biology and T-cell immunity, we identified NPC as a target indication for the combination therapy of LBL-007 and a PD-1 antibody, for the first time demonstrating the efficacy of this combination therapy beyond melanoma.

Beyond traditional out-licensing transactions, we also seek to capitalize on the potential of our pipeline assets through various other collaborative approaches. For example, recognizing the first-in-class potential of LBL-051 (a preclinical CD19/BCMA/CD3 T cell engager), we have reached collaboration arrangements with NewCo newly formed by Aditum Bio, a biotech venture firm, dedicated to the global development and commercialization of LBL-051. This collaboration, valued at up to US\$614 million plus potential royalties and an equity stake in this NewCo, enables us to leverage the capabilities and resources of Aditum Bio to further develop LBL-051 as well as benefit from the cash and equity payments from NewCo. This partnership illustrates another approach in translating scientific achievements into potential commercial success, demonstrating the effectiveness of our business model.

These achievements highlight our ability to translate scientific insights and strategic partnerships to potential commercial success. We rigorously assess whether our technologies and products can surmount technical challenges and fulfil treatment gaps. We believe this strategy enables us to deliver potentially improved therapeutic benefits and secure market opportunities. Our strategic approach and comprehensive capabilities shall continue to propel the development and commercialization of our pipeline assets and enrich our portfolio. We aim to sustain our edges in immuno-oncology therapeutic development and even expand our reach beyond cancer treatment, offering new therapeutic options to pressing healthcare challenges, such as autoimmune disorders.

Registrational-stage PD-L1/4-1BB bispecific antibody candidate (LBL-024) with the potential to become the globally first 4-1BB-targeted immunotherapy for EP-NEC, with extensive indication expansion opportunities

LBL-024 is a PD-L1 and 4-1BB dual-targeting bispecific antibody in 2:2 format. It stands as the world's first 4-1BB-targeted molecule to have reached registrational stage for EP-NEC. LBL-024 has demonstrated encouraging efficacy and safety profile in our multiple clinical trials targeting advanced EP-NEC, SCLC, BTC, NSCLC and other solid tumors. In the deficient of a standard of care for EP-NEC, we obtained an approval from the NMPA for a single-arm registrational trial to evaluate LBL-024 monotherapy in patients with EP-NEC who failed previous chemotherapy in April 2024, and enrolled the first patient in this trial in July 2024. Additionally, we have received the BTD for LBL-024 in treating late-line EP-NEC from the NMPA in October 2024, as well as the ODD in treating NEC from the FDA in November 2024.

Key strengths of LBL-024 include:

- ***Synergistic efficacy through dual functions — “gearing the paddle” (activating T cell immunity) while “loosening the brake” (blocking PD-1/L1 pathway):*** While 4-1BB has long been recognized as a promising target for immuno-oncology therapy, its clinical development has been impeded by the occurrence of severe adverse events, particularly liver toxicity due to systemic 4-1BB activation. To tackle this challenge, we specifically engineered LBL-024 with a 2:2 format, featuring two binding domains for each of PD-L1 and 4-1BB and a significantly differentiated affinity ratio of approximately 1:300 for 4-1BB versus PD-L1. This unique molecular design is expected to provide LBL-024 with the potential to conditionally activate 4-1BB-mediated T cell immune responses within the TME only when PD-L1 is present, while simultaneously alleviating the immune suppression by inhibiting the PD-1/L1 pathway.

The conditional activation strategy localizes the 4-1BB activation to the tumor site and theoretically could reduce the risk of toxicities associated with systemic exposure, including liver toxicity and over-activation of 4-1BB. Additionally, LBL-024 demonstrated a broader effective concentration range (EC₈₀) than an analog of Genmab's GEN-1046 (the other clinical-stage PD-L1/4-1BB bispecific antibody) in our preclinical studies, suggesting a wider therapeutic window. Our preclinical studies also revealed more potent antitumor activity of LBL-024 compared to either anti-PD-L1 antibody or anti-4-1BB antibody as a single agent. Notably, LBL-024 also exhibited strong antitumor efficacy in Keytruda® (anti-PD-1 antibody) resistant mouse tumor model.

- ***Strong antitumor efficacy and safety demonstrated in Phase I/II clinical trials targeting EP-NEC:*** LBL-024 demonstrated encouraging efficacy and safety profile in its monotherapy Phase I/II trial in China. As of February 12, 2025, 15 out of 45 evaluable patients with 2L/3L+ EP-NEC achieved PR, and eight achieved SD, indicating an ORR of 33.3%, and a DCR of 51.1%. The median PFS for the overall, 2L, and 3L+ patients was 2.8, 4.1, and 2.8 months, respectively. The median follow-up period was 18.2 months, and the mOS was 11.9 months. The 6-month OS rates for the overall, 2L, and 3L+ populations were 79.5%, 90.0%, and 70.8%,

respectively. In comparison, the ORR, median PFS, and mOS of Keytruda® are approximately 7%, 1.8 months, and 7.8 months, respectively, in patients with 2L/3L+ EP-NEC according to their publicly reported clinical data. The ORR, median PFS and mOS of Opdivo® are approximately 7.2%, 1.8 months and 7.2 months, respectively, in patients with 2L EP-NEC, according to its publicly reported clinical data. The mOS of FOLFIRI, nivolumab as well as the combination of nivolumab and ipilimumab regimen was 8.9, 7.2 and 5.8 months, respectively, in the second-line and above treatment of EP-NEC, according to their respective publicly reported clinical data. As of the Latest Practicable Date, none of the PD-L1 inhibitors have been approved for treating EP-NEC given their limited efficacy for this indication observed in clinical trials, according to Frost & Sullivan.

In the monotherapy Phase I/II trial, in 175 cancer patients treated across seven dose levels from 0.2 mg/kg to 25 mg/kg once every three weeks, no DLT was observed, and the MTD was not reached, even at the highest dose tested of 25.0 mg/kg, as of February 12, 2025. Most adverse events are Grade 1 or 2 and manageable. Only 1.1% (2/175) of patients experienced Grade 3 or higher adverse events related to increased AST levels, and only 0.6% (1/175) of patient showed increased ALT levels. Both of AST and ALT levels are key indicators of liver toxicity. In comparison, according to the publicly reported clinical data of Genmab's acasunlimab, a Phase II-stage PD-L1/4-1BB bispecific antibody, in combination with Keytruda® for the treatment of metastatic NSCLC, 13.3% of the patients experienced Grade 3 or above liver-related adverse events.

Although the above clinical trial data for comparison were generated in independent studies and do not come from head-to-head analysis, and there is no assurance that the data of LBL-024 programs in later clinical trials will be as favorable as that of this Phase I/II trial, we believe meaningful insight may be drawn that LBL-024 could potentially become a favorable choice in terms of both efficacy and safety for EP-NEC treatment.

Recognizing the importance of LBL-024's research and clinical results, we were selected to make an oral presentation of the aforementioned promising efficacy and safety results observed in the Phase I/II trial of LBL-024 monotherapy at the 2024 ASCO Annual Meeting.

We are also evaluating the combination of LBL-024 and chemotherapy in a Phase Ib/II clinical trial for the first-line treatment of EP-NEC and SCLC. LBL-024 has further demonstrated its promising efficacy signals in this trial. As of February 14, 2025, among 108 patients with 1L NEC (including EP-NEC and SCLC) who received doses of 6, 10, or 15 mg/kg LBL-024 combined with chemotherapy, no DLT was observed, and the MTD was not reached up to 15 mg/kg. Most adverse events are Grade 1 to 2 and manageable. As of February 14, 2025, among 61 evaluable patients in the EP-NEC cohort of the Phase Ib/II trial of LBL-024, the ORR reached 71.4% (15/21), 60.0% (3/5) and 71.4% (25/35) at dose group of 6 mg/kg, 10 mg/kg and 15mg/kg, respectively, and the DCR reached 91.8% (56/61) across all dose groups. As of February 14, 2025, 38 patients had been enrolled in the SCLC cohort of the Phase Ib/II trial of LBL-024, with an observed ORR of 84.2% (16/19). Notably, we were

selected to give an oral presentation on the clinical data observed in the Phase Ib/II clinical trial of LBL-024 in combination with chemotherapy at the 2025 ASCO Annual Meeting.

- ***Potentially the first drug approved for EP-NEC:*** In April 2024, we obtained the NMPA's approval for a single-arm registrational trial to evaluate LBL-024 in patients with EP-NEC who had failed previous chemotherapy. We subsequently enrolled the first patient in this trial in July 2024. We expect to submit a BLA to the NMPA by the third quarter of 2026 and anticipate obtaining the conditional approval from the NMPA by the second quarter of 2027.

In 2024, there was 17.2 thousand patients with EP-NEC in China, respectively, which are expected to increase 23.1 thousand by 2030, according to Frost & Sullivan. The deficient of a standard of care for EP-NEC allows us to pursue an accelerated regulatory approval through a single-arm registrational trial. This clinical development strategy is designed to fast-track the market entry of LBL-024, cementing its position at the forefront of 4-1BB-targeted therapies. Upon approval, LBL-024 would address the treatment gaps for this cancer, thereby accessing an untapped and promising market.

- ***Preliminary efficacy signals observed for additional large cancer indications:*** The proven preliminary efficacy of LBL-024 in EP-NEC presents a strong case for its potential development for other NEC cancer types, such as SCLC, and potentially as a frontline treatment. In our Phase Ib/2 trial of LBL-024 in combination with chemotherapy, among 19 evaluable patients, ORR of 84.2% (16/19) and DCR of 100% were observed in the SCLC cohort, as of February 14, 2025.

Additionally, in our Phase I/II trial of LBL-024 monotherapy, among 25 evaluable patients with BTC, one achieved CR (duration of response (DoR) of 100 weeks), one achieved PR, and 11 achieved SD, indicating an ORR and a DCR of 8.0% and 52.0%, respectively, as of February 12, 2025. LBL-024 monotherapy has also generated preliminary efficacy signals in other large cancer indications in this trial, such as NSCLC.

In light of the enduring treatment challenges for these cancer indications, the limitations of existing regimens, and the substantial treatment gaps among patient populations, we believe our LBL-024 holds exceptional market potential as a promising candidate to bridge the therapeutic gaps.

- ***Potentially next druggable immune checkpoint with indication expansion potential comparable to PD-1/L1 inhibitors:*** 4-1BB/PD-L1 bispecific antibody presents a next-generation immuno-oncology therapeutic approach in countering cancer's immune evasion mechanisms by simultaneously enhancing T-cell responses and restoring tumor immunosurveillance, which offers potential benefits to patients who do not respond to existing immunotherapies or have experienced a relapse. The broad expression nature of 4-1BB and PD-L1 offers significant indication expansion opportunities for LBL-024 across a range of solid tumors. In continuation of the aforementioned prevalent cancer types with proven efficacy, we are also actively

evaluating the use of LBL-024 in combination with SOC treatments across ESCC, HCC, GC and other solid tumors. We have received the IND approval from the NMPA for a Phase II study of LBL-024 in combination with SOC targeting HCC, GC and ESCC, among other cancer types, in China in September 2024, and plan to enroll the first patient in the relevant trials in the second half of 2025. We are dedicated to broadening the addressable patient population of LBL-024 through indication expansion, thus maximizing its therapeutic impact and market potential.

Comprehensive and differentiated pipeline covering multiple modalities, including CD3 T-cell engagers, monoclonal antibodies, and ADCs

We are committed to pioneering next-generation antibody-based therapeutics. We have internally developed a deep pipeline of multi-modality assets at various development stages. Apart from LBL-024, our pipeline includes five additional clinical-stage assets and eight preclinical assets targeting oncology and autoimmune diseases, spanning the modalities of mono-/bi-/tri-specific antibody, ADC, and fusion proteins. Initially focused on developing immunotherapies, such as co-stimulatory agonists and checkpoint inhibitors, we have expanded our scope to include newer therapeutic strategies such as CD3 T-cell engagers and ADCs. These drug candidates, with their varied and complementary mechanisms of action, offer broad cancer treatment potential and significant potential for combination use with other agents and among themselves. Beyond oncology, we are also harnessing our expertise in immunology to develop new treatments for autoimmune diseases. We have strategically focused our resources on developing drug candidates with rapid market-entry potential, aiming to capitalize on burgeoning market opportunities.

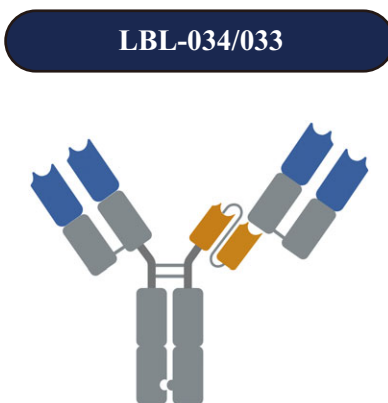
- **CD3 T-cell engagers**

Our pipeline includes a portfolio of CD3 T-cell engagers developed on our LeadsBody™ platform, particularly two clinical assets, LBL-034 (GPRC5D/CD3) and LBL-033 (MUC16/CD3), and two preclinical candidates, LBL-043 (LILRB4/CD3) and LBL-051 (CD19/BCMA/CD3). Harnessing our advanced platform technologies, our CD3 T-cell engagers are characterized by their optimal balance of efficacy and safety, achieved through differentiated 2:1 asymmetrical structure and fine-tuned affinity ratio between two arms.

CD3 T-cell engagers have emerged as an important class of immunotherapy in recent years by introducing a unique mechanism of action that offer advantages over immune checkpoint inhibitors. To date, a majority of bispecific antibodies approved by the U.S. Food and Drug Administration (FDA) are CD3 T-cell engagers. Their ability to effectively harness the immune system's power opens up numerous opportunities for advancing new immunotherapies across a wide spectrum of indications. According to Frost & Sullivan, the global sales revenue of BLINCYTO®, one of the best-selling CD3 T-cell engagers in the world, increased from US\$312 million in 2019 to US\$1.2 billion in 2024, at a CAGR of 30.0%. By simultaneously binding to CD3 on T cells and a tumor-specific antigen, these bispecific antibodies can effectively recruit and active T cells, redirecting their cytotoxicity specifically towards cancer cells. The cross-linking of T cells and tumor cells facilitates targeted T-cell immune responses, overcoming immune evasion mechanisms often present in tumor environment. As a result, CD3 T-cell engagers may lead to strong antitumor responses in a wide range of cancers, including those that are insensitive or have relapsed after the treatment of immune checkpoint inhibitors. CD3 T-cell engagers have

demonstrated considerable therapeutic promise across various hematological malignancies, and are increasingly proving efficacious in solid tumors as well. Their potential to synergize with other cancer treatments, such as chemotherapy and other immunotherapies, may further expand their application across numerous cancer types. This versatility and effectiveness position CD3 T-cell engagers as a promising approach at the frontier of the development of next-generation immunotherapies.

Leveraging our extensive expertise in bispecific antibody engineering, we have established the proprietary LeadsBody™ platform to facilitate diverse modifications to molecular designs of CD3 T-cell engagers, thereby effectively activating T-cell immunity while controlling the safety risks caused by cytokine releases. Our T-cell engagers developed on this platform share a unique 2:1 asymmetrical structure, with precisely tailored positioning and spatial arrangement of their binding arms, as illustrated in the figure below. These molecules exhibit relatively low affinity for CD3 and higher affinity for tumor-specific antigens, aligning with the understanding that the affinity balance correlates with target-dependent killing activity by T-cell engagers. This differentiated design minimizes safety concerns associated with on-target off-tumor CD3 engagement and reduces T-cell apoptosis, which are common challenges in the development of T-cell engagers. With well-balanced efficacy and safety profiles, our CD3 T-cell engagers can potentially achieve a greater therapeutic window, extend the duration of treatment, enhance the therapeutic impact across both liquid and solid tumors, and ultimately improve patients' quality of life.



Among our CD3 T-cell engagers, LBL-034 and LBL-033 are two lead assets that have demonstrated encouraging outcomes in our preclinical studies and early-stage clinical trials, fully validating the excellence of our LeadsBody™ platform in the development of potent CD3 T-cell engagers.

LBL-034 is a humanized bispecific T-cell engager targeting both GPRC5D and CD3. It is the second most clinically advanced GPRC5D-targeted CD3 T-cell engager globally, according to Frost & Sullivan. LBL-034 has generated promising preclinical and early clinical results highlighting its potential antitumor efficacy. In the mouse models with low-to-mid GPRC5D expression, LBL-034 resulted in significant tumor inhibition, surpassing that seen with talquetamab analog and comparable to RG6234 analog. Moreover, in our T-cell-dependent cellular cytotoxicity assays, LBL-034 induced a lower level of PD-1 and TIM3 expression on T cells, as well as a reduced decline in live T-cell numbers compared to RG6234 analog, indicating that

LBL-034 is less prone to induce T cell exhaustion and death. These findings indicate LBL-034's potential to match or exceed its major competitors in terms of efficacy. The ongoing monotherapy Phase I/II trial of LBL-034 has also demonstrated its encouraging efficacy in patients with relapsed/refractory MM, with an ORR of 63.2% (24/38) in all dose groups observed, including four sCR, five CR, 11 VGPR, and four PR. Notably, robust efficacy was observed at doses of 200 µg/kg and above, particularly, we observed an ORR of 77.8% (14/18) and a VGPR or better rate of 61.1% at 400 µg/kg and a VGPR or better rate of 100.0% at 800µg/kg, as of March 11, 2025. In contrast, publicly available clinical data for TALVEY® (talquetamab), the only approved GPRC5D-targeting bispecific antibody to date, reported a VGPR or better rate of 52% in the patients with MM at a dose of 800 µg/kg. Although the foregoing clinical trial data were generated in independent studies and do not come from head-to-head analysis, and there is no assurance that the data of LBL-034 in later clinical trials will be as favorable as that of that Phase I/II trial, we believe meaningful insight may be drawn that LBL-034 could potentially offer improved efficacy for the treatment of MM with a more favorable therapeutic window.

Benefited from our unique structure design, LBL-034 also induced lower levels of cytokine release than the analog of TALVEY® (talquetamab) by Janssen Biotech, the only approved GPRC5D/CD3 bispecific antibody. This suggests that LBL-034 presents a reduced risk of CD3-related CRS in human, indicating a potentially more favorable safety profile. As of February 28, 2025, no DLT or Grade ≥ 3 CRS were observed up to a dosage of 800 µg/kg in our ongoing Phase I/II trial of LBL-034, demonstrating its favorable safety profile.

LBL-033 is a bispecific T-cell engaging antibody against both MUC16 and CD3. It is the second and one of the few MUC16/CD3 bispecific antibodies to reach the clinical stage globally, according to Frost & Sullivan. LBL-033 is being developed for the treatment of solid tumors with high MUC16 expression, particularly gynecologic cancers, such as OC, cervical cancer, and endometrial cancer. With a 2:1 asymmetrical structure as our other T-cell engagers, LBL-033 is designed to specifically bind a membrane-proximal domain of MUC16 with an affinity 10 times higher than its affinity for CD3. This design greatly enhances its specificity of targeting and avoids neutralization by the serum or soluble form of MUC16 in the blood circulation. In preclinical studies, LBL-033 led to potent tumor growth inhibition as a single agent and in combination with a PD-1 inhibitor. In our TDCC assays, LBL-033 induced T cell killing comparable to that of the analog of REGN4018, the other clinical-stage candidate, but with lower cytokine release. In addition, preliminary efficacy signal and a good tolerability of LBL-033 have been observed in data available for its Phase I/II clinical trial so far.

Moreover, we have certain preclinical CD3 T-cell engagers that demonstrate therapeutic potential in targeting tumor cells, including LBL-043. LBL-043 is a bispecific T-cell engaging antibody targeting both LILRB4 and CD3 for the treatment of acute myeloid leukemia (AML) and relapsed and refractory multiple myeloma (RRMM). LILRB4 is an immune checkpoint inhibitory receptor highly expressed on AML cells, with a lack of expression in healthy hematopoietic stem and progenitor cells (HSPCs) and absent from normal tissues of major organ systems. This selectivity enables LBL-043 to precisely target and redirect T cells against AML and RRMM cells through CD3 engagement. LBL-043 shares a 2:1 asymmetrical structure and fine-tuned affinity ratio between two arms, which enable its potent antitumor activity while minimizing on-target off-tumor toxicity, thereby offering a promising therapeutic option for AML and RRMM. There had not been any approved or clinical-stage LILRB4/CD3 bispecific antibodies worldwide, as of the Latest Practicable Date.

- **Monoclonal antibodies**

Meanwhile, we are advancing several monoclonal antibodies in pursuit of potential opportunities in less crowded but underserved markets, including LBL-007 (LAG3), LBL-019 (TNFR2) and LBL-049 (GDF15).

LBL-007 is a fully human IgG4 monoclonal antibody targeting LAG3. It ranks among the top three LAG3-targeted clinical-stage monoclonal antibodies globally in terms of clinical development (other than the only one marketed LAG3-targeted drug), and is the first in its class with proven efficacy in NPC, according to Frost & Sullivan. LBL-007 is designed with a unique structure that allows it to bind to specific epitopes of LAG3 with high affinity and block LAG3's interaction with all four identified ligands, including MHC-II, LSECtin, Gal-3 and FGL-1, as evidenced in our preclinical studies. Upon binding to LAG3, LBL-007 induces potent endocytosis, thereby modulating intracellular signaling pathways independently of ligand interaction and enhancing immune responses. In our *in vitro* assays, LBL-007 demonstrated a higher internalization rate and was more effective in stimulating CD8+ T cell proliferation compared to the analog of relatlimab, the only marketed anti-LAG3 antibody developed by BMS. In our *in vivo* studies, LBL-007 showed stronger inhibition of tumor growth compared to the relatlimab analog.

In addition, the combination use of LBL-007 with PD-1 inhibitors exhibits promising synergistic antitumor effects and favorable safety across several tumor types in the clinical studies. Notably, in our Phase II trial, LBL-007 in combination with tislelizumab (anti-PD-1 antibody) and chemotherapy achieved an ORR of 83.3% and a DCR of 97.6% among 42 evaluable patients with 1L NPC, as of January 13, 2025. As of the same cut-off date, the observed 9-month PFS rate stood at 75.1% with mPFS of 15.0 months. No DLT was observed and the MTD had not been reached up to the highest dose level. In comparison, the ORR and median PFS of the combination of tislelizumab and chemotherapy regimen is about 69.5% and 9.2 months, respectively, in patients with recurrent/metastatic NPC, according to the publicly reported clinical data. This combination therapy has also shown remarkable efficacy in patients who previously did not respond to PD-1 monotherapy. These impressive response rate and survival benefits position LBL-007 as the first LAG3 antibody to show robust efficacy in NPC. It could represent a more effective treatment option than current standard of care for NPC.

LBL-019 is a TNFR2-targeted monoclonal antibody that can effectively stimulate T-cell proliferation and activation, thereby modulating immune responses. It exhibited promising single-agent efficacy and synergistic effects with anti-PD-1 antibody in our preclinical studies. The clinical trial results from its completed monotherapy Phase I study indicated that LBL-019 was safe and well tolerated in human subjects.

LBL-049, a monoclonal neutralizing antibody targeting GDF15, can effectively inhibit the GFRAL-RET signaling pathway triggered by GDF15-GFRAL interaction and has demonstrated promising outcomes in reversing cancer and chemotherapy-induced cachexia in our preclinical studies. There has not been any approved GDF15 antibodies worldwide, and only three at clinical stage, as of the Latest Practicable Date.

- **Antibody drug conjugates (ADCs)**

Combining the specificity of antibodies with the cytotoxicity of chemotherapy, ADCs are set to potentially replace conventional chemotherapy in the treatment of various solid tumors and hematologic malignancies, and also show promise for treating non-neoplastic conditions. We have strategically entered the ADC field by focusing on validated targets that previous ADC development efforts could not effectively exploit due to unsuitable payload or linker. Building on our expertise in cancer biology and antibody engineering, we carefully select payloads and linkers that are specifically tailored to those therapeutic targets to develop ADCs. For instance, LBL-054-ADC (CDH17-ADC) is a monoclonal antibody-based ADC targeting CDH17, developed using mouse hybridoma technology. Its capacity for internalization was assessed using the anti-Fc-MMAE method and FACS analysis. The ADC demonstrated potent binding to CDH17 in human cancer cell lines and engineered cells overexpressing CDH17, with killing activity confirmed on CDH17-positive, CDH17-negative, and mixed cancer cell populations. In xenograft mouse tumor models, LBL-054-ADC exhibited substantial antitumor efficacy, further supported by pharmacokinetic studies and plasma stability assessments using LC-MS methods. Furthermore, LBL-061 (EGFR/PD-L1 ADC) embodies a next-generation bispecific ADC targeting both EGFR and PD-L1 with a proprietary hydrophilic linker-exatecan system developed by Leads Biolabs. This molecule leverages dual mechanisms of action: enhanced tumor targeting through simultaneous EGFR and PD-L1 binding, cytotoxic payload delivery via EGFR-mediated internalization, and immune checkpoint inhibition via PD-L1 blockade. These mechanisms synergistically combine direct cytotoxicity with immune activation, resulting in potent antitumor effects. Together, these efforts exemplify our commitment to developing ADCs with enhanced efficacy and safety profiles.

Meanwhile, we are also actively exploring targets that are preferentially or exclusively expressed in specific tumor types but have not yet been exploited by existing ADC therapies. One such target is DLL3, for which we are currently advancing preclinical studies of LBL-058. LBL-058 (DLL3/CD3 ADC) is a T cell engager conjugate (TEC), combines a DLL3-targeted bispecific T-cell engager with a topoisomerase I inhibitor (TOP1i) payload. Engineered for high affinity to DLL3 and reduced affinity to CD3, LBL-058 mitigates T-cell-mediated cytotoxicity while maintaining potent tumor-directed activity. Its cytotoxicity and internalization were assessed in DLL3-positive cancer cells, while its therapeutic activity was validated in xenograft models, demonstrating significant antitumor effects.

We believe our differentiated ADC development strategies not only de-risk our portfolio but also increase the likelihood of developing effective and safe ADCs that can address insufficient therapeutic options in cancer treatment. Furthermore, our technological strengths in bispecific antibodies also enable us to explore the development of bispecific ADCs and dual-payload ADCs, further enhancing our approach to cancer therapy.

- **Autoimmune diseases**

Beyond our primary focus on oncology, we endeavor to use our expertise in immunology to treat certain chronic diseases that affect a sizable and underserved population, such as autoimmune diseases. Our strategy for developing antibody-based therapies targeting autoimmune diseases is rooted in a profound comprehension of their intricate pathogenesis, recognizing the simultaneous, sequential or alternating involvement of both innate and adaptive immunity in the complex progression of these conditions. Empowered by our advanced antibody engineering capabilities and platforms, we have culminated a range of early-stage autoimmune therapies mainly in the modality of bi- or tri-specific antibody molecules, including LBL-047 and LBL-051.

LBL-047 is a bispecific fusion protein composed of a humanized anti-BDCA2 antibody and an engineered TACI ectodomain. BDCA2 represents a promising therapeutic target for autoimmune diseases due to its unique expression and intricate signaling mechanisms on plasmacytoid dendritic cells (pDCs), a rare subset of dendritic cells deeply involved in inflammatory responses. Clinical data of BDCA2-targeted monoclonal antibody has validated the therapeutic potential of this target for systemic lupus erythematosus (SLE) and cutaneous lupus erythematosus (CLE), the two common autoimmune diseases. By simultaneously interfering with and blocking pDCs' and B cells' differentiation and activation, this dual-targeting function of LBL-047 enables it to suppress aberrant immune responses associated with autoimmune disorders with enhanced potency and across a broader range of indications. In our preclinical studies, LBL-047 has shown therapeutic promise for conditions in which the modulation of B cells and pDCs plays a crucial role. There had not been any approved or clinical-stage bispecific antibodies for the same set of targets as LBL-047 worldwide, as of the Latest Practicable Date, indicating its first-in-class potential. We have been selected to make an oral presentation of LBL-047 at the 2024 European League Against Rheumatism Congress Meeting.

LBL-051 is a trispecific T-cell engaging antibody simultaneously targeting CD19, BCMA and CD3, being developed for the treatment of B-cell and autoantibody driven autoimmune diseases, such as SLE, generalized myasthenia gravis (gMG), and multiple sclerosis (MS). It may effectively block autoantibody production by B and plasma cells, while potentially sustainably inhibiting the over-activation, differentiation and transformation of B cells into plasma cells, thereby potentially achieving improved therapeutic outcomes by modulating multiple facets of B-cell regulation. There had not been any approved or clinical-stage trispecific antibodies for the same set of targets as LBL-051 worldwide, as of the Latest Practicable Date, suggesting its first-in-class potential.

Viability of our business model from R&D to potential commercialization demonstrated by our strategic partnerships

The viability of our business model that integrates in-house R&D with external collaborations has been well proven by our strategic alliances with globally renowned partners on our self-developed drug candidates. Our approach begins with selecting promising therapeutic targets, and proceeds to design distinct molecular structures that are best suited for the targets. We then formulate clinical strategies catering to clinical needs and regulatory requirements, and culminate in value accredited collaborations with partners whose capabilities complement our strengths. Building upon this established model, we are continually pursuing diverse collaborative opportunities across our pipeline of candidates at various developmental stages to capitalize on their clinical and market potential.

LBL-051 is a great example of our sophisticated approach to value creation, demonstrating the successful translation of drug discovery into strategic asset capitalization. This CD19/BCMA/CD3 tri-specific antibody has attracted a collaboration with the NewCo established by a distinguished biotech venture firm Aditum Bio, with a deal value of up to US\$614 million plus potential royalties and an equity stake in this NewCo. Under this agreement with Oblenio, we grant NewCo an exclusive, worldwide license to develop, manufacture, commercialize and otherwise exploit our pre-clinical asset LBL-051 for all uses, subject to NewCo's election to exercise its option to retain such license after the applicable option period.

Through this collaboration, we can utilize our partner's extensive resources to rapidly advance the development and maximize the commercial value of the drug candidate. Specifically, Aditum Bio plans to leverage its capabilities, networks, and proprietary approaches to advance LBL-051 through clinical trials and bring it to patients in need. Additionally, we would benefit from the cash and equity consideration payable by NewCo pursuant to the Oblenio Agreement.

Our partnership of NewCo and Aditum Bio also underscores the recognition of our strong R&D capabilities, spanning across pioneering target selection, structural design, and enhanced preclinical development efficiency. It further validates our self-sustaining business model by generating considerable financial returns from such an early-stage asset while securing valuable resources for its future development.

The past successful advancement of LBL-007 has also illustrated the viability of our business model in translating scientific achievements into potential capitalization opportunities. Though the BeiGene Agreement was terminated on May 18, 2025, this collaboration has broadened the research on LBL-007 into multiple global Phase Ib/II studies for large cancer indications including NSCLC, CRC, HNSCC, and ESCC, and in overseas markets, such as the U.S., Europe, Australia, and other Asian countries. Under this arrangement, we retained the exclusive right to develop, manufacture and commercialize LBL-007 for all indications within Greater China, subject to certain specified exceptions. Following this termination, we regained full, global rights to develop, manufacture and commercialize LBL-007. We are not obliged to return any payments received or make any payments to BeiGene in respect of the termination of this agreement. We and BeiGene will collaborate to facilitate orderly transition of responsibilities under the BeiGene Agreement for a reasonable time after termination. For details, see “— Collaboration Agreement — License and Collaboration Agreement with BeiGene.”

Advanced bispecific antibody platforms and strong clinical development capabilities, facilitating continuous innovation and ensuring sustained long-term growth

We adopt a science-driven R&D approach which draws upon decades of experience of our founders in antibody drug discovery and development and is underscored by a culture that values open discussion. This environment fosters innovations that are both transformative and practical. Our R&D department, composed of 155 members as of the Latest Practicable Date, is staffed by industry veterans including research scientists, experienced physicians and other skilled professionals, who bring deep knowledge of T-cell signaling and disease biology and extensive experience across early-stage drug discovery, preclinical research, clinical development, and CMC development. Our R&D department is also characterized by remarkable stability, with minimal turnover in the past ten years. This stability, along with our team's focused commitment to immuno-oncology, particularly in developing bispecific antibodies over the past decade, have been pivotal to our continuous innovation and advancement of transformative therapies. Our R&D philosophy and capabilities, combined with a rigorous, data-driven decision-making process, have been crucial to our past success and will continue to propel us forward in creating effective therapeutic solutions.

Our continued R&D efforts led to multiple proprietary technology platforms that feature integrated, AI-powered and diversified antibody engineering capabilities, allowing us to develop new drug candidates with differentiated molecular structures. These powerful platforms effectively streamline our development process by providing a suite of advanced tools and techniques for antibody design, screening, and development. Our technology platforms serve as the cornerstone for our continued innovation and have been validated by the clinical outcomes of our bispecific antibody portfolios. Grounded in our deep understanding of molecular mechanisms and disease biology, our technology platforms are capable to discover and develop mono/bi-/tri-specific antibodies and fusion proteins that are best suited for the therapeutic targets and across a wide spectrum of cancer and autoimmune indications.

Our two technology platforms for T-cell activation include:

- ***LeadsBodyTM platform (CD3 T-cell engager platform)***: To achieve an optimal balance between safety and efficacy of T-cell engagers, we have developed a proprietary LeadsBodyTM platform capable of facilitating diverse modifications to molecular designs of CD3-targeted bispecific antibodies. These key modifications include, among others, variable expression levels which controls how strongly the antibodies bind to tumor-associated antigens (TAA), fine-tuning CD3 affinity with differentiated profiles of cytokine release, conditional T-cell redirecting and activation mechanisms within tumor microenvironments, and differing spatial structures. By harnessing this platform technology, our multiple CD3-targeted bispecific T-cell engaging antibodies for treating solid tumors and hematologic malignancies, such as LBL-034 and LBL-033, have shown promising potential in antitumor effects and favorable safety profiles both in preclinical and clinical studies. We believe our LeadsBodyTM platform possesses these significant advantages:
 - optimized proportions and affinities of TAA and CD3 binding domains directing the action of T-cell engagers to the tumor site, and is expected to minimize off-target toxicity;

- structural optimizations inducing effective killing of target cells by T cells while reducing cytokine secretion; and
- both *in vitro* and *in vivo* studies, T-cell engagers exhibited durable antitumor effects with less T-cell exhaustion induction.
- ***X-bodyTM platform (4-1BB engager platform)***: Our X-bodyTM platform applies advanced antibody engineering technology to balance the affinity between TAA and 4-1BB, facilitating the crosslinking and activation of the 4-1BB receptor only when binding to TAA at tumor sites, thereby localizing 4-1BB activation in TAA expressing tumor microenvironment. Such unique molecular structure is expected to bolster the immune response within the tumor microenvironment, and theoretically could mitigate the risk of systemic toxicities. Our core product LBL-024 was developed based on our X-bodyTM platform.

Beyond T-cell activation platforms, we have also developed a number of additional technology platforms capable of devising multi-modality antibody-based candidates, such as common light chain bispecific antibodies, bifunctional fusion proteins and ADCs. These platforms leverage molecular engineering techniques to create specialized agents with dual functionality or to reduce systemic side effects through precise targeting of tumor cells.

Our proprietary products and technologies are safeguarded by a global patent portfolio, which include seven issued patents in China, six issued patents in the U.S., nine issued patents in other jurisdictions, as well as 61 pending patent applications, including 25 in China, four in the U.S., 16 under the PCT and 16 in other jurisdictions, as of the Latest Practicable Date. Our development capabilities are also validated by the selected presentation of preclinical and clinical research results at prominent international industry conferences, such as ASCO and AACR. Our notable achievements in this regard underscore our competitive edge in and continued pursuit of advancing immunotherapies.

Additionally, we efficiently design and execute our clinical trials to demonstrate the advantages of our drug candidates through outstanding clinical results. We have assembled a diverse and highly skilled team that spans across all clinical functionalities, including clinical pharmacology, clinical operation, clinical statistics, biomarker identification and validation, pharmacovigilance, quality assurance, data management, and regulatory affairs. As of the Latest Practicable Date, our clinical team consisted of 58 members. Experts in our clinical team possess a wealth of experience in designing and managing global trials in multinational pharmaceutical companies, enabling them to achieve our clinical development goals through well-designed clinical strategies and excellent trial execution. As of the Latest Practicable Date, we had collaborated with over 170 clinical trial sites in advancing the clinical programs for our drug candidates.

- ***Strategic and adaptive clinical strategy design***: From the outset of our drug development process, our clinical team is integrally involved in early program selection, prioritizing those programs addressing pressing medical needs, validated by robust scientific data, and possessing a competitive edge. Our team specializes in discovering early clinical signals in Phase I stage and transforms these observations

into well-designed clinical plans, enabling us to determine optimal dosage and dosing schedules, explore biomarkers and combination therapies, and obtain regulatory approval in the most efficient way. We frequently employ strategies such as biomarker analysis and basket trials to evaluate the pan-tumor treatment potential of our drug candidates, and we also explore opportunities to combine our drug candidates with SOC or other agents, including those within our own pipeline, to enhance therapeutic effects for specific indications. Moreover, we assess the competitive landscape to uniquely position our assets within their respective classes by targeting untapped indications or demonstrating differentiated clinical benefits. Our strategic clinical plans are designed not only to expedite market entry of our assets through single-arm registrational trial in underserved indications, but also to maximize their clinical potential through broad indication expansion. Our expertise in clinical strategy is geared towards optimizing the therapeutic value of our drug candidates and fast-tracking their clinical development process.

- ***Rapid progression of clinical development:*** As a testament to our rationally designed clinical plan, we pinpointed a niche indication, EP-NEC, early in the second dose of LBL-024 in its Phase I trial. Following comprehensive analysis, we rapidly expanded the cohort of EP-NEC into a Phase II-stage, in-depth investigation. The demonstrated efficacy of LBL-024 in this indication as the first in its class secures an IND approval for a single-arm registrational trial from the NMPA. Notably, LBL-024 has progressed from first patient enrolment of the first-in-human trial to registrational trial stage in a mere 2.3 years, a timeline significantly shorter than the industry average of 6.4 years in innovative drug development, according to Frost & Sullivan. In parallel, we carefully evaluate opportunities to expand its clinical program for more prevalent cancer indications, enlarging its addressable patient populations. This approach allows us to pursue accelerated regulatory approvals for these drug candidates, and potentially gain a larger market share post commercialization.
- ***Expertise in navigating regulatory pathways:*** Our clinical team is also adept in navigating complex regulatory pathways in major countries and regions to expedite the timetable for drug registration and control the costs associated with conducting clinical trial across various regions. We constantly monitor new registration trends and plan for multicenter trials to achieve global registration with optimized allocation of efforts and resources. For those candidates that exhibit promising efficacy signals in rare diseases or offer significant advantages over existing therapies, we actively pursue special regulatory incentives such as BTD and ODD, which can bring us regulatory benefits including a certain period of market exclusivity and accelerated approval processes. For instance, our Core Product LBL-024 was granted the BTD for the treatment of late-line EP-NEC by the NMPA in October 2024, as well as the ODD in treating NEC from the FDA in November 2024. Our key product LBL-034 also received the ODD from the FDA for the treatment of MM in October 2024. Additionally, since our inception, we have submitted a total of 17 IND applications for our six clinical-stage drug candidates and have obtained approvals for all these applications, including six that were clearance from the FDA in the U.S.

A seasoned and visionary management team with extensive industry experience and multidisciplinary scientific expertise

Our management team, distinguished by its seasoned leadership and visionary outlook, is a cornerstone of our success. Established in 2012, we have been shaped by our founders' commitment to developing life-changing cancer treatments that stand out on the global stage. With this unwavering commitment, we have built a leadership team composed of experienced scientists and industry veterans, none of whom have departed in the past decade, underscoring the stability and unity of our management structure. Central to our culture is a deep appreciation for open discussion and the free exchange of ideas, fostering an environment where diverse perspectives and extensive expertise fuel our ongoing innovation efforts. The expertise of our leadership team spans multiple disciplines in the field of antibody drug development, directing the research and development of our drug candidates through collaborative execution. The collective expertise of our leadership enables us to adeptly navigate the complexities of biotechnology and consistently delivering ground-breaking results.

In addition to their strategic vision, our founders, Dr. Kang Xiaoqiang and Dr. Lai Shoupeng, bring us decades of experience in leading the research and development of numerous drugs towards commercialization:

Dr. Kang Xiaoqiang, Ph.D./M.D., our Founder, Chairman, and Chief Executive Officer (CEO), has over 30 years of experience in the R&D of drugs, particularly antibody drugs. Previously serving as Principal Scientist and Senior Group Leader at Eli Lilly Pharmaceuticals. Prior to his career in the pharmaceutical industry, Dr. Kang conducted research in tumor immunotherapy as a postdoctoral fellow at the National Cancer Institute (NCI) in the U.S., in the laboratory of Dr. Steven Rosenberg, the esteemed Chief of Surgery at the NCI.

Dr. Lai Shoupeng, Ph.D., our Co-founder, Chief Strategic Officer and executive vice president, has around 30 years of experience in process development and project management. Dr. Lai previously worked in biopharmaceutical companies such as GenVec, and AnGes, focusing on biopharmaceutical production process development, Good Manufacturing Practice (GMP) production equipment, project management, and outsourcing CMC and clinical trial management to contract manufacturing organizations (CMOs) and contract research organizations (CROs). Dr. Lai had also conducted research in the field of tumor immunotherapy in the laboratory of Dr. Steven Rosenberg at the NCI in the U.S.

The key members of our management team possess diverse and complementary backgrounds, spanning clinical medicine, pharmaceutical research and development, production operations, and financial management. Over time, we have honed our teamwork skills through seamless communication and close collaboration. The long-term stability of our team lays the foundation for our organic business growth and sustained push for excellence in drug development.

Dr. Cai Shengli, Ph.D./M.D., our Chief Medical Officer (CMO), brings with him over three decades of experience in the field of surgical oncology, cancer research, precision medicine and clinical drug development. Dr. Cai has acquired a wealth of experience through his increased responsibilities at the renowned pharmaceutical companies and esteemed research organizations including Hengrui Pharmaceuticals, Bayer, Daiichi-Sankyo, Novartis, Intrexon, and MD Anderson Cancer Center. During his tenure at these institutions, Dr. Cai successfully led global teams and

built development structures to achieve company goals. He designed and executed phase I to III clinical studies with different sub-therapeutic areas including immunotherapies, antibody drug conjugates (mAb-ADCs), small molecule compounds, and gene/cell therapies, and led numerous IND and BLA/NDA filings for drugs such as capmatinib, copanlisib, camrelizumab, and famitinib.

Dr. Ling Hong, Ph.D./M.D., our Senior Vice President and Chief Science Officer, has over 30 years of academic research and industry R&D experience that spans from target selection, early drug discovery to clinical development. Dr. Ling is a seasoned expert in early drug discovery and translational medicine. Before joining our Company, he previously served significant roles at Sanofi, AbbVie, Sanhome, and Qilu Pharmaceuticals, where he was responsible for overseeing and advancing a number of early-stage studies in oncology, cardiovascular renal and autoimmune diseases, and he also participated in a global Phase III trial for diabetic nephropathy.

Mr. Zuo Honggang, our Chief Financial Officer (CFO), brings over 20 years of professional experience in management and operational enhancement, and expertise in finance and capital markets across China and the U.S. He previously served as CFO for a publicly listed company in the U.S. and gained a decade of experience in equity investments and capital markets. He has also held other critical executive positions, including chief strategic officer, executive director, and vice president, at various multinational companies such as PwC, General Electric, and Goldman Sachs.

Dr. Fu Zhongping, Ph.D., our Vice President of CMC, brings over 16 years of expertise in biologics development. His extensive expertise in biologics development stems from his involvement in the development of over 15 drug candidates including monoclonal antibody, bispecific antibody, albumin and recombinant protein. He possesses extensive experience in CMC development for biologics and has an in-depth understanding of regulatory requirements and guidance for IND and BLA registration globally. Proficient in drafting CMC relevant materials for regulatory affairs, he has assisted with multiple successful IND or IND amendment applications both in and outside China.

Mr. Jordan Qing-lai Zhu, our Vice President and Head of Global Business Development, brings over 20 years of experience in the biotechnology industry, with expertise spanning drug discovery, alliance management, portfolio strategy, and business development. He is highly skilled in identifying strategic opportunities and negotiating complex transactions. Before his career in business development, he was a scientific project leader at Regeneron where he was responsible for overseeing the discovery and development of antibody therapies and played a key role in advancing certain FDA-approved treatments including Inmazeb. Prior to joining our Company, he held leadership roles at both U.S. and China-based publicly listed biotechnology companies, including Pfizer, Regeneron, Amgen, and Innovent.

We are also backed by multiple globally and locally recognized blue-chip institutional investors and healthcare-focused specialized investment funds, including, among others, Loyal Valley Capital, SCGC, RemeGen, Hankang Capital, Ennovation Ventures, and Huaige Capital. Through multiple rounds of private financing, we have raised an aggregate of approximately RMB1 billion in capital, a testament to the market's robust confidence in our business potential.

OUR STRATEGIES

To rapidly and strategically advance our drug candidates towards commercialization and expand their indications

We are actively advancing the clinical development of our assets. In particular, we strategically focus on assets with rapid market-entry potential and indications. We are also continuously exploring the combinatorial potential among our pipeline assets or with other cancer agents, as well as other opportunities for indication expansion, aiming to maximize their therapeutic benefits for a broader patient population. We prioritize clinical development in China to leverage our operational efficiency and cost-effectiveness in the region, as a precursor to our global development plan. To bring our products to the international markets, we aim to collaborate with different industry players in terms of clinical development and commercialization. Through these efforts, we strive to revolutionize treatment paradigms and deliver more effective and durable treatments for patients in need.

- **LBL-024 (PD-L1/4-1BB BsAb)**

We are strategically developing LBL-024 for EP-NEC, a rare disease with no effective SOC treatments and no approved drugs. As the most clinically advanced candidate in its class — while other investigational therapies targeting DLL3/CD3 and SEZ6 remain in early clinical stages — LBL-024 has the potential to become the first drug approved for treating this specific indication. Beyond advanced EP-NEC, we are exploring LBL-024's therapeutic potential in other underserved cancer indications, particularly SCLC, BTC and NSCLC, with preliminary efficacy signals observed in our clinical trials. We are also expanding the targeted indications of LBL-024 into a wider spectrum of advanced solid tumors, such as ESCC, HCC and GC, aimed at maximizing its clinical impact and patient reach.

Targeting EP-NEC: We are currently evaluating LBL-024 both as late-line monotherapy and part of first-line combination therapy in respective clinical trials for EP-NEC. We commenced a Phase I/II study of LBL-024 monotherapy in China in January 2022. Based on encouraging trial results, we obtained an approval from the NMPA for a single-arm registrational trial to evaluate LBL-024 monotherapy in patients with EP-NEC who failed previous chemotherapy in April 2024, and subsequently enrolled the first patient in this trial in July 2024. This trial allows us to seek accelerated marketing approval of LBL-024 for the treatment of late-line EP-NEC, thereby expediting the timeframe for commercialization of LBL-024. We expect to file the first BLA for LBL-024 with the NMPA by the third quarter of 2026, with anticipated approval by the second quarter of 2027. Additionally, we have received the BTD for LBL-024 in treating late-line EP-NEC from the NMPA in October 2024, as well as the ODD in treating NEC from the FDA in November 2024.

We are also exploiting the synergistic potential of LBL-024 with other agents, such as chemotherapy, as potential frontline treatment regimens for EP-NEC. We launched a Phase Ib/II study of LBL-024 in combination with etoposide and platinum-based chemotherapy in 1L EP-NEC in China in January 2024. We have completed the Phase Ib portion of this study in May 2024 and expect to conclude the Phase II portion in the fourth quarter of 2025, following which we may commence a registrational study for this combination therapy in the second quarter of 2026.

Additionally, we intend to initiate a Phase III confirmatory study to provide data support for the full approval of LBL-024 specific for EP-NEC. We have engaged in pre-IND communications with the NMPA in April 2024, and plan to submit the IND application for this trial in the second quarter of 2025.

Targeting SCLC, BTC and NSCLC: Beyond EP-NEC, we are also investigating the therapeutic potential of LBL-024 in other large cancer indications with limited treatment options, particularly SCLC, BTC and NSCLC. The preliminary efficacy signals across these indications have been observed in our ongoing clinical trials. With respect to the 1L SCLC cohort in our Phase Ib/II trial of LBL-024 in combination with chemotherapy, we expect the topline data readouts to be released by the third quarter of 2025. We are also actively exploring the combination therapies of LBL-024 with SOC in treating 1L BTC and 2L NSCLC. We have received the IND approval from the NMPA for a Phase II study of LBL-024 in combination with SOC in China in September 2024, and plan to enroll the first patient in the relevant trials in the second half of 2025.

Targeting ESCC, HCC, GC and other solid tumors: We are committed to maximizing the clinical value and expanding the addressable patient population of LBL-024 through indication expansion. We strategically select underserved indications to capitalize on market opportunities. To enhance its therapeutic efficacy, we plan to integrate LBL-024 with established care protocols for the treatment of ESCC, HCC, GC and other solid tumors. We have received the IND approval from the NMPA for a Phase II study of LBL-024 in combination with SOC targeting HCC, GC and ESCC, among other cancer types, in China in September 2024. Meanwhile, we plan to conduct biomarker analysis and basket trials to evaluate the pan-tumor treatment potential of LBL-024.

- **LBL-034 (GPRC5D/CD3 BsAb)**

We are developing LBL-034 for the treatment of MM and other liquid tumors that have progressed following SOC treatments, and we aim to expedite its commercialization through a well-defined clinical strategy. We initiated a Phase I/II clinical trial of LBL-034 monotherapy for relapsed/refractory MM in China in November 2023. We expect to complete patient enrollment for Phase I trial by the second quarter of 2025. Subject to clinical results, we plan to proceed with consultation with the CDE for the single-arm registrational trial. Conditional on alignment with regulatory authorities, we aim to complete the single-arm registrational trial and submit the first BLA by the second half of 2026. Further, LBL-034 obtained the ODD from the FDA for the treatment of MM in October 2024.

- **LBL-033 (MUC16/CD3 BsAb)**

We are currently developing LBL-033 for treating prevalent gynecologic cancers with high expression of MUC16, particularly ovarian, endometrial and cervical cancers. These cancers, characterized by their high incidence and low five-year survival rates, present significant clinical challenges including late diagnosis and underserved medical demands. Following the IND approval by the NMPA in February 2023, we initiated a Phase I/II clinical trial of LBL-033 monotherapy in China in April 2023. We expect to conclude the Phase I portion of this study by the third quarter of 2025.

Moreover, we also plan to explore the therapeutic value of LBL-033 in treating a wide array of other MUC16-overexpressed cancer indications, such as pancreatic, lung, breast and gastric cancer.

- **LBL-007 (LAG3 mAb)**

LBL-007 is being evaluated in the clinical trials in combination with anti-PD-1 agents and/or chemotherapy for the treatment of multiple types of advanced solid tumors. BeiGene had been conducting various global trials evaluating LBL-007 in combination with tislelizumab and standard of care in NSCLC, CRC, HNSCC, and ESCC. We are entitled to pursue BLA for LBL-007 in Greater China leveraging data from BeiGene's global trials. The BeiGene Agreement was later terminated on the date of May 18, 2025 as specified in the termination notice provided by BeiGene. Following this termination, we regained full, global rights to develop, manufacture and commercialize LBL-007. We and BeiGene will collaborate to facilitate orderly transition of responsibilities under the BeiGene Agreement for a reasonable time after termination. For details, see “— Collaboration Agreement — License and Collaboration Agreement with BeiGene.”

We currently have no plans to establish further collaborations or arrangements with BeiGene related to our Core Product, LBL-024, going forward. Furthermore, pursuant to the BeiGene Agreement, upon our written request, BeiGene shall provide all material non-clinical, preclinical and clinical data of LBL-007 and cooperate to transfer any and all clinical trials conducted prior to the termination, including the previous global trials to evaluate LBL-007 in combination with tislelizumab and standard of care in NSCLC, CRC, HNSCC and ESCC, to us within six months after termination. We will carefully evaluate all available datasets transferred to us to seize future development opportunities with LBL-007 in targeted indications of solid tumors.

Besides, we remain confident and committed to our ongoing clinical programs of LBL-007 for the treatment of advanced NPC, particularly in consideration of the favorable efficacy and safety profiles observed in its Phase Ib/II trial in combination with tislelizumab and/or chemotherapy. Notably, we have completed patient enrollment for the Phase Ib/II clinical trial for its combination with tislelizumab and/or chemotherapy in advanced NPC and other solid tumors in China in January 2024, and expect to complete it in the third quarter of 2025. We also plan to further investigate the therapeutic potential of LBL-007 in melanoma, building on clinical data from our Phase I trial targeting this indication.

In addition to these core and key assets, we are also committed to advancing the development of other drug candidates. Leveraging our wealth of clinical and regulatory expertise, we intend to optimize their trial designs and navigate regulatory pathways more effectively.

To expedite the entry into market and maximize the clinical and commercial potential of our drug candidates through value-accretive partnerships

With a portfolio of assets that have achieved globally rapid clinical progress, we have been actively pursuing collaborative opportunities to advance their clinical development and commercialization. In China, we rapidly advance clinical studies for our pipeline candidates, data generated from which can be leveraged to accelerate the clinical development process in other jurisdictions. Concurrently, we are actively seeking strategic partnerships with different industry players and venture capitals to efficiently advance the clinical development of our assets, in a way to leverage their extensive resources and expertise. Additionally, we also seek to advance the development and commercialization of our drug candidates through diverse collaboration models, such as joint venture with industry-recognized biotech venture firms. Our partnership with Aditum Bio for the development of LBL-051 exemplifies this approach, which enable us to leverage their resources while benefiting from certain cash and equity payments under relevant collaboration arrangements.

Building on the success of our existing collaborations, we will continue to explore collaborative arrangements for our pipeline assets around the globe. To lay a firm foundation for this global expansion, we have secured IND approvals for all clinical-stage candidates from the FDA. We plan to forge partnerships to expedite the development of our candidates and expand into major international markets. For example, recognizing the absence of SOC for EP-NEC worldwide, we believe a strategic collaboration to develop and commercialize LBL-024 outside China is beneficial for capitalizing on its substantial overseas market opportunity.

To continuously advance our discovery programs and expand our pipeline through optimizing our R&D platform

Leveraging our strong in-house R&D capabilities, we are committed to exploring mechanisms of action and translating fundamental biological research into a rich asset portfolio. Our systematic R&D approach and comprehensive technology platforms have facilitated the development of multiple clinical-stage candidates as well as other preclinical assets in the fields of oncology and autoimmune. We will continue to invest in fundamental biological research and translational medicine capabilities, enriching our pipeline with new therapies and positioning us at the forefront of technology and market trends. We plan to expand our research on predictive biomarkers, aiming to develop more precise treatments for patients. Furthermore, we will continue to strengthen the foundation of our R&D capabilities by optimizing our proprietary technology platforms, including LeadsBody™ and X-body™ platforms. Beyond our primary focus on immuno-oncology therapies, we are strategically pivoting our R&D efforts towards other therapeutic areas such as autoimmune diseases and other emerging health threats, where our expertise can make a significant impact.

To strategically enhance our operation capabilities, including manufacturing and commercialization capabilities

We adhere to an asset-light strategy in building up our manufacturing and commercialization capabilities, which has afforded us significant advantages in terms of economic viability and operational efficiency.

To date, we have established our own pilot GMP-compliant manufacturing facility that can supply for early-stage clinical development of selected drug candidates. The pilot plant has an annual production capacity of up to 20 batches with single 200L or 500L disposable bioreactor. In line with our asset-light strategy, we will continue to collaborate with reputable contract development and manufacturing organizations (CDMOs) to supplement our in-house manufacturing capacity for preclinical studies, clinical trials and future commercial sales. We believe that it is both cost-effective and efficient to engage CDMOs for certain manufacturing activities as it reduces the capital expenditure required for setting up and maintaining the necessary production lines. In the foreseeable future, we may further scale up our in-house manufacturing capacity by establishing and upgrading production lines in China, so as to accommodate the growing demand for our drug candidates once commercialized.

On the commercialization front, we recognize the importance of leveraging established networks to maximize the commercial value of our products, if approved. In anticipation of the launch of our close-to-commercial drug candidates such as LBL-024, we will continue to focus on forging partnerships with different industry players in the short run. These alliances allow us to tap into their established distribution channels and robust sales and marketing capabilities, thereby achieving fast market access for our products across large indications and international markets in a cost-effective way. In the long run, as we identify favorable market opportunities, we plan to assemble an internal sales and marketing force with extensive experience in our focused therapeutic areas, which can work synergistically with our partners in boosting the penetration of our products in major markets.

To further attract, train and retain talent to expand our capabilities

We will continue to enlarge our talent pool by recruiting and retaining high-caliber talents specializing in drug R&D, clinical development, and commercialization, which is critical to continually enhance our capabilities and support our sustainable growth. We will also continue to provide our employees with systematic training and development programs to not only sharpen their technical skills but also help them stay abreast of industry developments. In the long run, we plan to establish a dedicated in-house sales and marketing force, which shall be responsible for marketing strategy, market access, and any other promotional initiatives across different jurisdictions.

OUR DRUG CANDIDATES

Ever since our inception in 2012, we have been dedicated to the in-house discovery and development of new immunotherapies in oncology. Additionally, we are committed to developing new treatments for autoimmune diseases and other life-threatening conditions. To that end, we have rationally designed and built a pipeline of drug candidates that is both broad and focused, exploring a multitude of combinatorial therapeutic strategies across various modalities, including monoclonal antibodies, bi-/tri-specific antibodies and ADCs, some of which have achieved globally rapid clinical progress. Our proven track record in antibody drug development is underpinned by our strong research and development capabilities, contemplated by an integrated platform spanning essential functionalities throughout the lifecycle of drug assets. As of the Latest Practicable Date, our pipeline includes six clinical-stage drug candidates and multiple preclinical-stage assets.

Category	Program	Target (Modality)	Regimen	Indication(s) ^(*)	Line(s) of treatment	Discovery/ Preclinical	IND-Enabling	Phase I	Phase II	Registration/ Phase III	Current Status/Upcoming Milestone	Commercial Rights	Partner (if applicable)
Oncology	L.BL-024 ★	PD-L1/4-1BB (BsAb)	Mono	EP-NEC	≥3L	China (NMPA)					Received Breakthrough Therapy Designation from the NMPA in October 2024; Expect to file BLA with the NMPA by Q3 2026	Global	
			+Chemo	EP-NEC	1L	China (NMPA)					Initiated Phase II portion of the Phase Ib/II trial in October 2024; Phase II patient enrollment completed in December 2024; Expect to conclude the Phase II trial by Q4 2025	Global	
			+Chemo	SCLC	1L	China (NMPA)					Initiated Phase II portion of the Phase Ib/II trial in November 2024; Phase Ib trial completed in May 2024; Expect to complete patient enrollment of Phase II trial by Q2 2025	Global	
			Mono	NSCLC, BTC and other Solid Tumors	1L/1L+	China (NMPA)					Phase I/II trial enrollment completed in December 2023; Expect to conclude the Phase II trial by Q4 2025	Global	
			Mono	Solid Tumors	≥2L	US (FDA)					IND and Orphan Drug Designation for NEC approved by the FDA in July 2021 and November 2024, respectively	Global	
			+Chemo ±VEGF mAb	Nsq/NSCLC	2L	China (NMPA)					IND approved in China in September 2024; Expect to initiate patient enrollment of Phase II trial in H2 2025	Global	
			+Chemo	BTC, NSCLC, ESCC and GC	1L	China (NMPA)					IND approved in China in September 2024; Expect to initiate patient enrollment of Phase II trial in H2 2025	Global	
			+VEGF mAb	HCC	1L	China (NMPA)					IND approved in China in September 2024; Expect to initiate patient enrollment of Phase II trial in H1 2026	Global	
	L.BL-034 ▼	GPRCSD/CD3 (BsAb)	Mono	MM	≥4L	China (NMPA)					Phase I/II trial commenced in November 2023; Expect to complete patient enrollment of Phase I trial in Q2 2025	Global	
						US (FDA)				IND and Orphan Drug Designation approved by the FDA in July 2023 and October 2024, respectively	Global		
L.BL-033 ▼	MUC7 (6CD3 (BsAb))	Mono	OC, Cervical Cancer, NSCLC and Solid Tumors	2L+	China (NMPA)					Phase I/II trial commenced in April 2023; Expect to conclude the Phase I portion in Q3 2025	Global		
		Mono	Solid Tumors	2L+	US (FDA)					IND approved in the U.S. in June 2023	Global		

Abbreviations: BTC = biliary tract carcinoma; EP-NEC = extra-pulmonary neuroendocrine carcinoma; ESCC = esophageal squamous cell carcinoma; GC = gastric cancer; HCC = hepatocellular carcinoma; MM = multiple myeloma; NSCLC = non-small cell lung cancer; NsqNSCLC = non-squamous non-small cell lung cancer; OC = ovarian cancer; SCLC = small cell lung cancer

Note:

- (1) As denoted by the dotted line, we have obtained an IND approval for a Phase II trial of LBL-024 in combination with SOC treatments in 1L BTC, NSCLC, ESCC, HCC, GC and other solid tumors from the NMPA in September 2024, and therefore we can skip the Phase I stage and directly initiate a Phase II trial.

Category	Program	Target (Modality)	Regimen	Indications ^(*)	Line(s) of treatment	Discovery/ Preclinical	IND-Enabling	Phase I	Phase II	Registration/ Phase III	Current Status/Upcoming Milestone	Commercial Rights	Partner (if applicable)
Oncology	Clinical		+PD-1 mAb+Chemo	NPC	1L	China (NMPA)					Phase II patient enrollment completed in September 2023; Expect to conclude the Phase II trial by Q3 2025		
			+PD-1 mAb+Chemo	NPC	2L	China (NMPA)					Phase II patient enrollment completed in January 2024; Expect to conclude the Phase II trial by Q2 2025		
			+PD-1 mAb+TIM3 mAb	NSCLC	2L+	Global Trial conducted by		BeiGene			Collaboration terminated in May 2025, collaborating on transfer of clinical data		
			+PD-1 mAb+TIM3 mAb	HNSCC	2L+ ^(*)	Global Trial conducted by		BeiGene			Collaboration terminated in May 2025, collaborating on transfer of clinical data		
			+PD-1 mAb+TIM3 mAb	HNSCC	1L ^(*)	Global Trial conducted by		BeiGene			Collaboration terminated in May 2025, collaborating on transfer of clinical data	Global	BeiGene
		LAG3 (mAb)	+PD-1 mAb+Chemo	ESCC and NSCLC	1L	Global Trial conducted by		BeiGene			Collaboration terminated in May 2025, collaborating on transfer of clinical data		(Terminated in May 2025) ^(*)
			+PD-1 mAb+Chemo	NSCLC	Neoadjuvant ^(*)	Global Trial conducted by		BeiGene			Collaboration terminated in May 2025, collaborating on transfer of clinical data		
			+PD-1 mAb+SOC	CRC	1L	Global Trial conducted by		BeiGene			Collaboration terminated in May 2025, collaborating on transfer of clinical data		
			+PD-1 mAb+Chemo	Melanoma	1L/IL+	China (NMPA)					Phase I trial completed in August 2024	Global	
		TNFR2 (mAb)	Mono	Solid Tumors	2L+	China (NMPA)					Phase I trial completed in April 2024	Global	
Pre-clinical						US (FDA)					IND approved by the FDA in December 2021	Global	
						China (NMPA)					Phase I trial completed in July 2024	Global	
						US (FDA)					IND approved by the FDA in July 2021	Global	
						US (FDA)					Expect to submit IND applications to FDA and NMPA in 1H 2026	Global	
											Expect to submit IND applications to FDA and NMPA in 1H 2026	Global	
											Expect to submit IND applications to FDA and NMPA in 1H of 2027	Global	
											Expect to submit IND applications to FDA and NMPA in 2H of 2026	Global	
											Expect to submit IND applications to FDA and NMPA in 2H of 2026	Global	
											Expect to submit IND applications to FDA and NMPA in 1H of 2027	Global	
											Expect to submit IND applications to FDA and NMPA in 2H 2025	Global	Aditum Bio Global ^(*)
Autoimmune											Expect to submit IND applications to FDA and NMPA in 2H 2025	Global	

★ Core Product ▲ Key Product

Abbreviations: AML = acute myeloid leukemia; BC = breast cancer; CRC = colorectal cancer; ESCC = esophageal squamous cell carcinoma; GC = gastric cancer; HNSCC = head and neck squamous cell carcinoma; mCRPC = metastatic castration-resistant prostate cancer; MM = multiple myeloma; NPC = nasopharyngeal carcinoma; NSCLC = non-small cell lung cancer.

Note:

- (2) On November 5, 2024, we entered into a collaboration, exclusive option and license agreement with Oblenio Bio, Inc. (“**NewCo**”), a U.S. company newly formed by Aditum Bio Fund 3, L.P. (“**Aditum Bio**”). Under the Oblenio Agreement, we grant NewCo an exclusive, worldwide license to develop, manufacture, commercialize and otherwise exploit LBL-051 for all uses, subject to NewCo’s election to exercise its option to retain such license after the applicable option period. For details, see “Business — Collaboration Agreements — Collaboration, Exclusive Option and License Agreement with Oblenio, a NewCo formed by Aditum Bio.”
- (3) The combination of LBL-007+PD-1mAb +TIM3 mAb in 2L+ HNSCC is to investigate the safety, tolerability and efficacy of triplet combination in PD-1 pre-treated HNSCC.
- (4) 1L HNSCC study is to investigate safety and preliminary antitumor activity of different regimen, including LBL-007 + PD-1mAb, TIM3 + PD-1 mAb and LBL-007 + mAb + TIM3 mAb, compared to PD-1 monotherapy in PD-L1 positive 1L HNSCC.
- (5) All product candidates presented in the pipeline chart are internally developed by our Company. We retain full commercial rights to all our pipeline candidates, except for LBL-051, for which we granted NewCo an exclusive, worldwide license to develop, manufacture, commercialize and otherwise exploit LBL-051 for all uses.
- (6) A Registration Trial refers to a clinical trial designed to obtain sufficient data and results to support the submission of an application for regulatory approval. Regulatory approval can be categorized into (i) Conditional approval, which allows earlier access to promising new treatments with certain post-marketing requirements that must typically be met; and (ii) Full approval, which is granted without the need for further confirmatory studies and indicates that the treatment has met all regulatory requirements for widespread use.
- (7) Neoadjuvant therapy refers to any treatment that is given for cancer before the main treatment, with the goal of making the main treatment more likely to be successful.
- (8) All of our product candidates are currently targeted for the treatment of advanced-stage diseases. In the future, we may explore applications for early-stage disease as part of our ongoing research and development efforts.
- (9) We entered into a license and collaboration agreement with BeiGene in December 2021 for an exclusive license to develop, manufacture and commercialize LBL-007 outside Greater China. BeiGene had then been conducting various global trials to evaluate LBL-007 in combination with tislelizumab and standard of care in NSCLC, CRC, HNSCC and ESCC. The BeiGene Agreement was later terminated on the date of May 18, 2025 as specified in the termination notice provided by BeiGene. Our Directors confirmed that, having made enquiries with BeiGene, BeiGene’s decision to terminate this agreement was driven by its internal reassessment of portfolio priorities, rather than any unfavorable safety and efficacy results observed in the clinical trials of LBL-007. Following this termination, we regained full, global rights to develop, manufacture and commercialize LBL-007. We are not obliged to return any payments received or make any payments to BeiGene in respect of the termination of this agreement. We and BeiGene will collaborate to facilitate orderly transition of responsibilities under the BeiGene Agreement for a reasonable time after termination. Other than the BeiGene Agreement, we had not entered into any licensing and collaboration arrangements with BeiGene concerning any of our drug candidates, as of the Latest Practicable Date. We currently have no plans to establish further collaborations or arrangements with BeiGene related to our Core Product, LBL-024, going forward. Furthermore, upon our written request, BeiGene will provide all material non-clinical, preclinical and clinical data of terminated Licensed Products, including those generated from the previous global trials to evaluate LBL-007 in combination with tislelizumab and standard of care in NSCLC, CRC, HNSCC and ESCC, to us within six months after termination. BeiGene is currently transferring to us the relevant data of terminated Licensed Products, and we will carefully evaluate all available datasets to seize future development opportunities with LBL-007 in targeted indications of solid tumors. See “— Collaboration Agreements — License and Collaboration Agreement with BeiGene” for more information.

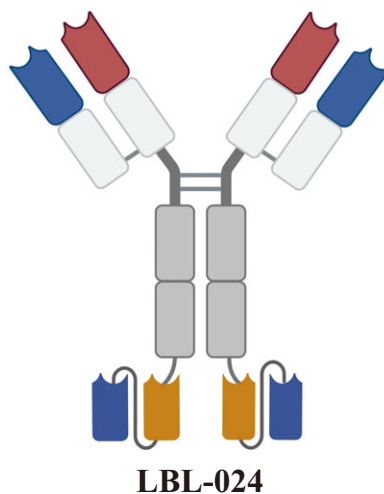
Our Clinical-Stage Drug Candidates

LBL-024 (PD-L1/4-1BB BsAb) — Our Core Product

Overview

LBL-024 is a tetravalent bispecific antibody that simultaneously targets PD-L1 and 4-1BB, serving dual functions: blocking the immunosuppressive PD-1/PD-L1 pathway, and selectively co-stimulating 4-1BB in the tumor microenvironment to enhance immune responses. LBL-024 is being developed both as monotherapy and in combination with other therapies for the treatment of advanced extra-pulmonary neuroendocrine carcinoma (EP-NEC), small cell lung cancer (SCLC), biliary tract cancer (BTC), non-small cell lung cancer (NSCLC) and other solid tumors, with the goal of developing LBL-024 as a potential alternative to or after failure of the current standard of care (SOC). We plan to further investigate its therapeutic potential in other underserved cancer indications, such as esophageal squamous cell carcinoma (ESCC), gastric cancer (GC) and hepatocellular carcinoma (HCC). LBL-024 stands as the globally first 4-1BB targeted molecule to have reached registrational stage for EP-NEC. As the most clinically advanced candidate in its class — while other investigational therapies targeting DLL3/CD3 and SEZ6 remain in early clinical stages — LBL-024 has the potential to become the first drug approved for treating EP-NEC. Further, we have received the BTM for LBL-024 in treating late-line EP-NEC from the NMPA in October 2024, as well as the ODD in treating NEC from the FDA in November 2024.

The molecular structure of LBL-024 is illustrated below:



Mechanism of Action

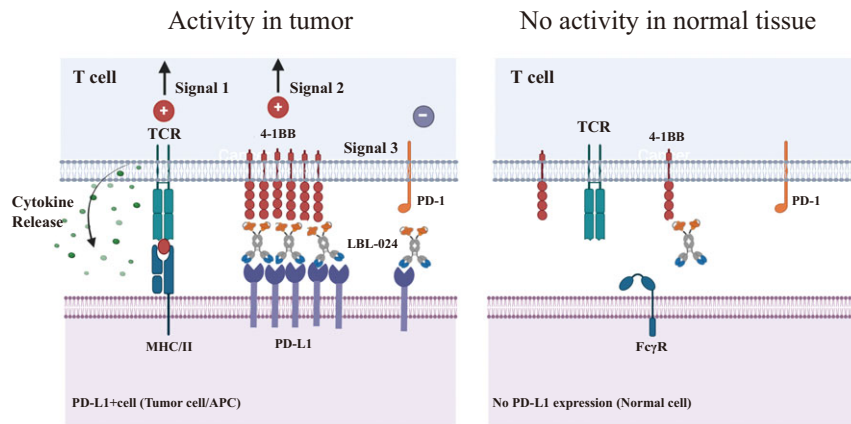
LBL-024 is a bispecific antibody designed to simultaneously target both 4-1BB and PD-L1. As illustrated above, LBL-024's structure comprises an IgG (shown in blue and red) connected to two single chain fragment variables (scFv) (shown in blue and brown) positioned at the C-terminal end of the IgG's Fc part. The two Fabs of IgG portion target PD-L1, while the two scFvs target 4-1BB. The binding affinity of LBL-024 for PD-L1 versus 4-1BB is approximately 300:1, indicating a much stronger interaction with PD-L1 compared to 4-1BB.

4-1BB is an inducible co-stimulatory receptor expressed on activated T cells and NK cells, playing a crucial role in regulating various signaling pathways to generate T-cell immune responses. PD-L1, a ligand of PD-1, is mainly expressed on tumor cells, and a key checkpoint inhibitor implicated in tumor immune evasion.

LBL-024 targets PD-L1 with high affinity, effectively blocking the PD-L1/PD-1 immunosuppressive pathway and activating T cells. It activates T-cell specific responses by restoring the engagement of T cell receptors (TCR) with MHC molecules on tumor cells or antigen-presenting cells (APCs). Upon binding to PD-L1 on tumor cells or APCs, LBL-024 simultaneously engages the 4-1BB receptor on T cells, further enhancing T-cell activation and the immune response against tumors. This interaction facilitates the cross-linking of PD-L1 expressing tumor cell membranes with 4-1BB expressing lymphocytes to conditionally activate 4-1BB signaling, which intensifies T-cell activation, growth, and antitumor responses.

By specifically binding to PD-L1, a tumor-associated antigen, LBL-024 localizes its co-stimulation of 4-1BB within the tumor environment. Different from PD-1/PD-L1 monoclonal antibodies, LBL-024 can activate the 4-1BB signaling pathway in such a localized and conditional method. The activation of 4-1BB receptor by LBL-024 is in a PD-L1 binding-dependent manner, as demonstrated in our *in vitro* studies. Compared to other 4-1BB/PD-L1 bispecific antibodies in global pipeline, this targeted approach, together with the fine-tuned low affinity for 4-1BB, minimizes LBL-024's interaction with 4-1BB elsewhere in the body, such as in the peripheral blood, thereby potentially reducing the risks of systemic organ toxicity, including liver damage, as demonstrated in the following figure. Although ongoing clinical trials have yet to definitively affirm the correlation between the molecular design and the safety profile, and we cannot exclude other factors that may also influence the safety result of LBL-024, preliminary observations suggest a favorable safety profile for LBL-024 at dose level of up to 25 mg/kg in monotherapy and 15 mg/kg in combination with chemotherapy, as compared to urelumab (a 4-1BB antibody agonist), for which clinical development was discontinued due to liver toxicity observed at dose levels of 0.1-15 mg/kg, and to acasunlimab (a registrational-stage 4-1BB/PD-L1 bispecific antibody) at dose levels of 25-1,200 mg (approximately 0.4-20 mg/kg in a 60 kg adult). While these clinical trial data were generated from independent studies and do not result from head-to-head comparisons, and there is no assurance that the safety data of LBL-024 in subsequent clinical trials will be as favorable as those observed in earlier Phase I/II trials, these observations nonetheless provide meaningful insight suggesting that LBL-024 could potentially offer a compelling safety profile. The difference of LBL-024's affinity between the 4-1BB and PD-L1 does not affect its anti-tumor effects in the tumor environment. Our preclinical studies showed that, LBL-024 is able to robustly activate the 4-1BB signaling pathway in the presence of PD-L1 positive cells. In addition, such binding affinity difference allows for a broader effective concentration range as revealed in our preclinical studies as well, as compared to other competitors.

The following diagram illustrates the mechanism of action of LBL-024:



Source: Frost & Sullivan Analysis

Market Opportunities and Competition

Bispecific antibodies targeting both PD-L1 and 4-1BB constitutes a promising therapeutic approach in cancer treatment. These two key pathways have independent and complementary immunosuppressive functions, with partially non-redundant effects on the immune systems. 4-1BB can enhance T cell proliferation and survival when activated, while PD-1 inhibitors alleviate immune suppression by disrupting PD-1 interactions. The inhibition of PD-L1 and activation of 4-1BB through a bispecific antibody can enhance antitumor activity. Notably, targeting both PD-L1 and 4-1BB within the TME is considered more critical than inhibiting these targets in peripheral blood. 4-1BB impacts tumor cell-extrinsic processes that modify the local microenvironment. This approach is especially important for immune-excluded and immune-desert tumors, where the local immune suppression is more pronounced. By focusing on the TME, the therapeutic strategy can more effectively overcome the local barriers to immune cell infiltration and activation, thereby enhancing the overall antitumor response.

Though 4-1BB has been acknowledged as a promising target for immuno-oncology therapy, clinical development of 4-1BB-targeted candidates has been impeded by the occurrence of severe adverse events, particularly liver toxicity due to systemic 4-1BB activation. For example, clinical investigations of urelumab was terminated due to severe liver toxicity, and clinical investigations of utomilumab was terminated due to low efficacy. Our LBL-024, leveraging its 2:2 format with significantly differentiated affinity for 4-1BB and PD-L1, demonstrated enhanced safety in the Phase I/II clinical trials. With its unprecedented efficacy profile, LBL-024 has achieved a rapid clinical progress among the PD-L1/4-1BB bispecific candidates globally, being the world's first and only 4-1BB-targeted immunotherapy for EP-NEC to have reached registrational trial stage. In particular, LBL-024 progressed from first patient enrolment of the first-in-human trial to registrational trial stage in a mere of 2.3 years, compared to the industry average of 6.4 years in innovative drug development.

BUSINESS

LBL-024 stands as the globally first and only 4-1BB-targeted immunotherapy to have reached registrational stage for EP-NEC with no marketed 4-1BB or PD-L1/4-1BB products as of the Latest Practicable Date. Apart from LBL-024, no other PD-L1/4-1BB bispecific antibodies are being evaluated under accelerated approval pathway worldwide. The following table summarizes the information of clinical-stage PD-L1/4-1BB bispecific antibodies globally:

Drug Name	Target	Company	Clinical Stage	Indication	Mono or Combo Therapy in Trial Design	First Posted Date	Location
LBL-024*	PD-L1/4-1BB	Leads Biolabs Co., Ltd.	Pivotal stage	Advanced EP-NEC	Mono	2024-07-11	China
			Phase 2	Advanced Solid Tumor	Combo	2025-01-21	China
Acasunlimab	PD-L1/4-1BB	Genmab	Phase 3	NSCLC	Combo	2024-10-10	Global
INBRX-105	PD-L1/4-1BB	Inhibrx Biosciences, Inc	Phase 2	NSCLC, Melanoma, HNSCC, GC, RCC, Esophageal Adenocarcinoma, NPC, Oropharyngeal Cancer	Mono	2019-01-18	Global
QLF31907*	PD-L1/4-1BB	Qilu Pharmaceutical Co., Ltd.	Phase 2	Melanoma, UC	Mono	2023-04-21	China
AP203	PD-L1/4-1BB	AP Biosciences Inc.	Phase 1/2	NSCLC, HNSCC, ESCC and Other Solid Tumor	Mono	2022-07-25	Global
PM1003*	PD-L1/4-1BB	Biotheus Inc.	Phase 1/2	Advanced Solid Tumor	Mono	2023-05-17	China
MCLA-145	PD-L1/4-1BB	Merus N.V./Incyte Corporation	Phase 1	Advanced Solid Tumor, B-cell Lymphoma	Mono	2019-04-19	Global
FS222	PD-L1/4-1BB	invoX Pharma Limited/F-star Therapeutics Limited	Phase 1	Advanced Solid Tumor	Mono	2021-02-05	Global
ABL503	PD-L1/4-1BB	ABL Bio, Inc.	Phase 1	Advanced Solid Tumor	Mono	2021-02-21	Global
ATG-101	PD-L1/4-1BB	Antengene Biologics Limited	Phase 1	Advanced Solid Tumor, B-cell NHL	Mono	2021-08-03	Global
BH3120	PD-L1/4-1BB	Hanmi Pharmaceutical Company Limited	Phase 1	Advanced Solid Tumor	Mono	2024-01-31	Global

Note: Industry information as of July 11, 2025

Includes only active development programs; discontinued assets are excluded.

* *Only LBL-024, QLF31907, and PM1003 are conducting clinical trials in China*

In oncology drug development, the NMPA adopts a regulatory guiding principle combining single-arm trials with conditional approval to expedite market access for new therapeutics. According the relevant laws and regulations in the PRC and industry practice, the NMPA may grant approvals of single-arm registrational trials based on consideration of specific trial progress and data evaluation. Such registrational trials are explicitly defined as “registrational” rather than as Phase II or Phase III studies. LBL-024 was approved in April 2024 to initiate a “registrational” study rather than a conventional Phase II or III trial.

Source: ClinicalTrials.gov, Frost & Sullivan Analysis

The broad expression nature of 4-1BB and PD-L1 provides opportunities for expanding the indications of LBL-024 across various solid tumors, particularly NECs, SCLC (which is also an aggressive form of NEC), NSCLC, BTC, ESCC, HCC and GC, thereby offering significant market potential.

NECs are a class of poorly differentiated neuroendocrine neoplasms and characterized by an aggressive clinical course with early metastasis and frequent recurrence. In China, the incidence of EP-NEC was 17.2 thousand in 2024 from 11.5 thousand in 2019, and is expected to reach 23.1 thousand in 2030. Currently, no drugs have been approved for this specific condition. Our LBL-024 has entered into a single-arm registrational trial for EP-NEC in China in July 2024 and

stands as the globally first 4-1BB-targeted drug candidates to have reached registrational stage for EP-NEC. Additionally, in its monotherapy Phase I/II trial targeting 2L/3L+ EP-NEC, the mOS reached 11.9 months, as of February 12, 2025. In comparison, the mOS of FOLFIRI, nivolumab as well as the combination of nivolumab and ipilimumab regimen was 8.9, 7.2 and 5.8 months, respectively, in the second-line or above EP-NEC, according to their respective publicly reported clinical data. Based on such encouraging trial results and as the most clinically advanced candidate in its class, LBL-024 has the potential to become the first drug approved for treating EP-NEC, which shall afford us improved negotiation ability on drug price upon commercialization. Platinum-based combination chemotherapy remains the first-line SOC for advanced NEC. The treatment options after the first-line treatment are very limited.

SCLC, also a type of NEC, accounts for 15% of all lung cancer cases. In general, SCLC grows aggressively and is highly metastatic, resulting in a high mortality rate. The China incidence of SCLC increased from 146.5 thousand in 2019 to 168.0 thousand in 2024 and is expected to reach 194.1 thousand in 2030. In recent years, combining PD-1/PD-L1 inhibitors with chemotherapy has been recommended for treating extensive-stage SCLC in both first and later-line settings. However, the benefits of this combination therapy have been disappointing. Most patients either have primary resistance or quickly develop acquired resistance to current treatments, and very few drugs are approved for effective second-line treatment of SCLC. Without effective treatment options, the prognosis for SCLC patients is poor, with a median overall survival (mOS) of 15 to 20 months for limited-stage disease, 8 to 13 months for extensive-stage disease and 4 to 5 months for relapsed or refractory disease. Targeting 4-1BB and PD-L1 offers a promising strategy to overcome SCLC treatment limitations. This dual-target approach aims to sustain and amplify the antitumor response, reduce resistance, and improve treatment efficacy, offering new solutions for patients with extensive-stage SCLC.

NSCLC is the most prevalent lung cancer and accounts for 85% of all lung cancer cases. The most common types of NSCLC are adenocarcinoma, large cell carcinoma, and squamous cell carcinoma. The China incidence of NSCLC increased from 830.2 thousand in 2019 to 951.7 thousand in 2024 and is expected to reach 1,099.9 thousand in 2030. Most patients with NSCLC are diagnosed at an advanced or metastatic stage. Immunotherapy, such as PD-1/PD-L1 inhibitors, either alone or in combination with chemotherapy, is currently at the forefront of treatment for oncogenic driver-negative NSCLC. However, its current application is limited to a subset of patients who respond positively to ICIs and shows limited effectiveness. Therapies that adopt a dual-targeting approach are anticipated to enhance treatment outcomes and provide substantial clinical benefits for NSCLC patients who have limited responses to PD-1/PD-L1 inhibitors.

BTC typically presents at an advanced stage and are resectable in less than 30% of cases, often characterized by a poor prognosis. The China incidence of BTC increased from 122.8 thousand in 2019 to 139.8 thousand in 2024 and is expected to reach 161.1 thousand in 2030. Currently, the treatment options for BTC are limited, with a majority of patients presenting with locally advanced or metastatic disease. While monospecific antibodies targeting PD-L1 have demonstrated durable clinical benefits and long-term remissions, their effectiveness is confined to a small subset of patients who respond positively to PD-L1 inhibitors. Recent advancements suggest that bispecific antibodies, such as PD-L1/4-1BB, which can simultaneously bind to both co-inhibitory and co-stimulatory molecules, may enhance durable antitumor responses.

HCC accounts for around 90% of all liver cancer cases. The China incidence of HCC increased from 309.1 thousand in 2019 to 345.9 thousand in 2024 and is expected to reach 390.6 thousand in 2030. According to Frost & Sullivan, around 70.0% of advanced HCC patients receive the first-line treatment. Due to the limited improvement in clinical outcomes with small molecule targeted drugs, PD-1/PD-L1 inhibitors have been introduced to improve outcomes. Despite this, current immuno-oncology therapies still do not provide significant benefits in terms of progression-free and overall survival. The limited efficacy of these treatments highlights the urgent need for more effective strategies, such as bispecific antibodies.

ESCC is the predominant histological subtype of esophageal cancer, accounting for approximately 90% of esophageal cancer cases. The China incidence of ESCC increased from 184.1 thousand in 2019 to 214.3 thousand in 2024 and is expected to reach 252.4 thousand in 2030. The efficacy of current treatments for advanced ESCC remains limited. Firstly, these PD-1/PD-L1 inhibitor-based therapies offer limited benefits due to a relatively low response rate in advanced ESCC patients, and the modest improvement in OS, typically around 3 to 6 months. Additionally, many patients develop resistance after initial treatment, resulting in reduced efficacy.

GC is a malignancy originating in the stomach lining and is a leading cause of cancer-related deaths worldwide. The China incidence of GC increased from 329.7 thousand in 2019 to 379.4 thousand in 2024 and is expected to reach 441.8 thousand in 2030. Surgery is the preferred treatment for resectable GC, aiming to completely remove cancerous lesions. For HER2-positive GC, trastuzumab combined with chemotherapy is the standard first-line treatment. PD-1 inhibitors are also recommended for advanced cases. However, the high heterogeneity of GC results in varied responses to immunotherapy, with about 20% of patients achieving an active response, according to Frost & Sullivan. Despite these treatments, there remains an urgent need for more effective strategies to improve patient outcomes.

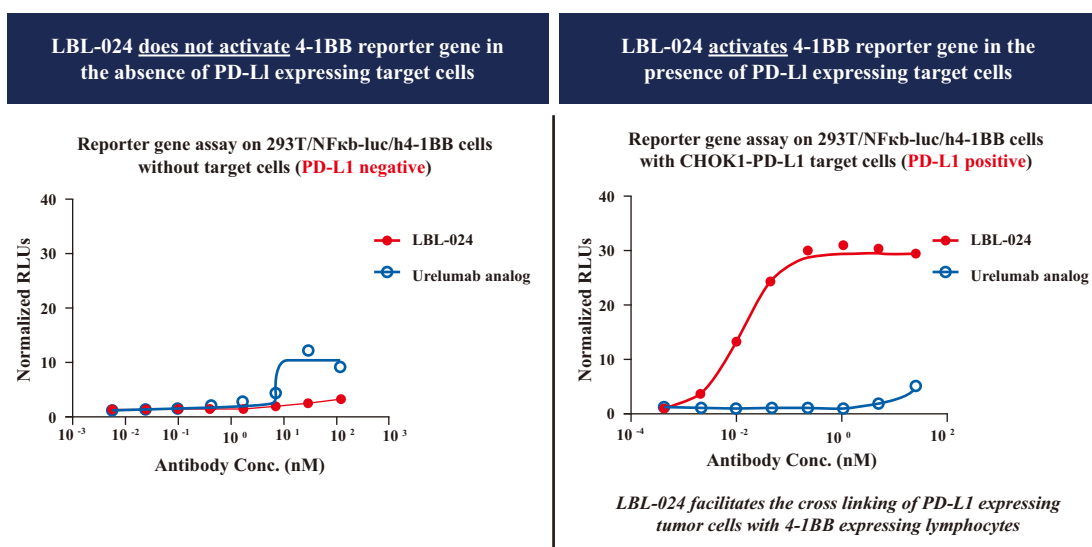
Please refer to the section headed “Industry Overview — 4-1BB Antibody Drugs” in this prospectus for more information.

Competitive Advantages

Localized and conditional activation of 4-1BB that could potentially lead to minimized liver toxicity and a wide therapeutic window

The development of 4-1BB agonists is challenged by two major obstacles: dose-limiting liver toxicity and false testing results at extremely high concentrations (known as the hook effect). To address these issues, we have engineered a unique bispecific antibody, LBL-024, in a 2:2 format, with an affinity ratio of 300:1 for PD-L1 versus 4-1BB. This dual-targeting strategy enhances the specificity of 4-1BB activation by confining the co-stimulation and subsequent immune activation to the PD-L1 expressing tumor environment. The precisely designed affinity ratio between 4-1BB and PD-L1 that aim to ensure the therapeutic effect remains potent and synergistic, characteristic of dual-functional therapies, while expected to provide LBL-024 with the potential to reduce systemic toxicity. This is achieved by avoiding on-target off-tumor stimulation of 4-1BB in peripheral tissues outside the tumor. Although ongoing clinical trials have yet to definitively affirm the correlation between the molecular design and the safety profile, and we cannot exclude other factors that may also influence the safety result of LBL-024, preliminary observations suggest a favorable safety profile for LBL-024 at dose level of up to 25 mg/kg in monotherapy and 15 mg/kg in combination with chemotherapy, as compared to urelumab (a 4-1BB antibody agonist), for which clinical development was discontinued due to liver toxicity observed at dose levels of 0.1-15 mg/kg, and to acasunlimab (a registrational-stage 4-1BB/PD-L1 bispecific antibody) at dose levels of 25-1,200 mg (approximately 0.4-20 mg/kg in a 60 kg adult). While these clinical trial data were generated from independent studies and do not result from head-to-head comparisons, and there is no assurance that the safety data of LBL-024 in subsequent clinical trials will be as favorable as those observed in earlier Phase I/II trials, these observations nonetheless provide meaningful insight suggesting that LBL-024 could potentially offer a compelling safety profile and a broad therapeutic window for effective cancer treatment.

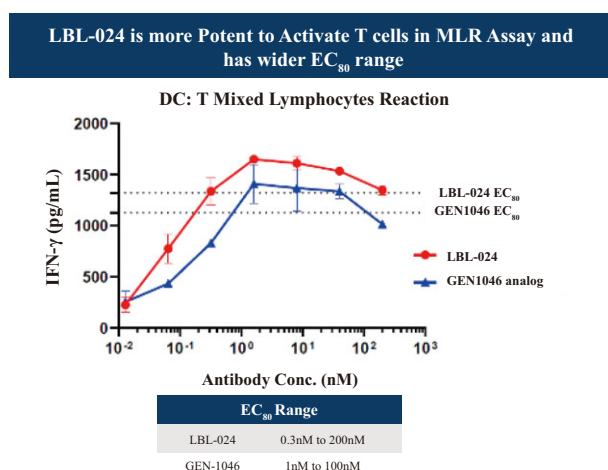
Selected safety data of LBL-024



Source: Company data

Results from preclinical studies of LBL-024 reflected the aims of our design and demonstrated its advantages as compared to anti-4-1BB monoclonal antibodies and other 4-1BB/PD-L1 bispecific antibodies. As illustrated by the figures above, LBL-024 conditionally activates 4-1BB in a PD-L1 binding-dependent manner *in vitro*, showing minimal activation of the 4-1BB receptor in the absence of PD-L1 expressing target cells, unlike the monoclonal antibody urelumab. However, in the presence of PD-L1 positive cells, LBL-024 robustly activates the 4-1BB signaling pathway.

Additionally, LBL-024 exhibits a significantly higher binding affinity for PD-L1 versus 4-1BB, with a ratio of 300:1, compared to other PD-L1/4-1BB bispecific antibodies like GEN1046 (PD-L1/4-1BB), which has an affinity ratio of 0.9:1. This unique design allows LBL-024 to demonstrate a broader effective concentration range (EC80) in preclinical assays, indicating a wider therapeutic window compared to GEN1046, as shown in the figure below.



Source: Company data

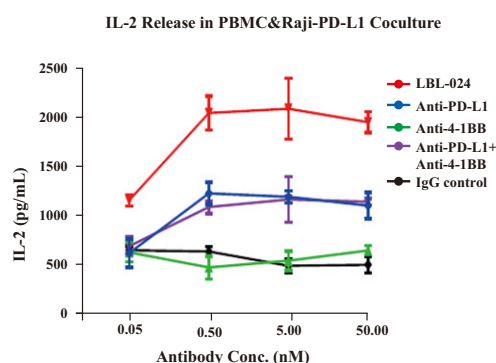
In both clinical trial and preclinical animal studies, we observed favorable safety profile and a broad therapeutic window for LBL-024. In toxicology study in cynomolgus monkeys, repeated dosing of LBL-024 (20-200 mg/kg) was well tolerated. HNSTD in cynomolgus monkeys was confirmed at 200 mg/kg, and no liver toxicity was observed. In the completed Phase I/II trial, 175 patients (111 patients in Phase II) were treated across a broad dose level from 0.2 mg/kg – 25 mg/kg Q3W. No DLT was observed and was not reached even at the highest doses tested of 25 mg/kg. Most adverse events are Grade 1 or 2 and manageable. Out of 175 patients, only 1.1% (2/175) and 0.6% (1/175) patients experienced ≥ 3 grade adverse events of increases in AST and ALT levels, respectively, both of which are key indicators of liver toxicity. The most frequently reported treatment-emergent adverse events ($\geq 10\%$) included anemia (34.3%), increased AST levels (32.6%), increased ALT levels (27.4%), leukopenia (20.0%), hypoalbuminemia (16.6%), hyponatremia (16.0%), thrombocytopenia (14.9%), neutropenia (14.9%), hypertriglyceridemia (14.3%), asthenia (13.1%), hypokalemia (13.1%), proteinuria (13.1%), increased blood bilirubin (13.1%), decreased appetite (11.4%), and pyrexia (10.9%).

Synergistic antitumor efficacy through dual-targeting strategy

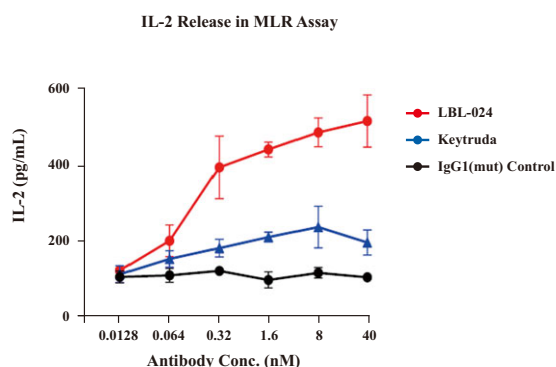
LBL-024 demonstrates a unique structural composition characterized by a dual-targeting approach and a 2:2 format. The dual-targeting approach and 2:2 format of LBL-024 are instrumental in driving its superior antitumor efficacy and cytokine release observed in both *in vitro* and *in vivo* studies. This design enables LBL-024 to concurrently engage multiple molecular targets, thereby enhancing its specificity and potency against cancer cells. Moreover, the precise molecular arrangement optimizes binding affinity, further bolstering its therapeutic effectiveness. As shown in the figures below, in *in vitro* and *in vivo* studies, LBL-024 exhibited more potent antitumor activity and cytokine release compared to anti-PD-1 antibodies and anti-4-1BB antibodies, either alone or in combination. Notably, LBL-024 induced increased cytokine release, particularly interleukin-2 (IL-2), highlighting its potential as a potent therapeutic agent in oncology.

Selected data of enhanced cytokine release by LBL-024

LBL-024 Enhanced IL-2 Release by Human PBMCs co-cultured with PD-L1+ Tumor Cells



LBL-024 Enhanced IL-2 Release in Dendritic cell-T cell Mixed Lymphocyte Reaction Assay

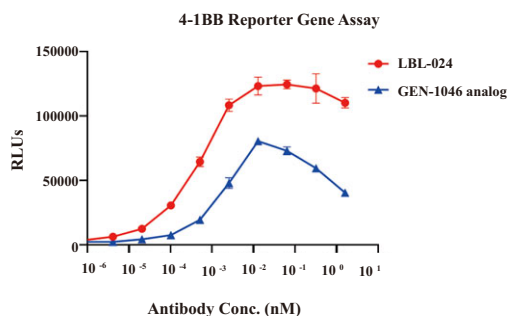


Source: Company data

As demonstrated by the figures below, in both the reporter gene assay and the mixed lymphocyte reaction (MLR) assay, LBL-024 exhibited heightened efficacy in activating 4-1BB signaling and stimulating IL-2 release compared to GEN-1046. Moreover, LBL-024 exhibits consistent efficacy even at higher concentrations, whereas the testing results of GEN-1046 may be affected at high concentrations.

Comparative efficacy of LBL-024 and GEN-1046 in 4-1BB signaling and T cell activation

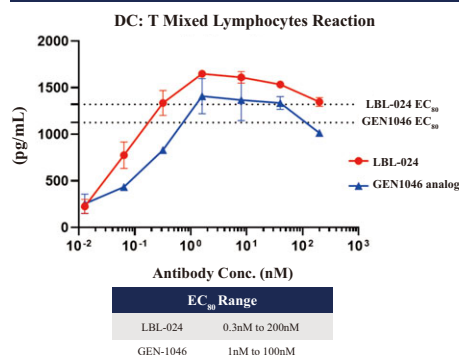
LBL-024 Activates 4-1BB Reporter Gene more Potently in the Presence of CHOK1-PD-L1 cells



Assay Description: huPD-L1 target cells and hu4-1BB/NF-kB reporter cells were mixed and co-cultured with bispecific antibodies. The luminescence indicate the activation of 4-1BB signaling.

Source: Company data

LBL-024 is more Potent to Activate T cells in MLR Assay and has wider EC₈₀ range

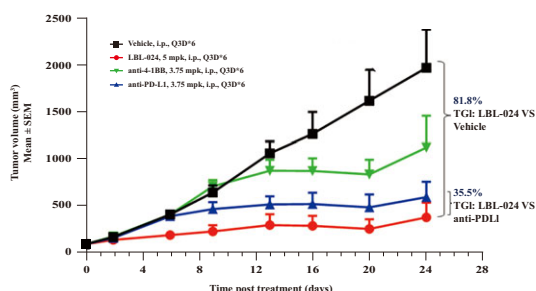


Assay Description: DC and T cells were mixed at 1:10 ratio and co-cultured with bispecific antibodies for 5 days, IFN- γ release was detected by HTRF kit.

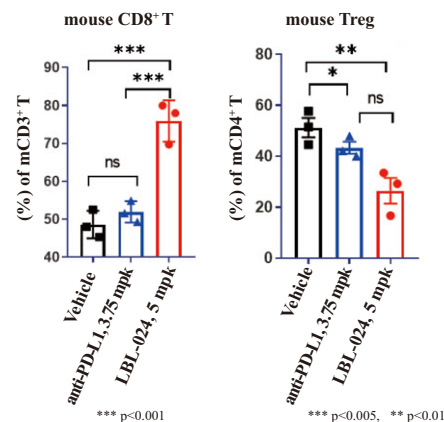
Moreover, LBL-024 demonstrated superior antitumor efficacy in both PD-1/L1 sensitive and resistant mouse models, resulting in substantial infiltration of CD8⁺ T cells into the tumor microenvironment. These findings underscore the robust potential of LBL-024 as a promising candidate for further investigation and development in immunotherapy strategies targeting cancer.

Superior antitumor efficacy of LBL-024 in PD-1/PD-L1 sensitive and resistant models

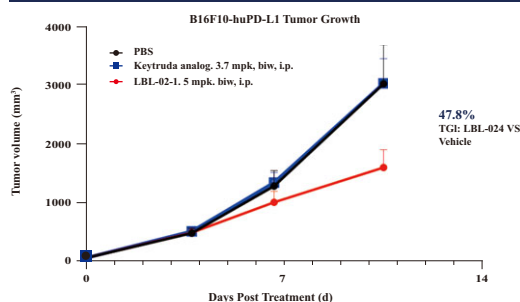
MC38-PD-L1 Syngeneic Mouse Model



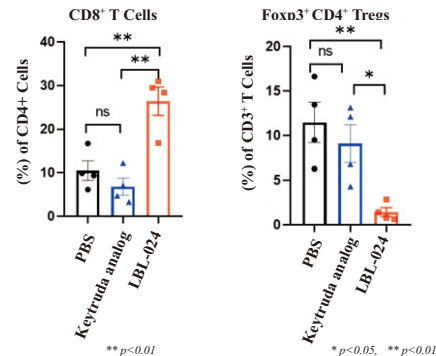
CD8⁺ T cells and Treg Percentage in TILs



Efficacy in B16F10-huPD-L1 Tumor Model



CD8⁺ T cells and Treg Percentage in TILs



Source: Company data

Furthermore, LBL-024 demonstrated robust efficacy in treating patients with advanced solid tumors. As of February 12, 2025, out of the 45 evaluable patients with 2L/3L+ EP-NEC and measurable lesions, 15 achieved PR, and eight achieved SD. The ORR was 33.3%, surpassing both the SOC and currently available immunotherapies, as demonstrated by the figure below. Additionally, the DCR was 51.1%. At the RP2D of 15 mg/kg, the trial observed 11 PR and 5 SD, resulting in an ORR of 33.3% and a DCR of 48.5%. Moreover, the median DoR was 5.3 months, with 4 months for the 2L patients and 7 months for the 3L+ patients. The median PFS for the overall, 2L, and 3L+ patients was 2.8, 4.1, and 2.8 months, respectively. The median follow-up period was 18.2 months, and the mOS was 11.9 months. The 6-month OS rates for the overall, 2L, and 3L+ populations were 79.5%, 90.0%, and 70.8%, respectively. This outcome significantly outperforms the publicly reported clinical trial data of currently available therapies for treating late-line EP-NEC. In comparison, the mOS of FOLFIRI, nivolumab as well as the combination of nivolumab and ipilimumab regimen was 8.9, 7.2 and 5.8 months, respectively, in the second-line or above treatment of EP-NEC, according to their respective publicly reported clinical data. With these impressive safety and efficacy results observed in NEC patients, LBL-024 was selected among competitors for oral presentation in Clinical Science Symposium of 2024 ASCO Annual Meeting through a stringent and highly competitive selection process.

