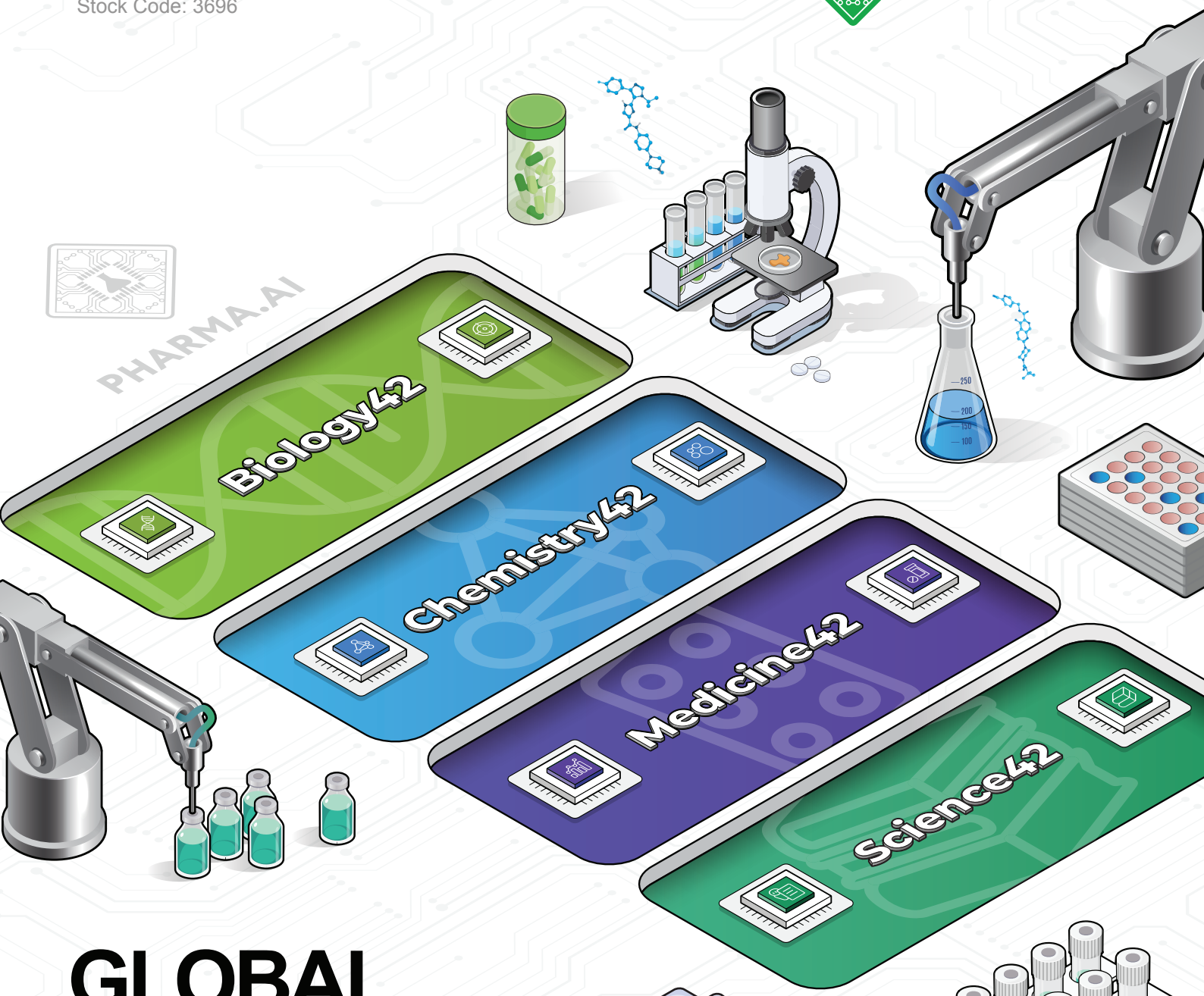
InSilico Medicine Cayman TopCo

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 3696

Insilico Medicine



GLOBAL OFFERING

Joint Sponsors

Morgan Stanley **CICC** **GF Securities**

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

Morgan Stanley **CICC** **GF Securities** **BNP Paribas**

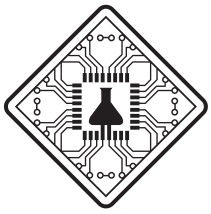
Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

SINOLINK(HK)

Joint Bookrunner and Joint Lead Manager

BOCI

IMPORTANT: *If you have doubt about any of the contents in this Prospectus, you should obtain independent professional advice.*



INSILICO MEDICINE

InSilico Medicine Cayman TopCo
英矽智能

(Incorporated in the Cayman Islands with limited liability)

Global Offering

Number of Offer Shares under the Global Offering	**:**	**94,690,500 Offer Shares (subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	**:**	**9,469,500 Offer Shares (subject to reallocation)**
Number of International Offer Shares	**:**	**85,221,000 Offer Shares (subject to reallocation and the Over-allotment Option)**
Offer Price	**:**	**HK$24.05 per Offer Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars, subject to refund)**
Nominal value	**:**	**US$0.0000005 per Offer Share**
Stock code	**:**	**3696**

Joint Sponsors

Morgan Stanley **CICC** **GF Securities**

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

Morgan Stanley **CICC** **GF Securities** **BNP Paribas**

Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

SINOLINK(HK)

Joint Bookrunner and Joint Lead Manager

BOCI

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 the section headed "Appendix V — Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display", 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 for the contents of this Prospectus or any other document referred to above.

The Offer Price will be HK$24.05 per Offer Share. Applicants for Hong Kong Offer Shares may be required to pay, on application (subject to application channels), the Offer Price of HK$24.05 for each Hong Kong Offer Share together with a brokerage fee of 1.0%, a SFC transaction levy of 0.0027%, an AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565%.

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 Offer Price stated in this Prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, an announcement will be published on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **insilico.com** and the offer will be canceled and relaunched at the revised number of Offer Shares and/or the revised Offer Price and the requirements under Rule 11.13 of the Listing Rules (which include the issue of a supplemental prospectus or a new prospectus (as appropriate)), as soon as practicable following the decision to make such reduction, and in any event we will announce the decision to make such reduction not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. Details of the arrangement will then be announced by us as soon as practicable. For further information, see "Structure of the Global Offering" and "How to Apply for the Hong Kong Offer Shares."

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and may not be offered, sold, pledged, or transferred within the United States, except that Offer Shares may be offered, sold or delivered to QIBs in reliance on an exemption from registration under the U.S. Securities Act provided by, and in accordance with the restrictions of, Rule 144A or another exemption from the registration requirements of the U.S. Securities Act. The Offer Shares may be offered, sold or delivered outside of the United States in offshore transactions in accordance with Regulation S.

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 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 grounds arise prior to 8:00 a.m. on the Listing Date. See "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination."

ATTENTION

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

This Prospectus is available at the website of the Stock Exchange at www.hkexnews.hk and our website at insilico.com. If you require a printed copy of this Prospectus, you may download and print from the website addresses above.

December 18, 2025

IMPORTANT NOTICE TO INVESTORS:

FULLY ELECTRONIC APPLICATION PROCESS

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

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "HKEXnews > New Listings > New Listing Information" section, and our website at insilico.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
HK eIPO White Form service	**www.hkeipo.hk**	Investors who would like to receive a physical 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, December 18, 2025 (Hong Kong time) to 11:30 a.m. on Tuesday, December 23, 2025 (Hong Kong time). The latest time for completing full payment of application monies will be 12:00 noon on Tuesday, December 23, 2025 (Hong Kong time).
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction	Investors who would not like to receive a physical 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 document as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

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

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

Your application through the **HK eIPO White Form** service or the HKSCC EIPO channel must be for a minimum of 500 Hong Kong Offer Shares and in one of the numbers set out in the table below. If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of 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, you are required to prefund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong.

No. of Hong Kong Offer Shares applied for	Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application/ successful allotment
	HK$		*HK$*		*HK$*		*HK$*
500	12,146.27	6,000	145,755.27	40,000	971,701.76	400,000	9,717,017.70
1,000	24,292.55	7,000	170,047.81	45,000	1,093,164.49	500,000	12,146,272.13
1,500	36,438.81	8,000	194,340.35	50,000	1,214,627.21	600,000	14,575,526.56
2,000	48,585.09	9,000	218,632.89	60,000	1,457,552.65	700,000	17,004,780.98
2,500	60,731.36	10,000	242,925.44	70,000	1,700,478.10	800,000	19,434,035.40
3,000	72,877.64	15,000	364,388.16	80,000	1,943,403.55	900,000	21,863,289.83
3,500	85,023.91	20,000	485,850.89	90,000	2,186,328.98	1,000,000	24,292,544.26
4,000	97,170.18	25,000	607,313.60	100,000	2,429,254.43	2,000,000	48,585,088.50
4,500	109,316.44	30,000	728,776.32	200,000	4,858,508.86	3,000,000	72,877,632.76
5,000	121,462.72	35,000	850,239.05	300,000	7,287,763.28	4,734,500[1]	115,013,050.76

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

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

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

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

Hong Kong Public Offering commences . . . . . 9:00 a.m. on Thursday, December 18, 2025

Latest time for completing electronic applications under the **HK eIPO White Form** service through the designated website at **www.hkeipo.hk**[2] . . . . . 11:30 a.m. on Tuesday, December 23, 2025

Application lists open[3] . . . . . 11:45 a.m. on Tuesday, December 23, 2025

Latest time for (a) completing payment for **HK eIPO White Form** applications by effecting internet banking transfer(s) or PPS payment transfer(s) and (b) giving **electronic application instructions** to HKSCC[4] . . . . . 12:00 noon on Tuesday, December 23, 2025

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

Application lists of the Hong Kong Public Offering close[3] . . . . . 12:00 noon on Tuesday, December 23, 2025

Announcement of 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 the Hong Kong Offer Shares to be published on the websites of the Stock Exchange at **www.hkexnews.hk** and the Company at **insilico.com** on or before . . . . . Monday, December 29, 2025

Results of allocations in the Hong Kong Public Offering to be available through a variety of channels as described in "How to Apply for Hong Kong Offer Shares — Publication of Results" including

(1) in the announcement to be posted on our website at **insilico.com**(6) and the Stock Exchange's website at **www.hkexnews.hk**, respectively ..... Monday, December 29, 2025

(2) from the "Allotment Results" page at **www.hkeipo.hk/IPOResult** (or **www.tricor.com.hk/ipo/result**) with a "search by ID" function from ..... 11:00 p.m. on Monday, December 29, 2025 to 12:00 midnight on Sunday, January 4, 2026

(3) from the allocation results telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from ..... Tuesday, December 30, 2025 to Monday, January 5, 2026 (on a Business Day)

Despatch of Share certificates or deposit of Share certificates into CCASS in respect of wholly or partially successful applications pursuant to the Hong Kong Public Offering on or before(6) ..... Monday, December 29, 2025

Despatch of **HK eIPO White Form** e-Auto Refund payment instructions/refund checks in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering on or before(7) ..... Tuesday, December 30, 2025

Dealings in the Shares on the Stock Exchange expected to commence at 9:00 a.m. on ..... Tuesday, December 30, 2025

(1) All times and dates refer to Hong Kong local times and dates, except as otherwise stated.

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

(3) If there is/are a "black" rainstorm warning signal, a tropical cyclone warning signal number 8 or above and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, December 23, 2025, the application lists will not open or close on that day. See "How to Apply for Hong Kong Offer Shares" in this Prospectus.

(4) Applicants who apply for Hong Kong Offer Shares via the **HK eIPO White Form** service and HKSCC EIPO channel should refer to the section headed "How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares" in this Prospectus.

(5) None of the website or any of the information contained on the website forms part of this Prospectus.

(6) The Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date, which is expected to be Tuesday, December 30, 2025, **provided that** the Global Offering has become unconditional in all respects at or before that time. Investors who trade Shares on the basis of publicly available allocation details or prior to the receipt of the Share certificates or prior to the Share certificates becoming valid do so entirely at their own risk.

(7) **HK eIPO White Form** e-Auto Refund payment instructions/refund checks will be issued in respect of wholly or partially unsuccessful applications (if applicable) pursuant to the Hong Kong Public Offering.

Applicants who have applied through the **HK eIPO White Form** service and paid their applications monies through single bank accounts may have refund monies (if any) despatched to the bank account in the form of **HK eIPO White Form** e-Auto Refund payment instructions. Applicants who have applied through the **HK eIPO White Form** service and paid their application monies through multiple bank accounts may have refund monies (if any) 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.

For details of the structure of the Global Offering, including its conditions, and the procedures for applications for Hong Kong Offer Shares, see "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares", respectively, in this Prospectus.

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, the Company will make an announcement as soon as practicable thereafter.

CONTENTS

IMPORTANT NOTICE TO INVESTORS

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

This Prospectus may make references to certain published research papers. Such research papers do not form part of this Prospectus, except to the extent that certain information from the research papers are explicitly included in this Prospectus. You should rely only on the information contained in this Prospectus to make your investment decision. 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 made in this Prospectus must not be relied on by you as having been authorized by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of our or their respective directors, officers or representatives, or any other person or party involved in the Global Offering.

Page

Expected Timetable iv

Contents vii

Summary 1

Definitions 30

Glossary of Technical Terms 47

Forward-looking Statements 58

Risk Factors 60

CONTENTS

		Page
Information about this Prospectus and the Global Offering		114
Waivers and Exemptions		119
Directors and Parties Involved in the Global Offering		129
Corporate Information		137
Industry Overview		140
Regulatory Overview		163
History, Reorganization and Corporate Structure		193
Business		230
Directors and Senior Management		345
Substantial Shareholders		358
Cornerstone Investors		360
Share Capital		371
Financial Information		375
Future Plans and Use of Proceeds		426
Underwriting		428
Structure of the Global Offering		441
How to Apply for Hong Kong Offer Shares		453
Appendix I	**Accountants' Report**	I-1
Appendix II	**Unaudited Pro Forma Financial Information**	II-1
Appendix III	**Summary of the Constitution of the Company and Cayman Islands Company Law**	III-1
Appendix IV	**Statutory and General Information**	IV-1
Appendix V	**Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display**	V-1

This summary aims to give you an overview of the information contained in this Prospectus and should be read in conjunction with the full text of this Prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read the whole Prospectus, including our financial statements and the accompanying notes, before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in "Risk Factors" in this Prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

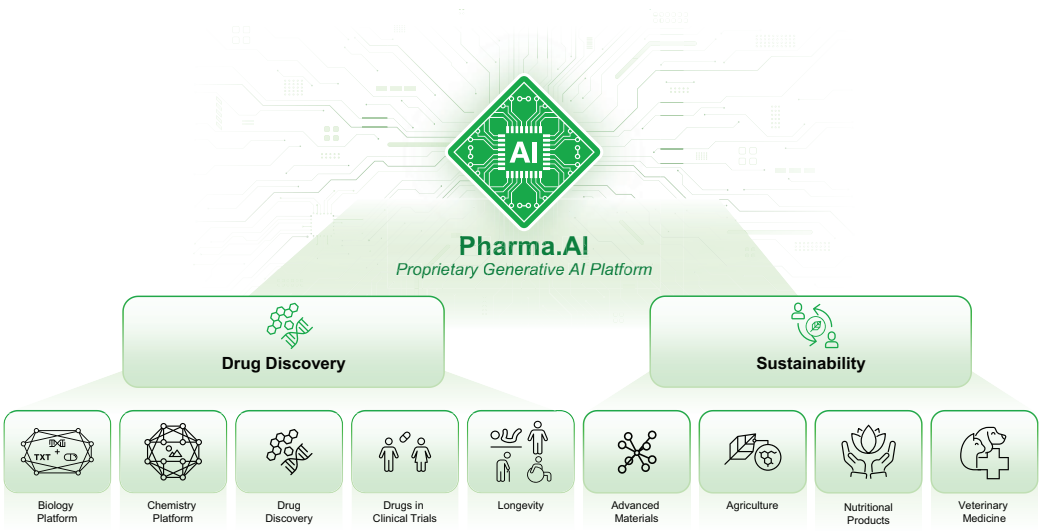
OVERVIEW

Founded in 2014, we are a reputable and global AI-driven drug discovery and development company. As of the Latest Practicable Date, we have generated more than 20 clinical or IND-enabling stage assets using Pharma.AI, our proprietary generative AI platform, with three of these assets out-licensed to international pharmaceutical and healthcare companies with the maximum total contract value of up to US$2.1 billion, including a total upfront payment of up to US$110.0 million and milestone payment of up to US$1.9 billion and one Phase II asset under self development, which has progressed to a comparatively more advanced stage among peer companies.

We operate under a project-based business model, deriving revenue primarily from out-licensing and collaboration arrangements, with no guarantee or clear visibility on future revenue generation. Under our drug discovery & pipeline development segment, we (i) self-develop drug candidates, (ii) co-develop and partially retain certain IP rights for out-licensed drugs, and (iii) collaborate with other pharmaceutical companies without retaining any IP rights.

Our unique dual-engine business model, combining a generative AI platform with deep in-house drug discovery capabilities, enables continuous reinforcement learning that strengthens Pharma.AI and drives scientific innovation. Leveraging Pharma.AI, on average, our drug candidates progress from target discovery to pre-clinical candidate (PCC)[(1)] confirmation within 12-18 months, significantly shorter than the average of 4.5 years required by traditional methods. We are also extending the reach of Pharma.AI across diverse industries, such as advanced materials, agriculture, nutritional products, and veterinary medicine.

(1) PCC refers to the point at which a molecule has completed target validation, hit identification, lead generation, and lead optimization, and is selected as the optimized drug candidate to advance into IND-enabling studies based on a comprehensive assessment of potency, selectivity, pharmacokinetics, safety margins, and developability. Because PCC is an industry-standard milestone that captures the full discovery and optimization phase directly influenced by our AI-driven design process, the time required to reach PCC is a widely accepted benchmark for measuring discovery efficiency.



PHARMA.AI PLATFORM

Pharma.AI is a AI-powered drug discovery and development platform offering end-to-end services — from new target identification to small molecule generation and clinical outcome prediction. Pharma.AI consisting of Biology42, Chemistry42, Medicine42, and Science42, designed to operate across the entire drug discovery and development continuum. Pharma.AI enables the identification of new drug targets, the *de novo* design of molecules against both new and established targets, and the optimization of clinical development of drug candidates. Specifically, our generative AI-driven approach has enabled the identification of a potential target that modulates multiple fibrotic pathways, leading to the development of a new small molecule candidate with the potential to become a clinically differentiated therapy.

Biology42

- **PandaOmics** — Discover and Prioritize New Targets
- **Generative Biologics** — Discover and Optimize New Biomolecules
- **Life Star 2** — Automated Lab Operating Environment

Large Language of Life Models (LLLMs)

- **Precious1GPT** — Multiomics Age Prediction & Target ID
- **Precious2GPT** — Multimodal Multiomics Biological Data Synthesis
- **Precious3GPT** — Multi-Tissue Multispecies Multiomics Multimodal Life Model

Chemistry42

- **Generative Chemistry** — Generate New Molecules
- **Alchemistry** — Physics-based Relative Binding Free Energy Engine
- **ADMET Profiling** — On-the-fly Optimization
- **Golden Cubes** — Kinase Selectivity
- **Retrosynthesis** — Predict synthetic Routes for Molecular Structures
- **Model Training** — Train a State-of-the-art Model on the Data
- **Nach01** — Multimodal Natural & Chemical Languages Foundation Model

Medicine42

- **inClinico** — Design and Predict Clinical Trials

Science42

- **DORA** — Multi-agent Generative Research Assistant

LLM Assistant

- **Copilot** — Generative Conversational Agent
- **Environmental Sustainability** — Generative AI Technologies for Environmental Sustainability
- **Data Warehouse** — Seamless Cross-application Data Flow via Efficient Integration & Standardization

OUR BUSINESS MODEL

Our business model consists of drug discovery and pipeline development, software solutions and other discovery related to non-pharma sectors. The following table sets forth a breakdown of our revenue in absolute amount and as a percentage of our total revenue for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
							(unaudited)			
	(in thousands, except for percentages)									
Drug discovery and pipeline development	28,648	95.0	47,818	93.4	79,733	92.9	56,849	95.2	23,909	87.1
Software solution	1,499	5.0	3,362	6.6	3,970	4.6	1,685	2.8	2,018	7.3
Other discovery[(1)]	–	–	–	–	2,131	2.5	1,155	2.0	1,529	5.6
Total	**30,147**	**100.0**	**51,180**	**100.0**	**85,834**	**100.0**	**59,689**	**100.0**	**27,456**	**100.0**

Note:

(1) Revenues from discovery other than pharmaceuticals, which were not material in prior years and therefore disclosed in combination with drug discovery, are now disclosed separately from 2024.

Our future success will substantially depend on the success of our pipeline drug development, which includes research and development, and subsequent commercialization upon receipt of marketing authorization of our in-house developed pipeline drug candidates, as well as the out-licensing of certain pipeline drug candidates in which we retain exclusive ownership of relevant intellectual property rights. Under drug discovery, we utilize our Pharma.AI to discover new targets associated with diseases, and/or identify and further research and develop drug candidates for which we collaborate with third parties and thus do not have exclusive ownership of relevant intellectual property rights.

Pipeline Development and Drug Discovery

Model	Ownership of IP Rights	Revenue Generation
Self-development	The Group	Drug commercialization
Co-Development	The Group and/or Partner	Upfront payment, milestone payments, cost sharing, royalties
Out-licensing	The Group	Upfront payment, milestone payments, royalties

While primarily focused on the pharmaceutical industry, our generative AI platform has broad potential applications, such as advanced materials and agriculture. Under software solutions, we grant our customers access to our Pharma.AI platform. We enter into subscription agreements with our customers and collect subscription fees for access to Pharma.AI. To tailor customers' needs, we also grant rights to use the Chemistry42 and PandaOmics software installed on the customer's private cloud infrastructure.

PIPELINE DRUG DEVELOPMENT

As of the Latest Practicable Date, none of our drug candidates had been commercialized. During the Track Record Period, revenue generated from our pipeline drug development business mainly included the revenue generated from the out-licensing of three of our drug candidates. We are entitled to receive license fees in the form of upfront payments, milestone payments and royalties, among others, in connection with our pipeline drug development business. The following chart summarizes the development status of selected drug candidates as of the Latest Practicable Date.

Program	Target	Mechanism	Indication	Stage of Development[1][2]	Upcoming Milestone	Partners
ISM001-055[7] (Rentosertib)	**TNIK**	EMT, FMT, fibroblast macrophage activation	Idiopathic Pulmonary Fibrosis	China (NMPA)[8]; US (FDA)[8]; China Phase IIa Completed	China Phase IIb/III initiation: 2026H1	
			Kidney Fibrosis		IND submission: 2026H1	
			IPF (Inhalable)		IND submission: 2026H1	
ISM5411	**PHD1/2**	Epithelial integrity & anti-inflammation	Inflammatory Bowel Disease	China (NMPA)[8]; China & Australia[9] Phase I Completed	China Phase IIa completion: 2027	
ISM3091	**USP1**	Synthetic lethality	BRCA-mutant Cancer	US (FDA)[8]	Phase I ongoing[10]	EXELIXIS
ISM8207	**QPCTL**	Immune modulation	Immuno-Oncology	China (NMPA)[8]	Phase I completion: 2027	FOSUN PHARMA 复星医药
ISM5043	**KAT6**	Epigenetics	ER+/HER2- Breast Cancer	US (FDA)[8]	Phase I ongoing[10]	MENARINI group
ISM3412	**MAT2A**	Synthetic lethality	MTAP$^{-/-}$ Cancer	US (FDA) & China (NMPA)[8][11]	Phase I completion: 2027	
ISM6331	**TEAD**	Cell proliferation and survival	Solid Tumors	US (FDA) & China (NMPA)[8][11]	Phase I completion: 2027	
ISM5939	**ENPP1**	Inhibition of ENPP1 - mediated cGAMP degradation	Solid Tumors	US (FDA)[8]	Planning for clinical trial	
Undisclosed	**Undisclosed**	Tumor cell proliferation	Solid Tumors	US (FDA)[8]	Planning for clinical trial[10]	MENARINI group
ISM8969	**NLRP3**	Sterile inflammation	Metabolic Diseases; Inflammatory and Autoimmune Diseases; Parkinson's Diseases, etc.		Phase I initiation: 2026H1	
Undisclosed	**NR3C1**	Selective glucocorticoid receptor antagonist	Cushing Syndrome and Other Metabolic Diseases; Oncology		IND submission: 2026H2	
Undisclosed	**GLP-1R**	Long half-life agonist for once-weekly administration	Metabolic Diseases		IND submission: 2026H1	
Undisclosed	**Undisclosed**	Kinase inhibition	Non-opioid Pain Management		PCC nomination: 2026Q1	
Undisclosed	**Pan-KRAS**	Tumor cell proliferation	Solid Tumors with KRAS Aberrations		PCC nomination: Dec 2025	
Undisclosed	**CDK4**	Cell cycle	HR+/HER2- Breast Cancer		PCC nomination: Dec 2025	
Undisclosed	**Nav1.8**	Highly selective Nav1.8 inhibitor	Acute Pain and Chronic Pain		PCC nomination: Dec 2025	
ISM4529	**CBLB**	Immune modulation	Immuno-Oncology		IND submission: 2026H2	

Stage of Development[1][2]: Pre-Clinical Stage (Target Identification[3], Target-to-hit[4], Hit-to-lead[5], Lead Optimization[6], IND-enabling); Clinical Stage (Phase 1, Phase 2, Pivot / Phase 3)

Fibrosis · Oncology · Immunology · Others

Notes:

1. All programs are designed for oral administration unless otherwise indicated
2. All pipeline is entirely the product of internal generation, and no targets or compounds in-licensed from pharmaceutical companies
3. Target Identification: The process of identifying and validating a biological target (e.g., protein, RNA) that plays a key role in a disease pathway. The target must be capable of binding to a drug molecule to modulate its activity
4. Target-to-hit: Screening molecules that show measurable activity against the target (e.g., binding affinity), these compounds are called "hits"
5. Hit-to-lead: Optimizing "hits" to improve their potency, selectivity, and pharmacokinetic properties, yielding "lead" compounds
6. Lead Optimization: Further refining "leads" to select a clinical candidate with optimal efficacy, safety, and manufacturability
7. FDA granted ISM001-055 the orphan drug designation for its IPF indication
8. Regulatory authorities with IND submitted
9. We initiated a Phase I clinical trial in Australia in October 2023 and completed the CSR finalization in December 2024
10. Out-licensed drug candidates' clinical progress is subject to partners' development plan
11. Global multi-regional clinical trial (MRCT)

Out-License of ISM3091 to Exelixis

In September 2023, we entered into an Exclusive License Agreement with Exelixis, Inc. (Nasdaq: EXEL) ("**Exelixis**"). Under the Exelixis Agreement, we have granted Exelixis an exclusive, royalty-bearing, sublicensable license to conduct research and development, manufacturing and commercialization of (i) ISM3091 and any other USP1-targeting compounds controlled by us (the "**Licensed Exelixis Compounds**") and (ii) any pharmaceutical drug products containing one of the Licensed Exelixis Compounds as an active ingredient in any form and for any mode of administration (the "**Licensed Exelixis Products**") for any use worldwide. Exelixis is an oncology company innovating next-generation medicines and regimens at the forefront of cancer care. Exelixis is an Independent Third Party to us.

Exelixis will be responsible for subsequent development, manufacturing of ISM3091 and future commercialization activities. Exelixis must use commercially reasonable efforts to obtain regulatory approval for, and commercialize at least one product for which regulatory approval is obtained, in each of (i) the U.S., (ii) the UK or one major EU market, and (iii) Japan or China.

In consideration of the licenses and rights granted to Exelixis, Exelixis paid us a non-refundable upfront payment of US$80.0 million in September 2023, and will pay us (i) development milestone payments of up to US$100.0 million; (ii) commercial milestone payments of up to US$775.0 million upon the achievement of certain thresholds of aggregate annual net sales of the Licensed Exelixis Products worldwide; and (iii) tiered royalty payments calculated as a percentage ranging from mid-single digits to low teens of annual net sales of

the Licensed Exelixis Products worldwide. In November 2024, we received the first US$10.0 million milestone payment under the Exelixis agreement. In 2023, 2024 and the six months ended June 30, 2025, the amount of revenue recognized by the Group in relation to the Exelixis Agreement was US$39.0 million, US$52.0 million and nil, respectively.

For more details, see "Business — Pipeline Drug Development — ISM3091: A Small Molecule Inhibitor of USP1 as a Potential Treatment of Tumors with Homologous Recombination DNA Repair Deficiency — Licenses, Rights and Obligations."

Out-License of ISM5043 to Stemline

In December 2023, we entered into an Exclusive License Agreement (the "**Stemline KAT6 Agreement**") with Stemline Therapeutics Inc. ("**Stemline**"), a commercial-stage biopharmaceutical company and a wholly-owned subsidiary of the Menarini Group, to grant to Stemline a worldwide, royalty-bearing, exclusive license, with the right to grant sublicenses, to research, develop and commercialize ISM5043, the small molecule KAT6 inhibitor (the "**Licensed Stemline Compound**") and any other products incorporating ISM5043 (the "**Licensed Stemline Product**"). Stemline will have the right to grant sublicenses to its affiliates and third parties. Stemline is an Independent Third Party to us.

Under the Stemline KAT6 Agreement, Stemline and we intend to collaborate on development of the Licensed Stemline Compound or Licensed Stemline Product, pursuant to a written research and development plan. We will be responsible for certain development activities related to chemistry, manufacturing and controls, toxicology and preclinical studies and providing regulatory and clinical support. Stemline will reimburse us for half of the costs directly incurred in connection with the performance of our development activities set forth in the research and development plan, up to a specified maximum total documented costs and up to a specified reimbursement sum. Stemline will have the sole right and responsibility for all other activities relating to the development and commercialization of each Licensed Stemline Product worldwide.