The following comparison table summarizes the relevant information of clinical trial of NEC:

NCT	Phase	Treatment	Patient Number	Indication	Treatment Line	ORR (%)	mPFS (m)	mOS (m)
NCT05170958	I/II	LBL-024	45	EP-NEC	≥2L	33.3%	2.8	11.9
NCT05170958	I/II	LBL-024	21	EP-NEC	2L	38.1%	4.1	Not reached
NCT04169672	II	Surufatinib + Toripalimab	21	NEC	2L	23.8%	4.1	10.9
NCT03167853	Ib	Toripalimab	40	NEN	≥2L	20.0%	2.5	7.8
NCT02820857	II	FOLFIRI	67	NEC	2L	18.3%	3.5	8.9
NCT03136055	II	Pembrolizumab	14	EP-NEC	≥2L	7.0%	1.8	7.8
NCT03591731	II	Nivolumab	83	NEC	≥2L	7.2%	1.8	7.2
		Nivolumab + Ipilimumab	87	NEC	≥2L	14.9%	1.9	5.8
NCT02955069	II	PDR001	21	GEP-NEC	≥2L	4.8%	1.8	6.8
NCT03095274	II	Durvalumab+Tremelimumab	18	GEP-NEC	2L	16.7%	2.4	5.9
NCT04400474	II	Cabozantinib+Atezolizumab	9	G3 EP-NEN	≥2L	0	2.7	5.4

Source: Company data, Frost & Sullivan Analysis

LBL-024's proven efficacy in EP-NEC presents a strong case for its potential development for other NEC types, such as SCLC, and potentially as a frontline treatment. In our Phase Ib/II trial of LBL-024 in combination with chemotherapy, among 19 evaluable patients, ORR of 84.2% (16/19) and DCR of 100% were observed in the SCLC cohort, as of February 14, 2025. Beyond NECs, LBL-024 monotherapy has also generated preliminary efficacy signals in multiple other large cancer indications, particularly BTC. In its monotherapy Phase I/II trial, among 25 evaluable patients with BTC, one achieved CR (DoR of 100 weeks), one achieved PR, and 11 achieved SD, indicating an ORR and a DCR of 8.0% and 52.0%, respectively, as of February 12, 2025, suggesting therapeutic potential in other cancer indications. We also saw preliminary efficacy signals of LBL-024 monotherapy in other large cancer indications in this trial, such as NSCLC.

Registrational-stage candidate with the potential to be the first marketed 4-1BB-targeted agent and the first marketed drug for EP-NEC

As the most *advanced* candidate in its class, LBL-024 has the potential to be the first marketed 4-1BB-targeted agent worldwide. Having successfully completed the Phase I clinical trial of LBL-024 as monotherapy in solid tumors and the Phase II trial for EP-NEC, we have obtained the approval from the NMPA to initiate a single-arm registrational trial to evaluate LBL-024 for patients with EP-NEC 3L treatment in April 2024. In the deficient of a standard of care for EP-NEC, we are poised to seek an accelerated and conditional marketing approval for LBL-024 based on the registrational trial's outcomes. We enrolled the first patient in this trial in July 2024. Subject to the clinical progress, we expect to submit a BLA to the NMPA by the third quarter of 2026 and anticipate obtaining a conditional approval by the second quarter of 2027. This clinical development strategy is designed to expedite LBL-024's entry to the market, cementing its position at the forefront of 4-1BB-targeted therapies. Moreover, if approved, LBL-024 could become the first drug to receive approval for treating EP-NEC globally, offering an effective treatment option for this cancer with limited treatment options.

In parallel, we are dedicated to expanding LBL-024's therapeutic potential and advancing its clinical development and registration for the treatment of other indications. In addition to EP-NEC, LBL-024 also demonstrated strong potential in treating other NEC types, such as SCLC, and potentially as a frontline treatment. Additionally, based on its preliminary efficacy signals in multiple prevalent cancer types, including NSCLC, BTC and HCC, we have initiated a Phase Ib/II trial to evaluate the use of LBL-024 in combination with the standard of care for SCLC, NSCLC and other solid tumors. As of February 14, 2025, 108 patients have been enrolled in Phase Ib/II trial. These efforts are expected to further broaden the addressable patient population and market reach of LBL-024 post-launch. In addition, we may seek collaboration opportunities with large industry players for the overseas clinical development and commercialization of LBL-024.

Summary of Clinical Trial Results

Phase I/II clinical trial of LBL-024 monotherapy in China

We commenced the Phase I/II study of LBL-024 monotherapy in January 2022 in China. The Phase I portion targeting advanced malignant tumors that exhausted standard of care treatments was completed in June 2023. Subsequently, the Phase II clinical trial for the same indications were initiated in June 2023. This Phase II trial aims to investigate the therapeutic effects of LBL-024 across different cancer indications in four trial cohorts. We are conducting this Phase II trial and have completed the patient enrollment for all the trial cohorts in December 2023. In February 2024, we submitted the registrational study application for EP-NEC to the CDE and received approval in April 2024. We subsequently enrolled the first patient in this trial in July 2024.

Trial design. The Phase I clinical trial of LBL-024 is a single-arm, open-label, dose escalation study conducted in China, designed to evaluate the safety, tolerability, pharmacokinetic (PK), immunogenicity, and preliminary efficacy in patients suffering with advanced malignant tumors. The patients are assigned into seven cohorts, receiving LBL-024 at 0.2 mg/kg to 25 mg/kg once every three weeks (Q3W). The primary objectives of the trial are to access the DLT of LBL-024, and determine the MTD and/or RP2D. Secondary objectives include analyzing the pharmacokinetic profile, assessing immunogenicity, and measuring preliminary efficacy indicators of the investigational drug.

BUSINESS

Meanwhile, the Phase II trial is a single-arm, open-label, indication expansion Phase II trial in China to further evaluate the efficacy, safety, PK profile and immunogenicity of LBL-024. This trial involves patients with advanced EP-NEC and other solid tumor types, including biliary tract carcinoma (BTC) and NSCLC, organized into four distinct treatment cohorts. Each patient group receives an administered dose of LBL-024 at 15 mg/kg Q3W. The primary measure for success in this phase is the IRC-evaluated ORR, with secondary endpoints including DCR, DOR, PFS, OS, adverse event monitoring, further PK assessment, and evaluation of immunogenicity and PD-L1 expression. This structured investigation aims to provide a comprehensive understanding of the therapeutic potential and safety of LBL-024 in a broader range of malignancies.

The following table indicated the demographic and baseline characteristics of the trials.

Parameter		Phase I, n (%)	Phase IIa, n (%)
		n=64	n=111
Age	Median	58 yrs.	58 yrs.
	Range	32 yrs. to 72 yrs.	28 yrs. to 75 yrs.
Gender	Male	36 (56.3%)	74 (66.7%)
	Female	28 (43.7%)	37 (33.3%)
ECOG	0	3 (4.7%)	16 (14.4%)
	1	61 (95.3%)	95 (85.6%)
Prior Treatments	I/O Treatments	16 (25.0%)	48 (43.2%)
Cancer Types	Extra-pulmonary Neuroendocrine Carcinoma (EP-NEC)	28 (43.8%)	34 (30.6%)
	Biliary Tract Cancers (BTC)	11 (17.2%)	20 (18.0%)
	Others (OC, NSCLC, HCC, CRC, ESCC, etc.)	25 (39.1%)	57 (51.4%)

Source: Company data (as of February 12, 2025)

Trial status. We completed the Phase I trial in June 2023. A total of 64 patients were enrolled in this trial including cohorts for EP-NEC, ovarian cancer (OC), biliary tract cancer, NSCLC, and other solid tumors. Building on the promising data, we proceeded to the Phase II clinical trial, with enrollment completed in December 2023, with a total of 111 patients enrolled including cohorts for EP-NEC, NSCLC, biliary tract cancer, and other solid tumors.

BUSINESS

Safety results. As of February 12, 2025, our clinical study has shown promising safety results, no DLT was observed, and the MTD was not reached at a dosage up to 25 mg/kg. Among the participants, 139 out of 175 (79.4%) experienced TRAEs of all grades. 38 (21.7%) of these patients experienced TRAEs of grade ≥ 3 . The majority of adverse events were grades 1-2, indicating a manageable safety profile of LBL-024. The most commonly observed TRAEs, affecting more than 15% of patients, included anemia (34.4%), elevated AST (32.6%), increased ALT (28.0%), and leukopenia (20.0%).

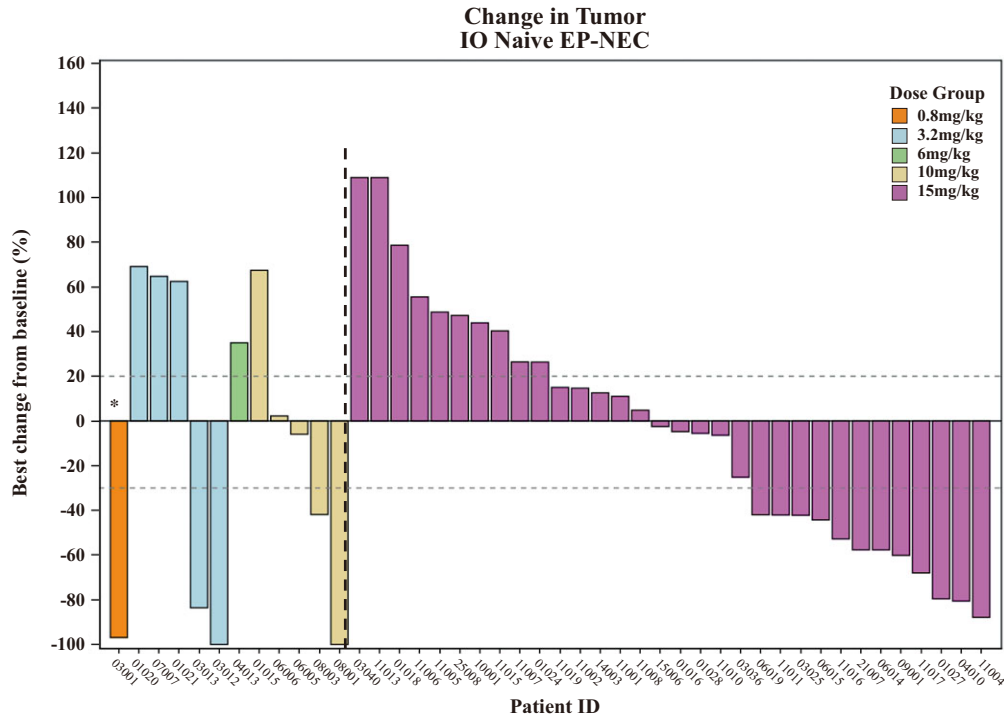
The following table summarized the safety data observed in the trials:

Adverse events	Phase I (n=64)								Phase IIa (n=111)
	0.2 mg/kg (n=1)	0.8 mg/kg (n=3)	3.2 mg/kg (n=13)	6 mg/kg (n=7)	10 mg/kg (n=12)	15 mg/kg (n=12)	25 mg/kg (n=16)	Total (n=64)	15 mg/kg (n=111)
TEAE	1 (100.0%)	3 (100.0%)	12 (92.3%)	7 (100.0%)	12 (100.0%)	12 (100.0%)	16 (100.0%)	63 (98.4%)	100 (90.1%)
TRAE	1 (100.0%)	3 (100.0%)	10 (76.9%)	5 (71.4%)	11 (91.7%)	11 (91.7%)	16 (100.0%)	57 (89.1%)	82 (73.9)
SAE	0 (0.0%)	2 (66.7%)	5 (38.5%)	3 (42.9%)	5 (41.7%)	3 (25.0%)	3 (18.8%)	21 (32.8%)	37 (33.3%)
TR-SAE	0 (0.0%)	2 (66.7%)	3 (23.1%)	1 (14.3%)	3 (25.0%)	2 (16.7%)	1 (6.3%)	12 (18.8%)	18 (16.2)
≥Grade 3 AE	0 (0.0%)	2 (66.7%)	6 (46.2%)	5 (71.4%)	7 (58.3%)	4 (33.3%)	4 (25.0%)	28 (43.8%)	44 (39.6)
≥Grade 3 TRAE	0 (0.0%)	2 (66.7%)	4 (30.8%)	1 (14.3%)	5 (41.7%)	3 (25.0%)	3 (18.8%)	18 (28.1%)	20 (18.0)
TRAE leading to treatment interruption	0 (0.0%)	1 (33.3%)	3 (23.1%)	1 (14.3%)	5 (41.7%)	3 (25.0%)	1 (6.3%)	14 (21.9%)	27 (24.3)
TRAE leading to treatment discontinuation	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	1 (8.3%)	2 (16.7%)	1 (6.3%)	4 (6.3%)	3 (2.7)

Note: TEAE refers to treatment emergent adverse events; TRAE refers to treatment-related adverse events; SAE refers to serious adverse event; TR-SAE refers to treatment-related serious adverse event; AE refers to adverse events.

Source: Company data (as of February 12, 2025)

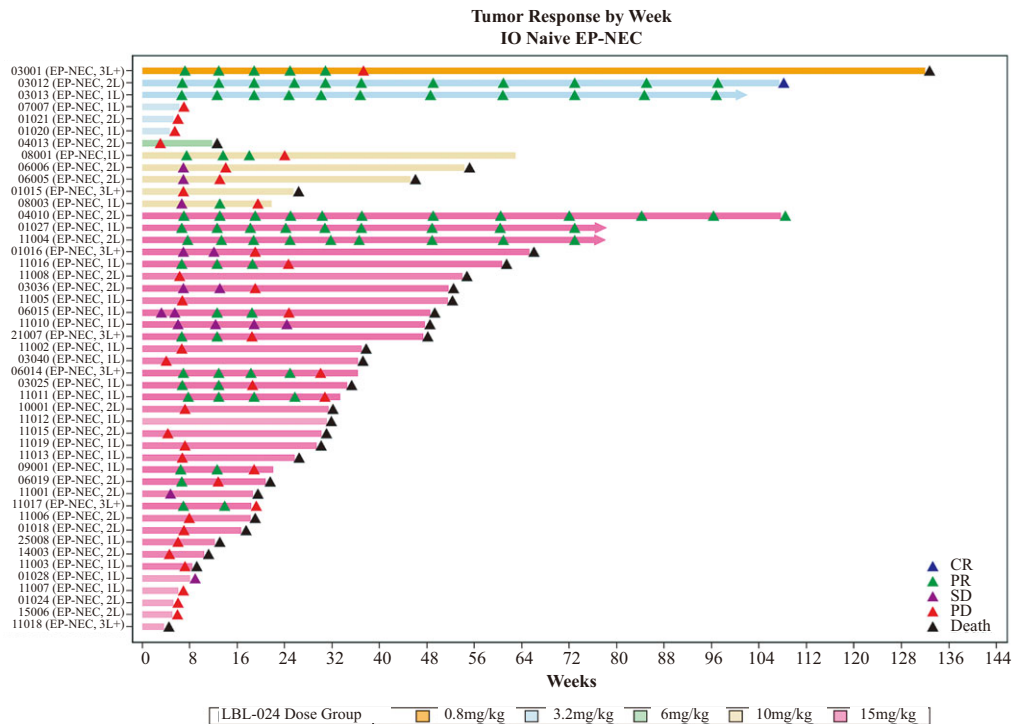
Efficacy results. As of February 12, 2025, among the 45 evaluable patients with 2L/3L+ EP-NEC, 15 of these patients achieved PR and eight maintained SD, resulting in an ORR of 33.3% and a DCR of 51.1%. At the RP2D of 15 mg/kg, the ORR was 33.3% and the DCR was 48.5% in 2L patients. Moreover, the median DoR was 5.3 months, with 4 months for the 2L patients and 7 months for the 3L+ patients. The median PFS for the overall, 2L, and 3L+ patients was 2.8, 4.1, and 2.8 months, respectively. The median follow-up period was 18.2 months, and the mOS was 11.9 months. The 6-month OS rates for the overall, 2L, and 3L+ populations were 79.5%, 90.0%, and 70.8%, respectively. Additionally, a waterfall plot, updated as of February 12, 2025, visually represents the percentage change from baseline in target lesions for each evaluable patient, further illustrating the treatment effects across the cohort.



* Gallbladder NEC mixed adenocarcinoma

Source: Company data (as of February 12, 2025)

The spider figure shows significant durability of objective responses and disease stabilization of the 45 evaluable patients administered with LBL-024 at various dose levels as measured by percent change from baseline in target lesions over time.



Source: Company data (as of February 12, 2025)

In the BTC patient cohort of the same study, 25 patients were evaluated for treatment efficacy. The ORR was 8.0%, and the DCR reached 52.0%, demonstrating certain level of disease stabilization. Noteworthy is a case of CR with a DoR of 100 weeks. Another patient in this group showed prolonged benefit with a PR lasting 9.6 months, suggesting therapeutic potential in other cancer indications.

Conclusion. LBL-024 has demonstrated favorable safety profile in patients with advanced solid tumors, and the preliminary efficacy results suggest its robust antitumor activities in advanced EP-NEC and therapeutic potential for other tumor types.

Phase Ib/II clinical trial of LBL-024 in combination with etoposide and platinum-based chemotherapy

We launched a Phase Ib/II study of LBL-024 in combination with etoposide and platinum-based chemotherapy in January 2024 in China for the first-line treatment of advanced EP-NEC and SCLC.

Trial design. The Phase Ib trial is a single-arm, open-label, dose-escalation study conducted in China, aimed at assessing the safety, tolerability, efficacy, PK characteristics, and immunogenicity of LBL-024 in combination with etoposide and platinum-based chemotherapy for patients with advanced EP-NEC and SCLC. Patients participating in this study are divided into three cohorts, each receiving doses of LBL-024 ranging 6 mg/kg, 10 mg/kg and 15 mg/kg Q3W. Based on the specific conditions of each participant, investigators have the discretion to choose between two chemotherapy regimens: etoposide plus cisplatin (EP) or etoposide plus carboplatin (EC). The primary outcomes measured in this trial include the monitoring of adverse events, DLT, and abnormalities in laboratory test results. Secondary endpoints encompass evaluations of efficacy, further PK profiling, and the study of immunogenicity responses.

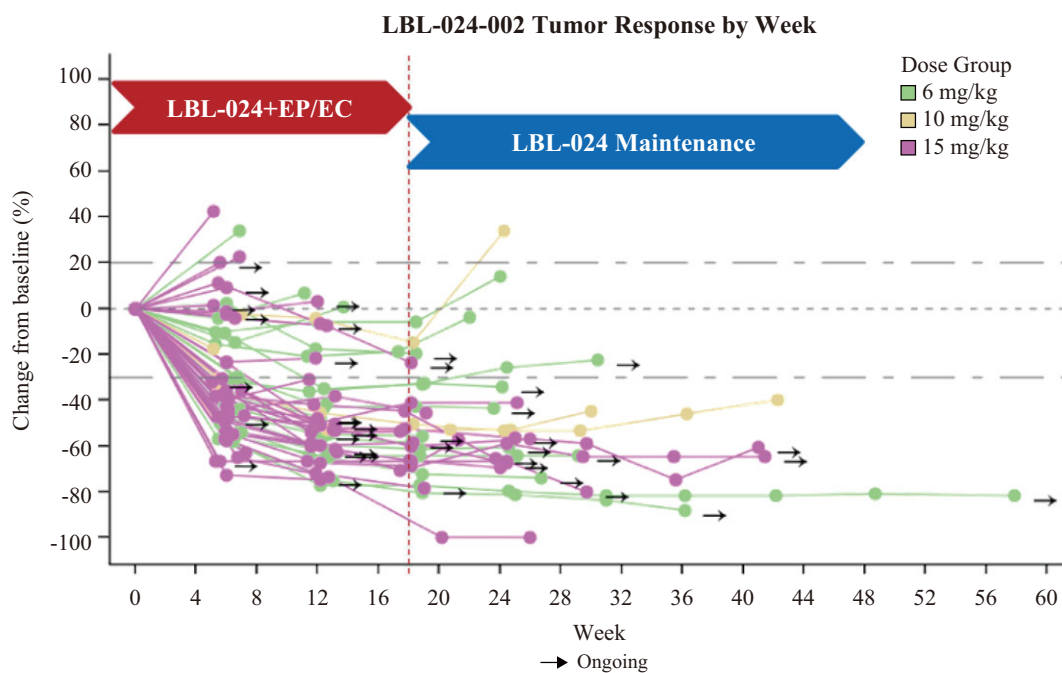
The Phase II trial is a randomized, single-arm, open-label, dose-expansion study conducted in China, focusing on evaluating the efficacy, safety, and immunogenicity of LBL-024 in combination with etoposide and platinum-based chemotherapy in patients with advanced EP-NEC and SCLC. In this phase, patients are administered LBL-024 Q3W in combination with either etoposide plus cisplatin (EP) or etoposide plus carboplatin (EC) at two different dosage levels. The RP2D of LBL-024 will be determined by the Safety Monitoring Committee. The administration of chemotherapy will adhere to the protocol established in Phase Ib. The primary endpoint for this trial is the ORR. Other study endpoints include adverse events, DCR, DOR, PFS, OS and immunogenicity.

Trial status. As of February 14, 2025, we have enrolled a total of 108 subjects in this Phase Ib/II trial. Enrollment for the EP-NEC cohort was completed in December 2024. We are currently recruiting patients for the SCLC cohort and have 19 evaluable patients as of the cut off date.

Safety results. As of February 14, 2025, among 108 patients with 1L NEC (including EP-NEC and SCLC) that were enrolled to receive LBL-024 at doses of 6, 10 and 15 mg/kg in combination with EP chemotherapy, no DLT was observed, and the MTD was not reached up to 15 mg/kg.

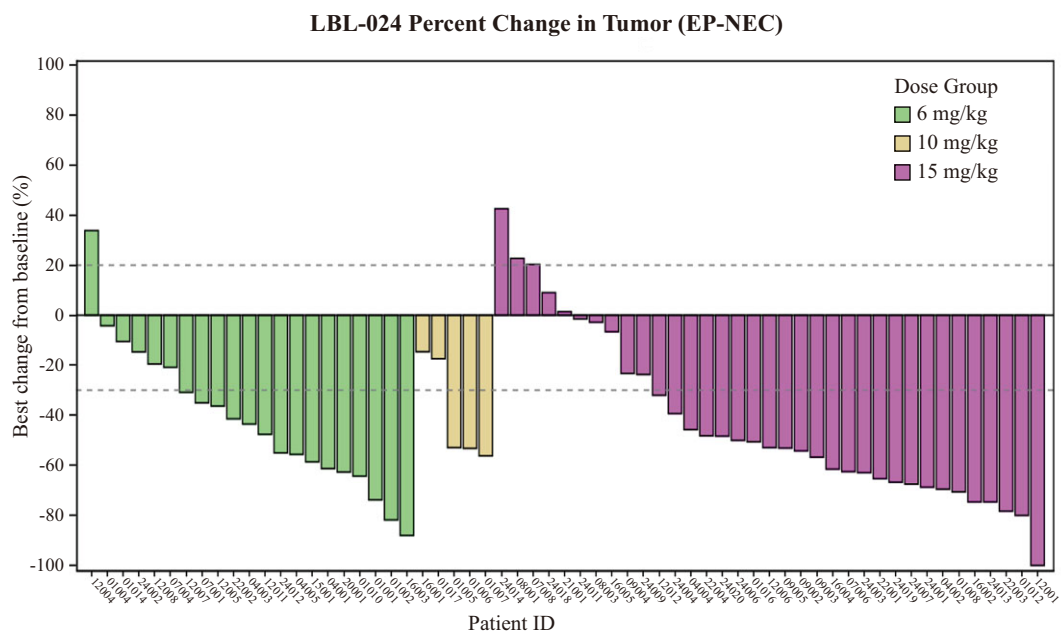
Efficacy results. As of February 14, 2025, among 61 evaluable patients in the EP-NEC cohort of the Phase Ib/II trial of LBL-024, the ORR reached 71.4% (15/21), 60.0% (3/5) and 71.4% (25/35) at dose group of 6 mg/kg, 10 mg/kg and 15mg/kg, respectively, and the DCR reached 91.8% (56/61) across all dose groups. As of February 14, 2025, among 19 evaluable patients, ORR of 84.2% (16/19) and DCR of 100% were observed in the SCLC cohort.

The spider plot below highlights the significant durability of objective responses and disease stabilization observed in 61 evaluable patients treated with LBL-024 at various dose levels. Initially, patients received LBL-024 in combination with EP/EC up to week 18, followed by maintenance therapy with LBL-024 at various dose levels. The efficacy of the treatment was assessed by measuring the percent change from baseline in target lesions over time.

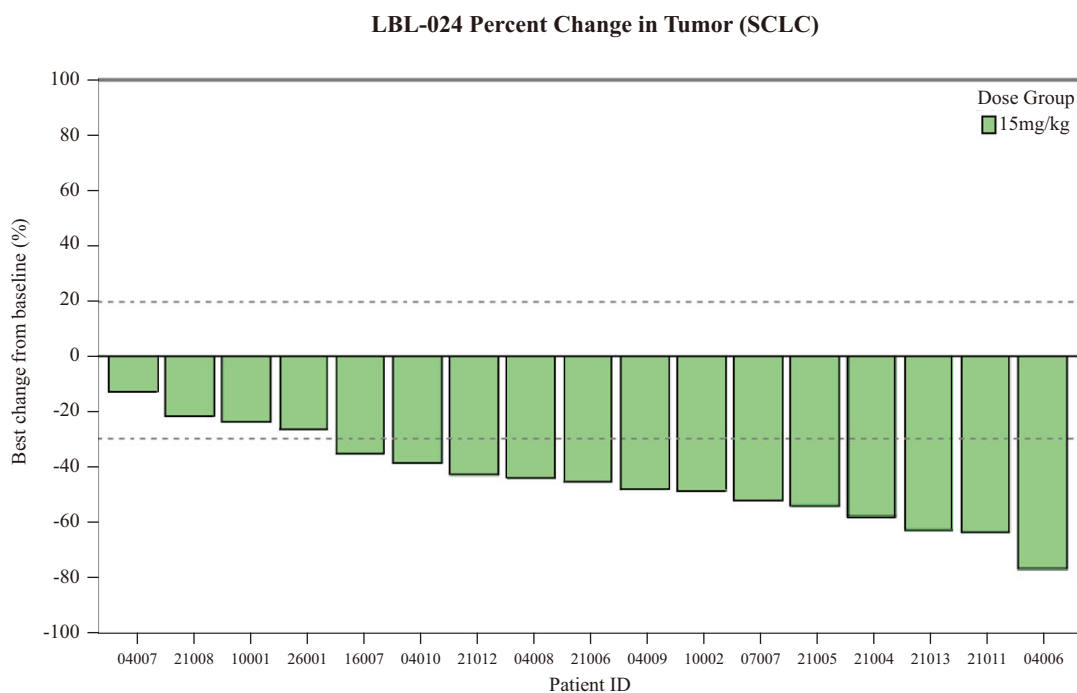


Source: Company data (as of February 14, 2025)

Additionally, following waterfall plots, updated as of February 14, 2025, visually represents the percentage change from baseline in target lesions for each evaluable patient, further illustrating the treatment effects of LBL-024 across EP-NEC and SCLC at various dose levels.



Source: Company data (as of February 14, 2025)



Source: Company data (as of February 14, 2025)

Conclusion. The clinical data from the Phase Ib/II trial of LBL-024 in combination with etoposide and platinum-based chemotherapy has demonstrated promising safety and preliminary efficacy profile, and supports continued development for the treatment of NECs including both EP-NEC and SCLC.

Clinical Development Plan

We plan to develop our LBL-024 both as monotherapy and as a backbone for combination therapy. We currently focus on China market in the foreseeable future, but plan to launch overseas clinical development and commercialization depending on evolving clinical needs and regulatory opportunities. The table below sets forth details of our further clinical development plan for LBL-024:

<u>Indication</u>	<u>Mono/Combo</u>	<u>Clinical trial stage</u>	<u>Location</u>	<u>(Expected) first patient enrollment date</u>	<u>Expected BLA submission date</u>
3L+ EP-NEC	Mono	Registrational	China	July 2024	Q3 2026
1L EP-NEC	Combo (with EP/CP)	Phase Ib/II	China	January 2024	2029
1L SCLC	Combo (with EP/CP)	Phase Ib/II	China	January 2024	2029
NSCLC and other solid tumors	Combo (with SOC)	Phase II	China	H2 2025	2030

Our clinical development plan for LBL-024 incorporates a fast-to-market strategy targeted at 3L+ EP-NEC, motivated by the limited treatment options currently available for patients with EP-NEC and the encouraging results from our clinical trials. This context has set the stage for pursuing single-arm registrational trials aimed at securing conditional approval for LBL-024 in the treatment of EP-NEC in China. We have obtained an approval from the CDE for a single-arm registrational trial to evaluate LBL-024 monotherapy in patients with EP-NEC who failed previous chemotherapy in April 2024, and enrolled the first patient in this trial in July 2024. We have already received the BTD for LBL-024 in treating late-line EP-NEC from the NMPA in October 2024. This trial allows us to seek accelerated marketing approval of LBL-024 for the treatment of late-line EP-NEC, thereby expediting the timeframe for commercialization of LBL-024. According to the formal communications with the CDE in April 2024, the sample size for the single-arm trial of LBL-024 should be determined based on the required minimum ORR threshold. While conservative calculations suggest approximately 96 subjects, the favorable clinical profile of LBL-024 may support a reduced sample size, contingent upon observed ORR meeting the specified criteria. Based on the conservative calculation of subjects and subject to the clinical progress, we expect to submit a BLA for monotherapy for advanced EP-NEC patients with failure of chemotherapy with the NMPA by the third quarter of 2026 and anticipate obtaining a conditional approval by the second quarter of 2027. According to the formal communications with the CDE in April 2024, when considering a conditional approval, the CDE will primarily focus on the independent review committee (IRC)-assessed ORR, while also taking into account other endpoint measures including PFS, DOR, and OS.

Additionally, we intend to initiate a Phase III confirmatory study to provide data support for the full approval of LBL-024 specific for EP-NEC. We plan to dose the first patient of this Phase III confirmatory study prior to the second quarter of 2027, in accordance with CDE requirements for initiation before conditional approval. The sample size of this confirmatory study will be determined based on the progress and results of ongoing trials, through further consultation with the CDE. Typically, confirmatory clinical trials are required to be completed within five years following the conditional approval, subject to any adjustment based on discussions with the CDE. We have engaged in pre-IND communications with the CDE in April 2024, and plan to submit the IND application for this trial in the second quarter of 2025. Pursuant to the relevant laws and regulations in the PRC, if (i) we fail to prove the benefits of a conditionally approved drug outweigh its risks through the postapproval research, or (ii) we fail to complete the required post-approval research within the prescribed time limit and submit the supplementary applications in order to obtain a full marketing approval, the NMPA may take actions in accordance with the relevant laws and regulations, including, in the worst case, the revocation of the drug registration certificate.

We are focusing on indication expansion for LBL-024, specifically in combination with chemotherapy. Based on the efficacy signals observed in trials where LBL-024 was used as monotherapy to treat EP-NEC, and considering that SCLC is a specific form of NEC, we are positioning LBL-024 into a potential first-line combination treatment for SCLC, which represents a larger patient pool. We have completed the Phase Ib trial in combination with chemotherapy of LBL-024 in May 2024 and anticipate completing the Phase Ib/II trial of LBL-024 in combination with chemotherapy in the fourth quarter of 2025, following which we plan to commence the registrational study in the second quarter of 2026. Our expectation is to submit the BLA to the NMPA for the first-line treatment of advanced EP-NEC with no previous treatment and SCLC in 2029.

Beyond EP-NEC and SCLC, we plan to further investigate the therapeutic potential of LBL-024 in other solid tumor indications with insufficient treatment options. Preliminary efficacy signals have been observed in our ongoing clinical trials. Additionally, we are exploring combination therapies of LBL-024 with SOC for 1L BTC and 2L NSCLC, and have received the IND approval from the NMPA for a Phase II study in China in September 2024, we expect to enroll the first patient in the relevant trials in the second half of 2025. Our commitment to maximizing the clinical value and expanding the addressable patient population of LBL-024 includes further indication expansion into ESCC, HCC, GC and other solid tumors, strategically targeting underserved markets.

We seek to expanding the reach and impact of our therapeutic solutions on a worldwide scale. Our global plan includes seeking regulatory approvals across multiple key markets, establishing strategic partnerships for distribution and marketing in different regions, and conducting multinational clinical trials to ensure the efficacy and safety of our products across diverse patient populations. Specifically, we have already obtained an ODD for NEC (which includes EP-NEC) granted by the FDA, and plan to seek Breakthrough Therapy Designation from the FDA with an aim for fast-track approval as a monotherapy in the U.S. For SCLC, we expect to achieve proof-of-concept (“POC”) data by the end of 2025. Upon obtaining such potentially favorable POC results, we may pursue development in collaboration with a multinational pharmaceutical company to conduct multicenter clinical trials and obtain regulatory approvals in multiple regions around the globe. Our current plan for the overseas development of LBL-024 will

primarily focus on EP-NEC and SCLC. For other indications such as BTC, NSCLC, ESCC, HCC, GC and other solid tumors, we will prioritize their established development plan in China, with potential global expansion strategy to be formulated based on progression and data outcomes from our ongoing clinical programs.

We are actively engaged in the identification and validation of PD-L1 biomarkers. Following the commercial launch, we will collaborate with academic institutions to explore the pan-tumor treatment potential of our therapies.

License, Rights and Obligations

We are developing LBL-024 in-house and own the global rights to develop and commercialize LBL-024.

Material Communications with Competent Authorities

We received the IND approval from the NMPA for the Phase I/II trial of LBL-024 monotherapy in solid tumors in September 2021. This monotherapy Phase I/II trial comprised both the Phase I dose escalation study and Phase II indication expansion study, as approved by the NMPA. In January 2022, we commenced the Phase I dose escalation study in China, with the primary endpoints to access the DLT and determine the MTD and/or RP2D. In June 2023, we completed this Phase I study of LBL-024 monotherapy targeting advanced malignant tumors by achieving all primary endpoints.

As our IND approval for LBL-024 monotherapy from the NMPA encompassed both the Phase I dose escalation study and the Phase II indication expansion study, no additional regulatory approval was required to initiate to the Phase II study under the PRC laws and regulations. We thus commenced the Phase II indication expansion study subsequently in June 2023 upon the approval of ethics committee of clinical sites. The NMPA have had no objection for our commencement of this Phase II study. According to the IND approval for the Phase I/II trial of LBL-024 monotherapy and relevant PRC laws, we are only required to consult the CDE before commencing a registrational study. We had duly fulfilled this regulatory requirement by completing a formal consultation with the CDE in April 2024, during which we obtained approval to conduct a single-arm registrational trial of LBL-024.

We had not received any regulatory agency's concerns or objections to our ongoing registrational trial of LBL-024 monotherapy and clinical development plans as of the Latest Practicable Date.

Cautionary statement required by LR 18A.05

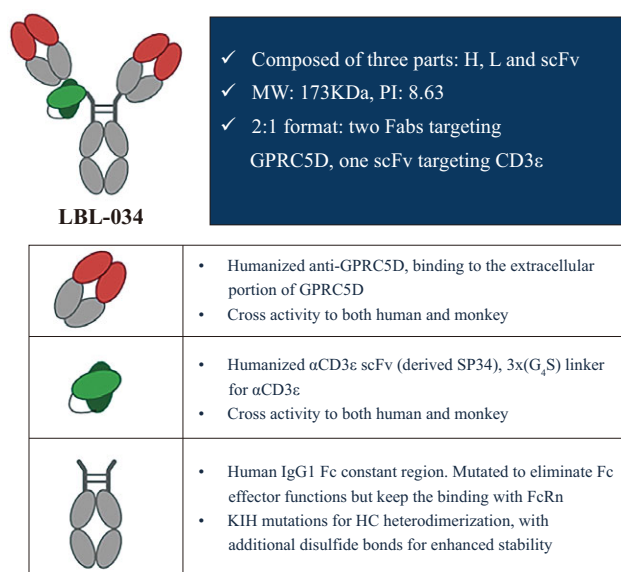
WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET LBL-024 SUCCESSFULLY.

LBL-034 (GPCR5D/CD3 BsAb) — Our Key Product

Overview

LBL-034 is a humanized, bispecific T-cell engager that specifically targets GPCR5D and CD3, and it is currently being developed in a Phase I/II trial for the treatment of relapsed/refractory MM in China. Benefiting from our unique structural design, LBL-034 has induced lower levels of cytokine release compared to the analog of TALVEY® (talquetamab) by Janssen Biotech, which is approved for MM in the U.S. Including TALVEY®, LBL-034 is the second most clinically advanced GPCR5D-targeted CD3 T-cell engager globally. T-cell engagers have demonstrated significant potential in treating various types of cancer, especially “cold tumors” that do not respond well to immune-checkpoint inhibitors; however, they are often associated with serious safety concerns, such as CD3-induced CRS. To address these issues, our proprietary LeadsBody™ platform has been utilized to refine the selection of various molecular formats of our T-cell engager candidates, aiming to achieve an optimal balance between safety and efficacy. Further, LBL-034 obtained the ODD from the FDA for the treatment of MM in October 2024.

The molecular structure of LBL-034 is illustrated below:



Source: Company data

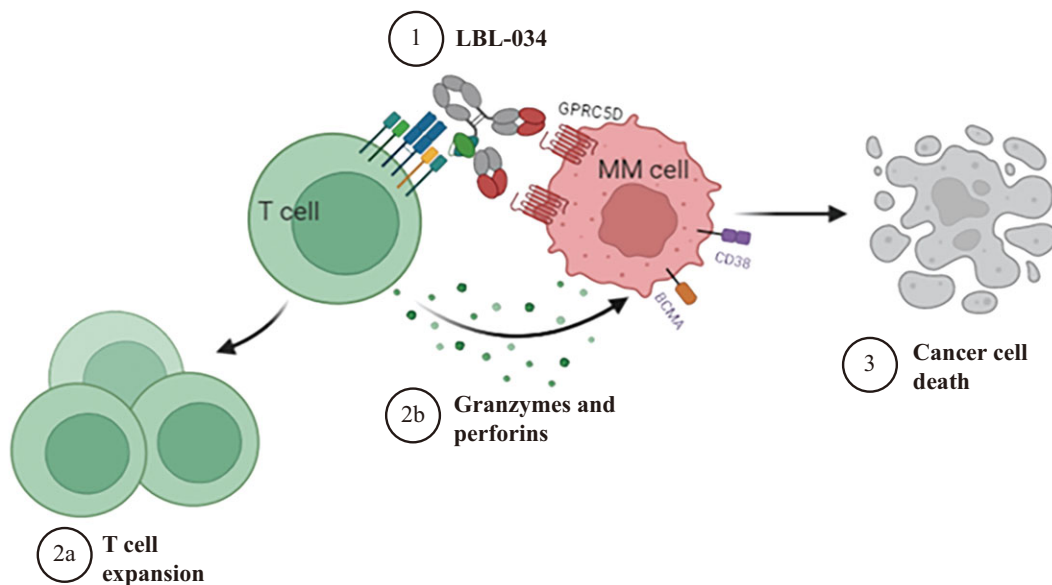
Mechanism of Action

GPCR5D is a type C 7-pass transmembrane receptor protein that is selectively overexpressed on malignant plasma cells in MM, while exhibiting minimal expression in normal tissues such as the skin and testes, and very low levels in normal B cells and plasma cells. This selective expression makes GPCR5D an ideal target for immunotherapy. This specific expression pattern allows for a targeted approach to attack cancer cells while minimizing harm to normal cells. CD3, on the other hand, is a protein complex and T cell co-receptor essential for activating both cytotoxic T cells and T helper cells, playing a critical role in the immune response against tumors.

LBL-034, a bispecific antibody, was designed to capitalize on these properties by targeting both GPRC5D and CD3, thereby activating T-cells against cancer cells. This antibody comprises three components: two Fabs that bind with high affinity to GPRC5D on tumor cells, one scFv that targets CD3 on T cells with low affinity, and a mutant IgG1 Fc portion. The strategic layout and spatial configuration of the CD3-targeting scFv relative to the GPRC5D-targeting Fab were meticulously engineered to ensure that the scFv is physically obstructed by the Fab, preventing it from binding to CD3 unless the antibody also concurrently binds to a GPRC5D-expressing cell. This design enhances the specificity of T-cell activation, significantly reducing the risk of on-target off-tumor effects and improving the therapeutic efficacy of LBL-034 in treating MM.

By simultaneously binding to CD3 on T cells and the tumor-associated antigen GPRC5D on cancer cells, LBL-034 brings T cells into close proximity with cancer cells, effectively activating the T cells to attack and kill the targeted cancer cells. This mechanism differs from other T cell-based immunotherapies, such as PD-1 inhibitors, as it harnesses the power of the immune response to selectively attack cancer cells independent of T-cell receptor recognition of tumor antigens, offering a highly targeted and effective approach for cancer treatment. Moreover, the 2:1 format of the molecule construct utilizes the steric hindrance effects of the GPRC5D Fabs, coupled with the fine-tuned affinity ratio for the two targets, which minimize the risk of off-target toxicity, enhancing the safety profile of LBL-034.

The following diagram illustrates the mechanism of action of LBL-034:



Source: Company data

Market Opportunities and Competition

MM is typically challenging to cure, with treatment goals focused on achieving and maintaining remission, improving quality of life, and prolonging OS. In China, the incidence of multiple myeloma increased from 28.1 thousand to 31.8 thousand cases between 2019 and 2024. Projections indicate this number will rise to 36.2 thousand by 2030. Currently, the first-line therapy includes a combination of the anti-CD38 monoclonal antibody daratumumab with bortezomib, lenalidomide, and dexamethasone. While this regimen has shown efficacy, it also has limitations such as significant toxicity, the potential for drug resistance, and the eventual relapse in many patients. For relapsed or recurrent multiple myeloma patients, treatment options remain limited for effective later-line treatments. One of the primary benefits of targeting GPRC5D/CD3 bispecific antibodies is the reduced incidence of side effects, including lower infection rates and fewer immune-related adverse reactions such as cytokine release syndrome and neurotoxicity. The increasing incidence of multiple myeloma and limitations of current treatments highlight a significant market opportunity for therapies like GPRC5D/CD3 bispecific antibodies, which offer improved safety profiles and significantly enhanced cytotoxicity when combined with immunomodulatory drugs, suggesting a potent and effective approach for a broad population of relapsed or refractory patients.

LBL-034 is the second most clinically advanced GPRC5D-targeted CD3 T-cell engager globally. The following table summarizes the information of clinical-stage GPRC5D/CD3 antibodies globally:

Drug Name	Target	Company	Clinical Stage	Indication	First Posted Date
LBL-034	GPRC5D/CD3	Leads Biolabs Co., Ltd	Phase 1/2	r/r MM	2023-09-22
Forimtamig*	GPRC5D/CD3	Roche	Phase 1/2	r/r MM	2023-09-26
QLS32015	GPRC5D/CD3	Qilu Pharmaceutical Co., Ltd.	Phase 2	r/r MM	2025-6-12
TQB2029	GPRC5D/CD3	Chia Tai Tianqing Pharmaceutical	Phase 1	r/r MM	2024-11-22

Note: Industry information as of July 11, 2025

Includes only active development programs; discontinued assets are excluded.

According to the latest product development portfolio of Roche last updated on October 23, 2024, Forimtamig has been removed from its pipeline.

r/r MM = relapsed or refractory multiple myeloma

Source: ClinicalTrials.gov, Frost & Sullivan Analysis

In addition, talquetamab-tgvs (TALVEY®) by Janssen Biotech, was approved in August 2023 for the treatment of patients with heavily pretreated multiple myeloma, representing the only approved GPRC5D/CD3 bispecific antibody drug to date. The chart below set forth certain details of TALVEY®:

Drug Name	Brand Name	Target	Company	Indications	Approval Date	Treatment Cost
talquetamab-tgvs	TALVEY®	GPRC5D/CD3	Janssen Biotech	r/r MM who have received at least four prior lines of therapy	2023-08-09	US\$270,000 to US\$360,000 based on the need for 6 to 8 months of treatment in the U.S.

Note: Industry information as of July 11, 2025

Source: FDA, Frost & Sullivan Analysis

Please refer to the section headed “Industry Overview — T-cell Engagers — GPRC5D/CD3 Bispecific Antibodies” in this prospectus for more information.

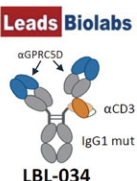
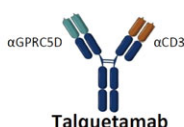
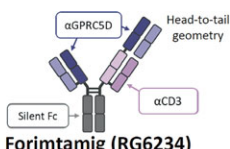
Competitive Advantages

Optimized 2:1 asymmetrical structure that leads to unique conditional activation of T cells and a favorable safety profile

LBL-034’s distinct molecular structure, characterized by a 2:1 format, differentiated affinities, steric hindrance, and mutant IgG1 abolishing FcγR binding along with its ability to induce both antibody-dependent cell-mediated cytotoxicity (ADCC) and complement-dependent cytotoxicity (CDC) effects, enables conditional T cell activation in the presence of GPRC5D+ cells, thereby reducing off-target CD3 engagement and minimizing the risk of CRS and immunotoxicity.

The following figure compares LBL-034 with talquetamab, highlighting LBL-034’s highly differentiated GPRC5D/CD3 T cell engager.

Selected information of LBL-034 compares to talquetamab and forimtamig

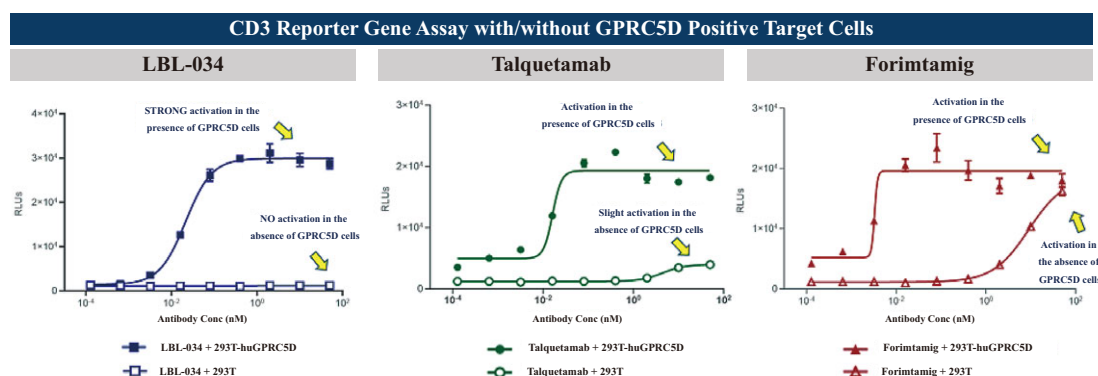
	 <p>LBL-034</p>	 <p>Talquetamab</p>	 <p>Forimtamig (RG6234)</p>
Format	2:1, αCD3 is scFv	1:1, αCD3 is Fab	2:1, αCD3 is Fab
Fc Type	IgG1 mut (No Fc function)	IgG4 mut (No Fc function)	IgG1 mut (Silent Fc)
Binging 293T GPRC5D cell (EC ₅₀)	0.4588 nM	1.4580 nM	0.3241 nM
Affinity to CD3 protein (KD)	1.03E-08 M	1.46E-08 M	4.78E-09 M
Binding Jurkat Cells (EC ₅₀)	Very Weak	10.82 nM	17.23 nM
Cell-Cell Conjugation	+++	+++	+++
CD3 Reporter Gene Activity (EC ₅₀)	0.021 nM	0.011 nM	0.003 nM
T cells Activation	Conditional Activation	Non-specific at High Concentrations	Non-specific at High Concentrations
T cells Viability	++	++	+
T cell Dependent Cellular Cytotoxicity	++	+	+++
CRS Risk (in vitro)	+	++	+++
% TGI in H929 PBMC mouse model	0.3 mpk, 63% 3 mpk, 100%	0.3 mpk, 37% 3 mpk, 20%	0.3 mpk, 101% 3 mpk, 103%

Note: Preclinical data of talquetamab and forimtamig in the above table was not from head-to-head studies with LBL-034.

Source: Company data; Frost & Sullivan Analysis

As illustrated by the figures below, compared to talquetamab and forimtamig, both of which are GPRC5D/CD3 T-cell engaging bispecific antibodies, LBL-034 demonstrates conditional activation of T cells only in the presence of GPRC5D+ target cells, as shown in CD3 reporter gene assays.

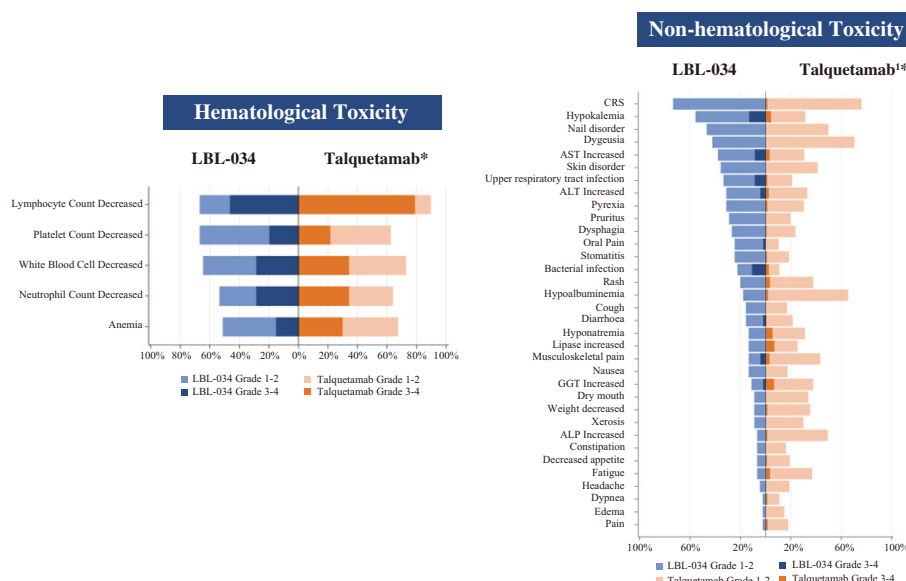
Efficacy and safety profile of LBL-034 compared to talquetamab and forimtamig in T cell engagement



Source: Company data and public information

Toxicology studies indicate LBL-034 is well tolerated with a NOAEL of 50 mg/kg and no evident accumulation effects after repeated administration. Positive safety outcomes in clinical trials include the absence of DLT up to 800 µg/kg as of February 28, 2025. The most common TEAEs were Grade 1 to 2 and were manageable. CRS were observed up to a dosage of 800 µg/kg, no Grade 3 or higher CRS or ICANS was observed, and MTD was not reached.

LBL-034 has also exhibited a more encouraging safety profile in its Phase I/II trial compared to talquetamab according to publicly reported clinical data, as shown in the following diagrams which summarize common TEAEs (≥10%) of these two drug candidates in relation to hematological and non-hematological toxicity:



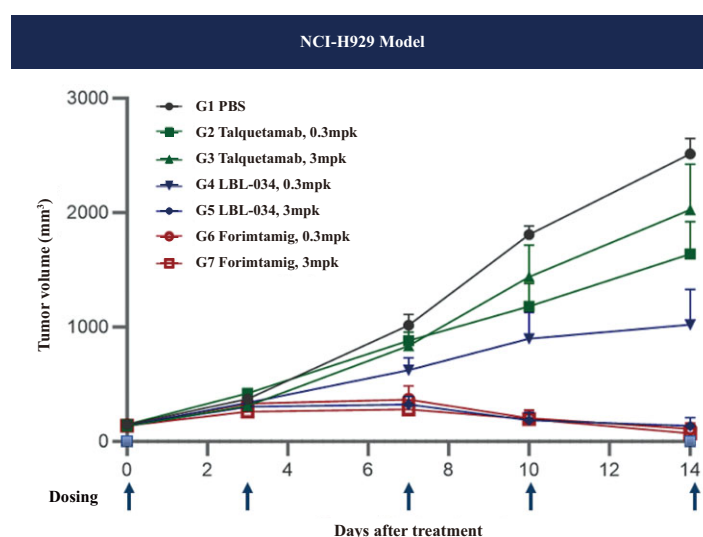
Source: Company data and public information

Note*: The safety comparing to Talquetamab is not based on a head-to-head study.

Strong antitumor activity in preclinical study and promising efficacy signal observed in the early clinical trial

LBL-034 effectively redirects and activates T cells to target GPRC5D+ cancer cells, exhibiting higher GPRC5D binding affinity and potency while being less prone to inducing T cell exhaustion and cell death. The following figure illustrates the strong, dose-dependent antitumor activity of LBL-034 in the NCI-H929 mouse model with low-to-mid GPRC5D expression. Compared to talquetamab and forimtamig, LBL-034 demonstrates superior efficacy in reducing tumor volume at both 0.3 mpk and 3 mpk doses, underscoring its potential as a highly effective therapeutic agent.

Antitumor activity of LBL-034 in targeting GPRC5D+ cancer cells compared to talquetamab and forimtamig

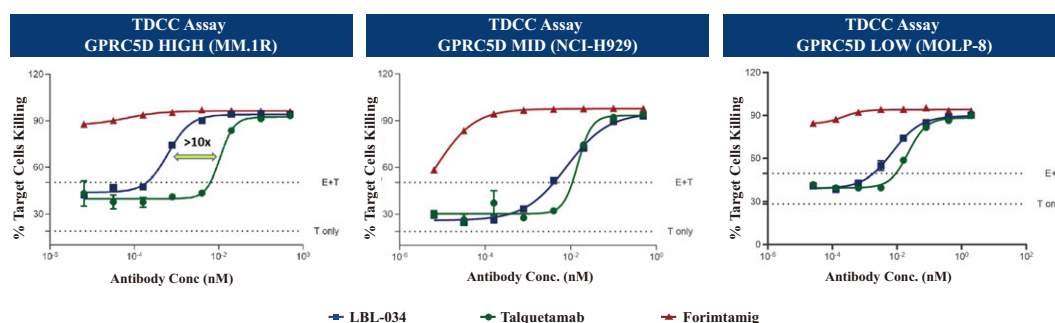


Source: Company data

The data demonstrate that LBL-034 exhibits robust, target-dependent antitumor activity across high, mid, and low GPRC5D-expressing cells. Compared to talquetamab and forimtamig, LBL-034 consistently shows superior target cell killing, highlighting its potential as a promising therapeutic agent.

The following figure presents the results of TDCC assays for GPRC5D expression levels in various cell lines (MM.1R, NCI-H929, MOLP-8).

TDCC assay results of LBL-034's antitumor activity across varying GPRC5D expression levels

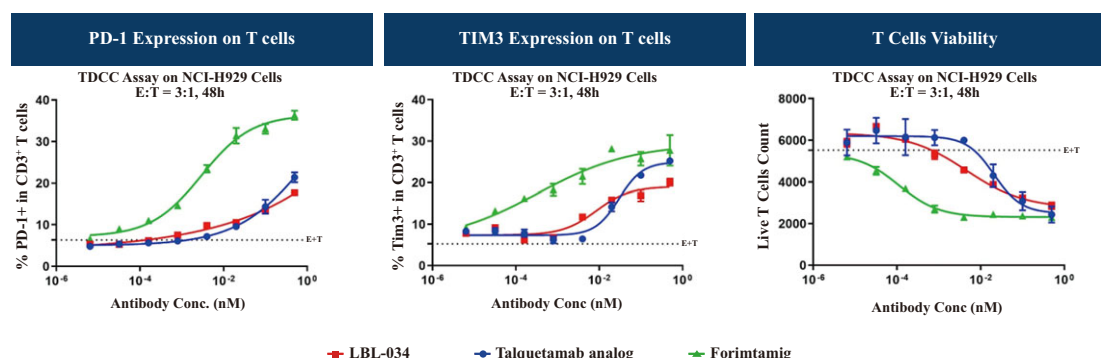


Source: Company data

The data demonstrate that LBL-034 effectively modulates immune checkpoints and maintains T cell viability, highlighting its potential as a superior therapeutic agent compared to talquetamab and forimtamig.

The following figure illustrates the effects of LBL-034, talquetamab, and forimtamig on PD-1 and TIM3 expression on T cells, as well as T cell viability, in TDCC assays using the NCI-H929 cell line.

Effects of LBL-034, talquetamab, and forimtamig on immune checkpoint modulation and T cell viability



Source: Company data

Encouraging preliminary clinical efficacy data revealed as of March 11, 2025, as we observed an ORR of 63.2% (24/38) in all dose groups was observed, including four sCR, five CR, 11 VGPR, and four PR. Notably, at doses of 200 $\mu\text{g/kg}$ and above, promising efficacy results were observed. Particularly, we observed an ORR of 77.8% (14/18) and a VGPR or better rate of 61.1% at 400 $\mu\text{g/kg}$ and a VGPR or better rate of 100.0% at 800 $\mu\text{g/kg}$, as of March 11, 2025. In contrast, publicly available clinical data for TALVEY[®] (talquetamab), the only approved GPRC5D-targeting bispecific antibody to date, reported a VGPR or better rate of 52% in the patients with MM at a dose of 800 $\mu\text{g/kg}$. Although the foregoing clinical trial data were generated in independent studies and do not come from head-to-head analysis, and there is no assurance that the data of LBL-034 in later clinical trials will be as favorable as that of that Phase I/II trial, we believe meaningful insight may be drawn that LBL-034 could potentially offer superior efficacy for the treatment of MM with a more favorable therapeutic window.

Summary of Clinical Trial Result

Phase I/II clinical trial of LBL-034 monotherapy

Overview. We received IND approvals from the NMPA and FDA in July 2023. We commenced a Phase I/II study of LBL-034 monotherapy for the treatment of MM in November 2023 in China.

Trial design. The Phase I trial is a single-arm, open-label, dose-escalation and dose-expansion study conducted in China, designed to evaluate the safety, tolerability, PK characteristics, immunogenicity, and preliminary efficacy of LBL-034 monotherapy. This trial also aims to determine the RP2D. Patients are divided into seven cohorts, with doses ranging from 10 µg/kg to 1,500 µg/kg Q2W. The primary endpoints of this phase include monitoring adverse events, determining DLT and the MTD. Additional endpoints encompass the assessment of PK characteristics, immunogenicity, and preliminary efficacy.

The Phase II trial is a single-arm and open-label trial in China, where the efficacy, safety, immunogenicity, and the rate of MRD negativity of LBL-034 monotherapy are further evaluated. The RP2D established from Phase I will be used. The primary endpoint for this phase is the ORR. Other study endpoints include the clinical benefit rate, time to response, DOR, PFS, OS, the rate of MRD negativity, adverse events, immunogenicity, and PK characteristics. This phase aims to consolidate the findings of Phase I and extend the understanding of LBL-034's therapeutic potential.

Trial status. We have initiated the Phase I trial of LBL-034 monotherapy for MM with a total of 45 patients enrolled, as of March 11, 2025. Dose escalation is ongoing, with the current dosage set at 800 µg/kg.

Safety results. As of February 28, 2025, no DLT or Grade ≥ 3 CRS were observed up to a dosage of 800 µg/kg, and MTD was not reached. The following table summarized the safety data observed in this trial:

Category	10µg/kg (N=1)	30µg/kg (N=1)	80µg/kg (N=6)	200µg/kg (N=7)	400µg/kg (N=19)	800µg/kg (N=8)	1200µg/kg (N=3)	Total (N=45)
TEAE	1 (100.0%)	1 (100.0%)	6 (100.0%)	7 (100.0%)	19 (100.0%)	7 (87.5%)	3 (100.0%)	44 (97.8%)
TEAE related to LBL-034	1 (100.0%)	1 (100.0%)	6 (100.0%)	7 (100.0%)	19 (100.0%)	7 (87.5%)	3 (100.0%)	44 (97.8%)
SAE	1 (100.0%)	0 (0.0%)	2 (33.3%)	5 (71.4%)	6 (31.6%)	3 (37.5%)	0 (0.0%)	18 (40.0%)
SAE related to LBL-034	1 (100.0%)	0 (0.0%)	1 (16.7%)	4 (57.1%)	5 (26.3%)	2 (25.0%)	0 (0.0%)	13 (28.9%)
Grade ≥3 TEAE	1 (100.0%)	0 (0.0%)	1 (16.7%)	4 (57.1%)	14 (73.7%)	5 (62.5%)	3 (100.0%)	36 (80.0%)
Grade ≥3 TEAE related to LBL-034	1 (100.0%)	0 (0.0%)	1 (16.7%)	4 (57.1%)	12 (63.2%)	3 (37.5%)	2 (66.7%)	33 (73.3%)
TEAE leading to treatment interruption and related to LBL-034	1 (100.0%)	0 (0.0%)	0 (0.0%)	4 (57.1%)	6 (31.6%)	3 (37.5%)	2 (66.7%)	17 (37.8%)
TEAE leading to permanent discontinuation and related to LBL-034	0 (0.0%)	0 (0.0%)	0 (0.0%)	1 (14.3%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	1 (2.2%)
TEAE leading to dose reduction and related to LBL-034	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)

Note: TEAE refers to treatment emergent adverse events; SAE refers to serious adverse event

Source: Company data (as of February 28, 2025)

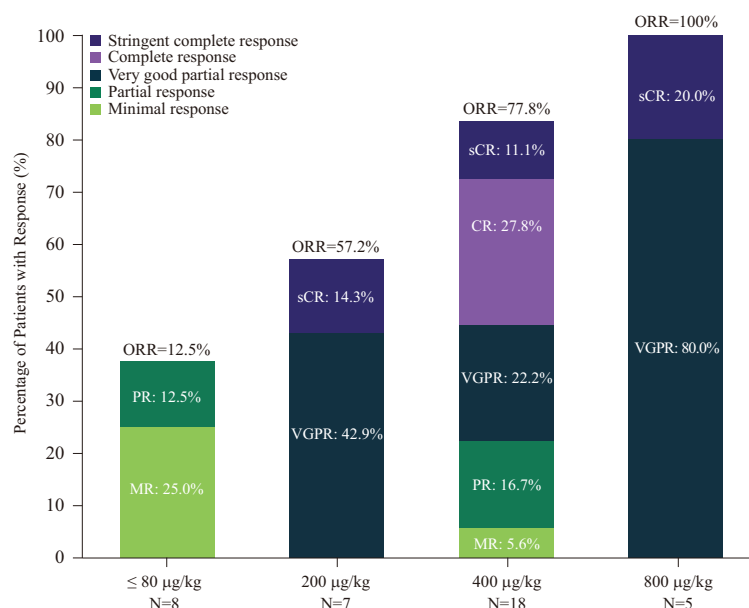
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The following table summarized the most common TEAEs observed in the trials:

TEAEs, n (%)	Total, n=45	
	Any grade	≥Grade 3
Hematologic		
Lymphocyte Count Decreased	30 (66.7%)	21 (46.7%)
Platelet Count Decreased	30 (66.7%)	9 (20.0%)
White Blood Cell Decreased	29 (64.4%)	13 (28.9%)
Neutrophil Count Decreased	24 (53.3%)	13 (28.9%)
Anemia	23 (51.1%)	7 (15.6%)
Non-Hematologic		
CRS	33 (73.3%)	0 (0.0%)
Hypokalemia	25 (55.6%)	6 (13.3%)
Nail disorder	21 (46.7%)	0 (0.0%)
Dysgeusia	19 (42.2%)	0 (0.0%)
AST Increased	17 (37.8%)	4 (8.9%)
Skin disorder	16 (35.6%)	0 (0.0%)
Upper respiratory tract infection	15 (33.3%)	4 (8.9%)
ALT Increased	14 (31.1%)	2 (4.4%)
Pyrexia	14 (31.1%)	0 (0.0%)
Pruritus	13 (28.9%)	0 (0.0%)
Dysphagia	12 (26.7%)	0 (0.0%)
Oral Pain	11 (24.4%)	1 (2.2%)
Stomatitis	11 (24.4%)	0 (0.0%)
Bacterial infection	10 (22.2%)	5 (11.1%)
Rash	9 (20.0%)	0 (0.0%)
Hypoalbuminemia	8 (17.8%)	0 (0.0%)
Cough	7 (15.6%)	0 (0.0%)
Diarrhoea	7 (15.6%)	1 (2.2%)
Hyponatremia	6 (13.3%)	0 (0.0%)
Lipase increased	6 (13.3%)	0 (0.0%)
Musculoskeletal pain	6 (13.3%)	2 (4.4%)
Nausea	6 (13.3%)	0 (0.0%)
GGT Increased	5 (11.1%)	1 (2.2%)
Dry mouth	4 (8.9%)	0 (0.0%)
Weight decreased	4 (8.9%)	0 (0.0%)
Xerosis	4 (8.9%)	0 (0.0%)
ALP Increased	3 (6.7%)	0 (0.0%)
Constipation	3 (6.7%)	0 (0.0%)
Decreased appetite	3 (6.7%)	0 (0.0%)
Fatigue	3 (6.7%)	0 (0.0%)
Headache	2 (4.4%)	0 (0.0%)
Dyspnea	1 (2.2%)	0 (0.0%)
Edema	1 (2.2%)	0 (0.0%)
Pain	1 (2.2%)	0 (0.0%)

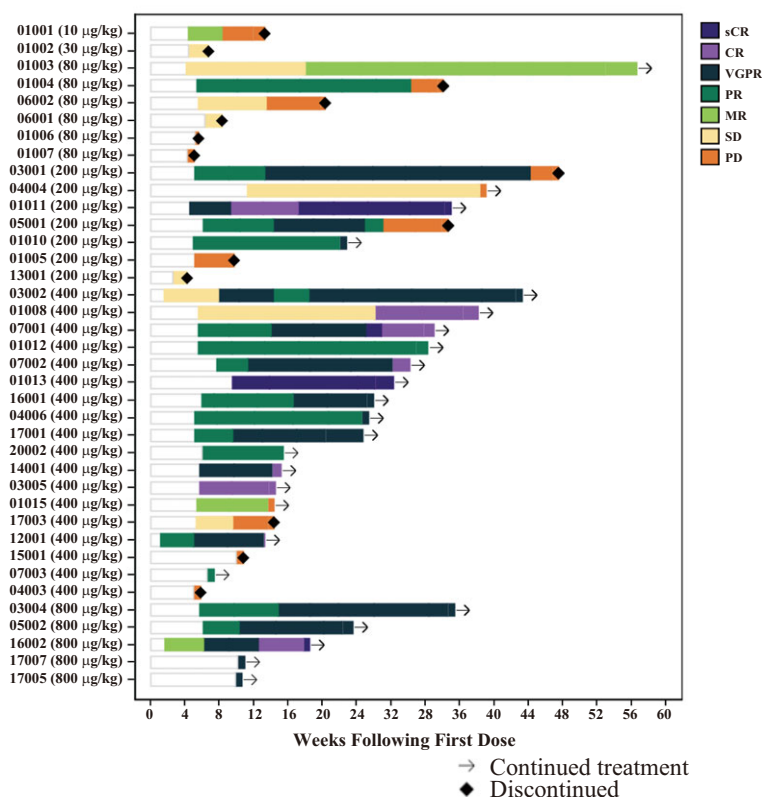
Efficacy results. As of March 11, 2025, an ORR of 63.2% (24/38) in all dose groups was observed, including four sCR, five CR, 11 VGPR, and four PR. Notably, at doses of 200 µg/kg and above, encouraging efficacy results were observed, and all patients had extensively pre-treated backgrounds, having received at least three prior lines of therapy. Particularly, we observed an ORR of 77.8% (14/18) and VGPR or better rate of 61.1% at 400 µg/kg and a VGPR or better rate of 100.0% at 800µg/kg, as of March 11, 2025. In contrast, publicly available clinical data for talquetamab reported a VGPR or better rate of 52% in the patients with MM at a dose of 800 µg/kg. Although the foregoing clinical trial data were generated in independent studies and do not come from head-to-head analysis, and there is no assurance that the data of LBL-034 in later clinical trials will be as favorable as that of that Phase I/II trial, we believe meaningful insight may be drawn that LBL-034 could potentially offer superior efficacy for the treatment of MM with a more favorable therapeutic window.

The following figure sets forth the details of responding patients:



Source: Company data (as of March 11, 2025)

The following bar chart sets forth the tumor evaluation of LBL-034:



Source: Company data (as of March 11, 2025)

Conclusion. The clinical data from the Phase I/II trial for the monotherapy of LBL-034 has demonstrated promising safety and preliminary efficacy profile, and supports continued development of LBL-034 monotherapy.

Clinical Development Plan

We expect to complete patient enrollment for Phase I trial in China by the second quarter of 2025. Subject to clinical results, we plan to proceed with consultation with the CDE for the single-arm registrational trial. Conditional on alignment with regulatory authorities, we aim to complete the single-arm registrational trial and submit the first BLA in China by the second half of 2026. Subject to its clinical outcomes, we plan to pursue accelerated marketing approval from the NMPA through a single-arm registrational trial. In October 2024, LBL-034 obtained the ODD from the FDA for the treatment of MM, and currently we do not have a clinical development plan to initiate overseas clinical trials of LBL-034. Upon obtaining results from the registrational trial in China, the Company will leverage the data to attract high-quality global partners for further development and commercialization of this asset in global market.

We are advancing LBL-034 in combination therapies to progress towards becoming a frontline treatment for MM. Following IND approvals from the NMPA and FDA in July 2023, the monotherapy Phase I/II trial for LBL-034 in MM is ongoing, and future combination therapy strategies will be determined based on actual safety and efficacy outcomes of the monotherapy Phase I/II trial.

License, Rights and Obligations

We are developing LBL-034 in-house and own the global rights to develop and commercialize LBL-034.

Material Communications with Competent Authorities

We had not received any regulatory agency's concerns or objections to our clinical development plans as of the Latest Practicable Date.

Cautionary statement required by LR 18A.05

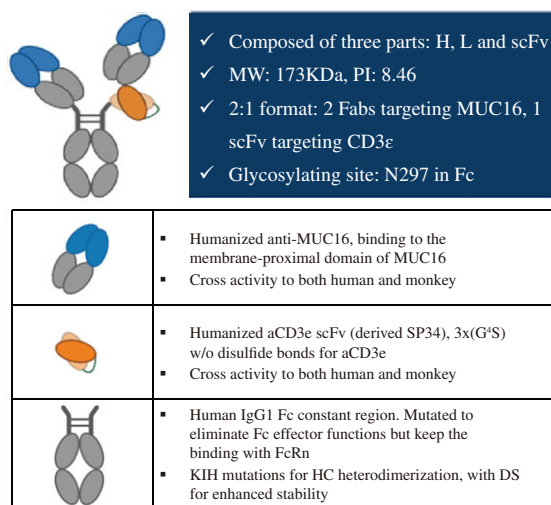
WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET LBL-034 SUCCESSFULLY.

LBL-033 (MUC16/CD3 BsAb) — Our Key Product

Overview

LBL-033 is a bispecific T-cell engaging antibody that simultaneously targets MUC16 and CD3, designed specifically for the treatment of cancers characterized by over-expressing MUC16, particularly gynecologic cancers such as OC, cervical cancer, and endometrial cancer. LBL-033 is among the top two MUC16/CD3 bispecific antibodies globally in terms of clinical development stage to have entered into clinical trials. Leveraging the success of CD3 T-cell-engagers in hematological malignancies, LBL-033 aims to overcome the challenges posed by solid tumors, which include various resistance mechanisms and the risk of serious on-target off-tumor toxicity. This therapeutic uses our proprietary LeadsBody™ platform, incorporating a 2:1 format that ensures a significantly higher affinity to MUC16 compared to CD3 and targets the membrane-proximal domain of MUC16 to circumvent interference from serum CA125 (the serum form of MUC16 cleaved from the cell membrane). Additionally, LBL-033 features an optimized scFv CD3 engaging arm to minimize the potential risk of CRS and T cell exhaustion, enhancing its safety and efficacy profile.

The molecular structure of LBL-033 is illustrated below:



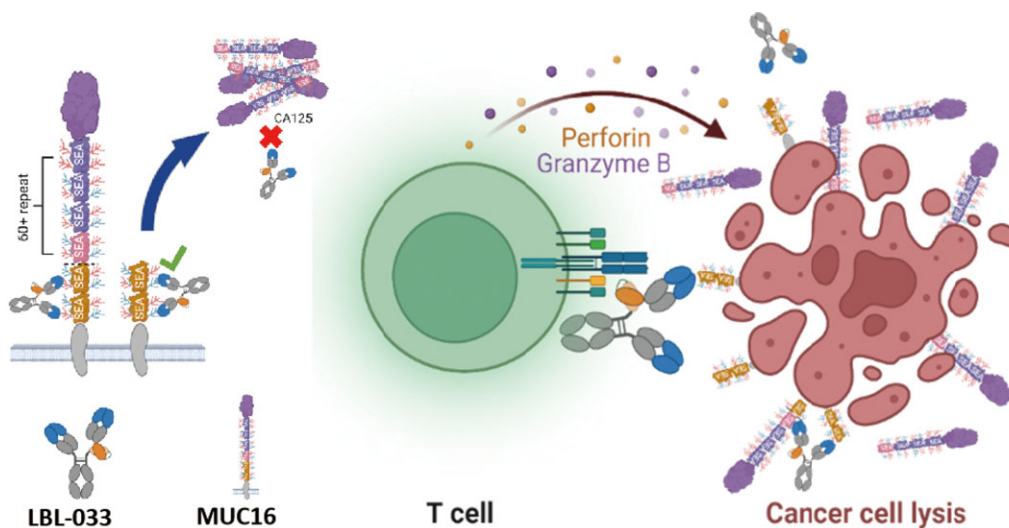
Source: Company data

Mechanism of Action

MUC16, a large glycoprotein, is prominently overexpressed on the cell membranes of solid tumors, particularly in nearly 80% of OC cases; its serum form, known as CA125 after being cleaved, serves as a diagnostic biomarker for OC. This highlights the potential for targeted therapies that could specifically activate immune responses against tumors expressing MUC16.

LBL-033 is a T cell engager designed to target tumor cells expressing MUC16 and T cells expressing CD3, featuring a lower affinity for CD3 and a mutant IgG1 structure that retains only FcRn binding ability to minimize off-target toxicity and reduce cytokine secretion. Additionally, the steric hindrance effects of the MUC16 Fab to the anti-CD3 arm enhance its specificity. This therapeutic approach allows LBL-033 to kill tumor cells by re-directing activated T cells specifically towards tumors that express MUC16, thereby conditionally activating T cells and avoiding the nonspecific activation of peripheral T cells, which often leads to reduced side effects.

The figure below demonstrates the mechanism of action of LBL-033:



Source: Company data

Market Opportunities and Competition

MUC16 is a glycoprotein highly expressed in gynecological cancers such as ovarian, cervical, and endometrial cancers. This protein was identified as a critical membrane protein specifically associated with ovarian carcinoma. In addition to gynecological cancers, MUC16 is also highly expressed in other solid tumors, such as NSCLC, pancreatic cancer, epithelioid sarcoma, and renal medullary carcinoma. MUC16/CD3 bispecific antibodies harness this expression pattern by targeting MUC16 on tumor cells alongside CD3 on T cells. MUC16/CD3 bispecific antibody selectively engages both T-cells, via the CD3 molecule, and tumor cells that express the MUC16 antigen. This specificity is crucial as it ensures that the therapy induces cytotoxicity primarily in MUC16-positive tumor cells, sparing healthy tissues and minimizing potential side effects.

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To date, LBL-033 is one of only two MUC16/CD3 bispecific molecules that have entered the clinical stage globally, with no marketed products, having the potential to benefit a large patient population worldwide. The following table summarizes the information of clinical-stage MUC16/CD3 bispecific antibodies globally:

Drug Name	Target	Company	Clinical Stage	Indication	First Posted Date
REGN4018/ Ubamamab	MUC16/CD3	Regeneron Pharmaceuticals	Phase 2	SMARCB1—Deficient Malignancies	2024-06-06
			Phase 1/2	Recurrent Ovarian Cancer, Fallopian Tube Cancer, Primary Peritoneal Cancer and Endometrial Cancer	2018-06-20
LBL-033	MUC16/CD3	Leads Biolabs Co., Ltd	Phase 1/2	Advanced Solid Tumor	2023-03-22

Note: Industry information as of July 11, 2025

Includes only active development programs; discontinued assets are excluded.

Source: ClinicalTrials.gov, Frost & Sullivan Analysis

OC is usually diagnosed at a late stage, and its high recurrence rate leads to poor prognosis and often death. In China, OC cases rose from 58.7 thousand in 2019 to 62.3 thousand in 2024 and is expected to reach 65.9 thousand by 2030. Currently, platinum-based chemotherapy is the first-line SOC for OC patients. However, platinum resistance is a significant factor contributing to treatment failure and mortality in these patients. MUC16 is prominently overexpressed in OC, making it a promising target for the treatment of relapsed OC. By simultaneously targeting MUC16, a protein highly expressed on OC cells, and CD3, a molecule on T cells, these bispecific antibodies can redirect the body’s immune response specifically toward cancer cells. This dual targeting mechanism enhances the antitumor immune response while potentially reducing the toxicity associated with traditional chemotherapy. Furthermore, MUC16/CD3 bispecific antibodies can overcome some of the resistance mechanisms that limit the efficacy of current treatments. By engaging the immune system more directly, these therapies have the potential to provide sustained responses and improve overall survival rates for patients with advanced or recurrent OC.

Preliminary data on LBL-033 have shown promising efficacy signals and good tolerability, demonstrating its potential to meet significant treatment gaps in not only OC but also other gynecological cancers, including, among others, cervical cancer and endometrial cancer. Worldwide, cervical cancer is both the fourth most common type of cancer and the fourth most common cause of death from cancer in women. The China incidence of cervical cancer increased from 146.2 thousand in 2019 to 152.8 thousand in 2024 and is expected to reach 158.6 thousand in 2030. The SOC of cervical cancer includes radiotherapy, chemotherapy, surgical resection, and targeted therapy. However, these treatments often face limitations, particularly in advanced and metastatic stages, where efficacy diminishes and side effects can be severe. Endometrial cancer is an epithelial malignant tumor that occurs in the endometrium. The China incidence of endometrial cancer increased from 66.9 thousand in 2019 to 71.6 thousand in 2024 and is expected to reach 76.8 thousand in 2030. The current SOC for advanced endometrial cancer includes chemotherapy, hormonal therapy, and immunotherapy, including a notable advancement marked by the approval of AstraZeneca’s PD-L1 inhibitor, durvalumab, in this indication. However, the limitation of durvalumab in treating advanced endometrial cancer is its inconsistent efficacy and the need for combination therapies to enhance its effectiveness. Emerging therapies such as MUC16/CD3 bispecific antibodies are being explored to overcome the current limitations of treatments like durvalumab. Please refer to the section headed “Industry Overview — T-cell Engagers — Overview of MUC16/CD3 Bispecific Antibodies” in this prospectus for more information.

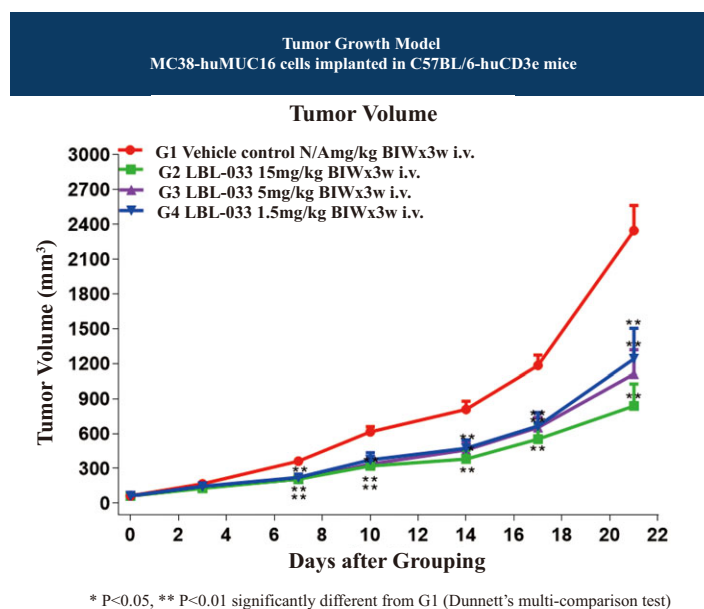
Competitive Advantages

Optimized 2:1 asymmetrical structure enabling strong antitumor activity

The design of LBL-033 specifically addresses the challenges associated with the target and its resistance mechanisms. LBL-033's two arms target the MUC16 membrane-proximal domain with high affinity, ensuring potent binding to MUC16. Moreover, LBL-033 does not bind to CA125, avoiding neutralization by elevated levels of CA125 in patients with advanced tumors. This prevents efficacy from being compromised by soluble CA125, which is highly elevated in 80% of OC patients.

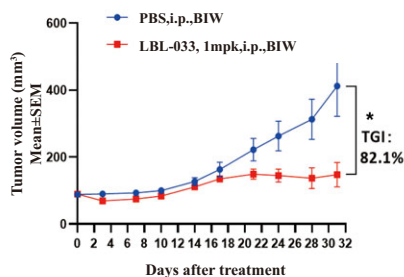
In vivo studies have demonstrated strong antitumor activity, showing potent effects in syngeneic mouse models, as illustrated by the figures below. LBL-033 also effectively inhibits OVCAR3 tumor growth both as a monotherapy and in combination with a PD-1 antibody.

Antitumor activity of LBL-033 in syngeneic mouse models and OVCAR3 tumor growth inhibition



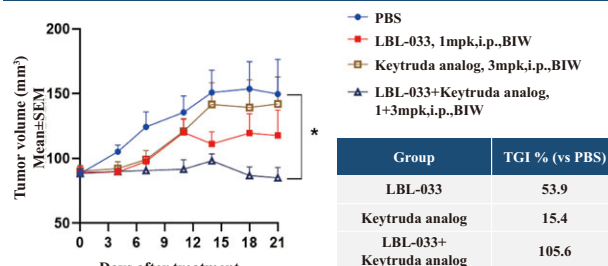
Source: Company data

OVCAR3 tumor model in PBMC humanized mice



Result: LBL-033 inhibit OVCAR3 tumor growth in PBMC humanize mouse

OVCAR3-PDL1 tumor model in PBMC humanized mice



Result: LBL-033 combines with PD-1 antibody shows synergistic antitumor effect

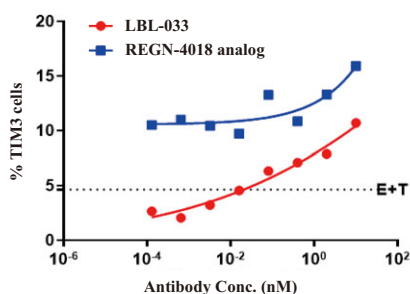
Group	TGI % (vs PBS)
LBL-033	53.9
Keytruda analog	15.4
LBL-033+Keytruda analog	105.6

Source: Company data

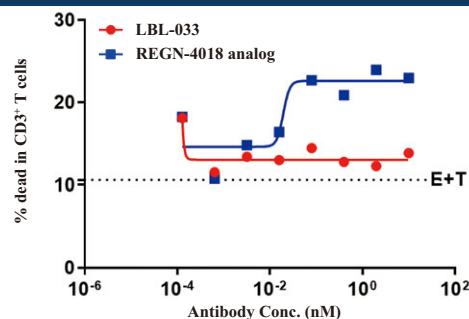
The single arm targeting CD3 is finely tuned to ensure the specificity of immune responses, reducing the likelihood of T cell exhaustion and cell death, as revealed in the following figures:

Specificity of LBL-033's CD3 targeting arm in modulating immune responses

T Cell Exhaustion (TIM3 positive) in TDCC Assay with T cells Isolated from PBMC Effector: Target Cell Ratio = 1:1



T Cell Death in TDCC Assay with T cells Isolated from PBMC Effector: Target Cell Ratio = 1:1



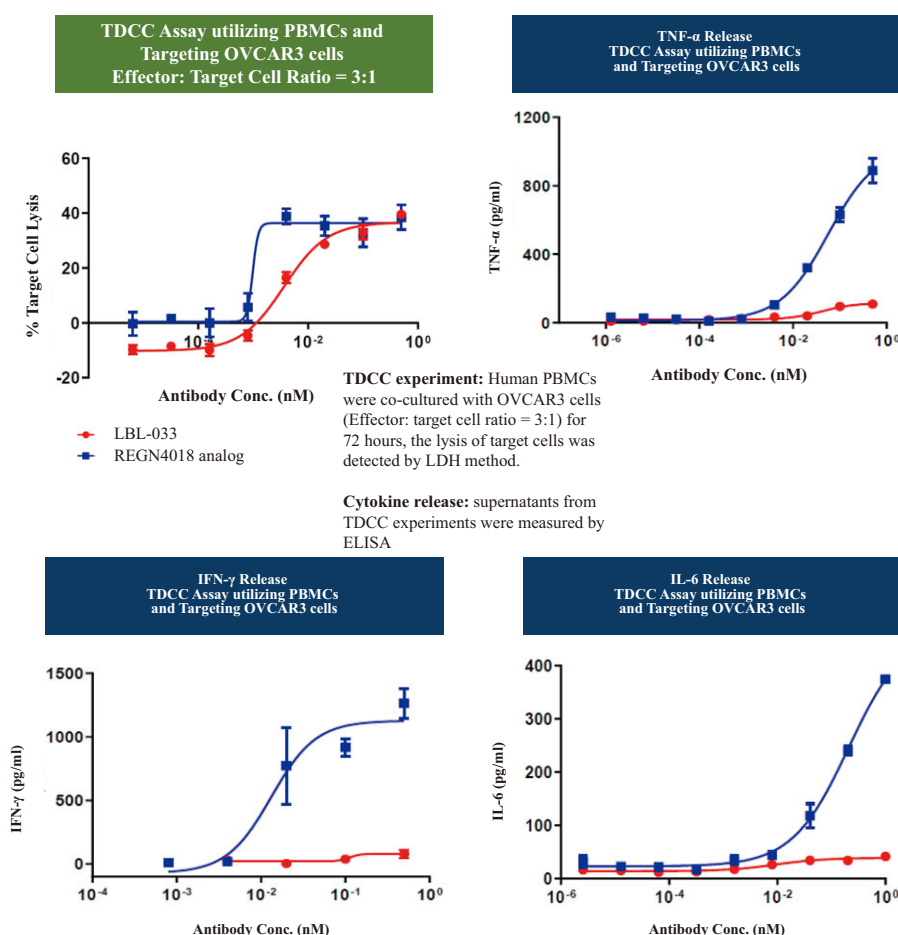
Source: Company data

Conditional T-cell activation that leads to favorable safety profile

LBL-033 features a unique construct that reduces on-target off-tumor toxicity, thereby lowering the risk of cytokine storm and immunotoxicity. The monovalent humanized α CD3 scFv with low affinity prevents nonspecific activation of T cells, ensuring immune responses occur only in the presence of target tumor cells. The steric hindrance effects of the MUC16 Fab on the anti-CD3 arm further minimize nonspecific and overactivation of T cells.

As demonstrated by the figures below, compared to REGN4018 analog, LBL-033 induces comparable T cell killing with lower cytokine release. Additionally, LBL-033 adopts a mutant IgG1 that abolishes FcγR binding and ADCC, CDC effects, while retaining FcRn binding ability, thus minimizing the interaction and nonspecific activation of peripheral T cells, reducing immunotoxicity, and preventing T cell exhaustion due to overactivation. Toxicology studies have shown that LBL-033 is well tolerated, with a NOAEL of 30 mg/kg and no observed CRS. Positive safety results from clinical trials indicate no DLT and that the MTD was not reached up to 10.0 mg/kg.

LBL-033 cytokine release data compare to REGN4018 analog



Source: Company data

Summary of Clinical Trial Results

Phase I/II clinical trial of LBL-033 monotherapy

Overview. We received IND approvals from the NMPA and FDA in February 2023 and June 2023 respectively. We commenced a Phase I/II study of LBL-033 monotherapy for the treatment of advanced malignant tumors in April 2023 in China.

Trial design. The Phase I trial is a single-arm, open-label, dose escalation study conducted in China, designed to evaluate the safety, tolerability, PK characteristics, immunogenicity, and preliminary efficacy of LBL-033 in patients suffering from advanced malignant tumors. Patients are systematically assigned into six cohorts, where they receive varying doses of LBL-033, ranging from 0.065 mg/kg to 15 mg/kg Q2W. The primary endpoints set for this phase focus on monitoring adverse events, identifying DLT, and establishing the MTD. Other study endpoints include further analysis of PK characteristics, immunogenicity, and assessing preliminary efficacy outcomes.

The Phase II trial is a single-arm, open-label, dose expansion study also situated in China, aimed at evaluating the efficacy of LBL-033 across patients with advanced malignant tumors. This phase organizes patients into four distinct treatment cohorts for OC, cervical cancer, NSCLC, and other malignant tumors, allowing for focused study on each group. The RP2D will be determined by the SMC. The primary measure of success for this phase is the ORR, while secondary endpoints include adverse events, DCR, DOR, PFS, OS, along with continued monitoring of immunogenicity and PK characteristics. This phase aims to solidify the therapeutic potential and safety profile of LBL-033, paving the way for its use in clinical settings.

Trial status. We have initiated the Phase I trial of LBL-033 monotherapy for advanced solid tumors with a total of 20 patients enrolled. Dose escalation is still ongoing, with the current dosage set at 10 mg/kg.

Safety results

As of June 28, 2024, only one DLT was observed at the dosage of 10 mg/kg, and the MTD was not reached up to 10 mg/kg. The most frequent adverse events were grade 1-2. The LBL-033 monotherapy was well tolerated, demonstrating a manageable safety profile.

Efficacy results

As of June 28, 2024, five out of 20 evaluable patients achieved SD, with one patient maintaining stable for over nine months.

Conclusion

The clinical data from the Phase I/II trial for the monotherapy of LBL-033 has demonstrated promising safety and preliminary efficacy profile, and supports continued development of LBL-033 monotherapy.

Clinical Development Plan

We are committed to advancing the therapeutic potential of LBL-033. For monotherapy applications, the completion of the Phase I clinical trial for LBL-033 is anticipated by the third quarter of 2025. This timeline demonstrates our proactive approach in progressing from early to later-stage clinical evaluations. At present, we do not have plans to initiate overseas clinical trials for LBL-033. Nonetheless, leveraging the clinical data generated from trials in China, we may also seek strategic collaboration opportunities for its clinical development and commercialization in other jurisdictions.

In addition to our monotherapy strategy, we are exploring LBL-033 in combination treatments. One key focus is the integration of LBL-033 with SOC medications for frontline treatment, which aims to enhance efficacy and improve patient outcomes in more complex clinical scenarios. Concurrently, we are also investigating the potential of LBL-033 in combination with one of our agents. This strategic approach is designed to explore synergistic effects and possibly expand the therapeutic utility of our portfolio.

Furthermore, our development plan includes a robust emphasis on biomarker identification, which will aid in the selection of patient subgroups most likely to benefit from LBL-033 therapy. This effort is expected to culminate in a potential basket trial, allowing us to target multiple tumor types with a common molecular profile. This precision medicine approach could significantly enhance therapeutic efficacy and patient outcomes.

License, Rights and Obligations

We are developing LBL-033 in-house and own the global rights to develop and commercialize LBL-033.

Material Communications with Competent Authorities

We had not received any regulatory agency's concerns or objections to our clinical development plans as of the Latest Practicable Date.

Cautionary statement required by LR 18A.05

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET LBL-033 SUCCESSFULLY.

LBL-007 (LAG3 mAb) — Our Key Product

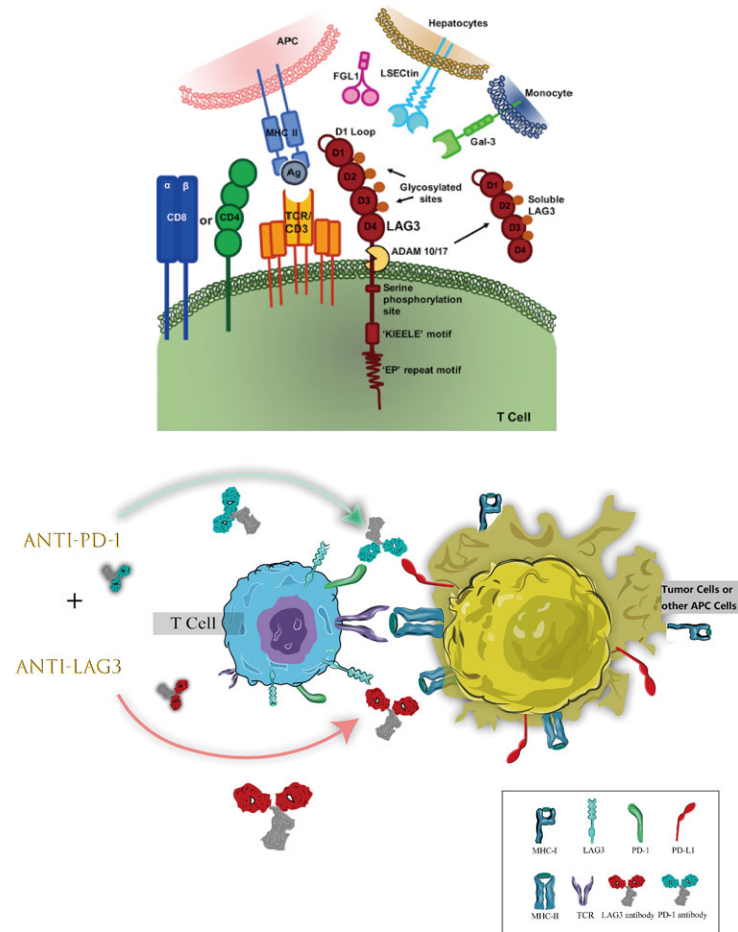
Overview

LBL-007 is a fully human IgG4 monoclonal antibody targeting lymphocyte activation gene-3 (LAG3), designed for the treatment of NPC, NSCLC, CRC, ESCC, HNSCC, melanoma and other solid tumors. It ranks among the top three LAG3-targeted clinical-stage monoclonal antibodies globally in terms of clinical development (other than the only one marketed LAG3-targeted drug). LBL-007 is the first in its class with proven efficacy in NPC.

Mechanism of Action

LAG3 is an immune checkpoint receptor expressed on activated T-cells, negatively regulating these cells through multiple identified ligands, including MHC-II, LSECtin, Gal-3, and FGL1. As LAG3 expression is tied to antigen presentation, continuous antigen exposure due to chronic infection or tumor-associated antigens can lead to high and sustained expression of LAG3 on T-cells, causing them to become functionally “exhausted” and lose their effector functions. This loss of T-cell function results in diminished immunosurveillance and promotes tumor escape. By binding to LAG3, LBL-007 prevents it from engaging with its ligands, inhibits its signaling pathway, promotes T-cell proliferation and cytokine secretion, and subsequently restores tumor immunosurveillance. The combination of LAG3 inhibitors with PD-1/PD-L1 agents shows powerful synergistic effects in cancer treatment by improving T-cell function to fight tumors. This combination therapy both increases the number of active T-cells and enhances their tumor-fighting ability, while also helping overcome PD-1 resistance that limits current cancer treatments.

The following diagram illustrates the mechanism of action of LBL-007 and its combination use with PD-1 antibody:



Source: Company data

Market Opportunities and Competition

The emergence of LAG3 therapies represents a significant milestone in immuno-oncology therapy, marking a new direction in immune checkpoint inhibition. Extensive preclinical studies and ongoing clinical trials have demonstrated the crucial role of LAG3 in T-cell regulation and antitumor immune responses. Despite this advancement, these therapies face challenges, including limited efficacy and the risk of adverse events. These limitations highlight the necessity for ongoing research to enhance their effectiveness and safety profiles. Combining LAG3 inhibitors with other checkpoint inhibitors, such as PD-1 inhibitors, offers a promising approach that potentially lead to more effective treatment regimens. This opens opportunities for combination therapies that can enhance overall treatment efficacy. These impressive response rate and survival benefits position LBL-007 as the first LAG3 antibody to show meaningful efficacy in NPC.

While Opdualag™ is currently the only marketed LAG3 therapy, its clinical use has been limited to melanoma patients. LBL-007 has emerged as one of the top three LAG3-targeted clinical-stage monoclonal antibodies globally in terms of clinical development stage. The following table summarizes the information of clinical-stage LAG3 antibodies globally and certain details of Opdualag™:

Drug Name	Target	Company	Clinical Stage	Indication	Mono or Combo Therapy in Trial Design	First Posted Date
Fianlimab	LAG3	Regeneron Pharmaceuticals	Phase 3	Melanoma	Combo	2024-02-07
			Phase 2/3	NSCLC	Combo	2023-03-27
			Phase 2	HCC, HNSCC	Combo	2019-04-16
MK-4280	LAG3	Merck Sharp & Dohme	Phase 3	Hodgkin Lymphoma	Combo	2022-08-19
			Phase 2	Cutaneous Squamous Cell Carcinoma, Endometrial Cancer	Combo	2023-09-14
LBL-007	LAG3	Leads Biolabs Co., Ltd	Phase 1/2	NPC and Other Advanced Solid Tumor*	Combo	2021-11-01
INCAGN02385	LAG3	Incyte Corporation	Phase 2	Endometrial Cancer	Combo	2020-07-09
			Phase 2	HNC	Combo	2022-03-18
			Phase 1/2	Melanoma	Combo	2020-05-01
SHR-1802	LAG3	Hengrui Medicine Co., Ltd.	Phase 2	Advanced Solid Tumor	Combo	2022-01-26
HLX26	LAG3	Henlius Biotech	Phase 2	Advanced NSCLC	Combo	2023-03-28
IBI110	LAG3	Innovent Biologics Co. Ltd.	Phase 2	Advanced or Metastatic ESCC	Combo	2023-10-12
GLS-012	LAG3	Gloria Biosciences Co., Ltd.	Phase 1/2	Advanced NSCLC	Combo	2023-08-07
TSR-033	LAG3	Tesaro, Inc.	Phase 1	Advanced Solid Tumor	Combo	2017-08-16
Sym022	LAG3	Symphogen A/S	Phase 1	Advanced Solid Tumor and Lymphoma	Combo	2017-10-17
TQB2223	LAG3	Chia Tai Tianqing Pharmaceutical Group Co., Ltd.	Phase 1	Advanced HCC	Combo	2024-03-20
IMP761	LAG3	Immutep S.A.S.	Phase 1	Healthy Subjects	Mono	2024-10-15

Note: Industry information as of July 11, 2025

Includes only active development programs; discontinued assets are excluded.

** The trial has been substantially completed in September 2024 and are in the process of finalizing the clinical study report.*

Source: ClinicalTrials.gov, Frost & Sullivan Analysis

BUSINESS

Drug Name	Brand Name	Target	Company	Indications	Regimen	Approval Date	Annual Treatment Cost in the US
Nivolumab + Relatlimab	OPDUALAG®	LAG3	BMS	Unresectable or Metastatic Melanoma	Combo	2022-03-18	Annual treatment cost is around US\$370 thousand

Note: Industry information as of July 11, 2025

Source: FDA, Frost & Sullivan Analysis

NPC, a type of head and neck cancer, predominantly affects the epithelial cells lining the inner surface of the nasopharynx, located behind the nasal cavity. In China, the incidence of nasopharyngeal cancer increased from 49.0 thousand to 52.2 thousand cases between 2019 and 2024, and is projected to rise to 55.5 thousand by 2030. Currently, gemcitabine and cisplatin are the standard first-line treatments for recurrent or metastatic NPC. However, the outcomes remain suboptimal, with a median PFS of eight to nine months and a mOS of less than two years with chemotherapy alone. Compared to chemotherapy alone, patients who received immunotherapy in combination with chemotherapy demonstrated significantly improved ORR, PFS, and OS. However, long-term chemotherapy use leads to acute toxicities, grade 3 and above, such as acute mucositis and torrential bleeding.