Under the Stemline KAT6 Agreement, Stemline has agreed to make various payments to us, including but not limited to an upfront payment, development and regulatory milestone payments, sales milestone payments and royalty payments, we are entitled to receive (i) US$12.0 million in upfront payment; (ii) up to US$150.0 million in development and regulatory milestone payments for milestones; (iii) up to US$344.0 million in sales milestones based on the achievement of specific preset annual net sales thresholds globally; and (iv) royalty payment, based on rate ranging from a mid-single digit percentage to a low double-digit percentage.

As of the Latest Practicable Date, we have received US$12.0 million in upfront payment. In 2024 and the six months ended June 30, 2025, the amount of revenue recognized by the Group in relation to the Stemline KAT6 Agreement was US$19.6 million and nil, respectively.

For more details, see "Business — Pipeline Drug Development — ISM5043: A Small Molecule KAT6 Inhibitor as a Potential Treatment of ER+/HER2- Breast Cancer — Licenses, Rights and Obligations."

Out-License of An Undisclosed Drug Candidate to Stemline

In December 2024, we granted Stemline an exclusive global license to develop and commercialize an AI-based pre-clinical asset targeting a broad range of solid tumor cancers. Under the terms of the agreement, Stemline will provide a US$20 million upfront payment to us. The combined value of the deal, including all development, regulatory, and commercial milestones, is over US$550 million, followed by tiered royalties. In 2024 and the six months ended June 30, 2025, the amount of revenue recognized by the Group in relation to the Stemline Agreement was US$5.0 million and US$18.2 million, respectively.

Selected Clinical Stage Candidates

ISM001-055 (Rentosertib) is a selective small molecule inhibitor of TNIK with high affinity as a potential treatment of idiopathic pulmonary fibrosis ("IPF"), which is a fatal lung disease characterized by distorted lung architecture and progressive loss of respiratory function. The results of the Phase I clinical trials in New Zealand and in China demonstrated good safety, tolerability and PK profile of ISM001-055 in healthy volunteers. In August 2024, we completed the Phase IIa clinical trial in China, and the top-line data were released in October 2024. After successfully completing the Phase IIa study in China, we intend to initiate Phase IIb/III study in China for ISM001-055 for the IPF indication in the first half of 2026. Furthermore, ISM001-055 received the orphan drug designation from the FDA in February 2023. We received the IND approval from the FDA for the Phase IIa trial in the U.S. in June 2023. The first patient for the Phase IIa trial in the U.S. was randomized and dosed in February 2024. In addition, we expect to file an IND application for the treatment of kidney fibrosis in the first half of 2026 and another IND application for inhalable ISM001-055 for the treatment of IPF in the first half of 2026. In May 2025, ISM001-055 received the breakthrough therapy designation from the CDE for the treatment of IPF.

In addition to ISM001-055, we have several other clinical-stage candidates advancing across oncology, fibrosis, and immunology. For details, see "Business — Pipeline Drug Development" for our selected pipeline drug candidates.

DRUG DISCOVERY

We generate revenues from our drug discovery business. Under drug discovery and collaboration arrangements, we utilize our Pharma.AI to discover new targets associated with diseases, and/or identify and further research and develop drug candidates for which we collaborate with third parties and thus do not have exclusive ownership of relevant intellectual property rights. We receive fees in the form of upfront payments, milestone payments, royalties and contingent payments, among others, in connection with our drug discovery business.

In 2022, 2023, 2024 and the six months ended June 30, 2025, we collaborated with 40, 48, 55 and 61 customers for drug discovery, respectively. The following sets forth details of two major drug discovery projects and collaboration arrangements during the Track Record Period and as of the Latest Practicable Date.

Collaboration with Fosun

In November 2021, we entered into a Drug Discovery and Development Collaboration Agreement (the "**Fosun Agreement**") with Fosun. We will provide certain drug discovery and development business for up to four discovery programs (the "**Discovery Programs**") to discover and identify small molecule chemical entities directed at certain targets selected by Fosun and approved by us. We also agreed to work with Fosun on the discovery and development of ISM8207 (the "**QPCTL Project**"), through the completion of Phase I trial, for which we are to take the leading and sponsor role. The R&D costs of the QPCTL Project will be shared equally (50-50) by Fosun and us through the Phase I clinical trials. The roles and responsibilities of each party for clinical trials beyond Phase I, including our involvement in the QPCTL Project and cost sharing terms, will be set forth in a separate written agreement to be negotiated in good faith by each party.

For the QPCTL Project, Fosun has exercised its PCC election option and we have obtained IND approval for Phase I clinical trial in China.

In consideration of the rights granted and obligations undertaken by us under the Fosun Agreement with respect to the Discovery Programs, Fosun will pay us (a) a project initiation fee in the amount of US$3.0 million for the initial batch of up to two Discovery Programs that Fosun selects and (b) a project initiation fee in the amount of US$1.5 million for each of the other batch of up to two Discovery Programs that Fosun selects. For each target for which Fosun has exercised its PCC election option to assume responsibilities for the Discovery Program and paid us the PCC election option exercise fee of US$1.5 million, we are entitled to receive an aggregated amount of US$3.0 million in milestone payment on a Discovery Program-by-Discovery Program basis.

With respect to the QPCTL Project, Fosun has made an upfront payment of US$7.0 million to us in January 2022. Following Fosun's exercise of the PCC election option with respect to the QPCTL Project and two payments of the associated US$1.5 million PCC election option exercise fee in May 2023 and September 2023, we are entitled to receive an aggregated amount of US$48.0 million of milestone payment. The milestone events include the acceptance of the first IND application filing by the applicable regulatory authority. Fosun and we will equally share (50-50) all R&D costs associated with the performance of the QPCTL Project research plan through the completion of Phase I trials, as well as equally share (50-50) all profits and losses of the QPCTL Project.

In 2022, 2023, 2024 and the six months ended June 30, 2025, the amount of revenue recognized by the Group in relation to the Fosun Agreement was US$17.1 million, US$3.4 million, US$1.9 million and US$1.9 million, respectively.

As of the Latest Practicable Date, four Discovery Programs have been initiated according to their respective research plans. For QPCTL Project, we filed an IND application with the NMPA in China in April 2023. We received the Phase I IND approval from the NMPA in July 2023 and initiated a Phase I clinical trial in April 2024. For more details, see "Business — Drug Discovery — Collaboration with Fosun."

Collaboration with Sanofi

In October 2022, we entered into a Collaboration and License Agreement (the "**Sanofi Agreement**") with Genzyme Corporation, a wholly-owned subsidiary of Sanofi S.A., a French multinational pharmaceutical and healthcare company listed in both Euronext Paris and Nasdaq stock markets ("**Sanofi**").

Under the Sanofi Agreement, we will collaborate with Sanofi to carry out target-based research programs leveraging our technology to accelerate the identification of development candidates for up to six collaboration targets, including conducting research activities in accordance with the research plan for each collaboration target. Targets proposed by Sanofi are not subject to direct approval by us as doing so would require the disclosure of prospective target identity information that are commercially sensitive. However, the Sanofi Agreement allows us to exclude from the collaboration program a list of targets (i) from our existing or potential internal pipelines, including those involving IPF and fibrosis-related research efforts, (ii) subject to collaboration with existing third-party collaborators, or (iii) for AI platform demonstration purposes. Therefore, the collaboration with Sanofi will not directly compete with our existing R&D efforts.

We will provide written reports and supporting data and information to Sanofi that meet pre-specified criteria relating to the collaboration targets. Sanofi will have the right to perform, at Sanofi's cost, chemistry, manufacturing and control activities and, other research activities under the research plan, and will notify us regarding whether Sanofi elects to designate any research compound to be progressed to clinical drug development activities. Sanofi will have the exclusive right to control all clinical drug development activities and any regulatory matters, including any filings, correspondence and communication of regulatory materials with regulatory authorities, and have the exclusive right and control over the commercialization of the compounds.

Under the Sanofi Agreement, Sanofi has agreed to make various payments to us, including but not limited to, an upfront payment, milestone payments and royalty payments. We received from Sanofi a total upfront payment of US$12.5 million, which covers three identified collaboration targets. If Sanofi designates three additional collaboration targets, out of a maximum of six collaboration targets stipulated in the Sanofi Agreement, we are entitled to receive an additional US$9.0 million in upfront payment. With respect to each collaboration target, we are entitled to a maximum aggregate of US$200.5 million of milestone payments. In 2022, 2023, 2024 and the six months ended June 30, 2025, the amount of revenue recognized by the Group in relation to the Sanofi Agreement was US$8.3 million, US$4.2 million, US$0.3 million and US$0.5 million, respectively.

For more details, see "Business — Drug Discovery — Collaboration with Sanofi."

SOFTWARE SOLUTION

We generate revenue by granting our customers access to components of our Pharma.AI, namely Biology42, Chemistry42, Medicine42 and Science42. We enter into subscription agreements with our customers and collect subscription fees under two models: (i) on as-required basis for the hosted software access subscription, and (ii) on on-premise basis for software installation subscription. Our pricing policies are determined based on cost and market positioning. We set the price taking into account certain factors, such as the number of subscription accounts, the number of sites for installment, as well as the nature of the customer (whether it is a not-for-profit organization such as an institution or university, or a for-profit organization).

Under the hosted software arrangements, each of the Pharma.AI components are licensed out on an as-required basis. We charge subscription fees from providing our customers with access to our Pharma.AI. The subscription agreement is typically a one-year term, with fees collected upfront. Subscription fees vary depending on the Pharma.AI components ordered, the account number and the subscription period. Currently, the maximum one-year subscription fee for hosted software is US$200,000. Under the on-premise software arrangements, we grant customers the right to use our Chemistry42 and PandaOmics on the private cloud infrastructure specified and controlled by the customer, typically for a one-year renewable term. The installation fees are of one-off nature included in the first year's subscription fee. Currently, the maximum one-year subscription fee for on-premise software is US$525,000.

OTHER DISCOVERY

Our expertise in generative AI has fostered transformative collaborations across various industries, where we leverage our deep knowledge in biology and chemistry to drive innovation and sustainability. After extensive R&D, we expanded the application of Pharma.AI into non-pharmaceutical industries. Under these collaborations, clients provide specific business challenges and industry data. Leveraging our expertise in generative AI technologies, algorithms are developed and models trained, with outputs validated in real-world settings. This approach enables clients to design novel molecular structures or products tailored to their needs. Under the discovery and collaboration arrangement, we receive fees in the form of upfront payments, research period regular payment, milestone payments, cost reimbursement and royalties, among others, in connection with our other discovery business. In 2022, 2023, 2024 and the six months ended June 30, 2025, we collaborated with 2, 3, 4 and 5 customers for other discovery, respectively.

OUR STRENGTHS

- Proven end-to-end generative AI-driven platform designed to integrate biologics, chemistry and clinical development
- Generative AI platform validated by rapidly bringing multiple drug candidates to IND enabling and clinical stage
- Business development expertise has led to multiple out-licensing collaborations
- A global organization focused on technological innovation and R&D execution
- Business model built on scalable AI technology and drug discovery for long-term growth with generative AI innovations for next-generation platforms in non-pharma space

OUR STRATEGIES

- Invest in the continuous innovation of our Pharma.AI platform
- Advance our pipeline in a focused and disciplined manner
- Continue to develop and execute strategic collaborations to maximize the application and commercial opportunity of our Pharma.AI platform
- Continue to attract, nurture and retain skilled talent

RESEARCH AND DEVELOPMENT

As of the Latest Practicable Date, we have established a research and development team of 249 experienced scientists with more than 87% of them having obtained a master or doctorate degree. Among them, 113 are dedicated to our AI drug discovery programs, while the remaining 136 focus on pipeline development. Most of our core R&D team members, team leaders and project leaders are from leading universities and research institutes globally, such as Harvard University and Peking University. They have on average seven years of experience in the drug discovery field, including working experiences at global renowned pharmaceutical companies such as GSK, Eli Lilly, Novartis, Roche, Johnson & Johnson and Amgen.

Our drug discovery and development team is led by Dr. Feng Ren (our CEO and CSO), Dr. Man Zhang (Head of Biology), and Dr. Xiao Ding (Head of Chemistry). Dr. Feng Ren is a pharmaceutical industry veteran, and he guides our R&D strategy and operational oversight and execution of our growing R&D organization. Dr. Man Zhang has over 18 years of experience in drug discovery and translational research across oncology, infectious diseases, liver fibrosis and autoimmune diseases, et al. Dr. Xiao Ding has more than 10 years of

experience in medicinal chemistry, leading small molecule discovery programs from early research through preclinical development. The drug discovery and development team has nominated more than 20 preclinical candidate compounds, ten of which have received IND clearance.

Our clinical development team is led by Dr. Feng Ren, our CEO and CSO. As of the Latest Practicable Date, our clinical development team consisted of 20 employees with over ten years of working experience on average in trial design, trial execution and trial development. Among those 20 employees, 16 hold master's or doctoral degrees. Our clinical development team's responsibilities include implementation of our clinical development strategy, the design of clinical development plans, the establishment of quality assurance and control systems, the execution of clinical trial operations, the performance of data analysis and programming and the procurement of clinical supplies.

INTELLECTUAL PROPERTY RIGHTS

As of the Latest Practicable Date, we held 787 patents and patent applications. We conduct our business under the brand name "InSilico Medicine" and "英矽智能." As of the Latest Practicable Date, we held 122 trademarks and trademark applications and 20 registered software copyrights. We are also the registered owner of 63 domain names. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any proceedings in respect of, and we had not received notice of any claims of infringement of, any intellectual property rights that may be threatened or pending, in which we may be a claimant or a respondent.

BUSINESS DEVELOPMENT AND COMMERCIALIZATION

To support our long-term business strategy and to realize the potential of our assets besides self-developing and commercializing the pipeline products, our corporate and business development group takes a comprehensive approach to continuously assess partnering opportunities with various global and regional stakeholders in the biopharmaceutical and biotech industry. The business development team is composed of seasoned professionals with deep experience in both business and R&D from leading global pharmaceutical and biotech companies. They focus on asset out-licensing and forming strategic partnerships in drug discovery which are major value drivers for the company. Our software licensing business involves the licensing out of our Pharma.AI platform as software tools. The breadth of our AI platforms, while focused on the biopharma industry, has broader appeal. We have invested substantially to create a rich drug discovery and development pipeline targeting areas spanning oncology, immunology, fibrosis and other therapeutic areas. Our typical pipeline product advances from discovery stage to the preclinical stage within 12-18 months based on our practice, which is considerably faster than the industry average of 4.5 years from discovery stage to preclinical stage using traditional methods, according to Frost & Sullivan analysis based on statistics on time frame for drug development provided by global leading CROs. As more of our pipeline assets became mature, our asset offering is becoming increasingly attractive to pharmaceutical companies for licensing and commercialization.