Furthermore, unlike most solid tumors where LAG3 inhibitors have demonstrated only modest clinical activity since LAG3 expression is often low and the immunosuppressive network diffuse, NPC is almost always associated with Epstein-Barr virus (EBV) infection, which drives high co-expression of LAG3 and PD-L1 on both tumor cells and tumor-infiltrating lymphocytes. This dual-high checkpoint profile creates a clear rationale for combined blockade of LAG3 and PD-1, since a large fraction of NPC-infiltrating T cells co-express both receptors. Moreover, EBV-positive NPC patients typically achieve only 20-30% response rates with anti-PD-1 monotherapy and rapidly develop resistance. By pairing LAG3 and PD-1 inhibition, potentially alongside chemotherapy, radiotherapy or EBV-targeted therapies, developers can exploit NPC's unique tumor microenvironment and pursue a mechanism-driven, differentiated strategy with genuine promise in high-incidence regions worldwide.

LBL-007's impressive response rate and survival benefits position it as one of the anti-LAG3 antibody to demonstrate meaningful efficacy in cancer types beyond melanoma. The combination of LBL-007 with tislelizumab and chemotherapy has demonstrated more favorable ORR and 9-month PFS rate in the clinical trials compared to the combination of tislelizumab and chemotherapy regimen, representing a more effective treatment option than the current standard of care for NPC.

Our LBL-007 have also revealed high potential in treating other solid tumors, including NSCLC, CRC, ESCC, and HNSCC. The China incidence of NSCLC increased from 830.2 thousand in 2019 to 951.7 thousand in 2024 and is expected to reach 1,099.9 thousand in 2030. The China incidence of CRC increased from 477.1 thousand in 2019 to 545.2 thousand in 2024 and is expected to reach 628.8 thousand in 2030. The China incidence of ESCC increased from 184.1 thousand in 2019 to 214.3 thousand in 2024 and is expected to reach 252.4 thousand in 2030. The China incidence of HNSCC increased from 126.1 thousand in 2019 to 139.3 thousand in 2024 and is expected to reach 153.1 thousand in 2030. The currently available therapies for these indications

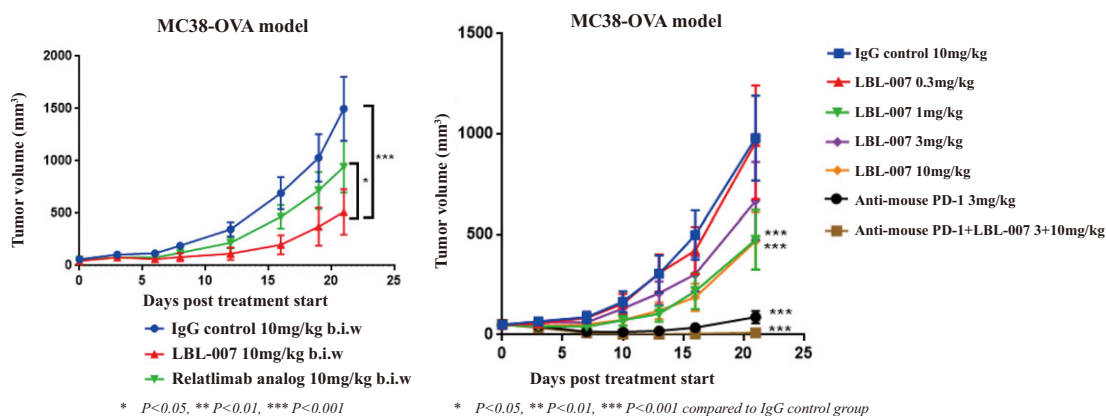
have illustrated different limitations, such as modest efficacy and relatively low response rate of PD-1/PD-L1 inhibitors, and absence of alternative emerging therapies, presenting huge market opportunities for our LBL-007. Please refer to the section headed “Industry Overview — LAG3 Antibody Drugs” in this prospectus for more information.

Competitive Advantages

Promising efficacy both as a monotherapy and in strong synergistic effects with PD-1 inhibitors

As illustrated by the figures below, LBL-007 monotherapy has demonstrated significant tumor growth inhibition in animal models, showing superior efficacy compared to a relatlimab analog. Moreover, the combination of LBL-007 with anti-PD-1 therapy has exhibited synergistic tumor growth inhibition and robust antitumor efficacy in the MC38-OVA syngeneic model. This has been validated by positive interim clinical trial data. Notably, in our Phase II trial, LBL-007 in combination with tislelizumab and chemotherapy achieved an ORR of 83.3% and a DCR of 97.6% as the first line therapy for advanced and metastatic NPC patients, according to the publicly reported clinical data, and the ORR would reach 85.3% if calculated on efficacy evaluable population. The 9-month progression-free survival (PFS) rate has been reported at an impressive 75.1% and the median progression-free survival (mPFS) was 15.0 months. In comparison, the ORR and median PFS of the combination of tislelizumab and chemotherapy regimen is about 69.5% and 9.2 months, respectively, in patients with 1L NPC, according to the publicly reported clinical data from Rationale-309 (a Phase III clinical trial for tislelizumab combined with gemcitabine and cisplatin in 1L RM-NPC). Additionally, the combination therapy has shown effectiveness in patients who do not respond to PD-1 monotherapy.

Tumor growth inhibition in animal models of LBL-007



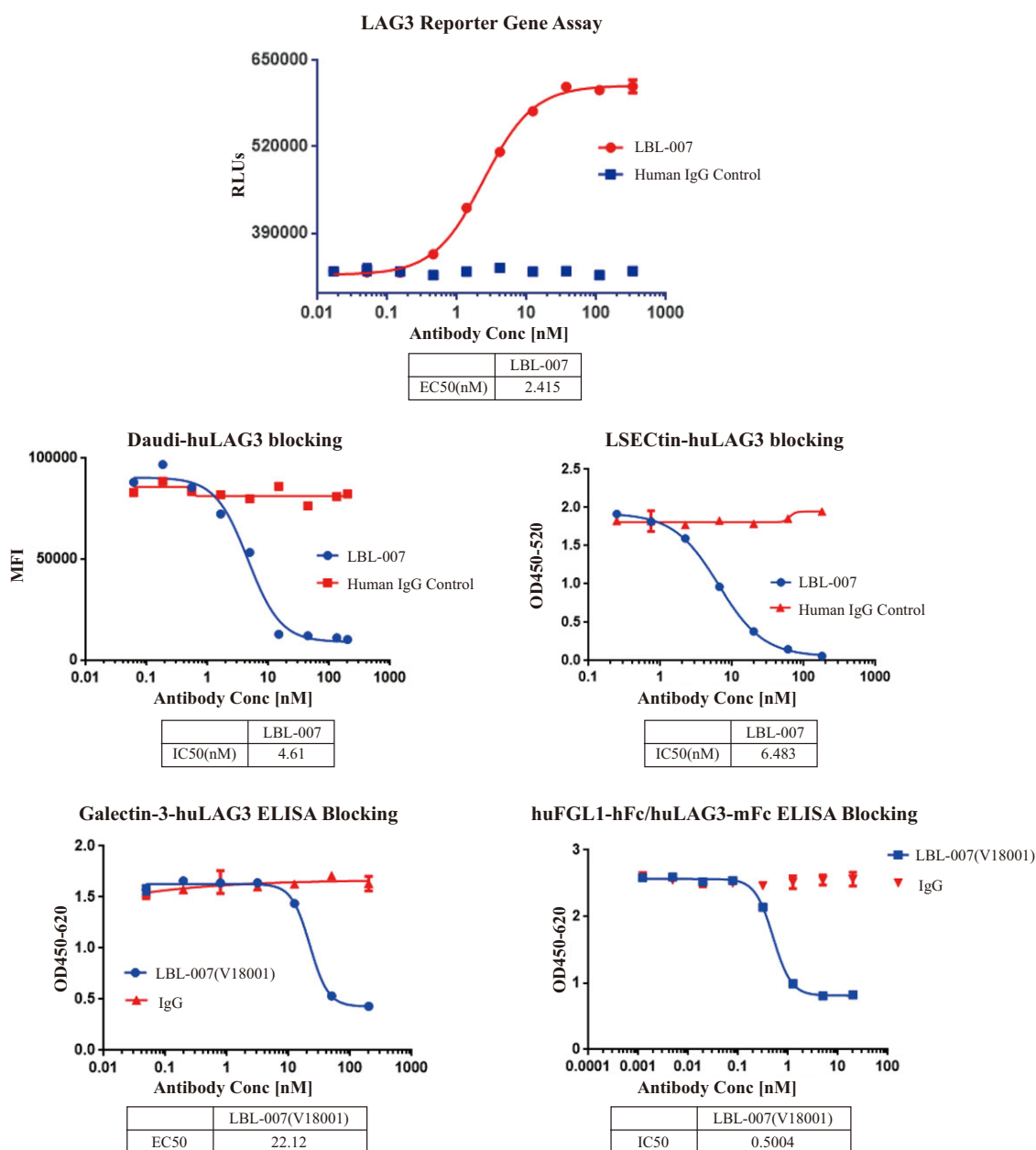
Source: Company data

High binding affinity to LAG3 and blockade of its all identified inhibitory ligands, including MHC-II, LSEctin, Gal-3 and FGL1

By preventing the interaction between LAG3 and its ligands, LBL-007 can restore T-cell function and enhance immune responses against tumors.

As demonstrated by the figures below, LBL-007 exhibits high binding affinity to LAG3 and effectively blocks all identified inhibitory ligands, including MHC-II, LSEctin, Gal-3, and FGL1. This blockade demonstrates LBL-007's strong potential in inhibiting LAG3 binding to its ligands, thereby contributing to its therapeutic efficacy.

High binding affinity and inhibition of LAG3 ligand interactions of LBL-007

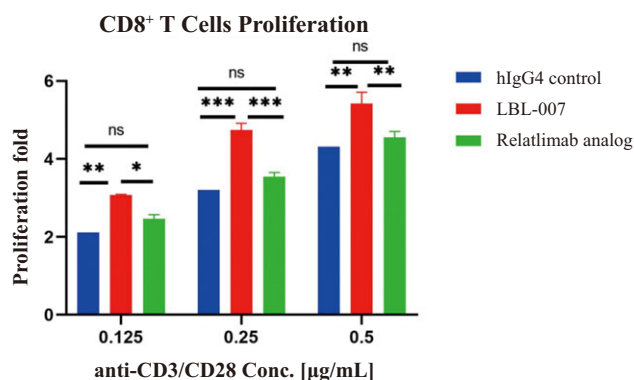
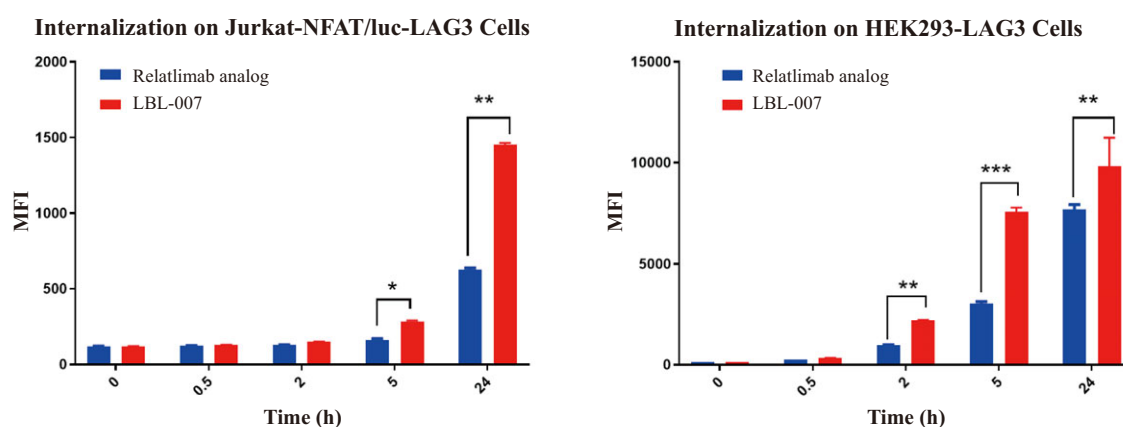


Source: Company data

Strong endocytosis upon binding on LAG3, potentially inhibiting LAG3 pathway independent of ligand interaction, apart from its potent ligand blocking properties

LBL-007 also demonstrates a high internalization rate when binding to LAG3 and activates CD8+ T cell proliferation in a ligand-independent manner. As demonstrated by the figures below, LBL-007 exhibits superior internalization in both Jurkat-NFAT/luc-LAG3 and HEK293-LAG3 cell lines compared to a relatlimab analog. Additionally, LBL-007 significantly enhances CD8+ T cell proliferation across various concentrations, outperforming both the relatlimab analog and the hIgG4 control. These combined mechanisms position LBL-007 as a highly effective therapeutic agent in modulating immune responses and enhancing antitumor activity.

Internalization rate of LBL-007



* $P < 0.05$, ** $P < 0.01$, *** $P < 0.001$

Source: Company data

Favorable safety profile with low risk of immunogenicity as a fully human monoclonal antibody

LBL-007, as a fully human IgG4 monoclonal antibody, exhibits a low risk of immunogenicity and has demonstrated a favorable safety profile validated by preliminary clinical results. In the completed Phase Ia trial, LBL-007 was well-tolerated with manageable safety profile, and no DLTs were observed. In the Phase Ib/II clinical trial of LBL-007 combined with toripalimab, no DLT was observed, and the MTD was not reached up to 400 mg. Furthermore, in the ongoing Phase Ib/II clinical trials combining LBL-007 with tislelizumab and/or chemotherapy, no DLT was observed, and the MTD was not reached up to 600 mg.

Summary of Clinical Trial Results

LBL-007 is being evaluated in the clinical trials in combination with anti-PD-1 agents and/or chemotherapy mainly for the treatment of NPC. We initiated the Phase Ib/II clinical trial for its combination with tislelizumab and/or chemotherapy in advanced NPC and other solid tumors in China in September 2022 and subsequently completed patient enrollment in January 2024.

Phase Ia clinical trial for LBL-007 monotherapy in advanced solid tumors and lymphomas

Trial design. This is a single-arm, open-label and dose-escalation Phase Ia study to evaluate the safety, tolerability, adverse events, ORR, PK characteristic and immunogenicity of LBL-007 monotherapy in patients with advanced solid tumors. The patients were assigned into six cohorts, receiving LBL-007 at 0.05 mg/kg to 10 mg/kg Q2W. The primary endpoints are tolerability, MTD and adverse events. Other study endpoints include ORR, PK characteristic, receptor occupancy and immunogenicity.

Trial status. We have completed this clinical trial in June 2022, with a total of 22 patients enrolled.

Efficacy results. In this trial, among the 18 evaluable patients, notable outcomes were observed, including one patient achieved PR and four patients achieved SD as of June 13, 2022. These results highlight the potential therapeutic benefit and stability provided by the treatment, marking encouraging progress in our clinical development pathway.

Safety results. LBL-007 monotherapy demonstrated a favorable safety profile, with patients tolerating the treatment well and managing safety concerns effectively. Notably, no DLTs were observed as of June 13, 2022, indicating a promising therapeutic window for further clinical development of this treatment option.

Conclusion. The dose escalation part of the study indicated that LBL-007 was well-tolerated by patients, showcasing an impressive safety profile. Additionally, there were potentially encouraging signs of antitumor activities observed during this phase.

Phase Ib/II clinical trial of LBL-007 in combination with toripalimab in solid tumors

Trial status. We have initiated this trial in December 2021 with 80 patients enrolled. Enrollment of this trial has been completed in August 2022. We have completed this trial in September 2024 and the clinical study report December 2024.

Efficacy results. As of January 13, 2025, the overall response across all dose level and histological subtypes is 12.5% (10/80), for patients with nasopharyngeal carcinoma, representing a numerically high ORR of 20% (6/30). For 12 NPC patients who were immuno-oncology (IO) naïve for their prior treatments, an ORR of 33.3% (4/12) and a mPFS of 10.8 months were observed, while the remaining 17 patients with prior IO therapy demonstrated an ORR of 11.8% (2/17) and a mPFS of 2.7 months. PRs were also seen in patients with ESCC, HNSCC and squamous cell lung carcinoma. Especially for eight patients with squamous cell lung carcinoma had demonstrated an ORR of 25.0% (2/8), which six of them had failed from prior IO treatment.

Safety results. As of January 13, 2025, 80 patients were included for safety analysis, no DLT was observed, and the MTD was not reached up to 400 mg of LBL-007 in combination with Toripalimab 240mg. The safety profile was in line with that seen in immunotherapies.

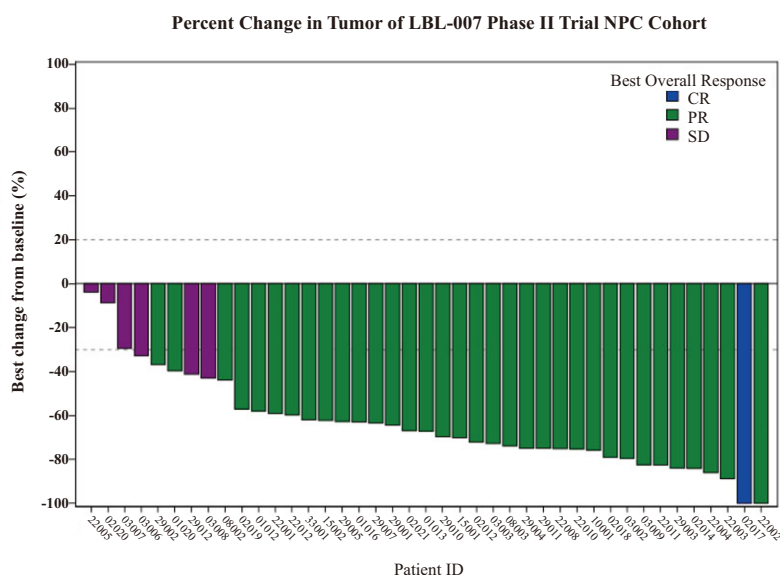
Phase Ib/II clinical trials for LBL-007 in combination with tislelizumab and/or chemo in malignant tumors

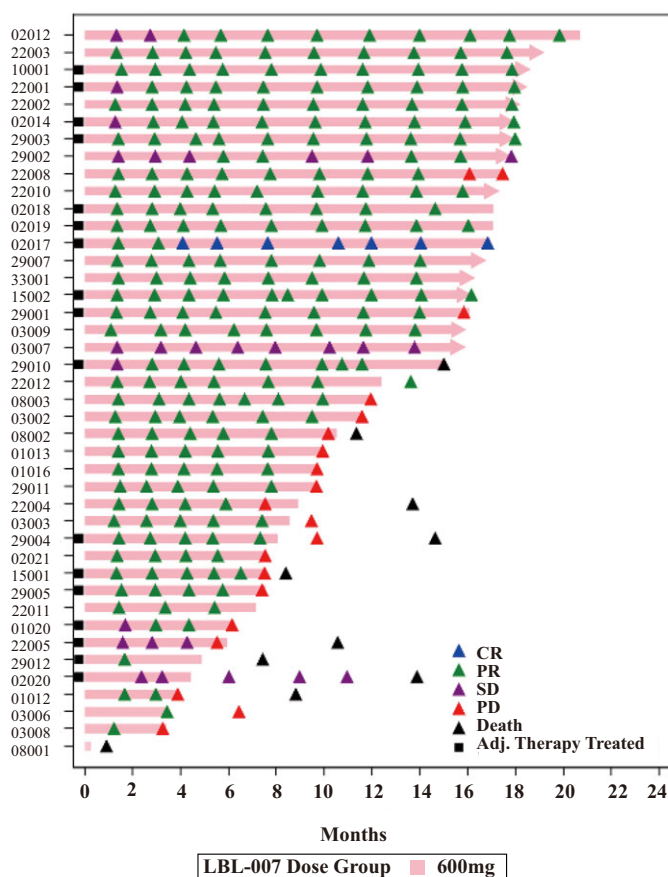
Trial status. We have initiated this trial in September 2022 with 98 patients enrolled. As of January 13, 2025, 98 patients with relapsed and refractory advanced solid tumor were enrolled into Phase Ib (n=21) and Phase II (n=77), and we have completed the Phase Ib cohort of this trial.

Efficacy results. As of January 13, 2025, among 21 patients from Phase Ib who received LBL-007 300mg or 600mg + Tislelizumab 200mg, five patients experienced PRs representing a 23.8% ORR. DCR was 61.9%. mPFS was 4.4 months. For 35 recurrent advanced or metastatic NPC patients allocated in part D1 of Phase II, two PR were observed from nine LBL-007 + Tislelizumab + Docetaxel treated patients, the ORR was 22.2%, comparing with 12.5% in Docetaxel alone group. In 42 previously untreated NPC patients, LBL-007 + Tislelizumab + Gemcitabine + platinum was administrated. ORR was 83.3% while DCR was 97.6% (Should note that one patient ended study due to death without any post-baseline tumor assessment, which meant the ORR would increase to 85.3% if calculated on efficacy evaluable population).

Part D1 of the Phase II trial, involving LBL-007 in combination with tislelizumab and/or docetaxel for the second-line treatment of NPC following the failure of ICI (n=35). This cohort demonstrated encouraging antitumor signals in NPC patients. This suggests a potential new therapeutic avenue for this difficult-to-treat population, indicating that the combination could be effective in overcoming resistance to previous treatments.

In Part D2 of the Phase II trial, LBL-007 was tested in combination with tislelizumab and GP for the first-line treatment of NPC (n=42). Among the 42 evaluable patients, an ORR of 83.3% (35/42) and DCR of 97.6% (41/42) were observed with mPFS of 15 months was observed, as of January 13, 2025. In comparison, the ORR and median PFS of the combination of tislelizumab and chemotherapy regimen is about 69.5% and 9.2 months, respectively, in patients with recurrent/metastatic NPC, according to the publicly reported clinical data.





Source: Company data (as of January 13, 2025)

Safety results. As of January 13, 2025, no DLT, with the MTD of LBL-007 not reached. The safety profile has found to be manageable, with no new safety concerns emerging during this phase. Notably, the most common adverse event associated with the chemotherapy component of the treatment is bone marrow suppression, which was common seen in chemotherapy.

Clinical Development Plan

We are strategically prioritizing combination therapies with PD-1 inhibitors to enhance the therapeutic potential of our lead compound, LBL-007. Notably, we have completed patient enrollment for the Phase Ib/II clinical trial for its combination with tislelizumab and/or chemotherapy in advanced NPC and other solid tumors in China in January 2024. We also completed a Phase I trial of LBL-007 in combination with toripalimab and/or chemotherapy for the treatment of advanced acral melanoma in China in August 2024. We remain confident and committed to our ongoing clinical programs of LBL-007 for the treatment of advanced NPC, particularly in consideration of the favorable efficacy and safety profiles observed in its Phase Ib/II trial in combination with tislelizumab and/or chemotherapy. We also plan to further investigate the therapeutic potential of LBL-007 in melanoma, building on clinical data from our Phase I trial targeting this indication.

We entered into a license and collaboration agreement with BeiGene in December 2021 for an exclusive license to develop, manufacture and commercialize LBL-007 outside Greater China. BeiGene had then been conducting various global trials to evaluate LBL-007 in combination with tislelizumab and standard of care in NSCLC, CRC, HNSCC and ESCC. The BeiGene Agreement was later terminated on the date of May 18, 2025 as specified in the termination notice provided by BeiGene. Our Directors confirmed that, having made enquiries with BeiGene, BeiGene's decision to terminate this agreement was driven by its internal reassessment of portfolio priorities, rather than any unfavorable safety and efficacy results observed in the clinical trials of LBL-007. Following this termination, we regained full, global rights to develop, manufacture and commercialize LBL-007. We are not obliged to return any payments received or make any payments to BeiGene in respect of the termination of this agreement. We and BeiGene will collaborate to facilitate an orderly transition of responsibilities and the transfer of clinical data under the BeiGene Agreement, and we currently do not have an overseas clinical development plan for LBL-007. Furthermore, upon our written request, BeiGene will provide all material non-clinical, preclinical and clinical data of LBL-007, including those generated from the previous global trials to evaluate LBL-007 in combination with tislelizumab and standard of care in NSCLC, CRC, HNSCC and ESCC, to us within six months after termination. BeiGene is currently transferring to us the relevant data of terminated Licensed Products, and we will carefully evaluate all available datasets to seize future development opportunities with LBL-007 in targeted indications of solid tumors. See “— Collaboration Agreements — License and Collaboration Agreement with BeiGene” for more information.

License, Rights and Obligations

We entered into a license and collaboration agreement with BeiGene in December 2021, under which we granted to BeiGene an exclusive license to develop, manufacture and commercialize LBL-007 outside Greater China. BeiGene had then been conducting various global trials to evaluate LBL-007 in combination with tislelizumab and standard of care in NSCLC, CRC, HNSCC and ESCC, pursuant to the BeiGene Agreement prior to the termination of this agreement. The BeiGene Agreement was later terminated on the date of May 18, 2025 as specified in the termination notice provided by BeiGene. Our Directors confirmed that, having made enquiries with BeiGene, BeiGene's decision to terminate this agreement was driven by its internal reassessment of portfolio priorities, rather than any unfavorable safety and efficacy results observed in the clinical trials of LBL-007. Following this termination, we regained full, global rights to develop, manufacture and commercialize LBL-007. We are not obliged to return any payments received or make any payments to BeiGene in respect of the termination of this agreement. We and BeiGene will collaborate to facilitate orderly transition of responsibilities under the BeiGene Agreement for a reasonable time after termination. Other than the BeiGene Agreement, we had not entered into any licensing and collaboration arrangements with BeiGene concerning any of our drug candidates, as of the Latest Practicable Date. We currently have no plans to establish further collaborations or arrangements with BeiGene related to our Core Product, LBL-024, going forward. Furthermore, upon our written request, BeiGene will provide all material non-clinical, preclinical and clinical data of LBL-007, including those generated from the previous global trials to evaluate LBL-007 in combination with tislelizumab and standard of care in NSCLC, CRC, HNSCC and ESCC, to us within six months after termination. For details, see “— Collaboration Agreement — License and Collaboration Agreement with BeiGene.”

Material Communications with Competent Authorities

We had not received any regulatory agency's concerns or objections to our clinical development plans as of the Latest Practicable Date.

Cautionary statement required by LR 18A.05

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET LBL-007 SUCCESSFULLY.

LBL-019 (TNFR2 mAb)

Overview

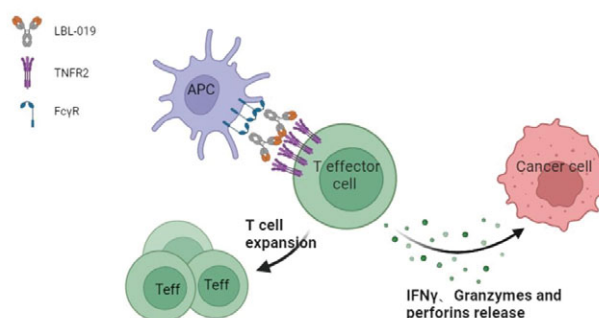
LBL-019, a humanized IgG1 antibody targeting TNFR2, is under development for the treatment of solid tumors. We have obtained IND approvals from both the NMPA and the FDA in December 2021. Following these approvals, we initiated a Phase I/II clinical trial in China in April 2022. This trial is designed to assess the safety, tolerability, and preliminary efficacy of LBL-019 in a solid tumor setting.

Mechanism of Action

Tumor necrosis factor receptor-2 (TNFR2) is known for its selective expression in immune cells, particularly T cells, where it plays a crucial role in promoting the proliferation of both Tregs and cytotoxic T cells. LBL-019, our pioneering humanized IgG1 antibody, is specifically engineered to bind with high affinity and specificity to TNFR2, particularly those receptors highly expressed on tumor-infiltrating T effector cells, and recognizes a unique epitope within the CRD1 domain of TNFR2. This selective targeting is designed to enhance the immune systems response to various solid tumors by modulating the activity of key immune cells within the tumor microenvironment.

LBL-019, our targeted therapeutic, demonstrates antitumor efficacy through two distinct mechanisms. On one hand, LBL-019 binds to TNFR2, leading to the activation of downstream signaling pathways associated with TNFR2. This interaction preferentially stimulates a substantial expansion of CD8⁺ T cells by over 200% and increases CD4⁺ T cells by 30%, triggering the release of IFN- γ and up-regulating the expression of activation markers such as CD25, PD-1, and 4-1BB, dependent on Fc crosslinking. On the other hand, LBL-019 has the potential to mitigate the suppressive effects of Treg cells on both CD4⁺ and CD8⁺ T cells, thereby facilitating an overall increase in T cell proliferation and activation. This dual-action mechanism positions LBL-019 as a promising candidate for advancing immuno-oncology therapy.

The following diagram illustrates the mechanism of action of LBL-019:



Source: Company data

Market Opportunities and Competition

The Tumor Necrosis Factor Receptor (TNFR) superfamily comprises critical regulators of immune responses, inflammation, and cell survival pathways. Among these, TNFR2 has emerged as a particularly promising therapeutic target in immuno-oncology therapy, given its dual role in tumor biology and immune regulation. As a key mediator in the tumor microenvironment, TNFR2 is frequently overexpressed across various cancer types and contributes to immunosuppression through Treg and myeloid-derived suppressor cells modulation. Preclinical and emerging clinical evidence suggests TNFR2's therapeutic potential across solid tumors, particularly in those characterized by high immune cell infiltration and immunosuppressive microenvironments. This unique biological profile, coupled with its selective expression pattern, positions TNFR2 targeted therapeutics as potential breakthrough treatments of various solid tumors with a distinctive mechanism of action differentiating them from existing immunotherapy approaches. Our TNFR2 targeting candidate, LBL-019, is being developed with priority focus on a variety of solid tumors, including HCC, melanoma, NSCLC, CRC, and NPC, where TNFR2 expression and immune modulation play crucial roles in disease progression.

Despite the significant therapeutic potential, there are currently no approved TNFR2-targeting antibodies globally, representing a substantial market opportunity in the immunotherapy landscape. The following table summarizes the information of clinical-stage TNFR2 bispecific antibodies globally:

Drug Name	Target	Company	Clinical Stage	Indication	First Posted Date
BI-1808	TNFR2	BioInvent International	Phase 1/2	Advanced Solid Tumor	2021-02-12
LBL-019	TNFR2	Leads Biolabs Co., Ltd	Phase 1/2	Advanced Solid Tumor	2022-02-03
BI-1910	TNFR2	BioInvent International	Phase 1/2	NSCLC, HCC and Other Solid Tumor	2024-01-16
HFB200301	TNFR2	HiFiBiO Therapeutics	Phase 1	GC, RCC, Melanoma, Sarcoma, Testicular Cancer, Cervical Cancer, Mesothelioma, NSCLC, HNSCC	2022-02-14
SIM0235	TNFR2	Simcere Pharmaceutical Co., Ltd.	Phase 1	Advanced Solid Tumor, Cutaneous T-cell Lymphoma	2022-10-06
NBL-020	TNFR2	NovaRock Biotherapeutics, Ltd	Phase 1	Advanced Solid Tumor	2023-05-26
BITR2101	TNFR2	Boston Immune Technologies and Therapeutics	Phase 1	NHL, Cutaneous T Cell Lymphoma, Peripheral T-cell Lymphoma	2024-04-26

Note: Industry information as of July 11, 2025

Includes only active development programs; discontinued assets are excluded.

Source: ClinicalTrials.gov, Frost & Sullivan Analysis

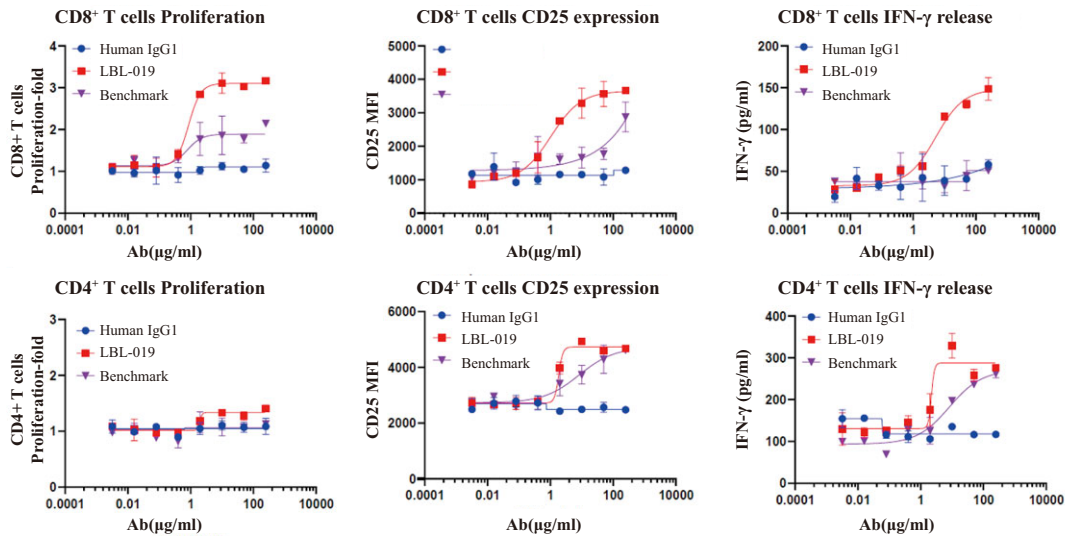
Competitive Advantages

LBL-019 significantly co-stimulates the activation of CD8+ and CD4+ T cells while antagonizing the immunosuppressive function of Treg cells. It exhibits promising synergistic effects when combined with PD-1 antibodies in the MC38-OVA model. Moreover, LBL-019 shows no ADCC or ADCP effects on immune cells. It has a positive safety profile: subjects treated with doses ranging from 0.8 to 15 mg/kg did not experience DLT, and the MTD was not reached.

For CD8⁺ T cells, LBL-019 significantly enhances proliferation, CD25 expression, and IFN- γ release, demonstrating superior performance to the benchmark. In the case of CD4⁺ T cells, LBL-019 also shows a marked increase in these parameters, further validating its efficacy. This highlights LBL-019 as a promising candidate for therapeutic applications aimed at enhancing T cell-mediated immunity.

The figures below demonstrate the effects of LBL-019 on T cell functions, including proliferation, CD25 expression, and IFN- γ release, compared to a control (Human IgG1) and BI-1808 (TNFR2).

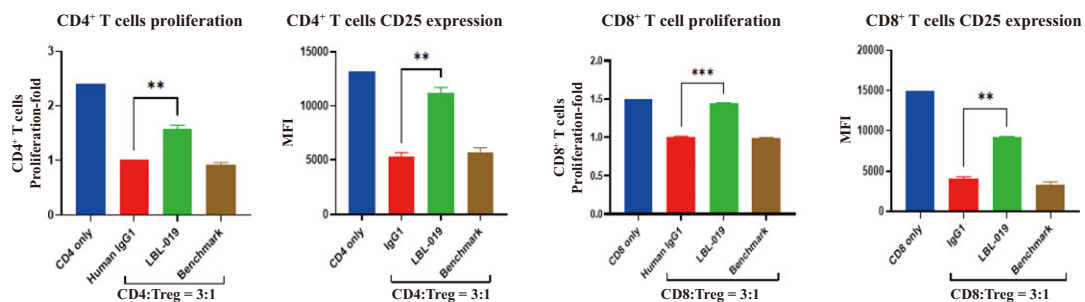
Effects of LBL-019 on T cell functions: Proliferation, CD25 expression, and IFN- γ release



Source: Company data

Moreover, in the CD4⁺T and CD8⁺T co-culture assays, LBL-019 consistently enhances T cell proliferation and CD25 expression in both CD4⁺ and CD8⁺ T cells compared to Human IgG1, highlighting its potent immunomodulatory effects in antagonizing the immune-suppressive function of Treg cells. This positions LBL-019 as a promising therapeutic candidate for enhancing T cell-mediated immune responses.

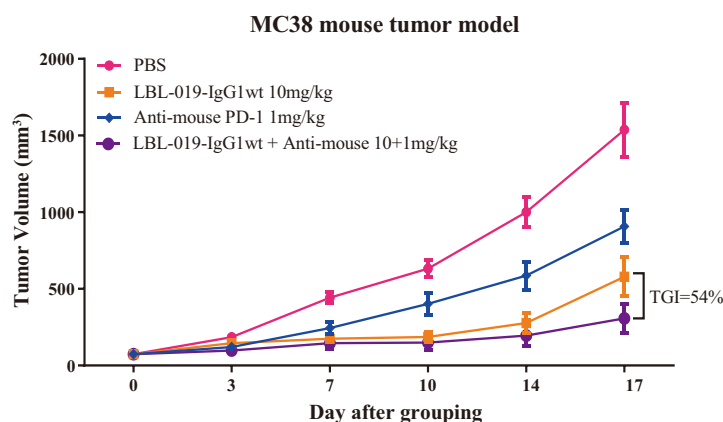
LBL-019's immunomodulatory effects in CD4⁺ and CD8⁺ T cell co-culture assays



Source: Company data

LBL-019 alone and in combination with anti-mouse PD-1 significantly inhibits tumor growth in the MC38 mouse tumor model, with the combination therapy showing the highest efficacy. This underscores the potential of LBL-019 as a potent therapeutic agent, especially when used in combination with other immune checkpoint inhibitors.

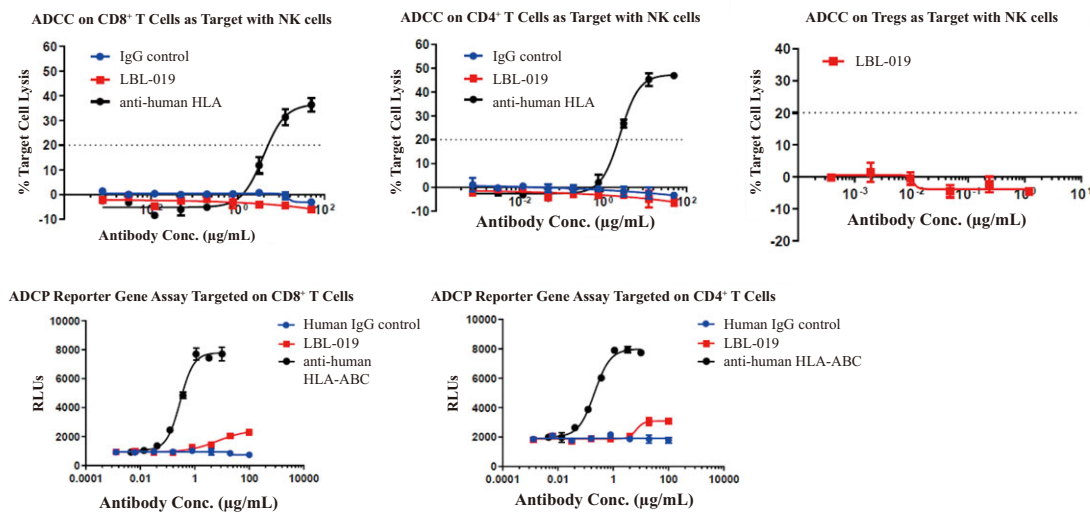
LBL-019's efficacy in tumor growth inhibition in the MC38 mouse model



Source: Company data

As demonstrated by the below figures, LBL-019 demonstrates minimal ADCC and ADCP activities across CD8⁺ T cells, CD4⁺ T cells, and Tregs compared to the control and anti-human HLA antibodies. These results indicate LBL-019's potential as a targeted therapy with reduced cytotoxic side effects, making it a promising candidate for therapeutic applications requiring minimized immune-related toxicity.

Minimal ADCC and ADCP activities of LBL-019 across T cell subsets



Source: Company data

Phase I/II clinical trial of LBL-019 monotherapy

We adopted a dual China-U.S. IND filing strategy, and have obtained IND approvals from the NMPA and the FDA in December 2021. Following these approvals, we initiated a Phase I clinical trial in China in April 2022 focusing on the treatment of advanced malignant tumors using LBL-019 as a monotherapy. This Phase I monotherapy trial has been completed in April 2024 with a total of 26 patients enrolled. The clinical outcomes from this Phase I trial indicate a promising safety and efficacy profile for LBL-019, with no DLT observed, and the MTD was not reached up to 30 mg/kg as of May 20, 2024. As of the same cut-off date, out of 23 evaluable patients, one patient with HCC achieved a PR at a dosage of 20 mg/kg, which was sustained for over 15 months. Additionally, seven patients achieved SD. Among seven evaluable patients with HCC, one achieved PR and three achieved SD. We currently have no clinical development plans for LBL-019 either overseas or in China, and we aim to leverage the Phase I clinical data from China to seek potential partnerships and collaboration opportunities to further advance the clinical development of LBL-019. As TNFR2 shows potential across different tumor types, we are evaluating the potential of LBL-019 in certain indications that are suitable and druggability before initiate other clinical trial for LBL-019.

License, Rights and Obligations

We are developing LBL-019 in-house and own the global rights to develop and commercialize LBL-019.

Material Communications with Competent Authorities

We had not received any regulatory agency's concerns or objections to our clinical development plans as of the Latest Practicable Date.

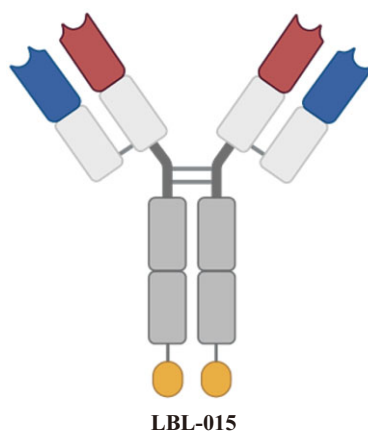
Cautionary statement required by LR 18A.05

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET LBL-019 SUCCESSFULLY.

LBL-015 (PD-1/TGF- β R2 fusion protein)***Overview***

LBL-015, a tetravalent bispecific fusion protein, targets both the PD-1/PD-L1 axis and the transforming growth factor- β (TGF- β) signaling pathway, and is designed for the treatment of solid tumors. We received IND approvals from the NMPA in July 2021, we commenced a Phase I/II clinical trial in November 2021. Preliminary clinical data from these studies have already demonstrated a robust safety and efficacy profile for LBL-015, suggesting promising potential for its development as a therapeutic agent in solid tumors.

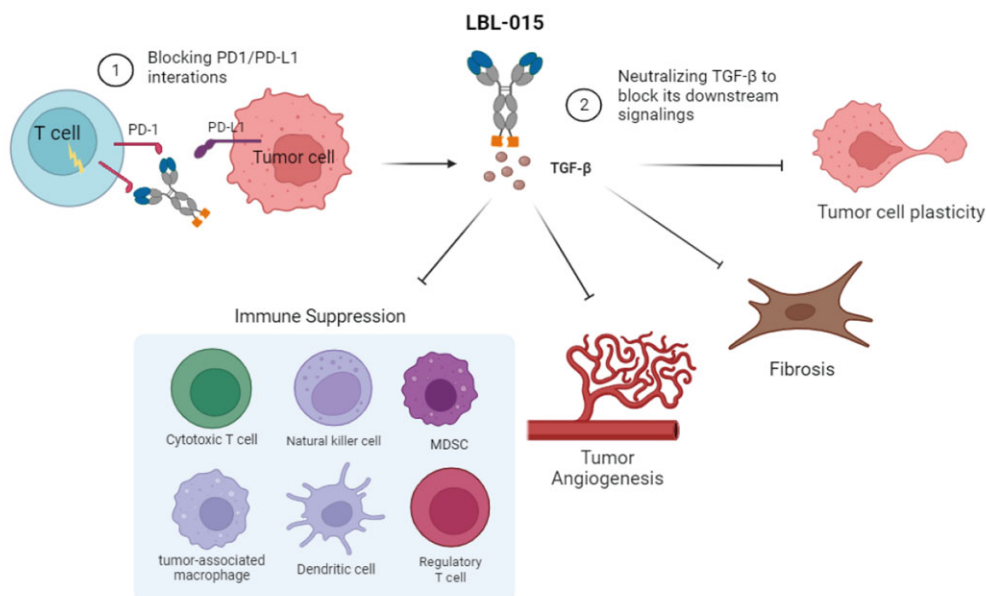
The molecular structure of LBL-015 is illustrated below:

***Mechanism of Action***

The enrichment of TGF- β within the TME is recognized for enhancing the survival mechanisms of tumor cells, playing a pivotal role in tumor development and progression. TGF- β contributes to tumor dynamics by promoting immune evasion, activating cancer-associated fibroblasts, and enhancing the migration and invasiveness of tumor cells. It also supports angiogenesis within the TME, further complicating the treatment landscape. Addressing these mechanisms, LBL-015 has been designed as a dual-function therapeutic agent. It comprises an IgG molecule that binds specifically and with high affinity to PD-1, as well as a human TGF- β R2 ectodomain fused to the C-terminal of Fc. This structure allows LBL-015 to effectively bind to both PD-1 and TGF- β 1, blocking the interactions of PD-1/PD-L1 and PD-1/PD-L2, as well as the TGF- β signaling pathway. Consequently, this dual blockade reverses the immune suppression induced by PD-1/PD-L1 and TGF- β , thereby enhancing antitumor immune responses.

In addition, LBL-015 is engineered to be specifically enriched in the TME by binding to PD-1 expressed on TILs. This targeted approach not only maximizes the therapeutic effects within the tumor environment but also minimizes systemic exposure to the TGF- β R2 trap, reducing potential side effects. This strategic localization underscores the potential of LBL-015 to deliver potent antitumor activity while maintaining a favorable safety profile, making it a promising candidate in the treatment of solid tumors with complex TME dynamics.

The following diagram illustrates the mechanism of action of LBL-015:



Source: Company data

Market Opportunities and Competition

Only a minority of cancer patients respond positively to PD-L1 inhibitors. Bispecific antibodies or fusion proteins can bind to two antigens simultaneously and regulate two tumor-related signaling pathways. The PD-1/TGF- β R2 fusion protein inhibits both the PD-L1/PD-1 signaling pathway and the TGF- β /TGF- β R2 signaling pathway, thereby relieving immune suppression and restoring the body's immune killing ability. This approach has demonstrated stronger antitumor efficacy compared to PD-L1 monoclonal antibodies in pre-clinical studies. Given the prominent role in tumor progression across multiple solid tumor types of TGF- β , particularly in NSCLC, CRC, pancreatic cancer, and HCC where both PD-1 and TGF- β pathways are frequently dysregulated, LBL-015 holds significant therapeutic potential across a broad spectrum of solid tumors.

With no approved PD-1/TGF- β R fusion proteins currently available in the market, the following table summarizes the information of clinical-stage PD-(L)1/TGF- β (R) fusion protein globally:

Drug Name	Target	Company	Clinical Stage	Indication	First Posted Date
SHR-1701	PD-L1/TGF- β R	Hengrui Medicine Co., Ltd.	Phase 3	Gastric Cancer or Gastroesophageal Junction Cancer	2021-07-06
			Phase 3	Non-squamous NSCLC	2021-11-24
			Phase 3	Cervical Cancer	2022-01-05
JS201	PD-1/TGF- β	Junshi Biosciences Co., Ltd.	Phase 2	Advanced SCLC	2021-07-07
TQB2868	PD-1/TGF- β	Chia Tai Tianqing Pharmaceutical Group Co., Ltd.	Phase 2	Advanced HCC	2024-06-04
LBL-015	PD-1/TGF- β R	Leads Biolabs Co., Ltd.	Phase 1/2	Advanced Solid Tumor	2021-11-04
6MW3511	PD-L1/TGF- β R	Mabwell Bioscience Co., Ltd.	Phase 1/2	Solid Tumor	2022-09-01
HB0028	PD-L1/TGF- β	Huabo Biopharm Co., Ltd.	Phase 1/2	Advanced Solid Tumor	2024-01-25
QLS31901	PD-L1/TGF- β	Qilu Pharmaceutical Co., Ltd.	Phase 1	Advanced Solid Tumor	2021-07-08
BJ-005	PD-L1/TGF- β R	BJ Bioscience, Inc.	Phase 1	Advanced Solid Tumor or Lymphoma	2021-11-10
PM8001	PD-L1/TGF- β	Biotheus Inc.	Phase 1	Advanced Solid Tumor	2022-09-13

Note: Industry information as of July 11, 2025

Includes only active development programs; discontinued assets are excluded.

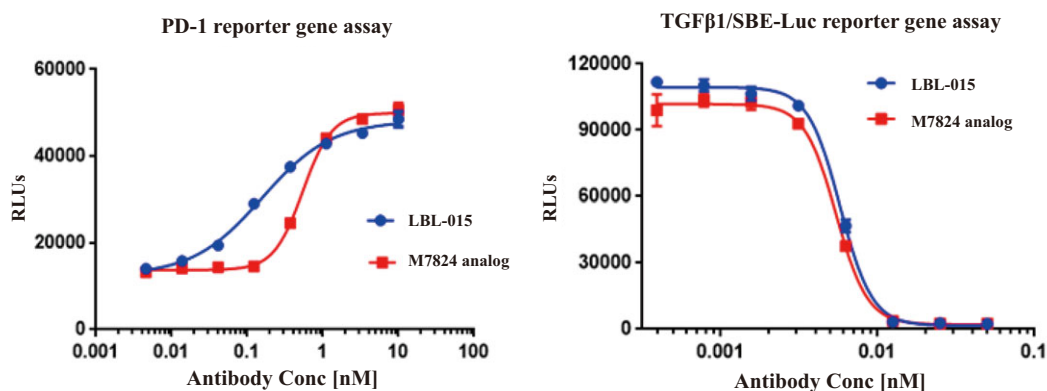
Source: ClinicalTrials.gov, Frost & Sullivan Analysis

Competitive Advantages

LBL-015 demonstrates robust antitumor effects by effectively blocking key immune checkpoints and signaling pathways, exhibiting promising efficacy and a favorable safety profile in both preclinical and early clinical studies. Specifically, LBL-015 inhibits PD-1/PD-L1 and PD-1/PD-L2 interactions, as well as the TGF- β signaling pathway. Preclinical studies show that LBL-015 significantly inhibits MC38-OVA tumor growth compared to a nivolumab analog. Preliminary clinical data indicate a promising efficacy profile, with one case of PR and multiple cases of SD. Additionally, with a mutation to the IgG molecule, LBL-015 exhibits a favorable safety profile: only two DLT events were observed at the dose of 10 and 20 mg/kg, and the MTD was not reached in 25 subjects treated with doses ranging from 0.3 to 20 mg/kg.

The figures below demonstrate the efficacy of LBL-015 in two critical reporter gene assays, comparing its performance to an M7824 analog. In the PD-1 assay, LBL-015 demonstrates a dose-dependent increase in Relative Light Units (RLUs), closely matching the performance of the M7824 analog, indicating effective pathway activation. Similarly, in the TGFβ1/SBE-Luc assay, LBL-015 shows a dose-dependent decrease in RLUs, again mirroring the M7824 analog's performance and highlighting its potency in inhibiting the TGFβ1 pathway. These results collectively underscore LBL-015's dual activity, showcasing its potential as a promising therapeutic agent capable of modulating immune responses and inhibiting tumor-promoting pathways, thus offering promising applications in oncology.

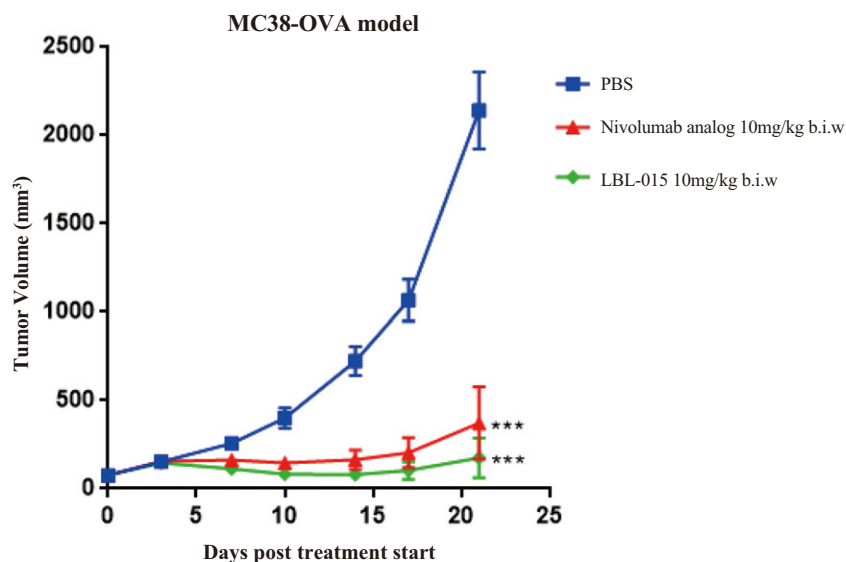
Dual activity of LBL-015 in PD-1 and TGFβ1 pathway modulation



Source: Company data

Moreover, LBL-015 demonstrates potent antitumor activity in the MC38-OVA mouse model, comparable to that of the Nivolumab analog. These results underscore the potential of LBL-015 as an effective therapeutic agent for cancer treatment.

Potent antitumor activity of LBL-015 in the MC38-OVA mouse model



Source: Company data

Phase I/II clinical trial of LBL-015 monotherapy

We obtained IND approvals from the NMPA for LBL-015 in July 2021. Subsequently, we launched a Phase I/II clinical trial for LBL-015 as a monotherapy in November 2021. As of December 2023, the trial has demonstrated a favorable safety profile with only two DLTs observed, and the MTD has not been reached. Additionally, as of December 2023, preliminary efficacy data has shown promising results, including one PR and multiple instances of SD among the participants. We completed the Phase I monotherapy trial in July 2024 and will formulate a specific Phase II trial plan based on our future development strategy. Further, we have received the IND approval from the FDA in July 2021, we currently have no clinical development plans for LBL-015 either overseas or in China. Since LBL-015 targets PD-1/TGF- β R2—a pathway with demonstrated pan-tumor potential—and other drug candidates in this class have shown promising clinical results in certain indications, we have an IND approved in USA for LBL-015. As a biotechnology company, we remain committed to focusing our resources on the most appropriate and promising indications. We intend to evaluate those that are both competitive and demonstrate strong druggability before progressing to further clinical trials. This strategic approach will help us allocate resources effectively. Accordingly, we may initiate Phase II clinical trials for LBL-015 when appropriate.

In parallel, we are actively seeking potential partnerships and collaboration opportunities to support and accelerate the global clinical development of LBL-015.

License, Rights and Obligations

We are developing LBL-015 in-house and own the global rights to develop and commercialize LBL-015.

Material Communications with Competent Authorities

We had not received any regulatory agency's concerns or objections to our clinical development plans as of the Latest Practicable Date.

Cautionary statement required by LR 18A.05

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET LBL-015 SUCCESSFULLY.

Our Selected Pre-Clinical Drug Candidates**LBL-061 (EGFR/PD-L1 ADC)**

LBL-061 is a next-generation bispecific ADC designed to simultaneously target EGFR and PD-L1, two clinically validated oncogenic and immune checkpoint molecules, respectively. EGFR is a key driver of tumor proliferation and metastasis, frequently overexpressed in solid tumors such as HNSCC, NSCLC, and NPC. PD-L1, an immune checkpoint molecule, is also commonly overexpressed in these tumor types and plays a critical role in immune evasion. LBL-061 incorporates a bispecific antibody targeting both EGFR and PD-L1, conjugated to a cytotoxic exatecan payload via a proprietary hydrophilic linker system developed by Leads Biolabs. This design enables LBL-061 to achieve enhanced tumor targeting, potent cytotoxicity, and immune checkpoint blockade, providing a synergistic antitumor effect.

Preclinical studies have demonstrated the therapeutic potential of LBL-061. It exhibits high binding affinity to EGFR and PD-L1 across a wide range of cell lines with varying expression levels of these targets. LBL-061 has shown potent cytotoxicity against EGFR+/PD-L1+ tumor cells, robust PD-1/PD-L1 blockade activity comparable to anti-PD-L1 monoclonal antibodies, and significant bystander effects in heterogeneous tumor models. Additionally, it induces immunogenic cell death and T-cell activation in tumor-PBMC co-culture systems. *In vivo* studies have further validated its efficacy, showing dose-dependent tumor growth inhibition and a favorable pharmacokinetic profile that supports clinical translation. We expect to file an IND application for LBL-061 in the second half of 2026.

EGFR is a well-characterized oncogene whose dysregulation, either through overexpression or mutational activation, contributes to tumor proliferation, invasion, and metastasis. It is highly expressed in several solid malignancies, making it a critical therapeutic target. PD-L1, on the other hand, is a key immune checkpoint molecule that facilitates immune evasion by binding to PD-1 on T cells, thereby suppressing antitumor immune responses. The co-expression of EGFR and PD-L1 in tumors such as HNSCC and NSCLC provides a compelling rationale for the development of bispecific therapies. By concurrently targeting these two molecules, LBL-061 offers a dual mechanism of action, combining direct cytotoxic effects via EGFR-mediated internalization with immune activation through PD-L1 inhibition, representing a promising therapeutic strategy for EGFR/PD-L1 co-expressing tumors.

LBL-054-ADC (CDH17 ADC)

LBL-054-ADC is an ADC targeting CDH17, a calcium-dependent cell adhesion molecule that is overexpressed and redistributed on the surface of 50% to 90% of gastrointestinal tumors, including gastric and colorectal cancers. This unique overexpression and surface localization in cancer cells, while being hidden in normal intestinal tissue, make CDH17 an ideal target for ADC-based therapies.

LBL-054-ADC is empowered by our proprietary linker-payload platform, featuring a humanized IgG1 monoclonal antibody with high specificity for CDH17. The antibody has been engineered to remove Fc functionality, reducing blood toxicity, and is further optimized to achieve a drug-to-antibody ratio of six, striking a balance between efficacy and safety. The payload is a clinically validated, highly potent TOP1i optimized for high activity, permeability, and resistance to drug efflux mechanisms. This payload enables a strong bystander effect, enhancing LBL-054-ADC's ability to target tumors with heterogeneous CDH17 expression, as well as resistant cell populations. The linker used in LBL-054 contains a cleavable peptide, a hydrophilic spacer, and a stable conjugation moiety that prevents reversible Michael addition reactions. This design ensures excellent physicochemical properties, high plasma stability, and rapid payload release at tumor sites.

Preclinical studies have demonstrated that LBL-054-ADC has robust binding affinity to CDH17 and undergoes rapid internalization into tumor cells. Killing assays confirmed that LBL-054-ADC is highly potent against CDH17-positive cancer cells and exhibits a improved bystander effect compared to alternative conjugates like LBL-054-Dxd. In xenograft models, a single dose of LBL-054 showed significant tumor regression, demonstrating stronger anti-tumor efficacy and better pharmacokinetics than comparator ADCs. Furthermore, LBL-054-ADC exhibited high stability in plasma and excellent tolerability, indicating its potential for clinical development. We expect to file an IND application for LBL-054-ADC in the second half of 2026.

CDH17, a member of the cadherin superfamily, plays a critical role in organ development, tissue integrity, and cancer progression. In normal tissues, CDH17 is confined to intestinal tight junctions and is inaccessible to therapeutic targeting. However, in gastrointestinal cancers, CDH17 is aberrantly overexpressed and redistributed on the cancer cell surface, making it highly accessible to antibody-based therapies. This tumor-specific expression pattern, combined with its role in cancer progression, establishes CDH17 as a promising therapeutic target for ADC development.

LBL-054-TCE (CDH17/CD3)

LBL-054-TCE is a bispecific T-cell engager antibody targeting CDH17, a protein overexpressed in gastrointestinal cancers, making it a promising candidate for the treatment of CDH17-positive gastrointestinal tumors. Leveraging our proprietary LeadsBody™ T-cell engager platform, LBL-054-TCE is engineered with high-affinity binding arms for CDH17 and a finely tuned CD3 arm to maximize antitumor efficacy while minimizing potential off-target toxicity. This bispecific antibody facilitates the selective recruitment and activation of T cells to specifically kill CDH17-positive tumor cells.

LBL-054-TCE has demonstrated significant therapeutic potential in preclinical studies. Its binding affinity to the membrane-proximal region of CDH17 has been shown to be highly specific, with no cross-reactivity to other cadherin family proteins. *In vitro* cytotoxicity assays confirmed that LBL-054-TCE mediates tumor cell killing in a CDH17 expression-dependent manner while sparing CDH17-negative cells. Furthermore, preclinical investigations revealed that the bispecific antibody induces moderate cytokine release and T-cell activation, ensuring a balanced approach to efficacy and safety. In PBMC-humanized mouse models bearing gastrointestinal tumor xenografts, LBL-054-TCE exhibited robust antitumor activity. We expect to file an IND application for LBL-054-TCE in the first half of 2027.

LBL-058 (DLL3/CD3 ADC)

LBL-058 is a TEC targeting Delta-like ligand 3 (DLL3), a protein highly expressed on the surface of SCLC and other neuroendocrine tumor cells. DLL3 is minimally expressed in normal adult tissues, making it an ideal target for therapeutic intervention in SCLC. LBL-058 is designed to leverage the unique expression profile of DLL3, offering a promising therapeutic strategy for this highly malignant and treatment-resistant tumor type, which has a 5-year survival rate of only 7%.

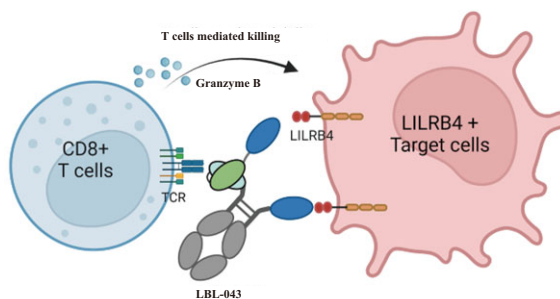
LBL-058 represents a dual-function TEC molecule that combines the properties of a TCE and an ADC. It consists of a DLL3-targeting TCE conjugated with a TOP1i payload via this design. The molecule is engineered with fine-tuned affinities for DLL3 and CD3: it has a high affinity for DLL3-positive tumor cells and a lower affinity for CD3 on T cells, reducing the risk of off-target cytotoxicity. This specificity enables LBL-058 to selectively activate T cells in the presence of DLL3-positive tumor cells, inducing a potent tumor-directed immune response. Furthermore, the TOP1i payload is delivered directly into tumor cells through DLL3-mediated endocytosis, maximizing its cytotoxic effect while sparing normal tissues. Preclinical studies have demonstrated that LBL-058 induces robust T cell activation and tumor-directed cytotoxicity, leading to durable tumor regression in xenograft models. These findings highlight its potential as a highly effective therapy for SCLC. We expect to file an IND application for LBL-058 in the first half of 2027.

DLL3 is an inhibitory Notch ligand that suppresses Notch signaling in SCLC, thereby promoting tumor growth and survival. Over 80% of SCLC tumors exhibit DLL3 expression, while normal adult tissues demonstrate little to no DLL3 expression. This restricted expression profile makes DLL3 an ideal target for therapeutic development. In recent years, DLL3-targeting therapies have gained significant attention, with Tarlatamab, a T cell engager, receiving FDA approval for the treatment of extensive-stage SCLC after platinum-based chemotherapy. Additionally, several DLL3-targeting ADCs have shown encouraging results in clinical trials. These advances underscore the critical role of DLL3 in SCLC therapy and position LBL-058 as a potentially first-in-class DLL3-targeted TCE ADC with dual tumor-suppressive functions.

LBL-043 (LILRB4/CD3 BsAb)

LBL-043 is a bispecific antibody targeting both leukocyte immunoglobulin-like receptor B4 (LILRB4) and CD3 for the treatment of AML and MM. LBL-043 was developed using our proprietary LeadsBody™ T-cell Engager platform with 2:1 format. There are currently no approved or clinical-stage bispecific antibodies targeting both LILRB4 and CD3 globally.

The following diagram illustrates the mechanism of action of LBL-043:

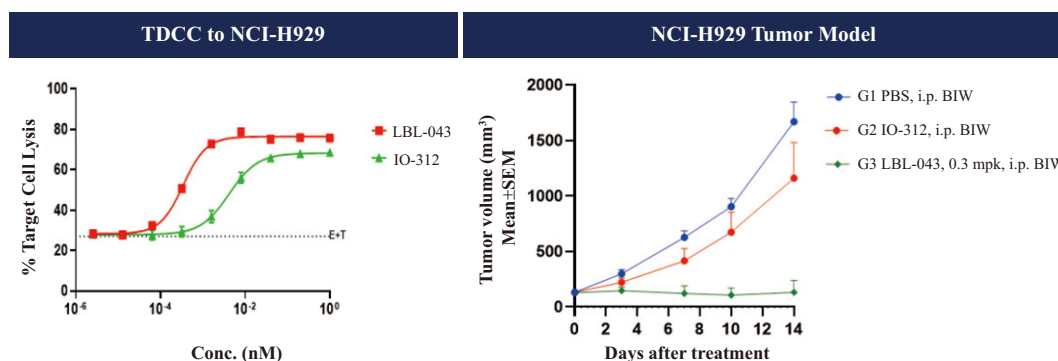


Source: Company data

LILRB4 is an immune checkpoint inhibitory receptor that is overexpressed on French-American-British (FAB) M4 and M5 AML cells but not expressed on normal HSCs and progenitor cells. LILRB4 supports tumor cell infiltration into tissues and suppresses T cell activity in AML cells. The level of LILRB4 expression is inversely correlated with the OS of patients diagnosed with M4 and M5 AML, highlighting its potential as a therapeutic target. Developed through our proprietary LeadsBody™ platform, LBL-043 is a therapeutic agent that exploits this target specificity. LBL-043 is designed with a unique 2:1 format, incorporating two VHH arms that bind to LILRB4 with high affinity, and one scFv arm that targets CD3 with precisely tuned lower affinity. This design ensures potent activation of T cells via CD3 engagement, while primarily targeting the cancer cells expressing LILRB4, thus offering a highly differentiated approach to treating AML.

Our *in vitro* and *in vivo* studies have demonstrated that LBL-043 exhibits strong antitumor effects. LILRB4 is also found to be expressed on MM tumor cells, and it demonstrated more potent TDCC and *in vivo* antitumor activity on LILRB4+ MM tumor cell lines compared to the benchmark IO-312.

Selected data of LBL-043



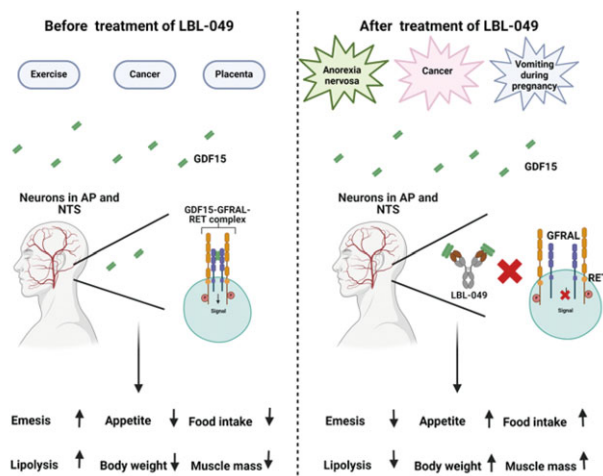
Source: Company data

These promising outcomes support LBL-043's potential as an effective therapeutic agent in targeting cancer cells. These studies validate our approach and provide a solid foundation for the further development of LBL-043 in clinical settings. We expect to file IND applications with the FDA and NMPA in the first half of 2026.

LBL-049 (GDF15 mAb)

Cachexia is a debilitating disorder marked by significant loss of body weight, primarily affecting skeletal muscle and adipose tissue, and is commonly observed in the progression of cancer and other diseases. GDF15 can bind to the glial cell-derived neurotrophic factor (GDNF) family receptor α -like (GFRAL) protein located primarily in the hindbrain. This binding triggers the GFRAL-RET signaling pathway, leading to the transmission of anorectic neural signals that contribute to symptoms like weight loss, vomiting, and the degradation of fat and muscle, ultimately inducing cachexia. In response to this challenge, LBL-049, a humanized GDF15 neutralizing antibody with extended half-life modification, has been developed and has shown promising results in reversing cancer and chemotherapy-induced cachexia in pre-clinical studies. This antibody effectively interrupts the GDF15-GFRAL interaction, potentially offering a new therapeutic approach to managing and treating cachexia. There are currently no approved monoclonal antibodies targeting GDF15 globally.

The following diagram illustrates the mechanism of action of LBL-049:

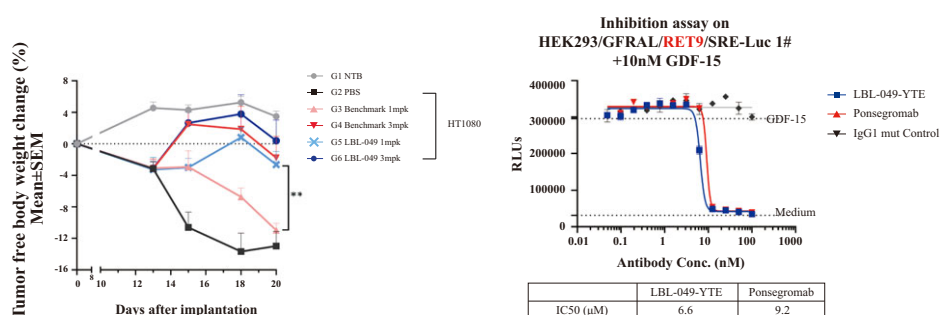


Source: Company data

By targeting and neutralizing GDF-15, LBL-049 effectively blocks the signaling pathway, thereby treating symptoms associated with this pathway and significantly improving the quality of life for patients. A unique advantage of LBL-049 is its high specificity; it does not bind to other TGF family members, ensuring focused action without off-target toxicity. Demonstrating stronger potency, LBL-049 effectively inhibits the GDF15/GFRAL/RET pathway. In pre-clinical studies, LBL-049 has shown remarkable efficacy in preventing weight loss induced by HT1080 tumors and the chemotherapy agent cisplatin, highlighting its potential as a robust therapeutic in managing cachexia caused by cancer and its treatment.

As demonstrated by the figures below, the efficacy of LBL-049 was compared to the benchmark ponesegromab across various assays. In the inhibition assay on HEK293/GFRAL/RET/SRE-Luc cells with 10 nM GDF15, LBL-049 displayed a lower IC₅₀ value (6.6 nM) compared ponesegromab (9.24 nM), indicating higher inhibitory potency. Additionally, *in vivo* studies on HT1080 tumor-bearing mice revealed that LBL-049 effectively maintained body weight and reduced tumor-free body weight change at both 1mpk and 3mpk dosages, outperforming ponesegromab in weight maintenance during treatment cycles. These findings demonstrate LBL-049's potential as a more effective therapeutic agent with enhanced selectivity and potency for the treatment of cancer-associated cachexia.

Selected data of LBL-049



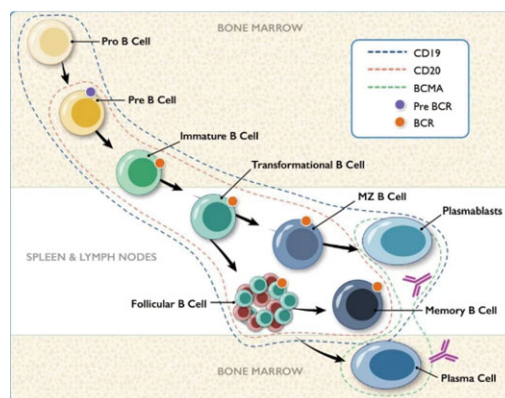
Source: Company data

We expect to file IND applications with the FDA and NMPA in the first half of 2026.

LBL-051 (CD19/BCMA/CD3 TriAb)

LBL-051 is a CD19/BCMA/CD3 targeting tri-specific antibody, designed for the treatment of B-cell and autoantibody-driven autoimmune diseases, including systemic lupus erythematosus (SLE), generalized myasthenia gravis (gMG), and multiple sclerosis (MS). It is also a therapy with the potential to treat relapsed and refractory multiple myeloma. On November 5, 2024, we entered into a collaboration, exclusive option and license agreement with Oblenio Bio, Inc., a U.S. company newly formed by Aditum Bio, for the development and commercialization of LBL-051. For details, see “— Collaboration Agreements — Collaboration, Exclusive Option and License Agreement with NewCo formed by Aditum Bio.”

The mechanism of action of LBL-051 is illustrated below:



Source: literature review

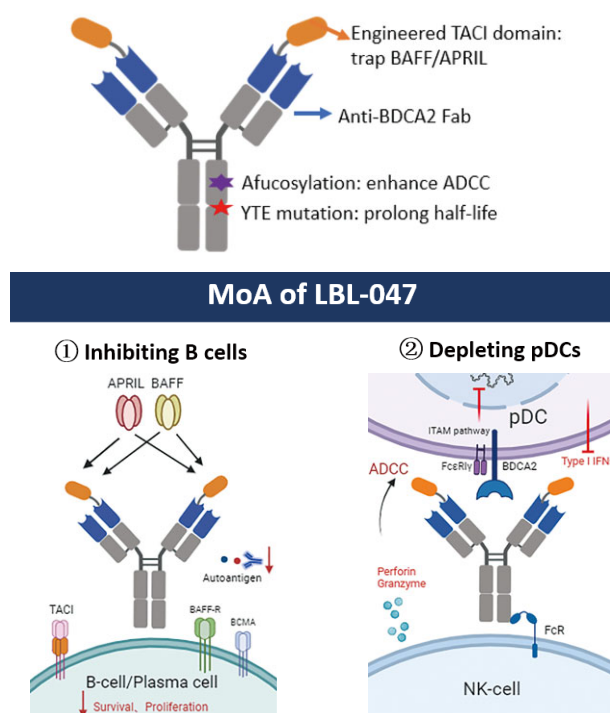
CD19 is a selective surface marker expressed on the majority of B cells from the early stages of their development in the bone marrow through to their maturation into plasma cells. The B-cell maturation antigen (BCMA) is highly expressed on plasmablasts and plasma cells and plays a vital role in the regulation of B-cell proliferation, survival, and differentiation. Patients with autoimmune diseases produce autoantibodies against self-components such as DNA, ribosomes, and certain proteins. Since B cells are pivotal in the production of these autoantibodies, targeting CD19 on B cells has emerged as a promising strategy for treatment. This approach aims to eliminate B cells that are producing pathogenic autoantibodies, thereby reducing their levels and mitigating immune-mediated damage.

LBL-051 is a CD19/BCMA/CD3 targeting tri-specific T cell engaging antibody, created with the aim of achieving a ‘B cell reset’ in autoimmune diseases. Each target binding domain — CD19, BCMA, and CD3 — has been engineered with the intent of enhancing safety while optimizing efficacy by finely tuning the relative potency of each domain. By targeting both CD19 and BCMA, LBL-051 has the potential to deliver stronger and more durable responses by depleting a broader range of pathological B-cell populations across a wide spectrum of antibody-mediated autoimmune diseases.

LBL-047 (anti-BDCA2/TACI bispecific fusion protein)

LBL-047 is a bispecific fusion protein composed of a humanized anti-BDCA2 antibody and an engineered TACI ectodomain. It targets both BAFF/APRIL and BDCA2, designed to simultaneously inhibit the activity of plasmacytoid dendritic cells (pDCs) and the differentiation and activation of B cells for the treatment of autoimmune diseases, including systemic lupus erythematosus (SLE), cutaneous lupus erythematosus (CLE), IgA nephropathy (IgAN) and scleroderma. The glycosylation of LBL-047 is modified to enhance ADCC effects, and the Fc region is engineered to achieve an extended half-life. There are currently no approved or clinical-stage fusion proteins targeting both BDCA2 and TACI globally.

The molecular structure and the mechanism of action of LBL-047 are illustrated below:



Source: literature review

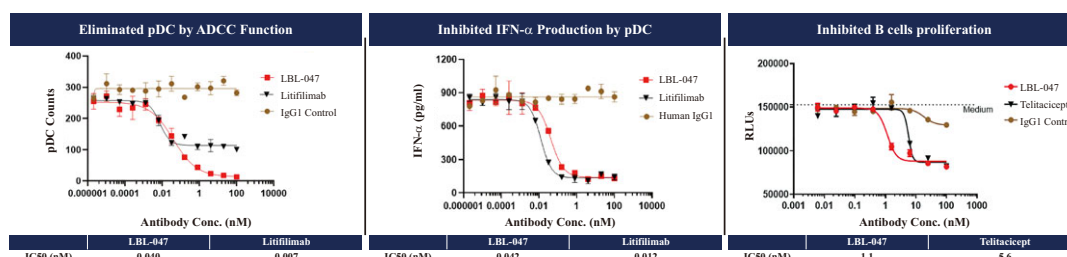
B cells and pDCs play crucial and synergistic roles in the pathogenesis of various autoimmune diseases. BAFF (B-cell activating factor) and APRIL (a proliferation-inducing ligand) are key cytokines that promote the survival, maturation, and function of B cells and plasma cells. TACI is the natural high-affinity receptor for BAFF and APRIL. An engineered TACI domain can be used to trap BAFF and APRIL, thereby inhibiting their signaling. This inhibition presents a potential therapeutic strategy for treating B cell-related autoimmune diseases.

BDCA2 is uniquely expressed on pDCs, serving a pivotal role in their immune function. Upon ligand binding, BDCA2 activates the ITAM pathway through SRC family protein tyrosine kinases (PTKs), leading to the activation of SYK, BLNK, and BCAP. This signaling cascade culminates in the production of type I interferons (IFN α , IFN β) and pro-inflammatory cytokines (IL-6, TNF) via the TLR pathway. The unique expression and intricate signaling mechanisms of BDCA2 on pDCs provide critical insights into their role in immune responses, highlighting potential therapeutic targets for a range of diseases. Notably, BDCA2 has demonstrated promising efficacy, as evidenced by Biogen's monoclonal antibody litifilimab, which is currently in Phase III development.

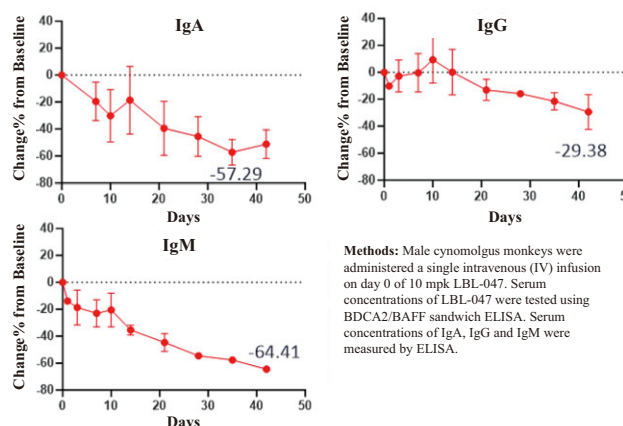
The mechanism of action of LBL-047 involves targeting pDCs to reduce IFN- α production and blocking B cell activation by competitively binding to APRIL and BAFF with its engineered TACI trap fusion component. This dual approach suppresses aberrant immune responses in autoimmune diseases.

Our comprehensive *in vitro* and *in vivo* studies have demonstrated the promising efficacy of LBL-047. *In vitro* assessments revealed that LBL-047 could completely eliminate pDCs, showing a more potent elimination capacity than litifilimab, a known competitor. This superior efficacy was also observed in the huHSC-NCG mouse model, an *in vivo* system, where LBL-047 again outperformed litifilimab in eliminating pDCs. Beyond its impact on pDCs and IFN- α , LBL-047 has demonstrated enhanced inhibition of B cell proliferation compared to telitacept, both *in vitro* and in a delayed-type hypersensitivity mouse model. Furthermore, in an EAE mouse model (a multiple sclerosis model), LBL-047 showed greater efficacy in attenuating clinical symptoms and reducing B cells and plasma cells. Preliminary pharmacokinetics studies in cynomolgus monkeys indicated an excellent PK profile, with a marked reduction in circulating IgA, IgG, and IgM. These findings underscore LBL-047's potential as a highly effective therapeutic option in conditions where modulation of B cell and pDCs function is crucial.

Selected data of LBL-047



Persistently Reduced cyno-IgA/G/M



Source: Company data

We expect to file IND applications with the FDA and NMPA in the second half of 2025.

OUR PLATFORM

We have established a cohesive and efficient platform that integrates three essential stages of the drug development process, including (i) drug discovery and preclinical development, (ii) CMC and pilot GMP-compliant manufacturing, and (iii) clinical development. By fostering synergy among these diverse yet interconnected functions, our platform serves as the foundation for our continuous innovation and advancement of groundbreaking immunotherapies, and ultimately propels them towards commercialization.

Drug Discovery and Preclinical Development

Our drug discovery and development team

Our drug discovery and development team bring together experts across various departments and provides comprehensive support throughout the development of each drug candidate. Our drug discovery and development team is led by Dr. Ling, our Senior Vice President and Chief Science Officer, who is a seasoned expert in early drug discovery and development. As of the Latest Practicable Date, our drug discovery and development team consists of 45 members, including research scientists, experienced physicians and other professionals, providing comprehensive support throughout the entire lifecycle of discovery and development for drug candidates.

We have a highly systematic R&D operating structure with a three-tiered decision-making model, from the Chief Scientific Officer to R&D center, and further to each group under the R&D center. Our R&D center consists of seven groups based on their respective roles in drug development, including antibody engineering group, protein biochemistry group, immune pharmacology group, discovery biology group, translational research group, cell line development group and ADC group. The antibody engineering group excels in antibody discovery and bispecific/RFP engineering, utilizing advanced technologies such as humanization, yeast and phage display, and machine learning strategies to predict and optimize antibody developability. The protein biochemistry group specializes in high-titer transient expression in CHO cells and high-throughput purification to ensure efficient protein production and refinement. The immune pharmacology group focuses on protein-protein interactions, PK/ADA/biomarker analysis, assay development and detection, and leads developability assessments. The discovery biology group conducts various cell-based bioassays and employs syngeneic/xenograft mouse models for pharmacodynamics studies. The translational research group bridges laboratory research and clinical application, focusing on mechanism-of-action studies and validating therapeutic potential through *in vitro* and *in vivo* studies. The cell line development group creates stable cell lines and fast cell pools, ensuring regulatory compliance and scalable manufacturing of biologics. The ADC group focuses on developing linker-payload platforms.

Our capabilities in drug discovery and preclinical development

Antibody discovery and engineering

In antibody discovery, we integrate and utilize diverse discovery platforms and technologies, primarily including a fully human phage library, hybridoma technology, and an alpaca immune library.

We have adeptly screened several monoclonal and bispecific antibodies from our fully human phage library, many of which have progressed into clinical stage. This demonstrates the efficiency and effectiveness of our platform in identifying promising therapeutic candidates through rapid screening and selection.

For complex targets such as GPCR family proteins and those requiring specialized antibody functions, we employ mouse hybridoma technology to generate a diverse pool of candidates. These candidates are subsequently refined through humanization technology, enhancing their therapeutic compatibility and effectiveness. By humanizing these antibodies, we improve their safety profiles and reduce the risk of immunogenicity, making them more suitable for clinical use.

Additionally, our alpaca immune antibody library allows for the screening of both single-domain antibodies and alpaca IgG1 antibodies. Single-domain antibodies, being smaller and more stable than conventional antibodies, offering improved penetration and accessibility to tumor tissues and microenvironments, which makes them highly effective in targeting difficult-to-reach areas. Alpaca IgG1 antibodies, with their unique binding patterns, increase the success rate of obtaining antibodies from alpaca immune libraries and provide broader epitope coverage. This versatility enhances our ability to develop effective treatments for a wide range of diseases.

In vivo and in vitro efficacy evaluation

Evaluating the *in vivo* and *in vitro* activities of antibody drugs is crucial during early discovery. Our pharmacology team, highly experienced in developing cell-based bioassays, has established a variety of stable cell lines and optimized a series of cell-based *in vitro* bioassays. Additionally, we have developed primary immune-cell assays tailored to the mechanism of action for each target. Our capabilities also include establishing a variety of humanized mouse models in-house for efficacy, pharmacodynamics, mechanism of action, and translational studies, as well as conducting preliminary toxicology and pharmacokinetic analyses. These comprehensive evaluations ensure that our antibody candidates demonstrate robust efficacy and safety profiles before advancing to clinical stages.

Druggability assessment

We conduct comprehensive druggability assessments through a combination of software analysis, physical and chemical testing, immunoassays, accelerated tests and PK studies. By evaluating candidate molecules across multiple parameters, we identify and select lead molecules that meet stringent druggability requirements. This rigorous assessment ensures that our lead candidates are well-positioned for further development and clinical success.

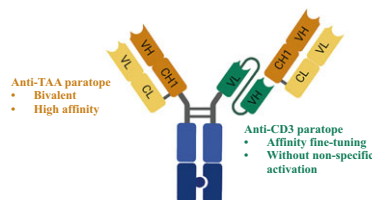
Our comprehensive R&D capabilities and multidisciplinary approach ensures that only those most promising and viable candidates will proceed through the development pipeline, optimizing our chances for successful therapeutic outcomes.

Proprietary technology platforms

Anchored by our deep understanding of molecular mechanism and disease biology, we have successfully developed a number of proprietary technology platforms geared towards different

targets, mechanisms of action, and modalities. These technology platforms provide us with a broad arsenal of advanced tools and techniques for antibody design, screening and development, and empower us to engineer customized drug assets with high specificity in meeting underserved clinical demands across a wide spectrum of indications. Our major technology platforms primarily include two T-cell engager platforms, the LeadsBody™ platform (a CD3 T-cell engager platform) and the X-body™ platform (a 4-1BB engager platform), as well as additional bispecific antibody and fusion protein platforms.

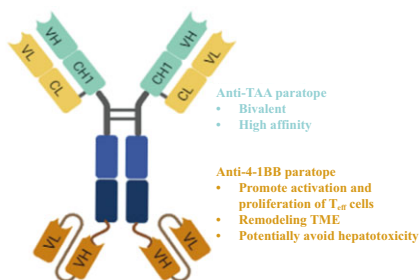
LeadsBody™ platform (CD3 T-cell engager platform)



To achieve an optimal balance between the safety and efficacy of T-cell engagers, we have developed the proprietary LeadsBody™ platform in 2020, which facilitates diverse modifications to the molecular designs of CD3-targeted bispecific antibodies. These key modifications include variable expression levels in binding to tumor-associated antigens (TAA), fine-tuning CD3 affinity with differentiated cytokine release profiles, conditional T-cell redirecting and activation mechanisms within tumor microenvironments, and differing spatial structures. By harnessing this platform technology, our multiple CD3-targeted bispecific T-cell engaging antibodies for treating solid tumors and hematologic malignancies, such as LBL-034 and LBL-033, have shown the potential in antitumor effects and favorable safety profiles in preclinical studies.

We believe our LeadsBody™ platform offers significant advantages. These include optimized proportions and affinities of TAA and CD3 binding domains, which direct the action of T-cell engagers to the tumor site while minimizing on-target off-tumor toxicity. Additionally, structural optimizations induce effective killing of target cells by T cells while reducing cytokine secretion. Furthermore, both *in vitro* and *in vivo* studies have demonstrated that our T-cell engagers exhibit durable antitumor effects with less T-cell exhaustion induction.

X-body™ platform (4-1BB engager platform)



Our X-body™ platform, launched in 2015, leverages advanced antibody engineering technology to create differentiated bispecific antibodies in a 2:2 format with high yield, high purity

and excellent druggability. We have developed a method to enhance the yield and stability of the scFv structure, which is applicable to most antibodies, allowing rapid conversion of Fab to scFv.

The development of our Core Product, LBL-024, has exemplified the precise balancing the affinity between tumor-associated antigens (TAA) and 4-1BB in this 4-1BB engager platform. This precise tuning facilitates the crosslinking and activation of the 4-1BB receptor only when binding to TAA at tumor sites, thereby localizing 4-1BB activation in TAA expressing tumor microenvironment. Such unique molecular structure is expected to bolster the immune response within the tumor microenvironment, and potentially mitigating the risk of systemic toxicities. While our X-body™ platform is expected to improve the efficacy with PD-L1, given its dual role as both an immune target and a TAA, the applicability of this approach to other TAAs, particularly those that are non-immune targets, may require further investigation to confirm comparable efficacy. Additionally, the platform effectively addresses the challenge of high-affinity 4-1BB binding to reduce toxicity and achieve a balance between efficacy and safety, any shift to alternative target combinations would necessitate re-optimization of the affinity ratio to maintain this balance.

Both the CD3 T-cell engager and 4-1BB agonistic bispecific antibody platforms represent more than just a molecular construct or model; they encompass a comprehensive integration of several technical aspects and concepts:

- Deep understanding of molecular mechanisms and disease biology: This includes insights into T-cell activation and its signaling pathways, considering factors such as T-cell activation and cytokine release, as well as clinical patient tolerance.
- Choice of CD3 scFv over Fab: The affinity of the selected CD3 scFv is closer to the physiological state, with a notable difference in affinity compared to another TAA antibody (such as GPRC5D or MUC16).
- CD3 construct connection location: The CD3 construct is connected at the antibody hinge region, which is partially spatially obstructed by adjacent Fab and Fc regions, reducing the accessibility of the CD3 antibody.
- High affinity of TAA: The strong binding affinity of TAA can lead to molecular aggregation and hinge formation, effectively creating an immune synapse that promotes T-cell activation. Consequently, in the absence of TAA binding and aggregation, T-cell activation is relatively weak or even difficult to achieve, known as “conditional activation.”

These factors work in tandem to achieve a controlled and physiological T-cell activation. This approach carefully modulates the degree of T-cell activation, preventing excessive activation and potential T-cell exhaustion, thereby sustaining T-cell activation over a longer period. The goal is to strike an optimal balance between efficacy and safety of our pipeline candidates by finely tuning T-cell activity and cytokine release.

Beyond T-cell engager platforms, we have also developed a range of additional technology platforms capable of devising multi-modality antibody-based candidates, including common light chain bispecific antibodies, bifunctional fusion proteins, and antibody-drug conjugates (ADCs). These platforms leverage molecular engineering techniques to create specialized agents with dual functionality or to reduce systemic side effects through precise targeting of tumor cells.

CMC and Pilot Manufacturing

Our CMC team

Our CMC team, consisting of 60 members as of the Latest Practicable Date, is responsible for, among other relevant functions, upstream and downstream process development, formulation development, analytical method development and validation, pilot GMP-compliant manufacturing, quality control and quality assurance. Our CMC team is led by Dr. Kang Xiaoqiang, our Founder, Chairman and CEO, and Dr. Lai Shoupeng, our Co-founder, Chief Strategic Officer and executive vice president, who boast extensive experience in this regard.

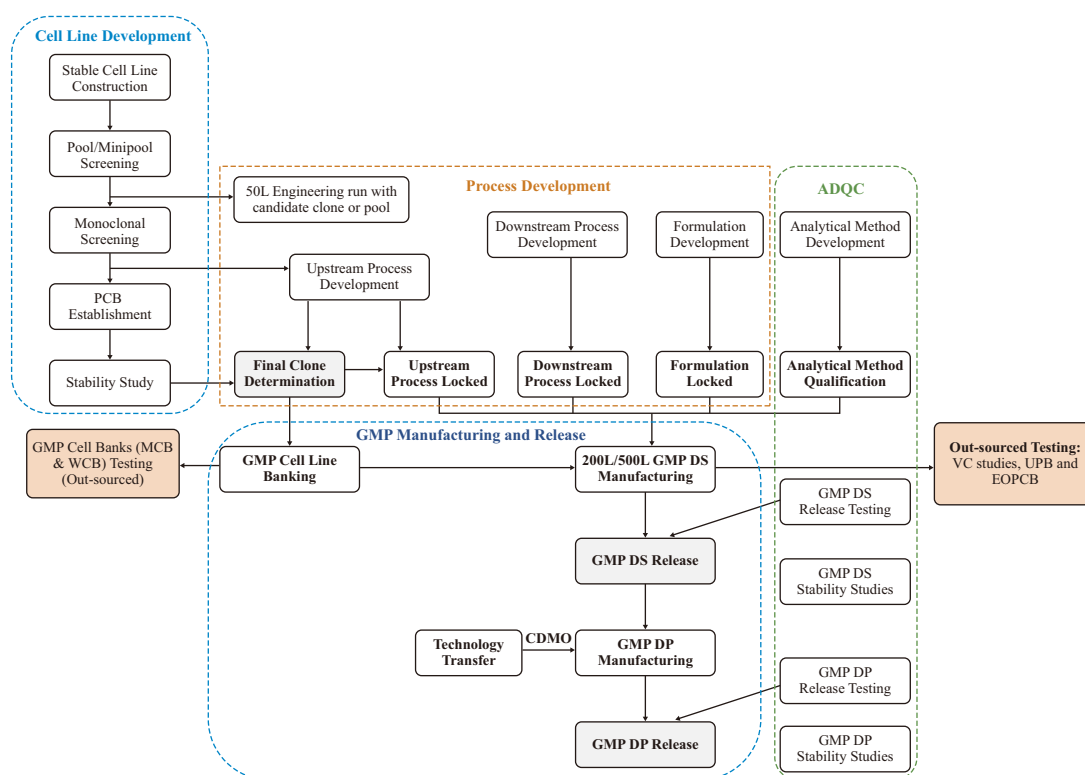
Our CMC activities and capabilities

CMC refers to activities that define methods for manufacturing processes, product characteristics and testing, product storage and release to clinical usage, ensuring that a pharmaceutical product is safe, effective, and consistent across batches. Due to the complexity of therapeutic antibodies, the various stages of CMC, including cell line development, cell culture, purification, formulation process development, and GMP-compliant manufacturing, are critical for the successful development of antibody drugs.

Notably, our CMC team can complete GMP-compliant bulk drug substance production within approximately 6 months and prepare CMC-related IND submission materials within approximately 12 months to support new drug clinical trial applications in both China and the United States. The yield for single-target antibodies typically ranges from 5 g/L to 8 g/L, while bispecific antibodies range from 2 g/L to 5 g/L. Our formulation development capabilities cover both low-concentration and high-concentration liquid and lyophilized formulations, fully meeting clinical needs. Our experienced team integrates formulation process development, technology transfer, and contract manufacturing technical support, leveraging advanced facilities and technology to significantly reducing cycle times while ensuring adherence to the most stringent quality standards and rigorous manufacturing practices.

Our primary products are antibody drugs produced through the expression in Chinese Hamster Ovary (CHO) cells, followed by purification and formulation filling. The production process for our main products includes several critical steps: seed cell recovery, seed cell expansion, bioreactor production culture, and depth filtration of the cell culture fluid. This is followed by affinity chromatography to capture target proteins, ion exchange for polish purification, virus filtration, and ultrafiltration/diafiltration for concentration and buffer exchange. Subsequently, the drug substance is prepared, subjected to sterile filtration, and filled into drug products. If required, lyophilization is performed before the final product packaging. These processes ensure the highest quality and efficiency in producing our antibody drugs.

The following figure shows an overview of our CMC process:



Manufacturing facilities

We have established robust pilot manufacturing capabilities to support the early-stage clinical development of our drug candidates. Our pilot GMP-compliant manufacturing facility in Nanjing, Jiangsu Province has a gross floor area of approximately 6,999.3 sq.m. and houses our production lines with a scale of 200L or 500L disposable bioreactors. As of the Latest Practicable Date, we maintained an annual maximum production capacity of 20 batches with single bioreactor. In the foreseeable future, we plan to further upgrade our pilot- and commercial-scale manufacturing capabilities, so as to meet the growing needs of our business. In line with our asset-light strategy, we plan to lease established production bases and build thereon production lines capable of supplying up to 8,000L of antibody drugs per year, during the initial phase of commercialization. Upon completion of such upgrading, we anticipate our annual production capacity will be elevated to up to 40 batches of 2,000L bulk drug substance. See also “Future Plans and Use of Proceeds.”

We have implemented a comprehensive and robust internal control system for the manufacturing of our biologics products. Given the complex nature of biologics and their inherent risks of contamination, we prioritize stringent quality measures across every stage of production. Our intricate production processes and the sensitivity of biological materials require a multi-layered approach to ensure the highest standards of quality and safety. To achieve this, we have established a system that is meticulously designed and divided into several key areas, each of which plays a critical role in maintaining product integrity and ensuring patient safety.

Facility and equipment management serves as the cornerstone of our contamination prevention strategy. Our production areas are meticulously designed and operated to meet the highest standards of cleanliness, incorporating strict protocols for cleaning and disinfection. This includes daily sanitization protocols, weekly deep cleaning procedures, and monthly facility-wide sterilization campaigns. Equipment validation, maintenance, and monitoring are essential, with periodic revalidation and detailed record-keeping of all maintenance activities and performance metrics. The facility design incorporates specific controls like airlocks, high efficiency particulate air filters, and controlled flow patterns for personnel and materials to minimize contamination risks. These design elements create cascading pressure differentials between production zones, ensuring proper air handling and contamination control. Environmental monitoring systems continuously track air quality, particulate levels, and microbiological contamination, enabling quick identification of potential issues and implementation of corrective actions. The monitoring system includes real-time alerts for out-of-specification conditions and automated data logging for trend analysis.

Collaborations with CDMOs

During the Track Record Period, we also outsourced certain manufacturing activities to industry-recognized CDMOs in China for preclinical and clinical supply of our drug candidates. We select CDMOs by carefully reviewing and considering various factors, such as their qualifications, expertise, production capacity, geographic proximity, reputation and pricing. We have adopted procedures to ensure that the production qualifications, facilities and processes of CDMOs comply with the relevant regulatory requirements and our internal quality management system.

Key terms of our agreements that we typically enter into with our CDMOs are set forth below:

- ***Services.*** The CDMOs provide us with manufacturing services according to cGMP requirements, quality standards and prescribed time frame as set out in the master agreement or work order.
- ***Quality control.*** The CDMOs are obliged to ensure that the quality of products meet the quality standards set out in the agreement and requirements of cGMP and other regulations, and to provide Certificate of Analysis.
- ***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 product-related 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 ten years.
- ***Remedies for non-conforming products.*** If the CDMOs fail to deliver products or comply with substantial obligations due to its own reasons under the relevant agreement, we are entitled to terminate the agreement and request for late fees and compensation for losses due to the failure according to the work order.

Clinical Development

Our clinical development team

We have assembled a diverse and highly skilled team that spans across all clinical functionalities. As of the Latest Practicable Date, our clinical team consisted of 58 members, including research scientists, physicians and other seasoned professionals with expertise across various areas, including clinical pharmacology, clinical operation, clinical statistics, biomarker identification and validation, pharmacovigilance, quality assurance, data management and regulatory affairs. Our clinical development team is led by Dr. Cai, our CMO, who has extensive expertise in clinical development.

Our clinical development capabilities

Our clinical development capabilities include managing all stages of clinical trials, from design and implementation to data collection and analysis, overseeing regulatory affairs for our drug candidates, and conducting translational medicine functions such as biomarker assay development and translational research.

From the outset of our drug development process, our clinical team is actively engaged, planning for the long-term clinical development and registration of our drug candidates. They excel at identifying early clinical signals and transforming these observations into promising clinical opportunities. By thoroughly exploring these opportunities, they develop comprehensive clinical plans that facilitate rapid market entry through niche indications and maximize clinical potential through broad indication expansion. We frequently employ strategies such as biomarker analysis and basket trials to evaluate the pan-tumor treatment potential of our drug candidates, and we also explore opportunities to combine our drug candidates with SOC or other agents, including those within our own pipeline, to enhance therapeutic effects for specific indications. Moreover, we assess the competitive landscape to uniquely position our assets within their respective classes by targeting untapped indications or demonstrating differentiated clinical benefits. Our expertise in clinical strategy is geared towards optimizing the therapeutic value of our drug candidates and fast-tracking their clinical development process.

Our clinical team is also adept in navigating complex regulatory pathways in major countries and regions where we operate to expedite the timetable for drug registration and control the costs associated with conducting multi-regional clinical trials. We constantly stay abreast of emerging registration trends and strategically plan for trials that span multiple centers, aiming for global registration with an optimized allocation of our efforts and resources. We also actively pursue special regulatory incentives such as BTM for our drug candidates that have demonstrated promising efficacy signals in rare diseases or offer significant advantages over existing therapies. These special designations will confer us regulatory benefits including a certain period of market exclusivity and a fast-tracked approval process. Since our inception, we have submitted a total of 17 IND applications for our six clinical-stage drug candidates and have obtained approvals for all these applications, including six that were clearance from the FDA in the U.S. Further, we have received the BTM in treating late-line EP-NEC from the NMPA in October 2024.

Collaborations with CROs

In alignment with industry standards, we engage CROs to conduct and support our preclinical studies and clinical trials under our close supervision and overall management. We select CROs based on a variety of factors, including their qualifications, expertise, experience, reputation, and cost-effectiveness. Our partnerships with CROs are project-specific, ensuring tailored support for each initiative. The preclinical CROs typically provide services related to preclinical toxicity and safety evaluations, such as animal studies, as well as *in vivo* pharmacology and PK studies under our study design. The clinical CROs assist us with various aspects of our clinical trials, including trial preparation, clinical monitoring, medical monitoring, and project management. Leveraging the professional expertise of CROs, we are able to optimize site selection, facilitate timely patient recruitment and ensure the efficient conduct of complex clinical trials. We maintain rigorous oversight of CROs to ensure that their performance adheres to our protocols and applicable laws, safeguarding data integrity and the overall quality of our research.