We take a strategic and data-driven approach when determining whether to pursue self-development, out-licensing, or co-development for our pipeline drug candidates. Our default position is to self-develop programs that align with our long-term strategy, which is to maintain and continuously optimize our proprietary end-to-end generative AI platform while focusing on high-novelty therapeutic areas with limited competition. We prioritize self-development in areas where we hold a distinct technological or scientific advantage, meaning our platforms and expertise allow us to address previously intractable targets or to design drug candidates with high novelty and differentiation. Our decisions are grounded in systematic evaluations that consider technical barriers, market potential, R&D costs, and internal capabilities. When a candidate meets our strategic priorities and we are confident in overcoming associated scientific and clinical challenges using our proprietary AI platforms and R&D expertise, we typically retain full control through in-house development from discovery through clinical stages.

For programs that reach pre-clinical or early clinical stages and generate sufficient data to validate their scientific rationale and market potential (i.e., robust biological and mechanistic support together with evidence of clinical relevance, patient need, and commercial viability), we may consider out-licensing to partners who have the resources and commercial infrastructure to accelerate development and maximize market reach. We conduct rigorous due diligence on potential partners, prioritizing those with proven development capabilities and strong commercial channels. In situations where external parties approach us with clear needs — for example, where they lack sufficient internal resources or face high project complexity — we may opt for a co-development model. In these cases, we take the lead in R&D execution while the partner provides funding support, and both parties share in the risks and commercial upside.

For more details, see "Business — Business Development and Commercialization."

CUSTOMERS

During the Track Record Period, our major customers are pharmaceutical/biotech companies. The total revenue generated from our five largest customers amounted to US$27.3 million, US$48.2 million, US$81.0 million and US$23.7 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively. Our five largest customers in each year/period during the Track Record Period accounted for 90.6%, 94.1%, 94.4% and 86.2% of our total revenues, respectively. Our largest customer accounted for 56.6%, 76.2%, 60.6% and 66.3% of our total revenues in each year/period during the Track Record Period, respectively. We normally grant a credit term of 10 business days to 60 days to our customers. None of our five largest customers in each year/period during the Track Record Period is a supplier to us.

To the best of our knowledge, all of our five largest customers in each year/period during the Track Record Period are Independent Third Parties. None of our Directors, their respective associates or, to the best of our knowledge, any shareholder who owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our five largest customers in each year/period during the Track Record Period.

SUPPLIERS

During the Track Record Period, our purchases mainly included third-party contracting services for preclinical evaluation and clinical trials of our drug candidates, reagents and consumables, machines and equipment and professional service. The purchases (including assets and services) from our five largest suppliers in each year/period during the Track Record Period in aggregate amounted to US$42.6 million, US$39.0 million, US$36.4 million and US$12.2 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, accounted for 49.5%, 43.0%, 48.3% and 37.4% of our total purchases. Our largest supplier in each year/period during the Track Record Period in aggregate accounted for 24.0%, 17.2%, 16.9% and 15.1% of our total purchases (including value-added tax), respectively.

To the best of our knowledge, all of our five largest suppliers in each year/period during the Track Record Period were Independent Third Parties. None of our Directors, their respective associates or any shareholder who, to the knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our five largest suppliers in each year/period during the Track Record Period.

OUR PRE-IPO INVESTORS

Since the establishment of our Group, we have entered into several rounds of financing agreements with our Pre-IPO Investors. See "History, Reorganization and Corporate Structure — Pre-IPO Investments — Information about the Pre-IPO Investors" for further details on the identity and background of our Pre-IPO Investors.

SUMMARY OF KEY FINANCIAL INFORMATION

The following table sets forth our consolidated statements of profit or loss and other comprehensive income with line items in absolute amounts for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	US$	*US$*	*US$*	*US$*	*US$*
				(unaudited)	
			(in thousands)		
Revenue	30,147	51,180	85,834	59,689	27,456
Cost of revenue	(11,037)	(12,611)	(8,257)	(3,883)	(4,437)
Gross profit	19,110	38,569	77,577	55,806	23,019
Selling and marketing expenses	(5,375)	(7,774)	(5,532)	(2,217)	(2,633)
Research and development expenses	(78,175)	(97,341)	(91,895)	(45,610)	(35,571)
Administrative expenses	(15,442)	(17,344)	(17,487)	(5,325)	(7,007)
Listing expenses	–	(7,355)	(176)	(102)	(2,073)
Other income	275	5,437	10,633	5,930	4,403
Other gains and losses, net	(3,775)	319	1,025	881	1,218
Finance costs	(99)	(94)	(91)	(34)	(97)
(Loss) gain from changes in fair value of financial liabilities at FVTPL	(138,100)	(126,133)	9,004	(1,122)	(266)
Impairment losses under expected credit loss ("ECL") model, net of reversal	(234)	160	7	(125)	(167)
Loss before tax	**(221,815)**	**(211,556)**	**(16,935)**	**8,082**	**(19,174)**
Income tax expense	(13)	(84)	(161)	(52)	(41)
(Loss) profit for the year/period	**(221,828)**	**(211,640)**	**(17,096)**	**8,030**	**(19,215)**
Other comprehensive income (expense)	794	228	(333)	(155)	292
Total comprehensive expenses for the year/period	**(221,034)**	**(211,412)**	**(17,429)**	**7,875**	**(18,923)**

Non-IFRS Measure

We adopt the adjusted net (loss)/profit for the year/period (non-IFRS measure), which is not required by or presented in accordance with IFRS as an additional financial measure to supplement our consolidated financial statements. We believe that the non-IFRS measure facilitates comparisons of operating performance from period to period and company to company. We believe that the non-IFRS measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management.

We recorded adjusted loss (non-IFRS measure) of US$70.8 million for 2022, US$67.4 million for 2023, US$22.7 million for 2024 and US$15.4 million for the six months ended June 30, 2025, while we recorded adjusted profit (non-IFRS measure) of US$10.9 million for the six months ended June 30, 2024. We define adjusted (loss)/profit (non-IFRS measure) as (loss)/profit for the year adjusted by adding back loss/gain from changes in fair value of financial liabilities at FVTPL, share-based compensation expenses and listing expenses. The following table reconciles our adjusted (loss)/profit (non-IFRS measure) for the periods presented in accordance with IFRSs, which is (loss)/profit for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	US$	*US$*	*US$*	*US$*	*US$*
				(unaudited)	
			(in thousands)		
(Loss)/profit for the year/period	(221,828)	(211,640)	(17,096)	8,030	(19,215)
Add:					
Loss/(gain) from changes in fair value of financial liabilities at FVTPL	138,100	126,133	(9,004)	1,122	266
Share-based compensation expenses	12,924	10,791	3,259	1,601	1,467
Listing expenses	–	7,355	176	102	2,073
Adjusted (loss)/profit (non-IFRS measure)	**(70,804)**	**(67,361)**	**(22,665)**	**10,855**	**(15,409)**

Loss/(gain) from changes in fair value of financial liabilities at FVTPL represent the fair value changes of convertible redeemable preferred shares we issued. The convertible redeemable preferred shares will automatically convert into ordinary shares upon the completion of the Global Offering, and no further loss or gain on fair value changes is expected to be recognized afterwards. Our share-based compensation expenses represent expenses associated with equity compensation to retain and reward persons performing services to us, which are non-cash in nature. Listing expenses relates to this Global Offering of the Company. We therefore believe that these items should be adjusted for when calculating our adjusted net (loss)/profit (non-IFRS measure). We have made the adjustments consistently during the Track Record Period. However, our presentation of such non-IFRS measure may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS.

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

During the Track Record Period, we generated revenue from drug discovery and pipeline development, software solution and other discovery. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, the majority of our revenue were generated from drug discovery and pipeline development, accounted for 95.0%, 93.4%, 92.9%, 95.2% and 87.1%, respectively. As of the Latest Practicable Date, we had no commercialized product and thus did not generate any revenue therefrom.

During the Track Record Period, our cost of revenue mainly consisted of third-party contracting costs and labor costs in relation to drug discovery and pipeline development business. The pipeline drug development and drug discovery businesses are both performed by our research and development specialists. We recorded cost of revenue of US$11.0 million, US$12.6 million, US$8.3 million, US$3.9 million and US$4.4 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, and will continue to record cost of revenue going forward. Third-party contracting costs include fees paid to CROs pursuant to services agreements we have entered into with them. For details on our CRO services agreements and fees paid thereunder, see "Business — Research and Development — Collaboration with CROs and CDMOs." Labor costs primarily include salaries, welfare and pension costs for our research and development employees.

During the Track Record Period, we recorded cost of revenue of nil for our software solutions. Our software research and development specialists spend the majority of their time on internal research and development activities and continuously upgrading and training our Pharma.AI. Therefore, these costs were included in our research and development expenses.

Our research and development expenses slightly decreased from US$97.3 million in 2023 to US$91.9 million in 2024. The decrease was primarily attributable to decreases in share-based compensation expenses and third-party contracting costs.

Our research and development expenses increased from US$78.2 million in 2022 to US$97.3 million in 2023. The increase was primarily attributable to the increase in third-party contracting costs related to CROs and CDMOs from US$53.8 million in 2022 to US$59.6 million in 2023 and the increase in labor costs from US$16.0 million in 2022 to US$27.0 million in 2023, which is in line with the expansion of our pipeline.

We had a profit of US$8.0 million for the six months ended June 30, 2024 and a loss of US$19.2 million for the same period in 2025, primarily due to (i) decreased revenue from US$59.7 million for the six months ended June 30, 2024 to US$27.5 million for the same period in 2025, and (ii) loss from changes in fair value of financial liabilities at FVTPL decreased from US$1.1 million for the six months ended in June 30, 2024 to US$0.3 million for the same period in 2025. We had a loss of US$211.6 million for 2023 and US$17.1 million for 2024, primarily due to (i) a gain of US$9.0 million from changes in the fair value of financial liabilities at FVTPL in 2024, compared to a loss of US$126.1 million in 2023, (ii)

increased revenue from US$51.2 million for 2023 to US$85.8 million for 2024, and (iii) increased other income from US$5.4 million for 2023 to US$10.6 million for 2024. We had loss for the period of US$221.8 million for 2022 and US $211.6 million for 2023, primarily due to increased revenue from US$30.1 million for 2022 to US$51.2 million for 2023.

For more details, see "Financial Information — Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income."

Summary of Our Consolidated Statements of Financial Position

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from the Accountants' Report set out in Appendix I to this Prospectus.

	As of December 31,			As of June 30,
	2022	**2023**	**2024**	**2025**
	US$	*US$*	*US$*	*US$*
	(in thousands)			
Total non-current assets	16,035	14,142	10,593	15,697
Total current assets	218,751	188,653	133,409	225,614
Total assets	**234,786**	**202,795**	**144,002**	**241,311**
Total current liabilities	682,488	852,027	806,867	917,907
Total non-current liabilities	1,841	926	1,058	4,768
Total liabilities	**684,329**	**852,953**	**807,925**	**922,675**
Treasury shares	(11,346)	(11,346)	(2,047)	(2,047)
Share premium and reserves	(438,197)	(638,812)	(661,876)	(679,317)
Total deficits	**(449,543)**	**(650,158)**	**(663,923)**	**(681,364)**
Net current liabilities	(463,737)	(663,374)	(673,458)	(692,293)

We had net liabilities of US$663.9 million and US$681.4 million as of December 31, 2024 and as of June 30, 2025, respectively, primarily due to loss and total other comprehensive expense for the period of US$18.9 million, partially offset by recognition of share-based compensation of US$1.5 million.

We had net liabilities of US$650.2 million and US$663.9 million as of December 31, 2023 and 2024, respectively, primarily due to loss and total other comprehensive expense for the year of US$17.4 million, partially offset by exercise of share options of US$0.4 million and recognition of share-based compensation of US$3.3 million.

We had net liabilities of US$449.5 million and US$650.2 million as of December 31, 2022 and 2023, respectively, primarily due to loss and total other comprehensive expense for the year of US$211.4 million, partially offset by recognition of share-based compensation of US$10.8 million.

We had net current liabilities of US$673.5 million as of December 31, 2024 and US$692.3 million as of June 30, 2025, respectively. The change was primarily due to an increase in financial liabilities at FVTPL from US$766.1 million as of December 31, 2024 to US$889.1 million as of June 30, 2025, partially offset by (a) an increase in bank balance and cash from US$125.9 million as of December 31, 2024 to US$212.6 million as of June 30, 2025 and (b) a decrease in trade and other payables from US$28.0 million as of December 31, 2024 to US$19.0 million as of June 30, 2025.

We had net current liabilities of US$663.4 million and US$673.5 million as of December 31, 2023 and 2024, respectively. The change was primarily due to a decrease in bank balance and cash from US$177.2 million as of December 31, 2023 to US$125.9 million as of December 31, 2024, partially offset by (a) a decrease in contact liabilities from US$42.1 million as of December 31, 2023 to US$6.9 million as of December 31, 2024 and (b) a decrease in financial liabilities of FVTPL from US$775.1 million as of December 31, 2023 to US$766.1 million as of December 31, 2024.

We had net current liabilities of US$663.4 million as of December 31, 2023, compared to net current liabilities of US$463.7 million as of December 31, 2022. The change was primarily due to (i) a decrease in bank balances and cash from US$207.9 million as of December 31, 2022 to US$177.2 million as of December 31, 2023, (ii) an increase in contract liabilities from US$5.2 million as of December 31, 2022 to US$42.1 million as of December 31, 2023, and (iii) an increase in financial liabilities at FVTPL from US$649.0 million as of December 31, 2022 to US$775.1 million as of December 31, 2023. The financial liabilities at FVTPL represents fair value change in our convertible preferred shares, which will be re-classified as equity as the convertible preferred shares will automatically convert into ordinary shares upon the completion of the Global Offering, and no further loss or gain on fair value changes is expected to be recognized and the net liabilities would turn into net assets position after the completion of the Global Offering.

For more details, see "Financial Information — Discussion of Certain Selected Items From the Consolidated Statements of Financial Position."

Summary of Our 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 six months ended June 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	US$	*US$*	*US$*	*US$*	*US$*
				(unaudited)	
			(in thousands)		
Net cash used in operating activities	(47,517)	(29,576)	(57,401)	(32,378)	(36,842)
Net cash (used in)/from investing activities	(13,580)	690	7,421	(8,429)	2,394
Net cash from/(used in) financing activities	107,148	(2,183)	(1,538)	(884)	120,387
Net increase/(decrease) in cash and cash equivalents	46,051	(31,069)	(51,518)	(41,691)	85,939
Effect of foreign exchange rate changes	291	367	279	291	249
Cash and cash equivalents	**207,883**	**177,181**	**125,942**	**135,781**	**212,130**

Our net cash used in operation activities was US$47.5 million, US$29.6 million, US$57.4 million, US$32.4 million and US$36.8 million for 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. During the Track Record Period, we incurred negative cash flows from our operations, and substantially most of our operating cash outflows have resulted from our research and development activities.