Key terms of our agreements that we typically enter into with our CROs are set forth below:

- ***Services.*** The CROs provide the high-quality services to us, including the implementation and management of a preclinical or clinical research project as specified in the agreement.
- ***Term.*** The CROs are required to perform their services and complete the preclinical or clinical research project 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 the payment schedule agreed by the parties.
- ***Intellectual property rights.*** We own all intellectual property rights arising from the preclinical or clinical research 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 related to the project specified in the agreement, and such obligation generally survives for ten years.
- ***Risk allocation.*** Each party should indemnify the other party for losses caused by its fault or gross negligence.

QUALITY CONTROL AND ASSURANCE

We operate a comprehensive quality control system that spans all key stages of our R&D and manufacturing processes. This system is meticulously established and refined in accordance with rigorous regulations and guidelines in China, the U.S., and Europe. We closely monitor evolving cGMP standards and regulatory developments in these markets, continuously updating our internal procedures to adhere to the highest international standards in patient safety and regulatory compliance.

As of the Latest Practicable Date, our quality center consisted of 11 members. Our quality management team ensures the quality systems cover all key stages of drug development, from R&D and manufacturing to commercialization. This includes discovery, preclinical research, clinical trials, procurement, supply chain, process development, production, warehousing, delivery, and recalls.

We have established comprehensive quality control and assurance procedures to ensure compliance with relevant regulatory requirements and our internal quality standards. We select qualified raw material suppliers and recruit manufacturing and quality management personnel based on strict criteria. Our facilities and equipment undergo regular inspections to ensure proper functioning. We closely monitor the manufacturing environment, focusing on key parameters such as microbial levels, temperature, and humidity. Generally, we perform overall inspections annually and engage external experts and counsel to conduct quality audits. Our commitment to upgrading and improving our quality control system is benchmarked against the highest international standards adopted by pharmaceutical MNCs, ensuring patient safety and regulatory compliance.

Further, process and material controls are integral to our comprehensive quality control system, ensuring the highest standards of product safety and consistency. Our manufacturing processes are meticulously designed with targeted controls to prevent microbial contamination during critical stages such as cell culture, purification, and aseptic filling. To achieve this, we utilize closed systems wherever possible, provide rigorous aseptic technique training for all operators, and implement continuous process monitoring through robust in-process controls. Raw materials are subject to stringent inspection protocols and are stored under tightly controlled conditions to ensure their quality and integrity. Dedicated quarantine areas for incoming materials, combined with a comprehensive supplier qualification program, enable us to maintain control over the entire supply chain. Advanced quality control systems, supported by validated analytical methods regularly verified through proficiency testing and method transfer studies to ensure reliability, are in place to guarantee thorough testing for sterility, potency, and purity, while strict cleaning validation protocols in shared facilities are enforced to eliminate the risk of cross-contamination. These protocols include equipment-specific cleaning procedures, verification of cleaning effectiveness, and the establishment of acceptable residue limits. Our commitment to contamination prevention is further supported by electronic data management systems designed to ensure data integrity and traceability throughout the manufacturing process.

COMMERCIALIZATION

We currently have no drug approved or in commercial stage yet. However, we have been building up our commercial planning and portfolio management capability since our pipeline drug candidates entered the late stages of clinical trials. We adhere to an asset-light model in devising our commercialization strategies, which we believe has afforded us significant advantages in terms of economic viability and operational efficiency. Specifically, in the short run, instead of expending extensive resources on establishing a dedicated sales and marketing team, we will primarily focus on cultivating value-accretive partnerships with different industry players and venture capitals, leveraging their established distribution channels, sales and marketing capabilities, capital resources and market intelligence and insights to achieve fast market access for our products across large indications and international markets in a cost-effective way. Such rational, adaptive commercialization strategy has been particularly validated by our strategic license and collaboration arrangements with Aditum Bio relating to LBL-051. We reached collaboration with Aditum Bio, a biotech venture firm, through the NewCo model to facilitate the global commercialization of LBL-051, with a total deal value of up to US\$614 million plus potential mid-single-digit royalties and an equity stake in NewCo. For details, see “— Collaboration Agreement.” As we bring our pipeline candidates into clinical stage and towards commercialization, we will continue to explore global and local collaboration and out-licensing opportunities with major players in the industry.

To date, we did not have an in-house sales and marketing team. In the long run, as we identify favorable market opportunities, we plan to assemble a dedicated in-house sales and marketing force with extensive experience in our focused therapeutic areas. This sales and marketing team shall be primarily responsible for marketing strategy, product positioning, market access, market penetration, promotion activities and patient support. We expect this team will work synergistically with our partners to ensure the penetration of our products in major markets.

We have established strong cross-border business development capabilities. Led by Mr. Jordan Qing-lai Zhu, our Vice President and Head of Global Business Development, who boasts over 20 years of industry experience and once served leadership roles in terms of business development at a variety of U.S. and China-based publicly listed biotechnology companies, we have formed a business development team responsible for handling the entire process from seeking potential partners, assessing projects, structuring deals, negotiating contracts, overseeing the execution of collaborative projects, to coordinating and maintaining business relationships with partners. Our business development team is involved as early as the drug discovery and clinical development stages to identify and capture potential partnership opportunities. With a proven track record of securing several multi-million U.S. dollar partnerships with large multinational pharmaceutical companies and venture capitals, our business development team has been consistently demonstrating the strong business development capabilities that help accelerate our market access and expand our market presence.

In particular, with respect to our Core Product LBL-024, we have formulated an adaptive commercialization strategy to accelerate its market penetration in the foreseeable future in China upon receiving relevant marketing approval. We plan to initially collaborate with industry-recognized contract sales organizations (CSOs) with experience in selling oncology drugs, capitalizing on their extensive sales networks and distribution channels to facilitate rapid market entry and increase market coverage for our Core Product. Meanwhile, we intend to foster direct and interactive communication with influential KOLs and physicians to build advocacy for our Core Product. We also intend to identify a number of hospitals, clinics and physicians that specialize in oncology treatment, and to visit the sites and physicians in person for pre-launch training and engagement. Further, we believe academic-oriented marketing efforts will be beneficial for improving alignment of expert opinion on, and promoting clinical use of, our Core Product. We have actively participated in and will continue to attend and organize academic conferences and seminars to publicize the clinical data and research results of our drug candidates, so as to raise our brand awareness and recognition.

We plan to expand into major international markets for our Core Product LBL-024, with a primary initial focus on China. Subject to clinical progress and regulatory communications, we anticipate filing the first BLA for LBL-024 targeting late-line EP-NEC with the NMPA by the third quarter of 2026 and receiving the corresponding conditional approval by the second quarter of 2027, following which we expect to commence commercial sales in China in the fourth quarter of 2027.

In determining the pricing strategy for our Core Product, we take into consideration a number of factors, including prices of comparable or competing drugs, differences in features between our drug and comparable or competing drugs, our costs of production, health economics, market trends and supply-demand dynamics. We plan to formulate a detailed pricing strategy when our Core Product progresses towards commercialization.

We intend to seek inclusion of all indications of LBL-024 into the NRDL and other reimbursement programs through active negotiations with relevant government authorities. As the most clinically advanced candidate in its class, LBL-024 has the potential to become the first drug approved for treating EP-NEC. The deficiency of a standard of care for EP-NEC allows us to pursue an accelerated regulatory approval through a single-arm registrational trial and potential future inclusion into the NRDL. Upon receiving conditional marketing approval for LBL-024, we plan to implement a phased commercialization strategy by establishing early market penetration within the first three to five years, while concurrently advancing NRDL negotiations to secure broader patient access and reimbursement support. However, inclusion into the NRDL is evaluated and determined by the relevant government authorities and we may face significant competition for successful inclusion. See “Risk Factors — Risks relating to Extensive Government Regulations — If we are able to commercialize our drug candidates, we may face uncertainties from national, provincial or other third-party drug reimbursement practices and unfavourable drug pricing policies or regulations, which could harm our business.”

COLLABORATION AGREEMENTS

License and Collaboration Agreement with BeiGene

In December 2021, we entered into a license and collaboration agreement (the “**BeiGene Agreement**”) with BeiGene with respect to the development, manufacture and commercialization of biopharmaceutical products that incorporates LBL-007 and any other monoclonal antibodies targeting LAG3 developed by the Company (the “**Licensed Products**”). BeiGene, an Independent Third Party to us, is a global oncology company that is discovering and developing innovative treatments that are more affordable and accessible to cancer patients worldwide.

Pursuant to the BeiGene Agreement, we granted to BeiGene (i) an exclusive, royalty-bearing and sublicensable license, under all know-how and patent rights owned or controlled by us necessary or useful for the exploitation of the Licensed Products under this agreement (the “**Licensed IP**”), to develop, manufacture and commercialize the Licensed Products for all uses outside Greater China; and (ii) a non-exclusive, royalty-bearing and sublicensable license, under the Licensed IP, to develop and manufacture the Licensed Products within Greater China, solely for purposes of obtaining and maintaining regulatory approvals for and commercialization of the Licensed Products outside Greater China. In turn, BeiGene granted to us a non-exclusive, fully paid, royalty-free and sublicensable license, under all know-how and patent rights controlled by BeiGene or its affiliates in the exploitation of the Licensed Products (the “**BeiGene Background IP**”) and any know-how or intellectual property rights conceived, developed, generated or otherwise made by or on behalf of either party or any of its affiliates solely, under this agreement relating to the Licensed Products (collectively, the “**Collaboration Improvements**”), solely to develop, manufacture and commercialize the Licensed Products within Greater China. Moreover, we granted to BeiGene a right of first offer with respect to the development, manufacture or commercialization of the Licensed Products within Greater China, which BeiGene can exercise within ten days following receipt of a written notice from us of our intent to grant rights to, or receiving an offer to acquire rights from, a third party. We also granted to BeiGene a right of first refusal in connection with the foregoing. If we and any third party agreed on terms of a definitive agreement regarding such exploitation of the Licensed Products within Greater China, we must notify BeiGene in writing and BeiGene would have a certain number of business days to exercise its right of first refusal.

We established a joint steering committee with BeiGene (the “**JSC**”) to monitor and coordinate the parties’ activities in relation to the development, manufacture and commercialization of the Licensed Products across all territories. The JSC was composed of a minimum of four representatives with equal representation from each party. If a decision cannot be made between the parties pursuant to the JSC, then the matter would be escalated by both parties to their respective designated executives with appropriate decision-making authority for resolution. In the event that the designated executives were unable to resolve such matter, then generally we shall have the final decision-making authority with respect to all matters solely pertaining to Greater China, and BeiGene shall have the final decision-making authority with respect to all matters not solely pertaining to Greater China.

Under the BeiGene Agreement, BeiGene had the exclusive right and responsibility for all development of Licensed Products outside Greater China pursuant to the agreed development plan. We shall be responsible for, the performance of certain clinical trials of the Licensed Products in

combination with BeiGene's proprietary tislelizumab that were intended to support regulatory approvals of such combination therapy within Greater China. During the term of the BeiGene Agreement, we were obligated to use tislelizumab as the exclusive anti-PD-1/PD-L1 antibody in any combination studies with respect to the Licensed Products for specified indications within Greater China, subject to limited exceptions.

We were also obligated to conduct a bridging study for the purpose of shifting from any third party's anti-PD-1/PD-L1 antibody other than tislelizumab towards tislelizumab in combination studies with the Licensed Products within Greater China (the "**Bridging Study**"). In support of such Bridging Study, BeiGene shall (i) ensure timely and sufficient supply of tislelizumab free of cost at our request, and (ii) reimburse us with certain payments.

BeiGene shall obtain regulatory approvals for, and upon receipt of such regulatory approvals, commercialize the Licensed Products in each country or region outside Greater China. We agreed to enter into ancillary arrangements following the execution of the BeiGene Agreement to facilitate the manufacture of clinical or commercial supply of Licensed Products.

In partial consideration of the BeiGene Agreement, we received a one-time, non-refundable, non-creditable upfront payment of US\$30.0 million from BeiGene in January 2022. We were also entitled to future milestone payments of up to US\$742 million in clinical development, regulatory approval, and sales milestones. As of the Latest Practicable Date, no milestone payments had become due under this agreement. BeiGene was also required to pay us tiered double-digit percentage royalties on aggregate annual net sales of the Licensed Products outside Greater China, on a product-by-product and country-by-country basis, until the expiration of the later of (i) ten years following the first commercial sale of such Licensed Product in such country, (ii) the last-to-expire valid patent claim to such Licensed Product in such country, or (iii) regulatory exclusivity for such Licensed Product in such country.

As between the parties, each party remained the sole owner of its respective intellectual property rights, including all inventions solely conceived or reduced to practice by such party under the BeiGene Agreement. The parties jointly owned inventions conceived or first reduced to practice jointly by the parties under the BeiGene Agreement. Unless terminated earlier, the BeiGene Agreement continued in effect, on a country-by-country and product-by-product basis, until the expiration of the royalty payment obligations, upon which the licenses granted to BeiGene thereunder shall become fully paid, royalty-free, perpetual, irrevocable and non-exclusive.

Either party may terminate the BeiGene Agreement on account of the other party's uncured material breach or insolvency upon written notice. Additionally, BeiGene had the right to unilaterally terminate this agreement at any time for convenience, in its entirety or on a product-by-product basis, with prior written notice to us. We may also terminate this agreement in the event that BeiGene challenged, or materially assisted to challenge, the validity or enforceability of patent rights licensed to BeiGene. Effective upon the date of termination of the BeiGene Agreement in its entirety, BeiGene would grant us a worldwide, perpetual, irrevocable, non-exclusive, royalty-free and sublicensable license, under the Collaboration Improvements, to exploit the Licensed Products. We can refer any disputes that cannot be resolved through good faith discussions to specified executive officers of each party. We can finally resolve a dispute that cannot be resolved through such discussions by binding arbitration.

The BeiGene Agreement was later terminated on the date of May 18, 2025 as specified in the termination notice provided by BeiGene. Our Directors confirmed that, having made enquiries with BeiGene, BeiGene’s decision to terminate this agreement was driven by its internal reassessment of portfolio priorities, rather than any unfavorable safety and efficacy results observed in the clinical trials of LBL-007. Following this termination, we regained full, global rights to develop, manufacture and commercialize LBL-007. We are not obliged to return any payments received or make any payments to BeiGene in respect of the termination of this agreement. No disagreements, disputes or claims arose between BeiGene and us related to this termination. The parties will collaborate to facilitate orderly transition of responsibilities under the agreement for a reasonable time after termination. Other than the BeiGene Agreement, we had not entered into any licensing and collaboration arrangements with BeiGene concerning any of our drug candidates, as of the Latest Practicable Date. We currently have no plans to establish further collaborations or arrangements with BeiGene related to our Core Product, LBL-024, going forward. Furthermore, upon our written request, BeiGene will provide all material non-clinical, preclinical and clinical data of terminated Licensed Products, including those generated from the previous global trials to evaluate LBL-007 in combination with tislelizumab and standard of care in NSCLC, CRC, HNSCC and ESCC, to us within six months after termination. BeiGene is currently transferring to us the relevant data of terminated Licensed Products, and we will carefully evaluate all available datasets to seize future development opportunities with LBL-007 in targeted indications of solid tumors. Besides, we remain confident and committed to our ongoing clinical programs of LBL-007 in combination with tislelizumab and/or chemotherapy in advanced NPC and other solid tumors in China, particularly in consideration of the favorable efficacy and safety profiles observed in its Phase Ib/II trial. We also plan to further investigate the therapeutic potential of LBL-007 in melanoma, building on clinical data from our Phase I trial targeting this indication. For details, see “— Our Drug Candidates — Our Clinical-Stage Drug Candidates — LBL-007 (LAG3 mAb) — Our Key Product.” Save as disclosed above, our Directors confirmed that to the best of their knowledge, there are no other matters relating to the termination of the BeiGene Agreement that need to be brought to the Exchange’s attention.

Collaboration, Exclusive Option and License Agreement with Oblenio, a NewCo formed by Aditum Bio

On November 5, 2024 (the “**Effective Date**”), we entered into a collaboration, exclusive option and license agreement (the “**Oblenio Agreement**”) with Oblenio Bio, Inc. (“**NewCo**”), a U.S. company newly formed by Aditum Bio Fund 3, L.P. (“**Aditum Bio**”). Under the Oblenio Agreement, we grant NewCo an exclusive, worldwide license to develop, manufacture, commercialize and otherwise exploit biopharmaceutical products that incorporates (i) LBL-051, a CD19/BCMA/CD3 T cell engager, (ii) any other CD19/BCMA/CD3 T cell engager identified, discovered, developed or otherwise controlled by us as of the Effective Date of the Oblenio Agreement, and (iii) any modifications or improvements of LBL-051 that is also a CD19/BCMA/CD3 T cell engager (the “**Licensed Products**”) for any and all uses in humans, subject to NewCo’s election to exercise its option (the “**Option**”) to retain such license during the Option Period (as defined below). At the Effective Date, LBL-051 was at the IND-enabling stage and the only CD19/BCMA/CD3 tri-specific T cell engager in our pipeline.

Aditum Bio, an Independent Third Party to us, is a biotech venture firm committed to improving health by accelerating drug development in disease areas where medical innovation can have a significant impact. Aditum Bio in-licenses promising drug candidates and spins out

individual companies dedicated to bringing each candidate through early clinical trials. Through this collaboration, Aditum Bio plans to leverage its capabilities, networks, and proprietary approaches to advance LBL-051, a tri-specific T cell engager candidate targeting autoimmune diseases, through clinical trials and bring it to patients in need. We believe this collaboration enables us to accelerate the development of LBL-051 by leveraging the resources of Aditum Bio and best allocate our resources towards the drug candidates of interest. Additionally, we would benefit from the cash and equity consideration payable by NewCo pursuant to the Oblenio Agreement.

Upon the Effective Date, NewCo will obtain an exclusive license to develop, manufacture, commercialize the Licensed Products for any and all uses in humans worldwide; provided that, before the exercise of the Option, it should not practice or exploit this granted license except to perform its research activities pursuant to the Research Plan (as defined below) in certain circumstances (the “**Negative Covenant**”). NewCo may exercise the Option to retain such license and terminate the Negative Covenant at any time following the Effective Date until the earlier date of (i) 60 days following the first IND approval of a Licensed Product in the U.S. or (ii) the fourth anniversary of the Effective Date (the “**Option Period**”). As of the Latest Practicable Date, NewCo has not exercised the Option under this agreement.

Prior to the exercise of the Option, NewCo will fund, and we will be responsible for all development, manufacturing and regulatory activities of the Licensed Products in accordance with a research plan (the “**Research Plan**”) under the oversight of a joint steering committee (the “**JSC**”). We and NewCo have agreed on the initial Research Plan which details the necessary activities, as well as related timeline and budget, for obtaining the IND approval of the Licensed Products in the U.S. Following the exercise of the Option and the payment of the option exercise fee, NewCo will be solely responsible for the development of the Licensed Products for any and all uses in humans worldwide, including the conduct of all preclinical studies and clinical trials of the Licensed Products worldwide, at its own costs and expense, and we will transfer relevant technology and regulatory approvals of the Licensed Products to NewCo. Following the exercise of the Option, NewCo should use commercially reasonable efforts to conduct the development activities of the Licensed Products in accordance with a development plan (the “**Development Plan**”) prepared by NewCo and reviewed by the JSC, and seek marketing approvals in the targeted markets.

We have established the JSC with NewCo to monitor and coordinate the parties’ activities in relation to the development of the Licensed Products under the Research Plan and the Development Plan. The JSC will consist of equal representation from each of us and NewCo. Any amendments to the Research Plan will be reviewed, discussed and approved by the JSC, provided that if the parties cannot reach consensus after good faith discussion, NewCo will have final decision-making authority with respect to such amendment to the Research Plan, subject to certain exceptions. Any amendments to the Development Plan will be reviewed and discussed by the JSC, and NewCo will have the sole decision-making authority with respect to the Development Plan.

Under the Oblenio Agreement, we are eligible to receive a one-time, non-refundable upfront payment of US\$15.0 million, which has been fully received in installments as of the Latest Practicable Date. We are also eligible to receive up to US\$20.0 million in near-term payments, for which we expect to receive the corresponding amounts pursuant to the specified timeline or conditional upon the exercise of the Option under this agreement. In addition, we are entitled to

future milestone payments of up to US\$579 million upon the achievement of clinical development, regulatory approval, and commercial milestones. As of the Latest Practicable Date, we had not received any of these milestone payments as the corresponding milestone events had not yet been achieved. NewCo will also be required to pay us royalties on aggregate annual net sales of the Licensed Products worldwide at a mid-single-digit percentage. As a part of the consideration for the exercise of the Option, NewCo will also issue certain preferred shares to us, which represent ten percent of its outstanding share capital on a fully-diluted basis as of the date of issuance.

As between the parties, each party will own and retain rights to all inventions conceived, discovered and developed solely by or on behalf of such party. The parties will each own an equal, undivided interest in all inventions conceived, discovered or developed under this agreement jointly by or on behalf of NewCo and us, and patents and other intellectual properties with respect to these inventions. Each party is entitled to practice and license those jointly owned intellectual properties without consent of the other party.

If NewCo does not exercise the Option during the Option Period, or fails to make payment of the option exercise fee after its exercise of the Option, or notifies us in writing that it will not exercise the Option prior to the expiration of the Option Period, the Oblenio Agreement will immediately terminate. Either party may terminate the Oblenio Agreement on account of the other party's uncured material breach or bankruptcy. In addition, NewCo has the right to terminate this agreement at any time for convenience, in its entirety or on a country-by-country or product-by-product basis, with prior written notice. We may also terminate this agreement in the event that NewCo contests the validity or enforceability of any patent rights licensed to NewCo. We can refer any disputes to specified executive officers of each party for good faith discussions to resolve such disputes. Parties can finally resolve a dispute that cannot be resolved through such discussions in the court with respect to disputes related to intellectual property rights, or by binding arbitration with respect to other disputes.

INTELLECTUAL PROPERTY

Intellectual property rights are crucial to our business success. We are dedicated to developing and protecting our intellectual properties. Our future commercial success partly depends on our ability to obtain and maintain patents and other intellectual property protections for key technologies, inventions, and know-how related to our business. Additionally, we must defend and enforce our patents, preserve the confidentiality of our trade secrets, and operate without infringing on the valid, enforceable intellectual property rights of third parties.

We have a global portfolio of patents to protect our drug candidates and technologies. As of the Latest Practicable Date, we owned (i) seven issued patents in China, (ii) six issued patents in the U.S., (iii) nine issued patents in other jurisdictions, and (iv) 61 patent applications, including 25 in China, four in the U.S., 16 under the PCT, and 16 in other jurisdictions.

As of the Latest Practicable Date, with respect to our Core Product, LBL-024, we owned one issued patent in China, one issued patent in the U.S., and two issued patents in other jurisdictions, along with seven patent applications, including two in China, one in the U.S., two under the PCT, and two in other jurisdictions.

BUSINESS

The following table summarizes the details of the material granted patents and patent applications related to our Core Product. For more information, please refer to “Appendix VI — Statutory and General Information — B. Further Information About our Business — 2. Our Intellectual Property Rights — Patents.”

Related Product	Title of Patent/Patent Application****	Jurisdiction	Status	Patent Holder/ Applicant	Date of Grant/ Application	Expiration Year*
LBL-024	Antibodies binding 4-1BB and uses thereof	PRC	Granted	Company	2023-08-22	2040
	Antibodies binding 4-1BB and uses thereof	PRC	Pending	Company	2020-09-30	N/A**
	Antibodies binding 4-1BB and uses thereof	United States	Granted	Company	2022-10-11	2040
	Antibodies binding 4-1BB and uses thereof	United States	Pending	Company	2020-09-30	N/A**
	Antibodies binding 4-1BB and uses thereof	Hong Kong	Granted	Company	2023-12-22	2040
	Antibodies binding 4-1BB and uses thereof	Europe	Pending	Company	2020-09-30	N/A**
	Antibodies binding 4-1BB and uses thereof	Japan	Granted	Company	2025-02-12	2040
	Antibodies binding 4-1BB and uses thereof	Japan	Pending	Company	2020-09-30	N/A**
	Bispecific antibody targeting PD-L1 and 4-1BB for treating tumors	PCT	Pending	Company	2024-09-26	N/A**
	Bispecific antibody targeting PD-L1 and 4-1BB for treating malignant tumors and a pharmaceutical combination comprising the bispecific antibody	PCT	Pending, as priority***	Company	2024-09-23	N/A**
LBL-007	Bispecific antibody targeting PD-L1 and 4-1BB for treating malignant tumors and a pharmaceutical combination comprising the bispecific antibody;	PRC	Pending, as priority	Company	2025-03-31	N/A
	Antibodies binding LAG3 and uses thereof	PRC	Granted	Company	2023-06-02	2038
	Antibodies binding LAG3 and uses thereof	PRC	Pending	Company	2018-07-12	N/A**
	Antibodies binding LAG3 and uses thereof	United States	Granted	Company	2020-11-24	2038
	Antibodies binding LAG3 and uses thereof	Europe	Pending	Company	2018-07-12	N/A**
	Antibodies binding LAG3 and uses thereof	Japan	Granted	Company	2021-06-14	2038
	Antibodies binding LAG3 and uses thereof	Hong Kong	Pending	Company	2020-10-27	N/A**
LBL-033/ LBL-034	Anti-LAG3 antibody or antigen binding moiety thereof for treating tumors	PCT	Pending	Company	2025-05-13	N/A**
	Antibody and use thereof	PRC	Pending	Company	2023-01-09	N/A**
	Antibody and use thereof	United States	Pending	Company	2023-01-09	N/A**
	Antibody and use thereof	Europe	Pending	Company	2023-01-09	N/A**
	Antibody and use thereof	Japan	Pending	Company	2023-01-09	N/A**
	Antibody and use thereof	Hong Kong	Pending	Company	2023-01-09	N/A**
LBL-033	Antibody and use thereof	Taiwan	Pending	Company	2023-01-09	N/A**
	A pharmaceutical combination comprising a bispecific antibody targeting CD3 and MUC16	PRC	Pending	Company	2024-04-12	N/A**

* Patent expiration does not include any applicable patent term extensions

** Patent application

*** The status of “Pending, as priority” indicates that the patent application(s) is intended to serve as a priority patent application, and the Company plans to file a subsequence patent application claiming its priority.

**** The patents bearing the same titles are independent patents. Patents designated as “Granted” status indicates that this patent has been granted by CNIPA or patent office in another jurisdiction. The patent with the same title but marked as “Pending” refers to a divisional or continuation patent application of the aforesaid “Granted” patent. From a legal perspective, divisional or continuation patent applications are independent in status and can pursue a different protection scope.

The actual protection afforded by a patent varies on a claim-by-claim and jurisdiction-by-jurisdiction basis and depends on many factors, including the type of patent, the scope of its coverage, the availability of any patent term extensions or adjustments, the availability of legal remedies in a particular jurisdiction, and the validity and enforceability of the patent. We cannot provide any assurance that patents will issue with respect to any of our patent applications or any such patent applications that may be filed in the future, nor can we provide any assurance that any of our issued patents or any such patents that may be issued in the future will be commercially useful in protecting our drug candidates and methods of manufacturing the same. See “Risk Factors — Other Risks Relating to Our Business — Risks Relating to Our Intellectual Property Rights” for a description of risks related to our intellectual property.

Third parties might allege that we are infringing their patent rights or that we have misappropriated their trade secrets, or that we are otherwise violating their intellectual property rights, whether with respect to the manner in which we have conducted our research, use or manufacture of the product candidates we have developed or are developing. We have noticed that some third-party U.S. patents might overlap with our Core Product. As reviewed and advised by our legal advisor as to intellectual property laws, the potentially overlapped patents neither affect nor will affect our Company’s independent control and ownership of our Core Product, since we have independently developed LBL-024 and holds exclusive rights to the intellectual properties of LBL-024. We have exclusive rights over the intellectual property of the Core Product, ensuring our unilateral authority to develop, market, license, or commercialize this product candidate.

Additionally, as reviewed and advised by our legal advisor as to intellectual property laws, (1) the potentially overlapped patents are unlikely to affect the R&D of LBL-024 in the U.S., because it is not an act of patent infringement under Bolar Exception provided by U.S. patent law (35 U.S.C. § 271(e)(1)), to conduct R&D activities and clinical trials in the U.S. by the Company in connection with seeking regulatory approval for LBL-024; (2) the risk of these patents affecting the manufacture and commercialization of LBL-024 in the U.S. is remote, due to that (a) the likelihood that the courts or other competent authorities in the relevant jurisdiction would determine us to have infringed on such patent rights is remote given that (i) whether LBL-024 falls within the scope of the claims in the patents is uncertain based on the currently available information, and/or (ii) as advised by our IP legal advisor, such claims are likely to be invalidated since the claims are overly broad and lacks proper written description and enablement to fully support its entire claim scope, (b) we are able to and will take appropriate measures to avoid any potential IP-related risks as needed, such as ensuring that future clinical plans for the relevant products will not involve indications and dosage regimes falling into the scope of the claims in such third-party patents during the their respective terms, and (c) based on our current development timeline for these indications, the anticipated market launch would occur after the expiration of certain potentially overlapped patents. Although the Company cannot accurately predict whether the third parties would initiate any potential legal proceedings or not, as discussed above, the risk of LBL-024 being found infringing these U.S. overlapped patents is remote, thereby the issuance of the injunction and final decision requiring the Company to cease manufacturing and commercializing LBL-024 is also remote. In the unlikely hypothetical worst-case scenario that such patent infringement claims against us do arise, the court subsequently rules against us and we also lose all the subsequent appeal regarding the infringement claims (“**Hypothetical Worst-case Scenario**”), we may not be able to commercialize the LBL-024 product in the U.S. for certain indications in certain years unless and until we obtain a license under the applicable patents or such patents expire. However, we would still be able to resolve the dispute by obtaining a license

under the applicable patents or commercialize its products after the expiration of such patents. Any such license arrangement may require us to pay royalties and other fees to the third parties. We may not be able to obtain a license from third parties, or the terms of the license may not be commercially viable. Such Hypothetical Worst-case Scenario could further expose us to diversion of our resources and our management's attention. Even if in the Hypothetical Worst-case Scenario, the commercialization of our LBL-024 product in PRC would not be impacted since the potentially relevant patents are U.S. patents which can only have effects in the U.S. For details of clinical development plan of our Core Product, please see “— Our Drug Candidates — Our Clinical-Stage Drug Candidates — LBL-024 (PD-L1/4-1BB BsAb) — Clinical Development Plan.” Also see “Risk Factors — Other Risks Relating to Our Business — Risks Relating to Our Intellectual Property Rights — Claims that our product candidates or the sale, distribution or use of our future products infringes, misappropriates or otherwise violates the patent or other intellectual rights of third parties could result in costly litigation, the outcome of which would be uncertain, or could require substantial time and money to resolve, even if litigation is avoided” for the related risks. Based on the view of the Company's IP Legal Advisor, the Company's Directors believe, as concurred by the Joint Sponsors, that the Company has the independent control and ownership in developing, manufacturing and commercializing LBL-024 in China and the U.S.

We conduct our business under the brand name “Leads Biolabs” (“维立志博”). As of the Latest Practicable Date, we had (i) 37 registered trademarks in China, and (ii) five registered trademarks in other jurisdictions. We are also the registered owner of one domain name.

We enter into license and collaboration agreements and other relationships with biopharmaceutical companies and other industry participants, through which we may grant access to our own intellectual property, or gain access to the intellectual property of others. See “— Collaboration Agreements.”

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any proceedings regarding, and had not received notice of any claims of infringement of, any intellectual property rights that may be threatened or pending, in which we may be a claimant or a respondent.

DATA PRIVACY AND PROTECTION

We routinely receive, collect, generate, store, process, transmit and maintain medical data treatment records and other personal details of the subjects enrolled in our clinical trials, and such treatment records or personal details of the enrolled subjects are desensitized and deidentified. As such, we are subject to the relevant local, state, 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.

We have designed strict data protection policies to ensure that the collection, use, storage, and processing of medical data comply with applicable laws and prevalent industry practices. We have established standard operating procedures (SOPs) for clinical data management. These include quality management, data validation, data progress reports, and external data management to ensure data privacy and protection in clinical trials. We have adopted comprehensive data privacy and protection policies and have established a management system to enforce our data

privacy and protection measures, for example, the IT department has implemented R&D Electronic Data Backup and Recovery Management Procedures to manage key data effectively. We would also organize training from time to time to ensure privacy compliance and data security.

We have a number of ongoing or planned clinical studies in China and may in the future, conduct clinical trials the United States. Any transfer of clinical trial data in connection with our product development efforts and regulatory communications is subject to the applicable local data and privacy protection laws, including those in China and the United States. In collaboration with our CROs and other partners, we have also established controls and measures to govern the transfer of clinical trial data or other potentially sensitive information, if any. Our framework includes strict data management procedures and transfer guidelines that ensure careful review and control of data to be transferred, compliance with cross-border data transfer regulations, proper acquisition of required regulatory approvals, and completion of any necessary filings pursuant to the relevant laws and regulations. Although the laws and regulations in this area and the nature of our potential clinical studies are evolving, to date, we had not experienced any material difficulty in data transfer. We believe our transfer of relevant clinical trial data and information between China and the United States is in the line with market practice.

Furthermore, we require that all internal employees and external parties involved in our clinical trials adhere to strict confidentiality requirements. Regular training programs are conducted to ensure compliance with these standards, thus reinforcing our dedication to maintaining the highest levels of data security and patient confidentiality. This comprehensive approach not only meets regulatory expectations but also fosters trust among participants and stakeholders involved in our clinical processes.

During the Track Record Period and up to the Latest Practicable Date, as confirmed by our PRC Legal Adviser, we had complied with PRC laws and regulations related to data security and privacy with our products, services and operations, and data transfer in all material aspects, and we had neither incurred any related administrative penalties nor received any related administrative inquiry notice. For more details of laws and regulations regarding data privacy and protection, please see the section headed “Risk Factors — Other Risks Relating to Our Business — Risks Relating to Extensive Government Regulations — We are subject to stringent privacy laws, information security policies and contractual obligations related to data privacy and security, and we may be exposed to risks related to our management of the medical data of subjects enrolled in our clinical trials and other personal or sensitive information.”

RAW MATERIALS AND SUPPLIERS

Suppliers

During the Track Record Period, our suppliers primarily included reputable CDMOs, CROs, research and medical institutions, as well as providers of raw materials for biological products, and devices and equipment. Purchases from our five largest suppliers were RMB58.1 million, RMB27.2 million and RMB13.0 million in each year/period during the Track Record Period, respectively, representing 34.6%, 26.0% and 33.5% of our total purchases for the same year/period, respectively. Purchases from our single largest supplier were RMB19.4 million, RMB11.4 million and RMB3.6 million in each period during the Track Record Period, respectively, representing 11.5%, 10.9% and 9.3% of our purchases for the same period, respectively. We believe that we maintain strong and stable relationships with our major suppliers.

BUSINESS

The following table sets forth details of our five largest suppliers in each year/period during the Track Record Period:

Supplier	Supplier background	Products/ services purchased	Length of business relationship	Credit terms	Purchase amount (RMB'000)	Percentage of total purchases
<i>For the three months ended March 31, 2025</i>						
Supplier A	A sales company specialized in drug wholesale.	Pharmaceutical procurement	Since 2024	30 days	3,628.3	9.3%
Supplier B	A pharmaceutical company specialized in drug research, manufacture and marketing.	CDMO service	Since 2020	30 days	3,229.5	8.3%
Supplier C	A pharmaceutical company specialized in drug research, manufacture and marketing.	CDMO service	Since 2024	30 days	2,575.5	6.6%
Supplier D	A pharmaceutical company specialized in drug research, manufacture and marketing.	CDMO service	Since 2018	30 days	1,811.3	4.7%
Supplier E	A pharmaceutical company specialized in drug research, manufacture and marketing.	CRO service	Since 2020	30 days	1,776.0	4.6%
					13,020.6	33.5%

BUSINESS

		Products/ services purchased	Length of business relationship	Credit terms	Purchase amount	Percentage of total purchases
Supplier	Supplier background				(RMB'000)	
For the year ended December 31, 2024						
Supplier E	A pharmaceutical company specialized in drug research, manufacture and marketing.	CRO service	Since 2020	30 days	11,426.2	10.9%
Supplier F	A pharmaceutical company specialized in drug research, manufacture and marketing.	CDMO service	Since 2018	30 days	8,089.5	7.7%
Supplier G	A public hospitals specialized in oncological research.	Clinical research services	Since 2019	Prepayment	2,702.5	2.6%
Supplier H	A service company specialized in financing advisory.	Financing Advisory Services	Since 2024	30 days	2,528.3	2.4%
Supplier I	A pharmaceutical company specialized in drug research, manufacture and marketing.	CRO service	Since 2019	14 days	2,472.2	2.4%
					27,218.7	26.0%

BUSINESS

		Products/ services purchased	Length of business relationship	Credit terms	Purchase amount	Percentage of total purchases
Supplier	Supplier background				(RMB'000)	
For the year ended December 31, 2023						
Supplier F	A pharmaceutical company specialized in drug research, manufacture and marketing.	CDMO service	Since 2018	30 days	19,393.9	11.5%
Supplier J	A pharmaceutical company specialized in drug research, manufacture and marketing.	CDMO service	Since 2020	30 days	13,573.1	8.1%
Supplier K	A pharmaceutical company specialized in drug research, manufacture and marketing.	CRO service	Since 2018	14 days	11,094.3	6.6%
Supplier E	A pharmaceutical company specialized in drug research, manufacture and marketing.	CRO service	Since 2020	30 days	7,414.0	4.4%
Supplier L	A pharmaceutical company specialized in drug research, manufacture and marketing.	CRO service	Since 2021	30 days	6,658.5	4.0%
					58,133.8	34.6%

Supplier E indirectly holds approximately 8.8% equity interest in Hankang SME, who owned 1.71% of our total issued share capital as of the Latest Practicable Date. For more information related to Hankang Capital and Hankang SME, see “History, Development and Corporate Structure — Establishment and Major Shareholding Changes of Our Company.” Save for Supplier E, all of our five largest suppliers in each year/period during the Track Record Period were Independent Third Parties. Save as disclosed above, none of our Directors, their respective associates nor any shareholder who, to the knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, has any interest in any of our five largest suppliers in each year/period during the Track Record Period.

BUSINESS

Raw Materials

The principal raw materials that we used include culture media, filters, stirring bags, among others. We adopt stringent supplier selection procedures. Potential suppliers are assessed based on various factors, including their product offerings, quality, business scale and pricing, industry reputation, and compliance with relevant regulations and industry standards. Our suppliers are required to possess all licenses and permits necessary for their operations.

Our principal raw materials are generally readily available in the market through a number of suppliers. We believe we have alternative sources for our principal raw materials with comparable quality and pricing. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material shortage or delay in the supply of raw materials. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant increases in the prices of our major raw materials or fluctuations in raw material costs which had a material adverse impact on our results of operations or gross profit margins. See “Risk Factors — Risks Relating to Our Reliance on Third Parties — We depend on a stable and adequate supply of quality raw materials, including consumables, devices and equipment from our suppliers, and price increases or interruptions of such supply could have an adverse impact on our business.”

CUSTOMER

During the Track Record Period, we had only one customer, BeiGene. In 2023, we received reimbursement totaling RMB8.9 million (US\$1.3 million) from BeiGene for our performance of a specified bridging study under the BeiGene Agreement. See “— Collaboration Arrangements — License and Collaboration Agreement with BeiGene” for details. We did not generate any revenue in 2024 and the three months ended March 31, 2025.

The following table sets forth details of our customer during the Track Record Period.

Customer	Customer background	Services purchased	Length of business relationship	Credit terms	Purchase amount	Percentage of total purchases
					(RMB'000)	
<i>For the year ended December 31, 2023</i>						
BeiGene	A global biopharmaceutical company committed to advancing medicines to prevent and treat life-threatening diseases.	License Grant	Since 2021	45 days	8,864.7	100.0%
					<hr/>	<hr/>
					8,864.7	100.0%
					<hr/>	<hr/>

Our customer during the Track Record Period was an Independent Third Party. None of our Directors, their respective associates nor any shareholder who, to the knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, has any interest in our customer during the Track Record Period.

COMPETITION

The market for biopharmaceutical industry and immuno-oncology solutions is evolving and highly competitive. While we are confident that our research and development capabilities allow us to establish a favorable position in the industry, we face competition from both international and domestic biopharmaceutical companies, as well as specialty pharmaceutical and biotechnology firms of varying sizes, along with academic and research institutions. For more detailed insights into the competitive landscape of our drug candidates, please refer to the sections headed “Industry Overview” and “— Our Drug Candidates.”

We believe that the primary competitive factors in our markets include the identification of promising targets, mechanisms, and pathways for drug development, molecule screening and design, efficacy and safety of drug candidates, manufacturing efficiency, and commercialization development. We anticipate that competition will intensify in the future as additional players enter these segments. Any drug candidates successfully developed and commercialized by us will compete with existing drugs or any new drugs that may emerge in the future. For insights into the potential impact of market competition, please see “Risk Factors — Key Risks Relating to Our Business, Business Operations, Intellectual Property Rights, and Financial Prospects — We may face intense competition and rapid technological change and the possibility that our competitors may develop therapies that are similar, more advanced, or more effective than ours, which may adversely affect our financial condition and our ability to successfully commercialize our drug candidates.”

EMPLOYEES

As of the Latest Practicable Date, we had a total of 195 full-time employees, among which 193 were based in China and two were based in the U.S. Our R&D team consists of 155 professionals, including 45 members in drug discovery and preclinical research, 58 in medical and clinical development, and 52 R&D staff within CMC and manufacturing function (which also includes eight administrative staff, bringing its total size to 60 members). Within our R&D teams, 63 members hold master’s degree and 11 hold doctoral degree. The following table sets forth a breakdown of our employees categorized by function as of the Latest Practicable Date:

Function	Number	Percentage
Drug discovery and preclinical development	45	23.1%
Medical and clinical development	58	29.7%
CMC and manufacturing	60	30.8%
Business Development	4	2.1%
General and Administrative	28	14.4%
Total	<u>195</u>	<u>100%</u>

Employment Agreements with Key Management and R&D Staff

We enter into standard labor, confidentiality and non-compete agreements with our employees. The non-compete restricted period typically expires two years after the termination of employment, and we agree to compensate the employees with a certain percentage of their pre-departure salary during the restricted period. For further details regarding the terms of the confidentiality and non-compete and employment agreements with certain of our senior management, please refer to the section headed “Directors, Supervisors and Senior Management” in this prospectus.

We recruit and retain highly engaged, motivated team players who align with our commitment and are eager to contribute to the development of new immunotherapies leveraging their extensive experience. The success of our endeavors relies significantly on the efforts and expertise of all employees, who form an integral part of our business.

We are dedicated to expanding our talent pool to support future development, ensuring that the departure of any single key management or R&D staff member will not materially or adversely affect our operations. We strive to create an equitable, inclusive, and diverse workplace while fostering positive working relationships with our employees. As of the Latest Practicable Date, we have not encountered any major labor disputes that led to disruptions in our operations.

Training and Development

We provide our employees with a diverse array of professional development opportunities and foster a performance-driven environment. Our focus is on cultivating a culture that promotes retention and engagement. With our emphasis on our integrated in-house research and development capabilities, we place significant importance on the growth of internal talent. We consistently seek out advancement opportunities for our staff through various internal and external training and development programs, including pre-job training, on-the-job practice, cross-training, special skills training, and talent echelon development training.

Employee Benefits

We are dedicated to ensuring that working conditions across our business network are safe and that employees are treated with care and respect. We believe in providing our employees with competitive compensation packages, reflecting our stakeholder-centric ethos, which we believe fosters sustainable and enduring growth. In accordance with PRC regulations, we participate in various government-mandated employee benefit plans, including social insurance such as pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing funds. Under PRC law, we are obliged to make contributions to these employee benefit plans at specified percentages of salaries, bonuses, and certain allowances, up to maximum amounts specified by local government regulations.

BUSINESS

During the Track Record Period, we engaged a third-party human resources agency to pay social insurance premium and housing provident funds for certain of our employees in the locations, primarily because they prefer their social insurance and housing provident funds to be paid at their respective places of residence for the convenience of utilizing such benefits locally. Pursuant to the arrangements between us and such third-party human resources agency, the human resources agency is required to pay social insurance premiums and housing provident funds for our relevant employees in a timely manner. As of the Latest Practicable Date, we had not been subject to any administrative penalties for the aforementioned matters, nor were we aware of any material employee complaint or dispute with respect to social insurance or housing provident fund contribution. As advised by our PRC Legal Adviser and based on the interview with such third-party human resources agency, (i) the third-party human resources agency had made full social insurance and housing provident fund contributions for our relevant employees on behalf of us and under our instruction during the Track Record Period and up to the Latest Practicable Date, and (ii) the relevant employees consented with having the third-party human resources agency to make such social insurance and housing provident fund contributions on their behalf, and that they would not make claims or otherwise initiate proceedings against us in connection with such arrangement. As advised by our PRC Legal Adviser, such arrangement with third party human resources agency is legal and valid.

PROPERTIES

We are headquartered in Nanjing, Jiangsu Province. We currently do not own any land use rights or properties. As of the Latest Practicable Date, we leased nine properties with an aggregate GFA of approximately 12,306.38 sq.m. from Independent Third Parties, which were primarily used as our office premises, R&D center, manufacturing base and employee dormitory in the PRC. The relevant lease agreements generally provide a duration of up to 77 months.

BUSINESS

The following table sets forth the details of our leased properties as of the Latest Practicable Date:

<u>Usage</u>	<u>Location</u>	<u>GFA</u> (sq.m)	<u>Lease Term</u>
Research and Development, Laboratories and Offices	Nanjing	4,633.17	60 months
Pilot Manufacturing Facility	Nanjing	3,337.59	36 months
Pilot Manufacturing Facility	Nanjing	3,661.68	77 months
Research and Development, Laboratories and Offices	Nanjing	194.62	12 months
Employee Dormitories	Nanjing	194.8	12 months
Employee Dormitories	Nanjing	89.24	12 months
Employee Dormitories	Nanjing	89.24	12 months
Employee Dormitories	Nanjing	53.02	12 months
Employee Dormitories	Nanjing	53.02	12 months

AWARDS AND RECOGNITIONS

The following table sets forth the major awards and recognition we received as of the Latest Practicable Date:

<u>Year(s) of Grant</u>	<u>Award/Recognition</u>	<u>Issuing Authority</u>
2022 and 2023	Top 50 Most Influential Healthcare Enterprises of the Year (年度醫療健康最具影響力企業TOP 50)	China Healthcare Consulting (CHC醫療諮詢) and CITIC Securities (中信証券)
2021 and 2022	Nanjing's Emerging Unicorn Company (南京市培育獨角獸企業)	Nanjing Municipal Government (南京市人民政府)
2022	Sunan National Innovation Park's Emerging Unicorn Company (蘇南國家自主創新示範區潛在獨角獸)	Sunan National Innovation Park (蘇南國家自主創新示範區)
2021	Top 10 Most Prominent Emerging Enterprises (最具關注度新銳企業)	Editorial Committee of Progress in Pharmaceutical Sciences (《藥學進展》編委會)

ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY MATTERS

We acknowledge our environment protection and social responsibilities and are aware of the environmental, energy, climate-related and workplace safety issues that may impact our Group's business operations. We are committed to complying with environmental, social and governance ("ESG") reporting requirements upon Listing.

Our Board has overall responsibility for (i) overseeing and determining our Group's environmental, social, and climate-related risks and opportunities that impact our Group, (ii) establishing ESG related targets of our Group, (iii) adopting the ESG related policies, and (iv) reviewing our Group's performance in ESG matters.

Environmental Protection

As of the Latest Practicable Date, we had not yet commercialized any of our drug candidates nor commenced large-scale commercial production. Currently, we manufacture certain existing drug candidates solely for research and development purposes. Consequently, our operations result in minimal air pollution, wastewater, biological solid waste, or other hazardous wastes. To ensure compliance with national, industrial, and local environmental standards, laws, regulations, and policies, we have implemented internal policies for environmental risk prevention. These policies include: (i) strict adherence to Good Manufacturing Practice (GMP) regulations and relevant pollutant emissions standards; (ii) conducting periodic environmental assessments on exhaust gas emissions, hazardous waste disposal, noise emissions, and wastewater emissions.

- Wastewater treatment: Wastewater from equipment cleaning, purified water preparation, condensate, etc., undergoes pretreatment at our self-built sewage treatment plant before being combined with domestic wastewater for treatment at the sewage treatment plant. Waste liquids from quality testing are classified as hazardous waste and are collected and disposed of by qualified units.
- Solid waste and other hazardous waste treatment: Household garbage is collected and disposed of by sanitation services, while general packaging materials are sold externally. Hazardous waste is collected and then entrusted to qualified units for disposal.
- Air pollution treatment: Air pollution undergoes alkali scrubbing and activated carbon adsorption at our self-built emission treatment facilities before being discharged into the atmosphere at high altitude.

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.

BUSINESS

We continuously monitor and strive to reduce hazardous waste production. Our efforts have led to a stabilized wastewater discharge levels related to research and testing at approximately 5,083.8 tons in 2023 and 5,381.1 tons in 2024. Our wastewater discharge related to research and testing was approximately 1,297.8 tons in the three months ended March 31, 2025. For hazardous wastes generated from R&D activities, we engage qualified third parties for disposal. We select such service providers by considering their quality, industry reputation and compliance with relevant regulatory agencies. In 2023, 2024 and the three months ended March 31, 2025, we incurred costs of RMB42.0 thousand, RMB46.9 thousand and RMB9.5 thousand, respectively, for waste disposal. These third-party service providers operate in accordance with relevant governmental laws and regulations. We are committed to ongoing efforts to protect the ecological environment during our business operations, aiming to minimize adverse environmental impacts.

Resource Consumption and Emissions

The waste we produce is divided into hazardous waste, such as chemical waste and non-hazardous waste, such as waste from general office operations. Our greenhouse gas emissions primarily consist of Scope 1, Scope 2 and Scope 3 emissions. Scope 1 emissions are largely limited to small-scale emissions related to R&D processes and facilities. Scope 2 emissions primarily include the indirect emissions associated with purchased electricity to support our operations. Scope 3 emissions, which involve indirect emissions mainly consist of indirect emissions outside of Scope 2 emissions that occur in our value chain. As a clinical-stage biotechnology company, our operations are currently focused on R&D activities, resulting in minimal greenhouse gas emissions across Scope 1, Scope 2 and Scope 3. In pursuit of our sustainable development objectives, we rigorously oversee our environmental protection performance across various domains, including resource efficiency and energy consumption. We closely monitor our electricity and water consumption levels and actively implement strategies to enhance energy efficiency and promote water conservation:

	Year Ended December 31,		Three Months Ended March 31,
	2023	2024	2025
Resource consumption			
Electricity (MWh)			
– Total amount	1.76	1.94	0.49
– Intensity* (MWh/RMB million)	0.008	0.01	0.008
Water (tons)			
– Total amount	16,946	17,937	4,326.0
– Intensity* (t/RMB million)	73.4	96.6	74.9
Emission			
Hazardous solid waste (ton)			
– Total amount	8.4	9.8	3.2
– Intensity* (ton/RMB million)	0.036	0.053	0.055

Note:

- * Calculated as the total amount of resource consumption or emission divided by the R&D expense of the respective year/period.

Goals, Targets and Policies

Goals and Targets

The ESG committee will set targets for each material key performance indicator at the beginning of each financial year in accordance with the disclosure requirements under Appendix 27 to the Listing Rules and any other relevant rules and regulations after Listing. Relevant targets of the material key performance indicators will be reviewed annually to ensure that they are still suitable for our needs. When setting the targets for environment-related KPIs, we will take into account our respective consumption or emission levels during the Track Record Period, and consider our future business expansion in a comprehensive and prudent manner, with a view to crafting a balance between business growth and environmental protection and achieving sustainable development. Our current objective is to establish a robust ESG governance mechanism and system for our Company. With the expansion of our business and commercialization of our drug candidates in the future, we endeavor to curb the increase in our resource consumption and emissions and aim to keep them relatively stable. The historical energy consumption data from the Track Record Period will serve as a foundational basis for devising pertinent energy reduction strategies and establishing suitable reduction targets for the future. Our aim is to reduce per-employee electricity and water consumption by around 5.0% by 2027. This goal reflects our endeavor to strike a balance between advancing our R&D and manufacturing endeavors over the next three years, while also upholding our environmental commitment. We plan to achieve this by optimizing processes to maximize electricity utilization and minimize water wastage in our daily operations.

To achieve our goals, we have already implemented the following environmentally friendly measures:

- promote environmental awareness among all staff by encouraging them to minimize paper waste and conserve water and electricity resources, such as placing water-saving and power-saving signs in prominent areas to capture attention and foster our employees' commitment to environmental protection;
- encouraging our employees to avoid printing hard copies and requiring double-sided printing whenever possible;
- regularly conducting inspections of our laboratory equipment in order to check for abnormal conditions, and make prompt report to avoid potential damages;
- carrying out manual check after shift to eliminate unnecessary lighting; and
- promoting recycling schemes, seeking alternative ways of disposing of and reducing waste in environmental-friendly ways.

During the Track Record Period and up to the Latest Practicable Date, we complied with the relevant environmental laws and regulations in all material aspects and we did not have any incidents or complaints which had a material and adverse effect on our business, financial condition or results of operations.

Policies

We will implement measures in mitigating the greenhouse gases emissions and reduce electricity consumption, including (i) providing trainings and educate 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, encourage 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; (v) implementing policies regarding waste management; (vi) prioritize the use of natural light whenever possible and have a "use as needed" policy for lights during off-peak hours; (vii) encourage employees to turn off computer screens when not in use and ensure that computers are turned off after meetings; and (viii) implemented strict temperature controls for air conditioning, regularly clean air conditioning filters, and close doors and windows when using air conditioning.

We have established sophisticated internal control measures to ensure the safe use of hazardous chemicals and to reduce the risk of accidental contamination, biological or chemical hazards, or personal injury, including (i) mandatory double-verification protocols for all hazardous material handling; (ii) restricted keycard access systems for high-risk areas; (iii) regular safety certification training for laboratory personnel; (iv) strictly enforced personal protective equipment protocols, standardized decontamination procedures; (v) designated safety officers for each laboratory section, installation of advanced ventilation and containment systems; (vi) comprehensive emergency response protocols, routine safety audits and compliance checks, proper waste segregation and disposal procedures; (vii) detailed documentation requirements for all experiments involving hazardous materials; and (viii) regular maintenance schedules for all safety equipment and containment facilities.

Climate Change

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 because of climate change or extreme weather conditions.

Preclinical and Clinical Study

We have implemented a series of measures to bolster laboratory and clinical trial safety while ensuring compliance with relevant regulations. These measures include the establishment and enforcement of internal policies and procedures aimed at clinical trial safety, starting with: (a) formulating a comprehensive R&D project management policy to oversee the entire lifecycle process of drug development, encompassing preclinical studies and clinical trials; (b) implementing guidelines pertaining to employee health and safety, environmental protection, and operational safety within laboratory settings; (c) monitoring adverse events associated with drugs and drug candidates during clinical trials and maintaining accurate records of these events for each trial; (d) conducting analysis of collected adverse events and assessing associated safety risks; (e) reporting serious adverse events and potential safety risks; and (f) facilitating communication with relevant employees and CROs to ensure enforcement of clinical trial protocols.

We have effective supplier management in place, as we have established detailed internal rules governing the selection of CROs. When research services are needed, procurement requests are initiated by the R&D department. The R&D department evaluates CRO candidates based on project requirements, qualifications, ESG policies (including but not limited to the environmental friendliness of materials used, and the establishment of policies safeguarding employee rights), goodwill and reputation, and other factors, and requests specific documentation and data to ensure alignment with our Group's ESG policy. After the R&D department preliminarily selects CROs, service proposals are submitted for approval by department heads, the Chief Science Officer, and the CEO of our Company. Once approved, CROs are engaged in accordance with our Group's service procurement policy. For further detail of our selection criteria of CROs, please refer to "Clinical Development — Collaborations with CROs" in this section.

Workplace Safety

We are dedicated to ensuring a safe working environment for our employees. We firmly believe that a safe and healthy workplace is not only crucial for the well-being of our employees but also indispensable for the sustainability of our business. We have implemented and upheld a comprehensive set of rules, standard operating procedures, and measures to ensure the health and safety of our employees. Our safety guidelines cover a range of areas including identifying potential hazards, safe practices, accident prevention, and procedures for reporting accidents. We ensure that our employees continually acknowledge their understanding of safety protocols as needed. Specifically, we:

- have established guidelines governing laboratory procedures and the handling, use, storage, treatment, and disposal of hazardous materials and wastes;
- provide regular safety awareness training to our employees, including sessions on fire control and safety;
- maintain health records for all employees and conduct health examinations before, during, and after their tenure with the Company, especially for those engaged in work involving occupational hazards;
- conduct regular fire safety inspections, ensure the maintenance of firefighting equipment, and organize routine emergency drills to prepare employees for emergency situations.

BUSINESS

Workplace Diversity

Within our Company, we are steadfast in our commitment to fostering an open and inclusive workplace that champions equality. We adhere to a corporate policy of hiring employees based solely on their merits, offering equal opportunities regardless of gender, age, race, religion, or any other social or personal characteristics. As of the Latest Practicable Date, 59.9% of our total employees were female. Our employee management system operates on principles of fairness and transparency, and we actively work to enhance gender and age diversity within our workforce.

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 adverse events in our clinical trials, and we also maintain commercial medical insurance for our employees. We maintain social insurance for our employees in accordance with relevant PRC laws and regulations. We believe that our insurance coverage is adequate to cover our key assets, facilities, and liabilities.

PERMITS, LICENSES AND OTHER APPROVALS

As of the Latest Practicable Date, as advised by our PRC Legal Adviser, we had obtained all material licenses and permits required for our business operations in the PRC, and such business licenses had remained in full effect. For more details regarding the laws and regulations to which we are subject, please see the section headed “Regulatory Overview” in this document. We had not experienced any material difficulty in renewing such licenses, permits, approvals and certificates during the Track Record Period and up to the Latest Practicable Date, and we currently do not expect to have any material difficulty in renewing them when they expire, if applicable. During the Track Record Period and up to the Latest Practicable Date, no material unexpected or adverse changes that could adversely affect the maintenance and renewal of our material licenses, permits, approvals and certificates had occurred since the dates of issue of the relevant regulatory approvals for our business operation.

The following table sets forth details of selected material licenses and permits obtained by our Group as of the Latest Practicable Date:

<u>License/Permit</u>	<u>Holder</u>	<u>Date of Grant</u>	<u>Expiry Date</u>
Record of Purchase for Precursor Chemicals for Explosives	Our Company	N/A	N/A
Record of Purchase for Precursor Chemicals for Narcotics	Our Company	N/A	N/A
Business Registration Certificate	Our Company	November 26, 2024	N/A

LEGAL PROCEEDINGS AND COMPLIANCE

As of the Latest Practicable Date, there was no litigation, arbitration or administrative proceedings pending or threatened against the Company or any of our Directors which could have a material and adverse effect on the research and development of our drug candidates, our financial condition or results of operations. Potential future litigation or any other legal or administrative proceeding, regardless of the merit or outcome, is likely to result in substantial costs, diversion of our resources, and have a negative impact on our reputation and brand image, which in turn, would have negative impact on our business, financial condition, and results of operations. For potential impact of legal or administrative proceedings on us, please refer to the paragraphs headed “Risk Factors — Other Risks Relating to Our Operations — We may be involved in lawsuits or other legal proceedings, which could adversely affect our business, financial conditions, results of operations and reputation.” in this prospectus.

During the Track Record Period and up to the Latest Practicable Date, we had not had any non-compliance incidents which our Directors believe would, individually or in the aggregate, have a material operational or financial impact on our company as a whole.

RISK MANAGEMENT AND INTERNAL CONTROL

We are committed to developing and maintaining risk management and internal control systems comprised of policies and procedures tailored to our business operations. Our dedication lies in the continual enhancement of these systems to ensure their effectiveness.

Risk Management

We recognize that risk management is critical to the success of our business operation. Key operational risks faced by us include changes in the general market conditions and the regulatory environment of the Chinese and global biopharmaceuticals markets, our ability to develop, manufacture and commercialize our drug candidates, and our ability to compete with other biopharmaceutical companies. See “Risk Factors” for a discussion of various risks and uncertainties we face. We also face various market risks. In particular, we are exposed to credit and liquidity risks that arise in the normal course of our business. See “Financial Information — Financial Risk Disclosure” for a discussion of these market risks.

We have implemented a comprehensive set of risk management policies that establish a framework for identifying, assessing, evaluating, and continuously monitoring key risks aligned with our strategic objectives. 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 Group and reported to our Directors. Our Directors and audit committee supervise the implementation of our risk management policies.

The following key principles outline our Group's approach to risk management and internal control we plan to implement:

- Our audit committee will oversee, evaluate, and enhance the internal control system, which includes: (i) reviewing internal control and risk management policies and providing suggestions for improvement; (ii) engaging in discussions with management to evaluate the effectiveness of internal control and risk management policies, ensuring that management fulfills its duties in formulating effective policies; (iii) analyzing material findings related to internal control and assessing the measures taken by management; (iv) supervising potential misconduct by employees regarding internal control and establishing procedures to investigate and address complaints related to internal control within the Company.
- Our Board will be responsible for (i) formulating our risk management policy and reviewing major risk management issues of our Company; (ii) providing guidance on our risk management approach to the relevant teams in our Company; (iii) reviewing the relevant teams' reporting on key risks and providing feedbacks; and (iv) supervising the implementation of our risk management measures by the relevant teams.
- The relevant departments within our Company bear the responsibility of implementing our risk management policy and executing day-to-day risk management practices. To standardize risk management procedures across our organization and ensure a consistent level of transparency and risk management performance, these teams will: (i) collect information regarding the risks associated with their respective operations or functions; (ii) conduct comprehensive risk assessments, encompassing the identification, prioritization, measurement, and categorization of all key risks that could impact their objectives; (iii) prepare an annual risk management report for review by our chief executive officer; (iv) continuously monitor key risks pertinent to their operations or functions; (v) implement appropriate risk responses when necessary; (vi) develop and maintain a suitable mechanism to facilitate the application of our risk management framework.

We consider that our Directors and members of our senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control.

Internal Control

Our Board is responsible for establishing our internal control system and reviewing its effectiveness. We have engaged an internal control consultant (the “**Internal Control Consultant**”) to perform certain agreed-upon procedures (the “**Internal Control Review**”) in connection with the internal control during the period from April 1, 2023 to March 31, 2024 of our Company and our major operating subsidiaries in certain 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 in April 2024, identified internal control deficiencies in both entity-level and process-level, including risk management, R&D, human resource, insurance,

financial reporting, information technology, and taxation and provided recommendation accordingly. In response, we have adopted the corresponding remediation actions including implementing key policies, enhancing governance structures, and strengthening compliance mechanisms, to improve the effectiveness and robustness of our internal control system. The Internal Control Consultant performed a follow-up review with regard to those actions taken by us and there are no further material findings identified in the process of the follow up review. As of the Latest Practicable Date, there were no material outstanding issues relating to our Company's internal control. Further, we have also engaged Rainbow Capital (HK) Limited as our compliance advisor to advise our Directors and management team regarding matters relating to the Listing Rules. Our compliance adviser will provide support and advice regarding requirements of relevant regulatory authorities under the Listing Rules in a timely manner.

During the Track Record Period, we regularly reviewed and enhanced our internal control system. 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 aspect of our business operation, such as related party transaction, risk management, environmental protection and occupational health and safety. For more information, see “— Environmental, Social, Health and Safety Matters” in this section. We provide periodic training about these measures and procedures to our employees as part of our employee training program. Our internal audit department conducts audit field work to monitor the implementation of our internal control policies, reports any weaknesses identified to our management and audit committee, and follows up on the rectification actions.
- We provide various training programs to keep our employees updated on relevant laws, regulations, and policies. Our new employees are required to attend compliance training programs soon after on-boarding and must pass tests which examine their understanding of the compliance issues addressed by the training programs. Our employees are also required to regularly attend on-site and online training sessions to keep them informed of recent updates in the relevant laws and regulations.
- Our Directors (who are responsible for monitoring the corporate governance of our Group), with help from our legal advisors, will also periodically review our compliance status with all relevant laws and regulations after the Global Offering.
- We have established an audit committee which (i) makes recommendations to our Directors on the appointment and removal of external auditors; and (ii) reviews the financial statements and renders advice in respect to financial reporting as well as oversees internal control procedures of our Group.
- We maintain strict anti-corruption policies and we believe we will therefore be less affected by the increasingly stringent measures taken by the PRC government to correct corruptive practices in the biopharmaceutical industry.

BUSINESS

- We have implemented a conflict of interest management policy and a securities transaction policy in compliance with the Listing Rules, including procedures for Board members and key personnel to disclose potential conflicts of interest and restrictions on securities trading.
- We have established a whistleblowing system to allow employees to report non-compliance, bribery, or fraud anonymously. This system is monitored by our internal audit department, to ensure all complaints will be investigated and resolved promptly.
- We have implemented an insurance management policy to ensure the adequacy of insurance coverage for our assets, operations, and liabilities. Periodic reviews of insurance coverage are conducted to assess its sufficiency.
- Prior to initiating any project proposals for drug candidates, technology development, or technological transformation, we would conduct thorough searches and analyses of public literature to detect potential IP disputes.

FINANCIAL INFORMATION

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 IFRSs.

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 a clinical-stage biotechnology company dedicated to the discovery, development, and commercialization of new therapies in oncology, autoimmune, and other severe diseases. In particular, we focus on the research and development of immuno-oncology treatments with enhanced efficacy and safety for cancer patients who do not respond adequately to existing immunotherapies, and aim to translate our scientific breakthroughs into tangible commercial success.

To achieve this goal, we have built proprietary technology platforms and developed a diverse pipeline, our Company has (i) one Core Product, LBL-024 (PD-L1/4-1BB bispecific antibody) and (ii) 13 other drug candidates including five other clinical-stage drug candidates (LBL-034, LBL-033, LBL-007, LBL-019, and LBL-015) and eight preclinical-stage drug candidates (LBL-043, LBL-049, LBL-054-TCE, LBL-054-ADC, LBL-061, LBL-058, LBL-051, and LBL-047), as of the Latest Practicable Date. Each of our four core and key products is among one of the clinically advanced candidates globally, either in its class or among those addressing the same target(s). LBL-024, our Core Product and a PD-L1 and 4-1BB dual-targeting bispecific antibody, stands as the globally first 4-1BB targeted molecule to have reached registrational stage for EP-NEC — while other investigational therapies targeting DLL3/CD3 and SEZ6 remain in early clinical stages — it has the potential to become the first drug approved for treating advanced EP-NEC. Moreover, we cultivate value-accretive collaborations with strategic partners, leveraging their extensive resources and established capabilities to efficiently advance drug development, and accelerate global registration and market entry. Such collaboration and licensing arrangements have also diversified our income streams, under which we are eligible to receive certain upfront and milestone payments and royalties from our partners. This strategic methodology has established a integrated business model, as exemplified by our development of LBL-051, a preclinical CD19/BCMA/CD3 T cell engager. Originating this molecule from our in-house discovery, we reached strategic collaboration with Aditum Bio through the NewCo model to jointly advance the development and commercialization of LBL-051.

Additionally, we aim to optimize our cost efficiency and operate on a lean asset model. We prioritize pipeline assets with rapid market-entry potential and indications, allowing us to accelerate the drug development cycle toward regulatory approval and enhance the return on our investment in research and development. For manufacturing, we have established our own pilot GMP-compliant manufacturing facility to supply selected drug candidates for their early-stage

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clinical trials, and also collaborate with CDMOs for the clinical supply of other drug candidates. This hybrid approach allows us to ensure the timely and high-quality supply of our drug candidates while reducing the investments in fixed assets. In addition, we seek to forge partnerships with different industry players and venture capitals to fund the overseas clinical trials and facilitate the commercial launch of our pipeline assets, in order to maximize the clinical and market potential of our drug candidates synergistically and economically.

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. In 2023, 2024 and the three months ended March 31, 2024 and 2025, we had total comprehensive loss for the year/period of RMB362.3 million, RMB301.1 million, RMB86.6 million and RMB75.1 million, respectively. Substantially all of our operating losses resulted from research and development expenses, administrative expenses and changes in fair value of redemption liabilities on equity shares. Our adjusted loss (non-IFRS measure) for the year/period was RMB226.9 million, RMB202.7 million, RMB47.7 million and RMB66.5 million in 2023, 2024 and the three months ended March 31, 2024 and 2025, respectively. We define adjusted loss (non-IFRS measure) as loss for the year/period adjusted by adding back (i) changes in fair value of convertible bonds, (ii) changes in fair value of redemption liabilities on equity shares, (iii) share-based compensation, and (iv) listing expenses. For more information related to our adjusted loss (non-IFRS measure), see “— Description of Selected Components of Consolidated Statements of Loss and Other Comprehensive Expense — Non-IFRS Measure.”

We expect to incur fair amount of expenses and book operating losses for at least the next several years as we further our preclinical research, continue the clinical development of, seek regulatory approvals for, and manufacture our drug candidates, launch our future approved drugs, as well as recruit more talents necessary to operate our business. Subsequent to the Listing, we expect to incur costs associated with operating as a public company. We expect that our financial performance will fluctuate from period to period due to the development status, regulatory approval timeline and commercialization of our pipeline products.

SIGNIFICANT 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.

General Factors

Our business and operating results are affected by general factors affecting the pharmaceutical industry in which we operate, including but not limited to:

- global and China’s macroeconomic conditions;
- growth and competition environment of the global and China’s pharmaceutical market;

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- market acceptance of antibody drugs;
- relevant laws and regulations, governmental policies and initiatives affecting the global and China's biopharmaceutical and innovative drug industry;
- political, economic and social instability of different local markets in which we are conducting or plan to conduct clinical trials and/or commercialization activities; and
- technology advancements in drug development.

Company Specific Factors

Our Ability to Successfully Develop Our Drug Candidates

Our product pipeline includes drug candidates at various stages of development. Our business and results of operations depend on our ability to successfully advance our drug development programs and seek regulatory approvals for our drug candidates. As of the Latest Practicable Date, we have built a rationally designed and differentiated pipeline, our Company has (i) one Core Product, LBL-024 (PD-L1/4-1BB bispecific antibody) and (ii) 13 other drug candidates including five clinical-stage drug candidates (LBL-034, LBL-033, LBL-007, LBL-019, and LBL-015) and eight preclinical-stage drug candidates (LBL-043, LBL-049, LBL-054-TCE, LBL-054-ADC, LBL-061, LBL-058, LBL-051, and LBL-047). Our experience in advancing drug development is underpinned by our strong R&D capabilities, spanning both the preclinical and clinical stages. In the early-stage drug discovery and preclinical development, we leverage our insights into T-cell immunity, multidimensional antibody engineering, and a thorough understanding of disease biology. By harnessing our technology platforms, we are able to design molecules that can potentially elicit potent antitumor activity while mitigating the risks of adverse events. In the clinical phase, our awareness of clinical needs as well as adeptness in trial design and management allow us to identify underserved cancer indications for rapid market entry and pursue opportunities for indication expansion. As a result of our proficiency in clinical development, each of our four core and key products ranked among one of the clinically advanced candidates globally, either in its class or among those addressing the same target(s). Out of our six clinical-stage drug candidates, we have achieved proof-of-concept from Phase II clinical trials for two candidates across three indications and advanced one of these candidates into the registrational trial stage. See “Business — Our Drug Candidates” for more information on the development status of our drug candidates.

The time required to obtain approvals from the NMPA, the FDA or other comparable regulatory authorities is unpredictable, but it typically takes several years following the commencement of clinical trials. Subject to clinical progress and regulatory communications, we anticipate filing the first BLA for our core and key products with the NMPA and receiving marketing approval over the next few years. In particular, our Core Product LBL-024 has entered into a single-arm registrational trial for EP-NEC in China in July 2024 and stands as the globally first 4-1BB-targeted drug candidate to have reached registrational stage for EP-NEC. LBL-024 also has the potential to become the first drug approved for treating advanced EP-NEC. Any delays in the regulatory approvals for any of our drug candidates in major markets will correspondingly delay our ability to generate revenue from those drug candidates in those markets and adversely affect our results of operations. See “Risk Factors — Other Risks Relating to Our Business — Risks Relating to the Development of Our Drug Candidates” and “Risk Factors — Other Risks

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Relating to Our Business — Risks Relating to Extensive Government Regulations” for details of the risks in relation to advancing clinical development and obtaining regulatory approvals for our drug candidates. Whether our drug candidates can demonstrate favorable clinical trial results, and whether we can obtain the requisite regulatory approvals for our drug candidates in time, are pivotal to our business and results of operations.

Our Ability to Successfully Commercialize Our Drug Candidates

Our business and results of operations depend on our ability to commercialize our drug candidates following receipt of regulatory approvals from competent authorities. Our pipeline includes one registrational-stage drug candidate, namely our Core Product LBL-024. Although we currently have no drug candidates approved for commercial sale and have not generated any revenue from product sales, we expect to commercialize one or more of our drug candidates over the coming years as they move towards the final stages of development.

Upon commercialization of our drug candidates, our business and results of operations will be driven by the market acceptance, sales of our commercialized drugs, as well as our manufacturing capabilities to meet commercial demands. The successful commercialization may require significant marketing efforts and expenses before we are able to generate any revenue from product sales. For early-stage commercial sale of our future products, we intend to collaborate with resourceful industry partners and leverage their established distribution channels and sales and marketing capabilities to achieve fast market access. In the long run, we plan to assemble a dedicated sales and marketing team to enhance our in-house commercialization capability and work synergistically with our partners in boosting market penetration of our products. Despite our meticulously crafted commercialization strategy, if our products fail to achieve the degree of market acceptance, we may not be able to generate revenue or turn profits as expected. See “Business — Our Strategies — To strategically enhance our operation capabilities, including manufacturing and commercialization capabilities” for our commercialization plans and “Risk Factors — Other Risks Relating to Our Business — Risks Relating to Commercialization of Our Drug Candidates” for more details of the risks in relation to commercialization of our drug candidates.

Our Ability to Effectively Control Our Costs and Expenses

Our ability to manage and control our costs and expenses is critical to the success of our business. Our operating expenses primarily include research and development expenses and administrative expenses. Research and development expenses have been, and are expected to continue to be, a major component in our cost structure. In 2023, 2024 and the three months ended March 31, 2024 and 2025, our research and development expenses amounted to RMB230.9 million, RMB185.7 million, RMB43.3 million and RMB57.8 million, respectively. In 2023, 2024 and the three months ended March 31, 2024 and 2025, our administrative expenses amounted to RMB38.0 million, RMB87.7 million, RMB13.9 million and RMB18.9 million, respectively. For detailed information, see “— Description of Selected Components of Consolidated Statements of Loss and Other Comprehensive Expense.”

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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 and as we gradually bring our pipeline products to commercialization, we expect to incur additional costs in relation to preclinical study, CMC, clinical trials, raw materials procurement, manufacturing, sales and marketing, and regulatory affairs, among other things. Additionally, we anticipate increasing legal, compliance, accounting, insurance and investor and public relations expenses associated with being a public company in Hong Kong. We anticipate adhering to our asset-light operating model, continuously optimizing our cost control capabilities, and improving operational efficiency.

Our Ability to Attract and Maintain Strategic Partnerships

Our results of operations have been, and may continue to be, affected by our strategic collaboration and licensing arrangements with business partners. These arrangements not only enable us to maximize the clinical and commercial value of our drug candidates, but also furnish us the capital support to advance our pipeline assets and foster our long-term growth. In December 2021, we granted BeiGene an exclusive license to develop, manufacture and commercialize LBL-007 outside Greater China, under which we recorded the upfront payment of RMB192.0 million (US\$30.0 million) as revenue in 2021 upon grant of license to BeiGene and subsequently received the payment in January 2022. In 2023, we received a total of RMB8.9 million (US\$1.3 million) from BeiGene for our provision of bridging study services under this agreement and recognized such payment as revenue. During the Track Record Period, we did not record any revenue from milestone payments under the license and collaboration agreement with BeiGene, since no relevant development and regulatory or commercialization milestones had been achieved during the same period. The BeiGene Agreement was later terminated on the date of May 18, 2025 as specified in the termination notice provided by BeiGene. Our Directors confirmed that, having made enquiries with BeiGene, BeiGene's decision to terminate this agreement was driven by its internal reassessment of portfolio priorities, rather than any unfavorable safety and efficacy results observed in the clinical trials of LBL-007. Following this termination, we regained full, global rights to develop, manufacture and commercialize LBL-007. In November 2024, we also entered into a collaboration, exclusive option and license agreement with NewCo, a U.S. company newly formed by Aditum Bio, with respect to the development, manufacture and commercialization of LBL-051 worldwide. As of the Latest Practicable Date, we have received the upfront payments totaling US\$15.0 million and near-term payments of US\$4.4 million under this agreement, for which we had not yet completed the corresponding performance obligation to recognize as revenue. See “Business — Collaboration Agreements” for details.

Building on the success of our existing collaborations, we are actively exploring new partnership opportunities for our pipeline assets around the globe. We seek to forge strategic partnerships with different industry players and venture capitals to accelerate clinical development, global registration, and entry into international markets for our drug candidates efficiently and economically. For details, see “Business — Our Strategies — To expedite the entry into market and maximize the clinical and commercial potential of our drug candidates through value-accretive partnerships.” The timing and amount of upfront payments, milestone payments, royalties and other considerations in relation to our existing and future collaboration and licensing arrangements will have an impact on our results of operations.

Funding for Our Operations

During the Track Record Period, we funded our operations primarily through equity financing, payments received under our collaboration and licensing arrangements and debt financing. We expect to fund our future operations primarily with existing cash and cash equivalents, income derived from our collaboration and licensing arrangements and net proceeds

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from the Global Offering. Upon the successful commercialization of one or more of our drug candidates, we expect to further complement the funding for our operations with revenue generated from sales of our commercialized drug products. However, with the continuing expansion of our business, we may require further funding through public or private offerings, debt financing, collaboration and licensing arrangements or other sources. Any material fluctuation in the funding for our operations will impact our cash flow and our results of operations.

BASIS OF PREPARATION

Our historical financial information has been prepared based on the accounting policies set out in Note 2.1 to the Accountants' Report contained in the Appendix I to this prospectus which conform with the International Financial Reporting Standards, or IFRSs, issued by International Accounting Standards Board, or IASB. All IFRSs effective for the accounting period commencing from January 1, 2024, together with the relevant transitional provisions, have been early adopted by our 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 convertible bonds, redemption liabilities on equity shares, and structured deposits and wealth management products which have been measured at fair value at the end of each period comprising the Track Record Period. The historical financial information is presented in RMB and all values are rounded to the nearest thousand except as otherwise indicated.

MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGEMENTS 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. Estimates and judgments are continually re-evaluated and are based on historical experience and other factors, including industry practices and expectations of future events that we believe to be reasonable under the circumstances. We have not changed our assumptions or estimates in the past and have not noticed any material errors regarding our assumptions or estimates. Under current circumstances, we do not expect that our assumptions or estimates are likely to change significantly in the future. When reviewing our consolidated financial statements, you should consider (i) our material accounting policies, (ii) the judgments and other uncertainties affecting the application of such policies, and (iii) the sensitivity of reported results to changes in conditions and assumptions.

We set forth below those accounting policies that we believe are material to us or involve the most significant estimates and judgments used in the preparation of our consolidated financial statements. Our material accounting policies and significant accounting judgements and estimates, which are important for an understanding of our financial position and results of operations, are set forth in detail in Notes 2.3 and 3 to the Accountants' Report set out in Appendix I to this prospectus.

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Material Accounting Policies

Fair Value Measurement

We measure our financial instruments at fair value through profit or loss at the end of each period comprising the Track Record Period. 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 us. 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.

We use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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; and

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 recognized in the financial statements on a recurring basis, we determine whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each period comprising the Track Record Period.

Research and Development Costs

All research costs are charged to the profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalized and deferred only when we 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.

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Revenue Recognition

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which we will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

During the Track Record Period, our revenue was generated from the license and collaboration agreement with BeiGene, which generally contains multiple performance obligations including (i) grants of licenses to intellectual property rights, and (ii) the research and development services.

Collaboration Revenue

At contract inception, we analyze the collaboration arrangements to assess whether they are within the scope of IFRS 11 Joint Arrangements to determine whether such arrangements involve joint operating activities performed by parties that are both active participants in the activities and are exposed to significant risks and rewards dependent on the commercial success of such activities.

In determining the appropriate amount of revenue to be recognized as we fulfil our obligations under each of the collaboration agreements, our management perform the five-step model under IFRS 15. The collaboration arrangements may contain more than one unit of account or performance obligation, including grants of licenses to intellectual property rights, agreements to provide research and development services and other deliverables. The collaborative arrangements typically do not include a right of return for any deliverable. In general, the consideration allocated to each performance obligation is recognized when the obligation is satisfied either by delivering a good or rendering a service, limited to the consideration that is not constrained. Non-refundable payments received before all of the relevant criteria for revenue recognition are satisfied are recorded as contract liabilities.

Licenses of Intellectual Property

Upfront non-refundable payments for grants of licenses to intellectual property rights are evaluated to determine if they are distinct from the other performance obligations identified in the arrangements. For the licenses to intellectual property rights determined to be distinct, we recognize revenue from non-refundable up-front fees allocated to the licenses at a point in time, when the licenses are transferred to the licensee and the licensee is able to use and benefit from the licenses.

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Research and Development Services

The portion of the transaction price allocated to research and development service performance obligations is deferred and recognized as collaboration revenue at the point in time when the research and development services are rendered to customers.

Milestone Payments

At the inception of each arrangement that includes development milestone payments, our management evaluates whether the milestones are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestones related to development-based activities may include initiation of various phases of clinical trials. Due to the uncertainty involved in meeting these development-based targets, they are generally fully constrained at contract inception. Our management assesses whether the variable consideration is fully constrained for each reporting period based on the facts and circumstances surrounding the clinical trials. Upon changes to constraint associated with the developmental milestones, variable consideration is included in the transaction price when a significant reversal of revenue recognized is not expected to occur and allocated to the separate performance obligations. Due to the inherent uncertainty with the approval process, regulatory milestones are fully constrained until the period in which those regulatory approvals are achieved. Regulatory milestones are included in the transaction price in the period regulatory approval is obtained.

Royalties

For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the licenses that are deemed to be the predominant items to which the royalties relate, we recognize revenue at the later of (i) when the related sales occur, and (ii) when the performance obligation to which some or all of the royalties have been allocated is satisfied (or partially satisfied).

Investments and Other Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized 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 our business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which we have applied the practical expedient of not adjusting the effect of a significant financing component, we initially measure 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.

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In order for a financial asset to be classified and measured at amortized 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.

Our business model for managing financial assets refers to how we manage our 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 amortized 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 recognized on the trade date, that is, the date that we commit to purchase or sell the asset.

Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, 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 statements of financial position at fair value with net changes in fair value recognized in the profit or loss.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of payables, net of directly attributable transaction costs.

Our financial liabilities include trade and other payables, interest-bearing bank borrowings, convertible bonds and redemption liabilities on equity shares.

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Subsequent Measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortized cost (trade and other payables and interest-bearing bank borrowings)

After initial recognition, trade and other payables and interest-bearing bank borrowings are subsequently measured at amortized 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 recognized in the profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized 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 amortization is included in finance costs in the profit or loss.

Financial liabilities measured at fair value through profit or loss (“FVTPL”)

Financial liabilities measured at FVTPL include convertible bonds and redemption liabilities on equity shares.

Convertible bonds

Convertible bonds designated upon initial recognition as at FVTPL are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at FVTPL are recognized in the profit or loss, except for the gains or losses arising from our own credit risk which are presented in other comprehensive income with no subsequent reclassification to the profit or loss. The net fair value gain or loss recognized in the profit or loss does not include any interest charged on these financial liabilities.

Redemption liabilities on equity shares

The redemption liabilities are initially measured at the higher value of present value of the redemption amount and the net assets of our Company held by the investors at the proportion of the equity interest held by the investors. Subsequently, any changes in the carrying amount of the redemption liabilities are recorded in “change in fair value of redemption liabilities on equity shares” in profit or loss.

We derecognize the redemption liabilities when, and only when, our redemption obligations are discharged, cancelled, or have expired. When the redemption liabilities expire without exercise, the carrying amount of the redemption liabilities are reclassified to equity.

Share-based Payments

We adopt Pre-IPO Share Incentive Plan for the purpose of providing incentives and rewards to eligible participants who contribute to the success of our operations. Employees and consultants of our Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“**equity-settled transactions**”).

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The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using most recent transaction method and a binomial model, further details of which are given in Note 26 to the Accountants' Report set out in Appendix I to this prospectus.

The cost of equity-settled transactions is recognized 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 recognized for equity-settled transactions at the end of each period comprising the Track Record Period until the vesting date reflects the extent to which the vesting period has expired and our best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognized 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 our 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 restricted shares 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 recognized. 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, at a minimum an expense is recognized as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognized 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 recognized for the award is recognized immediately.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Significant Accounting Judgements and Estimates

The preparation of our historical financial information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, 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.

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Critical Accounting Judgements in Applying Accounting Policies

Revenue from Contracts with Customers

We applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Identifying performance obligation under contracts which have bundled sales of the licenses and research and development services

We have a contract which provides the licenses together with research and development services to a customer. We determined that both the licenses and research and development services are not distinct. We are providing a significant integration service because the presence of the licenses and research and development services together in the contract result in a combined functionality. In addition, the licenses and research and development services are highly interdependent or highly interrelated, because we would not be able to transfer the licenses if the research and development services were not completed. Consequently, we have combined the sales of the licenses and research and development services as a single performance obligation.

Determining the timing of satisfaction of the licenses and research and development services

For the licenses which the customer gets a right to use, revenue for the licenses and research and development services is recognized at the point of time when the control of the licenses is transferred to the customer and the customer is able to consume and benefit from the licenses.

Research and Development Expenses

All research expenses are charged to profit or loss as incurred. Expenses incurred for developing new products are only capitalized and deferred in accordance with the accounting policy for research and development expenses in Note 2.3 to the Accountants' Report set out in Appendix I to this prospectus. Determining the amounts to be capitalized requires management to make judgements on the technical feasibility of our product candidates to be successfully commercialized and bring economic benefits to us.

Key Sources of Estimation Uncertainty

Leases — Estimating the Incremental Borrowing Rate

We cannot readily determine the interest rate implicit in a lease, and therefore, we use an incremental borrowing rate (“**IBR**”) to measure lease liabilities. The IBR is the rate of interest that we 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 we “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). We estimate the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as a subsidiary's stand-alone credit rating).

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Impairment of Non-Financial Assets (Other Than Goodwill)

We assess whether there are any indicators of impairment for all non-financial assets (including right-of-use assets) at the end of each period comprising the Track Record Period. The 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.

Fair Value of Financial Instruments

The redemption liabilities on equity shares issued by our Group are not traded in an active market and the respective fair values are calculated at the higher of (i) the original investment principal from investors, plus an annual simple rate of 10% of the original investment principal for a period of time commencing from the delivery date to the actual payments date of the settlement (referred as “**P+I**”), and (ii) the net assets of our Company at the time of transfer attributable to the shareholders at the proportion of the equity interest held by the investors.

The fair value of redemption liabilities on equity shares of our Group as of December 31, 2023 and 2024 and March 31, 2025 was RMB1,303.5 million, nil and nil, respectively. For more information, please see Note 26 to the Accountants' Report set out in Appendix I to this prospectus.

Recognition of Income Taxes and 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. For more information, please see Note 13 to the Accountants' Report set out in Appendix I to this prospectus.

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DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF LOSS AND OTHER COMPREHENSIVE EXPENSE

The following table sets forth selected components of our consolidated statements of loss and other comprehensive expense for the periods indicated:

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2023	2024	2024	2025
	(RMB in thousands) (unaudited)			
Revenue	8,865	–	–	–
Cost of sales	(3,185)	–	–	–
Gross profit	5,680	–	–	–
Other income and gains	13,472	18,309	2,237	3,224
Other expenses	–	(20)	–	(428)
Research and development expenses	(230,858)	(185,683)	(43,273)	(57,751)
Administrative expenses	(38,047)	(87,692)	(13,878)	(18,876)
Fair value gains on financial assets at FVTPL	6,436	1,718	434	368
Changes in fair value of convertible bonds	(199)	–	–	–
Finance costs	(1,400)	(5,764)	(744)	(1,904)
Changes in fair value of redemption liabilities on equity shares	(117,333)	(42,084)	(31,345)	–
Loss before tax	(362,249)	(301,216)	(86,569)	(75,367)
Income tax expense	–	–	–	–
Loss for the year/period	(362,249)	(301,216)	(86,569)	(75,367)
Other comprehensive expense that may be reclassified to profit or loss in subsequent periods				
Exchange differences on translation of foreign operations	(71)	76	2	222
Other comprehensive expense for the year/period	(71)	76	2	222
Total comprehensive loss for the year/period	(362,320)	(301,140)	(86,567)	(75,145)

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Non-IFRS Measure

To supplement our consolidated statements of loss and other comprehensive expense which are presented in accordance with IFRSs, we also use adjusted loss as a non-IFRS measure, which is not required by, or presented in accordance with, IFRSs. We believe that the presentation of the non-IFRS measure when shown in conjunction with the corresponding IFRS measures provides useful information to management and investors in facilitating a comparison of our operating performance from period to period. In particular, the non-IFRS measure eliminates impact of certain expenses, including changes in fair value of convertible bonds, changes in fair value of redemption liabilities on equity shares, share-based compensation and listing expenses. Such non-IFRS measure allows investors to consider metrics used by our management in evaluating our performance.

We define adjusted loss (non-IFRS measure) as loss for the year/period adjusted by adding back (i) changes in fair value of convertible bonds, (ii) changes in fair value of redemption liabilities on equity shares, (iii) share-based compensation, and (iv) listing expenses. Changes in fair value of convertible bonds represent the fair value changes of convertible bonds issued by us, which are non-cash in nature. Such convertible bonds had all been converted into Shares with preferred rights in May 2023. Changes in fair value of redemption liabilities on equity shares represent the fair value changes of the Shares with preferred rights held by our Pre-IPO Investors, which are also non-cash in nature. The redemption rights granted to our Pre-IPO Investors had been terminated pursuant to certain supplemental agreements in 2024, and we no longer recognized any redemption liabilities on equity shares or any loss or gain on fair value changes of such liabilities thereafter. Share-based compensation represents expenses arising from granting share incentives to senior management and selected employees, which is non-cash in nature. Listing expenses are the expenses arising from activities in relation to the proposed Listing and Global Offering. The use of the non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for, or superior to, analysis of our results of operations or financial condition as reported under IFRSs. In addition, the non-IFRS measure may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.

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The following table reconciles our adjusted loss (non-IFRS measure) for the year/period presented in accordance with IFRSs, which is loss for the year/period:

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2023	2024	2024	2025
	<i>(RMB in thousands)</i> <i>(unaudited)</i>			
Loss for the year/period	(362,249)	(301,216)	(86,569)	(75,367)
<i>Add:</i>				
Changes in fair value of convertible bonds	199	–	–	–
Changes in fair value of redemption liabilities on equity shares	117,333	42,084	31,345	–
Share-based compensation	17,837	41,940	3,118	2,250
Listing expenses	–	14,531	4,427	6,595
Adjusted loss (non-IFRS measure) for the year/period	<u>(226,880)</u>	<u>(202,661)</u>	<u>(47,679)</u>	<u>(66,522)</u>

Revenue

During the Track Record Period, all of our revenue was derived from payments we received from BeiGene for our provision of bridging study services under the license and collaboration agreement with BeiGene. See “Business — Collaboration Agreements — License and Collaboration Agreement with BeiGene” for details. Our revenue was RMB8.9 million, nil, nil and nil in 2023, 2024 and the three months ended March 31, 2024 and 2025, respectively.

Cost of Sales

During the Track Record Period, our cost of sales was related to our provision of bridging study services for BeiGene, which consisted of (i) clinical trial expenses, mainly including expenses with respect to the engagement of SMOs and clinical trial sites, and (ii) staff costs. The following table sets forth a breakdown of our cost of sales for the periods indicated:

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2023	2024	2024	2025
	<i>(RMB in thousands)</i> <i>(unaudited)</i>			
Clinical trial expenses	2,862	–	–	–
Staff costs	323	–	–	–
Total	<u>3,185</u>	<u>–</u>	<u>–</u>	<u>–</u>

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Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales. Our gross profit margin represents our gross profit as a percentage of our revenue. Our gross profit amounted to RMB5.7 million in 2023, while our gross profit margin was 64.1% for the same year. As we generated no revenue and incurred no cost of sales in 2024 and the three months ended March 31, 2024 and 2025, we recorded nil gross profit for the corresponding periods.

Other Income and Gains

During the Track Record Period, our other income and gains primarily consisted of (i) bank interest income, (ii) government grants, and (iii) net foreign exchange gains. Bank interest income represents interest on our bank deposits. Government grants refer to a variety of subsidies granted by the PRC local government authorities in support of our research and development activities, business operations and talent development, which had no conditions or contingencies attached or were recognized upon compliance with the attached conditions. Net foreign exchange gains represent the net exchange gains resulting from the translation of our cash balance denominated in U.S. dollar at year/period-end exchange rates against Renminbi.

The following table summarizes a breakdown of our other income and gains for the periods indicated:

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2023	2024	2024	2025
	<i>(RMB in thousands)</i>			
	<i>(unaudited)</i>			
Other income				
Bank interest income	6,547	8,285	1,772	3,060
Government grants	4,139	7,982	203	164
Gains				
Foreign exchange gains, net	2,769	2,042	262	—
Others	17	—	—	—
Total	13,472	18,309	2,237	3,224

Other Expenses

During the Track Record Period, our other expenses primarily represented loss on disposal of items of property, plant and equipment, net foreign exchange losses, and other miscellaneous expenses incurred in our ordinary course of business. We recorded other expenses of nil, RMB20.0 thousand, nil and RMB0.4 million in 2023, 2024 and the three months ended March 31, 2024 and 2025, respectively.

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Research and Development Expenses

During the Track Record Period, our research and development expenses consisted of (i) clinical trial expenses for our drug candidates, including expenses with respect to the engagement of clinical sites and SMOs, as well as other expenses incurred in connection with our clinical trials, (ii) staff costs, mainly including salaries, bonuses and other welfare benefits for our research and development personnel, (iii) preclinical and CMC expenses, mainly resulting from the engagement of CROs and CDMOs, as well as other expenses incurred in connection with our preclinical studies and CMC activities, (iv) depreciation and amortization expenses for property, plant and equipment, right-of-use assets, and other deferred expenses used for research and development purposes, (v) costs of materials and consumables, representing expenses for procuring materials and consumables used in the course of our research and development activities, (vi) share-based compensation for our research and development personnel and (vii) other expenses, including expenses incurred for the application and maintenance of intellectual property rights, insurance premiums, maintenance costs for research and development equipment, and other miscellaneous expense incurred for the purpose of research and development.

The following table sets forth a breakdown of our research and development expenses in absolute amounts and as percentages of the total research and development expenses for the periods indicated:

	For the Year Ended December 31,				For the Three Months Ended March 31,			
	2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>							
	<i>(unaudited)</i>							
Research and development expenses								
Clinical trial expenses	58,555	25.4	48,352	26.0	7,884	18.2	19,024	32.9
Staff costs	60,403	26.2	66,613	35.9	16,128	37.3	15,578	27.0
Preclinical and CMC expenses	52,502	22.7	19,190	10.3	8,755	20.2	11,375	19.7
Depreciation and amortization expenses	21,153	9.2	22,734	12.2	5,816	13.4	4,839	8.4
Costs of materials and consumables	14,819	6.4	12,259	6.6	1,353	3.1	2,578	4.5
Share-based compensation	5,145	2.2	1,926	1.0	837	1.9	432	0.7
Others	18,281	7.9	14,609	8.0	2,500	5.9	3,925	6.8
Total	230,858	100.0	185,683	100.0	43,273	100.0	57,751	100.0

Our research and development expenses as a percentage of our total operating expenses were 85.9%, 67.9%, 75.7% and 75.4% in 2023, 2024 and the three months ended March 31, 2024 and 2025, respectively.

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Our research and development expenses attributable to our Core Product were RMB68.7 million, RMB66.2 million, RMB19.1 million and RMB29.7 million in 2023, 2024 and the three months ended March 31, 2024 and 2025, respectively, accounting for 25.6%, 24.2%, 33.4% and 38.8% of our total operating expenses in the same periods, respectively. Our research and development expenses attributable to our Core Product remained relatively stable at 2023 and 2024. Our research and development expenses attributable to our Core Product increased by 55.8% from the three months ended March 31, 2024 to the corresponding period in 2025, mainly due to a substantial rise in patient enrollment and related CMC activities following the initiation of Phase III registrational trial of LBL-024 in April 2024, leading to higher clinical trial expenses and CMC expenses for this candidate. Our research and development expenses attributable to our Core Product as a percentage of our total research and development expenses were 29.8%, 35.7%, 44.1% and 51.5% in 2023, 2024 and the three months ended March 31, 2024 and 2025, respectively.

Administrative Expenses

During the Track Record Period, our administrative expenses consisted of (i) professional service fees, mainly including service fees paid to legal advisors, auditors and other consulting service providers during the ordinary course of business, as well as listing expenses, (ii) staff costs, mainly including salaries, bonuses and other welfare benefits for our management and administrative personnel, (iii) share-based compensation for our management and administrative personnel, (iv) depreciation and amortization expenses for right-of-use assets, property and equipment used for administrative purposes, (v) general office expenses, mainly including traveling and transportation expenses, recruitment expenses and office consumables, (vi) rental fees for our short-term leased properties, and (vii) other expenses, including utilities incurred for our administrative purpose, business development expenses, tax and surcharges and other miscellaneous expenses.

The following table sets forth a breakdown of our administrative expenses in absolute amounts and as percentages of the total administrative expenses for the periods indicated:

	For the Year Ended December 31,				For the Three Months Ended March 31,			
	2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>							
	<i>(unaudited)</i>							
Administrative expenses								
Professional service fees	831	2.2	17,065	19.5	4,529	32.6	8,253	43.7
Staff costs	16,198	42.5	21,150	24.1	5,478	39.5	5,837	30.9
Share-based compensation	12,692	33.4	40,014	45.6	2,281	16.4	1,818	9.6
Depreciation and amortization expenses	2,660	7.0	3,314	3.8	831	6.0	1,007	5.3
General office expenses	3,437	9.0	3,370	3.8	418	3.0	787	4.2
Rental fees	516	1.4	426	0.5	24	0.2	101	0.5
Others	1,713	4.5	2,353	2.7	317	2.3	1,073	5.8
Total	38,047	100.0	87,692	100.0	13,878	100.0	18,876	100.0

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Fair Value Gains on Financial Assets at FVTPL

During the Track Record Period, our fair value gains on financial assets at FVTPL mainly related to the change in fair value of our structured deposits and wealth management products. We purchased structured deposits and wealth management products, which comprise certain short-term or low-risk financial products, from time to time, as a supplemental approach to improve utilization of our cash on hand on a short-term basis. In 2023, 2024 and the three months ended March 31, 2024 and 2025, our fair value gains on financial assets at FVTPL amounted to RMB6.4 million, RMB1.7 million, RMB0.4 million and RMB0.4 million, respectively. For details of our financial assets at FVTPL, see “— Discussion of Certain Selected Items from the Consolidated Statements of Financial Position — Financial Assets at FVTPL.”

Changes in Fair Value of Convertible Bonds

During the Track Record Period, our changes in fair value of convertible bonds represented the fair value gain or loss on convertible bonds issued by us. We have designated convertible bonds as a whole as financial liabilities measured at FVTPL. The change in fair value of convertible bonds is charged to profit or loss except for the portion attributable to credit risk change that shall be charged to other comprehensive income. During the Track Record Period, we recorded fair value loss on convertible bonds of RMB0.2 million in 2023. Such convertible bonds had all been converted into Shares with preferred rights in May 2023, and we do not expect to recognize any further loss or gain on fair value changes of such convertible bonds. For more details, see Note 27 to the Accountants’ Report set out in Appendix I to this prospectus.