Our cash burn rate refers to the average monthly net cash used in operating activities and capital expenditures. We estimate that we will receive net proceeds of approximately HK$2,025.8 million after deducting the underwriting fees and expenses payable by us in the Global Offering, assuming no Over-allotment Option is exercised and the Offer Price of HK$24.05 per Share. We had cash and cash equivalents of US$212 million as of June 30, 2025. Assuming an average monthly cash burn consistent with the first half of 2025, without taking the IPO net proceeds into account, our cash and cash equivalents as of June 30, 2025 are estimated to support our financial viability for approximately 33 months, until March 2028. Taking into account the estimated net proceeds based on the offer price, our cash and cash equivalents will be US$472 million, the runway is estimated to extend to approximately 75 months, until September 2031, with 42 additional months, compared with that without taking the IPO net proceeds into account. We will continue to monitor our cash flows from operations closely by utilizing our existing financial resources, such as our cash on hand and utilised banking facilities and expect to raise our next round of financing, if needed, with a minimum buffer of 12 months.

PATH TO PROFITABILITY

Despite our rapid growth, we were loss-making during the Track Record Period. Our net loss was US$221.8 million, US$211.6 million, US$17.1 million and US$19.2 million for 2022, 2023, 2024 and the six months ended June 30, 2025, respectively. We recorded adjusted loss (non-IFRS measure) of US$70.8 million for 2022, US$67.4 million for 2023, US$22.7 million for 2024 and US$15.4 million for the six months ended June 30, 2025, respectively. Our revenue increased from US$30.1 million for 2022 to US$51.2 million for 2023, and further increased to US$85.8 million for 2024. Our adjusted net loss (non-IFRS measure) as a percentage of revenue significantly narrowed during the Track Record Period.

During the Track Record Period, we recorded historical losses primarily due to the following factors: (i) significant investments in R&D, as we consistently prioritized drug development and AI platform innovation; (ii) the timing of revenue recognition for pipeline licensing deals is largely impacted by deal closure and milestone achievements, which also affected profitability; and (iii) non-cash fair value changes in financial liabilities, particularly the revaluation of convertible redeemable preferred shares classified at fair value through profit or loss, which further contributed to the reported losses.

Going forward, we will seek to continue to improve profitability by implementing the following strategies:

- Capturing the market opportunities of a rapidly-growing industry
- Revenue growth from our transformative and dynamic business model
- Pursuing greater cost efficiency and enhanced expenditure management

For details, see "Business — Path to Profitability".

WORKING CAPITAL SUFFICIENCY

Taking into account anticipated cash flow from our operating activities, existing cash and cash equivalents, expected capital expenditure and capital commitment, and the estimated net proceeds from the Global Offering, and after making reasonable inquiries of our management about our working capital, our Directors are of the opinion that we have sufficient working capital for our present requirements and for at least the next 12 months from the date of this Prospectus, to which the Joint Sponsors concur.

KEY FINANCIAL RATIOS

The following table sets forth the key financial ratio of our Group as of the dates indicated:

	For/As of December 31,			For/As of June 30,
	2022	2023	2024	2025
	%	%	%	%
Gross profit margin[(1)]	63.4	75.4	90.4	83.8
Current ratio[(2)]	32.1	22.1	16.5	24.6

Notes:

(1) Gross profit margin represents our gross profit as a percentage of our revenue for the year. Gross profit represents revenue less cost of revenue for the year.

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

Our gross profit margin was 63.4%, 75.4%, 90.4% and 83.8%, respectively, for 2022, 2023, 2024 and the six months ended June 30, 2025. See "Financial Information — Period to Period Comparison of Results of Operation" for a discussion of the factors affecting our gross profit margin during the Track Record Period.

Our current ratio was 32.1%, 22.1%, 16.5% and 24.6% as of December 31, 2022, 2023, 2024 and the six months ended June 30, 2025, respectively. Our current ratio increased as of June 30, 2025 compared to that as of December 31, 2024, primarily due to an increase in bank balances and cash from US$125.9 million as of December 31, 2024 to US$212.6 million as of June 30, 2025 as a result of proceeds from the issuance of Series E convertible redeemable preferred shares. Our current ratio decreased as of December 31, 2024 compared to that as of December 31, 2023, primarily due to a decrease in bank balance and cash from US$177.2 million as of December 31, 2023 to US$125.9 million as of December 31, 2024 as a result of capital expenditures. Our current ratio decreased as of December 31, 2023 compared to that as of December 31, 2022, primarily due to an increase in financial liabilities at FVTPL as a result of an increase in entity value.

OUR SINGLE LARGEST SHAREHOLDER

Mr. Alex Zhavoronkov, Ph.D., our Company's founder, chairman of the Board, executive Director, CEO and CBO, is our single largest shareholder, directly holding approximately 9.20% and 7.64% of the voting rights attaching to the Shares of the Company as of the Latest Practicable Date and immediately following the completion of the Share Split and the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Pre-IPO Equity Incentive Plans and the Post-IPO Equity Incentive Plans) , respectively. For further details on the background of Mr. Alex Zhavoronkov, Ph.D., see the section headed "Directors and Senior Management — Executive Directors".

With effect from April 15, 2025 and as documented by proxies and powers of attorney dated May 5, 2025, each of Mr. Aleksandr Aliper, Ph.D., the President of our Company, and Mr. Ivan Ozerov and Mr. Eugene Lane (the latter two being former employees of our Company), holding 85,000, 63,000 and 55,000 Shares respectively as of the Latest Practicable Date, granted an irrevocable proxy of the voting power attached to their respective Shares in favour of Mr. Alex Zhavoronkov, Ph.D. for an effective period until the date falling two years after the Listing Date (the "**Voting Proxy Arrangement**"). The purpose of the Voting Proxy Arrangement is to affirm the proxy grantors' support and faith in the leadership and ability of Mr. Alex Zhavoronkov, Ph.D., to continue to spearhead the Company's growth and development, and enable him to further enhance his voting power in the Company. Having taken into account both the Shares held by Mr. Alex Zhavoronkov, Ph.D. and the Shares subject to the Voting Proxy Arrangement, Mr. Alex Zhavoronkov, Ph.D. was entitled to control approximately 10.08% of the voting rights of the Company as of the Latest Practicable Date and will be entitled to control approximately 8.37% of the voting rights of the Company upon the completion of the Share Split and the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Pre-IPO Equity Incentive Plans and the Post-IPO Equity Incentive Plans). Accordingly, as of the Latest Practicable Date and upon the completion of the Share Split and the Global Offering, Mr. Alex Zhavoronkov, Ph.D. is our single largest shareholder holding the most voting rights attaching to the Shares of the Company.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of the listing of, and permission to deal in, the Shares in issue (including the Ordinary Shares in issue and the Ordinary Shares to be converted from the Preferred Shares upon the Listing) and to be issued pursuant to (i) the Global Offering, including the Shares which may be issued pursuant to the exercise of the Over-allotment Option; (ii) the Shares to be issued under the Pre-IPO Equity Incentive Plans; and (iii) the Shares which may be issued under the Post-IPO Equity Incentive Plans. Our listing application is made on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to: (i) our revenue for the year ended December 31, 2024 exceeding HK$500 million; and (ii) our expected market capitalization at the time of Listing, based on the Offer Price, exceeds HK$4 billion.

GLOBAL OFFERING STATISTICS

The Global Offering by us consists of:

- the offer by us of initially 9,469,500 Hong Kong Offer Shares (subject to reallocation), for subscription by the public in Hong Kong, referred to in this prospectus as the Hong Kong Public Offering; and

- the offer by us of initially 85,221,000 International Offer Shares (subject to reallocation and the Over-allotment Option), outside the U.S. (including to professional, institutional and other investors within Hong Kong) in offshore transactions in reliance on Regulation S and in the U.S. to qualified institutional buyers in reliance on Rule 144A or another exemption from the registration requirements under the U.S. Securities Act, referred to in this Prospectus as the International Offering.

	Based on an Offer Price of HK$24.05
Market capitalization of our Shares[(1)]	HK$13,406 million
Unaudited pro forma adjusted net tangible liabilities per Share[(2)]	HK$(18.41)

Notes:

* *All statistics in this table are on the assumption that the Over-allotment Option is not exercised.*

(1) The calculation of market capitalization is based on the assumption that 557,418,500 Shares which take into account the effect of the conversion of 383,418,500 Preferred Shares (after taking into account the effect of the Share Split) in 2025, will be in issue and outstanding immediately following the completion of the Share Split and the Global Offering (assuming the Over-allotment Option is not exercised).

(2) The unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company per Share is arrived at on the basis that 174,000,000 Shares were in issue assuming that the Share Split and the Global Offering had been completed on June 30, 2025 and it does not take into account of (i) any Share which may be allotted and issued upon the exercise of the overallotment option; or (ii) any share which may be issued or repurchased by the Company under Pre-IPO Equity Incentive Plans; or (iii) allotment, issue or repurchase of shares under the general mandates granted to the directors of the Company or (iv) issue of 383,418,500 shares (after taking into account the effect of the Share Split) upon conversion of the Preferred Shares, as Preferred Shares holders are not entitled to the same rights as the ordinary shareholders. If taking into account the effect of conversion of the Preferred Shares, the total shares will be increased to 557,418,500 shares. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as at June 30, 2025 to reflect any trading result or other transaction of the Group entered into subsequent to June 30, 2025. In particular, the unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company have not been adjusted to illustrate the effect of the conversion of 19,170,925 Preferred Shares in issue as at June 30, 2025. The conversion of Preferred Shares upon completion of the Global Offering would then have resulted in a reclassification of financial liabilities at fair value through profit or loss amounting to US$889,146,000 as at June 30, 2025 to equity. The conversion of Preferred Shares would have increased the total share in issue by 383,418,500 shares (after taking into account the effect of the Share Split) to a total of 557,418,500 shares in issue. Assuming the Offer Price is HK$24.05 per Share, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company after taking into effect the conversion of Preferred Shares would have been US$477,465,000, or US$0.86 per Share (equivalent to HK$6.67 per Share).

DIVIDEND

No dividend has been paid or declared by our Company since its date of incorporation and up to the end of the Track Record Period. Our Company currently does not have a formal dividend policy or pre-determined dividend payout ratio. Any declaration and payment as well as the amount of dividends will be subject to our Memorandum of Association and the Cayman Companies Act. The declaration and payment of dividends in the future will be determined by our Board of Directors, in its discretion, or the Shareholders in a general meeting, and will depend on a number of factors, including our earnings, capital requirements, and overall financial condition. As advised by our Cayman counsel, under the Cayman Companies Act, a

Cayman Islands company may pay a dividend out of either profits or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business (i.e. the solvency test as provided in the Cayman Companies Act). As advised by our Cayman counsel, the financial position of accumulated losses does not prohibit us from declaring and paying dividends to our Shareholders, as dividends may still be declared and paid out of our share premium account notwithstanding our profitability, provided that we satisfy the solvency test set out in the Cayman Companies Act. There is no assurance that dividends of any amount will be declared to be distributed in any year.

USE OF PROCEEDS

We estimate that the aggregate net proceeds to our Company from the Global Offering (after deducting underwriting fees and estimated expenses in connection with the Global Offering payable by us and assuming that the Over-allotment Option is not exercised and an Offer Price of HK$24.05 per Share) will be approximately HK$2,025.8 million. We currently intend to apply such net proceeds for the following purposes:

- Approximately HK$972.4 million (or approximately 48.0% of the net proceeds) to fund further clinical research and development of our key clinical stage pipeline drug candidates;

- Approximately HK$303.9 million (or approximately 15.0% of the net proceeds) for development of new generative AI models and the associated validation research work;

- Approximately HK$243.1 million (or approximately 12.0% of the net proceeds) for the further development and expansion of our automated lab;

- Approximately HK$405.2 million (or approximately 20.0% of the net proceeds) to fund the research and development, for early-stage drug discovery and development, including preclinical and clinical of our other pipeline drug candidates; and

- Approximately HK$101.3 million (or approximately 5.0% of the net proceeds) will be used for working capital and other general corporate purposes.

For further details, see "Future Plans and Use of Proceeds."

RISK FACTORS

We believe that there are certain risks involved in our operations, many of which are beyond our control. For further details about these risks, see "Risk Factors." Some of the major risks we face include:

- A significant portion of revenue comes from drug discovery business. There is inherent uncertainty in the timing and probability of our future milestone payments as such payments are highly dependent on the nature of the underlying drug candidates and their clinical development progress, and the loss of which could result in a significant decrease in our revenues.

- We rely on securing out-licensing collaborations for certain of our drug candidates, and our cash flow may be materially and adversely affected if such collaborations cannot be achieved as planned.

- We operate under a project-based business model, and our future revenue streams are unpredictable and uncertain.

- Our commercial success depends on our Pharma.AI and its development and technological capabilities. Our financial performance may be adversely affected if by leveraging our AI platform, the developments of our internal drug candidates and drug candidates are not successful.

- We face intense competition in our businesses, which may result in our competitors developing superior products or services, or bringing their products or services to market faster or more successfully than we do. If we fail to compete successfully against our current or future competitors, our business, financial condition and results of operations may be materially and adversely affected.

- We may fail to sufficiently and promptly respond to rapid scientific and technological changes, clinical demand and market changes in the pharmaceutical industry.

- If the commercialization of AI and automation technologies does not meet our expectation, our business, growth and prospects may be significantly affected.

- Any flaws or misuse of AI technologies, whether actual or perceived, intended or inadvertent, committed by us or by other third parties, could have a material adverse effect on our reputation, business, financial condition, results of operations and prospects.

- We use third-party providers of cloud-based infrastructure to enable our AI-driven drug discovery solutions. Disruption in the operations of these third-party providers, limitations on capacity, or interference with our use could adversely affect our business, financial condition, and results of operations. If we fail to manage our technology infrastructure, our internal drug discovery team may experience service outages and our existing or future customers and collaborators may experience delays in the deployment of our solutions.

- Clinical development involves a lengthy and expensive process with uncertain outcomes. If our pre-clinical studies and clinical trials are not sufficient to support regulatory approval of any of our drug candidates, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development of such drug candidates.

- The market opportunities for our drug candidates may be small and the potential could be minimal. We may encounter development and manufacturing challenges for our drug candidates.

- The research, development and commercialization of our pharmaceutical products are heavily regulated.

LISTING EXPENSES

The total listing expenses payable by our Company are estimated to be approximately HK$251.5 million assuming the Over-allotment Option is not exercised and based on an Offer Price of HK$24.05, which represent 11.0% of the gross proceeds from the Global Offering, assuming no Shares are issued pursuant to the Over-allotment Option. These expenses are comprised of (i) underwriting-related expenses of US$16.1 million and (ii) non-underwriting-related expenses of US$16.2 million, including (a) the legal advisors and the reporting accountants expenses of US$10.2 million, and (b) other fees and expenses of US$6.0 million.