Finance Costs

During the Track Record Period, our finance costs consisted of (i) interests on bank borrowings and (ii) interests on lease liabilities. The following table sets forth a breakdown of our finance costs for the periods indicated:

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2023	2024	2024	2025
	<i>(RMB in thousands)</i>			
	<i>(unaudited)</i>			
Interests on bank borrowings	1,052	5,404	649	1,682
Interests on lease liabilities	348	360	95	222
Total	1,400	5,764	744	1,904

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Changes in Fair Value of Redemption Liabilities on Equity Shares

During the Track Record Period, our changes in fair value of redemption liabilities on equity shares represented the fair value loss on the Shares with preferred rights held by our Pre-IPO Investors. For more details, see “History, Development and Corporate Structure — Establishment and Major Shareholding Changes of Our Company.” The Shares held by Pre-IPO Investors are designated as financial liabilities measured at FVTPL. They are initially recognized at fair value and the increases in the fair value are recognized as fair value losses in the consolidated statements of loss and other comprehensive expense. In 2023, 2024 and the three months ended March 31, 2024 and 2025, our loss in fair value of redemption liabilities on equity shares amounted to RMB117.3 million, RMB42.1 million, RMB31.3 million and nil, respectively. The redemption rights granted to our Pre-IPO Investors had been terminated pursuant to certain supplemental agreements in 2024, and we no longer recognized any redemption liabilities on equity shares or any loss or gain on fair value changes of such liabilities thereafter. For more details, see Note 26 to the Accountants’ Report set out in Appendix I to this prospectus.

Income Tax Expense

Income tax expense represents the sum of the tax currently payable and deferred tax. We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which we are domiciled and operate.

China

Under the Law of the PRC on Enterprise Income Tax, or the EIT Law, and Implementation Regulation of the EIT Law, our PRC subsidiaries are subject to income tax at a rate of 25% on the taxable income during the Track Record Period. Pursuant to the EIT Law, our Company enjoyed super deduction of 200% on qualified research and development expenditures during the Track Record Period.

Hong Kong

Under the two-tiered profits tax rates regime which was effective on April 1, 2018, the first HK\$2.0 million of profits of a qualifying group entity will be taxed at the rate of 8.25%, and profits above HK\$2.0 million will be taxed at the rate of 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

We considered the two-tiered profits tax rates regime is insignificant to us, since our subsidiary incorporated in Hong Kong did not have tax assessable profits subject to Hong Kong profits tax during the Track Record Period.

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United States

Our U.S. subsidiary is subject to statutory U.S. federal corporate income tax at a rate of 21.0% on any estimated assessable profits arising in the U.S. during the Track Record Period. No provision for U.S. profits tax has been made as our subsidiary incorporated in the U.S. has no assessable profits derived from or earned in the U.S. during the Track Record Period.

We did not record any income tax expense during the Track Record Period due to our loss before taxation. Our Directors confirm that during the Track Record Period, we had made all the required tax filings with the relevant tax authorities in the relevant jurisdictions, and we are not aware of any outstanding or potential disputes with such tax authorities.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Three Months ended March 31, 2025 Compared to Three Months ended March 31, 2024

Other Income and Gains

Our other income and gains increased by 44.1% from RMB2.2 million in the three months ended March 31, 2024 to RMB3.2 million in the three months ended March 31, 2025, primarily due to an increase of RMB1.3 million in bank interest income in alignment with our increased bank deposits for the same periods.

Other Expenses

Our other expenses increased from nil in the three months ended March 31, 2024 to RMB0.4 million in the three months ended March 31, 2025, primarily due to net foreign exchange losses resulting from fluctuations in the exchange rate of U.S. dollar against Renminbi.

Research and Development Expenses

Our research and development expenses increased by 33.5% from RMB43.3 million in the three months ended March 31, 2024 to RMB57.8 million in the three months ended March 31, 2025, primarily due to (i) an increase of RMB11.1 million in clinical trial expenses, mainly attributable to the increased patient enrollment and continued advancement of multiple clinical programs for LBL-024 and LBL-034, and (ii) an increase of RMB2.6 million in preclinical and CMC expenses, mainly driven by BLA-directed CMC activities for LBL-024 and IND-enabling expenses for LBL-047.

Administrative Expenses

Our administrative expenses increased by 36.0% from RMB13.9 million in the three months ended March 31, 2024 to RMB18.9 million in the three months ended March 31, 2025, primarily due to an increase of RMB3.7 million in professional service fees, in connection with the listing expenses and other consulting service fees incurred in the three months ended March 31, 2025.

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Fair Value Gains on Financial Assets at FVTPL

Our fair value gains on financial assets at FVTPL remained relatively stable at RMB0.4 million in the three months ended March 31, 2024 and 2025, respectively.

Finance Costs

Our finance costs increased significantly from RMB0.7 million in the three months ended March 31, 2024 to RMB1.9 million in the three months ended March 31, 2025, primarily due to an increase of RMB1.0 million in interests on bank borrowings, which are in line with our increased bank loans for the same periods.

Changes in Fair Value of Redemption Liabilities on Equity Shares

Our changes in fair value of redemption liabilities on equity shares decreased from RMB31.3 million in the three months ended March 31, 2024 to nil in the three months ended March 31, 2025, mainly because the redemption rights granted to our Pre-IPO Investors had been terminated pursuant to certain supplemental agreements in 2024, and we no longer recognized any redemption liabilities on equity shares or any loss or gain on fair value changes of such liabilities thereafter.

Loss for the Period

As a result of the foregoing, our loss for the period decreased by 12.9% from RMB86.6 million in the three months ended March 31, 2024 to RMB75.4 million in the three months ended March 31, 2025.

Year ended December 31, 2024 Compared to Year ended December 31, 2023

Revenue

Our revenue decreased from RMB8.9 million in 2023 to nil in 2024, because we recognized payments received from BeiGene in connection with our provision of bridging study services as revenue in 2023 and the next milestone that would trigger payment obligations of our respective business partners had not been reached as of December 31, 2024.

Cost of Sales

Our cost of sales decreased from RMB3.2 million in 2023 to nil in 2024, because we recognized all relevant clinical trial expenses and staff costs incurred for fulfilling our provision of bridging study services as cost of sales in 2023.

Gross Profit and Gross Profit Margin

As a result of the cumulative effect of the factors described above, our gross profit decreased from RMB5.7 million in 2023 to nil in 2024, and our gross profit margin changed from 64.1% to nil for the same years.

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Other Income and Gains

Our other income and gains increased by 35.9% from RMB13.5 million in 2023 to RMB18.3 million in 2024, primarily due to (i) an increase of RMB3.8 million in government grants, mainly in support of our drug development activities; and (ii) an increase of RMB1.7 million in bank interest income, in alignment with our increased bank deposits in 2024; partially offset by a decrease of RMB0.7 million in net foreign exchange gains, resulting from fluctuations in the exchange rate of U.S. dollar against Renminbi.

Research and Development Expenses

Our research and development expenses decreased by 19.6% from RMB230.9 million in 2023 to RMB185.7 million in 2024, primarily due to (i) a decrease of RMB20.0 million in research and development expenses for LBL-033 mainly driven by lower allocated staff costs. We initiated its monotherapy Phase I/II clinical trial in China in April 2023, which required intensive preparatory work and more chargeable hours on our R&D team; with that upfront work largely completed, fewer chargeable hours were assigned to LBL-033 in 2024 compared to 2023, leading to declined staff costs. Meanwhile, the patient enrollment for LBL-033 remained relatively steady between the two years; and (ii) a decrease of RMB17.3 million in research and development expenses for LBL-007, mainly because patient enrollment for clinical programs of LBL-007 concluded by late 2023 or early 2024 and its major CMC activities were also completed in 2023, resulting in reduced clinical trial expenses and CMC expenses for this candidate.

Administrative Expenses

Our administrative expenses increased significantly from RMB38.0 million in 2023 to RMB87.7 million in 2024, primarily due to (i) an increase of RMB27.3 million in share-based compensation, arising from increases in the number and value of share incentives granted in 2024; and (ii) an increase of RMB16.2 million in professional service fees, mainly in connection with the listing expenses incurred in 2024.

Fair Value Gains on Financial Assets at FVTPL

Our fair value gains on financial assets at FVTPL decreased by 73.3% from RMB6.4 million in 2023 to RMB1.7 million in 2024, primarily due to (i) the timing of our purchases of structured deposits and wealth management products in 2024, as the majority of these investments were made in November and December in that year, resulting in lower accrued interests from a shorter holding period; and (ii) a decrease in the rate of return per annum for our structured deposits in 2024.

Changes in Fair Value of Convertible Bonds

Our changes in fair value of convertible bonds decreased from RMB0.2 million in 2023 to nil in 2024, because such convertible bonds had all been converted into Shares with preferred rights in May 2023.

Finance Costs

Our finance costs increased significantly from RMB1.4 million in 2023 to RMB5.8 million in 2024, primarily attributable to an increase of RMB4.4 million in interests on bank borrowings, due to the increased short-term bank borrowings in 2024.

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Changes in Fair Value of Redemption Liabilities on Equity Shares

Our changes in fair value of redemption liabilities on equity shares decreased by 64.1% from RMB117.3 million in 2023 to RMB42.1 million in 2024, mainly because we terminated the redemption rights granted to our Pre-IPO Investors pursuant to certain supplemental agreements in 2024, and we no longer recognized any redemption liabilities on equity shares or any loss or gain on fair value changes of such liabilities thereafter.

Loss for the Year

As a result of the foregoing, our loss for the year decreased by 16.8% from RMB362.2 million in 2023 to RMB301.2 million in 2024.

DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of December 31,		As of March 31,
	2023	2024	2025
	(RMB in thousands)		
ASSETS			
Non-current assets			
Property, plant and equipment	54,282	36,378	32,311
Right-of-use assets	6,812	11,189	20,523
Other intangible assets	–	–	600
Prepayments, deposits and other receivables	19,267	25,569	29,191
Total non-current assets	80,361	73,136	82,625
Current assets			
Prepayments, deposits and other receivables	19,468	57,590	61,259
Financial assets at FVTPL	100,130	166,175	75,083
Inventories	–	–	18,488
Cash and cash equivalents	247,523	372,542	431,376
Total current assets	367,121	596,307	586,206

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	As of December 31,		As of March 31,
	2023	2024	2025
	<i>(RMB in thousands)</i>		
LIABILITIES			
Current liabilities			
Trade and other payables	25,695	53,188	60,901
Interest-bearing bank borrowings	61,000	255,212	255,221
Contract liabilities	–	84,220	139,127
Redemption liabilities on equity shares	1,303,504	–	–
Lease liabilities	4,311	5,716	6,416
Total current liabilities	1,394,510	398,336	461,665
Net current (liabilities)/assets	(1,027,389)	197,971	124,541
Total assets less current liabilities	(947,028)	271,107	207,166
Non-current liabilities			
Other payables	–	–	218
Lease liabilities	1,777	5,547	14,283
Total non-current liabilities	1,777	5,547	14,501
Net (liabilities)/assets	(948,805)	265,560	192,665
(DEFICITS)/EQUITY			
Paid-in capital/Share capital	17,018	156,500	156,500
Reserves	(965,823)	109,060	36,165
Controlling interests	(948,805)	265,560	192,665
Total (deficits)/equity	(948,805)	265,560	192,665

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Property, Plant and Equipment

During the Track Record Period, our property, plant and equipment consisted of (i) furniture and equipment, (ii) leasehold improvements, and (iii) construction in progress. The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,		As of March 31,
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Property, plant and equipment			
Furniture and equipment	43,544	32,166	29,391
Leasehold improvements	10,383	4,212	2,920
Construction in progress	355	—	—
Total	54,282	36,378	32,311

Our property, plant and equipment decreased from RMB54.3 million as of December 31, 2023 to RMB36.4 million as of December 31, 2024, and further to RMB32.3 million as of March 31, 2025, mainly due to the depreciation of furniture and equipment and amortization of leasehold improvements during the ordinary course of business.

Right-of-use Assets

During the Track Record Period, our right-of-use assets primarily arose from our leased properties used as office premises, research and development centers and manufacturing facilities. Our right-of-use assets increased from RMB6.8 million as of December 31, 2023 to RMB11.2 million as of December 31, 2024, mainly because we entered into new lease contracts for office premises, research and development centers and manufacturing facilities in 2024. Our right-of-use assets further increased to RMB20.5 million as of March 31, 2025, due to the extension of terms for our existing leases.

We assess whether there are any indicators of impairment for all non-financial assets (including property, plant and equipment and right-of-use assets) at the end of each period comprising the Track Record Period by reviewing the internal and external sources of information. As of December 31, 2023 and 2024 and March 31, 2025, no indicators of impairment for our non-financial assets were identified, given that (i) our non-financial assets were neither obsolete nor physically damaged, and (ii) our actual losses incurred for the years ended December 31, 2023 and 2024 and the three months ended March 31, 2025 did not exceed the estimated losses for the same periods.

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Other Intangible Assets

During the Track Record Period, our other intangible assets represented acquired software. We recorded other intangible assets of nil, nil and RMB0.6 million as of December 31, 2023 and 2024 and March 31, 2025, respectively.

Prepayments, Deposits and Other Receivables

During the Track Record Period, our prepayments, deposits and other receivables primarily consisted of (i) prepayments for research and development services, representing prepayments to service providers for our preclinical and clinical studies, (ii) value-added tax recoverable, (iii) deferred listing expense, (iv) rental and other deposits, (v) prepayments for other expenses, mainly in relation to certain short-term software licenses and other miscellaneous expenses, and (vi) prepayments for long-term assets, associated with purchase of equipment. The following table sets forth a breakdown of our prepayments, deposits and other receivables as of the dates indicated:

	As of		As of
	December 31,		March 31,
	2023	2024	2025
	(RMB in thousands)		
Non-current			
Value-added tax recoverable	17,717	24,165	26,806
Rental deposits	1,376	1,404	1,256
Prepayments for long-term assets	174	–	1,129
Current			
Prepayments for research and development services	17,570	50,273	51,523
Deferred listing expense	–	5,093	7,081
Prepayments for other expenses	708	1,360	1,661
Rental and other deposit	1,068	673	742
Others	122	191	252
Total	38,735	83,159	90,450

Our prepayments, deposits and other receivables increased from RMB38.7 million as of December 31, 2023 to RMB83.2 million as of December 31, 2024, mainly due to (i) an increase of RMB32.7 million in prepayments for research and development services, primarily attributable to service fees prepaid to a CDMO for conducting pilot production of certain preclinical assets in support of their IND submissions, (ii) an increase of RMB6.4 million in value-added tax recoverable, and (iii) an increase of RMB5.1 million in deferred listing expense.

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Our prepayments, deposits and other receivables increased from RMB83.2 million as of December 31, 2024 to RMB90.5 million as of March 31, 2025, mainly due to (i) an increase of RMB2.7 million in value-added tax recoverable, (ii) an increase of RMB2.0 million in deferred listing expense, and (iii) an increase of RMB1.3 million in prepayments for research and development services, primarily attributable to our continued research and development endeavors for our drug candidates.

As of May 31, 2025, RMB6.5 million, or 7.2%, of our prepayments, deposits and other receivables as of March 31, 2025 had been subsequently settled.

Financial Assets at FVTPL

During the Track Record Period, our financial assets at FVTPL represented investments in structured deposits and wealth management products, which include certain short-term or low-risk financial products issued by commercial banks in China, with expected but not guaranteed rates of return ranging from 2.35% to 3.15%, 1.80% to 2.75%, and 2.00% to 3.89% per annum as of December 31, 2023 and 2024 and March 31, 2025, respectively. In accordance with our risk management and investment strategy, we manage and evaluate the performance of these investments on a fair value basis and therefore these investments are designated as financial assets at FVTPL.

Our financial assets at FVTPL increased from RMB100.1 million as of December 31, 2023 to RMB166.2 million as of December 31, 2024, mainly because the amount of structured deposits and wealth management products newly purchased by us in 2024 exceeded the amount redeemed. Our financial assets at FVTPL decreased from RMB166.2 million as of December 31, 2024 to RMB75.1 million as of March 31, 2025, mainly due to our redemption of certain structured deposits and wealth management products in the three months ended March 31, 2025. For more details, see Note 21 to the Accountants' Report set out in Appendix I to this prospectus.

We invest in structured deposits and certain wealth management products to better utilize excess cash when our cash sufficiently covers our ordinary course of business. We believe that making such investments is in the best interest of our Company, in a way to enhance our income without interference with our business operations or capital expenditures. The purchases of structured deposits and wealth management products are carefully reviewed and assessed by the staff in our finance department with financial management or accounting background, and subject to the approval of our management team. Additionally, we have implemented a series of risk management and capital preservation investment policy, as well as internal control measures regarding our investment in structured deposits and wealth management products. These policies and measures include:

- our investment decisions are made on a case-by-case basis and after due and careful consideration of a number of factors, such as the general market conditions, maturity of the investment and the expected returns;
- our finance department, subject to the review and approval of our finance manager, is responsible for the overall execution of our short-term investments, including risk assessment;

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- our Board oversees the overall financing activities and investment strategies and supervises our internal audit and risk control departments in the management of our Company’s auditing and treasury management activities, including providing improvement suggestions and engaging periodical discussions with the relevant management team pursuant to our internal control policies;
- we only purchase low-risk structured deposits and wealth management products issued by qualified financial institutions, and in any given period, we invest in products provided by multiple issuers to mitigate concentration risks; and
- after making an investment, we closely monitor its performance and fair value on a regular basis.

In the future, we may continue to purchase low-risk structured deposits and wealth management products with a short maturity period based on surplus cash situation to maximize our capital utilization efficiency. Our investments in structured deposits and wealth management products will be subject to the compliance with the requirements under Chapter 14 of the Listing Rules.

Inventories

During the Track Record Period, our inventories represented contract costs incurred for our provision of research and development services under the Oblenio Agreement, for which relevant performance obligations had not yet been fulfilled to be expensed as cost of sales. For details of the Oblenio Agreement, see “Business — Collaboration Agreements — Collaboration, Exclusive Option and License Agreement with Oblenio, a NewCo formed by Aditum Bio.” We recorded inventories of nil, nil and RMB18.5 million as of December 31, 2023 and 2024 and March 31, 2025, respectively.

Cash and Cash Equivalents

During the Track Record Period, our cash and cash equivalents represented cash and bank balances denominated in Renminbi and U.S. dollar. Our cash and cash equivalents increased from RMB247.5 million as of December 31, 2023 to RMB372.5 million as of December 31, 2024, mainly due to the cash inflows from our bank borrowings and Series C+ Financing in 2024. Our cash and cash equivalents further increased to RMB431.4 million as of March 31, 2025, mainly due to the cash inflows from our redemption of structured deposits and wealth management products in the three months ended March 31, 2025. For an analysis on cash flows during the Track Record Period, see “— Liquidity and Capital Resources.”

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Trade and other payables

During the Track Record Period, our trade and other payables consisted of (i) accrued expenses for research and development services, representing accrued yet unpaid fees to relevant service providers in support of our preclinical and clinical programs, (ii) payroll payables, (iii) listing expenses, (iv) trade payables representing invoiced yet unpaid fees relating to our research and development activities, long-term assets, (v) other taxes payables, and (vi) other payables, mainly in relation to property, plant and equipment, utilities and property management fees. The following table sets forth a breakdown of our trade and other payables as of the dates indicated:

	As of December 31,		As of March 31,
	2023	2024	2025
<i>(RMB in thousands)</i>			
Non-current			
Other payables for long-term assets	–	–	218
Current			
Accrued expenses for research and development services	14,396	22,373	40,837
Listing expenses	–	10,957	9,380
Payroll payables	8,938	11,888	6,310
Trade payables	215	3,524	2,944
Other taxes payables	899	778	419
Other payables			
– Payables for property, plant and equipment	575	178	44
– Others	672	3,490	967
Total	25,695	53,188	61,119

Our trade and other payables increased from RMB25.7 million as of December 31, 2023 to RMB53.2 million as of December 31, 2024, mainly due to (i) an increase of RMB11.0 million in listing expenses, in connection with the proposed Listing and Global Offering; and (ii) an increase of RMB8.0 million in accrued expenses for research and development services which were not yet due as of December 31, 2024, as well as an increase of RMB3.3 million in trade payables, both driven by the advancement of various preclinical and clinical programs of our drug candidates.

Our trade and other payables increased from RMB53.2 million as of December 31, 2024 to RMB61.1 million as of March 31, 2025, mainly due to an increase of RMB18.5 million in accrued expenses for research and development services, in connection with accrued service fees payable to a CDMO; partially offset by a decrease of RMB5.6 million in payroll payables, primarily because the year-end bonuses accrued at the end of 2024 were subsequently paid out in January 2025.

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The following table sets forth an aging analysis of our trade payables based on the invoice date as of the dates indicated:

	As of December 31,		As of March 31,
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within 3 months	215	3,524	2,944
Total trade payables	215	3,524	2,944

As of May 31, 2025, RMB20.2 million, or 33.1%, of our trade and other payables as of March 31, 2025 had been subsequently settled.

Interest-Bearing Bank Borrowings

During the Track Record Period, our interest-bearing bank borrowings represented unsecured bank loans repayable within one year. We recorded interest-bearing bank borrowings of RMB61.0 million, RMB255.2 million and RMB255.2 million as of December 31, 2023 and 2024 and March 31, 2025, respectively. For details, see Note 25 to the Accountants' Report set out in Appendix I to this prospectus.

Contract Liabilities

During the Track Record Period, our contract liabilities represented the upfront payments and near-term payments we received from NewCo under the Oblenio Agreement, for which we had not yet completed the corresponding performance obligations to recognize as revenue. For details of the Oblenio Agreement, see "Business — Collaboration Agreements — Collaboration, Exclusive Option and License Agreement with Oblenio, a NewCo formed by Aditum Bio." We recorded contract liabilities of nil, RMB84.2 million and RMB139.1 million as of December 31, 2023 and 2024 and March 31, 2025, respectively.

As of May 31, 2025, nil of our contract liabilities as of March 31, 2025 had been recognized as revenue.

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Redemption Liabilities on Equity Shares

Redemption liabilities on equity shares represented the redemption liabilities of the equity shares we issued to our Pre-IPO Investors. We classified such Shares with preferred rights held by Pre-IPO Investors as financial liabilities measured at FVTPL, the carrying amount of which amounted to RMB1,303.5 million, nil and nil as of December 31, 2023 and 2024 and March 31, 2025, respectively. The significant decrease in 2024 was mainly because we entered into certain supplemental agreements with our Pre-IPO Investors to terminate the redemption rights granted to these Pre-IPO Investors, and as a result, these liabilities were reclassified into equity and we no longer recognized any redemption liabilities on equity shares thereafter. For more information, see “History, Development and Corporate Structure — Establishment and Major Shareholding Changes of Our Company.” For details on the fair value measurement of redemption liabilities on equity shares, please see “— Material Accounting Policies and Significant Accounting Judgments and Estimates — Material Accounting Policies — Fair Value Measurement” in this section and Note 26 to the Accountants’ Report set out in Appendix I to this prospectus.

The fair value of a redemption liability on equity shares is calculated at the higher of (i) P+I, and (ii) the net assets of our Company held by the investors at the proportion of the equity interest held by the investors. For more information, see Note 34 to the Accountants’ Report set out in Appendix I to this prospectus.

Details of the fair value measurement of financial liabilities at FVTPL, particularly the fair value hierarchy, the valuation techniques and key inputs, including significant unobservable inputs, the relationship of unobservable inputs to fair value and reconciliation of level 3 measurements are disclosed in Note 34 to the Accountants’ Report set out in the Appendix I to this prospectus. The reporting accountant has carried out audit works in accordance with Hong Kong Standard on Investment Circular Reporting Engagement 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants for the purpose of expressing an opinion on our Group’s historical financial information for the Track Record Period as a whole in Appendix I to this prospectus. The reporting accountants’ opinion on the historical financial information of our Group for the Track Record Period is set out on page I-2 of Appendix I to this prospectus.

Lease Liabilities

During the Track Record Period, our lease liabilities were in relation to the properties that we leased for our office premises, research and development centers and manufacturing facilities. We recognized lease liabilities in respect of all of our leases, except for short-term leases and leases of low-value assets. Our lease liabilities increased from RMB6.1 million as of December 31, 2023 to RMB11.3 million as of December 31, 2024, mainly due to the new lease contracts we entered into for the expansion of our office premises, research and development centers and manufacturing facilities in 2024. Our lease liabilities further increased to RMB20.7 million as of March 31, 2025, mainly due to the extension of terms for our existing leases.

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The following table sets forth a breakdown of our lease liabilities as of the dates indicated:

	As of December 31,		As of March 31,
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Lease Liabilities			
– Current portion	4,311	5,716	6,416
– Non-current portion	1,777	5,547	14,283
Total	6,088	11,263	20,699

KEY FINANCIAL RATIOS

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

	As of December 31,		As of March 31,
	2023	2024	2025
Current ratio ⁽¹⁾	0.3	1.5	1.3

Note:

(1) Current ratio equals current assets divided by current liabilities as of the end of the year/period.

Our current ratio increased significantly from 0.3 as of December 31, 2023 to 1.5 as of December 31, 2024, mainly attributable to a substantial decrease in our current liabilities, which was primarily due to a decrease in redemption liabilities on equity shares resulting from the termination of redemption rights granted to our Pre-IPO Investors. Our current ratio decreased from 1.5 as of December 31, 2024 to 1.3 as of March 31, 2025, mainly attributable to an increase in our current liabilities, which was primarily due to an increase in contract liabilities arising from our receipt of the second tranche of upfront payments under the Oblenio Agreement.

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LIQUIDITY AND CAPITAL RESOURCES

Our primary use of cash during the Track Record Period was to fund research and development activities for our drug candidates, administrative expenses and other recurring expenses. We recorded net cash used in operating activities of RMB192.7 million, RMB118.8 million, RMB36.9 million and RMB26.4 million in 2023, 2024 and the three months ended March 31, 2024 and 2025, respectively. During the Track Record Period and up to the Latest Practicable Date, we primarily funded our working capital requirements through equity financing, payments received under our collaboration and licensing arrangements and debt financing. Our management closely monitors use of cash and cash equivalents 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 existing and 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.

Cash Flows

The following table sets forth our cash flows for the periods indicated:

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2023	2024	2024	2025
	<i>(RMB in thousands)</i>			
	<i>(unaudited)</i>			
Operating cash flow before movements in working capital	(210,778)	(189,146)	(45,413)	(65,321)
Changes in working capital	18,093	70,330	8,541	38,956
Net cash flows used in operating activities	(192,685)	(118,816)	(36,872)	(26,365)
Net cash flows from/(used in) investing activities	135,492	(67,302)	49,268	91,076
Net cash flows from/(used in) financing activities	49,492	309,019	43,103	(5,673)
Net (decrease)/increase in cash and cash equivalents	(7,701)	122,901	55,499	59,038
Cash and cash equivalents at the beginning of year/period	252,526	247,523	247,523	372,542
Effect of foreign exchange rate changes, net	2,698	2,118	264	(204)
Cash and cash equivalents at the end of year/period	247,523	372,542	303,286	431,376

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Net Cash Flows Used in Operating Activities

For the three months ended March 31, 2025, our net cash used in operating activities was RMB26.4 million. Our loss before tax was RMB75.4 million for the same period. The difference between our loss before tax and our net cash used in operating activities for the period was primarily attributable to (i) certain non-cash or non-operating expenses or losses, mainly including depreciation of property, plant and equipment of RMB4.3 million, charge of share-based compensation expenses of RMB2.3 million and finance costs of RMB1.9 million; and (ii) changes in certain working capital items, mainly including an increase in contract liabilities of RMB54.9 million, which is partially offset by an increase in inventories of RMB18.5 million.

In 2024, our net cash used in operating activities was RMB118.8 million. Our loss before tax was RMB301.2 million for the same year. The difference between our loss before tax and our net cash used in operating activities for the period was primarily attributable to (i) certain non-cash or non-operating expenses or losses, mainly including change in fair value of redemption liabilities on equity shares of RMB42.1 million, charge of share-based compensation expenses of RMB41.9 million and depreciation of property, plant and equipment of RMB20.2 million; and (ii) changes in certain working capital items, mainly including an increase in contract liabilities of RMB84.2 million.

In 2023, our net cash used in operating activities was RMB192.7 million. Our loss before tax for the year was RMB362.2 million. The difference between our loss before tax and our net cash used in operating activities for the year was attributable to (i) certain non-cash or non-operating expenses or losses, mainly including change in fair value of redemption liabilities on equity shares of RMB117.3 million, depreciation of property, plant and equipment of RMB19.7 million and charge of share-based compensation expenses of RMB17.8 million; and (ii) changes in certain working capital items, mainly including a decrease in prepayments and other current assets of RMB17.6 million.

We recorded net operating cash outflows during the Track Record Period. As a clinical-stage biotechnology company, we plan to improve our net operating cash outflow position through the following ways: (i) we plan to accelerate the clinical development of our drug candidates and advance them towards commercialization in the next few years, particularly our Core Product LBL-024 and key product LBL-034. Upon receipt of the expected conditional marketing approvals for LBL-024 in EP-NEC and LBL-034 in MM as early as 2027, followed by more approvals for additional indications and/or drug candidates in the upcoming years, we expect to complement the funding for our operations with revenue generated from sales of our commercialized drugs; (ii) we plan to continue to cultivate value-accretive partnerships with different industry players and benefit from the considerations under these partnerships. We have received the upfront payments totaling US\$15.0 million and near-term payments of US\$4.4 million under the Oblenio Agreement as of the Latest Practicable Date. In the foreseeable future, upon achievements of more milestone events specified in our respective collaboration agreements and other terms of these agreements, we expect to generate additional income from our existing and potential collaboration and licensing arrangements; and (iii) we plan to adopt comprehensive measures to effectively optimize our cost structure and control our operating expenses. We will also closely monitor our receivables collection and payables settlement, thereby enhancing working capital management and improving our cash flow position.

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Net Cash Flows Generated From/(Used in) Investing Activities

For the three months ended March 31, 2025, our net cash generated from investing activities was RMB91.1 million, primarily attributable to our disposal of financial assets at FVTPL, net of RMB91.5 million.

In 2024, our net cash used in investing activities was RMB67.3 million, primarily attributable to our purchases of financial assets at FVTPL, net of RMB64.3 million.

In 2023, our net cash from investing activities was RMB135.5 million, primarily attributable to our disposal of financial assets at FVTPL, net of RMB147.2 million, partially offset by purchases of items of property, plant and equipment of RMB11.7 million.

Net Cash Flows Generated From/(Used in) Financing Activities

For the three months ended March 31, 2025, our net cash used in financing activities was RMB5.7 million, which was attributable to (i) repayment of bank borrowings of RMB89.0 million, (ii) payment of listing expenses of RMB2.4 million, (iii) interest paid of bank borrowings of RMB1.7 million and (iv) lease payments, including related interest of RMB1.6 million; partially offset by new borrowings raised of RMB89.0 million.

In 2024, our net cash generated from financing activities was RMB309.0 million, which was primarily attributable to (i) new borrowings raised of RMB275.0 million, and (ii) proceeds on issue of shares of RMB130.0 million; partially offset by repayment of bank borrowings of RMB81.0 million.

In 2023, our net cash generated from financing activities were RMB49.5 million, which was primarily attributable to new borrowings raised of RMB61.0 million, partially offset by interest paid of convertible bonds of RMB5.8 million and lease payments, including related interest of RMB4.6 million.

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Current Assets and Current Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,		As of March 31,	As of May 31,
	2023	2024	2025	
	(RMB in thousands)			
	(unaudited)			
Current assets				
Prepayments, deposits and other receivables	19,468	57,590	61,259	64,714
Financial assets at FVTPL	100,130	166,175	75,083	20,030
Inventories	–	–	18,488	20,273
Cash and cash equivalents	247,523	372,542	431,376	356,032
Total current assets	367,127	596,307	586,206	461,049
Current liabilities				
Trade and other payables	25,695	53,188	60,901	33,506
Interest-bearing bank borrowings	61,000	255,212	255,221	189,257
Contract liabilities	–	84,220	139,127	146,564
Redemption liabilities on equity shares	1,303,504	–	–	–
Lease liabilities	4,311	5,716	6,416	4,943
Total current liabilities	1,394,510	398,336	461,665	374,270
Net current (liabilities)/assets	(1,027,389)	197,971	124,541	86,779

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Our net current assets decreased from RMB124.5 million as of March 31, 2025 to RMB86.8 million as of May 31, 2025, primarily attributable to (i) a decrease of RMB75.3 million in cash and cash equivalents, mainly due to cash outflows from operating activities, and (ii) a decrease of RMB55.1 million in financial assets at FVTPL, due to our continued redemption of structured deposits and wealth management products; partially offset by a decrease of RMB66.0 million in interest-bearing bank borrowings, due to our repayment of related bank loans.

Our net current assets decreased from RMB198.0 million as of December 31, 2024 to RMB124.5 million as of March 31, 2025, primarily attributable to (i) a decrease in financial assets at FVTPL resulting from our redemption of structured deposits and wealth management products, and (ii) an increase in contract liabilities arising from our receipt of the second tranche of upfront payments under the Oblenio Agreement, the cash inflows from both were subsequently used as working capital to fuel our business operations in the three months ended March 31, 2025.

We recorded net current assets of RMB198.0 million as of December 31, 2024 as compared to net current liabilities of RMB1,027.4 million as of December 31, 2023. The increase of net current assets was primarily attributable to a decrease of RMB1,303.5 million in redemption liabilities on equity shares, as our Pre-IPO Investors' redemption rights had been terminated pursuant to certain supplemental agreements in 2024. Consequently, such liabilities were reclassified into equity and we ceased recording any redemption liabilities on equity shares thereafter. This decrease was partially offset by an increase of RMB194.2 million in interest-bearing bank borrowings.

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CASH OPERATING COSTS

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

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2023	2024	2024	2025
	(RMB in thousands)			
	(unaudited)			
Costs relating to research and development of our Core Product				
Preclinical and CMC expenses	13,513	11,887	12	6,352
Clinical trial expenses	22,637	23,818	843	6,916
Staff costs	10,258	20,631	4,191	6,471
Costs of materials and consumables	2,731	1,837	276	3,644
Others	3,179	3,978	1,466	1,625
Subtotal	52,318	62,151	6,788	25,008
Costs relating to research and development of our other product candidates				
Preclinical and CMC expenses	12,780	43,120	3,320	3,862
Clinical trial expenses	35,931	14,766	3,830	6,161
Staff costs	52,579	48,544	11,261	14,380
Costs of materials and consumables	11,903	10,360	1,010	3,804
Others ⁽¹⁾	15,100	6,477	2,816	1,483
Subtotal	128,293	123,267	22,237	29,690
Total research and development costs	180,611	185,418	29,025	54,698

Note:

- (1) Primarily includes equipment and instruments, technical consulting fees, application fees, office expenses, and transportation costs.

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	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2023	2024	2024	2025
	(RMB in thousands)			
	(unaudited)			
Workforce employment cost ⁽¹⁾	16,829	21,155	4,894	7,405
Direct production cost ⁽²⁾	—	—	—	—
Non-income taxes, royalties and other governmental charges	—	—	—	—
Contingency allowances	—	—	—	—
Product marketing ⁽³⁾	—	—	—	—
Other significant costs ⁽⁴⁾	6,456	10,173	2,785	16,103
Total	203,896	216,746	36,704	78,206

Notes:

- (1) Workforce employment cost represents total non-research and development personnel costs mainly including salaries and benefits.
- (2) We had not commenced commercial manufacturing as of the Latest Practicable Date.
- (3) We had not commenced product sales as of the Latest Practicable Date.
- (4) Primarily includes listing expenses, professional service fees, general office expenses and other miscellaneous expenses.

WORKING CAPITAL CONFIRMATION

Taking into account the financial resources available to us, including cash and cash equivalents, financial assets at FVTPL, unutilized bank facilities and the estimated net proceeds from the Global Offering, and considering our cash burn rate, our Directors are of the view that we have available sufficient working capital to cover at least 125% of our costs, including research and development expenses, administrative expenses, finance costs and other operating costs, for at least the next 12 months from the date of this prospectus.

Our cash burn rate refers to the average monthly amount of net cash used in operating activities, capital expenditures and lease payments. We had cash and cash equivalents and financial assets at FVTPL in an aggregate of RMB376.1 million as of May 31, 2025. We estimate that we will receive net proceeds of approximately HK\$916.0 million in the Global Offering, at an Offer Price of HK\$31.60 per H Share, being the low end of the indicative Offer Price range stated in this prospectus. Assuming an average cash burn rate going forward of 2.5 times the level in the three months ended March 31, 2025, we estimate that (i) our cash and cash equivalents and financial assets at FVTPL as of May 31, 2025 will be able to maintain our financial viability for over 16 months from May 31, 2025, (ii) if we take into account 10.0% of the estimated net proceeds from the Global Offering (namely, the portion allocated for our working capital and other general corporate purposes), 19 months, or, (iii) if we take into account all estimated net proceeds from the Global Offering, 51 months. Our Directors and management team will

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continue to monitor our working capital, cash flows and our business development progress. We expect to raise our next round of financing no earlier than six months after the completion of the Global Offering.

Our Directors are of the opinion that we will have adequate working capital and sufficient cash balance to support our business growth until we achieve a net operating cash inflow position, without taking account of the estimated proceeds from the Global Offering, on the following grounds: (i) we had cash and cash equivalents of RMB356.0 million and financial assets at FVTPL of RMB20.0 million, which are all highly liquid assets, as of May 31, 2025; (ii) We have received the upfront payments totaling US\$15.0 million and near-term payments of US\$4.4 million under the Oblenio Agreement as of the Latest Practicable Date. For details of the Oblenio Agreement, see “Business — Collaboration Agreements — Collaboration, Exclusive Option and License Agreement with Oblenio, a NewCo formed by Aditum Bio.” Going forward, upon achievements of more milestone events specified in our respective collaboration agreements and as we are actively exploring additional partnerships with different industry players, we expect our existing and potential collaboration and licensing arrangements will bring us further capital support; (iii) we may seek additional funding through debt financing, if needed. As of May 31, 2025, we had unutilized bank facilities of RMB221.0 million; (iv) subject to clinical progress and regulatory communications, we anticipate our drug candidates, particularly LBL-024 and LBL-034, will receive the requisite marketing approvals in the next few years. Upon the successful commercialization of one or more of our drug candidates, we expect to complement the funding for our operations with revenue generated from sales of our products; and (v) we will continue to enhance the management of our working capital by closely monitoring receivables collection and payables settlement, meanwhile implementing comprehensive measures to improve operational efficiency and optimize our cost structure.

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INDEBTEDNESS

The following table sets forth our indebtedness by nature as of the dates indicated:

	As of December 31,		As of March 31,	As of May 31,
	2023	2024	2025	
	(RMB in thousands)			
	(unaudited)			
Indebtedness				
<i>Current portion:</i>				
Redemption liabilities on				
equity shares	1,303,504	—	—	—
Interest-bearing bank borrowings	61,000	255,212	255,221	189,257
Lease liabilities	4,311	5,716	6,416	4,943
<i>Non-current portion:</i>				
Lease liabilities	1,777	5,547	14,283	14,378
Total	1,370,592	266,475	275,920	208,578

Except as disclosed in the table 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 May 31, 2025. After due and careful consideration, our Directors confirm that there had been no material change in our indebtedness since May 31, 2025 and up to the date of this Prospectus.

Our Directors confirm that as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt and there was no breach of any covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that our Group did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Interest-bearing Bank Borrowings

As of December 31, 2023 and 2024, March 31 and May 31, 2025, we had bank borrowings of RMB61.0 million, RMB255.2 million, RMB255.2 million and RMB189.3 million, respectively. These borrowings bear an effective interest rate ranging from 2.7% to 3.5% per annum. All of these borrowings will become due by March 2026.

As of May 31, 2025, we had unutilized bank facilities of RMB221.0 million.

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Lease Liabilities

Our lease liabilities amounted to RMB6.1 million, RMB11.3 million, RMB20.7 million and RMB19.3 million as of December 31, 2023 and 2024, March 31 and May 31, 2025, respectively. Lease liabilities are recognized at the commencement date of the lease at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, we use incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The weighted average incremental borrowing rates applied to the lease liabilities was 4.6% per annum during the Track Record Period.

RELATED PARTY TRANSACTIONS

Save for the compensation of key management personnel classified as related party transactions, we had no other related party transaction during the Track Record Period. See Note 34 to the Accountants' Report set out in the Appendix I to this prospectus for details on compensation paid or payable to our key management personnel during the Track Record Period.

CAPITAL EXPENDITURES

We regularly incur capital expenditures to purchase and maintain our property, plant and equipment in order to enhance our development capabilities and expand our business operations. Historically, we have funded our capital expenditures mainly through equity financing, payments received under our collaboration and licensing arrangements and debt financing. The following table sets forth our capital expenditures for the periods indicated:

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2023	2024	2024	2025
	<i>(RMB in thousands)</i>			
	<i>(unaudited)</i>			
Capital expenditures:				
Purchases of property, plant and equipment	<u>11,728</u>	<u>2,975</u>	<u>1,296</u>	<u>384</u>

We expect that our capital expenditures in 2025 will be primarily related to purchases of machinery and equipment for research and development activities. See “Future Plans and use of Proceeds” for more details. We plan to fund our planned capital expenditures mainly through a combination of 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. 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.

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COMMITMENTS

Capital Commitments

Our capital commitments during the Track Record Period primarily related to property, plant and equipment and other intangible assets. The following table sets forth our capital commitments as of the dates indicated:

	As of December 31,		As of March 31,
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Property, plant and equipment	1,057	143	71
Other intangible assets	—	—	826
Total	1,057	143	897

CONTINGENT LIABILITIES

As of December 31, 2023 and 2024 and March 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.

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, especially as the COVID-19 pandemic has come under control as of the Latest Practicable Date. Our Directors are of the view that it is unlikely that the COVID-19 pandemic will have a material adverse impact on our business going forward.

FINANCIAL RISK DISCLOSURE

We are exposed to a variety of financial risks, including credit risk and liquidity risk, as set out below. Our management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. For more details, see Note 37 to the Accountants' Report set out in the Appendix I to this prospectus.

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Credit Risk

We trade only with recognized and creditworthy third parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and our exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, we do not offer credit terms without the specific approval of the head of credit control.

Our exposure to credit risk arising from cash and cash equivalents and financial assets at FVTPL is limited and remote because the counterparties are state-owned banks or reputable commercial banks for which we consider having immaterial credit risk.

Our credit risk is primarily attributable to other receivables. Our management has assessed that during the Track Record Period, other receivables have not had a significant increase in credit risk since initial recognition. Thus, a 12-month expected credit loss approach that results from possible default events within 12 months of each reporting date is adopted by management.

Liquidity Risk

In the management of the liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by our management to finance the operations and mitigate the effects of fluctuations in cash flows. For further details and an analysis of the maturity profile of our financial liabilities at the end of each year/period during the Track Record Period, see Note 37 to the Accountants' Report set out in Appendix I to this prospectus.

DIVIDENDS

We did not declare or pay any dividend during the Track Record Period. We do not currently have a formal dividend policy or a pre-determined dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Investors should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China. As advised by our PRC Legal Adviser, taking into account the aforesaid, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our accumulated losses, or even if we become profitable, as we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered by our after-tax profits, and (ii) sufficient statutory and other reserves are drawn in accordance with the relevant laws, regulations and our constitutional documents. In light of our accumulated losses as disclosed in this prospectus, it is unlikely that we will be eligible to pay dividends out of our profits in the foreseeable future.

FINANCIAL INFORMATION

DISTRIBUTABLE RESERVES

As of March 31, 2025, we did not have any distributable reserves.

LISTING EXPENSE

Listing expenses to be borne by us are estimated to be approximately HK\$99.7 million (including underwriting commission, assuming an Offer Price of HK\$33.30 per H Share, being the mid-point of the indicative Offer Price range of HK\$31.60 to HK\$35.00 per H Share), which represent 9.3% of the gross proceeds from the Global Offering, assuming no H Shares are issued pursuant to the Offer Size Adjustment Option and the Over-allotment Option. The above listing expenses are comprised of (i) underwriting-related expenses of HK\$53.4 million, and (ii) non-underwriting-related expenses of HK\$46.3 million, including (a) the legal advisors and the reporting accountants expenses of HK\$26.0 million, and (b) other fees and expenses of HK\$20.3 million. During the Track Record Period, we incurred listing expenses of HK\$30.7 million, HK\$23.0 million of which was charged to our consolidated statements of profit or loss, and HK\$7.7 million of which was attributable to the issue of Shares and will be deducted from equity. We expect to incur additional listing expenses of approximately HK\$69.0 million after the Track Record Period, approximately HK\$18.5 million of which is expected to be charged to our consolidated statements of profit or loss, and approximately HK\$50.5 million of which is attributable to the issue of Shares and will be deducted from equity upon 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 STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets of our Group was prepared in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited 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 below to illustrate the effect of the Global Offering on our consolidated net tangible assets attributable to owners of our Company as if the Global Offering had taken place on March 31, 2025.

This unaudited pro forma statement of adjusted consolidated net tangible assets was prepared for illustrative purpose only, and due to its hypothetical nature, it may not give a true picture of our consolidated net tangible assets to owners of the parent had the Global Offering been completed as of March 31, 2025 or as of any future dates.

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The following unaudited pro forma statement of adjusted consolidated net tangible assets of our Group is prepared based on our audited consolidated net tangible assets attributable to our owners as of March 31, 2025 as derived from the Accountants' Report set out in Appendix I to this prospectus and adjusted as described below.

	Consolidated net tangible assets of our Group attributable to owners of our Company as of March 31, 2025 ⁽¹⁾	Estimated net proceeds from the Global Offering ⁽²⁾	Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company as of March 31, 2025	Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company as of March 31, 2025 per Share	
	RMB'000	RMB'000	RMB'000	RMB ⁽³⁾	HK\$ ⁽⁴⁾
Based on an Offer Price of HK\$31.60 per H Share	192,065	854,953	1,047,018	5.55	6.10
Based on an Offer Price of HK\$35.00 per H Share	192,065	949,218	1,141,283	6.05	6.65

Notes:

- (1) The consolidated net tangible assets of our Group attributable to owners of our Company as of March 31, 2025 was arrived at after deducting other intangible assets of RMB600,000 from the consolidated net assets of RMB192,665,000 attributable to owners of our Company as of March 31, 2025 as extracted from the Accountants' Report set out in Appendix I to this prospectus.
- (2) The estimated net proceeds from the Global Offering are based on the indicative Offer Price of HK\$31.60 and HK\$35.00 per H share after deduction of the estimated underwriting fees and other related expenses payable by our Group (excluding the listing expense that have been charged to profit or loss during the Track Record Period) and takes no account of any shares which may be issued upon the exercise of the Offer Size Adjustment Option and/or the Over-allotment Option.
- (3) The unaudited pro forma adjusted consolidated net tangible assets per share are determined after the adjustments as described in note (2) above and on the basis that 188,554,400 Shares are in issue, assuming the Global Offering had been completed on March 31, 2025 but takes no account of any shares which may fall to be issued upon the exercise of the Offer Size Adjustment Option and/or the Over-allotment Option.
- (4) For the purpose of this unaudited pro forma adjusted consolidated net tangible assets, the balance stated in Renminbi is converted into Hong Kong dollars at a rate of HK\$1 to RMB0.91054. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.
- (5) Except as disclosed above, no adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transactions of our Group entered into subsequent to March 31, 2025.

FINANCIAL INFORMATION

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, there has been no material adverse change in our financial or trading position or prospects since March 31, 2025 and up to the date of this prospectus and there is no event since March 31, 2025 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report in Appendix I to this prospectus.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

SHARE CAPITAL

This section presents certain information regarding the share capital of our Company following the completion of the Global Offering.

IMMEDIATELY BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, the registered share capital of our Company was RMB156,500,000 divided into 156,500,000 Unlisted Shares with a nominal value of RMB1.0 each.

UPON COMPLETION OF THE GLOBAL OFFERING

Immediately following the completion of the Global Offering and the conversion of certain Unlisted Shares into H Shares, assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total share capital
Unlisted Shares in issue	45,613,109	24.2%
H Shares to be issued under the Global Offering	32,054,400	17.0%
H Shares converted from Unlisted Shares	110,886,891	58.8%
Total	188,554,400	100%

Immediately following completion of the Global Offering and the conversion of certain Unlisted Shares into H Shares, assuming the Offer Size Adjustment Option and the Over-allotment Option are fully exercised, the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total share capital*
Unlisted Shares	45,613,109	22.9%
H Shares to be issued under the Global Offering	42,391,800	21.3%
H Shares converted from Unlisted Shares	110,886,891	55.8%
Total	198,891,800	100%

* Any discrepancies in the table between the total shown and the sum of the amounts listed are due to rounding.

SHARE CAPITAL

RANKING

Upon completion of the Global Offering, we would have only one class of Shares. H Shares and Unlisted Shares are all ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect or 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 for by or traded between legal or natural persons of the PRC. Unlisted Shares and H 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 in respect of the H Shares are to be paid by us in Hong Kong dollars or in the form of H Shares.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

The Company has filed for a “full circulation” of all the existing 110,886,891 Unlisted Shares into H Shares on a one-for-one basis, and submitted the application reports, authorization documents of the shareholders of Unlisted Shares for which an H-share “full circulation” are applied, explanation about the compliance of share acquisition and other documents in accordance with the requirements of the CSRC. The relevant filings of the conversion of the existing 110,886,891 Unlisted Shares held by the existing Shareholders into H Shares on a one-for-one basis have been completed on May 30, 2025.

Upon completion of the Global Offering, if any of our Shares are not listed or traded on any stock exchange, the holders of our Unlisted Shares (other than those to be converted to H Shares) may convert their Shares into H Shares provided such conversion shall have gone through any requisite internal approval process and complied with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the overseas stock exchange(s) and have completed the required filing with the securities regulatory authorities of the State Council, including the CSRC. The listing of such converted Shares on the Stock Exchange will also require the approval of the Stock Exchange.

Based on the procedures for the conversion of our Unlisted Shares into H Shares as disclosed in this section, we can apply for the listing of all or any portion of our Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion to ensure 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 initial listing on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it will not require such prior application for listing at the time of our initial listing in Hong Kong.

No class Shareholder voting is required for the listing and trading of the converted Shares on the Stock Exchange. Any application for listing of the converted Shares on the Stock Exchange after our initial listing is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed conversion.

SHARE CAPITAL

After all the requisite approvals have been obtained, the following procedures will need to be completed: the relevant Unlisted Shares will be withdrawn from the Share register and we will re-register such Shares on our H Share register maintained in Hong Kong and instruct the H Share Registrar to issue H Share certificates. Registration on our H Share register will be on the condition that (a) our H Share Registrar lodges with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register of members and the due despatch of H Share certificates and (b) the admission of the H Shares to trade on the Stock Exchange will comply with the Listing Rules and the General Rules of HKSCC and the HKSCC Operational Procedures in force from time to time. Until the converted Shares are re-registered on our H Share register, such Shares would not be listed as H Shares.

For further details, see “Risk Factors — Risks Relating to the Global Offering — Future sales or perceived sales of our H Shares in the public market by major Shareholders following the Global Offering could materially and adversely affect the price of our H Shares.”

TRANSFER OF SHARES ISSUED PRIOR TO THE GLOBAL OFFERING

Pursuant to the PRC Company Law, our Shares issued prior to the Listing shall not be transferred within one year from the Listing Date. 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 hold in our Company cannot be transferred within one year from the Listing Date, nor within half a year after they leave their positions as Directors, Supervisors or members of the senior management in our Company.

See “Underwriting — Undertakings pursuant to the Hong Kong Underwriting Agreement” for details of the lock-up undertakings.

SHAREHOLDERS’ GENERAL MEETING

For details of circumstances under which our Shareholders’ general meeting is required, see “Appendix IV — Summary of Principal Legal and Regulatory Provisions” and “Appendix V — Summary of Articles of Association.”

PRE-IPO SHARE INCENTIVE PLAN

We adopted the Pre-IPO Share Incentive Plan, details of which are set forth in “Appendix VI — Statutory and General Information — C. Further Information about our Directors, Supervisors and Substantial Shareholders — 4. Pre-IPO Share Incentive Plan.”

SHARE CAPITAL

GENERAL MANDATES TO ISSUE SHARES, SELL AND/OR TRANSFER TREASURY SHARES AND REPURCHASE SHARES

Subject to the completion of the Global Offering, pursuant to the Shareholders resolutions of the Company, our Directors have been granted general unconditional mandates to issue our Shares and sell and/or transfer our Shares out of treasury that are held as treasury shares and repurchase our Shares. See “Appendix VI — Statutory and General Information — A. Further Information about our Group — 4. Resolutions of Our Shareholders.”

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to 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》) announced by the CSRC, the domestic shareholders of our Shares that are not listed on the overseas stock exchange shall handle share transfer registration business in accordance with the relevant business rules of the CSDC. Further, H-share companies should submit the relevant status reports to the CSRC within 15 days after the transfer registration with the CSDC of such shares involved in the application is completed.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Global Offering and the conversion of our Unlisted Shares to H Shares assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised, the following persons will have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, 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 general meetings of our Company:

Name of Shareholder	Capacity/Nature of interest	Description of Shares ⁽¹⁾	Number of Shares	Approximate percentage of shareholding in the Unlisted Shares/ H Shares (to be converted) of our Company as of the Latest Practicable Date ⁽¹⁾	Approximate percentage of shareholding in the total Share capital of our Company immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised) ⁽²⁾	Approximate percentage of shareholding in the Unlisted Shares/ H Shares immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised) ⁽³⁾
Dr. Kang	Beneficial owner	Unlisted Shares	3,937,308	8.63%	2.09%	8.63%
		H Shares	3,937,309	3.55%	2.09%	2.75%
	Interest in controlled corporations ⁽⁴⁾⁽⁵⁾	Unlisted Shares	7,846,659	17.20%	4.16%	17.20%
		H Shares	8,582,723	7.74%	4.55%	6.00%
	Interest jointly held with another person ⁽⁶⁾	Unlisted Shares	3,192,410	7.00%	1.69%	7.00%
		H Shares	3,192,411	2.88%	1.69%	2.23%
Dr. Lai	Beneficial owner	Unlisted Shares	3,192,410	7.00%	1.69%	7.00%
		H Shares	3,192,411	2.88%	1.69%	2.23%
	Interest jointly held with another person ⁽⁶⁾	Unlisted Shares	11,783,967	25.83%	6.25%	25.83%
		H Shares	12,520,032	11.29%	6.64%	8.76%
Lizhi Partnership ⁽⁴⁾	Beneficial owner	Unlisted Shares	6,422,721	14.08%	3.41%	14.08%
		H Shares	6,422,721	5.79%	3.41%	4.49%
	Interest jointly held with another person ⁽⁶⁾	Unlisted Shares	8,553,656	18.75%	4.54%	18.75%
		H Shares	9,289,722	8.38%	4.93%	6.50%
LeadsTech Limited ⁽⁵⁾	Beneficial owner	Unlisted Shares	960,002	2.10%	0.51%	2.10%
		H Shares	960,002	0.87%	0.51%	0.67%
	Interest jointly held with another person ⁽⁶⁾	Unlisted Shares	14,016,375	30.73%	7.43%	30.73%
		H Shares	14,752,441	13.30%	7.82%	10.32%

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Capacity/Nature of interest	Description of Shares ⁽¹⁾	Number of Shares	Approximate percentage of shareholding in the Unlisted Shares/ H Shares (to be converted) of our Company as of the Latest Practicable Date ⁽¹⁾	Approximate percentage of shareholding in the total Share capital of our Company immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised) ⁽²⁾	Approximate percentage of shareholding in the Unlisted Shares/ H Shares immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised) ⁽³⁾
LeadsBio Limited ⁽⁵⁾	Beneficial owner	Unlisted Shares	463,936	1.02%	0.25%	1.02%
		H Shares	1,200,000	1.08%	0.64%	0.84%
	Interest jointly held with another person ⁽⁶⁾	Unlisted Shares	14,512,441	31.82%	7.70%	31.82%
		H Shares	14,512,443	13.09%	7.70%	10.15%
Ennovation Raylight ⁽⁷⁾	Beneficial owner	Unlisted Shares	2,950,645	6.47%	1.56%	6.47%
		H Shares	2,950,645	2.66%	1.56%	2.06%
Chen Renhai (陳仁海) ⁽⁷⁾	Interest in controlled corporations	Unlisted Shares	6,765,170	14.83%	3.59%	14.83%
		H Shares	8,118,024	7.32%	4.31%	5.68%
Loyal Valley Fund III ⁽⁸⁾	Beneficial owner	Unlisted Shares	9,991,770	21.91%	5.30%	21.91%
		H Shares	–	0.00%	0.00%	0.00%
Lin Lijun (林利軍) ⁽⁸⁾	Interest in controlled corporations	Unlisted Shares	12,674,142	27.79%	6.72%	27.79%
		H Shares	895,954	0.81%	0.48%	0.63%
Shanghai Hankang ⁽⁹⁾	Interest in controlled corporations	Unlisted Shares	–	0.00%	0.00%	0.00%
		H Shares	9,890,453	8.92%	5.25%	6.92%
Yuan Quanhong (苑全紅) ⁽⁹⁾	Interest in controlled corporations	Unlisted Shares	1,683,194	3.69%	0.89%	3.69%
		H Shares	10,889,631	9.82%	5.78%	7.62%
NJNA Management Committee ⁽¹⁰⁾	Interest in controlled Corporations	Unlisted Shares	3,432,418	7.53%	1.82%	7.53%
		H Shares	9,318,524	8.40%	4.94%	6.52%

SUBSTANTIAL SHAREHOLDERS

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. All interests stated are long positions. The calculation is based on the total number of Shares in issue as of the Latest Practicable Date, which consist of 156,500,000 Unlisted Shares among which, 110,886,891 of the Unlisted Shares will be converted into H Shares upon completion of the Global Offering after receipt of the filing notice regarding H share “Full circulation” from the CSRC.
- (2) The calculation is based on the total number of 188,554,400 Shares in issue immediately after completion of the Global Offering (without taking into account the H Shares which may be issued upon the exercise of the Offer Size Adjustment Option and the Over-allotment Option).
- (3) The calculation is based on the total number of 45,613,109 Unlisted Shares and 142,941,291 H Shares in issue immediately after completion of the Global Offering (without taking into account the H Shares which may be issued upon the exercise of the Offer Size Adjustment Option and the Over-allotment Option) after receipt of the filing notice regarding H share “Full circulation” from the CSRC.
- (4) Lizhi Partnership, one of our Share Incentive Platforms and a limited partnership established under the laws of the PRC, is managed by its executive partner, Dr. Kang, who controls the voting rights and decision-making of Lizhi Partnership. As such, Dr. Kang is deemed to be interested in the Shares held by Lizhi Partnership under the SFO. See “Appendix VI — Statutory and General Information — C. Further Information about our Directors, Supervisors and Substantial Shareholders — 4. Pre-IPO Share Incentive Plan” for further details.
- (5) Each of LeadsBio Limited and LeadsTech Limited is one of our Share Incentive Platforms and a private company incorporated under the laws of Hong Kong. According to the Pre-IPO Share Incentive Plan, all the voting rights of LeadsBio Limited and LeadsTech Limited held by the individual grantees under the Pre-IPO Share Incentive Plan shall be exercised by Dr. Kang, the administrator of the Pre-IPO Share Incentive Plan.

As of the Latest Practicable Date, LeadsBio Limited was held by Dr. Kang and Mr. Zuo Honggang (“**Mr. Zuo**”) as to 44.15% and 55.85%, respectively. Pursuant to a voting agreement dated May 27, 2025 entered into between Dr. Kang and Mr. Zuo, Dr. Kang is entitled to exercise the corresponding voting right of the ordinary shares held by Mr. Zuo in LeadsBio Limited. As of the Latest Practicable Date, Mr. Zuo was the sole shareholder of LeadsTech Limited. Pursuant to a voting agreement dated April 12, 2024 entered into between Dr. Kang and Mr. Zuo, Dr. Kang is entitled to exercise the entire voting rights of the ordinary shares held by Mr. Zuo in LeadsTech Limited. Dr. Kang will continue to control the voting rights attached to the Shares held by LeadsBio Limited and LeadsTech Limited upon vesting of any share awards granted to Mr. Zuo by virtue of the above voting arrangements.

As such, Dr. Kang is deemed to be interested in the Shares held by LeadsBio Limited and LeadsTech Limited under the SFO. See “Appendix VI — Statutory and General Information — C. Further Information about our Directors, Supervisors and Substantial Shareholders — 4. Pre-IPO Share Incentive Plan” for further details.

- (6) Dr. Kang, Dr. Lai and our Share Incentive Platforms namely Lizhi Partnership, LeadsBio Limited and LeadsTech Limited (collectively, the “**AIC Parties**”) entered into an acting-in-concert agreement on April 12, 2024 (the “**AIC Agreement**”) pursuant to which the AIC Parties had confirmed and agreed that they would: (i) act in concert with respect to the matters relating to the daily operations, key matters or any other matters required to be approved by the shareholders’ meetings or board meetings of the Company; (ii) consult each other and reach a consensus before voting at board meetings and/or shareholders’ meetings of the Company; and (iii) in case that the AIC Parties fail to reach a consensus, vote based on Dr. Kang’s opinion. As such, each of the AIC Parties are deemed to be interested in the Shares each other is interested in under the SFO. See “History, Development and Corporate Structure — Acting In Concert Arrangement” for details.

SUBSTANTIAL SHAREHOLDERS

- (7) The general partner of Nanjing Ennovation Raylight Venture Capital Partnership (Limited Partnership) (南京恩然瑞光創業投資合夥企業(有限合夥)) (“**Ennovation Raylight**”) is Nanjing Ennovation Raylight Venture Management Partnership (Limited Partnership) (南京恩然瑞光投資管理中心(有限合夥)), which is ultimately controlled by its executive partner, Dr. Chen Renhai (“**Dr. Chen**”). As such, Dr. Chen is deemed to be interested in the Shares held by Ennovation Raylight under the SFO.

Nanjing Jieyuan Growth Venture Capital Partnership (Limited Partnership) (南京捷源成長創業投資合夥企業(有限合夥)) (“**Nanjing Jieyuan**”) beneficially owns 2,974,369 H Shares. The general partner of Nanjing Jieyuan is Nanjing Jieyuan Investment Management Partnership (Limited Partnership) (南京捷源投資管理合夥企業(有限合夥)), which is ultimately controlled by its executive partner, Dr. Chen. As such, Dr. Chen is deemed to be interested in the Shares held by Nanjing Jieyuan under the SFO.

Nanjing Qiruiyoukang Venture Capital Partnership (Limited Partnership) (南京其瑞佑康創業投資合夥企業(有限合夥)) (“**Nanjing Qiruiyoukang**”) beneficially owns 1,526,891 Unlisted Shares and 1,526,891 H Shares. The general partner of Nanjing Qiruiyoukang is Nanjing Jiakang Venture Capital Partnership (Limited Partnership) (南京佳康創業投資合夥企業(有限合夥)) (“**Nanjing Jiakang**”), which is ultimately controlled by Dr. Chen. As such, Dr. Chen is deemed to be interested in the Shares held by Nanjing Qiruiyoukang under the SFO.

Nanjing Enjie Venture Capital Partnership (Limited Partnership) (南京恩捷創業投資合夥企業(有限合夥)) (“**Nanjing Enjie**”) beneficially owns 666,118 Unlisted Shares and 666,119 H Shares. The general partner of Nanjing Enjie is Nanjing Jiakang, which is ultimately controlled by Dr. Chen. As such, Dr. Chen is deemed to be interested in the Shares held by Nanjing Enjie under the SFO.

Nanjing Ennovation Chengfeng Entrepreneurship Investment Partnership (Limited Partnership) (南京恩然呈豐創業投資合夥企業(有限合夥)) (“**Ennovation Chengfeng**”) beneficially owns 937,500 Unlisted Shares. The general partner of Ennovation Chengfeng is Shanghai Ennovation Entrepreneurship Investment Management Center (Limited Partnership) (上海恩然創業投資管理中心(有限合夥)), which is ultimately controlled by its executive partner, Dr. Chen. As such, Dr. Chen is deemed to be interested in the Shares held by Ennovation Chengfeng under the SFO.

Nanjing Jiakang Ruizhen Venture Investment Partnership (Limited Partnership) (南京佳康瑞臻創業投資合夥企業(有限合夥)) (“**Nanjing Jiakang Ruizhen**”) beneficially owns 684,016 Unlisted Shares. The general partner of Nanjing Jiakang Ruizhen is Nanjing Jiakang, holding 1.00% partnership interest of Nanjing Jiakang Ruizhen and ultimately controlled by Dr. Chen. As such, Dr. Chen is deemed to be interested in the Shares held by Nanjing Jiakang Ruizhen under the SFO.

- (8) The general partner of Loyal Valley Capital Advantage Fund III LP (“**Loyal Valley Fund III**”) is Loyal Valley Capital Advantage Fund III Limited, which is ultimately controlled by Lin Lijun (林利軍). As such, Lin Lijun (林利軍) is deemed to be interested in the Shares held by Loyal Valley Fund III under the SFO.

Shanghai Leyong Investment Partnership Enterprise (Limited Partnership) (上海樂永投資合夥企業(有限合夥)) (“**Shanghai Leyong**”) beneficially owns 1,998,356 Unlisted Shares. The general partner of Shanghai Leyong is Shanghai Zhengxing Investment Management Co., Ltd. (上海正心谷投資管理有限公司) (formerly known as Shanghai Shengge Asset Management Co., Ltd.*, (上海盛歌投資管理有限公司)), which is ultimately controlled by Lin Lijun (林利軍). As such, Lin Lijun (林利軍) is deemed to be interested in the Shares held by Shanghai Leyong under the SFO.

Shanghai Jishi Lemei Private Equity Investment Fund Partnership Enterprise (Limited Partnership) (上海濟世樂美私募基金合夥企業(有限合夥)) (“**Shanghai Jishi Lemei**”) beneficially owns 684,016 Unlisted Shares and 895,954 H Shares. The general partner of Shanghai Jishi Lemei is Xiamen Zhengxincheng Enterprise Management Consulting Partnership (Limited Partnership) (廈門正心誠企業管理諮詢合夥企業(有限合夥)), which is ultimately controlled by Lin Lijun (林利軍). As such, Lin Lijun (林利軍) is deemed to be interested in the Shares held by Shanghai Jishi Lemei under the SFO.

SUBSTANTIAL SHAREHOLDERS

- (9) Suzhou Jianxin Hankang Venture Investment Partnership Enterprise (Limited Partnership) (蘇州建信漢康創業投資合夥企業(有限合夥)) (“**Suzhou Hankang**”) beneficially owns 6,853,584 H Shares. The general partner of Suzhou Hankang is Shanghai Hankang Private Equity Fund Management Co., Ltd. (上海漢康私募基金管理有限公司) (“**Shanghai Hankang**”) which is ultimately controlled by Yuan Quanhong (苑全紅). As such, each of Shanghai Hankang and Yuan Quanhong (苑全紅) is deemed to be interested in the Shares held by Suzhou Hankang under the SFO.

Beijing Hankang Jianxin Venture Investment Co., Ltd. (北京漢康建信創業投資有限公司) (“**Beijing Hankang**”) beneficially owns 3,036,869 H Shares. Beijing Hankang is managed by a private fund manager, Beijing Hankang Venture Capital Management Co., Ltd. (北京漢康創業投資管理有限公司), which is wholly owned by Shanghai Hankang and ultimately controlled by Yuan Quanhong (苑全紅). As such, each of Shanghai Hankang and Yuan Quanhong (苑全紅) is deemed to be interested in the Shares held by Beijing Hankang under the SFO.

Hankang Small and Medium Enterprises Development Fund (Weifang) Partnership Enterprise (Limited Partnership) (漢康中小企業發展基金(濰坊)合夥企業(有限合夥)) (“**Hankang SME**”) beneficially owns 1,683,194 Unlisted Shares and 999,178 H Shares. The general partner of Hankang SME is Shanghai Hanshan Management Consulting Partnership (Limited Partnership) (上海漢杉管理諮詢合夥企業(有限合夥)) (“**Shanghai Hanshan**”), which is ultimately controlled by Yuan Quanhong (苑全紅). As such, Yuan Quanhong (苑全紅) is deemed to be interested in the Shares held by Hankang SME under the SFO.

- (10) Nanjing Jiangbei Medical Innovation Industry Fund (Limited Partnership) (南京江北醫療創新產業基金(有限合夥)) (“**Jiangbei Fund**”) beneficially owns 4,817,264 H Shares. The general partner of Jiangbei Fund is Ningbo Zhirong Beita Investment Management Co., Ltd. (寧波志榮貝塔投資管理有限公司), which is ultimately controlled by Sun Jigang (孫冀剛). All of the limited partners of Jiangbei Fund, being Nanjing Beilian Venture Capital Co., Ltd. (南京北聯創業投資有限公司), Nanjing Jiangbei New Area Technology Investment Group Co., Ltd. (南京江北新區科技投資集團有限公司), Nanjing Biotech and Pharmaceutical Valley Construction and Development Co., Ltd. (南京生物醫藥谷建設發展有限公司) and Nanjing Software Park Technology Development Co., Ltd. (南京軟件園科技發展有限公司) are ultimately controlled by NJNA Management Committee. As such, NJNA Management Committee is deemed to be interested in the Shares held by Jiangbei Fund under the SFO.

Nanjing Jiangbei High-tech Industrial Development Equity Investment Fund (Limited Partnership) (南京江北高新技術產業發展股權投資基金(有限合夥)) (“**Nanjing Jiangbei High-tech Fund**”) beneficially owns 1,221,511 Unlisted Shares. The general partner of Nanjing Jiangbei High-tech Fund is Nanjing Jiangbei High-tech Fund is Nanjing Yangtze River Investment Fund Management Co., Ltd. (南京揚子江投資基金管理有限公司), which is ultimately controlled by NJNA Management Committee. All of the limited partners of Nanjing Jiangbei High-tech Fund, namely Nanjing Yangzijiang Innovation and Venture Capital Fund (Limited Partnership) (南京揚子江創新創業投資基金(有限合夥)), Nanjing Yangzi State-owned Investment Group Co., Ltd. (南京揚子國資投資集團有限責任公司) and Nanjing Software Park Technology Development Co., Ltd. (南京軟件園科技發展有限公司), as limited partners of Nanjing Jiangbei High-tech Fund, are ultimately controlled by NJNA Management Committee. As such, NJNA Management Committee is deemed to be interested in the Shares held by Nanjing Jiangbei High-tech Fund under the SFO.

Certain limited partners of Nanjing Jieyuan, namely Nanjing High-Tech Ventures Investment Co., Ltd (南京高新創業投資有限公司) and Nanjing Biotech and Pharmaceutical Valley Construction and Development Co., Ltd. (南京生物醫藥谷建設發展有限公司), hold approximately 26.55% and 8.85% of the partnership interests of Nanjing Jieyuan, respectively, and are ultimately controlled by NJNA Management Committee. As such, NJNA Management Committee is deemed to be interested in the Shares held by Nanjing Jieyuan under the SFO.

All of the limited partners of Nanjing Qiruiyoukang, namely Nanjing Gaoxin Venture Capital Co., Ltd. (南京高新創業投資有限公司) and Nanjing Jiangbei Xingchuang Venture Capital Fund Partnership (Limited Partnership) (南京江北星創創業投資基金合夥企業(有限合夥)), are ultimately controlled by NJNA Management Committee. As such, NJNA Management Committee is deemed to be interested in the Shares held by Nanjing Qiruiyoukang under the SFO.

SUBSTANTIAL SHAREHOLDERS

Certain limited partners of Nanjing Jiakang Ruizhen, namely Nanjing Jiangbei New Area High Quality Development Industry Investment Fund (Limited Partnership) (南京江北新區高質量發展產業投資基金(有限合夥)), Nanjing Biotech and Pharmaceutical Valley Construction and Development Co., Ltd. (南京生物醫藥谷建設發展有限公司) and Nanjing Yangtze River Investment Fund Management Co., Ltd. (南京揚子江投資基金管理有限公司), hold approximately 59.67%, 20.00% and 0.33% of the partnership interests of Nanjing Jiakang Ruizhen, respectively, and are ultimately controlled by NJNA Management Committee. As such, NJNA Management Committee is deemed to be interested in the Shares held by Nanjing Jiakang Ruizhen under the SFO.

Save as disclosed above, our Directors are not aware of any person who will, immediately following completion of the Global Offering (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised), have any interest and/or short position in the Shares or underlying Shares of our Company which will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, 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 general meeting of the Company or any other member of our Group. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

DIRECTORS

Upon Listing, our Board will consist of nine Directors, including three executive Directors, three non-executive Directors and three independent non-executive Directors. Our Directors serve a term of three years and may be re-elected for successive reappointments.

The following table sets forth certain information about our Directors:

Name	Age	Position	Responsibilities	Date of the first appointment as a Director	Date of joining the Group
Dr. Kang Xiaoliang	64	Co-founder, chairman of our Board, executive Director, Chief Executive Officer and general manager	Responsible for the overall strategic planning of our Group and business operations and making key business and operational decisions of our Group	November 2012	November 2012
Dr. Lai Shoupeng	80	Co-founder, executive Director, Chief Strategic Officer and executive vice president	Responsible for the strategic planning, overseeing of the operation of CMC team and overall operation management of our Group	March 2014	November 2012
Mr. Zuo Honggang (左鴻剛)	48	Executive Director, Chief Financial Officer and secretary of the Board	Responsible for the formulation of financial and development strategies and overseeing the overall financial management and corporate development of the Group	October 2024	January 2024
Mr. Zhang Yincheng (張銀成)	50	Non-executive Director	Responsible for participating in major decisions on our Group's operations and development	May 2023	August 2022

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Age	Position	Responsibilities	Date of the first appointment as a Director	Date of joining the Group
Dr. Chen Renhai (陳仁海)	45	Non-executive Director	Responsible for participating in major decisions on our Group's operations and development	July 2017	July 2017
Dr. Ni Jia (倪佳)	43	Non-executive Director	Responsible for participating in major decisions on our Group's operations and development	July 2024	August 2023
Dr. Zhang Hongbing	63	Independent Non-executive Director	Responsible for supervising and offering independent judgment to the Board	Listing Date	October 2024, with effect from the Listing Date
Mr. Du Yilong (杜以龍)	51	Independent Non-executive Director	Responsible for supervising and offering independent judgment to the Board	Listing Date	October 2024, with effect from the Listing Date
Ms. Du Jiliu (杜季柳)	55	Independent Non-executive Director	Responsible for supervising and offering independent judgment to the Board	Listing Date	October 2024, with effect from the Listing Date

Note:

- (1) As of the Latest Practicable Date, Mr. Luo Wangqian (羅王倩), Ms. Zhong Changni (鍾昌妮), Dr. Du Jiangbo (杜江波), Dr. Lu Dongcheng and Mr. Zhu Jianlin (朱建林) were our Directors. On October 25, 2024, resolutions were passed at our shareholders' general meeting approving, among other matters, each of Mr. Luo Wangqian, Ms. Zhong Changni, Dr. Du Jiangbo, Dr. Lu Dongcheng and Mr. Zhu Jianlin will cease to be a director of our Company, conditional and effective upon the Listing, and the appointment of Dr. Zhang Hongbing, Mr. Du Yilong (杜以龍) and Ms. Du Jiliu (杜季柳) as independent non-executive Directors will become effective at the same time. Mr. Luo Wangqian, Ms. Zhong Changni, Dr. Du Jiangbo, Dr. Lu Dongcheng and Mr. Zhu Jianlin are board representatives of our Certain Pre-IPO Investors and have performed non-executive functions through providing advice on our overall development as a private company and were not involved in the day-to-day management and operation of the Group. Their resignations as directors of our Company upon Listing were for the purpose of improving the corporate governance structure of the Company. Furthermore, the replacement of several non-executive directors with three independent non-executive directors would allow us to meet the requirements under Rules 3.10(1) and 3.10A of the Listing Rules. Each of Mr. Luo Wangqian, Ms. Zhong Changni, Dr. Du Jiangbo, Dr. Lu Dongcheng and Mr. Zhu Jianlin has confirmed that he/she has no disagreement with the Board and there are no other matters in relation to his or her resignation that need to be brought to the attention of the Shareholders of the Company.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Executive Directors

Dr. Kang Xiaoqiang, aged 64, is a co-founder of our Group, an executive Director, our Chief Executive Officer and the general manager of our Company. He is primarily responsible for the overall strategic planning of our Group and business operations and making key business and operational decisions of our Group.

Dr. Kang was first appointed as an executive Director and our general manager in November 2012 and served until March 2014, and was appointed as a Supervisor from March 2014 to August 2015. From August 2015 to November 2015, Dr. Kang served as an executive Director and our general manager. Dr. Kang has been serving as the chairman of our Board, a Director, our chief executive officer and the general manager of our Company since November 2015 and was redesignated as our executive Director in October 2024. Dr. Kang also holds various directorships and management positions in our Group companies, including (i) the executive director and general manager of Lizhi Biologic since July 2018; (ii) a director of Leads Biolabs Hong Kong Limited since March 2024; and (iii) a director of Leads Biolabs Inc. since June 2022, where he has been primarily responsible for the overall management of the Group companies.

Dr. Kang has over 26 years of experience in the pharmaceutical industry. Prior to founding our Group, Dr. Kang worked for ImClone Systems starting in February 1998, which was later acquired by Eli Lilly and Company, a global pharmaceutical company listed on the New York Stock Exchange (stock code: LLY) in 2008. Following the acquisition, Dr. Kang joined Eli Lilly where he assumed different positions from 2008 to 2014, with his latest position being Principal Scientist of Immunology. During Dr. Kang's tenure at ImClone and Lilly, he contributed to the development and successful launch of Erbitux® and led the research and development of multiple anti-cancer antibody drugs including two that entered into clinical stage.

Dr. Kang obtained a bachelor's degree in medicine from Hubei Medical College (湖北醫學院) (currently known as Wuhan University School of Medicine (武漢大學醫學院)) in June 1985, a master's degree in medicine from Tongji Medical University (同濟醫科大學) in June 1988 majoring in medical science, and his doctorate degree in biomedical sciences from the University of North Texas Health Science Center at Fort Worth in June 1994. He then conducted research in tumor immunotherapy as a postdoctoral fellow at the National Cancer Institute of the U.S. ("NCI") in the laboratory of Dr. Steven Rosenberg from October 1994 to June 1998.

Dr. Kang has also been appointed as the consulting expert for Nanjing 14th Five-Year new medicine and life and health industry planning (南京市十四五新醫藥和生命健康產業規劃) since August 2020.

Dr. Lai Shoupeng, aged 80, is a co-founder of our Group, an executive Director, our chief strategic officer and executive vice president. He is primarily responsible for the strategic planning, overseeing the operation of CMC team and overall operation management of our Group.

Dr. Lai was appointed as our executive vice president and chief operating officer in May 2013. He was later re-designated as our Chief Strategic Officer in November 2014. Dr. Lai was appointed as an executive Director and general manager in March 2014 and served until August 2015. He was appointed as a Supervisor from August 2015 to November 2015. Dr. Lai has been serving as our Director since November 2015 and a supervisor of Lizhi Biologic since July 2018.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Dr. Lai has nearly 30 years of experience in the biomedical industry. Prior to founding our Group, Dr. Lai worked at GenVec, Inc., a biopharmaceutical company listed on the NASDAQ Global Market (stock code: GNVC). He also worked at AnGes, Inc., a biopharmaceutical company listed on the Tokyo Stock Exchange (stock code: 4563) as an associate director of the process development department, a principal scientist, and an advisor successively. His previous experience focused on biopharmaceutical production process development, Good Manufacturing Practice (GMP) production equipment, project management, and outsourcing CMC and clinical trial management to contract manufacturing organizations (CMOs) and contract research organizations (CROs).

Dr. Lai obtained a master's degree in plant physiology from Institute of Plant Physiology and Ecology of China Academy of Sciences (中國科學院上海植物生理研究所) in July 1982 and a doctorate degree from the University of Maryland in December 1991. Dr. Lai conducted research in vascular endothelial growth factor and anti-angiogenesis at Georgetown University Lombardi Cancer Center in the U.S. in early 1990s. He also conducted research in the field of tumor immunotherapy at the NCI in the laboratory of Dr. Steven Rosenberg from 1994 to 1996. Dr. Lai also serves at the Board of Directors of Chinese Biopharmaceutical Association — USA (美國華人生物醫藥科技協會).

Mr. Zuo Honggang (左鴻剛), aged 48, was appointed as an executive Director in October 2024 and the secretary of the Board of the Company in July 2024. Mr. Zuo has been serving as our Chief Financial Officer since January 2024 and is primarily responsible for the formulation of financial and development strategies and overseeing the overall financial management and corporate development of the Group.

Mr. Zuo has more than 20 years of experience in corporate finance, management and equity investment. From July 1998 to April 1999, Mr. Zuo served as an accounting assistant at American International Assurance Company, Ltd., Shanghai Branch. From April 1999 to June 2002, Mr. Zuo served as a management consultant at PricewaterhouseCoopers (Shanghai) Consulting Company Ltd. From June 2003 to December 2007, Mr. Zuo served as a director of business analysis and finance leader successively at Mastercard Worldwide in New York, a global payment technology company listed on the New York Stock Exchange (stock code: MA). From November 2007 to October 2009, Mr. Zuo served as a vice president at GE Capital, where he was responsible for the company's global mergers and acquisitions. From December 2009 to September 2011, Mr. Zuo served as a vice president at AlixPartner (Shanghai) Business Advisory Services Limited, a consulting company. From October 2011 to August 2013, Mr. Zuo served as a manager at Intermediate Capital Asia Pacific Limited, an investment fund. From September 2013 to March 2019, Mr. Zuo served as an executive director at Goldman Sachs Group, Inc., a company listed on the New York Stock Exchange (stock code: GS). From June 2019 to June 2021, Mr. Zuo served as a director, chief financial officer and chief strategic officer at OneSmart International Education Group Ltd., an education company listed on the New York Stock Exchange, (stock code: ONE). From August 2021 to November 2023, Mr. Zuo served as a director and chief financial officer at Genecast Group Inc.

Mr. Zuo obtained his bachelor's degree in industrial foreign trade from Shanghai Jiao Tong University (上海交通大學) in July 1998. He further obtained his master's degree in business administration from Massachusetts Institute of Technology in June 2004.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Non-executive Directors

Mr. Zhang Yincheng (張銀成), aged 50, was appointed as our non-executive Director in May 2023. Mr. Zhang is primarily responsible for participating in major decisions on our Group's operations and development.

Mr. Zhang has more than 20 years of experience in securities and equity investment, he served as a corporate consultant of the financial advisory department at SWS Research Co., Ltd. (上海申銀萬國證券研究所有限公司) from March 2002 to March 2004. From April 2004 to July 2015, Mr. Zhang served a vice president and director at Jinggong Holding Group Co., Ltd. (精工控股集團有限公司), a subsidiary of Zhongjianxin Holdings Group Co., Ltd. (中建信控股集團有限公司) and served as a president and director at Zhongjianxin Holdings Group Co., Ltd. from August 2004 to June 2019. Since September 2010, Mr. Zhang has been a partner at Shanghai Hankang Private Equity Fund Management Co., Ltd. (上海漢康私募基金管理有限公司).

Mr. Zhang obtained his bachelor's degree in industrial business administration from Hebei University of Technology (河北工業大學) in July 1997 and a master's degree in political economy from Zhejiang University (浙江大學) in March 2002. He further obtained an EMBA degree from Guanghua School of Management of Peking University (北京大學光華管理學院) in July 2012.

Dr. Chen Renhai (陳仁海), aged 45, was appointed as our non-executive Director in July 2017. Dr. Chen is primarily responsible for participating in major decisions on our Group's operations and development.

Dr. Chen has nearly 20 years of experience in the pharmaceutical and investment management industries. Dr. Chen has been the founder partner and executive partner at Ennovation Ventures (恩然創投) and Nanjing Jieyuan Growth Venture Capital Partnership (Limited Partnership) (南京捷源成長創業投資合夥企業(有限合夥)) since July 2015 and October 2015, respectively.

Dr. Chen obtained his bachelor's degree in pharmacy from Second Military Medical University (第二軍醫大學) (currently known as Naval Medical University (中國人民解放軍海軍軍醫大學)) in June 2002 and a master's degree in biochemistry and molecular biology from Shanghai Institutes for Biological Sciences of Chinese Academy of Sciences (中國科學院上海生命科學研究院) in March 2006. He further obtained a doctorate degree in pharmacology from Shanghai Institute of Pharmaceutical Industry (上海醫藥工業研究院) in June 2014.

Dr. Ni Jia (倪佳), aged 43, was appointed as our non-executive Director in July 2024. Dr. Ni is primarily responsible for participating in major decisions on our Group's operations and development.

Dr. Ni has nearly 20 years of experience in the pharmaceutical industry. He worked at Peng Li Biomedical Technology (Shanghai) Co., Ltd. (澎立生物醫藥技術(上海)有限公司, currently known as Peng Li Biomedical Technology (Shanghai) Co., Ltd. (澎立生物醫藥技術(上海)股份有限公司)) from June 2008 to April 2010. He also served as the deputy director of the pharmacology department at Shanghai Prisys Biotechnologies Co., Ltd. (上海浦靈生物科技有限公司). From January 2016 to December 2021, he worked at Haisco Pharmaceutical Group Co., Ltd. (海思科醫藥集團股份有限公司). Since March 2023, he has been working at the investment research department of Shanghai Zhengxing Investment Management Co., Ltd. (上海正心谷投資管理有限公司).

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Dr. Ni obtained his bachelor's degree in pharmacy from Ocean University of China (中國海洋大學) in 2003 and a doctorate degree in pharmacology from Shanghai Institute of Materia Medica, Chinese Academy of Sciences (中國科學院上海藥物研究所) in 2008.

Independent Non-executive Directors

Dr. Zhang Hongbing, aged 63, was appointed as an independent non-executive Director in October 2024 with effect upon the Listing. He is responsible for supervising and offering independent judgement to the Board.

Dr. Zhang has more than 25 years of experience in teaching and scientific research. He has experience working at the National Institutes of Health of the U.S. and at Brigham & Women's Hospital, which is affiliated with Harvard Medical School. Since 2006, Dr. Zhang has been serving as a professor at the Chinese Academy of Medical Sciences & Peking Union Medical College (中國醫學科學院北京協和醫學院).

Dr. Zhang completed his undergraduate course in medicine at Yichang Medical College (宜昌醫學專科學校) (currently known as Sanxia University (三峽大學)) in August 1982, obtained a master's degree in medicine from Tongji Medical University (同濟醫科大學) (currently known as Tongji Medical College of Huazhong University of Science and Technology (華中科技大學同濟醫學院)) in June 1988 and a doctorate degree from the Perelman School of Medicine at University of Pennsylvania in May 1998. He has been a member of the Academic Committee of Chinese Academy of Medical Sciences & Peking Union Medical College (中國醫學科學院北京協和醫學院學術委員會) and was awarded the Outstanding Contribution to Scientific Research Award (科學研究「傑出貢獻獎」) in November 2016. Dr. Zhang was awarded by the National Science Fund for Distinguished Young Scholars (國家傑出青年) in 2007. Further, Dr. Zhang has also been honored in the Highly Cited Chinese Researchers annually published by Elsevier for a decade since 2014.

As of the Latest Practicable Date, Dr. Zhang held approximately 1.2% of the partnership interests of Nanjing Kanglai Enterprise Management Consulting Center (limited partnership) (南京康來企業管理諮詢中心(有限合夥)), a limited partner of Lizhi Partnership (one of our Share Incentive Platforms), representing an indirect interest of approximately 0.02% of the total share capital of our Company.

Mr. Du Yilong (杜以龍), aged 51, was appointed as an independent non-executive Director in October 2024 with effect upon the Listing. He is responsible for supervising and offering independent judgement to the Board.

Mr. Du has over 20 years of experience in legal, corporate finance, and corporate governance fields. He successively served as an associate at Sidley Austin LLP from August 2002 to October 2005, and at Simpson Thacher & Bartlett from April 2007 to October 2009. Mr. Du worked with Goldman Sachs from November 2009 to October 2015, where he served as an executive director. Mr. Du was a partner at Latham & Watkins LLP's Hong Kong office from October 2015 to September 2016 and a partner of its Beijing office from October 2016 to December 2017. From January 2018 to June 2018, he served at Didi Chuxing Technology Co., Ltd. He rejoined Latham & Watkins LLP's Beijing office as a partner from June 2018 to May 2019. From June 2019 to December 2023, he worked at Warburg Pincus Asia LLC and was a managing director, and general counsel for China and Southeast Asia. Mr. Du has been serving as a special counsel at Zhong Lun Law Firm LLP (中倫律師事務所) since May 2025.

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Mr. Du obtained a bachelor's degree in mathematics and a master's degree in law from Peking University (北京大學) in July 1996 and July 1999, respectively. He then obtained a juris doctor degree from Columbia University in May 2002.

Ms. Du Jiliu (杜季柳), aged 55, was appointed as an independent non-executive Director in October 2024 with effect upon the Listing. She is responsible for supervising and offering independent judgement to the Board.

Ms. Du has over 30 years of experience in finance and accounting. Ms. Du held various positions at China International Capital Corporation Limited (中國國際金融股份有限公司) from April 2000 to February 2014 as the head of finance department and successively an executive general director. She subsequently served as the executive general manager and later a vice general manager at CICC Fund Management Co., Ltd. (中金基金管理有限公司) from February 2014 to September 2017, and also served as a counsel from October 2017 to December 2021. Ms. Du served as a director of Zhong Xin Tong Ren Capital Ltd. (中鑫同人資本管理有限公司) from October 2018 to April 2025. Ms. Du has been serving as the chairman of the supervisory board of Beijing Aita Animal Protection Public Welfare Foundation since October 2024, and has been serving as the head of integrated management department of Hualing Private Equity Fund Management (Beijing) Co., Ltd. (華領私募股權基金管理(北京)有限公司) since April 2025.

Ms. Du has been serving as an independent non-executive director at Jenscare Scientific Co., Ltd. (寧波健世科技股份有限公司) (Stock code: 9877.HK), a medical device company focused on developing solutions for structural heart disease, since June 2022.

Ms. Du obtained a bachelor's degree in economics and management from Central Institute of Finance and Banking (中央財政金融學院) (currently known as Central University of Finance and Economics (中央財經大學)) in June 1992. She received her EMBA degree from Shanghai Advanced Institute of Finance of Shanghai Jiao Tong University (上海交通大學上海高級金融學院) in December 2018. She has been a fellow member of the Association of Chartered Certified Accountants since October 2009. She has also been admitted as a non-practicing member of the Chinese Certified Public Accountants certified by the Beijing Institute of Certified Public Accountants (北京註冊會計師協會) since 1995, a Certified Internal Auditor certified by China Institute of Internal Audit (中國內部審計協會) since November 2002, and passed the exam of practicing qualification in funds (基金從業資格) issued by the Asset Management Association of China (中國證券投資基金業協會) since November 2013. In November 2023, she was awarded the title of Senior Economist by the Beijing Advanced Professional Title Review Committee (北京市高級職稱評審委員會).

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

SUPERVISORS

Our Supervisory Committee consists of three members. Our Supervisors serve a term of three years and may be re-elected for successive reappointments. The following table sets forth the key information about our Supervisors.

Name	Age	Position	Responsibilities	Date of appointment as a Supervisor	Date of joining the Group
Mr. Jin Hui (金輝)	42	Chairman of the Supervisory Committee	Supervising the performance of our Board and operational and financial activities of our Group	September 2020	December 2018
Mr. Wang Zhou (汪舟)	36	Supervisor	Supervising the performance of our Board and operational and financial activities of our Group	May 2023	April 2023
Ms. Li Mengwei (李夢薇)	33	Supervisor	Supervising the performance of our Board and operational and financial activities of our Group	July 2024	March 2022

Mr. Jin Hui (金輝), aged 42, has served as our supervisor since September 2020, and was appointed as the Chairman of our Supervisory Committee since October 2024 and is responsible for supervising the performance of our Board and operational and financial activities of our Group.

Mr. Jin served as a researcher at Guangdong HEC Pharm R&D Co., Ltd. (廣東東陽光藥物研發有限公司) from July 2011 to February 2013. He also worked at Yangtze River Pharmaceutical Group Shanghai HAI-NI Pharmaceutical Co., Ltd. (揚子江藥業集團上海海尼藥業有限公司) from April 2015 to February 2016, Shanghai Success Capital & Management Center (上海立功股權投資管理中心(有限合夥)) from July 2016 to December 2016, Shanghai Qianjin Zhongcheng Paishun Enterprise Management Co., Ltd. from January 2017 to April 2017, and at Beijing Zhonghe Tianxia Management Consulting Co., Ltd. Shanghai Branch from May 2017 to July 2017. He has been serving as an investment vice president at Shanghai GoldHold Wisdom Venture Capital Co., Ltd. (上海國鴻智臻創業投資有限公司) since February 2018.

Mr. Jin obtained a pharmacy diploma and bachelor's degree in pharmacy from Anhui Medical University (安徽醫科大學) in July 2005 and 2008, respectively and further obtained a master's degree in pharmacology from Anhui Medical University (安徽醫科大學) in the PRC in June 2011.

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Mr. Wang Zhou (汪舟), aged 36, has served as our supervisor since May 2023 and is responsible for supervising the performance of our Board and operational and financial activities of our Group.

Mr. Wang served as a resident at Nanjing Drum Tower Hospital (南京鼓樓醫院) from July 2014 to September 2017. He has been serving as an investing manager at Ningbo Zhirong Beita Investment Management Co., Ltd. (寧波志榮貝塔投資管理有限公司) since September 2021.

Mr. Wang obtained a bachelor's degree and a master's degree both in clinical medicine from Southeast University (東南大學) in June 2012 and June 2014, respectively. Mr. Wang later obtained a doctorate degree in Chinese medicines from Macau University of Science and Technology (澳門科技大學) in April 2022 and a master's degree in business administration from the Chinese University of Hong Kong (香港中文大學) in July 2023. Mr. Wang obtained the fund practitioner qualification in the PRC issued by the Asset Management Association of China (中國證券投資基金業協會) in December 2023.

Ms. Li Mengwei (李夢薇), aged 33, has served as our supervisor since July 2024 and is responsible for the overseeing our operational and financial activities.

Ms. Li has been serving as our senior legal manager since March 2022. Prior to joining our Group, Ms. Li served as an associate at Beijing Dacheng (Nanjing) Law Offices, LLP (北京大成(南京)律師事務所) from March 2017 to June 2019 and an associate at Hiways Law Firm (上海市海華永泰律師事務所) from July 2019 to June 2021.

Ms. Li obtained a bachelor's degree in law from Nanjing University of Information Science & Technology (南京信息工程大學) in June 2014 and a master's degree in law from Durham University in January 2016.

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SENIOR MANAGEMENT

The senior management consists of five members who are responsible for our day-to-day management and operation. The following table sets forth the key information about the senior management of the Company.

Name	Age	Position	Responsibilities	Date of appointment as senior management	Date of joining the Group
Dr. Kang Xiaolang	64	Co-founder, chairman of our Board, executive Director, Chief Executive Officer and general manager	Responsible for the overall strategic planning of our Group and business operations and making key business and operational decisions of our Group	November 2012	November 2012
Dr. Lai Shoupeng	80	Co-founder, executive Director, Chief Strategic Officer and executive vice president	Responsible for the strategic planning, overseeing of the operation of CMC team and overall operation management of our Group	May 2013	November 2012
Mr. Zuo Honggang (左鴻剛)	48	Executive Director, Chief Financial Officer and secretary of the Board	Responsible for the formulation of financial and development strategies and overseeing the overall financial management and corporate development of the Group	January 2024	January 2024
Dr. Cai Shengli	56	Chief Medical Officer	Responsible for leading all the clinical development and the related functions	July 2022	July 2022
Dr. Ling Hong	66	Senior Vice President and Chief Scientific Officer	Responsible for new project proposal, early discovery and preclinical and GLP toxicology and safety studies, and in charge of intellectual property management	July 2020	July 2020

For the biographical details of Dr. Kang, Dr. Lai and Mr. Zuo Honggang, see “— Directors” in this section.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Dr. Cai Shengli, aged 56, has served as our chief medical officer since July 2022. Dr. Cai is responsible for leading all the clinical development and the related functions.

Prior to joining our Group, Dr. Cai served as post-doctoral fellow, research scientist and instructor successively at MD Anderson Cancer Center in Texas, USA from October 2000 to December 2006, a senior genetic engineer and senior program leader successively of Intrexon from 2007 to 2008, the biomarker program leader of oncology at Novartis Pharmaceuticals Corporation from 2009 to 2011. Dr. Cai served as the medical leader of TMCP at Daiichi-Sankyo from October 2011 to March 2015, senior global clinical leader at Bayer HealthCare Pharmaceuticals Inc. from March 2015 to May 2021. From May 2021 to June 2022, Dr. Cai held several leadership positions at Hengrui USA (Luzana), including VP of clinical science oncology and deputy head of development.

Dr. Cai obtained a bachelor's degree in clinical medicine from Yan'an Medical School (延安醫學院) (currently known as Medical School of Yan'an University (延安大學醫學院)) in July 1993 and a master's degree of medicine from Medical School of Kunming (昆明醫學院) (currently known as Kunming Medical University (昆明醫科大學)) in July 1996, and a doctorate degree in surgery from Peking University (北京大學) in June 2000.

Dr. Cai is currently a member of American Association for Cancer Research (美國癌症研究協會), American Society of Clinical Oncology (美國臨床腫瘤學會), Society for Immunotherapy of Cancer (癌症免疫治療學會), American Society of Hematology (美國血液學會), and European Society for Medical Oncology (歐洲腫瘤學學會).

Dr. Cai was awarded the AACR-AFLAC Scholar-in-Training Award by American Association for Cancer Research in April 2004, the 2005 AACR-AstraZeneca Scholar-in-Training Award by American Association for Cancer Research in April 2005, and the 2010 Cozzarelli Prize by PNAS editors committee.

Dr. Ling Hong, aged 66, has served as our senior vice president and chief scientific officer since July 2020. Dr. Ling is responsible for new project proposal, early discovery and preclinical and GLP toxicity and safety studies, and in charge of intellectual property management.

Prior to joining our Group, Dr. Ling has served as physician (research assistant), chief resident, assistant professor and attending physician successively in Internal Medicine department at the First Affiliated Hospital of Hunan Medical University (湖南醫科大學附屬第一醫院) (currently known as Xiangya Hospital of Central South University (中南大學湘雅醫院)) for over four years since 1987, and enrolled post-doctoral fellowship in the Division of Renal Biology and Hypertension at University of Colorado School of Medicine from September 1995 to December 1998, instructor and faculty in medicine at Massachusetts General Hospital Harvard Medical School from December 1998 to July 2000. From July 2000 to March 2014, Dr. Ling served several positions at Sanofi-Genzyme R&D Center, including staff scientist, senior scientist and principal scientist and worked as a member of the tissue protection and repair department and the glomerular disease biology team. He served as an associate director and a member of leadership team of China R&D center at AbbVie from April 2014 to September 2015, responsible for *in vitro* screening of small molecule drugs and development of clinical biomarkers. He also worked as the legal representative and general manager at Star Biolab Biology Technology (Shanghai) Co., Ltd. (星百萊生物技術(上海)有限公司) from September 2015 to May 2016. Dr. Ling further served as CSO,

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head of clinical research from September 2016 to October 2017, and interim CMO from June 2017 to October 2017 at Nanjing Sanhome Pharmaceutical Co., Ltd. (南京聖和藥業股份有限公司). Dr. Ling has been serving as vice president of the Institute of Innovative Drugs at Qilu Pharmaceutical Co., Ltd. (齊魯製藥有限公司) from November 2017 to July 2020.

Dr. Ling obtained a bachelor's degree in medicine from Zhongshan Medical School (中山醫學院) (currently known as Sun Yat-sen University School of Medicine (中山大學醫學院)) in August 1983 and a master's degree in medicine from Zhejiang Medical University (浙江醫科大學) (currently known as Zhejiang University School of Medicine (浙江大學醫學院)) in August 1987, and a doctorate degree in medical pharmacology from University of Wuerzburg in March 1995. Dr. Ling was awarded the Smart Decision and Quick Action Gold Prize by AbbVie during his time in AbbVie and honored as a Taishan Scholar (泰山學者) by the Department of Science and Technology of Shandong Province (山東省科學技術廳) in September 2018.

GENERAL

As of the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries,

- (i) save as disclosed above, none of the Directors, Supervisors or members of the senior management has held any directorship in any public company the securities of which are listed on any securities market in Hong Kong or overseas during the three years immediately preceding the date of this prospectus;
- (ii) none of the Directors, Supervisors or members of the senior management of the Company was related to any other Directors, Supervisors and members of the senior management;
- (iii) save as disclosed in “Appendix VI — Statutory and General Information”, none of the Directors, Supervisors or general manager of the Company held any interest in the Shares which would be required to be disclosed pursuant to Part XV of the Securities and Futures Ordinance; and
- (iv) there was no additional matter with respect to the appointment of the Directors or Supervisors that needs to be brought to the attention of the Shareholders, and there was no additional information relating to the Directors or Supervisors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

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CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

As of the Latest Practicable Date, none of our Directors and their respective close associates had any interest in any business which competes or is likely to compete, either directly or indirectly with our Group's business which would require disclosure under Rule 8.10 of the Listing Rules.

From time to time our non-executive Directors may serve on the boards of both private and public companies within the broader healthcare and biopharmaceutical industries. However, as these non-executive Directors are not members of our executive management team, we do not believe that their interests in such companies as directors would render us incapable of carrying on our business independently from the other companies in which these non-executive Directors may hold directorships from time to time.

Rule 3.09D of the Listing Rules

Each of our Directors confirmed that he or she (i) had obtained the legal advice referred to under Rule 3.09D of the Listing Rules in August 2024, and (ii) understood his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of our independent non-executive Directors had confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules; (ii) that he or she had no past or present financial or other interest in the business of the Company or its subsidiary or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date; and (iii) that there were no other factors that may affect his or her independence at the time of his or her appointments. Each of our independent non-executive Directors will inform us and the Stock Exchange as soon as practicable if there is any subsequent change of circumstances which may affect his or her independence.

JOINT COMPANY SECRETARIES

Mr. Zuo Honggang (左鴻剛) was appointed as a joint company secretary of our Company on October 25, 2024 and such appointment will be effective from the Listing Date. He is primarily responsible for financing activities, internal control and securities and listing matters of our Group. For the biographical details of Mr. Zuo, see “— Directors” in this section.

Ms. Jian Xuegen (簡雪艮) was appointed on the other joint company secretary of our Company on October 25, 2024 and such appointment will be effective from the Listing Date. She is primarily responsible for the corporate secretarial matters of our Group. Ms. Jian is an assistant vice president of SWCS Corporate Services Group (Hong Kong) Limited. Ms. Jian obtained her bachelor's degree of accounting from the South China University of Technology in July 2008. She is a member of the Hong Kong Institute of Certified Public Accountants. She is also a member of the Chinese Institute of Certified Public Accountants.

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BOARD COMMITTEES

We have established three Board Committees in accordance with the relevant PRC laws and regulations, the Articles of Association and the Corporate Governance Code, namely the Audit Committee, the Nomination Committee and the Remuneration Committee.

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The Audit Committee consists of three Directors, namely Ms. Du Jiliu, Mr. Du Yilong and Dr. Chen Renhai with Ms. Du Jiliu currently serving as the chairperson. Ms. Du Jiliu has the appropriate professional experiences as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include, but are not limited to, the following:

- (i) proposing the appointment or change of external auditors to our Board, monitoring the independence of external auditors and evaluating their performance;
- (ii) examining the financial information of the Company and reviewing financial reports and statements of the Company;
- (iii) examining the financial reporting system, the risk management and internal control system of the Company, overseeing their rationality, efficiency and implementation and making recommendations to our Board; and
- (iv) dealing with other matters that are authorized by the Board.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code. The Nomination Committee consists of three Directors, namely Dr. Kang, Dr. Zhang Hongbing and Mr. Du Yilong with Dr. Kang currently serving as the chairperson. The primary duties of the Nomination Committee include, but are not limited to, the following:

- (i) conducting extensive search and providing our Board with suitable candidates for our Directors, general managers and other members of the senior management;
- (ii) reviewing the structure, size and composition of our Board (including but not limited to, gender, age, cultural and educational background, ethnicity, skills, knowledge and experience) at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (iii) researching and developing standards and procedures for the election of our Board members, general managers and members of the senior management, and making recommendations to our Board;

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- (iv) assessing the independence of the independent non-executive Directors; and
- (v) dealing with other matters that are authorized by the 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. The Remuneration Committee consists of three Directors, namely Mr. Du Yilong, Ms. Du Jiliu and Mr. Zhang Yincheng with Mr. Du Yilong currently serving as the chairperson. The primary duties of the Remuneration Committee include, but are not limited to, the following:

- (i) advising our Board on the overall remuneration plan and structure of our Directors and senior management and the establishment of transparent and formal procedures for determining the remuneration policy of the Company;
- (ii) monitoring the implementation of the remuneration system of the Company;
- (iii) making recommendations on the remuneration packages of our Directors and senior management; and
- (iv) dealing with other matters that are authorized by the Board.

KEY TERMS OF EMPLOYMENT CONTRACT

We normally enter into (i) an employment contract, (ii) a non-competition agreement, (iii) a confidentiality agreement and (iv) an intellectual property agreement with certain of our senior management members. The key terms of such contracts are set forth below.

Terms

We normally enter into a three-year to five-year employment contract with our senior management members.

Non-competition

The non-competition obligations shall subsist throughout the employee's period of employment and up to two years after termination of employment. During the non-competition period, the employee shall not, directly or indirectly, accept employment or hold any position, including but not limited to shareholders, partners, directors, supervisors, employees, agents, consultants, etc., of any other natural person, legal entity or other economic organization that produces or operates the same, similar or competing products, or engages in the same, similar or competing business, with our Company.

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Confidentiality

Trade Secrets: The employee shall keep trade secrets, namely business-related information or technology-related information (including but not limited to operational information, marketing proposal, purchases information, pricing policy, financial information, list of customers, business plan, information of research and development etc.) of our Company in confidence.

Obligation and duration: The employee shall not divulge or otherwise disclose any trade secrets to any third party or permit others to use our trade secrets, disclose our trade secrets to irrelevant staffs within our Company, use the trade secrets for his/her or third party's benefits, or duplicate documents or copies of documents that contain our trade secrets. Such obligation of confidentiality shall subsist for the term of his or her employment and regardless of the reason of departure, the employee shall return all materials containing trade secrets to our Company or destruct them under Company's supervision.

Intellectual Property Rights

All intellectual property related to an employee's duties, created during their period of employment and including, but not limited to, patent rights, rights to patent applications, trademark rights, rights to trademark registration applications, and copyrights, shall be exclusively owned by the Company. Employees shall retain the right of authorship.

CORPORATE GOVERNANCE CODE

The Company is committed to achieving a high standard of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, the Company intends to comply with the Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the Listing.

Pursuant to code provision C.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate chairman and chief executive officer and Dr. Kang currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company if and when it is appropriate taking into account the circumstances of the Group as a whole. Save as disclosed above, the Company intends to comply with all code provisions under the Corporate Governance Code after the Listing.

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BOARD DIVERSITY POLICY

We have adopted the board diversity policy which sets out the objective and approach for achieving and maintaining the diversity of the Board in order to enhance its effectiveness. In accordance with the board diversity policy, the Company seeks to achieve board diversity by taking into account a number of factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and/or length of service. The ultimate selection of Board candidates will be based on merit and potential contribution to our Board having due regard to the benefits of diversity on the Board and also the specific needs of the Company without focusing on a single diversity aspect. Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development as well as knowledge and experience in areas such as medicine and pharmaceutical research. They obtained degrees in various areas including, among others, medicine, biochemistry, pharmacology, biology, business administration, economics, and accounting. Furthermore, our Board has a diverse age and gender representation. Our Board currently comprises one female Directors and eight male Directors, ranging from 43 years old to 79 years old.

With regards to gender diversity on the Board, we recognize the particular importance of gender diversity. We have taken and will continue to take steps to promote and enhance gender diversity at all levels of the Company, including but without limitation at our Board and senior management levels. We will maintain a focus on gender diversity when recruiting staff at the mid to senior level so as to develop a pipeline of potential female successors to our Board. The Group will also identify and select several female individuals with a diverse range of skills, experience and knowledge in different fields from time to time, and maintain a list of such female individuals who possess qualities to become our Board members, which will be reviewed by our nomination committee periodically to maintain gender diversity of our Board. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our board diversity policy.

Upon the Listing, the Nomination Committee will from time to time discuss and agree on expected goals to ensure board diversity, and review and, where necessary, update the board diversity policy to ensure that the policy remains effective. The Company will disclose the biographical details of each Director and report on the implementation of the board diversity policy (including whether we have achieved board diversity) in its annual corporate governance report.

DIRECTORS', SUPERVISORS' AND GENERAL MANAGER'S REMUNERATION AND REMUNERATION OF THE FIVE HIGHEST-PAID INDIVIDUALS

The Directors, Supervisors and senior management members who receive remuneration from the Company are paid in the forms of salaries, bonuses, allowances and benefits in kind, equity-settled share award expense and pension scheme contributions. Our independent non-executive Directors receive compensation based on their responsibilities. The remuneration of the Directors, Supervisors and senior management members is determined with reference to the remuneration paid by comparable companies and the achievement of major operating indicators of the Company.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The aggregate amount of remuneration (including salaries, bonuses, allowances and benefits in kind, equity-settled share award expense and pension scheme contributions) paid to the Directors and Supervisors for the two years ended December 31, 2023 and 2024 and the three months ended March 31, 2025 amounted to RMB17.2 million, RMB42.1 million and RMB3.0 million, respectively.

The five highest paid individuals of our Group in the two years ended December 31, 2023 and 2024 and the three months ended March 31, 2025 included two, three and one Directors, respectively. The aggregate amount of remuneration (including salaries, bonuses, allowances and benefits in kind, equity-settled share award expense and pension scheme contributions) incurred by the five highest-paid individuals of the Group (excluding Directors) for the two years ended December 31, 2023 and 2024 and the three months ended March 31, 2025 amounted to RMB15.7 million, RMB10.9 million and RMB4.1 million, respectively.

Under the current compensation arrangement, we estimate the total compensation before taxation, including estimated share-based compensation, to be accrued to our Directors and our Supervisors for the year ended December 31, 2025 to be approximately RMB11.8 million. The actual remuneration of Directors and Supervisors in 2025 may be different from the expected remuneration.

We confirmed that during the Track Record Period, no remuneration was paid by the Company to, or receivable by, our Directors, Supervisors or the five highest paid individuals as an inducement to join or upon joining the Company or as compensation for loss of office in connection with the management positions of the Company or any subsidiary of the Company.

During the Track Record Period, none of our Directors or Supervisors waived any remuneration. Save as disclosed above, no other payments have been paid, or are payable, by the Company or our subsidiary to our Directors, Supervisors or the five highest-paid individuals during the Track Record Period.

COMPLIANCE ADVISER

The Company has appointed Rainbow Capital (HK) Limited as our Compliance Adviser in compliance with Rules 3A.19 of the Listing Rules. The Compliance Adviser will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Adviser will advise the Company in certain circumstances including:

- (i) before the publication of any regulatory announcement, circular or financial report;
- (ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (iii) where we propose to use the proceeds from the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

- (iv) where the Stock Exchange makes an inquiry to the Company in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Adviser will, on a timely basis, inform the Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The Compliance Adviser will also inform the Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the appointment will commence on the Listing Date and is expected to end on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing.

CORNERSTONE INVESTORS

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a “**Cornerstone Investment Agreement**”, and collectively, the “**Cornerstone Investment Agreements**”) with the cornerstone investors set forth below (each a “**Cornerstone Investor**” and collectively, 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) that may be purchased for an aggregate amount of US\$69.0 million (or approximately HK\$541.6 million, calculated based on an exchange rate of US\$1.00 to HK\$7.8497) (exclusive of the brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee) (the “**Cornerstone Placing**”).

Assuming an Offer Price of HK\$31.60 (being the low-end of the indicative Offer Price range set out in this prospectus), the total number of Offer Shares to be subscribed by the Cornerstone Investors would be approximately 17,139,500 Offer Shares. The table below reflects the shareholding percentage immediately after the completion of the Global Offering.

Assuming the Offer Size Adjustment Option is not exercised				Assuming Offer Size Adjustment Option is fully exercised			
Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised		Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
Approximate % of the Shares in issue upon completion of the Global Offering	Approximate % of the Offer Shares	Approximate % of the Shares in issue upon completion of the Global Offering	Approximate % of the Offer Shares	Approximate % of the Shares in issue upon completion of the Global Offering	Approximate % of the Offer Shares	Approximate % of the Shares in issue upon completion of the Global Offering	Approximate % of the Offer Shares
53.47%	9.09%	46.50%	8.86%	46.50%	8.86%	40.43%	8.62%

CORNERSTONE INVESTORS

Assuming an Offer Price of HK\$33.30 (being the mid-point of the indicative Offer Price range set out in this prospectus), the total number of Offer Shares to be subscribed by the Cornerstone Investors would be approximately 16,264,500 Offer Shares. The table below reflects the shareholding percentage immediately after the completion of the Global Offering.

Assuming the Offer Size Adjustment Option is not exercised				Assuming Offer Size Adjustment Option is fully exercised			
Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised		Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
Approximate % of the Shares in issue upon completion of the Global Offering	Approximate % of the Offer Shares	Approximate % of the Shares in issue upon completion of the Global Offering	Approximate % of the Offer Shares	Approximate % of the Shares in issue upon completion of the Global Offering	Approximate % of the Offer Shares	Approximate % of the Shares in issue upon completion of the Global Offering	Approximate % of the Offer Shares
50.74%	8.63%	44.12%	8.41%	44.12%	8.41%	38.37%	8.18%

Assuming an Offer Price of HK\$35.00 (being the high-end of the indicative Offer Price range set out in this prospectus), the total number of Offer Shares to be subscribed by the Cornerstone Investors would be approximately 15,474,500 Offer Shares. The table below reflects the shareholding percentage immediately after the completion of the Global Offering.

Assuming the Offer Size Adjustment Option is not exercised				Assuming Offer Size Adjustment Option is fully exercised			
Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised		Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
Approximate % of the Shares in issue upon completion of the Global Offering	Approximate % of the Offer Shares	Approximate % of the Shares in issue upon completion of the Global Offering	Approximate % of the Offer Shares	Approximate % of the Shares in issue upon completion of the Global Offering	Approximate % of the Offer Shares	Approximate % of the Shares in issue upon completion of the Global Offering	Approximate % of the Offer Shares
48.28%	8.21%	41.98%	8.00%	41.98%	8.00%	36.50%	7.78%

Our Company is of the view that, (i) the Cornerstone Placing will ensure a reasonable size of solid commitment at the beginning of the marketing period of the Global Offering and will provide confidence to the market; and (ii) by leveraging on the Cornerstone Investors' industry reputation and investment experience, in particular in the life sciences, healthcare and biopharmaceutical sectors, the Cornerstone Placing will help raise the profile of our Company and to signify that such investors have confidence in our business and prospect. Our Company became acquainted with each of the Cornerstone Investors through the business network of our Group or through our existing Shareholders or through the Capital Markets Intermediaries.

CORNERSTONE INVESTORS

Among the Cornerstone Investors, (1) each of Splendid Biotech Fund L.P. and Hankang Biotech Fund III, L.P. (collectively, “**Hankang Entities**”) is a close associate of Suzhou Jianxin Hankang Venture Investment Partnership Enterprise (Limited Partnership) (蘇州建信漢康創業投資合夥企業(有限合夥)) (“**Suzhou Hankang**”), Beijing Hankang Jianxin Venture Investment Co., Ltd. (北京漢康建信創業投資有限公司) (“**Beijing Hankang**”) and Hankang Small and Medium Enterprises Development Fund (Weifang) Partnership Enterprise (Limited Partnership) (漢康中小企業發展基金(濰坊)合夥企業(有限合夥)) (“**Hankang SME**”), each an existing Shareholder of our Company; and (2) (i) Loyal Valley Capital Advantage Fund III LP (“**Loyal Valley Fund III**”) is our existing Shareholder; and (ii) each of Golden Valley Global Limited and Golden Valley Value Select Master Fund (together with Loyal Valley Fund III, “**LVC Entities**”) is a close associate of Loyal Valley Fund III, Shanghai Leyong Investment Partnership Enterprise (Limited Partnership) (上海樂永投資合夥企業(有限合夥)) (“**Shanghai Leyong**”) and Shanghai Jishi Lemei Private Equity Investment Fund Partnership Enterprise (Limited Partnership) (上海濟世樂美私募投資基金合夥企業(有限合夥)) (“**Shanghai Jishi Lemei**”), each an existing Shareholder of the Company.

Each of the Hankang Entities and LVC Entities has been permitted to participate in the Cornerstone Placing pursuant to paragraph 18 of Chapter 2.3 of the Guide under a written consent under paragraph 5(2) of Appendix F1 to the Listing Rules granted by the Stock Exchange, and Loyal Valley Fund III has been granted a waiver from strict compliance with the requirements under Rule 10.04 of the Listing Rules. For further details of the abovementioned waiver and consent, see “Waivers from Strict Compliance with the Listing Rules and Exemption from Strict Compliance with the Companies (Winding Up and Miscellaneous) Ordinance” in this prospectus.

The Cornerstone Placing will form part of the International Offering and, save as otherwise obtained consent from the Stock Exchange, the Cornerstone Investors will not acquire 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 Shares in issue and will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules and in compliance with the requirement under Rule 8.08(3) of the Listing Rules. Such Offer Shares will not be counted towards the public float of our Company for the purpose of Rule 18A.07 of the Listing Rules. Immediately following the completion of the Global Offering: (i) none of the Cornerstone Investors or their close associates will become a substantial shareholder of our Company; and (ii) none of the Cornerstone Investors (other than Hankang Entities and LVC Entities) or their close associates will have any Board representation in 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 in the Cornerstone Investment Agreements compared with other public Shareholders. Upon completion of the Global Offering, over 25% of our issued share capital will be held by the public as required under Rule 8.08(1)(a) of the Listing Rules and shares with a market capitalization of at least HK\$375 million will be held by the public as required under Rule 18A.07 of the Listing Rules.

As confirmed by each of the Cornerstone Investors, there are no side agreements or arrangements 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 Offer Price.

CORNERSTONE INVESTORS

Some of the Cornerstone Investors have agreed that our Company and the Joint Sponsors may in their sole discretion defer the delivery of all or part of the Offer Shares it will subscribe to on a date later than the Listing Date. Such delayed delivery arrangement is in place to facilitate the over-allocation in the International Offering. There will be no delayed delivery if there is no over-allocation in the International Offering. All Cornerstone Investors have agreed to pay for the relevant Offer Shares that they have subscribed before dealings in the Shares commence on the Stock Exchange. If there is over-allocation in the International Offering, the settlement of such over-allocation may be effected through delayed delivery of the Offer Shares to be subscribed by certain Cornerstone Investors under the Cornerstone Placing. Where delayed delivery takes place, each Cornerstone Investor that may be affected by such delayed delivery has agreed that it shall nevertheless pay for the relevant Offer Shares before the Listing. If there is no over-allocation in the International Offering, delayed delivery will not take place. As such, there will be no deferred settlement of the investment amount for the Offer Shares to be subscribed by the Cornerstone Investors pursuant to the Cornerstone Investment Agreements.

To the best of the knowledge, information and belief of our Company, (i) each of the Cornerstone Investors and its ultimate beneficial owners is an Independent Third Party; (ii) none of the Cornerstone Investors (other than Hankang Entities and LVC Entities) is accustomed to take and has not taken instructions from our Company, our Directors, chief executive, supervisors, substantial Shareholders, existing Shareholders or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; (iii) none of the subscription of the Offer Shares by the Cornerstone Investors (other than Hankang Entities and LVC Entities) is financed by our Company, our Directors, chief executive, supervisors, substantial Shareholders, existing Shareholders or any of its subsidiaries or their respective close associates; and (iv) each of the Cornerstone Investors is independent from each other and makes independent investment decisions.

To the best knowledge of our Company and as confirmed by each of the Cornerstone Investors, (i) each of the Cornerstone Investors' subscription under the Cornerstone Investment Agreements would be financed by their own internal resources or the assets managed for its investors (in the case of Cornerstone Investors which are funds or investment managers); and (ii) all necessary approvals have been obtained with respect to the Cornerstone Placing, and that no specific approval from any stock exchange (if relevant) or its shareholders is required for the relevant cornerstone investments.

The total number of Offer Shares to be subscribed by the Cornerstone Investors pursuant to the Cornerstone Placing may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering as described in the section headed "Structure of the Global Offering — The Hong Kong Public Offering — Reallocation and Clawback." Each of the Cornerstone Investors has agreed that if the total demand for Shares in the Hong Kong Public Offering falls within the circumstances as set out in the aforesaid section of this prospectus, the number of Offer Shares to be subscribed by each Cornerstone Investor shall be reduced on a *pro rata* basis to satisfy the shortfall, after taking into account the requirements under Appendix F1 to 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 July 24, 2025.

CORNERSTONE INVESTORS

All of the Cornerstone Investors have confirmed that they have sufficient funds to settle the investment amounts and they will pay and settle in full for the relevant Offer Shares that they have subscribed before dealings in the Offer Shares commence on the Stock Exchange. As such, there will be no deferred settlement of payment of the investment amounts.

OUR CORNERSTONE INVESTORS

The following information about the Cornerstone Investors were provided to our Company by the Cornerstone Investors in connection with the Cornerstone Placing.

LVC Entities

Loyal Valley Capital will subscribe for the Offer Shares through Loyal Valley Fund III, Golden Valley Global Limited and Golden Valley Value Select Master Fund, each an investment vehicle of Loyal Valley Capital. Loyal Valley Fund III is a private equity fund established in 2020 by Loyal Valley Capital. The general partner of Loyal Valley Fund III is Loyal Valley Capital Advantage Fund III Limited, which is ultimately controlled by Lijun Lin, and has no limited partner with 30% or more partnership interest. Golden Valley Global Limited is a business company established by Loyal Valley Capital in 2016. Golden Valley Global Limited is indirectly wholly owned by Shanghai Tanying Investment Partnership (Limited Partnership) (上海檀英投資合夥企業(有限合夥)), of which the general partner is wholly owned by Lijun Lin, and the sole limited partner is Shanghai Lejin Investment Partnership Enterprise (Limited Partnership) (上海樂進投資合夥企業(有限合夥)) with no partner holding 30% or more partnership interest therein. Golden Valley Value Select Master Fund is a mutual fund established by Loyal Valley Capital in 2022. The fund manager of Golden Valley Value Select Master Fund is LVC SG Management PTE Ltd, which is ultimately controlled by Lijun Lin, and has no investor with 30% or more partnership interest.

Each of Loyal Valley Fund III, Golden Valley Global Limited and Golden Valley Value Select Master Fund is an investment arm of Loyal Valley Capital, a private equity firm with over RMB50 billion of assets under management as of the Latest Practicable Date. Loyal Valley Capital is ultimately controlled by Lijun Lin and has investments in, without limitation, that mainly focuses on the following segments: new consumer (media, entertainment and education), healthcare and advanced manufacturing. It has investments in, without limitation, Sichuan Baicha Baidao Industrial Co., Ltd (HKEX: 2555), Cloud Music Inc. (HKEX: 9899), Shanghai Junshi Biosciences Co., Ltd. (HKEX: 1877) and InnoCare Pharma Limited (HKEX: 9969).

OrbiMed Genesis Master Fund, L.P. (“Genesis”) and The Biotech Growth Trust PLC (“BIOG”) (together, “OrbiMed”)

OrbiMed Genesis Master Fund, L.P. (“**Genesis**”) is an exempted limited partnership incorporated in the Cayman Islands. OrbiMed Genesis GP LLC (“**Genesis GP**”) is the general partner of Genesis. OrbiMed Advisors LLC (“**OrbiMed Advisors**”) is the managing member of Genesis GP. OrbiMed Advisors exercises voting and investment power through a management committee comprised of Carl L. Gordon, Sven H. Borho and W. Carter Neild, each of whom disclaims beneficial ownership of the shares held by Genesis, except to the extent of its or his pecuniary interest therein if any. No single limited partner of Genesis, directly or indirectly, owns equal to or more than 30% of Genesis. Genesis invests primarily in innovative life sciences companies engaged in the discovery and development of novel products and services that OrbiMed Advisors believes will address significant unmet medical needs.

The Biotech Growth Trust PLC (“**BIOG**”) is a publicly listed trust organized in England and Wales. OrbiMed Capital LLC (“**OrbiMed Capital**”) is the portfolio manager of BIOG. OrbiMed Capital exercises voting and investment power through a management committee comprised of Carl L. Gordon, Sven H. Borho and W. Carter Neild, each of whom disclaims beneficial ownership of the shares held by BIOG, except to the extent of its or his pecuniary interest therein if any. No single limited partner of BIOG, directly or indirectly, owns equal to or more than 30% of BIOG. BIOG invests in a diversified portfolio of shares and related securities in biotechnology companies on a worldwide basis.

Each of Genesis, OrbiMed Advisors, BIOG, OrbiMed Capital, Carl L. Gordon, Sven H. Borho, and W. Carter Neild is an Independent Third Party.

Gaoyi Entities

Shanghai Gaoyi and Huatai Capital Investment Limited (in connection with Huatai Back-to-back TRS and Huatai Client TRS)

Huatai Capital Investment Limited (“**HTCI**”) will act as the single counterparty of a back-to-back total return swap transaction (the “**Huatai Back-to-back TRS**”) to be entered into by HTCI and Huatai Securities Co., Ltd. (“**Huatai Securities**”) in connection with a total return swap order (the “**Huatai Client TRS**”) placed by and fully funded by ultimate clients (the “**Ultimate Clients (Gaoyi)**”), by which HTCI will pass the full economic return and loss of the Offer Shares placed to HTCI to the Ultimate Clients (Gaoyi). HTCI will hold the Offer Shares on a non-discretionary basis to hedge the Huatai Back-to-back TRS in connection with the Huatai Client TRS order placed by the Ultimate Clients (Gaoyi), and will pass on the full economic return and loss of the Offer Shares ultimately to the Ultimate Clients (Gaoyi) through the Huatai Back-to-back TRS and the Huatai Client TRS, subject to customary fees and commissions. HTCI will not take part in any economic return or bear any economic loss in relation to the Offer Shares. The Ultimate Clients (Gaoyi) may, after expiration of the lock-up period beginning from the date of the cornerstone agreement entered into among HTCI, the Company and the Joint Sponsors, and ending on the date which is six months from the Listing Date, request to early terminate the Huatai Client TRS at their own discretions. Upon the final maturity or early termination of the Huatai Client TRS by the Ultimate Clients (Gaoyi), HTCI will accordingly terminate the Huatai Back-to-back TRS and dispose of the Offer Shares on the secondary market and the Ultimate Clients (Gaoyi) will receive a final settlement amount of the Huatai Client TRS in cash in accordance with the terms and conditions of the Huatai Back-to-back TRS and the Huatai Client TRS. HTCI will not exercise the voting right of the Offer Shares during the tenor of the Huatai Back-to-back TRS.

During the life of the Huatai Back-to-back TRS and the Huatai Client TRS, HTCI may continue to hold the Offer Shares in its custodian account, or to hold some or all of the Offer Shares in a prime brokerage account for stock borrowing purpose which is consistent with market practice to lower its finance cost, provided that the economic interests of the Offer Shares are ultimately passed onto the Ultimate Clients (Gaoyi).

To the best of HTCI’s knowledge after having made all reasonable inquiries, each of the Ultimate Clients (Gaoyi) is an Independent Third Party of (i) the Company, the connected persons or associates thereof, and (ii) HTCI and the companies which are members of the same group of HTCI.

CORNERSTONE INVESTORS

HTCI is an indirectly wholly-owned subsidiary of Huatai Securities, of which its shares are listed on the Shanghai Stock Exchange (stock code: 601688) and the Stock Exchange (stock code: 6886), and the global depositary receipts of which are listed on the London Stock Exchange (LON: HTSC).

HTCI Ultimate Clients (Gaoyi) are certain investment funds managed by Shanghai Gaoyi Asset Management Partnership (Limited Partnership) (上海高毅資產管理合夥企業(有限合夥)) (“**Shanghai Gaoyi**”) on a discretionary basis. Shanghai Gaoyi is a limited partnership established in the PRC, which is engaged in asset management and investment management with a primary focus on investments in secondary market. Certain investment funds managed by Shanghai Gaoyi entered into delta-one OTC swap transactions in connection with the cornerstone investment in Contemporary Amperex Technology Co., Limited (寧德時代新能源科技股份有限公司) (HKEX: 3750) and bear all economic return and loss. Shanghai Gaoyi holds the Qualification of Private Investment Fund Manager (私募投資基金管理人資格) accredited by the Asset Management Association of China (中國證券投資基金業協會). The managing partner of Shanghai Gaoyi is Shanghai Gaoyi Investment Management Co., Ltd. (上海高毅投資管理有限公司) (“**Gaoyi Investment**”). Perseverance Asset Management (as defined below) is an affiliate of Shanghai Gaoyi (together, “**Gaoyi Entities**”). As confirmed by Shanghai Gaoyi, there is no single ultimate beneficial owner holding 30% or more interests in each of the Ultimate Clients (Gaoyi).

Perseverance Asset Management

Perseverance Asset Management International (Singapore) Pte. Ltd. (“**Perseverance Asset Management**”) acts as the investment advisor or investment manager on a discretionary basis of no more than four investment funds and/or separated managed accounts (collectively the “**Perseverance Funds**”). No single ultimate beneficial owner holds 30% or more interest in each of the Perseverance Funds. Perseverance Asset Management is a private limited company incorporated in Singapore in October 2018, and holds a Capital Markets Services License for fund management with Monetary Authority of Singapore. Perseverance Asset Management is wholly owned by Perseverance Asset Management International, which is principally engaged in investment management and investment advisory services and an Independent Third Party. Certain investments funds for which Perseverance Asset Management acts as the investment advisor or investment manager invested in Contemporary Amperex Technology Co., Limited (寧德時代新能源科技股份有限公司) (HKEX: 3750) and Acotec Scientific Holdings Limited (先瑞達醫療科技控股有限公司) (HKEX: 6669) as cornerstone investor. Perseverance Asset Management is entering the cornerstone investment agreement with the Company in its capacity as an investment advisor or investment manager and on behalf of the Perseverance Funds.

TruMed Healthcare Master Fund and TruMed Health Innovation Fund LP (together “TruMed”)

TruMed Healthcare Master Fund is a healthcare focused pooled investment fund whose investment manager is TruMed Investment Management Limited. TruMed Investment Management Limited is controlled by Ms. Ting Wang. Save as Ms. Ting Wang who ultimately beneficially owns more than 30% interest in TruMed Healthcare Master Fund and is an Independent Third Party, each of the remaining investors holds less than 30% interest in TruMed Healthcare Master Fund.

TruMed Health Innovation Fund LP is an exempted limited partnership incorporated in the Cayman Islands, and it is a pooled investment fund primarily investing in healthcare equities. The general partner is TruMed Health Innovation Fund GP Limited, which is controlled by Ms. Ting Wang. TruMed Health Innovation Fund LP has over 20 limited partners. None of the limited partners holds 30% or more equity interest in TruMed Health Innovation Fund LP.

Huang River Investment Limited

Huang River Investment Limited is wholly owned by Tencent Holdings Limited (“**Tencent**”), a company listed on the Stock Exchange (stock code: 00700 (HKD Counter) and 80700 (RMB Counter)). Tencent is principally engaged in the provision of communication, social, digital content, games, marketing, fintech and cloud services in the PRC. Each of Huang River Investment Limited and Tencent is an Independent Third Party.

E Fund Management Co., Ltd. (易方達基金管理有限公司) and E Fund Management (Hong Kong) Co., Ltd. (易方達資產管理(香港)有限公司) (together “E Fund”)

E Fund Management Co., Ltd. (易方達基金管理有限公司) (“**E Fund Management**”), is a leading comprehensive asset management company in the PRC. E Fund Management is a QDII approved by the relevant PRC authority and targets at companies with competitive edge over its competitors in the global healthcare sector. E Fund Management is a fund manager managing assets on behalf of its underlying clients. The shareholders of E Fund Management include (1) Guangdong Finance Trust Co., Ltd. (廣東粵財信託有限公司), which is ultimately owned by The People’s Government of Guangzhou Municipality (廣東省人民政府), (2) GF Securities Co., Ltd. (廣發証券股份有限公司) (“**GF Securities**”), which is listed on the Stock Exchange (stock code: 1776) and the Shenzhen Stock Exchange (stock code: 000776), and (3) Infore Holding Group Co., Ltd (盈峰控股集團有限公司), which is ultimately owned by He Jianfeng (何劍鋒), each holding 22.65% in E Fund Management and an Independent Third Party. None of the remaining shareholders of E Fund Management owns 30% or more equity interest therein. The approval of the shareholders of GF Securities, the Stock Exchange or the Shenzhen Stock Exchange is not required for the subscription for the Offer Shares pursuant to the relevant Cornerstone Investment Agreement.

E Fund Management (Hong Kong) Co., Ltd. (易方達資產管理(香港)有限公司) (“**E Fund HK**”) is a wholly-owned subsidiary of E Fund Management. E Fund HK was incorporated in Hong Kong in August 2008. E Fund HK is licensed for Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities by the SFC. E Fund HK serves as the global investment and business platform for its parent company, E Fund Management. As E Fund Management’s window company overseas, E Fund HK strategically connects China and the overseas market. E Fund HK capitalizes the investment and research capabilities of E Fund Management and its competitive advantage in the overseas market to provide comprehensive quality service to its clients.

The Offer Shares to be allocated and issued to E Fund Management and E Fund HK in their capacity as investment managers acting as agents on behalf of certain clients, will be held on a discretionary basis for and on behalf of clients who are Independent Third Parties to the best knowledge of the Company, E Fund Management and E Fund HK.

Foresight Global Superior Choice SPC — Global Superior Choice Fund 1 SP (“Foresight Funds GSC Fund 1”) and Foresight Global Superior Choice SPC — Vision Fund 1 SP (“Vision Fund 1”)

Foresight Funds GSC Fund 1 and Vision Fund 1 (together “**Foresight Funds**”) are both sub funds of Foresight Global Superior Choice SPC, which was incorporated in the Cayman Islands on October 17, 2016 and each an Independent Third Party. The Foresight Funds are currently managed in full discretion by Foresight Fund (Hong Kong) Limited (“**Foresight HK**”), a wholly owned subsidiary of Foresight Fund Management Company. Foresight HK was incorporated in Hong Kong in April 26, 2022, and has been a licensed corporation as defined under the SFO for Type 4 (Advising on Securities) and Type 9 (Asset management) since March 24, 2023. Foresight Fund Management Company is the investment advisor of the Foresight Funds and is a Shanghai-based asset management company and was founded by Chen Guangming, an Independent Third Party, holding 49.92% interest therein. No ultimate beneficial owner of any limited partner or general partner holds more than 30% interest in Foresight Funds.

Sage Partners

Sage Partners Master Fund (“**Sage Partners**”) is a discretionary fund registered in the Cayman Islands. Sage Partners primarily focuses on investment opportunities in the healthcare related sector by deploying a long-term fundamental-based approach. None of the investors in Sage Partners Master Fund holds 30% or more of its interest. Sage Partners Master Fund is managed by Sage Partners Limited, which is licensed by the SFC to carry out type 9 regulated activities. To the best of the knowledge, information and belief of our Company, Sage Partners Master Fund and Sage Partners Limited, together with their ultimate beneficial owners, are Independent Third Parties.

Hankang Entities

Hankang Biotech Fund III, L.P. is a limited partnership established in the Cayman Islands and is managed by Hankang Biotech III, LLC, which is ultimately owned by Ms. Meichai Zhang. Carob Investment Pte Ltd, a limited partner, holds approximately 37.23% interest in Hankang Biotech Fund III, L.P., while no other limited partner holds 30% or more interest. Splendid Biotech Fund L.P. is a limited partnership established in the Cayman Islands and is managed by Pole Star Biotech LLC, which is ultimately owned by Yuan Quanhong (苑全紅), who is a close associate of Meichai Zhang as defined under the Listing Rules. The sole limited partner of Splendid Biotech Fund L.P. is Carob Investment Pte Ltd. Carob Investment Pte Ltd is wholly owned by GIC (Ventures) Pte. Ltd., which in turn is an affiliate of GIC Pte. Ltd. (“**GIC**”). GIC is a global investment firm established in 1981 to manage Singapore’s foreign reserves. Each of Hankang Biotech Fund III, L.P. and Splendid Biotech Fund L.P., Hankang Biotech III, LLC and Pole Star Biotech LLC is operated under Hankang Capital. Hankang Capital is a venture capital fund committed to the pharmaceutical and biotechnology industry with the mission to empower biomedical innovation and safeguard life wellness.

CORNERSTONE INVESTORS

The table below sets out details of the Cornerstone Placing:

Based on the Offer Price of HK\$31.60 (being the low end of the indicative Offer Price range)

Cornerstone Investors	Investment amount ⁽¹⁾	Number of Offer Shares ⁽²⁾	Assuming the Offer Size Adjustment Option is not exercised				Assuming Offer Size Adjustment Option is fully exercised			
			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised		Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
			Approximate % of the Offer Shares	Approximate completion of the Global Offering	Approximate % of the Offer Shares	Approximate completion of the Global Offering	Approximate % of the Offer Shares	Approximate completion of the Global Offering	Approximate % of the Offer Shares	Approximate completion of the Global Offering
	(US\$ in million)									
LVC Entities	13.00	3,229,200	10.07%	1.71%	8.76%	1.67%	8.76%	1.67%	7.62%	1.62%
– Loyal Valley Fund III	5.00	1,242,000	3.87%	0.66%	3.37%	0.64%	3.37%	0.64%	2.93%	0.62%
– Golden Valley Global Limited	4.00	993,600	3.10%	0.53%	2.70%	0.51%	2.70%	0.51%	2.34%	0.50%
– Golden Valley Value Select Master Fund	4.00	993,600	3.10%	0.53%	2.70%	0.51%	2.70%	0.51%	2.34%	0.50%
Gaoyi Entities	10.00	2,484,000	7.75%	1.32%	6.74%	1.28%	6.74%	1.28%	5.86%	1.25%
– Shanghai Gaoyi and HTCI (in connection with Huatai Back-to-back TRS and Huatai Client TRS)	8.00	1,987,200	6.20%	1.05%	5.39%	1.03%	5.39%	1.03%	4.69%	1.00%
– Perseverance Asset Management	2.00	496,800	1.55%	0.26%	1.35%	0.26%	1.35%	0.26%	1.17%	0.25%
TruMed	10.00	2,484,000	7.75%	1.32%	6.74%	1.28%	6.74%	1.28%	5.86%	1.25%
– TruMed Healthcare Master Fund	0.55	136,600	0.43%	0.07%	0.37%	0.07%	0.37%	0.07%	0.32%	0.07%
– TruMed Health Innovation Fund LP	9.45	2,347,400	7.32%	1.24%	6.37%	1.21%	6.37%	1.21%	5.54%	1.18%
OrbiMed	10.00	2,484,000	7.75%	1.32%	6.74%	1.28%	6.74%	1.28%	5.86%	1.25%
– Genesis	6.25	1,552,500	4.84%	0.82%	4.21%	0.80%	4.21%	0.80%	3.66%	0.78%
– BIOG	3.75	931,500	2.91%	0.49%	2.53%	0.48%	2.53%	0.48%	2.20%	0.47%
Huang River Investment Limited	8.00	1,987,200	6.20%	1.05%	5.39%	1.03%	5.39%	1.03%	4.69%	1.00%
E Fund	7.00	1,738,800	5.42%	0.92%	4.72%	0.90%	4.72%	0.90%	4.10%	0.87%
– E Fund Management	6.15	1,527,700	4.77%	0.81%	4.14%	0.79%	4.14%	0.79%	3.60%	0.77%
– E Fund HK	0.85	211,100	0.66%	0.11%	0.57%	0.11%	0.57%	0.11%	0.50%	0.11%
Foresight Funds	5.00	1,241,900	3.87%	0.66%	3.37%	0.64%	3.37%	0.64%	2.93%	0.62%
– Foresight Funds GSC Fund I	1.95	484,300	1.51%	0.26%	1.31%	0.25%	1.31%	0.25%	1.14%	0.24%
– Vision Fund I	3.05	757,600	2.36%	0.40%	2.06%	0.39%	2.06%	0.39%	1.79%	0.38%
Sage Partners	4.00	993,600	3.10%	0.53%	2.70%	0.51%	2.70%	0.51%	2.34%	0.50%
Hankang Entities	2.00	496,800	1.55%	0.26%	1.35%	0.26%	1.35%	0.26%	1.17%	0.25%
– Hankang Biotech Fund III, L.P.	1.00	248,400	0.77%	0.13%	0.67%	0.13%	0.67%	0.13%	0.59%	0.12%
– Splendid Biotech Fund L.P.	1.00	248,400	0.77%	0.13%	0.67%	0.13%	0.67%	0.13%	0.59%	0.12%

Notes:

1. Exclusive of brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy, and to be converted to Hong Kong dollars based on the exchange rate as disclosed in this prospectus.
2. Rounded down to the nearest whole board lot of 100 H Shares. Calculated based on the exchange rate set out in the section headed “Information about this prospectus and the Global Offering — Exchange Rate Conversion.”

CORNERSTONE INVESTORS

Based on the Offer Price of HK\$33.30 (being the mid-point of the indicative Offer Price range)

Cornerstone Investors	Investment amount ⁽¹⁾	Assuming the Offer Size Adjustment Option is not exercised					Assuming Offer Size Adjustment Option is fully exercised				
		Assuming the Over-allotment Option is not exercised			Assuming the Over-allotment Option is fully exercised		Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised		
		Approximate Number of Offer Shares ⁽²⁾	% of the Offer Shares	Approximate % of the Shares in issue upon completion of the Global Offering	Approximate % of the Offer Shares	Approximate % of the Shares in issue upon completion of the Global Offering	Approximate % of the Offer Shares	% of the Offer Shares	Approximate % of the Shares in issue upon completion of the Global Offering	Approximate % of the Offer Shares	% of the Offer Shares
	(US\$ in million)										
LVC Entities	13.00	3,064,400	9.56%	1.63%	8.31%	1.58%	8.31%	1.58%	7.23%	1.54%	
– Loyal Valley Fund III	5.00	1,178,600	3.68%	0.63%	3.20%	0.61%	3.20%	0.61%	2.78%	0.59%	
– Golden Valley Global Limited	4.00	942,900	2.94%	0.50%	2.56%	0.49%	2.56%	0.49%	2.22%	0.47%	
– Golden Valley Value Select Master Fund	4.00	942,900	2.94%	0.50%	2.56%	0.49%	2.56%	0.49%	2.22%	0.47%	
Gaoyi Entities	10.00	2,357,200	7.35%	1.25%	6.39%	1.22%	6.39%	1.22%	5.56%	1.19%	
– Shanghai Gaoyi and HTCI (in connection with Huatai Back-to-back TRS and Huatai Client TRS)	8.00	1,885,800	5.88%	1.00%	5.12%	0.98%	5.12%	0.98%	4.45%	0.95%	
– Perseverance Asset Management	2.00	471,400	1.47%	0.25%	1.28%	0.24%	1.28%	0.24%	1.11%	0.24%	
TruMed	10.00	2,357,200	7.35%	1.25%	6.39%	1.22%	6.39%	1.22%	5.56%	1.19%	
– TruMed Healthcare Master Fund	0.55	129,600	0.40%	0.07%	0.35%	0.07%	0.35%	0.07%	0.31%	0.07%	
– TruMed Health Innovation Fund LP	9.45	2,227,600	6.95%	1.18%	6.04%	1.15%	6.04%	1.15%	5.25%	1.12%	
OrbiMed	10.00	2,357,100	7.35%	1.25%	6.39%	1.22%	6.39%	1.22%	5.56%	1.19%	
– Genesis	6.25	1,473,200	4.60%	0.78%	4.00%	0.76%	4.00%	0.76%	3.48%	0.74%	
– BIOG	3.75	883,900	2.76%	0.47%	2.40%	0.46%	2.40%	0.46%	2.09%	0.44%	
Huang River Investment Limited	8.00	1,885,800	5.88%	1.00%	5.12%	0.98%	5.12%	0.98%	4.45%	0.95%	
E Fund	7.00	1,650,000	5.15%	0.88%	4.48%	0.85%	4.48%	0.85%	3.89%	0.83%	
– E Fund Management	6.15	1,449,700	4.52%	0.77%	3.93%	0.75%	3.93%	0.75%	3.42%	0.73%	
– E Fund HK	0.85	200,300	0.62%	0.11%	0.54%	0.10%	0.54%	0.10%	0.47%	0.10%	
Foresight Funds	5.00	1,178,500	3.68%	0.63%	3.20%	0.61%	3.20%	0.61%	2.78%	0.59%	
– Foresight Funds GSC Fund I	1.95	459,600	1.43%	0.24%	1.25%	0.24%	1.25%	0.24%	1.08%	0.23%	
– Vision Fund I	3.05	718,900	2.24%	0.38%	1.95%	0.37%	1.95%	0.37%	1.70%	0.36%	
Sage Partners	4.00	942,900	2.94%	0.50%	2.56%	0.49%	2.56%	0.49%	2.22%	0.47%	
Hankang Entities	2.00	471,400	1.47%	0.25%	1.28%	0.24%	1.28%	0.24%	1.11%	0.24%	
– Hankang Biotech Fund III, L.P.	1.00	235,700	0.74%	0.13%	0.64%	0.12%	0.64%	0.12%	0.56%	0.12%	
– Splendid Biotech Fund L.P.	1.00	235,700	0.74%	0.13%	0.64%	0.12%	0.64%	0.12%	0.56%	0.12%	

Notes:

1. Exclusive of brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy, and to be converted to Hong Kong dollars based on the exchange rate as disclosed in this prospectus.
2. Rounded down to the nearest whole board lot of 100 H Shares. Calculated based on the exchange rate set out in the section headed “Information about this prospectus and the Global Offering — Exchange Rate Conversion.”

CORNERSTONE INVESTORS

Based on the Offer Price of HK\$35.00 (being the high end of the indicative Offer Price range)

Cornerstone Investors	Investment amount ⁽¹⁾	Number of Offer Shares ⁽²⁾	Assuming the Offer Size Adjustment Option is not exercised				Assuming Offer Size Adjustment Option is fully exercised			
			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised		Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
			Approximate % of the Shares in issue upon completion of the		Approximate % of the Shares in issue upon completion of the		Approximate % of the Shares in issue upon completion of the		Approximate % of the Shares in issue upon completion of the	
			Offer Shares	Global Offering	Offer Shares	Global Offering	Offer Shares	Global Offering	Offer Shares	Global Offering
	(US\$ in million)									
LVC Entities	13.00	2,915,500	9.10%	1.55%	7.91%	1.51%	7.91%	1.51%	6.88%	1.47%
– Loyal Valley Fund III	5.00	1,121,300	3.50%	0.59%	3.04%	0.58%	3.04%	0.58%	2.65%	0.56%
– Golden Valley Global Limited	4.00	897,100	2.80%	0.48%	2.43%	0.46%	2.43%	0.46%	2.12%	0.45%
– Golden Valley Value Select Master Fund	4.00	897,100	2.80%	0.48%	2.43%	0.46%	2.43%	0.46%	2.12%	0.45%
Gaoyi Entities	10.00	2,242,700	7.00%	1.19%	6.08%	1.16%	6.08%	1.16%	5.29%	1.13%
– Shanghai Gaoyi and HTCI (in connection with Huatai Back-to-back TRS and Huatai Client TRS)	8.00	1,794,200	5.60%	0.95%	4.87%	0.93%	4.87%	0.93%	4.23%	0.90%
– Perseverance Asset Management	2.00	448,500	1.40%	0.24%	1.22%	0.23%	1.22%	0.23%	1.06%	0.23%
TruMed	10.00	2,242,700	7.00%	1.19%	6.08%	1.16%	6.08%	1.16%	5.29%	1.13%
– TruMed Healthcare Master Fund	0.55	123,300	0.38%	0.07%	0.33%	0.06%	0.33%	0.06%	0.29%	0.06%
– TruMed Health Innovation Fund LP	9.45	2,119,400	6.61%	1.12%	5.75%	1.10%	5.75%	1.10%	5.00%	1.07%
OrbiMed	10.00	2,242,700	7.00%	1.19%	6.08%	1.16%	6.08%	1.16%	5.29%	1.13%
– Genesis	6.25	1,401,700	4.37%	0.74%	3.80%	0.72%	3.80%	0.72%	3.31%	0.70%
– BIOG	3.75	841,000	2.62%	0.45%	2.28%	0.43%	2.28%	0.43%	1.98%	0.42%
Huang River Investment Limited	8.00	1,794,200	5.60%	0.95%	4.87%	0.93%	4.87%	0.93%	4.23%	0.90%
E Fund	7.00	1,569,900	4.90%	0.83%	4.26%	0.81%	4.26%	0.81%	3.70%	0.79%
– E Fund Management	6.15	1,379,300	4.30%	0.73%	3.74%	0.71%	3.74%	0.71%	3.25%	0.69%
– E Fund HK	0.85	190,600	0.59%	0.10%	0.52%	0.10%	0.52%	0.10%	0.45%	0.10%
Foresight Funds	5.00	1,121,300	3.50%	0.59%	3.04%	0.58%	3.04%	0.58%	2.65%	0.56%
– Foresight Funds GSC Fund I	1.95	437,300	1.36%	0.23%	1.19%	0.23%	1.19%	0.23%	1.03%	0.22%
– Vision Fund I	3.05	684,000	2.13%	0.36%	1.86%	0.35%	1.86%	0.35%	1.61%	0.34%
Sage Partners	4.00	897,100	2.80%	0.48%	2.43%	0.46%	2.43%	0.46%	2.12%	0.45%
Hankang Entities	2.00	448,400	1.40%	0.24%	1.22%	0.23%	1.22%	0.23%	1.06%	0.23%
– Hankang Biotech Fund III, L.P.	1.00	224,200	0.70%	0.12%	0.61%	0.12%	0.61%	0.12%	0.53%	0.11%
– Splendid Biotech Fund L.P.	1.00	224,200	0.70%	0.12%	0.61%	0.12%	0.61%	0.12%	0.53%	0.11%

Notes:

1. Exclusive of brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy, and to be converted to Hong Kong dollars based on the exchange rate as disclosed in this prospectus.
2. Rounded down to the nearest whole board lot of 100 H Shares. Calculated based on the exchange rate set out in the section headed “Information about this prospectus and the Global Offering — Exchange Rate Conversion.”

CORNERSTONE INVESTORS

CONDITIONS PRECEDENT

The obligations of each Cornerstone Investor to subscribe for the Offer Shares under the respective Cornerstone Investment Agreements are subject to, among others, 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 these underwriting agreements, and neither of the aforesaid underwriting agreements having been terminated;
- (b) the Offer Price having been agreed upon between the Company and the Joint Sponsors (for themselves and on behalf of the Capital Market Intermediaries and the Underwriters);
- (c) the Listing Committee of Stock Exchange having granted the listing of, and permission to deal in, the Shares in issue, the Shares to be issued pursuant to the Global Offering (including the Shares under the Cornerstone Placing as well as other applicable waivers and consents and any Shares that may be issued under the Offer-size Adjustment Option and the Over-allotment Option) and such approval, permission, waivers or consents having not been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;
- (d) no laws or regulations shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or the 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; and
- (e) the respective representations, warranties, undertakings, confirmations of the Cornerstone Investors under the respective Cornerstone Investment Agreements are (as of the date of the Cornerstone Investment Agreements) and shall be (as of the Listing Date) accurate and true in all material respects and not misleading and that there is no material breach of any of the Cornerstone Investment Agreements on the part of their respective Cornerstone Investors.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that without the prior written consent of each of our Company and the Joint Sponsors, it will not, whether directly or indirectly, at any time during the period of six months starting from and inclusive of the Listing Date (the “**Lock-up Period**”), dispose of, in any way, any of the Offer Shares or any interest in any company or entity holding such Offer Shares, 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 Investors, including the Lock-up Period restriction.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

For details of our future plans, see “Business — Our Strategies.”

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$967.7 million, after deducting underwriting commissions, fees and other estimated expenses paid and payable by us in connection with the Global Offering, and assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised and an Offer Price of HK\$33.30 per H Share, being the mid-point of the indicative Offer Price range of HK\$31.60 to HK\$35.00 per H Share.

We currently intend to use the net proceeds from the Global Offering for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

- Approximately 65.0%, or HK\$629.0 million, will be allocated to the ongoing and planned clinical development and regulatory affairs of our clinical-stage drug candidates, of which:
 - o Approximately 46.0%, or HK\$445.2 million, will be used to fund the continuous clinical development and regulatory affairs of our Core Product LBL-024, including:
 - Approximately 5.3%, or HK\$51.3 million, will be used for the ongoing clinical trial of LBL-024 monotherapy targeting late-line EP-NEC. We initiated a single-arm registrational trial of LBL-024 monotherapy in patients with EP-NEC who failed previous chemotherapy in China in July 2024. Subject to clinical progress and regulatory communications, we expect to complete this trial and file the first BLA for LBL-024 with the NMPA by the third quarter of 2026, with anticipated conditional approval by the second quarter of 2027;
 - Approximately 15.9%, or HK\$153.9 million, will be used for the ongoing and planned clinical trials of LBL-024 in combination with chemotherapy targeting 1L EP-NEC and SCLC. We launched a Phase Ib/II study of LBL-024 in combination with etoposide and platinum-based chemotherapy in China in January 2024 for the first-line treatment of advanced EP-NEC and SCLC. We have completed the Phase Ib portion of this study in May 2024 and expect to conclude the Phase II portion in the fourth quarter of 2025, following which we intend to initiate a registrational trial for this combination therapy in the second quarter of 2026. We plan to submit the BLA to the NMPA for first-line treatment of EP-NEC and SCLC in 2029; and

FUTURE PLANS AND USE OF PROCEEDS

- Approximately 24.8%, or HK\$240.0 million, will be used for the planned clinical trials of LBL-024 in combination with SOC treatments for indication expansion. We are proactively investigating the therapeutic potential of LBL-024 in other large cancer indications with substantial treatment gaps, including BTC, NSCLC, ESCC, HCC, GC and other solid tumors. We have received the IND approval from the NMPA for a Phase II trial of LBL-024 in combination with SOC for the first-line treatment of these cancer indications in September 2024, and plan to enroll the first patient for the first indication in the second half of 2025.

See “Business — Our Drug Candidates — Our Clinical-Stage Drug Candidates — LBL-024 (PD-L1/4-1BB BsAb) — Our Core Product — Clinical Development Plan” for more details.

- o Approximately 19.0%, or HK\$183.9 million, will be used to fund the continuous clinical development and regulatory affairs of our key products, including LBL-034, LBL-033 and LBL-007:
 - Approximately 11.7%, or HK\$113.2 million, will be used for the ongoing and planned clinical trials of LBL-034 targeting MM in China. We commenced a Phase I/II trial of LBL-034 monotherapy for the treatment of relapsed/refractory MM in China in November 2023. We expect to complete patient enrollment for Phase I trial by the second quarter of 2025. Subject to clinical results, we plan to proceed with consultation with the CDE for the single-arm registrational trial. Conditional on alignment with regulatory authorities, we aim to complete the single-arm registrational trial and submit the first BLA by the second half of 2026. See “Business — Our Drug Candidates — Our Clinical-Stage Drug Candidates — LBL-034 (GPRC5D/CD3 BsAb) — Our Key Product — Clinical Development Plan” for more details; and
 - Approximately 7.3%, or HK\$70.6 million, will be used for the ongoing clinical trials and any future clinical development of LBL-033 and LBL-007 in China. We initiated a Phase I/II trial of LBL-033 monotherapy for the treatment of OC, cervical cancer, NSCLC and other solid tumors in China in April 2023, and we expect to conclude the Phase I portion of this study by the third quarter of 2025. Additionally, we initiated a Phase Ib/II trial of LBL-007 in combination with tislelizumab and/or chemotherapy for the front-line treatment of NPC and other solid tumors in China in September 2022 and have completed patient enrollment in January 2024. We expect to complete this study in the third quarter of 2025. See “Business — Our Drug Candidates — Our Clinical-Stage Drug Candidates — LBL-033 (MUC16/CD3 BsAb) — Our Key Product — Clinical Development Plan” and “Business — Our Drug Candidates — Our Clinical-Stage Drug Candidates — LBL-007 (LAG3 mAb) — Our Key Product — Clinical Development Plan” for more details.

FUTURE PLANS AND USE OF PROCEEDS

We have executed an adaptive clinical development strategy and may evaluate and adjust our priorities and funding allocations for different indications or other aspects of our clinical trials for each drug candidate from time to time based on the status and results of ongoing clinical trials, while the percentages of proceeds allocated to each drug candidate will generally remain stable. Therefore, the percentages and amounts of net proceeds allocated to each indication, clinical trial and/or commercialization plan of each drug candidate may be subject to change.

- Approximately 15.0%, or HK\$145.2 million, will be allocated to the advancement of our preclinical assets, expansion of our existing pipeline, as well as optimization of our technology platforms:
 - o Approximately 4.2%, or HK\$40.6 million, will be used to fund the continued research and development of our preclinical assets, including LBL-054-ADC, LBL-054-TCE, LBL-058, LBL-061, LBL-043, LBL-049 and LBL-047, from discovery through IND-enabling stage;
 - o Approximately 5.8%, or HK\$56.1 million, will be used to fund the exploration and development of our new drug candidates, particularly in terms of T-cell engagers, ADCs or targeting autoimmune diseases; and
 - o Approximately 5.0%, or HK\$48.4 million, will be used to further enhance our proprietary technology platforms and develop additional antibody-based platforms capable of devising multi-modality immuno-oncology therapies, such as common light chain bispecific antibody, bifunctional fusion protein, and ADC platforms. See “Business — Our Platform — Drug Discovery and Preclinical Development — Proprietary technology platforms.”
- Approximately 10.0%, or HK\$96.8 million, will be primarily used for upgrading our manufacturing capacity, and to a lesser extent, for commercialization of our drug candidates after they are approved for sale.

To accommodate the growing demand for our drug candidates upon commercialization, we plan to continue to collaborate with reputable CDMOs to complement our in-house pilot-scale manufacturing capabilities. Meanwhile, we are considering scaling up our manufacturing capacity particularly in terms of drug substance. In line with our asset-light strategy, we plan to lease established production bases and build thereon production lines capable of supplying up to 8,000L of antibody drugs per year, during the initial phase of commercialization. Upon completion of such upgrading, we anticipate our annual production capacity will be elevated to up to 40 batches of 2,000L bulk drug substance.

In anticipation of the commercialization of our drug candidates as early as 2027, we plan to initially collaborate with qualified and experienced CSOs to promote and market our products, capitalizing on their extensive sales networks and distribution channels to achieve rapid market coverage. Such CSOs engaged by us are expected to cover major provinces and municipalities in China and be primarily responsible for sales, promotion, as well as educating the market the advantages of, our commercialized drugs.

FUTURE PLANS AND USE OF PROCEEDS

- Approximately 10.0%, or HK\$96.8 million, will be used for working capital and general corporate purposes.

The above allocation of the net proceeds from the Global Offering 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 stated in this prospectus.

If the Offer Size Adjustment Option and the Over-allotment Option are exercised in full, the net proceeds that we will receive will be approximately HK\$1,294.7 million, assuming an Offer Price of HK\$33.30 per H Share (being the mid-point of the indicative Offer Price range). In the event that the Offer Size Adjustment Option and the Over-allotment Option are exercised in full, we intend to apply the additional net proceeds to the above purposes in the proportions stated above.

To the extent that our net proceeds are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations, collaboration deals, bank loans and other borrowings.

To the extent that the net proceeds from the Global Offering are not immediately applied to the above purposes and to the extent permitted by relevant law and regulations, we will only deposit such funds in short-term deposits in licensed banks or 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.

UNDERWRITING

HONG KONG UNDERWRITERS

Morgan Stanley Asia Limited

CLSA Limited

CMB International Capital Limited

CCB International Capital Limited

Futu Securities International (Hong Kong) Limited

HONG KONG UNDERWRITING ARRANGEMENTS

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering initially 3,205,500 Hong Kong Offer Shares (subject to adjustment) for subscription by the public in Hong Kong at the Offer Price on and subject to the terms and conditions of this prospectus.

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 (including any additional H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option) as mentioned in this prospectus and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have severally agreed to subscribe or procure subscriptions for their respective applicable proportions of the Hong Kong Offer Shares now being offered but which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on and subject to the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

The Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) shall be entitled by notice (in writing) to our Company to terminate the Hong Kong Underwriting Agreement with immediate effect if prior to 8:00 a.m. on the Listing Date:

- (a) there shall develop, occur, exist or come into effect:
 - (i) any event or a series of local, national, regional or international event(s) or circumstance(s) in the nature of force majeure (including any acts of government, declaration of a national, regional or international emergency or war, calamity, crisis, epidemic and pandemic (including Severe Acute Respiratory Syndrome (SARS), Coronavirus Disease 2019 (COVID-19),

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H1N1, H5N1 and such related/mutated forms and the outbreak, escalation, mutation or aggravation of such diseases), or interruption or delay in transportation, outbreak, escalation, mutation or aggravation of disease, economic sanctions, labour disputes, strikes, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism (whether or not responsibility has been claimed)) in or directly or indirectly affecting Hong Kong, the PRC, the United States, the United Kingdom, the European Union (or any member thereof), Japan, Singapore or any other jurisdiction relevant to our Group (collectively, the “**Relevant Jurisdictions**”); or

- (ii) any change, or any development involving a prospective change, or any event or series of events or circumstance resulting or likely to result in or representing any change or development involving a prospective change, in any local, national, regional or international financial, economic, political, military, industrial, legal, fiscal, regulatory, currency, credit or market conditions, exchange control or any monetary or trading settlement system (including conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets) in or directly or indirectly affecting any Relevant Jurisdictions; or
- (iii) any moratorium, suspension or restriction (including 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 Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Singapore Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the Singapore Stock Exchange, the Tokyo Stock Exchange or the London Stock Exchange; or
- (iv) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent Authority (as defined in the Hong Kong Underwriting Agreement)), the PRC, New York (imposed at Federal or New York State level or other competent Authority), London, Singapore, the European Union (or any member thereof), Japan or any other Relevant Jurisdiction, or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in any Relevant Jurisdiction; or
- (v) any new Law (as defined in the Hong Kong Underwriting Agreement), 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 any of the Relevant Jurisdictions; or
- (vi) the imposition of sanctions, in whatever form, directly or indirectly, under any sanction Laws or regulations, or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement in, Hong Kong, the PRC or any other Relevant Jurisdiction; or

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- (vii) a change or development involving a prospective change in or affecting Taxes (as defined in the Hong Kong Underwriting Agreement) or exchange control, currency exchange rates or foreign investment regulations (including a material devaluation of the Hong Kong dollar or the Renminbi against any foreign currencies and a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States), or the implementation of any exchange control, in any of the Relevant Jurisdictions; or
- (viii) any litigation, dispute, legal action or claim, regulatory investigation or action of any third party being threatened or instigated against any member of our Group or any Director or any Supervisor; or
- (ix) a contravention by any member of our Group or any Director or any Supervisor of the Listing Rules or applicable Laws; or
- (x) other than with the prior written consent of the Joint Sponsors and the Overall Coordinators, the issue or requirement to issue by our Company of any supplement or amendment to this prospectus (or to any other documents issued or used in connection with the contemplated offer and sale of the H 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
- (xi) any change or development involving a prospective change in, or a materialization of, any of the risks set out in the section headed “Risk Factors” of this prospectus; or
- (xii) a valid demand by any creditor for repayment or payment of any indebtedness of any member of our Group or in respect of which any member of our Group is liable prior to its stated maturity or any loss or damage sustained by that member of our Group (howsoever caused and whether or not the subject of any insurance or claim against any person); or
- (xiii) any order or petition for the winding up or liquidation of any member of our Group (other than our Company) or any composition or arrangement made by any member of our Group (other than our Company) with its creditors or a scheme of arrangement entered into by any member of our Group (other than our Company) or any resolution for the winding-up of any member of our Group (other than our Company) or the appointment of a provisional liquidator, receiver or manager over all or part of the assets or undertaking of any member of our Group (other than our Company) or anything analogous thereto occurring in respect of any member of our Group (other than our Company); or

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- (xiv) an Authority or a political body or organisation in any Relevant Jurisdiction (including, in particular, the CSRC and its local branches and representative offices) commencing any investigation or other action, or announcing an intention to investigate or take other action, against any member of our Group or any Director or Supervisor or a member of our Company's senior management as named in this prospectus; or
- (xv) non-compliance of the Offering Documents (as defined in the Hong Kong Underwriting Agreement) (or any other documents used in connection with the contemplated offer and sale of the Offer Shares), the CSRC Filings (as defined in the Hong Kong Underwriting Agreement) or any aspect of the Global Offering with the Listing Rules or any other applicable Laws;

which, individually or in the aggregate, in the sole and absolute opinion of the Joint Sponsors and the Overall Coordinators (for themselves 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 our Group as a whole; or (2) has or will have or may have a material adverse effect on the success or marketability of the Global Offering or the level of applications or the distribution of the Offer Shares 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, inexpedient, impracticable or incapable for any part of the Hong Kong Underwriting Agreement, or any part of the Hong Kong Public Offering or the Global Offering, or the delivery of the Offer Shares, to be performed or implemented or to proceed or to market the Global Offering in the manner contemplated by this prospectus; or (4) has, will have or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting of the Hong Kong Public Offering and/or the Global Offering) impracticable or incapable of performance in accordance with its terms or preventing or delaying 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 Joint Sponsors and the Overall Coordinators:
 - (i) that any statement contained in any of the Offering Documents, the formal notice, the Operative Documents (as defined in the Hong Kong Underwriting Agreement), the OC Announcement (as defined in the Hong Kong Underwriting Agreement), the Preliminary Offering Circular (as defined in the Hong Kong Underwriting Agreement), and/or in any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) (collectively, the "**Offer Related Documents**") was, when it was issued, or has become, untrue, inaccurate or incorrect in any material respect, or misleading, or that any forecast, estimate, expression of opinion, intention or expectation contained in any of the Offer Related Documents is not fair and honest made on reasonable grounds or, where appropriate, and based on reasonable assumptions with reference to the facts and circumstances then subsisting; or

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- (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 a material omission from, or misstatement in, any of the Offer Related Documents (including any supplement or amendment thereto); or
- (iii) any material breach of any of the obligations or undertakings imposed upon any party to the Hong Kong Underwriting Agreement, the International Underwriting Agreement or the Cornerstone Agreements (as defined in the Hong Kong Underwriting Agreement) (other than upon any of the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, 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 (as defined in the Hong Kong Underwriting Agreement) pursuant to the provisions of the Hong Kong Underwriting Agreement; or
- (v) any material adverse change, or any development involving a prospective material adverse change, in the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, properties, results of operations, position or condition, financial or otherwise, or performance of any member of our Group; or
- (vi) any breach of, or any event or matter or arising or has been discovered, or circumstance rendering untrue, inaccurate, incorrect, incomplete or misleading in any respect, any of the representations, warranties and undertakings given by the Warrantors (as defined in the Hong Kong Underwriting Agreement) in the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable; or
- (vii) the chairman of the Board, any Director, any Supervisor, or any member of the senior management of our Company named in the section headed "Directors, Supervisors and Senior Management" in this prospectus vacating his or her office; or
- (viii) a prohibition applicable to our Company, any of the Underwriters and/ or any of the foregoing's respective affiliates for whatever reason from offering, allotting, issuing or selling any of the H Shares (including the Option Shares (as defined in the Hong Kong Underwriting Agreement)) pursuant to the terms of the Global Offering; or
- (ix) 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) under the Global Offering is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or

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- (x) our Company withdraws any of the Offer Related Documents or the Global Offering; or
- (xi) any person whose consent is required for the issue of this prospectus has withdrawn its consent to being named in this prospectus or to the issue of any of the Hong Kong Public Offering Documents (as defined in the Hong Kong Underwriting Agreement); or
- (xii) a Director or a Supervisor or a member of our Company's senior management as named in this prospectus being charged with an indictable offense or prohibited by operation of Law or otherwise disqualified from taking part in the management or taking directorship of a company, or the commencement by any government, political, regulatory body of any action against any Director or any Supervisor in his or her capacity as such or an announcement by any governmental, political regulatory body that it intends to take any such action; or
- (xiii) any order or petition for the winding-up or liquidation of our Company or any composition or arrangement made by our Company with its creditors or a scheme of arrangement entered into by our Company or any resolution for the winding-up of our Company or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of our Company or anything analogous thereto occurring in respect of our Company; or
- (xiv) that a material portion of the orders placed or confirmed in the bookbuilding process, or the investment commitments made by any cornerstone investors under agreements signed with such cornerstone investors, have been withdrawn, terminated or cancelled.

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 Shares or securities convertible into equity securities (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 Shares or our securities will be completed within six months from the Listing Date), except for (a) the Offer Shares to be issued pursuant to the Global Offering and the exercise of the Offer Size Adjustment Option and the Over-allotment Option, or (b) under the circumstances permitted under Rule 10.08 of the Listing Rules.

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UNDERTAKINGS PURSUANT TO THE HONG KONG UNDERWRITING AGREEMENT

Undertaking by our Company

Except for the offer and sale of the Offer Shares by our Company pursuant to the Global Offering (including pursuant to the Offer Size Adjustment Option and the Over-allotment Option) or otherwise in compliance with the Listing Rules, 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**”), our Company hereby undertakes to each of the Joint Sponsors, the Sponsor-Overall Coordinators, 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 our Group not to, without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

- (a) offer, 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 (as defined in the Hong Kong Underwriting Agreement) over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, or repurchase, any legal or beneficial interest in any Shares or other securities of our Company or any shares or other securities of such other member of our Group, as applicable, or any interest in any of the foregoing (including 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 or other securities of such other member of our Group), or deposit any Shares or other securities of our Company, or any shares or other securities of such other member of our 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 (legal or beneficial) of any Shares or other securities of our 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 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 or other securities of such other member of our Group, as applicable); or
- (c) enter into any transaction with the same economic effect as any transaction specified in (a) or (b) above; or
- (d) offer to or agree to or announce any intention to effect any transaction specified in (a), (b) or (c) above,

in each case, whether any of the transactions specified in paragraphs (a), (b) and (c) above is to be settled by delivery of Shares or other securities of our Company or any shares or other securities of such other member of our Group, as applicable, or in cash or otherwise (whether or not the issue of such Shares or other shares or securities or any shares or other securities of such other member of

UNDERWRITING

our Group will be completed within the First Six-month Period). For the avoidance of doubt, this undertaking shall not apply to any issue of debt securities by our Company which are not convertible into equity securities of our Company or any member of our Group.

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 of the transactions specified in paragraphs (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction, 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.

Each of the Warranting Shareholders undertakes to each of the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Lead Managers, the Joint Bookrunners, the Capital Market Intermediaries and the Hong Kong Underwriters to procure our Company and each other member of our Group to comply with the undertakings herein.

Undertaking by the Warranting Shareholders

Each of the AIC Parties, namely Dr. Kang, Dr. Lai, Lizhi Partnership, LeadsBio Limited and LeadsTech Limited, with approximately 19.61% shareholding in aggregate as at the date of this prospectus and 16.28% Shares upon the Listing (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised) (collective, the “**Warranting Shareholders**”) jointly and severally undertakes to each of our Company, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters that, except pursuant to the Global Offering (including pursuant to the Over-allotment Option), without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules, they will not, and will procure that the relevant registered holder(s), any nominee or trustee holding on trust for them and the companies controlled by them will not, at any time during the First Six-Month Period:

- (a) 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, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend 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 Shares or other securities of our Company or any legal or beneficial interest therein (including 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 (the “**Locked-up Securities**”)) or deposit any Shares or other securities of our Company 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 Locked-up Securities; or
- (c) enter into any transaction with the same economic effect as any transaction described in (a) or (b) above; or

UNDERWRITING

- (d) offer to or agree to or announce any intention to effect any transaction described in (a), (b) or (c) above,

in each case, whether any of the transactions described in paragraphs (a), (b), and (c) above is to be settled by delivery of Shares or other securities of our Company or in cash or otherwise (whether or not the settlement or delivery of such Shares or other securities will be completed within the First Six-Month Period).

Until the expiry of the Second Six-Month Period, in the event that they enter into any the transactions specified in paragraphs (a), (b) or (c) above or offer to or agrees to or announces any intention to effect any such transactions, they will take all reasonable steps to ensure that they will not create a disorderly or false market in the securities of our Company; and at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling 12 months after the Listing Date, they will and will procure that the relevant registered holder, any nominee or trustee holding on trust for them or controlled by them will (a) if and when they pledge or charge any Locked-up Securities, immediately inform our Company, the Joint Sponsors and the Overall Coordinators in writing of such pledge or charge together with the number of Locked-up Securities or other securities of our Company so pledged or charged; and (b) if and when they or the relevant registered holder receives indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged Locked-up Securities or other securities (or interest therein) of our Company will be disposed of, immediately inform our Company, the Joint Sponsors and the Overall Coordinators in writing of such indications. Our Company hereby undertakes to the Overall Coordinators, the Joint Sponsors and the Hong Kong Underwriters that upon receiving such information in writing from any of the Warranting Shareholders, it will, as soon as practicable and if required pursuant to the Listing Rules, notify the Stock Exchange and make a public disclosure in relation to such information by way of an announcement.

For the avoidance of doubt, such undertaking shall not prevent the Warranting Shareholders from pledging or charging of any Shares or other equity securities of our Company, as applicable, in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan. Notwithstanding anything contained herein, the foregoing restrictions shall not apply to the transfer of interest in Nanjing Lizhi Management & Consulting Center (Limited Partnership), LeadsBio Limited, LeadsTech Limited provided that such transfer(s), individually or in the aggregate, shall not achieve the same effect as stipulated herein.

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 Overall Coordinators and the International Underwriters. Under the International Underwriting Agreement, the International Underwriters, subject to certain conditions set out therein, will agree severally to purchase, or procure subscribers or purchasers for, the International Offer Shares being offered pursuant to the International Offering. Please see the paragraph headed “Structure of the Global Offering — The International Offering” in this prospectus.

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We expect to grant the Over-allotment Option to the International Underwriters, exercisable by the Overall Coordinators (on behalf of the International Underwriters), on or before Thursday, August 21, 2025, being the 30th day from the last day for lodging applications under the Hong Kong Public Offering, to require us to allot and issue, up to an aggregate of 4,808,100 additional H Shares (representing in aggregate approximately 15% of Offer Shares initially available under the Global Offering, assuming the Offer Size Adjustment Option is not exercised) or 5,529,300 additional H Shares (representing not more than 15% of the Offer Shares being offered under the Global Offering, assuming the Offer Size Adjustment Option is fully exercised), at the Offer Price to cover over-allocations, if any, in the International Offering. Please see the paragraph headed “Structure of the Global Offering — Over-allotment Option” in this prospectus.

COMMISSIONS AND EXPENSES

Our Company will pay an underwriting commission of 3.5% of the aggregate Offer Price of all the Offer Shares, including Offer Shares to be issued pursuant to the Offer Size Adjustment Option and the Over-allotment Option (the “**Fixed Fees**”). Our Company may, at our sole and absolute discretion, pay an additional incentive fee of up to 1.5% of the Offer Price in respect of all the Offer Shares (including Offer Shares to be issued pursuant to the Offer Size Adjustment Option and the Over-allotment Option) (the “**Discretionary Fees**”). The ratio of Fixed Fees and Discretionary Fees payable is therefore 68.95%:31.05% (on the basis that the Discretionary Fees will be fully paid). For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, we will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the relevant International Underwriters and not the Hong Kong Underwriters.

Each of the Joint Sponsors is entitled to a sponsor fee in the amount of US\$400,000. The aggregate commissions and fees, together with the listing fees, SFC transaction levy, the Stock Exchange trading fee, AFRC transaction levy, legal and other professional fees, printing and other expenses payable by us relating to the Global Offering are estimated to amount to approximately RMB90.95 million (approximately HK\$99.67 million) in total (based on the Offer Price of HK\$33.30 per Offer Share which is the mid-point of the Offer Price range and assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised).

HONG KONG UNDERWRITERS' INTERESTS IN OUR COMPANY

Save for their respective obligations under the Hong Kong Underwriting Agreement and the International Underwriting Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters has any shareholding interest in any member of our Group or any right or option (whether legally enforceable or not) to purchase or subscribe for or to nominate persons to purchase or subscribe for securities in 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 Shares as a result of fulfilling their obligations under the Hong Kong Underwriting Agreement and/or the International Underwriting Agreement.

JOINT SPONSORS' INDEPENDENCE

Each of the Joint Sponsors satisfies the independence criteria set out in Rule 3A.07 of the Listing Rules.

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ACTIVITIES BY SYNDICATE MEMBERS

The Hong Kong Underwriters and the International Underwriters (together, the “**Syndicate Members**”) and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or 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 account 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 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 our Group’s loans and other debt.

In relation to the H Shares, the activities of the Syndicate Members and their affiliates 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, including as a lender to initial purchasers of the H Shares (which financing may be secured by the Shares) in the Global Offering, 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 as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the H Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares, which may have a negative impact on the trading price of the H Shares. Activities 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 Shares, in units of funds that may purchase the 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 relevant 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 Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in the section headed “Structure of the Global Offering” in this prospectus. Such activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares and the volatility of the price of the Shares, and the extent to which this occurs from day to day cannot be estimated.

UNDERWRITING

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

- (a) the Syndicate Members (other than the Stabilizing Manager or any person acting for it) 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) the Syndicate Members must comply with all applicable laws and regulations, 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, derivative and other services to our Company and its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

STRUCTURE OF 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 listing of the H Shares on the Stock Exchange is sponsored by the Joint Sponsors and the Global Offering is managed by the Overall Coordinators. The Joint Sponsors have made an application on behalf of our Company to the Stock Exchange for the listing of, and permission to deal in, the H Shares in issue and to be issued as mentioned in this prospectus.

The Global Offering consists of (subject to reallocation, the Offer Size Adjustment Option and the Over-allotment Option):

- (i) The Hong Kong Public Offering of initially 3,205,500 Offer Shares (subject to reallocation as mentioned below) in Hong Kong as described in the paragraph headed “The Hong Kong Public Offering” in this section; and
- (ii) the International Offering of initially 28,848,900 Offer Shares (subject to reallocation, the Offer Size Adjustment Option and Over-allotment Option as mentioned below) in the United States to QIBs in reliance on Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act, and outside the United States in offshore transactions in reliance on Regulation S.

The Offer Shares will represent approximately 17% of the total issued share capital of our Company immediately after completion of the Global Offering without taking into account the exercise of the Offer Size Adjustment Option and the Over-allotment Option. If the Offer Size Adjustment Option and the Over-allotment Option are exercised in full, the Offer Shares will represent approximately 21.31% of the total issued share capital immediately after completion of the Global Offering and the exercise of the Offer Size Adjustment Option and the Over-allotment Option as set out in the paragraph headed “The International Offering — Offer Size Adjustment Option” and “The International Offering — Over-allotment Option” in this section.

Investors may either:

- (i) apply for the Hong Kong Offer Shares under the Hong Kong Public Offering; or
- (ii) 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 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 in the United States to QIBs in reliance on Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act, as well as to institutional and professional investors and other investors expected to have a sizable demand for the International Offer Shares in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S. The International Underwriters are soliciting from prospective investors’ indications of interest in acquiring the International Offer Shares. 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.

STRUCTURE OF THE GLOBAL OFFERING

The number of Hong Kong Offer Shares and International 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 paragraph headed “The Hong Kong Public Offering — Reallocation and Clawback” in this section.

THE HONG KONG PUBLIC OFFERING

Number of Shares Initially Offered

Subject to reallocation as mentioned below, our Company is initially offering 3,205,500 H Shares at the Offer Price under the Hong Kong Public Offering for subscription by the public in Hong Kong, representing 10% of the 32,054,400 H Shares initially available under the Global Offering. Subject to reallocation as mentioned below, the number of H Shares initially offered under the Hong Kong Public Offering will represent approximately 1.70% of our total issued share capital immediately after completion of the Global Offering, assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised.

In Hong Kong, individual retail investors are expected to apply for the Hong Kong Offer Shares through the Hong Kong Public Offering and individual retail investors, including individual investors in Hong Kong applying through banks and other institutions, seeking International Offer Shares will not be allotted International Offer Shares in the International Offering.

The Overall Coordinators (for themselves and on behalf of the Underwriters) and the Joint Sponsors may require any investor who has been offered H 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 and the Joint Sponsors so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that it is excluded from any application for the Hong Kong Offer Shares.

Completion of the Hong Kong Public Offering is subject to the conditions set out in the paragraph headed “Conditions of the Global Offering” in this section.

Allocation

For allocation purposes only, the 3,205,500 H Shares initially being offered for subscription under the Hong Kong Public Offering (after taking into account any reallocation in the number of Offer Shares allocated between the Hong Kong Public Offering and the International Offering) will be divided equally (with any odd lots being allocated to pool A) into two pools: Pool A and Pool B, both of which are available on an equitable basis to successful applicants. All valid applications that have been received for the Hong Kong Offer Shares with a total subscription amount (excluding brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy) of HK\$5 million or below will fall into Pool A and all valid applications that have been received for the Hong Kong Offer Shares with a total subscription amount (excluding brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy) of over HK\$5 million and up to the total value of Pool B, will fall into Pool B.

STRUCTURE OF THE GLOBAL OFFERING

Applicants should be aware that applications in Pool A and Pool B are likely to receive different allocation ratios. If the Hong Kong Offer Shares in one pool (but not both pools) are under-subscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. Applicants can only receive an allocation of Hong Kong Offer Shares from either Pool A or Pool B but not from both pools and only apply for Hong Kong Offer Shares in either Pool A or Pool B. When there is over-subscription, allocation of Hong Kong Offer Shares to investors under the Hong Kong Public Offering, both in relation to Pool A and Pool B, will be based on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation in each pool may vary, depending on the number of Hong Kong Offer Shares validly applied for by each applicant. The allocation of Hong Kong Offer Shares could, where appropriate, consist of balloting, which would 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.

Reallocation and Clawback

The allocation of Offer Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation. Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place which would have the effect of increasing 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 if the International Offer Shares are fully subscribed or oversubscribed and certain prescribed total demand levels under the Hong Kong Public Offering are reached.

If the number of Shares validly applied for in the Hong Kong Public Offering represents (i) 15 times or more but less than 50 times, (ii) 50 times or more but less than 100 times, and (iii) 100 times or more, of the number of Hong Kong Offer Shares available under the Hong Kong Public Offering, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering will be increased to 9,616,400 (in the case of (i)), 12,821,800 (in the case of (ii)), and 16,027,200 Shares (in the case of (iii)), respectively, representing not less than 30%, 40%, and 50% of the total number of Offer Shares initially available under the Global Offering, respectively (before any exercise of the Over-allotment Option).

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators deem appropriate.

STRUCTURE OF THE GLOBAL OFFERING

In addition to any mandatory reallocation required as described above, the Offer Shares to be offered in the Hong Kong Public Offering and the Offer Shares to be offered in the International Offering may, in certain circumstances, be reallocated between these offerings at the discretion of the Overall Coordinators. The Overall Coordinators may, at their sole discretion, reallocate Offer Shares initially allocated for the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In particular, if (i) the International Offering is not fully subscribed and the Hong Kong Public Offering is fully subscribed or oversubscribed (irrespective of the number of times); or (ii) the International Offering is fully subscribed or oversubscribed and the Hong Kong Public Offering is fully subscribed or oversubscribed with the number of Offer Shares validly applied for in the Hong Kong Public Offering representing less than 15 times of the number of Shares initially available for subscription under the Hong Kong Public Offering, the Overall Coordinators have the authority to reallocate International Offer Shares originally in the International Offering to the Hong Kong Public Offering in such number as they deem appropriate, provided that in accordance with Chapter 4.14 of the Guide for New Listing Applicants issued by the Stock Exchange, (i) the total number of Offer Shares available under the Hong Kong Public Offering following such reallocation should not be more than 6,411,000 H Shares (representing twice the total number of the Offer Shares initially available under the Hong Kong Public Offering); and (ii) the final Offer Price should be fixed at the bottom end of the indicative Offer Price range (i.e., HK\$31.60 per Offer Share).

If the Hong Kong Public Offering is not fully subscribed for, the Overall Coordinators have the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Overall Coordinators deem appropriate.

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 expected to be published on Thursday, July 24, 2025.

Applications

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him or her that he or she and any person(s) for whose benefit he or she is making the application have 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 Offer Shares under the International Offering, and such applicant's application will be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or it has been or will be placed or allocated Offer Shares under the International Offering.

Multiple or suspected multiple applications and any application for more than 50% of the 3,205,500 H Shares initially comprised in the Hong Kong Public Offering (that is 1,602,700 Hong Kong Offer Shares) will be rejected.

STRUCTURE OF THE GLOBAL OFFERING

The listing of the Offer Shares on the Stock Exchange is sponsored by the Joint Sponsors. Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the maximum Offer Price of HK\$35.00 per H Share in addition to any brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy payable on each Offer Share. If the Offer Price, as finally determined in the manner described in the paragraph headed “Pricing of the Global Offering” in this section, is less than the maximum Offer Price of HK\$35.00 per Offer Share, appropriate refund payments (including the brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy attributable to the surplus application monies) will be made to successful applications, without interest. Further details are set out in the section headed “How to Apply for Hong Kong Offer Shares” in this prospectus.

References in this prospectus to applications, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

THE INTERNATIONAL OFFERING

Number of International Offer Shares Offered

The number of International Offer Shares to be initially offered by us for subscription under the International Offering will consist of an initial offering of 28,848,900 Offer Shares, representing approximately 90% of the Offer Shares under the Global Offering. Subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, the International Offer Shares will represent approximately 15.30% of our total issued share capital immediately after completion of the Global Offering, assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised.

Allocation

Pursuant to the International Offering, the International Underwriters will conditionally place the International Offer Shares in the United States to QIBs in reliance on Rule 144A or another available exemption from the registration requirements under the U.S. Securities Act, as well as to institutional and professional investors and other investors expected to have a sizable demand for the H Shares in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S. The International Offering is subject to the Hong Kong Public Offering being unconditional.

Allocation of the International Offer Shares pursuant to the International Offering will be determined by the Overall Coordinators and will be based on a number of factors including the level and timing of demand, 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, and/or hold or sell Offer Shares after the Listing. Such allocation may be made to professional, institutional and corporate investors and is intended to result in a distribution of our Offer Shares on a basis which would lead to the establishment of a solid shareholder base to the benefit of our Company and our Shareholders as a whole.

STRUCTURE OF THE GLOBAL OFFERING

The Overall Coordinators (on behalf of the 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 it to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of Offer Shares under the Hong Kong Public Offering.

Reallocation and Clawback

The total number of International Offer Shares to be transferred pursuant to the International Offering may change as a result of the clawback arrangement described in the paragraph headed “— The Hong Kong Public Offering — Reallocation and Clawback” in this section, exercise of the Offer Size Adjustment Option and the Over-allotment Option in whole or in part and/or reallocation of all or any unsubscribed Hong Kong Offer Shares to the International Offering.

Offer Size Adjustment Option

In order to provide flexibility for the Overall Coordinators to increase the number of Offer Shares available for purchase under the International Offering to cover additional market demand, our Company is expected to grant to the International Underwriters the Offer Size Adjustment Option, exercisable by the Overall Coordinators at their absolute discretion (on behalf of the International Underwriters) on or before the second business day prior to the Listing Date and will lapse immediately thereafter, to require our Company to allot and issue up to an aggregate of 4,808,100 additional H Shares, representing approximately 15% of the Offer Shares initially being offered under the Global Offering assuming the Over-allotment Option is not exercised, at the Offer Price to cover any excess demand in the International Offering.

If the Offer Size Adjustment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 2.49% of our issued share capital immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

In considering whether to exercise the Offer Size Adjustment Option, our Company and the Overall Coordinators will take into account a number of factors, including, among other things:

- (i) whether the level of interest expressed by prospective professional and institutional investors during the book-building process under the International Offering is sufficient to cover:
 - (a) the total number of Offer Shares, which represents the aggregate of the Offer Shares initially available under the Global Offering and the additional Offer Shares upon any exercise of the Offer Size Adjustment Option; and
 - (b) the corresponding number of Shares under the Over-allotment Option;
- (ii) the prices at which prospective professional and institutional investors have indicated they would be prepared to acquire the Offer Shares in the course of the book-building process;

STRUCTURE OF THE GLOBAL OFFERING

- (iii) the quality of investors, with a view to establishing a solid professional institutional and investor shareholder base to the benefit of the Company and its Shareholders as a whole; and
- (iv) general market conditions.

The dilution effect of the Offer Size Adjustment Option (assuming the Over-allotment Option is not exercised) is set out below:

Number of H Shares issued under the Global Offering before the exercise of the Offer Size Adjustment Option ("Original Subscribers")	Approximate percentage of total issued share capital held by the Original Subscribers before the exercise of the Offer Size Adjustment Option	Number of H Shares issued under the Global Offering after the exercise of the Offer Size Adjustment Option	Approximate percentage of total issued share capital held by the Original Subscribers after the exercise of the Offer Size Adjustment Option
32,054,400	17.00%	36,862,500	16.58%

The Offer Size Adjustment Option will not be used for price stabilization purposes and will not be subject to the provisions of the Securities and Futures (Price Stabilization) Rules (Chapter 571W of the Laws of Hong Kong). The Offer Size Adjustment Option will be in addition to the Over-allotment Option.

If the Offer Size Adjustment Option is exercised in full, the additional net proceeds received from the placing of the additional Shares allotted and issued will be allocated in accordance with the allocations as disclosed in the section headed "Future Plans and Use of Proceeds" in this prospectus, on a pro rata basis.

The Company will disclose in its allotment results announcement if and to what extent the Offer Size Adjustment Option has been exercised, or will confirm that if the Offer Size Adjustment Option has not been exercised by the Price Determination Date, it will lapse and cannot be exercised at any future date.

Over-allotment Option

In connection with the Global Offering, our Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Overall Coordinators at their sole and absolute discretion on behalf of the International Underwriters for up to 30 days after the last day for lodging applications under the Hong Kong Public Offering. Pursuant to the Over-allotment Option, the Overall Coordinators will have the right to require our Company to allot and issue, at the Offer Price, up to an aggregate of 4,808,100 additional H Shares (representing in aggregate approximately 15% of the number of the Offer Shares initially available under the Global Offering, assuming the Offer Size Adjustment Option is not exercised) or 5,529,300 additional H Shares (representing not more than 15% of the Offer Shares being

STRUCTURE OF THE GLOBAL OFFERING

offered under the Global Offering, assuming the Offer Size Adjustment Option is fully exercised), at the Offer Price to cover over-allocations in the International Offering, if any. An announcement will be made in the event that the Over-allotment Option is exercised.

If the Offer Size Adjustment Option and the Over-allotment Option are exercised in full, the additional International Offer Shares to be issued pursuant thereto will represent approximately 5.20% of the issued share capital of our Company immediately after the completion of the Global Offering.

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 curb and, if possible, prevent any decline in the market price of the securities below the offer price. In Hong Kong and certain other jurisdictions, an activity aimed at reducing the market price is prohibited and 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 short sales or any other stabilizing transactions with a view to stabilizing or maintaining 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 last day for the lodging of applications under the Hong Kong Public Offering. Any market purchases of H Shares will be effected in compliance with all applicable laws and regulatory requirements. However, there is no obligation on the Stabilizing Manager or any person acting for it to conduct any such stabilizing activity, which if commenced, will be done at the absolute discretion of the Stabilizing Manager and may be discontinued at any time. Any such stabilizing activity is required to be brought to an end within 30 days of the last day for the lodging of applications under the Hong Kong Public Offering. The number of H Shares that may be over-allocated will not exceed the number of H Shares that may be issued and/or sold under the Over-allotment Option, namely 4,808,100 H Shares (representing approximately 15% of the Offer Shares initially available under the Global Offering, assuming the Offer Size Adjustment Option is not exercised), or 5,529,300 H Shares (representing not more than 15% of the Offer Shares being offered under the Global Offering, assuming the Offer Size Adjustment Option is fully exercised).

Stabilizing action will be entered into in accordance with the laws, rules and regulations in place in Hong Kong on stabilization and stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong) under SFO includes: (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 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 held as a result of those purchases; and (vi) offering or attempting to do anything described in (ii), (iii), (iv) or (v).

STRUCTURE OF THE GLOBAL OFFERING

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 regarding the extent to which and the time period for which the Stabilizing Manager, or any person acting for it, will maintain such a position;
- liquidation of any such long position by the Stabilizing Manager 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 stabilizing period which will begin on the Listing Date following announcement of the Offer Price, and is expected to expire on the 30th day after the last date 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;
- the price of the H Shares cannot be assured to stay at or above the Offer Price either during or after the stabilizing period by the taking of any stabilizing action; and
- stabilizing bids may be made or transactions effected in the course of the stabilizing action at any price at or below the Offer Price, which means that stabilizing bids may be made or transactions effected at a price below the price paid by applicants for, or investors in, the H Shares.

Our Company will procure that a public announcement in compliance with the Securities and Futures (Price Stabilizing) Rules will be made within seven days of the expiration of the stabilizing period.

Over-Allocation

Following any over-allocation of H Shares in connection with the Global Offering, the Stabilizing Manager or any person acting for it may cover such over-allocations by exercising the Over-allotment Option in full or in part, making purchases in the secondary market at prices that do not exceed the Offer Price or by any combination of these means.

PRICING OF THE GLOBAL OFFERING

The Offer Price is expected to be fixed by agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date, when market demand for the Offer Shares will be determined. The Price Determination Date is expected to be on or before Wednesday, July 23, 2025 and in no event later than 12:00 noon on Wednesday, July 23, 2025.

STRUCTURE OF THE GLOBAL OFFERING

The Offer Price will be not more than HK\$35.00 per Offer Share and is currently expected not to be less than HK\$31.60 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 of HK\$35.00 for each Hong Kong Offer Share together with brokerage of 1%, a Stock Exchange trading fee of 0.00565%, an SFC transaction levy of 0.0027% and an AFRC transaction levy of 0.00015%.

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 indicative price range 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 H 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.

If, based on the level of interest expressed by prospective institutional, professional and other investors during the book-building process, the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Joint Sponsors consider it appropriate, with our consent the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range stated in this prospectus may be reduced 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, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of Tuesday, July 22, 2025, being the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the Stock Exchange’s website at www.hkexnews.hk, and on our Company’s website at www.leadsbiolabs.com notice of such reduction in the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the offering statistics as currently set out in this prospectus and any other financial information which may change as a result of such reduction. Upon issue of such notice, the number of Offer Shares in the Global Offering and/or the revised Offer Price range will be final and conclusive and the Offer Price, if agreed upon between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company, will be fixed within such revised Offer Price range.

As soon as practicable after such reduction of the number of Offer Shares and/or the indicative Offer Price range, we will also issue a supplemental prospectus updating investors of such reduction together with an update of all financial and other information in connection with such change. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

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 Overall Coordinators (for themselves and on behalf of the Underwriters), will under no circumstances be set outside the Offer Price range stated in this prospectus.

STRUCTURE OF THE GLOBAL OFFERING

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 being offered under the Global Offering and/or the indicative Offer Price range may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering.

The Hong Kong Offer Shares and the International Offer Shares may, in certain circumstances, be reallocated as between the Hong Kong Public Offering and International Offering at the discretion of the Overall Coordinators and the Joint Sponsors.

The final Offer Price, the level of applications in the Hong Kong Public Offering, the level of indications of interest in the International Offering, the basis of allocations of the Hong Kong Offer Shares and the results of applications in the Hong Kong Public Offering are expected to be announced on Thursday, July 24, 2025 through a variety of channels described in the paragraph headed “How to Apply for Hong Kong Offer Shares — B. Publication of Results” in this prospectus.

UNDERWRITING ARRANGEMENTS

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement, subject to agreement on the Offer Price between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us on the Price Determination Date.

We expect that our Company will, on or about Tuesday, July 22, 2025, enter into the International Underwriting Agreement relating to the International Offering. Underwriting arrangements, the Hong Kong Underwriting Agreement and the International Underwriting Agreement are summarized in the section headed “Underwriting” in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for the Offer Shares will be conditional on, *inter alia*:

- the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option) as mentioned in this prospectus on the Main Board of the Stock Exchange and such listing and permission not subsequently having been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;
- the Offer Price having been agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company;
- the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date;
- our Company having submitted to HKSCC all requisite documents to enable the Offer Shares to be admitted to trade on the Stock Exchange; and

STRUCTURE OF THE GLOBAL OFFERING

- the obligations of the Underwriters under the respective Underwriting Agreements becoming and remaining unconditional (unless and to the extent such conditions are validly waived on or before such dates and times) and not having been terminated in accordance with the terms of the respective 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) and in any event not later than the date which is 30 days after the date of this prospectus.

If for any reason, the Offer Price is not agreed by 12:00 noon on Wednesday, July 23, 2025 between us and the Overall Coordinators (for themselves and on behalf of the Underwriters), the Global Offering will not proceed and will lapse.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. We will cause a notice of the lapse of the Hong Kong Public Offering to be published by us on the websites of our Company at www.leadshiolabs.com, and the Stock Exchange at www.hkexnews.hk, respectively on the next day following such lapse. In such event, 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” in this prospectus. In the meantime, the application monies will be held in separate bank account(s) with our Company’s receiving banker(s) or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, amongst other things, the other becoming unconditional and not having been terminated in accordance with its terms.

Share certificates for the Offer Shares are expected to be issued on Thursday, July 24, 2025 but will only become valid evidence of title at 8:00 a.m. on the date of commencement of the dealings in our H Shares, which is expected to be on Friday, July 25, 2025, provided that (i) the Global Offering has become unconditional in all respects at or before that time and (ii) neither of the Underwriting Agreements has been terminated in accordance with its terms. Investors who trade H Shares prior to the receipt of Share certificates or prior to the Share certificates bearing valid evidence of title do so entirely at their own risk.

DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Friday, July 25, 2025, it is expected that dealings in the H Shares on the Stock Exchange will commence on Friday, July 25, 2025. The H Shares will be traded in board lots of 100 each and the stock code will be 9887.

HOW TO APPLY FOR HONG KONG OFFER SHARES

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARE

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. We will not provide any printed copies of this prospectus for use by the public.

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.leadsbiolabs.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;
- are outside the United States; and
- have a Hong Kong address (*for the **White Form eIPO** service only*).

Unless permitted by the Listing Rules and the Guide for New Listing Applicants issued by the Stock Exchange, or any relevant waivers that have been granted by the Stock Exchange, 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 close associates; or
- are a Director, a 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 Thursday, July 17, 2025 and end at 12:00 noon on Tuesday, July 22, 2025 (Hong Kong time).

HOW TO APPLY FOR HONG KONG OFFER SHARES

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
White Form eIPO service	www.eipo.com.hk	Applicant 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 Thursday, July 17, 2025 to 11:30 a.m. on Tuesday, July 22, 2025. The latest time for completing full payment of application monies will be 12:00 noon on Tuesday, July 22, 2025.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit electronic application instructions on your behalf through HKSCC's FINI system in accordance with your instruction	Applicant who would <u>not</u> 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 **White Form eIPO** 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 **White Form eIPO** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **White Form eIPO** 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.

HOW TO APPLY FOR HONG KONG OFFER SHARES

For the avoidance of doubt, giving an application instruction under the **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **White Form eIPO** service, you are deemed to have authorized the **White Form eIPO** service provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** 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.

HOW TO APPLY FOR HONG KONG OFFER SHARES

3. Information Required to Apply

You must provide the following information with your application:

For Individual or Joint Applicants	For Corporate Applicants
<ul style="list-style-type: none">• Full name(s)² as shown on your identity document• Identity document's issuing country or jurisdiction• Identity document type, with order of priority:<ul style="list-style-type: none">i. HKID card; orii. National identification document; oriii. Passport; and• Identity document number	<ul style="list-style-type: none">• Full name(s)² as shown on your identity document• Identity document's issuing country or jurisdiction• Identity document type, with order of priority:<ul style="list-style-type: none">i. LEI registration document; orii. Certificate of incorporation; oriii. Business registration certificate; oriv. Other equivalent document; and• Identity document number

Notes:

1. If you are applying through the **White Form eIPO** 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 Hong Kong Offer Shares. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

HOW TO APPLY FOR HONG KONG OFFER SHARES

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 applicants on FINI is capped at 4 in accordance with market practice. Such is subject to change, if the Company’s Articles of Association and applicable company law prescribe for a lower cap.
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 agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney’s authority.

HOW TO APPLY FOR HONG KONG OFFER SHARES

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size : 100 Offer 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\$35.00 per Offer 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, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your **broker** or **custodian**.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares.

HOW TO APPLY FOR HONG KONG OFFER SHARES

No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application
	HK\$		HK\$		HK\$		HK\$
100	3,535.30	2,000	70,705.96	10,000	353,529.76	300,000	10,605,892.50
200	7,070.60	2,500	88,382.43	20,000	707,059.50	400,000	14,141,190.00
300	10,605.89	3,000	106,058.93	30,000	1,060,589.26	500,000	17,676,487.50
400	14,141.19	3,500	123,735.41	40,000	1,414,119.00	600,000	21,211,785.00
500	17,676.49	4,000	141,411.90	50,000	1,767,648.76	700,000	24,747,082.50
600	21,211.79	4,500	159,088.39	60,000	2,121,178.50	800,000	28,282,380.00
700	24,747.08	5,000	176,764.88	70,000	2,474,708.26	900,000	31,817,677.50
800	28,282.38	6,000	212,117.86	80,000	2,828,238.00	1,000,000	35,352,975.00
900	31,817.68	7,000	247,470.83	90,000	3,181,767.76	1,500,000	53,029,462.50
1,000	35,352.98	8,000	282,823.80	100,000	3,535,297.50	1,602,700 ⁽¹⁾	56,660,213.03
1,500	53,029.47	9,000	318,176.78	200,000	7,070,595.00		

(1) Maximum number of Hong Kong Offer Share you may apply for.