For the years ended December 31, 2022, 2023, and 2024, and the six months ended June 30, 2025 we incurred listing expenses related to the Global Offering of nil, US$8.3 million, US$0.2 million and US$2.3 million, respectively. Of these amounts, nil, US$7.4 million, US$0.2 million and US$2.1 million were charged to our consolidated statements of profit or loss for the respective years. We estimate that additional listing expenses of approximately US$22.0 million (including underwriting commissions and other expenses, assuming the Over-allotment Option is not exercised and based on Offer Price of HK$24.05) will be incurred by us, approximately US$4.9 million of which is expected to be charged to our consolidated statements of profit or loss and approximately US$17.3 million of the listing expenses directly attributable to the issuance of shares will be deducted from equity.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

We have relocated our automated biology laboratory to Shanghai in August 2025, consolidating it with our existing manual biology laboratory team to enhance operational efficiency and integrate workflows. The migration has been completed, and commissioning is now underway, with the platform entering normal operation. This relocation is expected to partially replace CRO services in early-stage R&D, enable automated and standardized testing, and generate cost savings, without materially affecting ongoing operations or clinical trial progress.

In May 2025, the FDA placed the U.S. Phase IIa trial of ISM001-055 on clinical hold, which was subsequently lifted in October 2025. For details, please refer to "Business — Pipeline Drug Development — ISM001-055 (Rentosertib): A Small Molecule Inhibitor of TNIK for the Potential Treatment of IPF."

Our Company expects an increased net loss in 2025, primarily due to continued investment in growth initiatives, including elevated research and development activities, costs associated with the ongoing listing process, and ongoing share-based compensation. While movements in the fair value of financial liabilities at FVTPL will still affect results, the impact is anticipated to be minimal compared with prior periods. These factors collectively drive the expected increase in forecast loss for the year ending December 31, 2025.

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 June 30, 2025, being the end of the period reported on as set out in the Accountants' Report included in Appendix I to this Prospectus.

In this Prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain other terms are explained in the section headed "Glossary of Technical Terms" in this Prospectus.

"2019 Equity Incentive Plan"	the 2019 Equity Incentive Plan adopted by the Company and effective on December 31, 2019, the principal terms of which are set out in the section headed "Statutory and General Information — Pre-IPO Equity Incentive Plans" in Appendix IV to this Prospectus
"2019 Share Plan"	the 2019 Share Plan adopted by the Company and effective on March 15, 2019 as amended and restated on December 31, 2019, the principal terms of which are set out in the section headed "Statutory and General Information — Pre-IPO Equity Incentive Plans" in Appendix IV to this Prospectus
"2021 Equity Incentive Plan"	the 2021 Equity Incentive Plan adopted by the Company and effective on June 30, 2021, the principal terms of which are set out in the section headed "Statutory and General Information — Pre-IPO Equity Incentive Plans" in Appendix IV to this Prospectus
"2022 Equity Incentive Plan"	the 2022 Equity Incentive Plan adopted by the Company and effective on November 25, 2022 as amended on February 21, 2025, the principal terms of which are set out in the section headed "Statutory and General Information — Pre-IPO Equity Incentive Plans" in Appendix IV to this Prospectus
"Accountants' Report"	the accountants' report prepared by Deloitte Touche Tohmatsu, details of which are 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 (會計及財務匯報局)

"Articles of Association" or "Articles"	the eighth amended and restated articles of association of our Company adopted on December 15, 2025, as amended from time to time, a summary of which is set out in "Summary of the Constitution of our Company and Cayman Islands Company Law" in Appendix III to this Prospectus
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board", "Board of Directors" or "our Board"	the board of Directors of our Company
"Business Day"	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
"Capital Market Intermediaries" or "capital market intermediary(ies)" or "CMI(s)"	the capital market intermediaries participating in the Global Offering and has the meaning ascribed thereto under the Listing Rules
"CBO"	chief business officer of our Company
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CEO"	chief executive officer of our Company
"CFO"	chief financial officer of our Company
"China", "PRC" or "Mainland China"	the People's Republic of China, but for the purpose of this Prospectus and for geographical reference only and except where the context requires, excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region and the Taiwan region
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Companies Act" or "Cayman Companies Act"	the Companies Act of the Cayman Islands, as amended, supplemented or otherwise modified from time to time

"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Company", "our Company", or "the Company"	InSilico Medicine Cayman TopCo (英矽智能) (formerly known as Insilico Medicine Cayman TopCo), an exempted company with limited liability incorporated under the laws of the Cayman Islands on November 19, 2018
"Compliance Adviser"	Guotai Junan Capital Limited
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSO"	chief scientific officer of our Company
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the directors of our Company, including all executive, non-executive and independent non-executive Directors
"EIT"	the PRC enterprise income tax
"EIT Law"	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), as amended, supplemented or otherwise modified from time to time
"Exelixis"	Exelixis, Inc. (NASDAQ: EXEL)
"EMA"	European Medicines Agency
"ESG"	environmental, social and governance

"ESG Committee"	the ESG committee of the Board
"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"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
"EU"	the European Union
"FDA"	the Food and Drug Administration of the U.S.
"FINI"	"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
"Fosun" or "Fosun Industrial"	Fosun Industrial Co., Limited, a company incorporated in Hong Kong, which is an Independent Third Party (or its Affiliates as depending on the context)
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, which is an Independent Third Party
"Frost & Sullivan Report"	an independent market research report commissioned by us and prepared by Frost & Sullivan for the purpose of this Prospectus
"General Rules of HKSCC"	General Rules of HKSCC published by the Stock Exchange and as amended from time to time
"Global Offering"	the Hong Kong Public Offering and the International Offering

"Greater China"	the People's Republic of China, and for the purpose of this Prospectus and for geographical reference only and except where the context requires, including the Hong Kong Special Administrative Region, the Macao Special Administrative Region and the Taiwan region
"Group", "Insilico Medicine", "our Group", "our", "we" or "us"	our Company and our subsidiaries from time to time or, where the context so 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
"Guide for New Listing Applicants"	the Guide for New Listing Applicants issued by the Stock Exchange effective from January 1, 2024, as amended, supplemented or otherwise modified from time to time
"Harbour BioMed"	HBM Holdings Limited, a company incorporated in the Cayman Islands and a biopharmaceutical company listed on the Hong Kong Stock Exchange (Ticker Symbol: 2142), which is an Independent Third Party (or its Affiliates as depending on the context)
"HK$" or "Hong Kong Dollars" or "HK Dollars" and "HK cents"	Hong Kong dollars, the lawful currency of Hong Kong
"**HK eIPO White Form**"	the application for Hong Kong Offer Shares to be issued in the applicant's own name, submitted online through the designated website at **www.hkeipo.hk**
"**HK eIPO White Form** Service Provider"	the **HK eIPO White Form** service provider designated by our Company as specified on the designated website at **www.hkeipo.hk**
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited

"HKSCC EIPO"	the application of the Hong Kong Offer Shares to be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account by instructing your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly owned subsidiary of HKSCC
"HKSCC Operational Procedures"	the operational procedures of HKSCC in relation to CCASS, 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 participating in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Offer Shares"	9,469,500 Shares being initially offered by our Company 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 offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price (plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) on the terms and subject to the conditions described in the section headed "Structure of the Global Offering — The Hong Kong Public Offering"
"Hong Kong Share Registrar"	Tricor Investor Services Limited

"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Hong Kong Takeovers Code" or "Takeover 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
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering whose names are set out in the section headed "Underwriting — Hong Kong Underwriters"
"Hong Kong Underwriting Agreement"	the underwriting agreement dated December 17, 2025, relating to the Hong Kong Public Offering entered into by our Company, Mr. Aleksandrs Zavoronkovs, Morgan Stanley Asia Limited, China International Capital Corporation Hong Kong Securities Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited and the Hong Kong Underwriters, as further described in the section headed "Underwriting — Underwriting Arrangements — Hong Kong Public Offering — Hong Kong Underwriting Agreement"
"IFRS"	International Financial Reporting Standards, amendments, and interpretations, as issued from time to time by the IASB
"Independent Third Party(ies)"	any entity or person, to the best of our Directors' knowledge, information and belief having made all reasonable enquiries, who is not a connected person of our Company within the meaning ascribed to it under the Listing Rules
"Insilico AI"	Insilico Medicine AI Limited, a limited liability company incorporated in the United Arab Emirates on July 29, 2022 and wholly owned subsidiary of Insilico SubCo
"Insilico Canada"	InSilico Medicine Canada Inc., a company incorporated in Canada on June 6, 2022 and wholly owned subsidiary of Insilico SubCo
"Insilico Inc."	InSilico Medicine Inc., a corporation incorporated in the State of Delaware, United States on February 10, 2014 and the former holding company of our Group prior to the Reorganization, as further described in "History, Reorganization and Corporate Structure"

"Insilico Hong Kong"	InSilico Medicine Hong Kong Limited, a limited company incorporated in Hong Kong on January 11, 2019 and wholly-owned subsidiary of Insilico SubCo
"Insilico IP"	Insilico Medicine IP Limited, a limited company incorporated in Hong Kong on June 21, 2019 and wholly owned subsidiary of Insilico SubCo
"Insilico Shanghai"	Insilico Medicine Ltd. (英矽智能科技(上海)有限公司), a limited liability company established in the PRC on June 13, 2019 and wholly owned subsidiary of Insilico Hong Kong
"Insilico SubCo"	InSilico Medicine Cayman SubCo, an exempted company with limited liability incorporated under the laws of the Cayman Islands on November 19, 2018 and wholly owned subsidiary of our Company
"Insilico Suzhou"	InSilico Medicine Suzhou Ltd. (英矽智能科技(蘇州)有限公司), a limited liability company established in the PRC on September 1, 2021 and wholly owned subsidiary of Insilico Hong Kong
"Insilico Taiwan"	Insilico Medicine Taiwan Limited (英科智能有限公司), a limited company incorporated in Taiwan on April 16, 2018 and wholly owned subsidiary of Insilico SubCo
"Insilico US"	InSilico Medicine US Inc., a corporation incorporated in the State of Delaware, United States on February 11, 2019 and wholly owned subsidiary of Insilico SubCo
"Insilico Yixing"	InSilico Medicine Yixing Ltd. (英矽智能科技(宜興)有限公司), a limited liability company established in the PRC on March 22, 2024 and wholly owned subsidiary of Insilico Hong Kong
"International Offer Shares"	85,221,000 Shares being offered for subscription under the International Offering, together, where relevant, with any additional Shares which may be issued pursuant to the exercise of the Over-allotment Option, subject to reallocation as described in the section headed "Structure of the Global Offering"

"International Offering"	the conditional placing of the International Offer Shares at the Offer Price outside the United States in offshore transactions in accordance with Regulation S and in the United States to QIBs only in reliance on Rule 144A or any other available exemption from the registration requirements under the U.S. Securities Act, as further described in the section headed "Structure of the Global Offering"
"International Underwriters"	the group of international underwriters expected to enter into the International Underwriting Agreement relating to the International Offering
"International Underwriting Agreement"	the underwriting agreement relating to the International Offering and expected to be entered into by our Company, the Joint Sponsors, the Sponsor-Overall Coordinators and the International Underwriters on or about December 24, 2025, as further described in the section headed "Underwriting — Underwriting Arrangements — International Offering — International Underwriting Agreement"
"IRB"	Institutional Review Board
"IRC"	Institutional Review Committee
"Joint Bookrunners"	the joint bookrunners of the Listing as named in "Directors and Parties Involved in the Global Offering"
"Joint Global Coordinators"	the joint global coordinators of the Listing as named in "Directors and Parties Involved in the Global Offering"
"Joint Lead Managers"	the joint lead managers of the Listing as named in "Directors and Parties Involved in the Global Offering"
"Joint Sponsors"	the joint sponsors of the Listing as named in "Directors and Parties Involved in the Global Offering"
"Latest Practicable Date"	December 10, 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 our Shares on the Main Board

"Listing Date"	the date, expected to be on or about Tuesday, December 30, 2025, on which the Shares are to be listed and on which dealings in the Shares are to be first permitted to take place on 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
"Mabwell"	Mabwell (Shanghai) Bioscience Co., Ltd., a company incorporated in China, a biopharmaceutical company listed on the Shanghai Stock Exchange Science and Technology Innovation Board (Ticker Symbol: 688062), which is an Independent Third Party
"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
"Memorandum" or "Memorandum of Association"	the eighth amended and restated memorandum of association of our Company, conditionally adopted on December 15, 2025, with effect from the Listing Date, as amended from time to time, a summary of which is set out in Appendix III to this Prospectus
"Mir Pharma"	Mir Pharma Innovation Limited, a limited company incorporated in Hong Kong on June 1, 2021 and wholly owned subsidiary of Insilico SubCo
"Mr. Alex Zhavoronkov, Ph.D."	Mr. Aleksandrs Zavoronkovs (also known as Alex Zhavoronkov) Ph.D., our founder, chairman of the Board, executive Director, CEO and CBO
"NHC"	the National Health Commission of the PRC (中華人民共和國國家衛生健康委員會)
"NMPA"	the National Medical Products Administration of China (國家藥品監督管理局) or, where the context so requires, its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局), or CFDA
"Nomination Committee"	the nomination committee of the Board

"Novo Nordisk"	Novo Nordisk A/S, a company incorporated in Denmark, a global healthcare company listed on Nasdaq Copenhagen (Ticker Symbol: NOVO-B) and the New York Stock Exchange (Ticker Symbol: NVO), which is an Independent Third Party (or its Affiliates as depending on the context)
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)
"Offer Price"	the offer price per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%), expressed in Hong Kong dollars, at which Hong Kong Offer Shares are to be subscribed for pursuant to the Hong Kong Public Offering and International Offer Shares are to be offered pursuant to the International Offering, of HK$24.05
"Offer Share(s)"	the Hong Kong Offer Shares and the International Offer Shares, together, where relevant, with any additional Shares to be issued by our Company pursuant to the exercise of the Over-allotment Option
"Ordinary Share(s)"	common share(s) in the share capital of our Company with a par value of (i) US$0.00001 each prior to the Share Split, or (ii) US$0.0000005 each following the Share Split, as the context requires
"Over-allotment Option"	the option expected to be granted by our Company to the International Underwriters, exercisable by the Joint Global Coordinators and the Overall Coordinators on behalf of the International Underwriters, to require our Company to allot and issue additional Shares to the International Underwriters to, among other things, cover over-allocations in the International Offering, if any, details of which are described in "Structure of the Global Offering — The International Offering — Over-allotment Option"
"Overall Coordinators"	the overall coordinators of the Listing as named in the section headed "Directors and Parties Involved in the Global Offering"