(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) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

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. Application 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 **White Form eIPO** service, (ii) **HKSCC EIPO** channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply further for any Offer Shares in the Global Offering.

HOW TO APPLY FOR HONG KONG OFFER SHARES

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **White Form eIPO** service or **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

- (i) **undertake** to execute all relevant documents and instruct and authorise us and/or the Overall Coordinators, as our agents, 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;
- (ii) **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 **White Form eIPO** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;
- (iii) (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;
- (iv) **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;
- (v) **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;
- (vi) **agree** that the Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of their or the Company's respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering (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;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (vii) **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 us, 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 4. Transfer of personal data” in this section;
- (viii) **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;
- (ix) **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;
- (x) **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;
- (xi) **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;
- (xii) **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;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (xiii) **confirm** that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by the Company, any of the directors, chief executives, substantial Shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its 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;
- (xiv) **warrant** that the information you have provided is true and accurate;
- (xv) **confirm** that you understand that we 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;
- (xvi) **agree** to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;
- (xvii) **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;
- (xviii) (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 **White Form eIPO** Service Provider or by any one as your agent or by any other person; and
- (xix) (if you are making the application as an agent for the benefit of another person) **warrant** that (1) 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 to the **White Form eIPO** Service Provider and (2) you have due authority to give **electronic application instructions** on behalf of that other person as its agent.

HOW TO APPLY FOR HONG KONG OFFER SHARES

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform	Date/Time
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Applying through **White Form eIPO service** or **HKSCC EIPO channel**:

Website	The designated results of allocation at www.iporesults.com.hk (alternatively: www.eipo.com.hk/eIPOAllotment) with a “search by ID” function.	24 hours, from 11:00 p.m. on Thursday, July 24, 2025 to 12:00 midnight on Wednesday, July 30, 2025 (Hong Kong time)
	The full list of (i) wholly or partially successful applicants using the White Form eIPO service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the “Allotment Results” page of the White Form eIPO service at www.iporesults.com.hk (alternatively: www.eipo.com.hk/eIPOAllotment).	
Date/Time	The Stock Exchange’s website at www.hkexnews.hk and our website at www.leadsbiolabs.com which will provide links to the above mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Thursday, July 24, 2025 (Hong Kong time)
Telephone	+852 2862 8555 — the allocation results telephone enquiry line provided by the H Share Registrar	between 9:00 a.m. and 6:00 p.m., on Friday, July 25, 2025, Monday, July 28, 2025, Tuesday, July 29, 2025 and Wednesday, July 30, 2025 (Hong Kong time)

For those applying through **HKSCC EIPO** channel, you may also check with your **broker** or **custodian** from 6:00 p.m. on Wednesday, July 23, 2025 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Wednesday, July 23, 2025 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

HOW TO APPLY FOR HONG KONG OFFER SHARES

Allocation Announcement

We expect to announce the results 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 allocations of Hong Kong Offer Shares on the Stock Exchange's website at www.hkexnews.hk and our website at www.leadsbiolabs.com by no later than 11:00 p.m. on Thursday, July 24, 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 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;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Overall Coordinators believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted 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 Bank 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 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 International 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 evidence of title at 8:00 a.m. on Friday, July 25, 2025 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting" 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 Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

HOW TO APPLY FOR HONG KONG OFFER SHARES

The following sets out the relevant procedures and time:

	White Form eIPO service	HKSCC EIPO channel
Despatch/collection of Share certificate¹		
For physical share certificates of 1,000,000 or more Hong Kong Offer Shares issued under your own name	<p>Collection in person from the H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong</p> <p>Time: from 9:00 a.m. to 1:00 p.m. on Friday, July 25, 2025 (Hong Kong time)</p> <p>If you are an individual, you must not authorise any other person to collect for you. If you are a corporate applicant, your authorised representative must bear a letter of authorization from your corporation stamped with your corporation's chop</p> <p>Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar.</p> <p><i>Note:</i> 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.</p>	<p>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</p> <p>No action by you is required</p>
For physical share certificates of less than 1,000,000 Offer Shares issued under your own name	<p>Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post on Thursday, July 24, 2025 at your own risk.</p>	

HOW TO APPLY FOR HONG KONG OFFER SHARES

	White Form eIPO service	HKSCC EIPO channel
Refund mechanism for surplus application monies paid by you		
Date	Friday, July 25, 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	White form e-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.	

- Except in the event of any Severe Weather Signals (defined below) in force in Hong Kong in the morning on the Thursday, July 24, 2025 rendering it impossible for the relevant Share certificates to be despatched to HKSCC in a timely manner, the Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and Share certificates in accordance with the contingency arrangements as agreed between them. You may see “— E. Severe Weather Arrangements” in this section.

E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Tuesday, July 22, 2025 if, there is/are:

- a tropical cyclone warning signal number 8 or above;
- a “black” rainstorm warning; and/or
- Extreme Conditions,

(collectively, “**Severe Weather Signals**”),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, July 22, 2025.

HOW TO APPLY FOR HONG KONG OFFER SHARES

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 **Severe** 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.leadsbiolabs.com of the revised timetable.

If a **Severe** Weather Signal is hoisted on Thursday, July 24, 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 Friday, July 25, 2025.

If a **Severe** Weather Signal is hoisted on Thursday, July 24, 2025, the despatch of physical H Share certificates of less than 1,000,000 Offer Shares issued under your own name will be made by ordinary post when the post office re-opens after the Severe Weather Signal is lowered or cancelled (e.g. in the afternoon of Thursday, July 24, 2025 or on Friday, July 25, 2025).

If a **Severe** Weather Signal is hoisted on Friday, July 25, 2025, physical H Share certificates of 1,000,000 Offer Shares or more issued under your own name are available for collection in person at the H Share Registrar’s office after the Severe Weather Signal is lowered or cancelled (e.g. in the afternoon of Friday, July 25, 2025 or on Monday, July 28, 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 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 the HKSCC Operational Procedures in effect from time to time.

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

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

HOW TO APPLY FOR HONG KONG OFFER SHARES

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the H Share Registrar, the receiving banks 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 the 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 the Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring 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 the 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 the 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 **White Form e-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;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- registering new issues or transfers into or out of the names of the holders of the Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the Shares and identifying any duplicate applications for the Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the H Share Registrar to discharge their obligations to applicants and holders of the Shares and/or regulators and/or any other purposes to which applicants and holders of the Shares may from time to time agree.

4. Transfer of personal data

Personal data held by the Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the 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:

- the Company's appointed agents such as financial advisors, receiving banks 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 the Company or the H Share Registrar in connection with their respective business operation;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- 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

The 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 fulfill 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 the 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. The 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 the 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 independent reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this Prospectus.



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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF NANJING LEADS BIOLABS CO., LTD., MORGAN STANLEY ASIA LIMITED AND CITIC SECURITIES (HONG KONG) LIMITED

INTRODUCTION

We report on the historical financial information of Nanjing Leads Biolabs Co., Ltd. (the **“Company”**) and its subsidiaries (together, the **“Group”**) set out on pages I-4 to I-70, 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 three months ended 31 March 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 the three months ended 31 March 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 I-70 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 17 July 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 (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 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 and 2024 and the three months ended 31 March 2025 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 three months ended 31 March 2024 and other explanatory information (the "**Interim Comparative Financial Information**"). The directors of the Company are responsible for the preparation 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-5 have been made.

Dividends

We refer to Note 14 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

Ernst & Young

Certified Public Accountants
Hong Kong

17 July 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		Three months ended 31 March	
		2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
REVENUE	5	8,865	—	—	—
Cost of sales		(3,185)	—	—	—
Gross profit		5,680	—	—	—
Other income and gains	6	13,472	18,309	2,237	3,224
Other expenses	8	—	(20)	—	(428)
Research and development costs		(230,858)	(185,683)	(43,273)	(57,751)
Administrative expenses		(38,047)	(87,692)	(13,878)	(18,876)
Fair value gains on financial assets at fair value through profit or loss ("FVTPL")	7	6,436	1,718	434	368
Changes in fair value of convertible bonds	27	(199)	—	—	—
Finance costs	9	(1,400)	(5,764)	(744)	(1,904)
Change in fair value of redemption liabilities on equity shares	26	(117,333)	(42,084)	(31,345)	—
LOSS BEFORE TAX	10	(362,249)	(301,216)	(86,569)	(75,367)
Income tax expense	13	—	—	—	—
LOSS FOR THE YEAR/PERIOD		<u>(362,249)</u>	<u>(301,216)</u>	<u>(86,569)</u>	<u>(75,367)</u>
Attributable to:					
Owners of the parent		<u>(362,249)</u>	<u>(301,216)</u>	<u>(86,569)</u>	<u>(75,367)</u>
OTHER COMPREHENSIVE (INCOME)/EXPENSE					
Other comprehensive (income)/expense that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		<u>(71)</u>	<u>76</u>	<u>2</u>	<u>222</u>
OTHER COMPREHENSIVE (INCOME)/EXPENSE FOR THE YEAR/PERIOD		<u>(71)</u>	<u>76</u>	<u>2</u>	<u>222</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD		<u>(362,320)</u>	<u>(301,140)</u>	<u>(86,567)</u>	<u>(75,145)</u>

	<i>Notes</i>	Year ended 31 December		Three months ended 31 March	
		2023	2024	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i>
Attributable to: Owners of the Company		<u>(362,320)</u>	<u>(301,140)</u>	<u>(86,567)</u>	<u>(75,145)</u>
LOSS PER SHARE					
ATTRIBUTABLE TO					
ORDINARY EQUITY HOLDERS					
OF THE COMPANY (expressed in RMB)					
Basic and diluted	15	<u>(2.50)</u>	<u>(2.01)</u>	<u>(0.59)</u>	<u>(0.48)</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<i>Notes</i>	As at 31 December 2023 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>	As at 31 March 2025 <i>RMB'000</i>
NON-CURRENT ASSETS				
Property, plant and equipment	16	54,282	36,378	32,311
Right-of-use assets	17	6,812	11,189	20,523
Other intangible assets	20	–	–	600
Prepayments, deposits and other receivables	19	19,267	25,569	29,191
Total non-current assets		80,361	73,136	82,625
CURRENT ASSETS				
Prepayments, deposits and other receivables	19	19,468	57,590	61,259
Financial assets at fair value through profit or loss (“FVTPL”)	21	100,130	166,175	75,083
Inventories	22	–	–	18,488
Cash and cash equivalents	23	247,523	372,542	431,376
Total current assets		367,121	596,307	586,206
CURRENT LIABILITIES				
Trade and other payables	23	25,695	53,188	60,901
Interest-bearing bank borrowings	25	61,000	255,212	255,221
Contract liabilities	5	–	84,220	139,127
Redemption liabilities on equity shares	26	1,303,504	–	–
Lease liabilities	17	4,311	5,716	6,416
Total current liabilities		1,394,510	398,336	461,665
NET CURRENT (LIABILITIES)/ASSETS		(1,027,389)	197,971	124,541
TOTAL ASSETS LESS CURRENT LIABILITIES		(947,028)	271,107	207,166
NON-CURRENT LIABILITIES				
Other payables	24	–	–	218
Lease liabilities	17	1,777	5,547	14,283
Total non-current liabilities		1,777	5,547	14,501
Net (liabilities)/assets		(948,805)	265,560	192,665

	<i>Notes</i>	As at 31 December <u>2023</u> <i>RMB'000</i>	As at 31 December <u>2024</u> <i>RMB'000</i>	As at 31 March <u>2025</u> <i>RMB'000</i>
(DEFICITS)/EQUITY				
(Deficits)/Equity attributable to owners of the Company				
Paid-in capital/Share Capital	29	17,018	156,500	156,500
Reserves	30	<u>(965,823)</u>	<u>109,060</u>	<u>36,165</u>
Controlling interests		<u>(948,805)</u>	<u>265,560</u>	<u>192,665</u>
Total (deficits)/equity		<u><u>(948,805)</u></u>	<u><u>265,560</u></u>	<u><u>192,665</u></u>

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Paid-in capital	Capital reserves	Share-based payment reserve	Other reserves	Foreign currency translation reserve	Accumulated losses	Total deficits
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	16,785	939,497	11,817	(954,000)	–	(620,507)	(606,408)
Loss for the year	–	–	–	–	–	(362,249)	(362,249)
Other comprehensive income for the year:							
Exchange differences on translation of foreign operations	–	–	–	–	(71)	–	(71)
Total comprehensive loss for the year	–	–	–	–	(71)	(362,249)	(362,320)
Conversion of convertible bonds (<i>Note 27</i>)	233	31,853	–	–	–	–	32,086
Recognition of redemption liabilities (<i>Note 26</i>)	–	–	–	(30,000)	–	–	(30,000)
Share-based payment compensation (<i>Note 31</i>)	–	–	17,837	–	–	–	17,837
At 31 December 2023	<u>17,018</u>	<u>971,350</u>	<u>29,654</u>	<u>(984,000)</u>	<u>(71)</u>	<u>(982,756)</u>	<u>(948,805)</u>

Year ended 31 December 2024

	Paid-in capital/ Share capital	Capital reserves	Share-based payment reserve	Other reserves	Foreign currency translation reserve	Accumulated losses	Total (deficits)/ equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	17,018	971,350	29,654	(984,000)	(71)	(982,756)	(948,805)
Loss for the year	–	–	–	–	–	(301,216)	(301,216)
Other comprehensive income for the year:							
Exchange differences on translation of foreign operations	–	–	–	–	76	–	76
Total comprehensive loss for the year	–	–	–	–	76	(301,216)	(301,140)
Capital contribution from employee incentive platforms	505	–	–	–	–	–	505
Share-based payment compensation (Note 31)	–	–	41,940	–	–	–	41,940
Termination of redemption liabilities (Note 26)	–	361,588	–	984,000	–	–	1,345,588
Conversion into a joint stock company ("Capitalisation Issue")	132,477	(1,220,889)	–	–	–	1,088,412	–
Issue of Series C+ Shares	6,500	120,972	–	–	–	–	127,472
At 31 December 2024	156,500	233,021	71,594	–	5	(195,560)	265,560

Three months ended 31 March 2025

	Paid-in capital	Capital reserves	Share-based payment reserve	Other reserves	Foreign currency translation reserve	Accumulated losses	Total deficits/total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	156,500	233,021	71,594	–	5	(195,560)	265,560
Loss for the period	–	–	–	–	–	(75,367)	(75,367)
Other comprehensive income for the year:							
Exchange translation differences	–	–	–	–	222	–	222
Total comprehensive loss for the period	–	–	–	–	222	(75,367)	(75,145)
Share-based payment compensation (Note 31)	–	–	2,250	–	–	–	2,250
At 31 March 2025	156,500	233,021	73,844	–	227	(270,927)	192,665

Three months ended 31 March 2024

	Paid-in capital	Capital reserves	Share-based payment reserve	Other reserves	Foreign currency translation reserve	Accumulated losses	Total deficits
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024	17,018	971,350	29,654	(984,000)	(71)	(982,756)	(948,805)
Loss for the period (unaudited)	–	–	–	–	–	(86,569)	(86,569)
Other comprehensive income for the year:							
Exchange translation differences (unaudited)	–	–	–	–	2	–	2
Total comprehensive loss for the period (unaudited)	–	–	–	–	2	(86,569)	(86,567)
Share-based payment compensation (<i>Note 31</i>) (unaudited)	–	–	3,118	–	–	–	3,118
At 31 March 2024 (unaudited)	<u>17,018</u>	<u>971,350</u>	<u>32,772</u>	<u>(984,000)</u>	<u>(69)</u>	<u>(1,069,325)</u>	<u>(1,032,254)</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended		Three months ended	
	Notes	31 December		31 March	
		2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
CASH FLOWS FROM					
OPERATING ACTIVITIES					
Loss before tax		(362,249)	(301,216)	(86,569)	(75,367)
Adjustments for:					
Finance costs	9	1,400	5,764	744	1,904
Charge of share-based payment compensation expenses	10	17,837	41,940	3,118	2,250
Depreciation of property, plant and equipment	10	19,740	20,242	5,372	4,285
Depreciation of right-of-use assets	10	4,169	5,800	1,273	1,491
Amortisation of other intangible assets	20	—	—	—	55
Change in fair value of redemption liabilities on equity shares	26	117,333	42,084	31,345	—
Fair value gains on financial assets at FVTPL	7	(6,436)	(1,718)	(434)	(368)
Changes in fair value of convertible bonds	27	199	—	—	—
Gain on termination of a lease contract	10	(2)	—	—	—
Loss on the disposal of property, plant and equipment		—	—	—	3
Foreign exchange gains, net		(2,769)	(2,042)	(262)	426
Decrease/(increase) in inventories	22	2,038	—	—	(18,488)
Decrease/(increase) in prepayments and other current assets		17,608	(38,939)	3,587	(5,274)
Increase in contract liabilities		—	84,220	—	54,907
(Decrease)/increase in trade and other payables		(1,553)	25,049	4,954	7,811
Net cash flows used in operating activities		(192,685)	(118,816)	(36,872)	(26,365)

	<i>Notes</i>	Year ended 31 December		Three months ended 31 March	
		2023	2024	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				(unaudited)	
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of items of property, plant and equipment		(11,728)	(2,975)	(1,296)	(384)
Disposal/(purchases) of financial assets at FVTPL, net		147,220	(64,327)	50,564	91,460
Net cash flows from/(used in) investing activities		135,492	(67,302)	49,268	91,076
CASH FLOWS FROM FINANCING ACTIVITIES					
New borrowings raised		61,000	274,980	65,000	89,000
Repayment of bank borrowings		–	(80,980)	(20,000)	(89,000)
Interest paid of convertible bonds		(5,821)	–	–	–
Interest paid of bank borrowings		(1,052)	(5,192)	(649)	(1,673)
Lease payments, including related interest		(4,635)	(5,362)	(1,248)	(1,611)
Capital contribution from employee incentive platforms		–	505	–	–
Proceeds on issue of Series C+ Shares		–	130,000	–	–
Issued costs paid		–	(2,680)	–	–
Payments of listing expenses		–	(2,252)	–	(2,389)
Net cash flows from/(used in) financing activities		49,492	309,019	43,103	(5,673)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(7,701)	122,901	55,499	59,038
Cash and cash equivalents at beginning of year		252,526	247,523	247,523	372,542
Effect of foreign exchange rate changes, net		2,698	2,118	264	(204)
CASH AND CASH EQUIVALENTS AT END OF YEAR	23	247,523	372,542	303,286	431,376

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	<i>Notes</i>	As at 31 December 2023 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>	As at 31 March 2025 <i>RMB'000</i>
NON-CURRENT ASSETS				
Property, plant and equipment	16	54,282	36,378	32,311
Right-of-use assets	17	6,812	11,189	20,523
Investments in subsidiaries	18	4,661	14,607	16,045
Other intangible assets	20	–	–	600
Prepayments, deposits and other receivables	19	19,267	25,569	29,191
Total non-current assets		85,022	87,743	98,670
CURRENT ASSETS				
Due from a subsidiary	34	–	106,417	106,266
Prepayments, deposits and other receivables	19	18,932	57,046	60,715
Inventories	22	–	–	609
Financial assets at FVTPL	21	100,130	166,175	75,083
Cash and cash equivalents	23	245,694	338,237	347,757
Total current assets		364,756	667,875	590,430
CURRENT LIABILITIES				
Interest-bearing bank borrowings	25	61,000	255,212	255,221
Trade and other payables	24	25,327	50,430	44,927
Redemption liabilities on equity shares	26	1,303,504	–	–
Lease liabilities	17	4,311	5,716	6,416
Total current liabilities		1,394,142	311,358	306,564
NET CURRENT (LIABILITIES)/ ASSETS		(1,029,386)	356,517	283,866
TOTAL ASSETS LESS CURRENT LIABILITIES		(944,364)	444,260	382,536

	<i>Notes</i>	<u>As at 31 December 2023 RMB'000</u>	<u>As at 31 December 2024 RMB'000</u>	<u>As at 31 March 2025 RMB'000</u>
NON-CURRENT LIABILITIES				
Other payables	24	–	–	218
Lease liabilities	17	<u>1,777</u>	<u>5,547</u>	<u>14,283</u>
Total non-current liabilities		<u>1,777</u>	<u>5,547</u>	<u>14,501</u>
Net (liabilities)/assets		<u>(946,141)</u>	<u>438,713</u>	<u>368,035</u>
(DEFICITS)/EQUITY				
Paid-in capital/Share Capital	29	17,018	156,500	156,500
Reserves	30	<u>(963,159)</u>	<u>282,213</u>	<u>211,535</u>
Total (deficits)/equity		<u>(946,141)</u>	<u>438,713</u>	<u>368,035</u>

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Nanjing Leads Biolabs Co., Ltd. (the “**Company**”) was incorporated as a limited liability company in Chinese Mainland on 27 November 2012. On 14 August 2024, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The registered office address of the Company is, Room 802, 8th Floor, Building 05, Accelerator IV, No.122 Huakang Road, Jiangbei New District, Nanjing, Jiangsu Province, the People’s Republic of China (the “**PRC**”).

The Company and its subsidiaries (the “**Group**”) are principally engaged in the research, development and commercialisation of novel antibody drugs.

As at the date of this report, the Company had direct interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are as follows:

Name	Place and date of incorporation/ registration and place of operations	Issued ordinary share/registered capital	Issued ordinary share/registered capital		Principal activities
			Direct	Indirect	
Nanjing Lizhi Biopharmaceutical Co., Ltd* (南京禮至生物醫藥 有限公司) (Note a)	The PRC/Chinese Mainland, 12 July 2018	RMB1,000,000	100%	–	Research and development
LEADS BIOLABS INC. (Note b)	United States of America (“USA”), 23 June 2022	USD5,000	100%	–	Research and development
LEADS BIOLABS HONG KONG LIMITED (香港 禮至生物醫藥有限公司) (Note b)	Hong Kong China, 15 March 2024	HKD100,000	100%	–	Research and development
WUHU LEADS BIOLABS BIOPHARMACEUTICAL Co., Ltd* (蕪湖維立志博 生物製藥有限公司) (Note b)	The PRC/Chinese Mainland, 8 May 2024	RMB20,000,000	100%	–	Research and development

* These entities are limited liability enterprise established under the PRC law. Their English name of represent the best effort made by the directors of the Company (the “**Directors**”), as they had not been registered with official English names.

Notes:

- a. The statutory financial statements of this entity for the years ended 31 December 2023 and 2024 prepared in accordance with PRC Generally Accepted Accounting Principles was audited by Nanjing HuaSheng Certified Public Accountants LLP.
- b. No audited financial statements have been prepared for this company since its incorporation/registration, as this entity was not subject to any statutory audit requirements under the relevant rules and regulations in its jurisdiction of incorporation.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise all applicable IFRS Accounting Standards issued by the International Accounting Standards Board (the “IASB”). All IFRSs 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 Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for convertible bonds, redemption liabilities on equity shares, structured deposits and wealth management products which have been measured at fair value.

Basis of consolidation

The Historical Financial Information includes the financial information of the Company and its subsidiaries 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 financial statements of the subsidiaries are prepared for the same Relevant Periods 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

Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ¹
Amendments to IFRS 7 and IFRS 9	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ²
Amendments to IFRS 7 and IFRS 9 IFRS 18	<i>Contracts Referencing Nature-dependent Electricity</i> ²
IFRS 19	<i>Presentation and Disclosure in Financial Statements</i> ³
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	<i>Subsidiaries without Public Accountability: Disclosures</i> ³
	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 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 revised IFRSs upon initial application. So far, the Group considers that these revised IFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION**Fair value measurement**

The Group measures its structured deposits and wealth management products and redemption liabilities on equity shares at fair value through profit or loss 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 financial statement 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 a non-financial asset is required, 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 unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

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;
 - (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, 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 principal annual rates used for this purpose are as follows:

Furniture and equipment	19% to 32%
Leasehold improvements	Shorter of remaining lease terms and 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 the end of each of the Relevant Periods.

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.

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:

Offices and laboratory	2 to 4 years
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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.

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 used to determine such lease payments) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are presented in a separate line on the consolidated statements of financial position.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office premises (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 that is 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 (debt instruments)

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 statements of financial position at fair value with net changes in fair value recognised in the 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 an 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.

- 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 financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, interest-bearing bank borrowings, convertible bonds and redemption liabilities on equity shares.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings 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.

Financial liabilities measured at FVTPL

Financial liabilities measured at FVTPL include convertible bonds and redemption liabilities on equity shares.

Convertible bonds

Convertible bonds designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the profit or loss. The net fair value gain or loss recognised in the profit or loss does not include any interest charged on these financial liabilities.

Redemption liabilities on equity shares

The redemption liabilities are initially measured at the higher value of present value of the redemption amount and the net assets of the Company held by the investors at the proportion of the equity interest held by the investors. Subsequently, any changes in the carrying amount of the redemption liabilities are recorded in "change in fair value of redemption liabilities on equity shares" in profit or loss.

The Group derecognises the redemption liabilities when, and only when, the Group's redemption obligations are discharged, cancelled, or have expired. When the redemption liabilities expire without exercise, the carrying amount of the redemption liabilities are reclassified to equity.

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 statements 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.

Cash and cash equivalents

Cash and cash equivalents in the statements 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 statements 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 each of the Relevant Periods, 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 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 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 difference; 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 carry forward 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 carry forward 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 difference; 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 of the Relevant Periods 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 of the Relevant Periods 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 each of the Relevant Periods.

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.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Group's revenue is generated from the collaboration agreement with BeiGene, Ltd. which generally contains multiple performance obligations including (1) grants of licenses to intellectual property rights and (2) the research and development services.

Collaboration revenue

At contract inception, the Group analyses the collaboration arrangements to assess whether they are within the scope of IFRS 11 *Joint Arrangements* to determine whether such arrangements involve joint operating activities performed by parties that are both active participants in the activities and are exposed to significant risks and rewards dependent on the commercial success of such activities.

In determining the appropriate amount of revenue to be recognised as the Group fulfils its obligations under each of the collaboration agreements, the management of the Company perform the five-step model under IFRS 15. The collaboration arrangements may contain more than one unit of account or performance obligation, including grants of licenses to intellectual property rights (the "**Licenses**"), agreements to provide research and development services and other deliverables. The collaborative arrangements typically do not include a right of return for any deliverable. In general, the consideration allocated to each performance obligation is recognised when the obligation is satisfied either by delivering a good or rendering a service, limited to the consideration that is not constrained. Non-refundable payments received before all of the relevant criteria for revenue recognition are satisfied are recorded as contract liabilities.

Licenses of intellectual property

Upfront non-refundable payments for Licenses are evaluated to determine if they are distinct from the other performance obligations identified in the arrangements. For the Licenses determined to be distinct, the Group recognises revenues from non-refundable up-front fees allocated to the licenses at a point in time, when the Licenses are transferred to the licensee and the licensee is able to use and benefit from the Licenses.

Research and development services

The portion of the transaction price allocated to research and development service performance obligations is deferred and recognised as collaboration revenue at the point in time when the research and development services are rendered to customers.

Milestone payments

At the inception of each arrangement that includes development milestone payments, the management of the Company evaluates whether the milestones are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestones related to development-based activities may include initiation of various phases of clinical trials. Due to the uncertainty involved in meeting these development-based targets, they are generally fully constrained at contract inception. The management of the Company assesses whether the variable consideration is fully constrained for each reporting period based on the facts and circumstances surrounding the clinical trials. Upon changes to constraint associated with the developmental milestones, variable consideration is included in the transaction price when a significant reversal of revenue recognised is not expected to occur and allocated to the separate performance obligations. Due to the inherent uncertainty with the approval process, regulatory milestones are fully constrained until the period in which those regulatory approvals are achieved. Regulatory milestones are included in the transaction price in the period regulatory approval is obtained.

Royalties

For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the Licenses that are deemed to be the predominant items to which the royalties relate, the Group recognises revenue at the later of (i) when the related sales occur, and (ii) when the performance obligation to which some or all of the royalties have been allocated is satisfied (or partially satisfied).

Other income

Bank 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.

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- (c) The costs are expected to be recovered.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related services to the customer).

Share-based payments

The Group operates stock options schemes and restricted share units schemes. Employees (including directors) and consultants 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 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer, further details of which are given in Note 31 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 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 restricted shares 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.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits*Pension scheme*

The employees of the Group which operates in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in Chinese Mainland are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Housing fund – Chinese Mainland

The Group contributes on a monthly basis to a defined contribution housing fund plan operated by the local municipal government. Contributions to this plan by the Group are expensed as incurred.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the Note 14 to the Historical Financial Information.

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 financial statements 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 each of the Relevant Periods. 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 (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

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 each of the Relevant Periods, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of each of the Relevant Periods and their statements of profit or loss and other comprehensive income 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. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of the overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the overseas subsidiaries which arise throughout the Relevant Periods are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

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 Historical Financial Information:

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- (a) *Identifying performance obligation under contracts which have bundled sales of the Licenses and research and development services*

The Group have a contract which provides the Licenses together with pre-clinical research and development services to a customer. The Group determined that both the Licenses and research and development services are not distinct. The Group is providing a significant integration service because the presence of the Licenses and research and development services together in the contract result in a combined functionality. In addition, the Licenses and research and development services are highly interdependent or highly interrelated, because the Group would not be able to transfer the Licenses if the research and development services were not completed. Consequently, the Group has combined the sales of the Licenses and research and development services as a single performance obligation.

- (b) *Determining the timing of satisfaction of the Licenses and research and development services*

For the Licenses which the customer gets a right to use, revenue for the Licenses and research and development services is recognised at the point of time when the control of the Licenses is transferred to the customer and the customer is able to consume and benefit from the Licenses.

Research and development expenses

All research expenses are charged to profit or loss as incurred. Expenses incurred on each pipeline to develop new products are only capitalised and deferred in accordance with the accounting policy for research and development expenses in Note 2.3 to the Historical Financial Information. Determining the amounts to be capitalised requires management to make judgements on the technical feasibility of existing pipelines to be successfully commercialised and bring economic benefits to the Company.

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 a subsidiary’s stand-alone credit rating).

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including right-of-use assets) at the end of each of the Relevant Periods. The 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.

Fair value of financial instruments

The redemption liabilities on equity shares issued by the Group are not traded in an active market and the respective fair values are calculated as the higher of (i) the original investment principal from investors, plus an annual simple rate of 10% of the original investment principal for a period of time commencing from the delivery date to the actual payments date of the settlement (referred as “P+I”); (ii) the net assets of the Company at the time of transfer attributable to the shareholders at the proportion of the equity interest held by the investors.

The fair values of redemption liabilities on equity shares of the Group as at 31 December 2023 and 2024 and the three months ended 31 March 2025 were RMB1,303,504,000, nil and nil, respectively. Further details are set out in Note 26 to the Historical Financial Information.

Recognition of income taxes and 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 judgement 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 contained in Note 13 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION**Operating segment information**

For management purposes, the Group has only one reportable operating segment, which is developing and commercialising pharmaceutical products. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

Since all of the Group’s non-current assets were located in Chinese Mainland, no geographical information in accordance with IFRS 8 *Operating Segments* is presented.

Information about major customers

Revenue of approximately RMB8,865,000 was derived from sales by a single customer for the year ended 31 December 2023.

5. REVENUE

An analysis of revenue is as follows:

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December		Three months ended 31 March	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Type of services				
Revenue related to bridging clinical study services	8,865	–	–	–
Timing of revenue recognition				
Transferred at a point in time	8,865	–	–	–

(b) Performance obligations

License-out of LBL-007

In December 2021, the Company entered into a license and collaboration agreement with BeiGene, Ltd. (“BeiGene”) for worldwide research, development and manufacturing rights and exclusive commercialization rights outside of China to LBL-007, a novel investigational antibody targeting the LAG3 pathway. Under the terms of the agreement, the Company is eligible to receive a one-time, non-refundable, non-creditable upfront payment of US\$30,000,000 and up to US\$742,000,000 in clinical development, regulatory approval and sales milestones. The Company is also eligible to receive tiered royalties on future sales in the licensed territory. To support BeiGene’s development of LBL-007 in the licensed territory, the Company is obligated to provide bridging clinical study services and entitled to receive service fees from BeiGene.

The Company recorded collaboration revenue of USD30,000,000 (equivalent to RMB191,997,000) in 2021 upon granting the license and know-how of LBL-007 to BeiGene and received the payment in January 2022. The Company recorded no collaboration revenue during the Relevant Periods as none further clinical development and milestone events had been achieved yet.

The Company received USD1,260,000 (equivalent to RMB8,865,000) from February 2023 to December 2023 for provision of bridging clinical study services to BeiGene and recognised revenue of USD1,260,000 (equivalent to RMB8,865,000) related to bridging clinical study services during the year ended 31 December 2023.

The agreement with BeiGene was subsequently terminated on 18 May 2025. The Company regained full global rights to develop manufacture and commercialize LBL-007 and had no obligation to return any payments received by then.

License-out of LBL-051

In November 2024, the Group entered into a collaboration, exclusive option and license agreement (the “Oblenio Agreement”) with Oblenio Bio, Inc. (“New Co”), a U.S. company newly formed by Aditum Bio Fund 3, L.P.

Under the Oblenio Agreement, the Group grant New Co an exclusive, worldwide license to develop, manufacture, commercialize and otherwise exploit LBL-051 for all uses, subject to New Co’s election to exercise its option to retain such license after the applicable option period. The Group received upfront payments of USD7,500,000 (equivalent to RMB53,913,000) and USD7,500,000 (equivalent to RMB53,774,000) in December 2024 and January 2025 respectively as consideration for the option of LBL-051. The Group also received USD4,382,000 (equivalent to RMB31,499,000) for the research and development services provided to New Co. As of 31 March 2025, New Co had not exercised the option of LBL-051 and the research and development services had not been completed. Therefore the upfront payments and payments for research and development services totaling RMB84,220,000 and RMB139,127,000 received from New Co was presented as contract liabilities as of 31 December 2024 and 31 March 2025 respectively.

6. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	Year ended 31 December		Three months ended 31 March	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Other income				
Government grants related to income*	4,139	7,982	203	164
Bank interest income	6,547	8,285	1,772	3,060
Other gains				
Foreign exchange gains, net	2,769	2,042	262	–
Others	17	–	–	–
Total	13,472	18,309	2,237	3,224

* The Group received certain government grants related to income to compensate for the Group's costs already incurred in past. There are no unfulfilled conditions or contingencies relating to these government grants. These grants were recognised in profit or loss upon receipt.

7. FAIR VALUE GAINS ON FINANCIAL ASSETS AT FVTPL

An analysis of fair value gains on financial assets at FVTPL is as follows:

	Year ended 31 December		Three months ended 31 March	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Structured deposits and wealth management products	6,436	1,718	434	368

These structured deposits and wealth management products are principal guaranteed and purchased from reputable banks in Chinese Mainland with expected return by reference to the performance of (i) the underlying instruments in the currency market, the interbank market, the bond market, and the security and equity market and (ii) the derivative financial assets. The yields on all of these wealth management products are not guaranteed, and hence their contractual cash flows do not qualify for solely payments of principal and interest. After making an investment, the Group closely monitor the performance and fair value of these investments on a regular basis.

The fair values are based on cash flows discounted using the expected yield rate and are within Level 2 of the fair value hierarchy.

8. OTHER EXPENSES

	Year ended 31 December		Three months ended 31 March	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Non-operating expenses	–	20	–	2
Foreign exchange losses, net	–	–	–	426
Total	–	20	–	428

9. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		Three months ended 31 March	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interests on bank borrowings	1,052	5,404	649	1,682
Interests on lease liabilities	348	360	95	222
Total	1,400	5,764	744	1,904

10. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December		Three months ended 31 March	
		2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Cost of services provided		3,185	–	–	–
Depreciation of property, plant and equipment*	15	19,740	20,242	5,372	4,285
Depreciation of right-of-use assets**	16	4,169	5,800	1,273	1,491
Amortisation of other intangible assets	20	–	–	–	55
Research and development costs		230,858	185,683	43,273	57,751
Gain on termination of a lease contract		(2)	–	–	–
Auditor's remuneration		12	2,200	1,000	500
Expenses relating to short-term leases	16	424	367	19	119
Expenses relating to low-value leases	16	81	248	99	37
Listing expense		–	14,531	4,427	6,595
Staff costs (including directors' emoluments):					
– Salaries, discretionary bonuses, allowances and benefits in kind		71,231	81,513	20,065	19,818
– Pension scheme contributions		5,369	6,250	1,540	1,596
– Share-based payment compensation		17,837	41,940	3,118	2,250
Total		<u>94,437</u>	<u>129,703</u>	<u>24,723</u>	<u>23,664</u>

* The depreciation of property, plant and equipment for the Relevant Periods is included in “Research and development costs” and “Administrative expenses” in profit or loss.

** The depreciation of right-of-use assets for the Relevant Periods is included in “Research and development costs” and “Administrative expenses” in profit or loss.

11. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors', supervisors' 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		Three months ended 31 March	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
			(unaudited)	
Fees	—	—	—	—
Other emoluments:				
Salaries, allowances and benefits in kind	4,850	4,544	469	1,185
Pension scheme contributions	—	61	—	17
Housing funds, medical insurance and other social insurance	—	59	—	15
Share-based payment compensation	12,365	37,482	2,293	1,764
Total fees and other emoluments	17,215	42,146	2,762	2,981

During the Relevant Periods, 3 directors (including chief executive) were granted with restricted share units, in respect of their services to the Group, under the equity incentive plan of the Company, further details of which are set out in Note 31 to the Historical Financial Information. The fair value of such restricted share units, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the related expenses included in the Historical Financial Information for the Relevant Periods have been included in the above directors' and chief executive's remuneration disclosures. As the vesting condition of share awards granted to chief executive includes completion of IPO, the estimated vesting date had been adjusted to reflect the management's best estimation on the date of the completion of IPO as at 31 December 2024 and 31 March 2025.

(a) Executive directors, non-executive directors, supervisors and the chief executive

	Salaries, allowances and benefits in kind	Housing funds, medical insurance and other social insurance	Pension scheme contributions	Share-based payment compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2023					
Chief executive and executive Directors:					
Dr. Kang Xiaoqiang (Note (a))	2,905	–	–	7,419	10,324
Dr. Lai Shoupeng (Note (b))	1,945	–	–	4,946	6,891
Non-executive Directors:					
Mr. Zhang Yincheng (Note (d))	–	–	–	–	–
Mr. Chen Renhai (Note (c))	–	–	–	–	–
Supervisors:					
Mr. Jin Hui (Note (e))	–	–	–	–	–
Mr. Wang Zhou (Note (f))	–	–	–	–	–
Total	4,850	–	–	12,365	17,215

	Salaries, allowances and benefits in kind	Housing funds, medical insurance and other social insurance	Pension scheme contributions	Share-based payment compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2024					
Chief executive and executive Directors:					
Dr. Kang Xiaoqiang (Note (a))	900	–	–	22,450	23,350
Dr. Lai Shoupeng (Note (b))	975	–	–	5,414	6,389
Mr. Zuo Honggang (Note (g))	2,080	7	11	9,613	11,711
Non-executive Directors:					
Mr. Zhang Yincheng (Note (d))	–	–	–	–	–
Mr. Chen Renhai (Note (c))	–	–	–	–	–
Supervisors:					
Mr. Jin Hui (Note (e))	–	–	–	–	–
Mr. Wang Zhou (Note (f))	–	–	–	–	–
Ms. Li Mengwei (Note (h))	589	54	48	5	696
Total	4,544	61	59	37,482	42,146

	Salaries, allowances and benefits in kind	Housing funds, medical insurance and other social insurance	Pension scheme contributions	Share-based payment compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Three months ended 31 March 2024					
(unaudited)					
Chief executive and executive Directors:					
Dr. Kang Xiaoqiang (<i>Note (a)</i>)	225	–	–	1,376	1,601
Dr. Lai Shoupeng (<i>Note (b)</i>)	244	–	–	917	1,161
Non-executive Directors:					
Mr. Zhang Yincheng (<i>Note (d)</i>)	–	–	–	–	–
Mr. Chen Renhai (<i>Note (c)</i>)	–	–	–	–	–
Supervisors:					
Mr. Jin Hui (<i>Note (e)</i>)	–	–	–	–	–
Mr. Wang Zhou (<i>Note (f)</i>)	–	–	–	–	–
Total	469	–	–	2,293	2,762

	Salaries, allowances and benefits in kind	Housing funds, medical insurance and other social insurance	Pension scheme contributions	Share-based payment compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Three months ended 31 March 2025					
Chief executive and executive Directors:					
Dr. Kang Xiaoqiang (<i>Note (a)</i>)	225	–	–	–	225
Dr. Lai Shoupeng (<i>Note (b)</i>)	244	–	–	–	244
Mr. Zuo Honggang (<i>Note (g)</i>)	544	–	5	1,763	2,312
Non-executive Directors:					
Mr. Zhang Yincheng (<i>Note (d)</i>)	–	–	–	–	–
Mr. Chen Renhai (<i>Note (c)</i>)	–	–	–	–	–
Supervisors:					
Mr. Jin Hui (<i>Note (e)</i>)	–	–	–	–	–
Mr. Wang Zhou (<i>Note (f)</i>)	–	–	–	–	–
Ms. Li Mengwei (<i>Note (h)</i>)	172	15	12	1	200
Total	1,185	15	17	1,764	2,981

Notes:

- (a) Dr. Kang Xiaoqiang was appointed as an executive director and the chief executive director of the Company with effect from November 2012.
- (b) Dr. Lai Shoupeng was appointed as an executive director with effect from March 2014.
- (c) Mr. Chen Renhai was appointed as a non-executive director with effect from July 2017.
- (d) Mr. Zhang Yincheng was appointed as a non-executive director with effect from May 2023.
- (e) Mr. Jin Hui was appointed as a supervisor with effect from September 2020.
- (f) Mr. Wang Zhou was appointed as a supervisor with effect from May 2023.
- (g) Mr. Zuo Honggang was appointed as an executive director with effect from October 2024.
- (h) Ms. Li Mengwei was appointed as a supervisor with effect from July 2024.

There was no arrangement under which a director waived or agreed to waive any remuneration during the Relevant Periods.

12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended 31 December 2023 and 2024, the three months ended 31 March 2025 and 2024 included two, three, one and two directors (including the chief executive) respectively, details of whose remuneration are set out in Note 11 above. Details of the remuneration of the remaining highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Year ended 31 December		Three months ended 31 March	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i>
Salaries, allowances and benefits in kind	11,340	8,596	2,462	3,601
Pension scheme contributions	4	36	–	12
Housing funds, medical insurance and other social insurance	84	33	25	124
Share-based payment compensation	4,235	2,196	432	381
Total	15,663	10,861	2,919	4,118

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		Three months ended 31 March	
	2023	2024	2024	2025
	<i>Number of employees</i>	<i>Number of employees</i>	<i>Number of employees (unaudited)</i>	<i>Number of employees</i>
Nil to HKD1,000,000	–	–	2	2
HKD1,000,001 to HKD1,500,000	–	–	–	1
HKD1,500,001 to HKD2,000,000	–	–	1	1
HKD2,000,001 to HKD2,500,000	1	–	–	–
HKD2,500,001 to HKD3,500,000	–	1	–	–
HKD3,500,001 to HKD4,500,000	1	–	–	–
HKD4,500,001 to HKD5,500,000	–	–	–	–
HKD5,500,001 to HKD6,500,000	–	–	–	–
HKD7,500,001 to HKD8,500,000	–	–	–	–
HKD8,500,001 to HKD9,500,000	–	1	–	–
HKD13,500,001 to HKD14,500,000	1	–	–	–
	<u>3</u>	<u>2</u>	<u>3</u>	<u>4</u>
Total	<u>3</u>	<u>2</u>	<u>3</u>	<u>4</u>

During the Relevant Periods, share options and restricted shares were granted to the 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 31 to the Historical Financial Information. The fair value of such restricted share units, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

During the Relevant Periods, no highest paid employees waived or agreed to waive any remuneration and no remuneration was paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

13. 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.

Chinese Mainland

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the Enterprise Income Tax (“**EIT**”) rate of the PRC subsidiaries was 25% during the Relevant Periods except for the Company which was subject to tax concession set out below.

Hong Kong

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the Relevant Periods.

USA

The Company's subsidiary incorporated and operated in USA are subject to the federal corporate income tax rate at 21% during the Relevant Periods.

	Year ended 31 December		Three months ended 31 March	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i>
Loss before tax	(362,249)	(301,216)	(86,569)	(75,367)
Tax at the statutory tax rate (25%)	(90,562)	(75,304)	(21,642)	(18,842)
Effect of different tax rates enacted by local authorities	104	6,955	61	134
Additional deductible allowance for research and development expenses	(49,385)	(39,938)	(7,570)	(13,721)
Deductible temporary difference and tax losses not recognised	110,413	97,588	21,290	32,395
Expenses not deductible for tax	29,430	10,699	7,861	34
Tax charge at the Group's effective rate	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

The Group had tax losses in Chinese Mainland of RMB1,106,530,000, RMB1,266,705,000 and RMB1,391,345,000 in aggregate as at 31 December 2023 and 2024 and 31 March 2025, respectively, that will expire in one to five years for offsetting against future taxable profits of the Company in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses and deductible temporary differences as they have arisen in the subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits in foreseeable future will be available against which the tax losses can be utilised.

According to the EIT Law, an additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income effective from 1 October 2022.

14. DIVIDENDS

No dividend was paid or declared by the Company during the Relevant Periods.

15. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

On 14 August 2024, the Company was converted to a joint stock limited liability company. A total of 150,000,000 shares of par value of RMB1.00 each were issued and allotted to the respective shareholders of the Company according to the paid-in capital registered under these shareholders on that day. The conversion of paid-in capital to share capital with par value of RMB1.00 each is applied retrospectively for the Relevant Periods for the purpose of computation of basic earnings per share.

The calculation of the basic loss per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the Relevant Periods.

Because the diluted loss per share amount is decreased when taking convertible bonds and share-based payments into account, the convertible bonds and share-based payments had an anti-dilutive effect on the basic loss per share amounts presented and were ignored in the calculation of diluted loss per share during the Relevant Period and three months ended 31 March 2024. Therefore, no adjustment has been made on the basic loss per share amounts presented for the Relevant Periods and the six months ended 30 June 2023 for the purpose of computation of diluted earnings per share.

The calculation of basic and diluted loss per share is based on:

	Year ended 31 December		Three months ended 31 March	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i>
Loss				
Loss attributable to ordinary equity holders of the parent	<u>(362,249)</u>	<u>(301,216)</u>	<u>(86,569)</u>	<u>(75,367)</u>
Shares				
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	<u>144,853,280</u>	<u>150,004,808</u>	<u>145,679,997</u>	<u>156,500,000</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Express in RMB)				
– Basic and Diluted	<u>(2.50)</u>	<u>(2.01)</u>	<u>(0.59)</u>	<u>(0.48)</u>

The weighted average number of shares for the purpose of basic loss per share for the Relevant Periods is calculated based on the assumption that the Company's conversion into joint stock limited company as set out in Note 29 to the Historical Financial Information have been adjusted retrospectively.

16. PROPERTY, PLANT AND EQUIPMENT

The Group and the Company

	Furniture and equipment	Leasehold improvements	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2023				
At 1 January 2023:				
Cost	59,129	21,811	955	81,895
Accumulated depreciation	(18,303)	(6,874)	–	(25,177)
Net carrying amount	<u>40,826</u>	<u>14,937</u>	<u>955</u>	<u>56,718</u>
At 1 January 2023, net of accumulated depreciation	40,826	14,937	955	56,718
Additions	14,841	182	2,281	17,304
Transfer	244	2,637	(2,881)	–
Depreciation provided during the year	(12,367)	(7,373)	–	(19,740)
At 31 December 2023, net of accumulated depreciation	<u>43,544</u>	<u>10,383</u>	<u>355</u>	<u>54,282</u>
At 31 December 2023:				
Cost	74,214	24,630	355	99,199
Accumulated depreciation	(30,670)	(14,247)	–	(44,917)
Net carrying amount	<u>43,544</u>	<u>10,383</u>	<u>355</u>	<u>54,282</u>

	Furniture and equipment	Leasehold improvements	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2024				
At 1 January 2024:				
Cost	74,214	24,630	355	99,199
Accumulated depreciation	(30,670)	(14,247)	–	(44,917)
Net carrying amount	<u>43,544</u>	<u>10,383</u>	<u>355</u>	<u>54,282</u>
At 1 January 2024, net of accumulated depreciation	43,544	10,383	355	54,282
Additions	1,489	545	316	2,350
Disposal	(12)	–	–	(12)
Transfer	–	671	(671)	–
Depreciation provided during the year	(12,855)	(7,387)	–	(20,242)
At 31 December 2024, net of accumulated depreciation	<u>32,166</u>	<u>4,212</u>	<u>–</u>	<u>36,378</u>
At 31 December 2024:				
Cost	75,612	25,846	–	101,458
Accumulated depreciation	(43,446)	(21,634)	–	(65,080)
Net carrying amount	<u>32,166</u>	<u>4,212</u>	<u>–</u>	<u>36,378</u>
	Furniture and equipment	Leasehold improvements	Total	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
31 March 2025				
At 1 January 2025:				
Cost	75,612	25,846	101,458	
Accumulated depreciation	(43,446)	(21,634)	(65,080)	
Net carrying amount	<u>32,166</u>	<u>4,212</u>	<u>36,378</u>	
At 1 January 2025, net of accumulated depreciation	32,166	4,212	36,378	
Additions	221	–	221	
Disposal	(3)	–	(3)	
Depreciation provided during the period	(2,993)	(1,292)	(4,285)	
At 31 March 2025, net of accumulated depreciation	<u>29,391</u>	<u>2,920</u>	<u>32,311</u>	
At 31 March 2025:				
Cost	75,770	25,846	101,616	
Accumulated depreciation	(46,379)	(22,926)	(69,305)	
Net carrying amount	<u>29,391</u>	<u>2,920</u>	<u>32,311</u>	

As at 31 December 2023, 31 December 2024 and 31 March 2025, there were no pledged property, plant and equipment.

17. LEASES

The Group and the Company as a lessee

The Group has lease contracts for various items of office premises and laboratory used in its operations. Leases of office premises and laboratory generally have lease terms between 2 and 3 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amount of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

	Office premises and laboratory
	<i>RMB'000</i>
As at 1 January 2023	9,214
Addition	1,843
Depreciation charge	(4,169)
Lease termination	(76)
	<u>6,812</u>
As at 31 December 2023 and 1 January 2024	<u>6,812</u>
Addition	10,177
Depreciation charge	(5,800)
	<u>11,189</u>
As at 31 December 2024 and 1 January 2025	11,189
Addition	–
Depreciation charge	(1,491)
Lease modification	10,825
	<u>20,523</u>
As at 31 March 2025	<u>20,523</u>

(b) *Lease liabilities*

The carrying amount of lease liabilities and the movements during the Relevant Periods are as follows:

	As at 31 December 2023 RMB'000	As at 31 December 2024 RMB'000	As at 31 March 2025 RMB'000
Carrying amount at 1 January	8,610	6,088	11,263
New leases	1,843	10,177	–
Accretion of interest recognised during the year	348	360	222
Lease modification	–	–	10,825
Lease termination	(78)	–	–
Payments	(4,635)	(5,362)	(1,611)
Carrying amount	6,088	11,263	20,699
Analysed into:			
Current portion	4,311	5,716	6,416
Non-current portion	1,777	5,547	14,283

The maturity analysis of lease liabilities is disclosed in Note 37 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December		Six months ended 31 March	
	2023 RMB'000	2024 RMB'000	2024 RMB'000 (unaudited)	2025 RMB'000
Depreciation of right-of-use assets	4,169	5,800	1,273	1,491
Interest on lease liabilities	348	360	95	222
Gain on a lease termination	(2)	–	–	–
Expenses relating to short-term leases	424	367	19	119
Expenses relating to low-value leases	81	248	99	37
Total amount recognised in profit or loss	5,020	6,775	1,486	1,869

(d) The total cash outflow for leases is disclosed in Note 32 to the Historical Financial Information.

18. INVESTMENT IN SUBSIDIARIES

The Company

	As at 31 December 2023 RMB'000	As at 31 December 2024 RMB'000	As at 31 March 2025 RMB'000
Investment cost	4,661	14,607	16,045

19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	As at 31 December 2023 RMB'000	As at 31 December 2024 RMB'000	As at 31 March 2025 RMB'000
Non-current:			
Value-added tax recoverable	17,717	24,165	26,806
Rental deposits	1,376	1,404	1,256
Prepayments for long-term assets	174	–	1,129
Total	19,267	25,569	29,191
Current:			
Prepayments for research and development services	17,570	50,273	51,523
Deferred listing expense	–	5,093	7,081
Prepayments for other expenses	708	1,360	1,661
Rental and other deposit	1,068	673	742
Others	122	191	252
Total	19,468	57,590	61,259

The Company

	As at 31 December 2023 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>	As at 31 March 2025 <i>RMB'000</i>
Non-current:			
Value-added tax recoverable	17,717	24,165	26,806
Rental deposits	1,376	1,404	1,256
Prepayments for long-term assets	174	–	1,129
Total	19,267	25,569	29,191
Current:			
Prepayments for research and development services	17,570	50,273	51,523
Deferred listing expense	–	5,093	7,081
Prepayments for other expenses	708	1,360	1,661
Rental and other deposit	532	129	198
Others	122	191	252
Total	18,932	57,046	60,715

The financial assets included in the above balances relate to receivables for which there were no recent history of default and past due amounts. In addition, there is no significant change in the economic factors based on the assessment of the forward-looking information, so the directors of the Company are of the opinion that the ECLs in respect of these balances are minimal. The balances are interest-free and are not secured with collateral.

20. OTHER INTANGIBLE ASSETS**The Group and the Company**

	Software
	<i>RMB'000</i>
31 March 2025	
At 1 January 2025:	
Cost	–
Accumulated depreciation	–
Net carrying amount	–
At 1 January 2025, net of accumulated depreciation	–
Additions	655
Amortisation provided during the period	(55)
At 31 March 2025, net of accumulated amortisation	600
At 31 March 2025:	
Cost	655
Accumulated amortisation	(55)
Net carrying amount	600

21. FINANCIAL ASSETS AT FVTPL**The Group and the Company**

	As at 31 December 2023	As at 31 December 2024	As at 31 March 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Structured deposits and wealth management products	100,130	166,175	75,083

These structured deposits and wealth management products are principal guaranteed and purchased from reputable banks in Chinese Mainland with expected return by reference to the performance of (i) the underlying instruments in the currency market, the interbank market, the bond market, and the security and equity market and (ii) the derivative financial assets. The yields on all of these wealth management products are not guaranteed, and hence their contractual cash flows do not qualify for solely payments of principal and interest. After making an investment, the Group closely monitor the performance and fair value of these investments on a regular basis.

The fair values are based on cash flows discounted using the expected yield rate and are within Level 2 of the fair value hierarchy.

22. INVENTORIES

The Group

	As at 31 December	As at 31 December	As at 31 March
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contract costs	—	—	18,488

The Company

	As at 31 December	As at 31 December	As at 31 March
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contract costs	—	—	609

23. CASH AND CASH EQUIVALENTS

The Group

	As at 31 December	As at 31 December	As at 31 March
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	247,523	372,542	431,376
Denominated in			
RMB	96,029	147,821	167,770
USD	151,494	224,721	263,606

The Company

	As at 31 December	As at 31 December	As at 31 March
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	245,694	338,237	347,757
Denominated in			
RMB	96,029	147,821	167,770
USD	149,665	190,416	179,987

The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, 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.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

24. TRADE AND OTHER PAYABLES**The Group**

	As at 31 December	As at 31 December	As at 31 March
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current:			
Other payables for long-term assets	–	–	218
Current:			
Trade payables	215	3,524	2,944
Payroll payables	8,938	11,888	6,310
Accrued expenses for research and development services	14,396	22,373	40,837
Listing expenses	–	10,957	9,380
Other taxes payables	899	778	419
Other payables:			
– Payables for property, plant and equipment	575	178	44
– Others	672	3,490	967
Total	25,695	53,188	61,119

An ageing analysis of the trade payables as at the end of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December 2023 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>	As at 31 March 2025 <i>RMB'000</i>
Within 3 months	215	3,524	2,944

The trade payables are non-interest-bearing and payable on demand, which are normally settled on terms of 1 to 3 months.

The Company

	As at 31 December 2023 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>	As at 31 March 2025 <i>RMB'000</i>
Non-current:			
Other payables for long-term assets	–	–	218
Current:			
Trade payables	215	3,524	2,940
Payroll payables	8,570	10,329	5,607
Accrued expenses for research and development services	14,396	22,373	25,571
Listing expenses	–	10,957	9,380
Other taxes payables	899	778	419
Other payables			
– Payables for property, plant and equipment	575	178	44
– Others	672	2,291	966
Total	25,327	50,430	45,145

An ageing analysis of the trade payables as at the end of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December 2023 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>	As at 31 March 2025 <i>RMB'000</i>
Within 3 months	215	3,524	2,940

The trade payables are non-interest-bearing and payable on demand, which are normally settled on terms of 1 to 3 months.

25. INTEREST-BEARING BANK BORROWINGS

The Group and the Company

As at 31 December 2023			
	Effective interest rate per annum	Maturity	RMB'000
	%		
Current – repayable within one year			
Bank loans – unsecured	3.30%	2024/01/09- 2024/12/06	61,000
As at 31 December 2024			
	Effective interest rate per annum	Maturity	RMB'000
	%		
Current – repayable within one year			
Bank loans – unsecured	2.80%-3.45%	2025/01/02- 2025/12/17	255,212
As at 31 March 2025			
	Effective interest rate per annum	Maturity	RMB'000
	%		
Current – repayable within one year			
Bank loans – unsecured	2.70%-3.10%	2025/04/19- 2026/03/19	255,221

26. REDEMPTION LIABILITIES ON EQUITY SHARES

From July 2015 to May 2023, the Company had received several rounds of investments as follows:

In July 2015, the Company issued 333,334 angel round equity shares with a par value of RMB1.00 per share (“**Angel Round Shares**”) to several independent investors for a cash consideration of RMB10,000,000 or RMB30.00 per share.

In June 2017, the Company issued 1,671,429 series pre-A equity shares with a par value of RMB1.00 per share (“**Series Pre-A Shares**”) to several independent investors for a cash consideration of RMB27,000,000 or RMB16.15 per share.

In August 2018, the Company issued first tranche of 1,467,831 series A equity shares with a par value of RMB1.00 per share (“**Series A Shares**”) to several independent investors for a cash consideration of RMB55,000,000 or RMB37.47 per share.

In December 2018, the Company issued second tranche of 759,924 series A equity shares with a par value of RMB1.00 per share (“**Series A Shares**”) to several independent investors for a cash consideration of RMB30,000,000 or RMB39.48 per share.

In August 2019, the Company issued 329,305 series A+ equity shares with a par value of RMB1.00 per share (“**Series A+ Shares**”) to one independent investor for a cash consideration of RMB20,000,000 or RMB60.73 per share.

In May 2020, the Company issued 1,070,228 series B equity shares with a par value of RMB1.00 per share (“**Series B Shares**”) to several independent investors for a cash consideration of RMB75,000,000 or RMB70.08 per share.

In September 2020, the Company issued 1,855,062 series B+ equity shares with a par value of RMB1.00 per share (“**Series B+ Shares**”) to several independent investors for a cash consideration of RMB130,000,000 or RMB70.08 per share.

In September 2021, the Company issued 4,723,427 series C equity shares with a par value of RMB1.00 per share (“**Series C Shares**”) to several independent investors for a cash consideration of RMB607,000,000 or RMB128.51 per share.

In May 2023, the Company issued additional 233,448 series C equity shares with a par value of RMB1.00 per share to one independent investor through conversion of convertible bonds as detailed in Note 27.

Angel Round Shares, Series Pre-A Shares, Series A Shares, Series B Shares and Series C Shares are collectively referred as Shares. The shareholders of the Shares are collectively referred as Shareholders.

The key terms of the Shares are summarized as follows:

(1) Redemption features

Upon occurrence of the following events, the Shares shall be redeemable at the option of the Shareholders: (a) The Company did not obtain POC clinical efficacy data for LBL-007 candidate before 31 December 2021 subject to conditional six-month period of grace; (b) The Company is involved in intellectual property litigation related to macromolecular antibody drugs and is being sued (except in cases where the target company can provide evidence that it has not infringed and will not lose the litigation); (c) The Company fails to achieve a qualified IPO or qualified overall sale of the Company before 30 June 2024; (d) Any material breach of the investment agreement by the controlling shareholders or the Company, or any serious illegal actions that may cause significant loss to the interests of the investors; (e) The controlling shareholders, the Company, or its affiliated companies engage in significant acts of dishonesty that may cause significant loss to the interests of the investors; (f) The Company or any affiliated company fails to obtain the necessary qualifications or licenses for business operations, or such qualifications or licenses are revoked, withdrawn, or refused renewal, resulting in the Company’s main business being unable to continue; (g) within 2 years after the closing of the investment, the Company undergoes significant changes in its main business that may cause significant harm to the investor’s interests; (h) The controlling shareholders misappropriates assets of the Company or any affiliated company; or (i) The controlling shareholder loses control of the Company or any affiliated company for any reason.

The redemption amount is calculated as the higher of (i) the original investment principal from investors with an annual compound interest rate of 10% of the original investment principal plus any dividends declared but unpaid for a period of time commencing from the actual investment payment date to the actual settlement of redemption amount date (referred as “**P+I**”) and (ii) the net assets of the Company at the time of transfer attributable to the shareholders according to share percentage.

2024 Amendment

During the year ended 31 December 2024, the Company entered into supplemental agreements with all Shareholders, pursuant to which, the holders of 13,031,488 number of shares, representing 100% of Shares, agreed to terminate the redemption feature in partial (the “**2024 Amendment**”). Pursuant to the 2024 Amendment, trigger events of (c), (h) and (i) were removed and thus the Company no longer had mandatory obligation to settle the redemption liabilities at these holders’ option with such partial termination.

(2) Liquidation preferences

In the event of any liquidation or deemed liquidation event, holders of the Shares shall be entitled to be paid out of the funds and assets available for distribution to the members of the Company, an amount per share equal to the original issue price for each series equity share with an annual compound interest rate of 10% plus any dividends declared but unpaid thereon in the sequence as follows:

- (1) Series C Shares
- (2) Series B+ Shares
- (3) Series B Shares
- (4) Series A+ Shares
- (5) Series A Shares
- (6) Series Pre-A Shares
- (7) Angel Round Shares

(3) Anti-dilution right

If the Company increases its paid-in capital at a price lower than the price paid by the investors on a per paid-in capital basis, the investors have a right to require the Company to issue additional paid-in capital at the lowest issue price permitted by law to the investors or receive cash compensation from the Company, the investors also have a right to require the controlling shareholders transfer shares to the investors at the lowest issue price permitted by law or receive cash compensation from the controlling shareholders, so that the total amount paid by the investors divided by the total amount of paid-in capital obtained is equal to the price per paid-in capital in the new issuance.

Presentation and classification

The Group and the Company have recognised the Shares as redemption liabilities on equity shares. The change in fair value of the Shares is charged to profit or loss except for the portion attributable to credit risk change that shall be charged to other comprehensive income. Management considered that the fair value change in the Shares attributable to changes of own credit risk is not significant.

The Shares had been presented in current liabilities as at 31 December 2023 as the Company would be requested to redeem the Shares if the Company failed to consummate qualified IPO or qualified overall sale of the Company before 30 June 2024.

In 2024, all holders of Shares agreed to terminate redemption feature in partial as set out under the section headed “2024 Amendment”, resulting in reclassification of 1,345,588,000 amount of redemption liabilities to equity because the Company no longer had mandatory obligation to settle the redemption liabilities at these holders’ option with such partial termination. The remaining redemption rights remain together with other special rights including, among others, redemption rights, pre-emptive and co-sale rights, anti-dilution rights, drag-along rights, liquidation rights, and information rights.

Pursuant to the investment agreements entered into by our Company and the relevant Shareholders on 13 September 2024 and 15 November 2024 respectively, the redemption rights were automatically terminated from the date preceding our Company’s first submission of the listing application form to the Stock Exchange, and all other special rights available to holders of Shares will be terminated upon the listing.

The movements in our redemption liabilities on equity shares are set out as follows:

The Group and the Company

	Angel Round Shares RMB'000	Series Pre-A Shares RMB'000	Series A Shares RMB'000	Series A+ Shares RMB'000	Series B Shares RMB'000	Series B+ Shares RMB'000	Series C Shares RMB'000	Total Shares RMB'000
As at 1 January 2023	20,271	45,692	126,022	27,525	69,978	182,249	684,434	1,156,171
Change in fair value	2,027	4,569	12,603	2,752	6,998	18,225	70,159	117,333
Transfer from convertible debts	–	–	–	–	–	–	30,000	30,000
As at 31 December 2023	22,298	50,261	138,625	30,277	76,976	200,474	784,593	1,303,504
Change in fair value	728	1,640	4,450	972	2,471	6,563	25,260	42,084
De-recognition of redemption liabilities	(23,026)	(51,901)	(143,075)	(31,249)	(79,447)	(207,037)	(809,853)	(1,345,588)
As at 31 December 2024 and 31 March 2025	–	–	–	–	–	–	–	–

27. CONVERTIBLE BONDS

The Group and the Company

	As at 31 December 2023 RMB'000	As at 31 December 2024 RMB'000	As at 31 March 2025 RMB'000
Convertible bonds	—	—	—

The movements in Convertible bonds during the year ended 31 December 2023 are set out below:

	Convertible bonds RMB'000
As at 1 January 2023	37,708
Changes in fair value	199
Interest paid	(5,821)
Conversion of convertible bonds	(32,086)
As at 31 December 2023, 31 December 2024 and 31 March 2025	—

In August 2019, the Company entered into a convertible bonds investment agreement (the “**Convertible Bonds Agreement**”) with Nanjing Jiangbei Medical Innovation Industry Fund (L.P.) (南京江北醫療創新產業基金(有限合伙)) (“**Jiangbei Fund**”). Pursuant to the Convertible Bonds Agreement, the Company issued three-year 6.175% convertible bonds in an aggregate principal amount of RMB30,000,000. The conversion period is on or after the day the Company received the investments up to March 31, 2023 and the price of ordinary shares of the Company to be issued will be equal to the price per paid-in capital in the latest new issuance if the Company’s net profit meets the requirements stipulated in the Convertible Bonds Agreement.

On 31 March 2023 or three years after the Company received the investments, the Company would redeem all convertible bonds from Jiangbei Fund at the aggregate principal amount, together with accrued and unpaid interest thereon.

In May 2023, the Company entered into a supplemental investment agreement with Jiangbei Fund and all the then existing shareholders of the Company. Pursuant to which the supplemental investment agreement, the Company repaid all interest of RMB5,821,000 to Jiangbei Fund in June 2023 and the principal amount of RMB30,000,000 were all converted into 233,448 Series C equity shares of the Company at the conversion price of RMB128.51 per share.

The Group and the Company have designated the Convertible Bonds as whole as financial liabilities carried at FVTPL. The change in fair value of the Convertible Bonds is charged to profit or loss except for the portion attributable to credit risk change that shall be charged to other comprehensive income. The management considered that the fair value change in the Convertible Bonds attributable to changes of own credit risk is not significant.

All issued Convertible Bonds had been automatically converted into 233,448 Series C equity shares on May 2023 and then fair value of financial liabilities of RMB32,086,000 had been reclassified to equity accordingly with no impact on the consolidated statement of profit or loss of the Group.

28. DEFERRED TAX

Deferred tax liabilities

	Right-of-use assets	Total
	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2023	2,304	2,304
Charged to the consolidated statements of profit or loss and other comprehensive income	<u>(601)</u>	<u>(601)</u>
As at 31 December 2023	1,703	1,703
Credited to the consolidated statements of profit or loss and other comprehensive income	<u>1,094</u>	<u>1,094</u>
As at 31 December 2024	2,797	2,797
Credited to the consolidated statements of profit or loss and other comprehensive income	<u>2,334</u>	<u>2,334</u>
As at 31 March 2025	<u><u>5,131</u></u>	<u><u>5,131</u></u>

Deferred tax assets

	Tax Losses	Lease liabilities	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2023	151	2,153	2,304
Credited/(charged) to the consolidated statements of profit or loss and other comprehensive income	<u>30</u>	<u>(631)</u>	<u>(601)</u>
As at 31 December 2023	181	1,522	1,703
Credited to the consolidated statements of profit or loss and other comprehensive income	<u>–</u>	<u>1,094</u>	<u>1,094</u>
As at 31 December 2024	181	2,616	2,797
Credited to the consolidated statements of profit or loss and other comprehensive income	<u>(181)</u>	<u>2,515</u>	<u>2,334</u>
As at 31 March 2025	<u><u>–</u></u>	<u><u>5,131</u></u>	<u><u>5,131</u></u>

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 2023	As at 31 December 2024	As at 31 March 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net deferred tax assets recognised in the consolidated statement of financial position	–	–	–
Net deferred tax liabilities recognised in the consolidated statement of financial position	–	–	–
Net deferred tax liabilities in respect of continuing operations	–	–	–

29. PAID-IN CAPITAL/SHARE CAPITAL

The Company was incorporated on 27 November 2012 with initial authorised paid-in capital of RMB1,000,000 divided into 1,000,000 shares with par value of RMB1 each.

Paid-in capital/Share capital

	Paid-in capital/ Share capital
	<i>RMB'000</i>
As at 1 January 2023	16,785
Conversion of convertible debts (<i>Note 27</i>)	233
As at 31 December 2023 and 1 January 2024	17,018
Capital contribution from employee incentive platforms (<i>Note (a)</i>)	505
Capitalisation Issue (<i>Note (b)</i>)	132,477
Issue of Series C+ Shares (<i>Note (c)</i>)	6,500
As at 31 December 2024 and 31 March 2025	156,500

Notes:

- (a) In April 2024, a total number of 505,000 ordinary shares were issued to certain offshore special purpose vehicles in order to facilitate the administration of restricted shares granted to the employees as set out in Note 31 to the Historical Financial Information.
- (b) On 14 August 2024, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The net assets of the Company under PRC GAAP as of the conversion base date, including paid-in capital, share premium and accumulated losses, amounting to RMB163,102,656.54 were converted into 150,000,000 share capital at RMB1.00 each. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company's share premium.
- (c) In November 2024, pursuant to series C+ ("Series C+") share purchase agreement, certain third party investors subscribed 6,500,000 ordinary shares of the Company at total consideration of RMB130,000,000, with RMB6,500,000 and RMB123,500,000 credited to the Company's share capital and share premium, respectively.

30. RESERVES**The Group**

The amounts of the Group's capital reserves and other reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

(a) Capital reserves

The share premium of the Group represents the difference between the par value of the shares issued and the consideration received.

(b) Share-based payment reserve

The share-based payment reserve represents the equity-settled share awards expenses as set out in Note 31 to the Historical Financial Information.

(c) Other reserves

Other reserves of the Group represent the carrying amount of the equity shares with redemption features as stipulated in Note 26 to the Historical Financial Information.

The Company

	Capital reserves	Share-based payment reserve	Other reserves	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	939,497	11,817	(954,000)	(620,507)	(623,193)
Conversion of convertible bonds	31,853	–	–	–	31,853
Recognition of redemption liabilities	–	–	(30,000)	–	(30,000)
Share-based payment compensation (Note 31)	–	17,837	–	–	17,837
Total comprehensive loss for the year	–	–	–	(359,656)	(359,656)
At 31 December 2023 and 1 January 2024	971,350	29,654	(984,000)	(980,163)	(963,159)
Termination of redemption liabilities	361,588	–	984,000	–	1,345,588
Share-based payment compensation (Note 31)	–	41,940	–	–	41,940
Capitalisation Issue	(1,220,889)	–	–	1,088,412	(132,477)
Issue of Series C+ Shares	120,972	–	–	–	120,972
Total comprehensive loss for the year	–	–	–	(130,651)	(130,651)
At 31 December 2024 and 1 January 2025	233,021	71,594	–	(22,402)	282,213
Share-based payment compensation (Note 31)	–	2,250	–	–	2,250
Total comprehensive loss for the year	–	–	–	(72,928)	(72,928)
At 31 March 2025	233,021	73,844	–	(95,330)	211,535

31. SHARE-BASED PAYMENTS

Share Option Plan

The Company adopted a share incentive plan (“Share Option Plan”) in 2016, as amended and restated in 2020, for the purpose of attracting and retaining the best talents who promote the success of the Group’s operations. Eligible participants of the Share Option Plan include the certain directors of the Company, employees and consultants of the Group.

From November 2016 to October 2022, the Company issued 8,405,618 shares of the Company after completion of the conversion into a joint company as set out in Note 28 at a grant price RMB59.26 per share. Except for 3,338,438 shares granted to the controlling shareholder in February 2017 with no vesting options, the rest shares of the options granted during the Relevant Periods are vesting in the parts of 25%, 25%, 25% and 25% on the first, second, third and fourth anniversaries of the vesting commencement date.

During the Relevant Periods, the details of specific categories of options are as follows:

Date of grant	Number of options granted	Exercise price per share
February 2023	3,724,251	RMB59.26
August 2023	1,929	RMB59.26
December 2023	38,670	RMB493.86
February 2024	75,708	RMB493.86

The following share options were outstanding under the share option plan during the Relevant Periods:

	As at 31 December	As at 31 December	As at 31 March
	2023	2024	2025
At the beginning of the year	8,385,758	12,147,288	—
Granted during the year	3,764,850	75,708	—
Forfeited during the year	(3,320)	(203,445)	—
Conversion to 2024 RS Plan	—	(12,019,551)	—
At the end of the year	<u>12,147,288</u>	<u>—</u>	<u>—</u>

The fair value of the share options granted during the years ended 31 December 2023 and 2024 were RMB26,207,000 and RMB356,000, respectively.

During the years ended 31 December 2023, 2024 and the three months ended 31 March 2025, share-based payment compensation expenses of RMB17,837,000, RMB17,181,000 and nil were charged to profit or loss under the Share Option Plan.

The fair value of share-based payment compensations granted under the 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. All numbers of shares of the Company and subscription price per share in this note have been adjusted retrospectively as if the Company's conversion into joint stock limited company on 14 August 2024 as set out in Note 29 to the Historical Financial Information had been completed at the beginning of the Relevant Period. The following table lists the inputs to the model used:

	2023	2024
Expected volatility	43.47%-44.26%	44.42%
Risk-free interest rate	2.56%-2.9%	2.43%
Discount for lack of marketability	13%-17%	12%

Pre-IPO Share Incentive Plan

In May 2024, the board of directors of the Company passed a resolution to modify the Share Option Plan by converting the form of share award from share options to restricted share plan (the “**Pre-IPO Share Incentive Plan**”) under three share incentive platforms, representing 12,019,551 shares of the Company (after completion of the conversion into a joint-stock company as set out in Note 29). Under the Pre-IPO Share Incentive Plan, the eligible recipients of share option scheme and the number of underlying shares of the Company awarded remain unchanged. But these eligible recipients will subscribe the shares of the Company through certain share incentive platforms at the subscription price equal to the original exercise price of the Share Option Plan and these restricted shares will unlock over the same period of time as the original vesting period under the Share Option Plan. 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.

During the year ended 31 December 2024, the details of specific categories of restricted shares granted are as follows:

Date of grant	Number of shares granted	Exercise price per share	Lock-up Schedule
May 2024	1,958,291	RMB59.26~ RMB506.85	The restricted shares will unlock in the portions of 25%, 25%, 25% and 25% on the first, second, third and fourth anniversaries of the original vesting commencement date
May 2024	3,187,604	RMB8.56~RMB383.41	No lock-up requirements
Total	5,145,895		

The following restricted shares were outstanding under the Pre-IPO Share Incentive Plan during the year ended 31 December 2024 and the three months ended 31 March 2025:

	Year ended 31 December 2024	Three months ended 31 March 2025
At the beginning of year/period	–	(6,252,304)
Conversion from Share Option Scheme (<i>Note</i>)	4,359,230	–
Granted during the year/period	5,145,895	–
Unlocked during the year/period	(15,737,000)	(96,999)
Forfeited during the year/period	(20,429)	–
At end of year/period	(6,252,304)	(6,349,303)

Note:

The Company converted 12,019,551 restricted shares of the Company to participants from Share Option Plan as mentioned in the paragraph headed "Share Option Plan" in this note, among them 7,660,321 restricted shares were vested and still 4,359,230 restricted shares were outstanding.

The fair value of the restricted shares granted under the Pre-IPO Share Incentive Plan during the year ended 31 December 2024 was RMB35,194,000.

During the period ended 31 December 2024 and 31 March 2025, share-based payment compensation expense of RMB24,759,000 and RMB2,250,000 was charged to profit or loss under the Pre-IPO Share Incentive Plan.

The fair value of share-based payment compensations granted under the Pre-IPO Share Incentive Plan during the year ended 31 December 2024 was estimated as at the date of grant using most recent transaction method and a binomial model, taking into account the terms and conditions upon which the restricted shares were granted. All numbers of shares of the Company and subscription price per share in this Note have been adjusted retrospectively as if the Company's conversion into joint stock limited company on 14 August 2024 as set out in Note 29 to the Historical Financial Information had been completed at the beginning of the Relevant Periods. The following table lists the inputs to the model used:

	<u>At grant date</u>
Most recent transaction methods	
Recent transaction price	RMB157.5
Binomial model	
Expected volatility	52.38%
Risk-free interest rate	1.42%

32. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Period and the three months ended 31 March 2024, the Group had non-cash additions to right-of-use assets of RMB1,843,000, RMB10,177,000, RMB10,825,000 and RMB4,352,000 (unaudited), and non-cash additions to lease liabilities of RMB1,843,000, RMB10,177,000, RMB10,825,000 and RMB4,352,000 (unaudited) respectively, in respect of lease arrangements for office premises.

(b) Changes in liabilities arising from financing activities

	Lease liabilities	Interest- bearing bank borrowings	Convertible bonds	Redemption liabilities on equity shares	Issue Cost
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	8,610	–	37,708	1,156,171	–
Additions	1,843	61,000	–	–	–
Lease termination	(78)	–	–	–	–
Changes in fair value of convertible bonds	–	–	199	–	–
Accretion of interest	348	1,052	–	–	–
Payment	(4,635)	–	–	–	–
Interest payment	–	(1,052)	(5,821)	–	–
Conversion of convertible debts	–	–	(32,086)	30,000	–
Change in fair value of redemption liabilities on equity shares	–	–	–	117,333	–
At 31 December 2023 and 1 January 2024	6,088	61,000	–	1,303,504	–
Additions	10,177	274,980	–	–	–
Accretion of interest	360	5,404	–	–	–
Listing expense	–	–	–	–	14,531
Prepaid listing expenses	–	–	–	–	5,093
Payment	–	–	–	–	–
– Financing cash flows	(5,362)	(80,980)	–	–	(2,252)
– Operating cash flows	–	–	–	–	(6,415)
Interest payment	–	(5,192)	–	–	–
Change in fair value of redemption liabilities on equity shares	–	–	–	42,084	–
Termination of redemption liabilities	–	–	–	(1,345,588)	–
At 31 December 2024 and 1 January 2025	11,263	255,212	–	–	10,957
Additions	–	89,000	–	–	–
Lease modification	10,825	–	–	–	–
Accretion of interest	222	1,682	–	–	–
Listing expense	–	–	–	–	6,595
Prepaid listing expenses	–	–	–	–	1,988
Payment	–	–	–	–	–
– Financing cash flows	(1,611)	(89,000)	–	–	(2,389)
– Operating cash flows	–	–	–	–	(7,771)
Interest payment	–	(1,673)	–	–	–
At 31 March 2025	20,699	255,221	–	–	9,380
At 31 December 2023 and 1 January 2024	6,088	61,000	–	1,303,504	–
Additions (unaudited)	–	65,000	–	–	–
Accretion of interest (unaudited)	–	649	–	–	–
Listing expense (unaudited)	–	–	–	–	4,427
Payment	–	–	–	–	–
– Financing cash flows (unaudited)	(1,248)	(20,000)	–	–	–
– Operating cash flows (unaudited)	–	–	–	–	(256)
Interest payment (unaudited)	–	(649)	–	–	–
At 31 March 2024 (unaudited)	4,840	106,000	–	1,303,504	4,171

(c) **Total cash outflow for leases**

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December		Three months ended 31 March	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within operating activities	(505)	(616)	(118)	(156)
Within financing activities	(4,635)	(5,362)	(1,248)	(1,611)
Total	(5,140)	(5,978)	(1,366)	(1,767)

33. COMMITMENTS

The Group had the following contractual commitments at the end of the Relevant Periods:

	As at 31 December	As at 31 December	As at 31 March
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Property, plant and equipment	1,057	143	71
Other intangible assets	–	–	826
Total	1,057	143	897

34. RELATED PARTY TRANSACTIONS(a) **Outstanding balances with related parties:***The Company*

	As at 31 December	As at 31 December	As at 31 March
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Due from a subsidiary-current (trading nature) LEADS BIOLABS INC.	–	106,417	106,266

Due from a subsidiary are unsecured and non-interest-bearing.

The Company has assessed the expected loss rate for amounts due from the related parties by considering the financial position and credit history of the related party and assessed that the expected credit loss is minimal.

(b) Compensation of key management personnel of the Group

	Year ended 31 December		Three months ended 31 March	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Salaries, allowances and benefits in kind	4,850	3,955	469	1,013
Share-based payment compensation	12,365	37,477	2,293	1,763
Pension scheme contributions	–	36	–	5
Housing funds, medical insurance and other social insurance	–	18	–	–
Total	17,215	41,486	2,762	2,781

Further details of directors', supervisors' and the chief executive's emoluments are included in Note 10 to the Historical Financial Information.

35. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the Relevant Periods are as follows:

The Group and the Company*Financial assets*

	As at 31 December	As at 31 December	As at 31 March
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets at FVTPL			
Structured deposits and wealth management products	100,130	166,175	75,083
Financial assets at amortised cost			
Financial assets included in prepayments, deposits and other receivables	2,444	2,077	1,998
Cash and cash equivalents	247,523	372,542	431,376
Total	249,967	374,619	433,374

Financial liabilities

	As at 31 December 2023 RMB'000	As at 31 December 2024 RMB'000	As at 31 March 2025 RMB'000
Financial liabilities at FVTPL			
Redemption liabilities on equity shares	1,303,504	—	—
Total	1,303,504	—	—
Financial liabilities at amortised cost			
Interest-bearing bank borrowings	61,000	255,212	255,221
Financial liabilities included in trade and other payables	15,858	40,522	54,390
Total	76,858	295,734	309,611

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, financial assets included in prepayments and other receivables (in the current portion), financial liabilities included in trade and other payables approximate to their carrying amounts largely due to the short-term maturities of these instruments. The fair values of the other non-current financial assets and financial liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end 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 valuation is reviewed and approved by the chief financial officer.

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 Group invests in financial assets at fair value through profit or loss, which represent structured deposits and wealth management products issued by banks. The Group has estimated the fair value of these unlisted investments by reference to the performance of (i) the underlying instruments in the currency market, the interbank market, the bond market, and the security and equity market and (ii) the derivative financial assets.

The fair values of the wealth management products which were all issued by reputable commercial banks have been estimated by using discounted cash flow valuation models with reference to observable inputs including fluctuations of gold price and foreign exchange rate.

The fair value of a redemption liability on equity shares is calculated as the higher of (i) P+I; and (ii) the net assets of the Company held by the investors at the proportion of the equity interest held by the investors.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

The Group

Assets measured at fair value:

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2023				
Structured deposits and wealth management products	–	100,130	–	100,130
As at 31 December 2024				
Structured deposits and wealth management products	–	166,175	–	166,175
As at 31 March 2025				
Structured deposits and wealth management products	–	75,083	–	75,083

Liabilities measured at fair value:

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2023				
Redemption liabilities on equity shares	–	1,303,504	–	1,303,504
As at 31 December 2024				
Redemption liabilities on equity shares	–	–	–	–
As at 31 March 2025				
Redemption liabilities on equity shares	–	–	–	–

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.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at the end of each of the Relevant Periods.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the head of credit control.

The Group's exposure to credit risk arising from cash and cash equivalents and financial assets at FVTPL is limited and remote because the counterparties are state-owned banks or reputable commercial banks for which the Group considers to have immaterial credit risk.

The Group's credit risk is primarily attributable to other receivables. Management has assessed that during the Relevant Periods, other receivables have not had a significant increase in credit risk since initial recognition. Thus, a 12-month expected credit loss approach that results from possible default events within 12 months of each reporting date is adopted by management.

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents 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 the Relevant Periods, based on the contractual undiscounted payments, is as follows:

The Group

	As at 31 December 2023			
	Within 1	1 to 5 years	Over	Total
	year		5 years	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial liabilities included in trade and other payables	15,858	–	–	15,858
Redemption liabilities on equity shares	1,303,504	–	–	1,303,504
Interest-bearing bank borrowings	62,981	–	–	62,981
Lease liabilities	4,497	1,828	–	6,325
Total	1,386,840	1,828	–	1,388,668
As at 31 December 2024				
	Within 1	1 to 5 years	Over	Total
	year		5 years	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial liabilities included in trade and other payables	39,330	–	–	39,330
Interest-bearing bank borrowings	283,905	–	–	283,905
Lease liabilities	5,935	5,746	–	11,681
Total	329,170	5,746	–	334,916
As at 31 March 2025				
	Within 1	1 to 5 years	Over	Total
	year		5 years	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial liabilities included in trade and other payables	54,172	218	–	54,390
Interest-bearing bank borrowings	258,579	–	–	258,579
Lease liabilities	6,416	14,283	–	20,699
Total	319,167	14,501	–	333,668

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 shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders 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.

38. EVENTS AFTER 31 MARCH 2025

There were no significant events subsequent to 31 March 2025.

39. 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 March 2025.

The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set forth in Appendix I to this prospectus, and is included herein for information purpose only.

A. UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted consolidated net tangible assets has been prepared in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 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 (“HKICPA”) for illustration purpose only, and is set out below to illustrate the effect of the Global Offering on our consolidated net tangible liabilities as at 31 March 2025 as if Global Offering had taken place on that date.

The unaudited pro forma adjusted consolidated net tangible assets attributed to the owners of the parent 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 March 2025 or any future date. It is prepared based on the consolidated net tangible assets as at 31 March 2025 as set out in the Accountants' Report in Appendix I to this prospectus, and adjusted as described below. The unaudited pro forma adjusted consolidated net tangible assets does not form part of the Accountants' Report on the Historical Financial Information as set out in Appendix I to this prospectus.

	Consolidated net tangible assets attributable to owners of the parent as at 31 March 2025	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent as at 31 March 2025	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent per Share as at 31 March 2025	
	RMB'000 (Note 1)	RMB'000 (Note 2)	RMB'000	RMB (Note 3)	HK\$ (Note 4)
Based on an Offer Price of HK\$31.60 per Share	192,065	854,953	1,047,018	5.55	6.10
Based on an Offer Price of HK\$35.00 per Share	192,065	949,218	1,141,283	6.05	6.65

Notes:

- (1) The consolidated net tangible assets of the Group attributable to owners of the parent as at 31 March 2025 was arrived at after deducting other intangible assets of RMB600,000 from the consolidated net assets attributable to owners of the parent as at 31 March 2025 of RMB192,665,000.
- (2) The estimated net proceeds from the Global Offering are based on the Offer Price of HK\$31.60 and HK\$35.00 per Share, being the low-end price and high-end price of the stated Offer Price range, respectively, after deduction of the underwriting fees and other related expenses payable by the Company (excluding the listing expense that have been charged to profit or loss during the Track Record Period) and do not take into account any Shares which may be issued upon exercise of the Offer Size Adjustment Option and the Over-allotment Option.
- (3) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent per Share is arrived at after adjustments referred to in the preceding note 2 and on the basis that 188,554,400 Shares were in issue assuming the Global Offering has been completed on 31 March 2025, without taking account of the exercise of the Offer Size Adjustment Option and the Over-allotment Option.
- (4) In connection with the preparation of the unaudited pro forma financial information, the unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent per Share are converted into Hong Kong dollars at a rate of HK\$1 = RMB0.91054. No representation is made that the RMB amounts have been, could have been or may be converted into Hong Kong dollar, or vice versa at that rate.
- (5) Except as disclosed above, no adjustment has been made to reflect any trading result or other transactions of our Group entered into subsequent to 31 March 2025.

The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set forth in Appendix I to this prospectus, and is included herein for information purpose only.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION



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To the Directors of Nanjing Leads Biolabs Co., LTD

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Nanjing Leads Biolabs 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 unaudited pro forma financial information consists of the pro forma consolidated net tangible assets as at 31 December 2024, and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out on pages II-1 to II-2 of Appendix II to the prospectus issued by the Company dated 17 July 2025 (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-2 of Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Global Offering on the Group's financial position as at 31 March 2025 as if the transaction had taken place at 31 March 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 March 2025, on which an accountants' report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited 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 control

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 Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and 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 Unaudited 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 historical financial information used in the compilation of the Unaudited 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 Unaudited 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 Unaudited 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 Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the Global Offering 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 Unaudited 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 Unaudited 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 Unaudited 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 Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited 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 Unaudited 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 purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Certified Public Accountants

Hong Kong

17 July 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 jurisdictions in which holders of H Shares are residents or otherwise subject to tax. The discussion is based upon laws and relevant interpretations in effect as of the Latest Practicable Date, all of which are subject to changes or adjustments and may have retrospective effect and does not constitute any comments or suggestions accordingly. The discussion does not deal with all possible tax consequences relating to an investment in the H Shares, nor does it take into account the specific circumstances of any particular investors, some of whom may be subject to special regulation. Accordingly, prospective investors should consult their own tax advisers regarding the tax consequences of an investment in the H Shares.

This discussion does not address any aspects of PRC or Hong Kong taxation other than income tax, capital gains and profits tax, business tax/appreciation tax, stamp duty and estate duty. Prospective investors should consult their own advisers regarding PRC, Hong Kong and other tax consequences of purchasing, owning and disposing of the H Shares.

TAXATION IN THE PRC

Taxation on Dividends

Individual Investor

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), which was most recently 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稅法實施條例》), which was most recently amended on December 18, 2018 (hereinafter collectively referred to as the “**IIT Law**”), dividends distributed by PRC enterprises are subject to individual income 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 individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty.

Pursuant to 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 Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (the “**Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income** (《對所得避免雙重徵稅和防止偷漏稅的安排》)”) signed by the Mainland of China and the Hong Kong Special Administrative Region on August 21, 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol to 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 Income (《國家稅務總局關於〈內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排〉第五議定書》) (the “**Fifth Protocol** (《第五議定書》)”) issued by the STA and became effective on December 6, 2019 provides that

such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Enterprise Investors

In accordance with the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) issued by NPC on March 16, 2007 and latest amended on December 29, 2018 and the Implementation Provisions of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) issued by the State Council on December 6, 2007, came into effect on January 1, 2008 and amended on April 23, 2019 (hereinafter collectively referred to as the “**EIT Law**”), 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), if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable for non-resident enterprises are 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. Such withholding tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

The Circular of the State Administration of Tax on Issues Relating to the Withholding and Remitting of Enterprise Income Tax by PRC Resident Enterprises on Dividends Distributed to Overseas Non-Resident Enterprise Shareholders of H Shares (《國家稅務總局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稅有關問題的通知》), which was issued and implemented by the STA on November 6, 2008, further clarified that a PRC-resident enterprise must withhold corporate income tax at a rate of 10% on the dividends paid to non-PRC resident enterprise holders of H Shares which are derived out of profit generated since 2008. The relevant provisions of such tax treaty shall apply to non-PRC resident enterprise shareholders who need to enjoy tax treaty benefits. In addition, the Response to Issues on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B-shares (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》) which was issued by the STA and implemented on July 24, 2009, 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 changed pursuant to the tax treaty or agreement that China has concluded with relevant jurisdictions, where applicable. Accordingly, dividends paid to non-PRC resident enterprise shall be subject to withholding enterprise income tax at a rate of 10%.

Pursuant to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《對所得避免雙重徵稅和防止偷漏稅的安排》), the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol (《第五議定書》) provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Although there may be other provisions under the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《對所得避免雙重徵稅和防止偷漏稅的安排》), the treaty benefits under the criteria shall not be granted in the circumstance where relevant gains, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under this Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. 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 State Administration of Taxation on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》).

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese corporate income tax imposed on the dividends received from PRC companies. The PRC currently has entered into Avoidance of Double Taxation Treaties or Arrangements with a number of countries and regions including Hong Kong Special Administrative Region, Macau Special Administrative Region, 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 taxation treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the corporate income tax in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

Taxation on Share Transfer

VAT and Local Additional Tax

Pursuant to the Notice of Ministry of Finance and State Administration of Taxation on Fully Implementing the Pilot Reform for the Transition from Business Tax to Value-added Tax (《財政部、國家稅務總局關於全面推開營業稅改徵增值稅試點的通知》) (the “**Circular 36**”), which was implemented on May 1, 2016 and partially repealed on July 1, 2017, January 1, 2018 and April 1, 2019, entities and individuals engaged in the services sale in the PRC are subject to VAT and “engaged in the services sale in the PRC” means that the seller or buyer of the taxable services is located in the PRC. Circular 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable revenue (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer. However, individuals who transfer financial products are exempt from VAT, which is also provided in the Notice of Ministry of Finance and State Administration of Taxation on Several Tax Exemption Policies for Business Tax on Sale and Purchase of Financial Commodities by Individuals (《財政部、國家稅務總局關於個人金融商品買賣等營業稅若干免稅政策的通知》) effective on January 1, 2009. According to these regulations, if the holder is a non-resident individual, the PRC VAT is exempted from the sale or disposal of H shares; if the holder is a non-resident enterprise and the H-share buyer is an individual or entity located outside the PRC, the holder is not necessarily required to pay the PRC VAT, but if the H-share buyer is an individual or entity located in China, the holder may be required to pay the PRC VAT.

However, in view of no clear regulations, it is still uncertain whether the non-Chinese resident enterprises are required to pay the PRC VAT for the disposal of H shares in practice.

At the same time, VAT payers are also required to pay urban maintenance and construction tax, education surtax and local education surcharge, which shall be usually subject to 12% of the VAT payable (if any).

Income Tax

Individual Investors

According to the IIT Law, gains on the transfer of equity interests in the PRC resident enterprises are subject to individual income tax at a rate of 20%.

Pursuant to the Circular on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF and the STA 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. The MOF and the STA have not expressly stated whether they will continue to exempt tax on income of individuals from transfer of the shares of listed enterprises in the latest amended IIT Law.

However, on December 31, 2009, the MOF, STA and CSRC jointly issued the Circular on Related Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (《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通知》), which came into effect on January 1, 2010, which states that individuals' income from the transfer of listed shares obtained from the public offering of listed companies and transfer market on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restriction (as defined in the Supplementary Notice on Issues Concerning the Levy of Individual Income Tax on Individuals' Income from the Transfer of Restricted Stocks of Listed Companies (《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》) jointly issued and implemented by such departments on November 10, 2010). As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied from non-Chinese resident individuals on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

In accordance with the EIT Law, a non-resident enterprise is generally subject to corporate income tax at the rate of a 10% 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 premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. Such income tax payable for non-resident enterprises are 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. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Stamp Duty

According to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》), which was promulgated on June 10, 2021 and came into effect on July 1, 2022, PRC stamp duty only applies to specific taxable document 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.

Estate Duty

As of the date of this prospectus, no estate duty has been levied in the PRC under the PRC laws.

EIT

According to the EIT Law, enterprises and other income-generating organizations (hereinafter collectively referred to as “**an enterprise**” or “**enterprises**”) within the territory of the PRC are the taxpayers of enterprise income tax and shall pay enterprise income tax in accordance with the provisions of the EIT Law. The Enterprise Income Tax rate is 25%.

According to the Administrative Measures for Determination of High and New Tech Enterprises (《高新技術企業認定管理辦法》), which was promulgated by the MOST, the MOF and the STA on April 14, 2008, amended on January 29, 2016 and became effective on January 1, 2016, an enterprise recognized as a high and new technology enterprise may apply for a preferential enterprise income tax rate of 15% pursuant to the relevant requirements of the EIT Law.

VAT

Pursuant to the Interim Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) 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稅暫行條例實施細則》) issued on December 25, 1993 by 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 Adjusting VAT Rates (《財政部、國家稅務總局關於調整增值稅稅率的通知》) 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、國家稅務總局、海關總署關於深化增值稅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%.

TAXATION IN HONG KONG**Tax on dividends**

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by us.

Capital gains and profits tax

No tax is imposed in Hong Kong in respect of capital gains from the sale of H Shares. However, trading gains from the sale of H Shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are derived from or arise in Hong Kong from such trade, profession or business will be subject to Hong Kong profits tax, which is currently imposed at the maximum rate of 16.5% on corporations and at the maximum rate of 15% on unincorporated businesses. Certain categories of taxpayers (for example, financial institutions, insurance companies and securities dealers) are likely to be regarded as deriving trading gains rather than capital gains unless these taxpayers can prove that the investment securities are held for long-term investment purposes.

Trading gains from sales of H Shares effected on the Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of H Shares effected on the Stock Exchange realized by persons carrying on a business of trading or dealing in securities in Hong Kong.

Stamp duty

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.1% on the higher of the consideration for or the market value of H Shares, will be payable by the purchaser on every purchase and by the seller on every sale of Hong Kong securities, including H Shares (in other words, a total of 0.2% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed duty of HK\$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to ten times the duty payable may be imposed.

Estate duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 abolished estate duty in respect of deaths occurring on or after February 11, 2006.

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 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.

The Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) which was issued by the State Council on January 29, 1996, implemented on April 1, 1996 and latest amended on August 5, 2008, classifies all international payments and transfers into current items and capital items. Current items are subject to the reasonable examination of the veracity of transaction documents and the consistency of the transaction documents and the foreign exchange receipts and payments by financial institutions engaging in conversion and sale of foreign currencies, as well as supervision and inspection by the foreign exchange control authorities. For capital items, overseas organizations and overseas individuals making direct investments in the PRC shall, upon approval by the relevant authorities in charge, process registration formalities with the foreign exchange control 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 international revenues and expenditure occur or may occur a material misbalance, 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 items, while imposing existing restrictions on foreign exchange transactions under capital account items.

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. 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 the currency against Renminbi transactions on the following working day.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item 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 investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange (such as our

Company) 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 Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval 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 RMB 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 PRC business days from the date of the end of its overseas listing issuance, register the overseas listing with the local branch office of state administration of foreign exchange 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 of the prospectus and other disclosure documents.

According to the Notice of the State Administration of Foreign Exchange of the PRC on Revolutionizing and Regulating Capital Account Settlement Management Policies (《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 and implemented on June 9, 2016 and partially amended December 4, 2023, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions.

PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the “**Constitution**”) and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, rules and regulations of departments, rules and regulations of local governments, international treaties of which the PRC government is a signatory, and other regulatory documents. Court verdicts do not constitute binding precedents. However, they may be used as judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (2023 Revision) (《中華人民共和國立法法(2023年修訂)》) (the “**Legislation Law**”), the NPC and the SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing civil and criminal matters, state organs and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of 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 NPC can authorize the SCNPC to formulate relevant laws.

The State Council is the highest organ of the PRC administration and has the power to formulate administrative regulations based on the Constitution and laws.

The people’s congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual requirements of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations.

The ministries and commissions of the State Council, the People’s Bank of China, the National Audit Office of the PRC as well as the other organs endowed with administrative functions directly under the State Council may, in accordance with the laws as well as the administrative regulations, decisions and orders of the State Council and within the limits of their power, formulate rules.

The people’s congresses of cities divided into districts and their respective standing committees may formulate local regulations in terms of urban and rural development and management, environmental protection, and historical and cultural protection based on the specific circumstances and actual requirements of such cities, which 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. 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 nationality (nationalities) in the areas concerned.

The people's governments of the provinces, autonomous regions, and municipalities directly under the central government and the cities divided into districts or autonomous prefectures may enact rules, in accordance with laws, administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities. The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people's governments of the provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the city divided into districts or autonomous prefecture within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by the SCNPC, and to annul any autonomous regulations or separate regulations which have been approved by the SCNPC but which contravene the Constitution or the Legislation Law. The SCNPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the central government, but which contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. According to the Decision of the Standing Committee of the NPC Regarding the Strengthening of Interpretation of Laws (《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》) passed on June 10, 1981, the Supreme People's Court of the PRC (the **"Supreme People's Court"**) has the power to give general interpretation on questions involving the specific application of laws and decrees in court trials. The State Council and its ministries and commissions are also vested with the power to give interpretation of the administrative regulations and department rules which they have promulgated. At the regional level, the power to give interpretations of the local laws and regulations as well as administrative rules is vested in the regional legislative and administrative organs which promulgate such laws, regulations and rules.

PRC JUDICIAL SYSTEM

Under the Constitution and the PRC Law on the Organization of the People's Courts (2018 revision) (《中華人民共和國人民法院組織法(2018年修訂)》), the PRC judicial system is made up of the Supreme People's Court, the local people's courts and 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 higher-level people's courts supervise the primary and intermediate people's courts. The people's procuratorates also have the right to exercise legal supervision over the civil proceedings of people's courts of the same level and lower levels. The Supreme People's Court is the highest judicial body in the PRC. It supervises the judicial administration of the people's courts at all levels.