"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"Pharma.AI"	the Company's artificial intelligence platform consisting of Biology42, Chemistry42, Medicine42 and Science42, for new target discovery, small molecule and biologics generation, clinical trial prediction and optimization, scientific document drafting and non-pharmaceutical applications
"PMDA"	Pharmaceuticals and Medical Devices Agency in Japan
"PRC Legal Advisor"	Jingtian & Gongcheng, our legal advisor on PRC laws in connection with the Global Offering
"Pre-IPO Equity Incentive Plans"	collectively, the 2019 Share Plan, the 2019 Equity Incentive Plan, the 2021 Equity Incentive Plan and the 2022 Equity Incentive Plan
"Post-IPO Equity Incentive Plans"	collectively, the Post-IPO RSU Scheme and the Post-IPO Share Option Scheme
"Post-IPO RSU Scheme"	the Post-IPO RSU Scheme adopted by the Company and effective on December 15, 2025, the principal terms of which are set out in the section headed "Statutory and General Information — Post-IPO Equity Incentive Plans" in Appendix IV to this Prospectus
"Post-IPO Share Option Scheme"	the Post-IPO Share Option Scheme adopted by the Company and effective on December 15, 2025, the principal terms of which are set out in the section headed "Statutory and General Information — Post-IPO Equity Incentive Plans" in Appendix IV to this Prospectus
"Pre-IPO Investment(s)"	the investment(s) in our Company undertaken by the Pre-IPO Investors prior to this initial public offering, the details of which are set out in "History, Reorganization and Corporate Structure"
"Pre-IPO Investor(s)"	the Series A Investors, Series B Investors, the Series C Investors, the Series C+ Investor, the Series D Investors and the Series E Investors

"Preferred Shares"	preferred shares(s) in the share capital of our Company, including the Series A Preferred Shares, the Series B Preferred Shares, the Series C1 Preferred Shares, the Series C2 Preferred Shares, the Series D Preferred Shares and the Series E Preferred Shares
"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 the Board
"Renminbi" or "RMB"	the lawful currency of the PRC
"RSU"	restricted stock unit
"Rule 144A"	Rule 144A under the U.S. Securities Act
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"Sanofi"	Sanofi S.A. or its Affiliates as depending on the context
"SAT"	the State Taxation Administration of the PRC (中華人民共和國國家税務總局)
"Series A Investors"	the holders of the Series A Preferred Shares
"Series A Preferred Shares"	series A preferred shares in the share capital of our Company with a par value of (i) US$0.00001 each prior to the Share Split; or (ii) US$0.0000005 each following the Share Split, as the context requires
"Series B Investors"	the holders of the Series B Preferred Shares
"Series B Preferred Shares"	series B preferred shares in the share capital of our Company with a par value of (i) US$0.00001 each prior to the Share Split; or (ii) US$0.0000005 each following the Share Split, as the context requires

"Series C Investors"	the holders of the Series C1 Preferred Shares and Series C2 Preferred Shares pursuant to a Series C share purchase agreement dated June 16, 2021
"Series C1 Preferred Shares"	series C1 preferred shares in the share capital of our Company with a par value of (i) US$0.00001 each prior to the Share Split; or (ii) US$0.0000005 each following the Share Split, as the context requires
"Series C2 Preferred Shares"	series C2 preferred shares in the share capital of our Company with a par value of (i) US$0.00001 each prior to the Share Split; or (ii) US$0.0000005 each following the Share Split, as the context requires
"Series C+ Investor"	Fosun, as the holder of certain Series C1 Preferred Shares and Series C2 Preferred Shares pursuant to a Series C+ share purchase agreement dated November 12, 2021
"Series D Investors"	the holders of the Series D Preferred Shares
"Series D Preferred Shares"	series D preferred shares in the share capital of our Company with a par value of (i) US$0.00001 each prior to the Share Split; or (ii) US$0.0000005 each following the Share Split, as the context requires
"Series E Investors"	the holders of the Series E Preferred Shares pursuant to a Series E share purchase agreement dated February 25, 2025
"Series E Preferred Shares"	series E preferred shares in the share capital of our Company with a par value of (i) US$0.00001 each prior to the Share Split; or (ii) US$0.0000005 each following the Share Split, as the context requires
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time

"Share(s)"	shares in the share capital of our Company at the relevant time as the context requires, which refer to (i) Ordinary Shares and Preferred Shares prior to the conversion of the Preferred Shares to Ordinary Shares; or (ii) Ordinary Shares following the conversion of the Preferred Shares to Ordinary Shares
"Share Split"	the split of each Share in the issued and unissued share capital of our Company with a par value of US$0.00001 each into 20 Shares of the corresponding class with a par value of US$0.0000005 each
"Sponsor-Overall Coordinators"	the sponsor-overall coordinators of the Listing as named in "Directors and Parties Involved in the Global Offering"
"Shareholder(s)"	holder(s) of our Share(s)
"SRW Laboratories"	SRW Laboratories Limited, a biotechnology company incorporated in New Zealand, which is an Independent Third Party
"Stabilizing Manager"	Morgan Stanley Asia Limited
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Stemline"	Stemline Therapeutics Inc., a company incorporated in the United States and a subsidiary of the Menarini Group, which is an Independent Third Party
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Syngenta"	Syngenta Global AG a global agricultural technology company incorporated in Switzerland (with principal operations headquartered in China), which is an Independent Third Party
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-back issued by the SFC, as amended, supplemented or otherwise modified from time to time

"Tenacia Biotechnology"	Tenacia Biotechnology (Shanghai) Co., Ltd. a biopharmaceutical company incorporated in China, which is an Independent Third Party
"Track Record Period"	the period comprising the three financial years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025
"treasury shares"	has the meaning ascribed thereto under the Listing Rules
"U.S. Government"	the federal government of the United States, including its executive, legislative and judicial branches
"U.S. persons"	U.S. persons as defined in Regulation S
"U.S. Securities Act"	United States Securities Act of 1933, 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
"United Kingdom," "UK" or "U.K."	the United Kingdom of Great Britain and Northern Ireland, including its territories, possessions, and all areas subject to its jurisdiction
"United States," "US," "USA" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$" or "U.S. dollars"	the lawful currency of the U.S.
"VAT"	value-added tax
"%"	per cent

Unless otherwise specified, all references in this Prospectus to any shareholdings in our Company following the completion of the Share Split and the Global Offering assume that the Over-allotment Option is not exercised and does not take into account the Shares to be issued under the Pre-IPO Equity Incentive Plans.

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

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

This glossary contains explanations of certain technical terms used in this Prospectus in connection with our Company and its business. Such terminology and meanings may not correspond to standard industry meanings or usages of those terms.

"α-SMA"	alpha-smooth muscle actin, a marker for myofibroblast
"ADCs"	antibody-drug conjugates
"ADME"	absorption, distribution, metabolism, and excretion, four key processes to describe the disposition of a pharmaceutical compound within an organism
"ADMET"	absorption, distribution, metabolism, excretion and toxicity
"advanced"	in reference to any disease, including cancer, a medical condition that has reached a severe and progressive stage, where the goal of treatment and care may not be cure, or where cure is not an option
"AEs"	adverse events, any untoward medical occurrences in a patient or clinical investigation subject administered a drug or other pharmaceutical product during clinical trials and which do not necessarily have a causal relationship with the treatment
"AGV"	automatic guided vehicle
"AI"	artificial intelligence, the simulation of human intelligence processes by machines, especially computer systems
"AIDD"	AI-based drug discovery and development
"antibody (Ab)"	also known as an immunoglobulin (Ig), a protein used by the immune system to recognize and bind an antigen
"antigen"	the substance that is capable of stimulating an immune response, specifically activating lymphocytes, which are the body's infection-fighting white blood cells
"apoptosis"	a form of programmed cell death in which a programmed sequence of events leads to the elimination of cells

"ATP"	adenosine triphosphate, an organic compound and hydrotrope that provides energy to drive many processes in living cells
"AUC"	area under curve, a parameter of systemic exposure
"BCS"	Biopharmaceutics Classification System, a system classifying drugs by solubility and permeability to predict oral absorption, with Class I indicating high solubility and high permeability
"BID"	twice-daily administration
"BRCA"	includes tumor suppressor genes BRCA1 and BRCA2
"BRCA-mutant cancer"	a type of cancer driven by inherited or acquired mutations in the BRCA1 or BRCA2 genes, which are involved in DNA repair
"CAGR"	compound annual growth rate
"CAPS"	cryopyrin-associated periodic syndromes
"CBLB"	Casitas B-lineage lymphoma-b, an E3 ubiquitin ligase that negatively regulates T cell receptor signaling and immune activation, explored as a target for cancer immunotherapy
"CCL"	C-C motif chemokine ligand
"CCR"	C-C motif chemokine receptor
"CDK4"	cyclin-dependent kinase 4, a serine/threonine kinase that regulates cell cycle progression through phosphorylation of the retinoblastoma protein, and a validated cancer target
"CDK6"	cyclin-dependent kinase 6, a serine/threonine kinase with a role similar to CDK4 in controlling G1 phase cell cycle progression
"CDMO"	contract development and manufacturing organization, a company in the pharmaceutical industry to provide drug development and manufacturing services

"CDX model"	cell line-derived xenograft model, an in vivo tumor model generated by implanting human cancer cell lines into immunodeficient mice
"cGMP"	current good manufacturing practice regulations enforced by the FDA
"CKD"	chronic kidney disease, also called chronic kidney failure, a disease involving a gradual loss of kidney function
"clinical trial/study"	a research study for validating or finding the therapeutic effects and side effects of test drugs in order to determine the therapeutic value and safety of such drugs
"CMC"	chemistry, manufacturing and controls
"CMO"	contract manufacturing organization, a company that provides manufacturing services to other companies on a contract basis, including the production of active pharmaceutical ingredients (APIs), drug products, or other materials, allowing companies to outsource part or all of their manufacturing operations
"CNS"	central nervous system, the part of the nervous system consisting of the brain and spinal cord
"cohort"	a group of patients as part of a clinical study who share a common characteristic or experience within a defined period and who are monitored over time
"combination therapy"	treatment in which a patient is given two or more drugs (or other therapeutic agents) for a single disease
"CRO"	contract research organization, a company that provides outsourced research services to pharmaceutical, biotechnology, and medical device companies, including support for preclinical research, clinical trials, regulatory affairs, and other activities related to the development and approval of new products
"Cushing syndrome"	a hormonal disorder caused by prolonged exposure to high levels of cortisol, leading to symptoms such as weight gain, high blood pressure, and muscle weakness

"DUB"	deubiquitinase enzyme, a group of proteases to cleave ubiquitin from proteins
"ECM"	extracellular matrix
"EMT"	epithelial-mesenchymal transition, non-motile epithelial cells are transformed into mesenchymal cells with invasive capacities
"ENPP1"	ectonucleotide pyrophosphatase/phosphodiesterace 1, a membrane enzyme that breaks down extracellular nucleotides and influences bone mineralization and signaling, implicated in metabolic and skeletal diseases
"ERα"	estrogen receptor α
"ER+/HER2- breast cancer"	a subtype of breast cancer characterized by the presence of estrogen receptors (ER+) and the absence of overexpressed human epidermal growth factor receptor 2 (HER2-)
"FA"	Fanconi anemia
"FAK"	focal adhesion kinase, a cytoplasmic tyrosine kinase involved in cell adhesion, migration, and survival
"FANCD2"	Fanconi anemia complementation group D2
"FANCI"	Fanconi anemia complementation group I
"FIH"	first-in-human
"FMT"	fibroblast-to-myofibroblast transition, as a crucial source of myofibroblasts, activation of the fibroblast to become myofibroblast
"fibrosis"	pathological process characterized by excessive accumulation and deposition of extracellular matrix proteins within tissue/organ
"FVC"	forced vital capacity, which is the total volume of air that can be forcibly exhaled from the lungs after taking the deepest breath possible, serving as a key measure of lung function in clinical assessments

"GCP"	good clinical practice, an international ethical and scientific quality standard for the design, conduct, performance, monitoring, auditing, recording, analyses, and reporting of clinical trials involving human subjects
"GLP"	good laboratory practice, a set of principles intended to ensure the quality, integrity, and reliability of non-clinical laboratory studies that are intended to support research or marketing applications for products regulated by government agencies
"GLP-1R"	glucagon-like peptide-1 receptor, a G protein-coupled receptor that regulates glucose metabolism and insulin secretion, and a major target in type 2 diabetes and obesity
"GMP"	good manufacturing practice, a system of regulations and guidelines that ensures pharmaceutical and biotech products are consistently produced and controlled to meet quality, safety, and efficacy standards
"HER2"	receptor tyrosine-protein kinase erbB-2
"HIFα"	hypoxia-inducible factor α-subunits
"HRD"	homologous recombination deficiency, a tumor with the inability to accurately repair double-strand breaks in DNA via homologous recombination
"IBD" or "inflammatory bowel disease"	a group of chronic inflammatory conditions of the gastrointestinal tract, primarily including Crohn's disease and ulcerative colitis, characterized by symptoms such as abdominal pain, diarrhea, and weight loss
"IC_{50}"	half maximal inhibition, a measure of the potency of a substance in inhibiting a specific biological or biochemical function
"immunology"	study of immune systems in an organism in biological science
"immuno-oncology"	a field of cancer treatment that harnesses the body's immune system to recognize and destroy cancer cells

"immunotherapy"	use of the immune system to treat disease
"indication"	a valid reason to use a specific test, drug, device, procedure or surgery
"inflammatory and autoimmune diseases"	conditions in which the immune system triggers chronic inflammation or mistakenly attacks the body's own tissues, including diseases like rheumatoid arthritis and lupus
"*in vivo*"	studies in which the effects of various biological entities are tested on whole, living organisms or cells, usually animals, including humans, and plants, as opposed to a tissue extract or dead organism
"*in vitro*"	studies that are performed with microorganisms, cells, or biological molecules outside their normal biological context
"IND"	investigational new drug, the application for which is the first step in the drug review process by regulatory authorities to decide whether to permit clinical trials
"IPF" or "idiopathic pulmonary fibrosis"	a condition in which the lungs become scarred and breathing becomes increasingly difficult
"IPF (Inhalable)"	an inhalable formulation of ISM001-055 developed for the treatment of IPF, designed to deliver the drug directly to the lungs
"KAT6"	K (lysine) acetyltransferase 6, a family of histone acetyltransferases that regulate gene expression through chromatin remodeling, associated with developmental disorders and cancer
"kidney fibrosis"	a progressive condition marked by the buildup of scar tissue in the kidneys, leading to impaired function and potential chronic kidney disease
"KRAS"	Kirsten rat sarcoma viral oncogene homolog, a small GTPase that regulates cell growth and survival, frequently mutated in cancer and a long-standing target in oncology drug discovery

"Life Star"	the Company's Life Star laboratory and its associated application, as updated and iterated from time to time, including the current Life Star 2 lab
"lines of treatment"	different methods to treating cancer at different times, such first-line, second-line, third-line etc.
"MASH"	metabolic dysfunction-associated steatohepatitis
"MAT2A"	methionine adenosyltrasnferase 2A, an enzyme that synthesizes S-adenosylmethionine, a key molecule in cell metabolism and methylation, and a target for cancer and metabolic disorders
"metastatic"	in reference to any disease, including cancer, disease-producing organisms or of malignant or cancerous cells transferred to other parts of the body by way of the blood or lymphatic vessels or membranous surfaces
"metabolic diseases"	a group of disorders that disrupt normal metabolism, often involving abnormalities in how the body processes nutrients or produces energy, such as diabetes or lipid disorders
"monotherapy"	therapy that uses a single drug to treat a disease or condition
"MTAP"	methylthioadenosine phosphorylase
"MTAP-/- cancer"	a cancer that lacks expression of the MTAP gene due to genetic deletion or silencing
"Nav1.8"	voltage-gated sodium channel alpha subunit 1.8, a tetrodotoxin-resistant sodium channel primarily expressed in nociceptive neurons, critical for pain transmission and a target for analgesics
"NDA"	new drug application, a process required by an regulatory authority to approve a new drug for sale and marketing
"NLRP3"	NOD-like receptor protein 3, an intracellular sensor that triggers inflammasome formation and drives inflammatory responses, linked to autoimmune and inflammatory conditions