The PRC Civil Procedure Law (2023 revision) (《中華人民共和國民事訴訟法(2023年修訂)》) (the “**Civil Procedure Law**”), which was adopted in 1991 and amended in 2007, 2012, 2017 and 2021 and was last amended by SCNPC on September 1, 2023 and came into effect on January 1, 2024, sets forth the criteria for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a judicial court where civil actions may be brought, provided that the judicial court is either the plaintiff's or the defendant's domicile, the place of execution or implementation of the contract or the place of the object of the action, provided that such choice shall not violate the requirements of the level of jurisdiction and exclusive jurisdiction.

A foreign national or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If a foreign country's judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within the PRC.

If any party to a civil action refuses to comply with a judgment or ruling made by a people's court or an award made by an arbitration panel in the PRC, the other party may apply to the people's court for the enforcement of the same. There are time limits of two years imposed on the right to apply for such enforcement. If a person fails to satisfy a judgment made by the court within the stipulated time, the court will, upon application by either party, enforce the judgment in accordance with the law.

A party seeking to enforce a judgment or ruling of a people's court against a party who is not personally or whose property is not within the PRC may apply to a foreign court with jurisdiction over the case 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 according to PRC enforcement procedures if the PRC has entered into or acceded to an international treaty with the relevant foreign country, which provides 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 finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security or against social and public interest.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the “**Arbitration Law**”) was passed by the SCNPC on August 31, 1994, became effective on September 1, 1995 and was amended on August 27, 2009 and September 1, 2017. Under the Arbitration Law, an arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with the Arbitration Law and the Civil Procedure Law. Where the parties have by agreement provided arbitration as the method for dispute resolution, the people’s court will refuse to handle the case except when the arbitration agreement is declared invalid.

Under the Arbitration Law and the Civil Procedure Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people’s court for enforcement. A people’s court may refuse to enforce an arbitral award made by an arbitration commission if there is any irregularity on the procedures or composition of arbitrators specified by law or the award exceeds the scope of the arbitration agreement or is outside the jurisdiction of the arbitration commission.

A party seeking to enforce an arbitral award of PRC arbitration panel against a party who, or whose property, is not within the PRC, may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty 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 of the Standing Committee of the NPC passed 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 all other parties to the New York Convention, subject to their right to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of the state to which the application for enforcement is made. It was declared by the SCNPC simultaneously with the accession of the PRC that (i) the PRC will only recognize and enforce foreign arbitral awards on the principle of reciprocity and (ii) the PRC will only apply the New York Convention in disputes considered under PRC laws to arise from contractual and 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. The Supreme People’s Court adopted the Arrangement on Mutual Enforcement of Arbitral Awards between Mainland China and Hong Kong (《關於內地與香港特別行政區相互執行仲裁裁決的安排》) on June 18, 1999, which became effective on February 1, 2000, and Supplementary Arrangements of Supreme People’s Court on Reciprocal Enforcement of Arbitration Awards between the Mainland and the Hong Kong Special Administrative Region (《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》), which was promulgated on November 26, 2020. In accordance with these arrangements, 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

Pursuant to the 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 “**Arrangements**”) which was promulgated by the Supreme People’s Court on January 25, 2024 and implemented on January 29, 2024, except for judgments in civil and commercial cases that are not applicable under Article 3 of the Arrangements, judgments that can be recognized and enforced in both places are those made by mainland and Hong Kong SAR courts on or after January 29, 2024. The mutually recognized and enforced judgments include monetary judgments and non-monetary judgments.

THE COMPANY LAW, THE OVERSEAS LISTING TRIAL MEASURES AND THE GUIDELINES

A joint stock limited company which was incorporated in the PRC and seeking a listing on the HKSE is mainly subject to the following three laws and regulations in the PRC:

- 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, came into effect on July 1, 1994, revised on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013 and October 26, 2018 respectively, and was latest revised on December 29, 2023 and came into effect 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 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 accordance with the Company Law with its registered capital divided into shares. The liability of its shareholders is limited to the amount of shares held by them and the company is liable to its creditors for an amount equal to the total value of its assets.

A joint stock limited company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. Unless otherwise provided by laws, the joint stock limited company may be a contributor that undertakes joint and several liabilities for the debts of the invested companies.

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 holding and voting procedures for the establishment meeting of a joint stock limited company established by promotion shall be governed by the company's articles of association or the promoter's agreement. At the establishment meeting, matters including the adoption of articles of association and the election of members of the board of directors and members of the board of supervisors 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 establishment 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. The promoters shall make full payment of the subscribed shares before the formation of the company.

Registered Capital

The promoters may make a capital contribution in currency or in kind, intellectual property rights, land use rights, equities, claims and other non-monetary property which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by the laws or administrative regulations. If a capital contribution is made in non-monetary assets, a valuation of the assets contributed must be carried out pursuant to the provisions of the laws or administrative regulations on valuation without any over-valuation or under-valuation.

A company shall issue registered share. 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.

All the shares of the company shall be either par value shares or no par value shares according to the company's articles of association. In the case of par value shares, each share shall be with equal par value. The company may convert all issued par value shares into no par value shares or vice versa in accordance with the company's articles of association. In the case of no par value shares, more than half of the proceeds of the issuance of shares shall be included in the registered capital.

Under the Overseas Listing Trial Measures, if a domestic enterprise issues shares overseas, it may raise funds and dividend distributions in foreign currency or Renminbi.

Increase of Registered Capital and Issue of Shares

According to the Company Law, in the event a company proposes to issue new shares, resolutions shall be passed at a shareholders' meeting in accordance with the articles of association, 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, the class, and amount of new shares to be issued to existing shareholders, and the proceeds of the issuance of new shares shall be included in the amount of registered capital in the case that no par value shares are issued. When the company launches a public issuance of new shares, the company shall register with the securities regulatory authorities of the State Council and shall announce the prospectus.

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 par value shares at par value or at a premium, but it may not issue shares below the par value.

A company may issue the following classified shares carrying rights different from common shares in accordance with the company's articles of association:

- shares with a preferential or subordinated right of distribution of profit or remaining property;
- shares each with voting rights more or less than common shares;
- shares subject to transfer restrictions, among others, that their transfer is subject to the approval of the company; and
- other classified shares as prescribed by the State Council.

To issue shares overseas, the domestic enterprise shall report the application documents for issuance and listing to the CSRC for record-filing within three working days after submission of the application documents for issuance and listing overseas.

According to the Company Law, a joint stock limited company shall maintain a register of shareholders, stating the following matters:

- the name and domicile of each shareholder;
- the class and number of shares subscribed by each shareholder;
- the serial numbers of shares, if issued in paper form; and
- the date on which each shareholder acquired or forfeited the shares.

Reduction of Registered Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

- the company shall prepare a balance sheet and an inventory of the assets;
- the reduction of registered capital shall be approved by a shareholders' meeting;
- the company shall inform its creditors of the reduction in registered capital within 10 days and publish an announcement of the reduction on the newspaper or the National Enterprise Credit Information Publicity System within 30 days after the resolution approving the reduction has been passed;
- creditors shall 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 corresponding guarantees covering the debts;
- the company shall apply to the relevant administration of registration for the registration of the reduction in registered capital.

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 vote against the resolution regarding the merger or division with other companies at a shareholders' meeting; (v) to apply shares for conversion of convertible corporate bonds issued by a listed company; and (vi) to maintain the company value and protect the shareholders' interests of a listed company as necessary.

Repurchase of its own shares on the grounds set out in (i) and (ii) above shall be subject to resolution passed by the shareholders' meeting; repurchase of its own shares on the grounds set out in (iii), (v) or (vi) above shall be subject to a resolution of the company's board of directors shall be made by a two-thirds majority of directors attending the meeting in accordance with the provisions of the company's articles of association or as authorized by the shareholders' meeting.

Following the repurchase of its own shares in accordance with (i) above, such shares shall be canceled within 10 days from the date of repurchase; the shares shall be transferred or canceled within six months if the repurchase of its own shares is in accordance with either (ii) or (iv) above; and the shares repurchased in accordance with (iii), (v) or (vi) above shall not exceed 10% of the company's total issued shares, and shall be transferred or canceled within three years.

A listed company shall perform its obligation of information disclosure according to the provisions of the Securities Law when repurchasing its own shares. In the event the repurchase of its own shares is in accordance with (iii), (v) or (vi) above, centralized public trading shall be adopted.

A company shall not accept its own shares as the subject matter of pledge.

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 a shareholders' meeting or 5 days prior to the base date for determination of dividend distributions unless otherwise provided by laws, administrative regulations or the securities regulatory authority of the State Council. However, where there are separate provisions by law on alternation of registration in the share register of listed companies, those provisions shall prevail.

According to the Company law, shares issued prior to the public issuance of shares shall not be transferred within one year from the date of the joint stock limited company's listing on a stock exchange. Directors, supervisors and the senior management shall declare to the company their shareholdings in the company and any changes of such shareholdings; they shall not transfer more than 25% of all the shares they hold in the company annually during their term of office as determined at the time of his/her assumption of office; and they shall not transfer the shares they hold within one year from the date on which the company's shares are listed and commenced trading on a stock exchange, nor within six months after their resignation from their positions with the company.

Shareholders

According to the Company Law and the Guidelines, the rights of shareholders of a joint stock limited company include:

- the right to attend or appoint a proxy to attend shareholders' meetings and to vote thereat;
- the right to transfer shares in accordance with laws, administrative regulations and provisions of the articles of association;
- the right to inspect and copy the company's articles of association, register of shareholders, minutes of shareholders' meetings, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors and financial and accounting reports and to make proposals or enquiries on the company's operations;
- the right to bring an action in the people's court to rescind resolutions passed by shareholders' meetings and board of directors where the articles of association is violated by the above resolutions, or the procedures for convening a shareholders' meeting or the meeting of the board of directors or the voting method is contrary to any law, administrative regulation or the articles of association;
- the right to receive dividends and other types of interest distributed in proportion to the number of shares held;

- in the event of the termination or liquidation of the company, the right to participate in the distribution of residual properties of the company in proportion to the number of shares held; and
- other rights granted by laws, administrative regulations, other regulatory documents and the company's 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. According to the Company Law, the shareholders' meeting exercises the following principal powers:

- to elect or remove the directors and supervisors and to decide on matters relating to the remuneration of directors and supervisors;
- to examine and approve reports of the board of directors;
- to examine and approve reports of the board of supervisors;
- to examine and approve the company's proposals for profit distribution plans and loss recovery plans;
- to decide on any increase or reduction of the company's registered capital;
- to decide on the issue of bonds by the company;
- to decide on issues such as merger, division, dissolution and liquidation of the company and other matters;
- to amend the company's articles of association;
- to authorize the board of directors to adopt resolutions on the issuance of corporate bonds; and
- other powers as provided for in the articles of association.

Annual shareholders' meeting is required to be held once every year. Extraordinary shareholders' meeting is required to be held within two months after the occurrence of any of the following:

- the number of directors is less than the number stipulated by the law or less than two thirds of the number specified in the articles of association;
- the aggregate losses of the company which are not recovered reach one-third of the company's total registered capital;
- when shareholders individually or in aggregate holding 10% or more of the company's shares request the convening of an extraordinary shareholders' meeting;
- whenever the board of directors deems necessary;
- when the board of supervisors so requests; or
- other circumstances as provided for in the articles of association.

According to 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 board of supervisors shall convene and preside over such meeting in a timely manner. In case the board of supervisors 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.

According the Company Law, notice of annual 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.

There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a shareholders' meeting.

According to the Company Law, shareholders present at shareholders' meeting have one vote for each share they hold (except for classified shareholders), 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, 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) the merger, division, dissolution, liquidation or change in the form of the company; and (iv) 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.

According to 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

According to the Company Law, a joint stock limited company shall have a board of directors, which shall consist of more than 3 members. Members of the board of directors may include representatives of the employees of the company, who shall be democratically elected by the company's employees at the employees' representative assembly, employees' general 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.

According to the Company Law, the board of directors mainly exercises the following powers:

- to convene the shareholders' meetings and report on its work to the shareholders' meetings;
- to implement the resolutions passed in shareholders' meetings;
- to decide on the company's business plans and investment proposals;
- to formulate the company's profit distribution proposals and loss recovery proposals;
- to formulate proposals for the increase or reduction of the company's registered capital and the issuance of corporate bonds;

- to prepare plans for the merger, division, dissolution and change in the form of the company;
- to decide on the set-up of internal management organization of the company;
- to decide on appointment or dismissal of company managers and their remuneration, and decide on appointment or dismissal of deputy managers and person in charge of finance of the company based on the nomination by the managers;
- to formulate the company's basic management system; and
- to exercise any other power under the articles of association or authorized by the shareholders' meeting.

Board Meetings

According to 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 supervisors. 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 authorization 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 significant 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 released from that liability.

Chairman of the Board

According to 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:

- a person who is unable or has limited ability to undertake any civil liabilities;
- a person who has been convicted of an offense of bribery, corruption, 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; or in the case of a suspended sentence, no more than two years have elapsed since the date of expiration of the probationary period;
- 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;
- 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 such revocation or the order to close down; or
- a person listed as a dishonest person subject to enforcement by the people's court for failure to pay a relatively large amount of debts that are overdue.

Board of Supervisors

A joint stock limited company shall have a board of supervisors composed of not less than three members, unless (i) a joint stock limited company may establish an audit committee composed of directors of the board of directors in accordance with the company's articles of association which exercises the functions of the board of supervisors; or (ii) a joint stock limited company that with a relatively small scale or a relatively small number of shareholders is not required to establish a board of supervisors, but shall have one supervisor who exercises the functions of the board of supervisors. The board of supervisors 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 board of supervisors 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 board of supervisors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the board of supervisors are elected with approval of more than half of all the supervisors. The chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the chairman of the board of supervisors is incapable of performing or not performing his duties, the vice chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the vice chairman of the board of supervisors 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 board of supervisors.

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 board of supervisors of a company shall hold at least one meeting every six months. According to the Company Law, a resolution of the board of supervisors shall be passed by more than half of all the supervisors.

The board of supervisors exercises the following powers:

- to review the company's financial position;
- 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 the shareholders' meeting;
- when the acts of directors and senior management are harmful to the company's interests, to require correction of those acts;
- 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;
- to initiate proposals for resolutions to shareholders' meeting;
- to initiate proceedings against directors and senior management;
- other powers specified in the articles of association; and
- Supervisors may attend board meetings and make enquiries or proposals in respect of board resolutions. The board of supervisors 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

According to the Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager shall be responsible to the board of directors, and perform functions in accordance with the company's articles of association or under the authority of the board of directors. The manager attends the meetings of the board of directors as a non-voting representative.

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 in accordance with the Company Law to comply with the relevant laws, regulations and the articles of association. Directors, supervisors and senior management have duty of loyalty to the company, shall take measures to avoid conflicts between their own interests and the interests of the company, and shall not use their powers to seek improper interests. Directors, supervisors and senior management also have duty of diligence to the company, and shall exercise reasonable care that managers shall generally exercise, for the best interests of the company in performing their duties. Directors, supervisors and senior management are prohibited from:

- embezzlement of company property and misappropriation of the company's funds;
- depositing the company's funds into accounts under his own name or the name of other individuals;
- taking advantage of power to accept bribes or other illegal income;
- accept and possess commissions paid by a third party for transactions conducted with the company;
- unauthorized divulgence of confidential business information of the company; or
- other acts in violation of their duty of loyalty to 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 to the company.

Finance and Accounting

According to the Company Law, a company shall establish financial and accounting systems in accordance with 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, the company shall deliver its financial and accounting reports to all shareholders within the time limit stipulated in the articles of association 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 shareholders' meeting of shareholders. A company that makes public stock offerings shall 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' meeting, 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, proceeds of issuance of no par value shares which have not been included in registered capital, and other items 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. When the company's losses are made up with common reserves, the discretionary common reserve and the statutory common reserve shall first be used; if insufficient, the capital common reserve may be used according to the applicable provisions. Upon the conversion of statutory common reserve fund into increase of registered 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. The Company's funds shall not be deposited in any accounts opened in the name of any individual.

Appointment and Retirement of Accounting Firms

Pursuant to the Company Law, the appointment or dismissal of accounting firms responsible for the auditing of the company shall be determined by shareholders' meeting, the board of directors or the board of supervisors in accordance with provisions of articles of association. The accounting firm should be allowed to make representations when the shareholders' meeting, the 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.

Distribution of Profits

According to the Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve is drawn.

Amendments to 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, the amendment to articles of association shall be registered with the relevant authority in accordance with the applicable 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 have occurred; (ii) the shareholders' meeting resolve to dissolve the company; (iii) the company is dissolved by reason of merger or division; (iv) the business license is revoked; 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.

In the event of (i) and (ii) above, a company may carry on its existence by amending its articles of association or with approval by resolution of the shareholders' meeting, provided that the company has not distributed its property to the shareholders. The amendment of the articles of association in accordance with provisions set out above shall require approval of more than two thirds of voting rights of shareholders attending a shareholders' meeting.

Where the company is dissolved in the circumstances described in subparagraphs (i), (ii), (iv), or (v) above, the company shall be liquidated. The directors, who are the liquidation obligors of the company, shall 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, unless it is otherwise provided for in the company's articles of association or elected by the shareholders' meeting. The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the company or the creditors. If a liquidation group is not established within the stipulated period or to effect liquidation after formation of a liquidation group, an 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:

- to handle the company's assets and to prepare a balance sheet and an inventory of the assets;
- to notify creditors through notice or public announcement;
- to deal with the company's outstanding businesses related to liquidation;
- to pay any tax overdue as well as tax amounts arising from the process of liquidation;
- to claim credits and pay off debts;
- to distribute the company's remaining assets after its debts have been paid off; and
- 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 on newspapers or 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' meeting 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 to 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 bankruptcy.

After the people's court accepts the application for bankruptcy, the liquidation group shall hand over all matters relating to the 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' meeting or the people's court for verification. Thereafter, the report shall be submitted to the registration authority of the company in order to cancel the company's registration. Members of the liquidation group are required to discharge their duties honestly and in compliance with the relevant laws, and shall be prohibited from abusing their powers to accept bribes or other unlawful income and from misappropriating the company's properties.

The members of a liquidation group shall perform the duty of liquidation and have obligations of loyalty and diligence. A member of the liquidation group shall be liable for compensation for losses caused to the company, if any, by his negligence in performing the duty of liquidation; or to creditors, if any, with intent or by gross negligence.

Merger and Demerger

Companies may merge through merger by absorption or through the establishment of a newly merged entity. If it merges by absorption, the company which is absorbed shall be dissolved. If it merges by forming a new corporation, both companies will be dissolved.

Overseas Listing

According to the Overseas Listing Trial Measures, a Chinese domestic company that seeks overseas listing shall file the application with the CSRC according to the administrative filing procedures necessary for the Overseas Listing Trial Measures.

SECURITIES LAW 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 offers 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》) deals with the application and approval procedures for 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 and implemented 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 deal mainly with the issue, subscription, trading and declaration of dividends and other distributions of domestic listed and foreign invested shares and disclosure of information of joint stock limited companies having domestic listed and foreign invested shares.

The Securities Law of the People's Republic of China (《中華人民共和國證券法》) (the "Securities Law") took effect on July 1, 1999 and was revised on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019, respectively. The latest revised Securities Law came into effect on March 1, 2020. This is the first national securities law in the PRC, which is divided into 14 chapters and 226 articles regulating, among other things, the issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities. The Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the Securities Law provides that domestic enterprises shall comply with the relevant provisions of the State Council to list its shares outside the PRC. Currently, the issuance and trading of foreign issued shares (including H shares) are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

On November 14, 2019, CSRC promulgated the Guidance for the Application for the “Full Circulation” of the Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請「全流通」業務指引》), which came into effect on the same day and 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》). This guideline is to regulate the listing and circulation (hereinafter referred to as “Full Circulation”) of unlisted domestic shares of domestic joint-stock limited companies (hereinafter referred to as H-share Companies) listed on the Stock Exchange (including unlisted domestic shares held by domestic shareholders before overseas listing, unlisted domestic shares issued in China after overseas listing and unlisted shares held by foreign shareholders).

H-share Companies applying for “Full Circulation” shall submit the application to the CSRC for filing procedures. H-share companies may submit the application for “Full Circulation” separately or simultaneously when applying for overseas refinancing. Unlisted domestic joint stock limited companies may submit the application for “Full Circulation” simultaneously when applying for overseas initial public offering and listing.

1. DIRECTORS AND BOARD OF DIRECTORS**(1) Power to Allocate and Issue Shares**

The shareholders' meeting may authorize the board of directors to resolve on the plan for issuance of Company bonds or other securities and the listing of the Company. There is no other provision in the Articles of Association empowering the board of directors to allot or issue shares. Any such allotment or issue is subject to the formalities prescribed by applicable laws and administrative regulations.

(2) Power to Dispose Assets of Our Company or any Subsidiary

The board of directors shall lay down strict procedures to inspect and decide on the approval limit for external investment, acquisition or sale of assets, mortgage of assets, provision of external guarantees, entrusted assets management, connected transactions and external donations. For major investment projects, the board of directors shall organize the relevant experts and professional to conduct assessment for approval by the shareholders' meeting.

(3) Compensation or Payments for Loss of Office

Not applicable.

(4) Loans to Directors

Not applicable.

(5) Giving of Financial Assistance to Purchase our Company or any Subsidiary's Shares

Our Company shall not provide grants, loans, guarantees and other financial assistance for others to acquire shares of our Company or our parent company, except for our implementation of the Employee Stock Ownership Plan.

For the benefits of our Company, we may, upon a resolution by the shareholders' meeting or by the board of directors under the Articles of Association or the authorization of the shareholders' meeting, provide financial aids for others to obtain the shares of our Company or the parent company thereof, provided that the total accumulative amount of the financial aids shall not exceed 10% of the total issued registered capital. A resolution by the board of directors shall be adopted by two-thirds of all the directors.

(6) Entering into Contracts or Transact with our Company

Directors shall not enter into contracts or transact with our Company unless approved by a resolution of the board of directors or the shareholders' meeting in accordance with the provisions of the Articles of Association.

(7) Remuneration

The shareholders' meeting shall exercise its functions and powers in accordance with laws to decide on matters of remuneration for the directors, and such decisions shall be adopted by way of ordinary resolutions.

(8) Retirement, Appointment, Removal

The board shall consist of 9 directors, including 1 chairman. At any time, the board of directors shall have at least three independent non-executive directors, the number of whom shall not be less than one-third of the number of directors of our Company and at least one of whom shall have appropriate accounting or related financial management expertise or appropriate professional qualifications that meet the requirements of the Listing Rules.

Directors shall be elected or replaced by the shareholders' meeting and may be removed by the shareholders' meeting before the expiration of their term of office. The term of office of the directors shall be three years, and the directors shall be eligible for re-election upon expiration of their term of office. However, independent non-executive directors may not serve for more than nine consecutive years.

The term of office of a director shall commence from his/her accession till the expiry of the term of the current session of the board of directors. Where the election of directors fails to be timely conducted upon expiry of the term of office of the former directors or the resignation of a director during his/her term of office results in the number of members of the board of directors being less than the quorum, the former directors shall, prior to the accession of the newly elected directors, perform their duties as directors in accordance with laws, administrative regulations, departmental rules and the Articles of Association.

Unless otherwise stipulated by laws, regulations and the regulatory rules of the place where the shares of our Company are listed, the shareholders shall have power by an ordinary resolution at the shareholders' meeting to remove any director.

Directors of our Company shall be natural persons. A person shall be disqualified from being a director of our Company in each of the following circumstances:

- (i) a person who does not have or who has limited capacity for civil conduct;
- (ii) a person who has been convicted of and sentenced for offences relating to corruption, bribery, trespass to assets, misappropriation of assets or disrupting the order of the socialist market economy or who has been deprived of his/her political rights as a result of him/her having committed an offence and, in each case, a period of 5 years has not elapsed since the completion of the term of the sentence or deprivation; and, in case of suspension of sentence, no more than two years have elapsed since the date of expiration of the probationary period;

- (iii) a person who was a director or factory manager or manager of a company or enterprise which had become insolvent and liquidated and who incurred personal liability for the insolvency of that company or enterprise, and a period of 3 years has not elapsed since the date of completion of insolvent liquidation of that company or enterprise;
- (iv) a person who was a legal representative of a company or enterprise which had its business license revoked or was ordered to close down on the grounds of contravention of law, and who incurred personal liability thereof, and a period of 3 years has not elapsed since the date of revocation of the business license or order of closure of that company or enterprise;
- (v) a person who is listed as a dishonest person subject to enforcement by the people's court due to his/her failure to repay his/her relatively large amount of debts when due;
- (vi) a person who has been subject to administrative penalties imposed by the CSRC in the last three years;
- (vii) a person who has been forbidden by the CSRC with a penalty to access the securities market and who is still in the period of penalty;
- (viii) other circumstances stipulated by laws, regulations, departmental rules and the regulatory rules of the place where the shares of our Company are listed.

Where our Company elects or appoints any director by violating the provisions above, such elections, appointments or hiring shall be deemed invalid. Where any director, during him/her term of office, is under any of the circumstances as mentioned above, our Company shall remove him/her from his/her office.

(9) Borrowing Powers

The board formulates proposals for the issuance of bonds or other securities and the listing of our Company, and the decision on the issuance of corporate bonds shall be adopted at the shareholders' meeting. The shareholder' meeting may authorize the board to make resolutions on the issuance of corporate bonds or other securities and the listing.

2. ALTERNATIONS TO CONSTITUTIONAL DOCUMENTS

Amendments to the Articles of Association (in whatever form) shall be adopted by special resolutions at the shareholders' meeting.

Amendments shall be made to the Articles of Association by the Company in any of the following circumstances:

- (i) after an amendment of the PRC Company Law, relevant laws, administrative regulations or the Listing Rules, and there is any conflict between the provisions of the Articles of Association and those of the amended laws, administrative regulations or the Listing Rules;
- (ii) there are changes in the particulars of our Company which are different from that set out in the Articles of Association;
- (iii) a resolution of the shareholders' meeting is passed to amend the Articles of Association.

Amendments to the Articles of Association adopted by a resolution of the shareholders' meeting which are subject to approvals from relevant competent authority shall be submitted to the competent authority for approval; if there is any change relating to the registered particulars of our Company, application shall be made for change in registration in accordance with laws.

3. VARIATION OF RIGHTS OF EXISTING SHARES OR CLASSES OF SHARE

Not applicable.

4. SPECIAL RESOLUTIONS — MAJORITY REQUIRED

The resolutions of the shareholders' meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution may be adopted by a simple majority of the votes held by the shareholders (including proxies of shareholders) attending the shareholders' meeting.

A special resolution can be adopted by a two-thirds majority of the votes held by the shareholders (including proxies of shareholders) attending the shareholders' meeting. The following matters shall be passed by a special resolution of the shareholders' meeting:

- (i) increase or decrease in registered capital of our Company;
- (ii) the division, merger, dissolution, and liquidation of our Company;
- (iii) amendment to these Articles of Association;

- (iv) purchases or sells significant assets or enters into guarantees with an amount exceeding 30% of the total assets in the latest audited consolidated financial statements within one year;
- (v) equity incentive plan;
- (vi) other matters required by laws, administrative regulations, the regulatory rules of the place where the shares of our Company are listed or the Articles of Association, as well as those determined by ordinary resolutions of the shareholders' meeting to have a significant impact on our Company, and which require special resolutions to be passed.

5. VOTING RIGHTS (GENERALLY AND ON A POLL)

The shareholders have the right to attend or appoint a proxy to attend and vote at the shareholders' meeting. When voting at the shareholders' meeting, the shareholder (including proxy) may exercise his/her voting rights in accordance with the number of shares with voting power held with each share representing one vote. When a poll is taken, shareholders (including their proxies) entitled to two or more votes need not cast all their votes in the same way (for or against or abstaining from voting).

Any shareholder who is required by the applicable laws, regulations, normative documents, and the Listing Rules to abstain from voting on a matter or is limited to an affirmative or negative vote shall abstain from voting or be required to so vote; any vote cast by or on behalf of relevant shareholder which is cast in violation of such requirement or restriction shall not be counted in the voting result.

The shares held by our Company itself shall have no voting right and shall not be counted in the total number of voting shares at the shareholders' meeting.

6. REQUIREMENTS FOR ANNUAL SHAREHOLDERS' MEETINGS

The shareholders' meetings are divided 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 fiscal year.

7. ACCOUNTING AND AUDITS

(1) Financial and accounting policies

Our Company shall establish its financial and accounting system in accordance with laws, administrative regulations and requirements of relevant regulatory departments of the PRC. Where the securities regulatory authorities of the place where the shares of our Company are listed have any other provisions, such provisions shall prevail.

Our Company shall prepare, publish and distribute the annual reports and interim reports in accordance with relevant laws, regulations and the provisions of Listing Rules. The aforesaid annual reports and interim reports shall be prepared in accordance with relevant laws, administrative regulations and requirements of the CSRC and the stock exchange of the place where the shares of our Company are listed.

Our Company shall not establish account books other than the statutory account books. The assets of our Company shall not be deposited in any personal account.

(2) Appointment and Dismissal of Accountants

Our Company shall engage an accounting firm that is qualified under the Securities Law and the regulatory rules of the place where the shares of our Company are listed to audit its financial statements, verify its net assets, and provide other relevant consulting services. The accounting firm shall serve a term of one year and the engagement can be renewed.

The engagement of an accounting firm by our Company shall be subject to the approval of the shareholders' meeting, prior to which the board of directors shall not appoint any accounting firm.

Our Company guarantees that we will provide true and complete accounting vouchers, accounting books, financial statements and other accounting materials to the engaged accounting firm, without any refusal, concealment or misrepresentation.

When our Company dismisses or does not renew the engagement of an accounting firm, it shall give 15 days' advance notice to such accounting firm. The accounting firm may present its views when the dismissal of the accounting firm is voted at the shareholders' meeting. If the accounting firm proposes to resign, it shall make a representation to the shareholders' meeting as to whether our Company has any irregularity.

8. NOTICE AND AGENDA OF SHAREHOLDERS' MEETINGS

The shareholders' meeting is the authorized organ of our Company that performs duties and exercises powers in accordance with the law.

Under any of the following circumstances, the board of directors shall convene an extraordinary shareholders' meeting within two months:

- (i) the number of directors is less than the number specified in the PRC Company Law or less than two-thirds of the number required in the Articles of Association;
- (ii) the uncovered losses of our Company reach one-third of its total registered capital;
- (iii) the shareholders with 10% or more shares of our Company separately or jointly request to convene an extraordinary shareholders' meeting in writing;
- (iv) the board of directors considers it necessary;
- (v) the board of supervisors makes such proposal;

- (vi) any other circumstances stipulated in laws, regulations, the regulatory rules of the place where the shares of our Company are listed, the Articles of Association.

The shareholders that separately or jointly hold 10% or more of the shares (excluding voting rights attached to treasury shares) of our Company may make a request to the board of directors for an extraordinary shareholders' meeting and shall put forward such request to the board of directors in written form. Where the board of directors does not agree to convene an extraordinary shareholders' meeting or fails to give feedback in writing within 10 days after it receives the request, the shareholders who separately or jointly hold 10% or more of the shares of our Company may propose to the board of supervisors to hold an extraordinary shareholders' meeting, and shall put forward the request to the board of supervisors in writing. Where the board of supervisors fails to convene or preside over an extraordinary shareholders' meeting, and shareholders who separately or jointly hold 10% or more of the shares of our Company for consecutive 90 days or more may convene and preside over the meeting themselves.

Where our Company convenes a shareholders' meeting, the board of directors, the board of supervisors, and shareholders severally or jointly holding more than 1% of shares of our Company shall have the right to put forward proposals to our Company.

Shareholders severally or jointly holding more than 1% of shares of our Company may submit written provisional proposals to the board of directors 10 days before the shareholders' meeting. The provisional proposal shall contain a clear topic for discussion and specific matters for resolution. The board of directors shall serve a supplemental notice of the shareholders' meeting within two days after receipt of the provisional proposals, which shall include the contents of the said provisional proposals and the name and the shareholding of the shareholder making the provisional proposal.

When convening an annual shareholders' meeting, our Company shall publish a notice 21 days before it is convened. When convening an extraordinary shareholders' meeting, our Company shall publish a notice 15 days before it is convened.

The notice of the shareholders' meeting shall be made in writing, including the following contents:

- (i) the place, the date, the manner and the hour of the meeting;
- (ii) all matters and all specific content of the proposals to be discussed at the meeting;
- (iii) conspicuous statement that all shareholders are entitled to attend the meeting and appoint proxy to attend and vote and that proxy need not be a shareholder;
- (iv) the date of record for the shareholders who are entitled to attend the meeting;
- (v) the name and telephone number of the contact person for the meeting;
- (vi) the time and procedure of voting online or by any other means;

- (vii) other requirements stipulated by laws, administrative regulations, department rules, Listing Rules or the Articles of Association.

Save as specified in the preceding paragraph, the convener shall not change the proposals set out in the notice of the shareholders' meeting or add any new proposal after the said notice is served.

Proposals not set out in the notice of the shareholders' meeting or not complying with the Articles of Association shall not be voted on or resolved at the shareholders' meeting.

In the event that any resolution of the shareholders' meeting or resolution of the board of directors violates laws or administrative regulations, any shareholder is entitled to request the court to deem it as invalid.

In the event that the convening procedure or voting formula of the shareholders meeting or meeting of the board of directors violates any of laws, administrative regulations or the Articles of Association, or resolution of which violates the Articles of Association, any shareholder is entitled to ask the court to revoke the resolution within 60 days after the resolution was adopted.

Under any of the following circumstances, a resolution of the shareholders' meeting or the board of directors is not established:

- (i) the resolution fails to be made at any shareholders' meeting or meeting of the board of directors;
- (ii) the shareholders' meeting or meeting of the board of directors fails to vote on the resolution;
- (iii) the number of persons attending the meeting or the number of the voting rights held by them does not reach the number as prescribed by the PRC Company Law or the Articles of Association; or
- (iv) the number of persons consenting to the resolution or the number of the voting rights held by them fails to reach the number as prescribed by the PRC Company Law or the Articles of Association.

Where a resolution of the shareholders' meeting or the board of directors is declared invalid, revoked or confirmed to be not established by the people's court, our Company shall file an application with the company registration authority for cancelling the registration having been made pursuant to the said resolution.

9. SHARES TRANSFERS

The shares issued before the public offering of shares by our Company shall not be transferred within one year of the date on which the stocks of our Company are listed and traded on a securities exchange.

The directors, supervisors, and senior management of our Company shall declare, to our Company, information on their holdings of the shares of our Company and the changes thereto. The shares transferable by them during each year of their term of office as determined at the time of his/her assumption of office shall not exceed 25% of their total holdings of the shares of our Company. The shares that they held in our Company shall not be transferred within one year of the date on which the stocks of our Company are listed and traded. The aforesaid persons shall not transfer their shares of our Company within six months from the date of their resignation.

Where the securities regulatory authorities and the stock exchange of the place where the shares of our Company are listed have any other provisions in respect of restrictions on transfer of overseas listed shares, such provisions shall prevail.

10. RIGHTS OF OUR COMPANY TO PURCHASE OUR OUTSTANDING SHARES

Under any of the following circumstances, our Company may submit to relevant competent authorities for approval to buy back our outstanding shares according to legal procedures with the approval of procedures stipulated in the Articles of Association:

- (i) reduce our Company's registered capital;
- (ii) merger with other companies which hold the shares of the Company;
- (iii) granting shares to the employees of our Company as incentives;
- (iv) requesting our Company to buy back its shares from shareholders who vote against any resolutions adopted at the shareholders' meeting concerning the merger and division of our Company;
- (v) to convert shares into bond issued by our Company which is convertible to stock of our Company;
- (vi) necessary for our Company to maintain our Company's value and shareholders' equity; or
- (vii) other circumstances as permitted by the laws, administrative regulations, regulations of the authorities and Listing Rules.

Where our Company acquires its own shares under circumstances as mentioned in items (i) and (ii) above, it shall be subject to approval at the shareholders' meeting; where our Company acquires its own shares under circumstances as mentioned in items (iii), (v) and (vi) above, it shall, pursuant to the Articles of Association or the authorization of the shareholders' meeting, be subject to a resolution of a board meeting at which more than two-thirds of directors are present.

Where laws, regulations, regulatory documents and the securities regulatory authorities and the stock exchange of the place where the shares of our Company are listed have any other provisions in respect of matters involving share repurchase mentioned above, such provisions shall prevail.

11. POWER FOR ANY SUBSIDIARY OF OUR COMPANY TO OWN SHARES IN ITS PARENT

Not applicable.

12. DIVIDEND AND OTHER METHODS OF DISTRIBUTION

Shareholders of our Company shall have the right to receive dividends and other forms of distribution in proportion to their respective shareholdings. Profit distribution shall be carried out through resolutions of shareholders' meeting after the corresponding statutory reserve fund is withdrawn.

Our Company shall not be entitled to any distribution of profits in respect of shares held by it.

13. PROXIES

Any shareholder entitled to attend and vote at the shareholders' meeting shall be entitled to attend the meeting in person, or appoint one or more other persons (who may not be shareholders) as his/her proxy to attend and vote on his/her behalf. If a proxy has been appointed to attend the meeting, the appointer shall be deemed to be present in person at the meeting. Institutional shareholders shall attend the meeting by their legal representatives (principals) or their proxies.

The power of attorney issued by a shareholder to appoint another person to attend a shareholders' meeting shall contain the following information:

- (i) the name of the proxy;
- (ii) subject matters and power of the proxy;
- (iii) whether the proxy has the right to vote;
- (iv) instructions to vote for, against or abstain from voting on each matter to be considered on the agenda of the shareholders' meeting, respectively;
- (v) the date of issuance and expiration date of the power of attorney; and
- (vi) the signature (or seal) of the appointer or its proxy authorized in writing. If the appointer is an institutional shareholder, the seal of the institutional shareholder or the signature of its directors, duly authorized agent or officer shall be affixed.

The power of attorney should state whether or not the proxy may vote in accordance with his/her own mind in the absence of specific instructions from the shareholder. If the Listing Rules have specific provisions on power of attorney, such provisions shall prevail.

14. CALLS ON SHARES AND FORFEITURE OF SHARES

Not applicable.

15. INSPECTION OF REGISTER OF MEMBERS

Our Company shall make a register of shareholders based on the vouchers provided by securities registries. The register of shareholders shall be the sufficient evidence proving the shareholders' holding of our Company's shares.

Shareholders of our Company are entitled to inspect the register of shareholders. Where the securities regulatory rules of the place where the shares of our Company are listed have any other provisions, such provisions shall prevail.

Our Company shall make a complete duplicate of the register of members and meeting minutes of shareholders' meeting available for free inspection by shareholders at our Company's Hong Kong address as required by the Listing Rules, but our Company may close the register on terms equivalent to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). Where shareholders request for inspection of the relevant information or demand for materials mentioned above, they shall provide with our Company written documents evidencing the class and number of shares of our Company held by them. Our Company shall verify the identity of the shareholders and provide information requested by such shareholders.

16. QUORUM FOR MEETINGS AND SEPARATE CLASS MEETINGS

There is no quorum requirement for the shareholders' meeting and class meeting of shareholders under the Articles of Association.

17. RESTRICTIONS ON RIGHTS OF CONTROLLING SHAREHOLDER

The controlling shareholders and actual controllers of our Company shall not take advantage of their relationship to damage the interest of our Company. Any losses caused to our Company as a result of such violation shall be compensated.

The controlling shareholders and actual controllers of our Company are obliged to act in good faith to our Company and the public shareholders of our Company. The controlling shareholders shall exercise their rights as capital contributors in strict accordance with the law. The controlling shareholders shall not impair the lawful rights and interest of our Company and the public shareholders by means of the distribution of profits, reorganization of assets, external investment, misappropriation of assets, loan, or guarantee, nor make use of their controlling position to impair the interests of our Company or the public shareholders.

18. RIGHTS OF THE MINORITIES IN RELATION TO FRAUD OR OPPRESSION THEREOF

If directors and senior management personnel violate laws, administrative regulations, or the provisions of the Articles of Association while performing their duties, causing losses to our Company, shareholders who individually or jointly hold more than 1% of our Company's shares for more than 180 consecutive days have the right to request in writing that the board of supervisors file a lawsuit with the people's court. If the board of supervisors violates laws, administrative regulations, or the provisions of the Articles of Association while performing its duties, causing losses to our Company, the aforementioned shareholders may request in writing that the board of directors file a lawsuit with the people's court.

If the board of supervisors or the board of directors refuses to file a lawsuit after receiving a written request from the shareholders specified in the preceding paragraph, or fails to file a lawsuit within 30 days from the date of receiving the request, or if the situation is urgent and the failure to file a lawsuit immediately will cause irreparable damage to our Company's interests, the shareholders specified in the preceding paragraph have the right to directly file a lawsuit in their own name to the people's court for the benefit of our Company.

If another person infringes on the legitimate rights and interests of our Company and causes losses to our Company, shareholders who individually or jointly hold more than 1% of our Company's shares for more than 180 consecutive days may file a lawsuit with the people's court in accordance with the provisions of the preceding two paragraphs.

If directors and senior management personnel violate laws, administrative regulations, or the provisions of the Articles of Association and harm the interests of shareholders, shareholders may file a lawsuit with the people's court. If any controlling shareholder or actual controller of a company instructs any director or senior executive to carry out any act damaging the interests of our Company or the shareholders, it shall bear joint and several liability with the director or senior executive.

If the shareholders of our Company abuse their shareholder rights and cause losses to our Company or other shareholders, they shall bear compensation liability in accordance with the law. If a Company's shareholder abuses the independent status of our Company's legal person and the limited liability of shareholders, evade debts, and seriously harm the interests of our Company's creditors, they shall bear joint and several liability for our Company's debts. If such shareholder uses more than two companies under its control to carry out the foregoing acts, each company shall be jointly and severally liable for the debts of any one of them.

19. PROCEDURES FOR LIQUIDATION

Under any of the following circumstances, our Company shall be lawfully dissolved and liquidated:

- (i) the term of business of our Company has expired or other events of dissolution occur under the Article of Association;

- (ii) the shareholders' meeting adopts a resolution to dissolve our Company;
- (iii) our Company needs to be dissolved for the purpose of merger or division;
- (iv) the business license is revoked, or our Company is ordered to close or be eliminated according to applicable law; or
- (v) where our Company encounters significant difficulties in business and management, continuous survival may be significantly detrimental to the interests of the shareholders, and the difficulties may not be overcome through other means, shareholders who hold more than 10% of all voting rights of our Company's shareholders may request the People's Court to dissolve our Company.

Where our Company is dissolved due to the provisions set forth in (i), (ii), (iv) and (v) above, our Company shall be liquidated. Directors are our Company's liquidation obligators and shall establish the liquidation team within 15 days from the date of the event leading to dissolution and conduct liquidation. The personnel of the liquidation group shall consist of the directors of our Company or other persons determined by the Articles of Association or the shareholders' meeting. In the event the liquidation group is not established to conduct liquidation or the liquidation is not conducted after establishment of the liquidation group during such period, an interested party may request the people's court to appoint relevant personnel to establish the liquidation group to conduct liquidation.

Within 10 days of the establishment of the liquidation group, the creditors shall be notified and an announcement shall be published within 60 days. The creditors shall declare their claims to the liquidation group within 30 days of the date on which the notice is received or 45 days of the date of announcement if the notice is not received.

Creditors who declare claims shall state relevant issues related to the claims and provide proofs. The liquidation team shall carry out registration of the claims.

During the period for declaration of claims, the liquidation group shall not make any repayment to the creditors.

During the liquidation, our Company shall continue to exist, but shall not carry out business activities irrelevant to the liquidation.

In the event the liquidation team finds that, after taking stock of our Company's property and preparing the balance sheet and list of property, that the assets are insufficient to pay the debts, it shall immediately apply to the people's court for bankruptcy of our Company.

After the people's court accepts the application for bankruptcy of our Company, the liquidation group shall turn over matters regarding the liquidation to the bankruptcy administrator appointed by the people's court.

Upon closure of liquidation of our Company, the liquidation group shall prepare a liquidation report and shall submit it to our shareholders' meeting or the people's court for recognition. The liquidation group shall submit the above-mentioned documents to our Company registration authority, apply for cancelation of our registration.

Where our Company is declared bankrupt according to laws, our Company shall implement bankruptcy liquidation according to laws relating to bankruptcy of enterprises.

20. OTHER IMPORTANT PROVISIONS FOR OUR COMPANY OR SHAREHOLDERS

(1) General Provisions

Our Company is a permanently existing joint stock limited company.

All assets of our Company shall be divided into equal shares. The shareholders' liabilities to our Company are limited to the shares subscribed by them. The liabilities of our Company to the Company's debts shall only be limited to all its assets.

The Articles of Association shall become a legally binding document governing the organization and conduct of our Company, and the rights and obligations between our Company and its shareholders and among shareholders since its effective date, and shall constitute a legally binding document governing on our Company, its shareholders, directors, supervisors, and senior management. According to the Articles of Association, any shareholder may bring a lawsuit against another shareholder, a director, a supervisor, or the general manager and the senior management, any shareholder may bring a lawsuit against our Company, and our Company may bring a lawsuit against any shareholder, director, supervisor or the general manager and the senior management.

(2) Share and Transfer

The capital of our Company shall be divided into shares. The shares of our Company shall be in the form of share certificates. The share certificates of our Company shall be in registered form. In addition to the information required by the PRC Company Law, the information to be set out in the share certificates of our Company shall also include other information required by the stock exchange where the shares of our Company are listed.

Our Company may increase stock capital by the following means:

- (i) issuing shares in a public offering;
- (ii) issuing shares via a private placement;
- (iii) giving bonus shares to existing shareholders;
- (iv) converting reserve funds into shares; and
- (v) other means approved by the laws, administrative regulations and the securities regulatory authorities and the stock exchange of the place where the shares of our Company are listed.

If our Company is to increase its capital by an offering of new shares, it shall do so by the procedure provided for in relevant state laws, administrative regulations and the Listing Rules after such increase has been approved in accordance with the Articles of Association.

Our Company may decrease our registered capital and shall comply with the procedures stipulated in the PRC Company Law, other related regulations and the Articles of Association. A company which intends to reduce its registered capital shall formulate a balance sheet and a checklist of assets. Our Company shall notify the creditors within 10 days upon the passing of the resolution by the shareholders' meeting about the reduction in the registered capital and publish an announcement within 30 days. The creditors shall be entitled to require our Company to pay off the debts or to provide corresponding security within 30 days of the receipt of the notice, or within 45 days upon the date of the announcement if they do not receive the notice.

The registered capital of our Company after the capital reduction shall not be lower than the statutory minimum level required by laws.

(3) Shareholders

The rights of our shareholders are as follows:

- (i) to receive distribution of dividends and other forms of benefits according to the number of shares held;
- (ii) to participate in or appoint a shareholder proxy to participate in and exercise corresponding voting rights at the shareholders' meeting;
- (iii) to supervise and manage business and operational activities of our Company, provide suggestions or submit queries;
- (iv) to transfer, grant and pledge our Company's shares held according to the provisions of the laws, administrative regulations and the Articles of Association;
- (v) to inspect and copy the Articles of Association, register of shareholders, minutes of shareholders' meetings, resolutions of the board of directors and the board of supervisors, and the accounting reports. Where the securities regulatory rules of the place where the shares of our Company are listed have any other provisions, such provisions shall prevail;
- (vi) in the event of the termination or liquidation of our Company, the right to participate in the distribution of the remaining property of our Company in proportion to the number of shares held;
- (vii) shareholders who object to resolutions of merger or division made by the shareholders' meeting may request our Company to buy back the shares held;
- (viii) other rights provided for by laws, administrative regulations, departmental rules or the Articles of Association.

Where any shareholder demands to read the relevant information or obtain any of the aforesaid materials, he/she shall submit to our Company written documents proving the class(es) and number of shares he/she holds. Our Company shall provide the relevant information or materials in accordance with the shareholder's demand after verifying the shareholder's identity.

Shareholders of our Company shall have the following obligations:

- (i) to abide by laws, administrative regulations, department rules, the regulatory rules of the place where the shares of our Company are listed and the Articles of Association, and to exercise shareholders' rights in accordance with the laws;
- (ii) to pay the share subscription price based on the shares subscribed for by them and the method of acquiring such shares;
- (iii) not to return shares unless prescribed otherwise in laws and administrative regulations;
- (iv) not to abuse shareholders' rights to infringe upon the interests of our Company or other shareholders;
- (v) to assume other obligations required by laws, administrative regulations, the regulatory rules of the place where the shares of our Company are listed and the Articles of Association.

(4) The Board of Directors

The board of directors is responsible to the shareholders' meeting and exercises the following powers:

- (i) to convene shareholders' meeting and report on its work to the shareholders' meeting;
- (ii) to implement the resolutions of the shareholders' meeting;
- (iii) to decide on our Company's operational plans and investment proposals;
- (iv) to formulate our Company's profit distribution proposals and loss recovery proposals;
- (v) to formulate proposals for the increase or reduction of registered capital, issue of bonds or other securities and listing of our Company;
- (vi) to formulate proposals for material acquisition, repurchase of our Company's shares or merger, division, dissolution and change of corporate form of our Company;
- (vii) to decide on external investment, acquisition or disposal of assets, assets security, external guarantee, entrusted wealth management, connected transactions and external donations of our Company within the scope authorized by the shareholders' meeting or in accordance with the regulatory rules of the place where the shares of our Company are listed;

- (viii) to decide on the setup of our Company's internal management organs;
- (ix) to decide on appointment or dismissal of our Company's general manager, secretary of the board of directors and other senior management, and to decide on their remuneration, rewards and punishments; to decide on appointment or dismissal of our Company's deputy general manager, Chief Financial Officer and other senior management based on the general manager's recommendation, and to decide on their remuneration, rewards and punishments;
- (x) to formulate our Company's basic management system;
- (xi) to formulate proposals for amendment to the Articles of Association;
- (xii) to manage Company's information disclosure;
- (xiii) to propose to hire or replace an accounting firm auditing for our Company to the shareholders' meeting;
- (xiv) to listen to the work report of the general manager of our Company and inspect the work of the general manager;
- (xv) to formulate and review the corporate governance policies and practices of our Company;
- (xvi) to review and monitor the training and continuous professional development of the directors and senior management;
- (xvii) to review and monitor our Company's policies and practices on compliance with legal and regulatory requirements;
- (xviii) to formulate, review and monitor the code of conduct and compliance manual (if any) applicable to the employees and directors;
- (xix) to review our Company's compliance with the Corporate Governance Code under the Listing Rules and disclosure in the Corporate Governance Report;
- (xx) other powers as conferred by laws, administrative regulations, departmental rules, regulatory rules of the place where the shares of our Company are listed and the Articles of Association.

Matters which are beyond authorization of the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

Meetings of the board of directors shall be held only if more than half of the directors are present. Resolutions of the board shall be adopted by more than half of all directors. If the relevant laws and regulations and the Articles of Association of our Company provide otherwise, such provisions shall prevail.

(5) Independent Non-executive Director

The board of directors of our Company has three independent non-executive directors. At least one independent non-executive director shall have applicable professional qualification or are equipped with applicable accounting or relevant financial management expertise that are required by the Listing Rules.

Issues including conditions of appointment, nomination and election procedures, tenure of office, resignation and power of the independent non-executive directors are implemented in accordance with the relevant provisions of the laws, administrative regulations, departmental rules and regulation rules of the place where the shares of our Company are listed.

Independent non-executive directors shall faithfully perform their duties and safeguard the interests of our Company, with particular attention to ensuring that the legitimate rights and interests of public shareholders are not jeopardized, so as to ensure that the interests of all shareholders are adequately represented.

(6) Secretary of the Board of Directors

Our Company shall have a secretary of the board of directors, who is responsible for the preparation of shareholders' meeting and meetings of the board, the keeping of documentation as well as the management of shareholders' information, handling the matters relating to information disclosure and other matters. The secretary of the board of directors shall comply with relevant provisions of laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of our Company are listed and the Articles of Association.

(7) Board of Supervisors

Our Company shall set up a board of supervisors.

The board of supervisors consists of three supervisors and includes one chairman. The chairman of the board of supervisors shall be elected and dismissed by a simple majority vote of the members of the board of supervisors.

The board of supervisors shall consist of shareholder's representatives and employee's representatives. The supervisors assumed by the employee representatives shall be elected democratically by the employees and shall account for no less than one-third of the board of supervisors of our Company. Resolutions of the board of supervisors shall require approval from majority of all the supervisors. Voting at meetings of the board of supervisors shall be on a one-person-one-vote basis.

The supervisors serve three-year terms. The supervisors may, after the expiration of the term of office, be re-elected and re-appointed.

The directors and senior management shall not also serve as supervisors.

The board of supervisors is responsible to the shareholders' meeting and lawfully exercises the following powers:

- (i) review our Company's securities offering documents and periodic reports prepared by the board of directors and give its written review opinion, as well as a written confirmation thereof;
- (ii) examine the financial standing of our Company;
- (iii) supervise our Company's duties performing of directors and senior management, and put forward suggestions for dismissing any directors or senior management who are in breach of the laws, administrative regulations, the Articles of Association or resolutions of the shareholders' meetings;
- (iv) require the directors and senior management to take corrective measures when their actions are detrimental to our Company's interests;
- (v) propose to convene an extraordinary shareholders' meeting and to convene and preside over the shareholders' meeting when the board of directors fails to perform its duty to convene and preside over a shareholders' meeting prescribed in the PRC Company Law;
- (vi) submit proposals to the shareholders' meetings;
- (vii) bring a lawsuit against any director or senior manager in accordance with the PRC Company Law;
- (viii) conduct investigation if any abnormality in the operation of our Company is found, and, where necessary, engage an accounting firm, law firm or any other specialized agency to assist in its work at the expense of our Company;
- (ix) other powers and duties stipulated in laws, regulations, regulatory documents and the Articles of Association.

The board of supervisors may request the directors and senior management to submit reports on the performance of their duties.

The supervisors may attend the meetings of the board of directors, query or provide suggestions on the resolution matters of the board meeting.

(8) General Manager

Our Company has one general manager, appointed or dismissed by the board of directors. The general manager of our Company is responsible to the board of directors and exercises the following powers:

- (i) be in charge of the producing and operational management of our Company, organize the enforcement of resolutions of the board of directors and report to the board of directors on work;

- (ii) organize the implementation of the annual operation plans and investment schemes decided by the board of directors;
- (iii) formulate the structure scheme of the internal management department of our Company;
- (iv) formulate the fundamental management policies of our Company;
- (v) formulate the specific management rules of our Company;
- (vi) propose the appointment or dismissal of our Company's deputy general manager, Chief Financial Officer and other senior management;
- (vii) appoint or dismiss other management personnel and employees, except for those who shall be appointed or dismissed by the board of directors;
- (viii) determine the salaries, benefits, rewards and punishments of our Company's employees;
- (ix) other responsibilities authorized by the Articles of Association and the board of directors.

The general manager attends the meeting of the board of directors.

In accordance with the provisions of laws, regulations and the Articles of Association, the general manager is responsible for making decisions on matters not considered and decided by the shareholders' meeting and the board of directors of our Company.

Our Company's daily operation matters are decided by the general manager.

(9) Reserves

When the annual after-tax earnings of our Company are distributed, our Company must allocate 10% of the earnings to the statutory reserve of our Company.

When the total amount of the statutory reserve exceeds 50% of our Company's registered capital, no more allocations need to be drawn.

If our Company's statutory reserve is insufficient to offset our losses during the previous year, the earnings generated during the current year must be used to make up the losses before allocating the statutory reserve in accordance with the requirements set forth above.

After allocation to the statutory reserve from the after-tax earnings of our Company, our Company may also allocate to the reserves at will from after-tax earnings in line with the resolution(s) adopted at the shareholders' meeting.

After our Company has made up for its losses and made allocations to its statutory reserve fund, the remaining profits are distributed in proportion to the number of shares held by the shareholders, unless otherwise specified by the Articles of Association.

If our Company violates the above provisions when distributing profits to the shareholders, the profits distributed in violation of the provisions shall be returned by such shareholders to our Company.

The shares held by our Company itself shall not be subject to profit distribution.

Our Company's reserves may be used only for offsetting losses of our Company, expanding the scale of business and operations or for conversion into capital to increase our registered capital. Where the reserve of our 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.

Where the statutory reserve converses into registered capital, the remaining statutory reserve shall not be less than 25% of the registered capital of our Company before such conversion.

A. FURTHER INFORMATION ABOUT OUR GROUP**1. Establishment of Our Company**

Our Company was established as a limited liability company in the PRC on November 27, 2012 and was converted into a joint stock limited company on August 14, 2024 under the laws of the PRC. Our registered office is located at Building 05, Accelerator IV, No. 122 Huakang Road, Jiangbei New District, Nanjing, Jiangsu Province, PRC. As of the Latest Practicable Date, the registered share capital of our Company is RMB156,500,000.

Our Company has established a place of business in Hong Kong at 40th Floor, Dah Sing Financial Centre, 248 Queen's Road East, Wan Chai, Hong Kong, and has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance. Ms. Jian Xuegen (簡雪艮), one of our joint company secretaries, has been appointed as our Hong Kong authorized representative for acceptance of service of process and notices in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

As we are established 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 "Appendix V—Summary of Articles of Association".

2. Changes in the Share Capital of Our Company

Save as disclosed in "History, Development and Corporate Structure—Establishment and Major Shareholding Changes of our Company," there has been no change in the share capital of our Company within the two years immediately preceding the date of this prospectus.

3. Changes in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries as at March 31, 2025 are set out in the Accountants' Report in Appendix I to this prospectus.

Details of the changes in the share capital of the Company's subsidiaries within the two years immediately preceding the date of this prospectus are set out below:

- (a) On March 15, 2024, LEADS BIOLABS HONG KONG LIMITED (香港禮至生物醫藥有限公司) was established in Hong Kong as a wholly-owned subsidiary of our Company with share capital of HKD100,000; and
- (b) On May 8, 2024, Wuhu Leads Biolabs Biopharmaceutical Co., Ltd. (蕪湖維立志博生物製藥有限公司) was established in the PRC as a wholly-owned subsidiary of our Company with registered capital of RMB20 million.

Save as disclosed above, there had been no other alterations of share capital of our subsidiaries within the two years preceding the date of this prospectus.

4. Resolutions of Our Shareholders

Pursuant to the resolutions passed at a duly convened general meeting of our Shareholders held on October 25, 2024, among other things, the following resolutions were passed by the Shareholders:

- (a) the issuance by our Company of H Shares with a nominal value of RMB1.00 each and such H Shares being listed on the Stock Exchange;
- (b) the number of H Shares to be issued pursuant to the Global Offering, and the grant to the underwriters (or their representatives) of the Over-allotment Option of not more than 15% of the number of H Shares issued pursuant to the Global Offering;
- (c) subject to the filing procedure with the CSRC, upon completion of the Global Offering, 110,886,891 Unlisted Shares in aggregate held by 46 then existing Shareholders will be converted into H Shares on a one-for-one basis;
- (d) subject to the completion of the Global Offering, the granting of a general mandate to the Board to repurchase H Shares issued on the Stock Exchange with an aggregate number of not exceeding 10% of the number of the total issued H Shares (excluding any treasury shares) as at the date of the resolution granting the general mandate;
- (e) upon completion of the Listing, the granting of a general mandate to the Board to allot and issue Shares, or sell and/or transfer Shares out of treasury that are held as treasury shares at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which the Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes and to such persons as the Board in their absolute discretion deem fit, and to make necessary amendments to the Articles of Association, provided that, the number of Shares to be issued shall not exceed 20% of the number of the Shares in issue (excluding any treasury Shares) as at the Listing Date;
- (f) subject to the completion of the Global Offering, the adoption of the Articles of Association which shall become effective on the Listing Date, and authorization to our Board to amend the Articles of Association to the extent necessary in accordance with laws, regulations and regulatory rules and requirements from relevant government bodies or regulatory authorities and for the purpose of the Listing; and
- (g) authorization of our Board or its authorized individual(s) to handle all matters relating to, among other things, the Global Offering, the issue and the listing of H Shares on the Stock Exchange.

5. Explanatory Statement on Repurchase of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this prospectus concerning the repurchase of our own securities.

(a) Reasons for repurchase

The Board considered that the repurchase of the Shares would be beneficial to and in the best interests of the Company and its Shareholders as a whole. It can strengthen the investors' confidence in the Company and promote a positive effect on maintaining the Company's reputation in the capital market. Such repurchases will only be made when the Board believes that such repurchases will benefit the Company and its Shareholder as a whole.

Following a repurchase of Shares, the Company may cancel any repurchased Shares and/or hold them as treasury shares subject to, among others, market conditions and its capital management needs at the relevant time of the repurchases, which may change due to evolving circumstances.

(b) Exercise of the general mandate to repurchase Shares

Subject to the passing of the special resolution approving the grant of the general mandate to repurchase H Shares at annual general meetings, the Board will be granted general mandate to repurchase H Shares until the end of the relevant period. The general mandate to repurchase Shares would expire on the earlier of:

- (i) the conclusion of the next annual general meeting of the Company of which time it shall lapse unless, by special resolutions passed at that meeting, the authority is renewed, either conditionally or subject to conditions; or
- (ii) the revocation or variation of the mandate under the resolution by a special resolution at any general meeting of the Company.

Furthermore, we need to complete registration and approval procedures with relevant government authorities for the actual grant of the repurchase mandate to the Board, as applicable. The exercise in full of the general mandate to repurchase H Shares (on the basis of 142,941,291 H Shares in issue as of the Listing Date and no H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the next annual general meeting to be held after the Listing) would result in a maximum of 14,294,129 H Shares being repurchased by the Company during the relevant period, being the maximum of 10% of the H Shares in issue (excluding any treasury shares) as of the Listing Date.

(c) Source of funds

In repurchasing its Shares, the Company intends to apply funds from the Company's internal resources (which may include surplus funds and retained profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

The Company is empowered by its Articles of Association to repurchase its Shares. Any shares to be repurchased will be cancelled or kept as treasury shares if allowed by the Articles of Association and applicable laws and regulations. The Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(d) *Suspension of repurchase*

A listed company shall not repurchase its shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), until the date of the results announcement, the company may not repurchase its shares on the Stock Exchange unless there are exceptional circumstances.

(e) *Close associates and core connected persons*

None of our Directors or, to the best of their knowledge having made all reasonable inquiries, any of their close associates have a present intention, in the event the general mandate to repurchase Shares is approved, to sell any Shares to our Company.

No core connected person of our Company has notified our Company that they have a present intention to sell Shares to our Company, or have undertaken to do so, if the general mandate to repurchase Shares is approved.

A listed company shall not knowingly purchase its shares on the Stock Exchange from a core connected person (namely a director, supervisor, chief executive or substantial shareholder of the company or any of its subsidiaries, or a close associate of any of them), and a core connected person shall not knowingly sell their interest in shares of the company to it.

(f) *Status of repurchased Shares*

Subject to the Articles of Association, the Listing Rules and any other applicable laws and regulations, the Shares repurchased by the Company will be cancelled or kept as treasury shares.

(g) *Takeover implications*

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the general mandate to repurchase Shares.

(h) Interim measures

For any treasury shares of the Company deposited with CCASS pending resale on the Stock Exchange, the Company shall, upon approval by the Board, implement the below interim measures which include (without limitation):

- (i) procuring its broker not to give any instructions to HKSCC to vote at general meetings for the treasury shares deposited with CCASS;
- (ii) in the case of dividends or distributions (if any and where applicable), withdrawing the treasury shares from CCASS, and either re-register them in its own name as treasury shares or cancel them, in each case before the relevant record date for the dividend or distributions; or
- (iii) taking any other measures to ensure that it will not exercise any Shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as treasury shares.

(i) General

The Company did not hold any treasury shares as of the Latest Practicable Date and will not hold any treasury shares upon Listing.

If the general mandate to repurchase Shares were to be carried out in full at any time, there may be a material and adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recent published audited accounts). However, our Directors do not propose to exercise the general mandate to repurchase Shares to such an extent as would have a material and adverse effect on our working capital or gearing position.

Our Directors have undertaken to the Stock Exchange that they will exercise the general mandate to repurchase Shares in accordance with the Listing Rules and the applicable laws in the PRC. Neither the Explanatory Statement on Repurchase of Our Own Securities nor the proposed share repurchase has any unusual feature.

B. FURTHER INFORMATION ABOUT OUR BUSINESS**1. Summary of Material Contracts**

We have entered into the following contracts (not being contract entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus that is or may be material:

- (a) the cornerstone investment agreement dated July 15, 2025 entered into among the Company, Loyal Valley Capital Advantage Fund III LP, Morgan Stanley Asia Limited, CITIC Securities (Hong Kong) Limited and CLSA Limited, details of which are set out in the section headed “Cornerstone Investors” in this prospectus;
- (b) the cornerstone investment agreement dated July 15, 2025 entered into among the Company, Golden Valley Global Limited, Morgan Stanley Asia Limited, CITIC Securities (Hong Kong) Limited and CLSA Limited, details of which are set out in the section headed “Cornerstone Investors” in this prospectus;
- (c) the cornerstone investment agreement dated July 15, 2025 entered into among the Company, Golden Valley Value Select Master Fund, Morgan Stanley Asia Limited, CITIC Securities (Hong Kong) Limited and CLSA Limited, details of which are set out in the section headed “Cornerstone Investors” in this prospectus;
- (d) the cornerstone investment agreement dated July 15, 2025 entered into among the Company, ORBIMED GENESIS MASTER FUND, L.P., THE BIOTECH GROWTH TRUST PLC, Morgan Stanley Asia Limited, CITIC Securities (Hong Kong) Limited and CLSA Limited, details of which are set out in the section headed “Cornerstone Investors” in this prospectus;
- (e) the cornerstone investment agreement dated July 15, 2025 entered into among the Company, Huatai Capital Investment Limited, Morgan Stanley Asia Limited, CITIC Securities (Hong Kong) Limited and CLSA Limited, details of which are set out in the section headed “Cornerstone Investors” in this prospectus;
- (f) the cornerstone investment agreement dated July 15, 2025 entered into among the Company, PERSEVERANCE ASSET MANAGEMENT INTERNATIONAL (SINGAPORE) PTE. LTD. (acting in its capacity as an investment advisor or investment manager and for and on behalf of certain investment funds and separated managed accounts), Morgan Stanley Asia Limited, CITIC Securities (Hong Kong) Limited and CLSA Limited, details of which are set out in the section headed “Cornerstone Investors” in this prospectus;
- (g) the cornerstone investment agreement dated July 15, 2025 entered into among the Company, TRUMED HEALTHCARE MASTER FUND, TRUMED HEALTH INNOVATION FUND LP, Morgan Stanley Asia Limited, CITIC Securities (Hong Kong) Limited and CLSA Limited, details of which are set out in the section headed “Cornerstone Investors” in this prospectus;





- (h) the cornerstone investment agreement dated July 15, 2025 entered into among the Company, E Fund Management Co., Ltd. (易方達基金管理有限公司), Morgan Stanley Asia Limited, CITIC Securities (Hong Kong) Limited and CLSA Limited, details of which are set out in the section headed “Cornerstone Investors” in this prospectus;
- (i) the cornerstone investment agreement dated July 15, 2025 entered into among the Company, E Fund Management (Hong Kong) Co., Ltd. (易方達資產管理(香港)有限公司), Morgan Stanley Asia Limited, CITIC Securities (Hong Kong) Limited and CLSA Limited, details of which are set out in the section headed “Cornerstone Investors” in this prospectus;
- (j) the cornerstone investment agreement dated July 15, 2025 entered into among the Company, Huang River Investment Limited, Morgan Stanley Asia Limited, CITIC Securities (Hong Kong) Limited and CLSA Limited, details of which are set out in the section headed “Cornerstone Investors” in this prospectus;
- (k) the cornerstone investment agreement dated July 15, 2025 entered into among the Company, Foresight Global Superior Choice SPC — Global Superior Choice Fund 1 SP, Foresight Global Superior Choice SPC — Vision Fund 1 SP, Morgan Stanley Asia Limited, CITIC Securities (Hong Kong) Limited and CLSA Limited, details of which are set out in the section headed “Cornerstone Investors” in this prospectus;
- (l) the cornerstone investment agreement dated July 15, 2025 entered into among the Company, SAGE PARTNERS MASTER FUND, Morgan Stanley Asia Limited, CITIC Securities (Hong Kong) Limited and CLSA Limited, details of which are set out in the section headed “Cornerstone Investors” in this prospectus;
- (m) the cornerstone investment agreement dated July 15, 2025 entered into among the Company, Hankang Biotech Fund III, L.P., Morgan Stanley Asia Limited, CITIC Securities (Hong Kong) Limited and CLSA Limited, details of which are set out in the section headed “Cornerstone Investors” in this prospectus;
- (n) the cornerstone investment agreement dated July 15, 2025 entered into among the Company, Splendid Biotech Fund L.P., Morgan Stanley Asia Limited, CITIC Securities (Hong Kong) Limited and CLSA Limited, details of which are set out in the section headed “Cornerstone Investors” in this prospectus; and
- (o) the Hong Kong Underwriting Agreement.

2. Intellectual Property Rights

Trademarks

As of the Latest Practicable Date, we had registered or applied for the following trademarks which we considered to be material to our business:

No.	Trademark	Registration/ Application number	Registered owner/Applicant	Place of registration	Class	Validity Period/ Application Date
1.	Leads Biolabs	31539068	Our Company	PRC	5 and 42	March 7, 2019 to March 6, 2029
2.	维立志博	41059103	Our Company	PRC	5 and 42	June 7, 2020 to June 6, 2030
3.	Leads Biolabs	41395067	Our Company	PRC	5 and 42	July 21, 2020 to July 20, 2030
4.	维立志博	56246213	Our Company	PRC	5	December 21, 2021 to December 20, 2031
5.	维立志博	56259862	Our Company	PRC	35	December 21, 2021 to December 20, 2031
6.	维立志博	56274488	Our Company	PRC	44	December 21, 2021 to December 20, 2031
7.	Leads Biolabs	56258324	Our Company	PRC	5	December 7, 2022 to December 6, 2032
8.	Leads Biolabs	56272012	Our Company	PRC	35	December 7, 2022 to December 6, 2032
9.	Leads Biolabs	56268731	Our Company	PRC	44	December 21, 2021 to December 20, 2031

No.	Trademark	Registration/ Application number	Registered owner/Applicant	Place of registration	Class	Validity Period/ Application Date
10.	LeadsBiolabs	66110240	Our Company	PRC	5	January 21, 2023 to January 20, 2033
11.	LeadsBiolabs	66116080	Our Company	PRC	35	January 21, 2023 to January 20, 2033
12.	LeadsBiolabs	66110258	Our Company	PRC	42	February 14, 2023 to February 13, 2033
13.	X-body	68696328	Our Company	PRC	42	June 14, 2023 to June 13, 2033
14.	LeadsBody	68706237	Our Company	PRC	42	July 28, 2023 to July 27, 2033
15.	LeadsBody	68703671	Our Company	PRC	5	July 28, 2023 to July 27, 2033
16.	LeadsBiolabs	77675966	Our Company	PRC	5	October 14, 2024 to October 13, 2034
17.	LeadsBiolabs	77695362	Our Company	PRC	35	October 14, 2024 to October 13, 2034
18.	LeadsBiolabs	77695373	Our Company	PRC	42	October 14, 2024 to October 13, 2034
19.	LeadsBiolabs	77674261	Our Company	PRC	44	October 14, 2024 to October 13, 2034
20.		77690508	Our Company	PRC	5	October 21, 2024 to October 20, 2034
21.		77680637	Our Company	PRC	35	October 21, 2024 to October 20, 2034
22.		77685697	Our Company	PRC	42	October 21, 2024 to October 20, 2034
23.		77676224	Our Company	PRC	44	October 21, 2024 to October 20, 2034

No.	Trademark	Registration/ Application number	Registered owner/Applicant	Place of registration	Class	Validity Period/ Application Date
24.		77699127	Our Company	PRC	5	October 14, 2024 to October 13, 2034
25.		77684505	Our Company	PRC	35	October 14, 2024 to October 13, 2034
26.		77679887	Our Company	PRC	42	October 14, 2024 to October 13, 2034
27.		77674585	Our Company	PRC	44	October 14, 2024 to October 13, 2034
28.	 	306536999	Our Company	HK	5, 35 and 42	April 25, 2024 to April 24, 2034
29.		306537006	Our Company	HK	5, 35 and 42	April 25, 2024 to April 24, 2034
30.		306537402	Our Company	HK	5, 35 and 42	April 26, 2024 to April 25, 2034
31.		306612318	Our Company	HK	5, 35 and 42	July 15, 2024 to July 14, 2034
32.		306612327	Our Company	HK	5, 35 and 42	July 15, 2024 to July 14, 2034

Patents

For a discussion of the details of the material patents and material patent applications by the Company in connection with our Core Product and pipeline products, see “Business — Intellectual Property.”

Domain Names

As of the Latest Practicable Date, we had registered the following internet domain name which we considered to be material to our business:

<u>No.</u>	<u>Domain name</u>	<u>Registered owner</u>	<u>Registration date</u>	<u>Expiry date</u>
1.	leadsbiolabs.com	Our Company	February 27, 2013	February 27, 2034

Save as the above, as of the Latest Practicable Date, there were no other intellectual property rights which were material to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS, SUPERVISORS AND SUBSTANTIAL SHAREHOLDERS**1. Particulars of Directors' and Supervisors' Service Contracts**

We have entered into a service contract with each of our Directors and Supervisors which contains provisions in relation to, among other things, compliance with relevant laws and regulations and observance of the Articles of Association.

The principal particulars of these service contracts are: (a) each of the contracts is for a term of three years following his/her respective effective date of his/her appointment; and (b) each of the contracts is subject to termination in accordance with their respective terms. The contracts may be renewed in accordance with our Articles of Association and the applicable rules.

Save as disclosed in “Directors, Supervisors and Senior Management” and above, we have not entered into, and do not propose to enter into any service contracts with any of our Directors and Supervisors in their respective capacities as Directors or Supervisors (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

2. Remuneration of Directors and Supervisors

Save as disclosed in “Directors, Supervisors and Senior Management” and “Appendix I—II. Notes to the Historical Financial Information—10. Directors', Supervisors' and Chief Executive's Remuneration”, none of our Directors or Supervisors received other remuneration or benefits in kind from our Company in respect of the years ended December 31, 2023 and 2024 and the three months ended March 31, 2025.

Under the arrangement currently in force, we estimate that the aggregate remuneration payable to, any benefits in kind receivable by, our Directors and Supervisors by any member of our Group in respect of the year ending December 31, 2025 is approximately RMB11.8 million.

Save as disclosed above, there is no arrangement under which any Director or Supervisor has waived or agreed to waive any remuneration or benefits in kind during the Track Record Period.

3. Disclosure of Interests

Interests and short positions of our Directors, Supervisors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations

Save as disclosed in “Substantial Shareholders” and below, immediately following the completion of the Global Offering (assuming no exercise of the Offer Size Adjustment Option and the Over-allotment Option) and the conversion of the Unlisted Shares into H Shares, so far as our Directors are aware, none of our Directors, Supervisors or chief executive will have any interest and/or short position (as applicable) in the Shares, underlying Shares or debentures of our Company or our associated corporation (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 are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules to be notified to our Company and the Stock Exchange, once the H Shares are listed on the Stock Exchange.

Name of Shareholder	Position	Capacity/ Nature of interest	Description of Shares ⁽¹⁾	Number of Shares	Approximate percentage of shareholding in the Unlisted Shares/ H Shares (to be converted) of our Company as of the Latest Practicable Date ⁽¹⁾	Approximate percentage of shareholding in the total Share capital of our Company immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised) ⁽²⁾	Approximate percentage of shareholding in the Unlisted Shares/ H Shares immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised) ⁽³⁾
Dr. Kang	Director	Beneficial owner	Unlisted Shares	3,937,308	8.63%	2.09%	8.63%
			H Shares	3,937,309	3.55%	2.09%	2.75%
		Interest in controlled corporations ⁽⁴⁾	Unlisted Shares	7,846,659	17.20%	4.16%	17.20%
			H Shares	8,582,723	7.74%	4.55%	6.00%
		Interest jointly held with another person ⁽⁵⁾	Unlisted Shares	3,192,410	7.00%	1.69%	7.00%
			H Shares	3,192,411	2.88%	1.69%	2.23%

Name of Shareholder	Position	Capacity/ Nature of interest	Description of Shares ⁽¹⁾	Number of Shares	Approximate percentage of shareholding in the Unlisted Shares/ H Shares (to be converted) of our Company as of the Latest	Approximate percentage of shareholding in the total Share capital of our Company immediately after completion of the Global Offering (assuming the	Approximate percentage of shareholding in the Unlisted Shares immediately after completion of the Global Offering (assuming the
					Practicable Date ⁽¹⁾	Over-allotment Option is not exercised ⁽²⁾	Over-allotment Option is not exercised ⁽³⁾
Dr. Lai	Director	Beneficial owner	Unlisted Shares	3,192,410	7.00%	1.69%	7.00%
			H Shares	3,192,411	2.88%	1.69%	2.23%
		Interest jointly held with another person ⁽⁵⁾	Unlisted Shares	11,783,967	25.83%	6.25%	25.83%
			H Shares	12,520,032	11.29%	6.64%	8.76%
Mr. Zuo Honggang (左鴻剛)	Director	Interest in controlled corporations ⁽⁴⁾	Unlisted Shares	1,423,938	3.12%	0.76%	3.12%
			H Shares	2,160,002	1.95%	1.15%	1.51%
Dr. Chen Renhai (陳仁海)	Director	Interest in controlled corporations ⁽⁶⁾	Unlisted Shares	6,765,170	14.83%	3.59%	14.83%
			H Shares	8,118,024	7.32%	4.31%	5.68%

Notes:

- 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. All interests stated are long positions.
- The calculation is based on the total number of 188,554,400 Shares in issue immediately after completion of the Global Offering (without taking into account the H Shares which may be issued upon the exercise of the Offer Size Adjustment Option and the Over-allotment Option).
- The calculation is based on the total number of 45,613,109 Unlisted Shares and 142,941,291 H Shares in issue immediately after completion of the Global Offering (without taking into account the H Shares which may be issued upon the exercise of the Offer Size Adjustment Option and the Over-allotment Option) after receipt of the filing notice regarding H share “Full circulation” from the CSRC.
- Lizhi Partnership, one of our Share Incentive Platforms and a limited partnership established under the laws of the PRC, is managed by its executive partner, Dr. Kang, who controls the voting rights and decision-making of Lizhi Partnership. As such, Dr. Kang is deemed to be interested in the Shares held by Lizhi Partnership under the SFO.

Each of LeadsBio Limited and LeadsTech Limited is one of our Share Incentive Platforms and a private company incorporated under the laws of Hong Kong. According to the Pre-IPO Share Incentive Plan, all the voting rights of LeadsBio Limited and LeadsTech Limited held by the individual grantees under the Pre-IPO Share Incentive Plan shall be exercised by Dr. Kang, the administrator of the Pre-IPO Share Incentive Plan. As such, Dr. Kang is deemed to be interested in the Shares held by LeadsBio Limited and LeadsTech Limited under the SFO.

As of the Latest Practicable Date, Mr. Zuo Honggang (“**Mr. Zuo**”) held approximately 55.85% of the total issued shares of LeadsBio Limited, representing an indirect shareholding interest of approximately 0.6% in the Company, and all the issued shares of LeadsTech Limited, representing an indirect shareholding interest of approximately 1.23% in the Company. As such, Mr. Zuo is deemed to be interested in the Shares held by LeadsBio Limited and LeadsTech Limited under the SFO.

For details of the Share Incentive Platforms, see “—4. Pre-IPO Share Incentive Plan—Share Incentive Platforms” below.

5. Dr. Kang, Dr. Lai and our Share Incentive Platforms namely Lizhi Partnership, LeadsBio Limited and LeadsTech Limited (collectively, the “**AIC Parties**”) entered into an acting-in-concert agreement on April 12, 2024 (the “**AIC Agreement**”) pursuant to which the AIC Parties had confirmed and agreed that they would: (i) act in concert with respect to the matters relating to the daily operations, key matters or any other matters required to be approved by the shareholders’ meetings or board meetings of the Company; (ii) consult each other and reach a consensus before voting at board meetings and/or shareholders’ meetings of the Company; and (iii) in case that the AIC Parties fail to reach a consensus, vote based on Dr. Kang’s opinion. As such, each of the AIC Parties are deemed to be interested in the Shares each other is interested in under the SFO. See “History, Development and Corporate Structure — Acting In Concert Arrangement” for details.
6. The general partner of Ennovation Raylight is Nanjing Ennovation Raylight Venture Management Partnership (Limited Partnership) (南京恩然瑞光投資管理中心(有限合夥)), which is ultimately controlled by its executive partner, Dr. Chen Renhai (“**Dr. Chen**”). As of the Latest Practicable Date, the largest limited partner of Ennovation Raylight, Sun Qinghua (孫青華), holds approximately 41.24% of the partnership interest. As such, each of Nanjing Ennovation Raylight Venture Management Partnership (Limited Partnership) (南京恩然瑞光投資管理中心(有限合夥)), Dr. Chen and Sun Qinghua (孫青華) is deemed to be interested in the Shares held by Ennovation Raylight under the SFO.

Nanjing Jieyuan beneficially owns 2,974,369 H Shares. The general partner of Nanjing Jieyuan is Nanjing Jieyuan Investment Management Partnership (Limited Partnership) (南京捷源投資管理合夥企業(有限合夥)), which is ultimately controlled by its executive partner, Dr. Chen. As such, Dr. Chen is deemed to be interested in the Shares held by Nanjing Jieyuan under the SFO.

Nanjing Qiruiyoukang beneficially owns 1,526,891 Unlisted Shares and 1,526,891 H Shares. The general partner of Nanjing Qiruiyoukang is Nanjing Jiakang Venture Capital Partnership (Limited Partnership) (南京佳康創業投資合夥企業(有限合夥)) (“**Nanjing Jiakang**”), which is ultimately controlled by Dr. Chen. As such, Dr. Chen is deemed to be interested in the Shares held by Nanjing Qiruiyoukang under the SFO.

Nanjing Enjie beneficially owns 666,118 Unlisted Shares and 666,119 H Shares. The general partner of Nanjing Enjie is Nanjing Jiakang, which is ultimately controlled by Dr. Chen. As such, Dr. Chen is deemed to be interested in the Shares held by Nanjing Enjie under the SFO.

Ennovation Chengfeng beneficially owns 937,500 Unlisted Shares. The general partner of Ennovation Chengfeng is Shanghai Ennovation Entrepreneurship Investment Management Center (Limited Partnership) (上海恩然創業投資管理中心(有限合夥)), which is ultimately controlled by its executive partner, Dr. Chen. As such, Dr. Chen is deemed to be interested in the Shares held by Ennovation Chengfeng under the SFO.

Nanjing Jiakang Ruizhen beneficially owns 684,016 Unlisted Shares. The general partner of Nanjing Jiakang Ruizhen is Nanjing Jiakang, holding 1.00% partnership interest of Nanjing Jiakang Ruizhen and ultimately controlled by Dr. Chen. As such, Dr. Chen is deemed to be interested in the Shares held by Nanjing Jiakang Ruizhen under the SFO.

Interests of the substantial shareholders in the Shares

Save as disclosed in “Substantial Shareholders,” immediately following the completion of the Global Offering and without taking into account any Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option, our Directors are not aware of any other person (not being a Director, Supervisor or chief executive of our Company) who will have an interest 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 is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

Interests of the substantial shareholders in other members of our Group

So far as our Directors are aware, as of the Latest Practicable Date, no persons were, 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 general meetings of any other members of our Group.

4. Pre-IPO Share Incentive Plan

The Company adopted a share option plan in July 2016, which was further amended and restated in September 2020, for the purpose of attracting and retaining talents who promote the success of the Group’s operations. In preparation for the Proposed Listing, the Company has converted the foregoing share option plan into the Pre-IPO Share Incentive Plan which was approved on April 17, 2024. The terms of the Pre-IPO Share Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules as the Pre-IPO Share Incentive Plan do not involve the grant of new options or awards by our Company to subscribe for H Shares after the Listing. The Pre-IPO Share Incentive Plan will not cause any dilution of the shareholding of our Shareholders after the Listing given all underlying Shares of the awards granted under the Pre-IPO Share Incentive Plan have been issued to the relevant Share Incentive Platforms. See Note 28 to the Accountants’ Report set out in Appendix I to this prospectus for further details regarding the Pre-IPO Share Incentive Plan.

The following is a summary of the principal terms of the Pre-IPO Share Incentive Plan:

(a) Objectives

The objectives of the Pre-IPO Share Incentive Plan are to build incentive and constructive mechanisms for core employees, to achieve our medium and long-term strategies and to advance development of the Company.

(b) Eligibility

Pursuant to the plan measures for the Pre-IPO Share Incentive Plan (the “**Plan Measures**”), participants (the “**Participants**”) of the Pre-IPO Share Incentive Plan include employees of our Company, its subsidiaries, and branches, as well as other eligible recipients approved by the administrator of the Pre-IPO Share Incentive Plan, Dr. Kang (the “**Administrator**”). Each Participant under the Pre-IPO Share Incentive Plan should have established a labor, employment, or service relationship with either the Company, its subsidiaries, or its branches.

(c) *Grant of Awards*

Each Participant will be granted restricted shares in the form of economic interest in the relevant Share Incentive Platforms either as a limited partner or shareholder (the “**Awards**”). Upon becoming the limited partner or shareholder of the relevant Share Incentive Platforms, the Participant indirectly receives economic interest in the number of Shares underlying the Awards granted to the Participant held by the relevant Share Incentive Platforms.

(d) *Payment of the Price of the Awards*

The Participants must subscribe for the Awards with personal funds or self-financed funds, and should ensure that their source of funds is lawful. The subscription period of the Awards shall be determined by the Administrator. The Participants shall make the corresponding payment for Awards fully and timely.

(e) *Administration*

Pursuant to the Plan Measures, all management powers of our Share Incentive Platforms reside with the Administrator, Dr. Kang. The Administrator retains sole discretion over, among other things, the matters of the Pre-IPO Share Incentive Plan, including the implementation, amendment, termination and interpretation of the Pre-IPO Share Incentive Plan, subject to compliance with applicable laws, regulations, rules and the Plan Measures. The Administrator is authorized to determine, at its discretion and decide matters including, among others:

- Determining the price of the Awards;
- Determining the list of the Participants from time to time;
- Determining the number of Awards to be granted to the Participants;
- Arranging the Participants for execution the grant agreement, the shareholding platform partnership agreement and other relevant documents;
- Determining and amend the terms and conditions of the Awards; and
- Other matters that the Administrator shall be responsible for as stipulated in the Pre-IPO Share Incentive Plan.

(f) *Restrictions on transfer*

Prior to the Listing, the Participants may not transfer any or all of his or her interest in the relevant Share Incentive Platforms unless specified in the Plan Measures or with the written approval of the Administrator pursuant to the terms of the Plan Measures or the relevant grant agreements.

After the Listing, in addition to the restrictions under the Pre-IPO Share Incentive Plan, the transfer or sale by the Participants shall be subject to the lock-up requirements under the relevant laws and regulations and the stock exchange rules, or the respective agreements entered into between the Company and the relevant Participants pursuant to the terms of the Pre-IPO Share Incentive Plan (if applicable).

(g) *Rights attached to the Awards*

The Administrator, Dr. Kang, shall exercise voting rights on behalf of the eligible participants under the Pre-IPO Share Incentive Plan in respect of the Shares underlying the Awards. Unless otherwise specified in the respective shareholding platform partnership agreement/articles of association or the grant agreement, the eligible participants under the Pre-IPO Share Incentive Plan have the rights to any dividends or distributions from any Shares underlying the awards.

Share Incentive Platforms

The Company has established three Share Incentive Platforms, namely Lizhi Partnership, LeadsBio Limited and LeadsTech Limited. Lizhi Partnership was established pursuant to PRC law as the onshore Share Incentive Platform mainly for our PRC participants, and LeadsBio Limited and LeadsTech Limited were established pursuant to the Hong Kong law as the offshore Share Incentive Platforms mainly for our overseas participants. The details of the Share Incentive Platforms as at the Latest Practicable Date are set forth below:

Lizhi Partnership

As of the Latest Practicable Date, Lizhi Partnership directly held approximately 8.21% of the Shares of our Company. Lizhi Partnership is a limited partnership established under the laws of the PRC on May 30, 2016, and managed by its executive partner, Dr. Kang, who controls the voting rights and decision-making of Lizhi Partnership. As of the Latest Practicable Date, the remaining 99.99% partnership interests of Lizhi Partnership were held by the following six limited partners including Nanjing Kanglai Enterprise Management Consulting Center (limited partnership) (南京康來企業管理諮詢中心(有限合夥)) (“**Nanjing Kanglai No.1**”) as to 24.2%, Nanjing Kanglai No.2 Enterprise Management Consulting Center (Limited Partnership) (南京康來二號企業管理諮詢中心(有限合夥)) (“**Nanjing Kanglai No.2**”) as to 15.7%, Nanjing Kanglai No.3 Enterprise Management Consulting Center (Limited Partnership) (南京康來三號企業管理諮詢中心(有限合夥)) (“**Nanjing Kanglai No.3**”) as to 5.9%, Nanjing Kanglai No.4 Enterprise Management Consulting Center (Limited Partnership) (南京康來四號企業管理諮詢中心(有限合夥)) (“**Nanjing Kanglai No.4**”) as to 8.6%, Nanjing Kanglai No.5 Enterprise Management Consulting Center (Limited Partnership) (南京康來五號企業管理諮詢中心(有限合夥)) (“**Nanjing Kanglai No.5**”) as to 6.9%, and Nanjing Kanglai No.6 Enterprise Management Consulting Center (Limited Partnership) (南京康來六號企業管理諮詢中心(有限合夥)) (“**Nanjing Kanglai No.6**”) as to 38.7%.

The PRC participants indirectly hold Lizhi Partnership's interests through these six limited partners. Details of the Awards granted to the PRC participants through these six limited partners of Lizhi Partnership as of the Latest Practicable Date are as follows:

					Approximate percentage of shareholding in the total Share capital of our Company immediately after completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised)
Name or identity of the partner	Limited Partners	Respective Limited Partners ⁽¹⁾	Approximate number of underlying Shares of the Awards granted under the Pre-IPO Share Incentive Plan as of the Latest Practicable Date ⁽¹⁾	Approximate percentage of shareholding in the total Share capital of our Company as of the Latest Practicable Date	
Directors					
Dr. Kang	Nanjing Kanglai No.1	10.23% (general partner)	318,758	0.20%	0.17%
	Nanjing Kanglai No.2	29.69% (general partner)	597,671	0.38%	0.32%
	Nanjing Kanglai No.3	75.28% (general partner)	571,383	0.37%	0.30%
	Nanjing Kanglai No.4	52.05% (general partner)	577,281	0.37%	0.31%
	Nanjing Kanglai No.5	51.75% (general partner)	456,780	0.29%	0.24%
	Nanjing Kanglai No.6	70.13% (general partner)	3,482,819	2.23%	1.85%
	Subtotal		6,004,692	3.84%	3.18%
Dr. Lai	Nanjing Kanglai No.6	29.87%	1,483,752	0.95%	0.79%
Dr. Zhang Hongbing	Nanjing Kanglai No.1	1.19%	37,094	0.02%	0.02%

Name or identity of the partner	Limited Partners	Respective Limited Partners ⁽¹⁾	Approximate number of underlying Shares of the Awards granted under the Pre-IPO Share Incentive Plan as of the Latest Practicable Date ⁽¹⁾	Approximate percentage of shareholding in the total Share capital of our Company immediately after completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised)	Approximate percentage of shareholding in the total Share capital of our Company immediately after completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised)
Senior management					
Dr. Cai Shengli	Nanjing Kanglai No.1	46.13%	1,436,820	0.92%	0.76%
Dr. Ling Hong	Nanjing Kanglai No.1	26.47%	824,524	0.53%	0.44%
Supervisor					
Ms. Li Mengwei	Nanjing Kanglai No.3	5.25%	39,873	0.03%	0.02%
Other employees and consultants ⁽³⁾	Nanjing Kanglai No.1	15.98%	534,680	0.32%	0.28%
	Nanjing Kanglai No.2	70.32%	1,415,708	0.90%	0.75%
	Nanjing Kanglai No.3	19.46%	147,715	0.09%	0.08%
	Nanjing Kanglai No.4	47.95%	531,724	0.34%	0.28%
	Nanjing Kanglai No.5	48.25%	425,945	0.27%	0.23%
Subtotal			3,055,772	1.95%	1.62%
		100.00%	12,845,433	8.21%	6.81%

Notes:

- (1) Any discrepancies in the table between the total shown and the sum of the amounts listed are due to rounding.
- (2) The calculation is based on the total number of 188,554,400 Shares in issue immediately after completion of the Global Offering (without taking into account the H Shares which may be issued upon the exercise of the Offer Size Adjustment Option and the Over-allotment Option).
- (3) Other employees include 198 current employees of the Group. Other consultants include two consultants and a former consultant providing consultancy services to the Group holding approximately 13.50% limited partnership interest in Nanjing Kanglai No.1 in aggregate, representing approximately 0.27% of our total issued Share capital as of the Latest Practicable Date.

LeadsBio Limited

As of the Latest Practicable Date, LeadsBio Limited directly held approximately 1.06% of the Shares of our Company. LeadsBio Limited is a private company incorporated under the laws of Hong Kong on March 4, 2024. As of the Latest Practicable Date, Dr. Kang held approximately 44.15% of the total issued shares of LeadsBio Limited, representing an indirect shareholding interest of approximately 0.5% in the Company. Additionally, Mr. Zuo, our Executive Director and Chief Financial Officer, held approximately 55.85% of the total issued shares of LeadsBio Limited, representing an indirect shareholding interest of approximately 0.6% in the Company. Pursuant to a voting agreement dated May 27, 2025 entered into between Dr. Kang and Mr. Zuo, Dr. Kang is entitled to exercise the corresponding voting right of the ordinary shares held by Mr. Zuo in LeadsBio Limited. and will continue to exercise the voting rights attached to the Shares held by LeadsBio Limited upon vesting of any share awards granted to Mr. Zuo.

LeadsTech Limited

As of the Latest Practicable Date, LeadsTech Limited directly held approximately 1.23% of the Shares of our Company. LeadsTech Limited is a private company incorporated under the laws of Hong Kong on March 4, 2024. As of Latest Practicable Date, Mr. Zuo was the sole shareholder of LeadsTech Limited. Pursuant to a voting agreement dated April 12, 2024 entered into between Dr. Kang and Mr. Zuo, Dr. Kang is entitled to exercise the entire voting rights of the ordinary shares held by Mr. Zuo in LeadsTech Limited and will continue to exercise the voting rights attached to the Shares held by LeadsTech Limited upon the vesting of any share awards granted to Mr. Zuo.

5. Disclaimers

Save as disclosed in this prospectus:

- (i) none of our Directors, Supervisors or our chief executive has any interest or short position in our Shares, underlying Shares or debentures of us or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to us and the Stock Exchange pursuant to Model Code for Securities Transactions by our Directors of Listed Issuers once the H Shares are listed on the Stock Exchange;
- (ii) none of our Directors or Supervisors is aware of any person (not being a Director, Supervisor or chief executive of our Company) who will, immediately following completion of the Global Offering and conversion of Unlisted Shares into H Shares (without taking into account any H Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option), have an interest or short position in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is interested, directly or indirectly, in 10% or more of the issued voting shares of any member of our Group;
- (iii) so far as is known to our Directors, none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders who own more than 5% of the number of issued shares of our Company have any interests in the five largest customers or the five largest suppliers of our Group in each year/period during the Track Record Period; and
- (iv) save as disclosed in this prospectus, none of our Directors, Supervisors or any of the parties listed in “8. Qualifications of Experts” of this Appendix is:
 - i. interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group; or
 - ii. materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business.

D. OTHER INFORMATION**1. Estate Duty**

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or our subsidiary.

2. Litigation

As of the Latest Practicable Date, no member of our Group was involved in any litigation, arbitration, administrative proceedings or claims of material importance, and so far as we are aware, no litigation, arbitration, administrative proceedings or claims of material importance are pending or threatened against any member of our Group.

3. Joint Sponsors

The Joint Sponsors satisfy the independence criteria applicable to the sponsors set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letter entered into between the Company and the Joint Sponsors, the Joint Sponsors' fees payable by us to each of the Joint Sponsors in respect of their services as sponsors in connection with the proposed listing on the Stock Exchange is US\$400,000.

4. Preliminary Expense

As of the Latest Practicable Date, our Company did not incur any material preliminary expense.

5. Promoters

The promoters of our Company are all then 46 shareholders of our Company as of August 14, 2024 before our conversion into a joint stock company with limited liability. Save as disclosed 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 in connection with the Global Offering or the related transactions described in this prospectus.

6. Application for Listing

The Joint Sponsors have made an application on behalf of our Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the H Shares to be issued as mentioned in this prospectus (including any H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and Over-allotment Option) and the H Shares to be converted from Unlisted Shares, on the Main Board of the Stock Exchange. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

7. No Material Adverse Change

Our Directors confirm that up to the date of this prospectus, there has been no material adverse change in our financial, operational or trading positions or prospects since March 31, 2025, being the end of the period reported on as set out in the Accountants' Report included in Appendix I to this prospectus.

8. Qualifications of Experts

The qualifications of the experts who have given opinions or advice in this prospectus are as follows:

Name	Qualification
Morgan Stanley Asia Limited	A licensed corporation under the SFO for type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the SFO
CITIC Securities (Hong Kong) Limited	A licensed corporation under the SFO for type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities (subject to a licensing condition) under the SFO
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor
JunHe LLP	PRC Legal Adviser
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

9. Consents of Experts

Each of the experts referred to in “8. Qualification of Experts” above has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its reports, letters or opinions (as the case may be) and the references to its name included herein in the form and context in which it respectively appears.

As of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or our subsidiaries or rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

10. Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate charged on each of the seller and purchaser is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further information in relation to taxation, see “Appendix III—Taxation and Foreign Exchange—Taxation in Hong Kong” to this prospectus.

11. Binding Effect

This prospectus shall have the effect, if any application is made pursuant hereto, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance as far as applicable.

12. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by Section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

13. Miscellaneous

Save as otherwise disclosed in this prospectus:

- (a) within the two years preceding the date of this prospectus, our Company has not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;
- (b) no Share or loan capital of our Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;
- (c) there are no founder shares, management shares or deferred shares issued by the Group;
- (d) our Company has no outstanding convertible debt securities or debentures;
- (e) with the two years immediately preceding the date of this prospectus, save in connection with the Underwriting Agreements, no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any capital of our Company;
- (f) there is no arrangement under which future dividends are waived or agreed to be waived;

- (g) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months;
- (h) our Company is not presently listed on any stock exchange or traded on any trading system;
- (i) our Company is a foreign investment joint stock limited company and is subject to the PRC Company Law; and
- (j) the English text of this prospectus shall prevail over its respective Chinese text.

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:

1. the written consents referred to in “Statutory and General Information—D. Other Information—9. Consents of Experts” in Appendix VI to this prospectus; and
2. copies of the material contracts referred to in “Statutory and General Information—B. Further Information about our Business—1. Summary of Material Contracts” in Appendix VI to this prospectus.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at www.hkexnews.hk and our website at www.leadsbiolabs.com during a period of 14 days from the date of this prospectus:

1. the Articles of Association;
2. the Accountants’ Report prepared by Ernst & Young, the text of which is set out in Appendix I to this prospectus;
3. the audited consolidated financial statements of our Group for the years ended December 31, 2023 and 2024 and the three months ended March 31, 2025;
4. the report prepared by Ernst & Young on the unaudited pro forma financial information of our Group, the text of which is set out in Appendix II to this prospectus;
5. the material contracts in “Statutory and General Information—B. Further Information about our Business—1. Summary of Material Contracts” in Appendix VI to this prospectus;
6. the written consents referred to in “Statutory and General Information—D. Other Information—9. Consents of Experts” in Appendix VI to this prospectus;
7. the service contracts referred to in “Statutory and General Information—C. Further Information about our Directors, Supervisors and Substantial Shareholders—1. Particulars of Directors’ and Supervisors’ Service Contracts” in Appendix VI to this prospectus;
8. the PRC legal opinion issued by JunHe LLP, our PRC Legal Adviser, in respect of, among other things, the general corporate matters and property interests of our Group under PRC law;
9. the terms of the Pre-IPO Share Incentive Plan;

10. the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., the summary of which is set forth in the section headed “Industry Overview”; and
11. the PRC Company Law, the PRC Securities Law, and the Trial Measures for Overseas Listing, together with their unofficial English translations.



Leads Biolabs

**南京维立志博生物科技股份有限公司
Nanjing Leads Biolabs Co., Ltd.**