"NOAEL"	no-observed-adverse-effect level, the highest dose where the effects observed in the treated group do not imply an adverse effect to the subject
"NOD"	nucleotide-binding oligomerization domain, a class of intracellular pattern recognition receptors that detect microbial molecules and activate innate immune responses, linked to infectious and inflammatory diseases
"NR3C1"	nuclear receptor subfamily 3 group C member 1, the glucocorticoid receptor that mediates steroid hormone signaling, and a target in inflammation, cancer and autoimmune disease
"oncology"	study, treatment, diagnosis, and prevention of cancer
"Parkinson's disease"	a progressive neurodegenerative disorder characterized by the loss of dopamine-producing neurons, leading to motor symptoms such as tremors, stiffness, and slowed movement
"PARP"	poly (ADP-ribose) polymerase, a family of proteins involved in a number of cellular processes such as DNA repair, genomic stability, and programmed cell death
"PCNA"	proliferating cell nuclear antigen, a nuclear homotrimeric protein that encircles DNA with classic attributes of a processivity factor in DNA replication
"PCC"	pre-clinical candidate
"PCT"	Patent Cooperation Treaty
"PD"	pharmacodynamics, the branch of pharmacology concerned with the effects of drugs and the mechanism of their action
"PD-1"	programmed death protein 1, an immune checkpoint receptor expressed on T cells, B cells and macrophages, acting 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

"PD-L1"	programmed death-ligand 1, a protein on the surface of a normal cell or a cancer cell that attaches to PD-1 on the surface of the T cell that causes the T cell to turn off its ability to kill the cancer cell
"Phase I clinical trial(s)"	study in which a drug is introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion, and if possible, to gain an early indication of its effectiveness
"Phase II clinical trial(s)"	study in which a drug is administered to a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases, and to determine dosage tolerance and optimal dosage
"Phase III clinical trial(s)"	study in which a drug is administered to an expanded patient population generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to provide adequate information for the labeling of the product
"PHD"	prolyl hydroxylase domain, enzymes to regulate the stability of the hypoxia-inducible factor in response to oxygen availability
"PHD1/2"	prolyl hydroxylase domain proteins 1 and 2, enzymes that regulate the body's response to oxygen by controlling the stability of hypoxia-inducible factors, and potential targets for diseases linked to oxygen imbalance
"PK"	pharmacokinetics, the study of the bodily absorption, distribution, metabolism, and excretion of drugs, which, together with pharmacodynamics, influences dosing, benefit, and adverse effects of the drug
"placebo"	a medical treatment or preparation with no specific pharmacological activity

"preclinical studies"	preclinical studies testing a drug on non-human subjects, to gather efficacy, toxicity, pharmacokinetic and safety information and to decide whether the drug is ready for clinical trials
"primary endpoint"	the main or most important outcome at the end of a study to determine whether a new drug or treatment worked
"PRMT5"	protein arginine methyltransferase 5
"proof of concept (POC)"	an early stage of drug development used to demonstrate that a drug is likely to be successful
"QD"	once-daily administration
"QPCTL"	glutaminyl-peptide cyclotransferase-like protein, an enzyme that modifies proteins such as CD47 by forming N-terminal pyroglutamate, and a target for enhancing anti-tumor immune responses
"refractory"	a disease that is resistant at the beginning of treatment or becomes resistant during treatment
"RP2D"	recommended Phase II dose
"SAE"	serious adverse event
"SAM"	S-adenosylmethionine, an important methyl donor derived from ATP and methionine
"SIRPα"	signal regulatory protein α, a transmembrane glycoprotein family involved in receptor tyrosine kinase-coupled signaling pathways
"solid tumors"	cancers that arise in body tissues and form a mass, as opposed to blood cancers, and include types such as breast, lung, prostate, and colorectal cancer
"TEAD"	TEA domain transcription factor, a family of DNA-binding proteins that regulate gene expression downstream of the Hippo signaling pathway, with roles in cell growth and tumor progression
"TEAE"	treatment emergent adverse event

"TGF-β"	transforming growth factor beta, a cytokine that regulates cell growth, differentiation, and immune responses
"TNF" or "TNFα"	tumor necrosis factor, a chemical messenger produced by the immune system that induces inflammation
"TNIK"	TRAF2 and NCK-interacting protein kinase, an enzyme that regulates Wnt signaling and cytoskeletal organization, and a potential target for fibrosis and cancer
"TRAE"	treatment-related adverse event
"USP1"	ubiquitin-specific peptidase 1, a deubiquitinating enzyme that regulates DNA repair and protein stability, implicated in cancer and drug resistance
"YAP/TAZ"	Yes-associated protein / transcriptional coactivator with PDZ-binding motif, transcriptional coactivators that interact with TEADs to control cell proliferation, survival, and organ size, and are implicated in cancer and tissue regeneration

We have included in this Prospectus forward-looking statements. Statements that are not historical facts, including but not limited to statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This Prospectus contains forward-looking statements and information relating to us 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 "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "likely to" or 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 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 goals and growth strategies;
- the implementation of our business model, strategic plans for our business and product candidates;
- the initiation, timing, progress, and results of our internal drug discovery programs efforts or the drug discovery programs efforts of our collaborators;
- potential of product candidates into, and successfully plan, conduct and complete, clinical trials in the future;
- the timing of, the ability to submit applications for and the ability to obtain and maintain regulatory approvals for any product candidates we or one of our collaborators may develop;
- our ability to increase sales of our drug discovery business, or if we are able to successfully develop, commercialize or maintain profitability of our drug products;
- our anticipated use of our existing resources and the proceeds from this offering;
- our estimates regarding expenses, future revenue, capital requirements and needs for additional financing and our ability to obtain additional capital;

- our ability to contract with third-party suppliers and manufacturers and their ability to perform adequately;
- our ability and the potential to successfully manufacture and supply our product candidates for clinical trials and for commercial use, if approved;
- relevant government policies and regulations relating to our business and industry;
- general economic and business condition in the markets we have businesses; and
- assumptions underlying or related to any of the foregoing.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Prospectus might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. Moreover, the inclusion of forward-looking statements should not be regarded as representations by us that our plans and objectives will be achieved or realized. All forward-looking statements in this Prospectus are qualified by reference to the cautionary statements in this section.

In this Prospectus, statements of or references to our intentions or those of our Directors are made as of the date of this Prospectus. Any such information may change in light of future developments.

An investment in our Shares involves significant risks. You should carefully consider all of the information in this Prospectus, including the risks and uncertainties described below, as well as our financial statements and the related notes, and the "Financial Information" section, before deciding to invest in our Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition, results of operations and growth prospects. In any such an event, the market price of our Shares could decline, and you may lose all or part of your investment. 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) risks related to our business and industry, (ii) risks related to extensive government regulations, (iii) risks related to our operations and financial prospects, (iv) risks related to our intellectual property and (v) risks related 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 and operating results. You should consider our business and prospects in light of the challenges we face, including the ones discussed in this section.

Risks Related to Our Business and Industry

A significant portion of revenue comes from drug discovery business. There is inherent uncertainty in the timing and probability of our future milestone payments as such payments are highly dependent on the nature of the underlying drug candidates and their clinical development progress, and the loss of which could result in a significant decrease in our revenues.

We have historically received upfront payments under collaboration agreements for our drug discovery business. Our drug discovery collaborations may not result in the development or commercialization of product candidates in a timely manner, or at all. Moreover, even if a drug discovery collaboration initially leads to the achievement of milestones that result in payments to us, it may not continue to do so. The significant reduction in revenue from research and development collaboration with any such customers, would adversely affect our profitability. Furthermore, if we experience difficulties in the collection of our accounts receivable from our major customers, our results of operation may be materially and adversely affected.

We rely on securing out-licensing collaborations for certain of our drug candidates, and our cash flow may be materially and adversely affected if such collaborations cannot be achieved as planned.

We expect to generate a portion of our revenue and cash inflows through out-licensing arrangements with pharmaceutical companies and other third parties. These collaborations are intended to provide us with upfront payments, research funding, milestone payments and royalties, which are important sources of non-dilutive financing. If we fail to secure such collaborations on commercially reasonable terms, in a timely manner, or at all, we may not be able to generate sufficient cash inflows to support our operations, invest in further R&D activities or advance our internal pipeline. In particular, without upfront and milestone payments from out-licensing, our cash flow may become more volatile and heavily dependent on other sources such as financing activities, which may not always be available or may be available only on unfavorable terms. As a result, our business, financial condition, results of operations and growth prospects may be materially and adversely affected.

We operate under a project-based business model, and our future revenue streams are unpredictable and uncertain.

We derive a significant portion of our revenues from project-based arrangements, including out-licensing and collaboration agreements. Such agreements typically involve upfront payments, research funding and potential milestone or royalty payments that are contingent on the achievement of specified development, regulatory or commercial objectives. Accordingly, our revenue is inherently volatile, irregular and difficult to forecast. We cannot guarantee that we will be able to enter into new collaboration or licensing agreements on favorable terms, or at all. Even where such agreements are entered into, there is no assurance that the counterparties will continue to perform their contractual obligations, achieve development or regulatory milestones, or successfully commercialize product candidates. As a result, we may experience periods with limited or no revenue, which could adversely affect our business, financial condition, results of operations and growth prospects. This uncertainty in our business model is compounded by the fact that a significant portion of our revenue is tied to our drug discovery collaborations, which themselves involve inherent risks and uncertainties.

Our commercial success depends on our Pharma.AI and its development and technological capabilities. Our financial performance may be adversely affected if by leveraging our AI platform, the developments of our internal drug candidates and drug candidates are not successful.

We utilize our Pharma.AI to perform critical aspects of drug development, including the development of our product pipeline. As a result, the quality, sophistication and efficiency of our Pharma.AI and technology is critical to our ability to conduct our target and drug discovery activities, deliver more favorable molecules, perform efficient and successful R&D studies, and ultimately to accelerate and lower the costs of drug discovery as compared to traditional methods. These results of our Pharma.AI do not assure future success for our drug discovery

collaborators or for us with our internal drug discovery programs. Even if we or our drug discovery collaborators are able to develop drug candidates that demonstrate potential in preclinical studies, we or they may not succeed in demonstrating safety and efficacy of these drug candidates in human clinical trials. As of the Latest Practicable Date, none of the molecules developed by our Pharma.AI platform has successfully passed a clinical trial, except for ISM001-055 and ISM5411. Moreover, preclinical and clinical data are susceptible to error and inaccurate or varying interpretations and analyses, and many companies that believed their drug candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain marketing approval of their drug candidates. Our financial performance may be adversely affected if the developments of our drug candidates and drug candidates derived from our drug discovery and collaboration projects are not successful by leveraging our AI platform.

AI technologies are at early stages of development and continue to evolve. Similar to many innovations, AI technologies present risks and challenges, such as potential misuse by third parties for inappropriate purposes or biased applications which breach public confidence or violate applicable laws and regulations in China and other jurisdictions, or litigation or other proceedings claiming infringement of legitimate rights such as privacy or personality rights. Such misuse could affect customer perception, public opinions, views of policymakers and regulators and result in decreased adoption of AI technologies.

We have adopted a series of measures to prevent the misuse of our technologies, including implementation of relevant policies and management system in relation to data privacy and personal information protection. For details of these measures, see "Business — Data Privacy Protection." During the Track Record Period and up to the Latest Practicable Date, there had been no material litigation or other proceedings arising from or in relation to any infringement of relevant legitimate rights against us. However, we cannot assure you that the measures we take to prevent the misuse of our technologies and data protection will always be effective, or that our technologies will not be misused or applied in a way that is inconsistent with our intention or public expectation. Any inappropriate or abusive usage of AI technologies, whether actual or perceived, intended or inadvertent and by us or by third parties, may dissuade prospective customers from adopting AI products and services, impair the general acceptance of AI products and services by society, attract negative publicity, adversely impact our reputation and violate applicable laws and regulations in China and other jurisdictions, and subject us to legal or administrative proceedings, pressures from certain shareholders and/or other organizations and heightened scrutiny by the regulators.

In addition, there is a general shortage of qualified professionals in the field of AI. We may face challenges in recruiting and retaining talented AI professionals, which could impact our ability to continuously innovate and develop our Pharma.AI platform, including expanding our proprietary database and improving the predictive power of our AI models. In addition, intense competition for talent could result in increased labor costs or employee turnover. We have made it a strategic focus of the Company to attract, nurture and retain skilled talent, including AI talent; however, our efforts in this area may not ultimately prevent a shortage of AI talent, which could impact our operational efficiency and growth prospects.

We face intense competition in our businesses, which may result in our competitors developing superior products or services, or bringing their products or services to market faster or more successfully than we do. If we fail to compete successfully against our current or future competitors, our business, financial condition and results of operations may be materially and adversely affected.

The global market for AI-based drug discovery business is rapidly evolving and subject to intense competition as a result of changing technology innovation and shifting customer needs. We face potential competition from many different sources, while the solutions and applications offered by our competitors vary in size, breadth and scope, including both AI-driven and traditional drug discovery business providers.

Our business faces competition from many sources, including major pharmaceutical companies, specialty biopharmaceutical companies, technology companies, academic institutions and government agencies, and public and private research institutions. We may also face potential competition from our drug discovery customers. In particular, we compete with businesses conducting AI-enabled early-stage drug discovery development. In some cases, these competitors possess well-established capabilities in drug research and development and have long-standing relationships with many of our current and potential collaborators and customers, including large biopharmaceutical companies and academic institutions. We also face competition from biopharmaceutical companies that develop AI-driven drug research and development solutions internally, smaller companies that offer drug discovery products and services directed at more specific markets than we target, enabling these competitors to focus a greater proportion of their efforts and resources on these markets, as well as a large number of companies that have been founded with the goal of applying AI and computational chemistry technologies to drug discovery. Any product candidates that we or one of our collaborators successfully develop and commercialize will compete with existing therapies and new therapies that may become available in the future.

Many of our competitors are able to devote greater resources to the development, promotion, and sale of their solutions and services. In addition, third parties with greater available resources and the ability to initiate or withstand substantial price competition could acquire our current or potential competitors. Our competitors may also establish cooperative relationships among themselves or with third parties that may further enhance their product and/or service offerings or resources. If our competitors' products, services, or technologies become more accepted than our solutions, if our competitors are successful in bringing their products or services to market earlier than ours, if our competitors are able to respond more quickly and effectively to new or changing opportunities, technologies, or customer requirements, or if their products or services are more technologically capable than ours, then our revenues and future business prospects could be adversely affected.

We may be required to modify our pricing practices in order to attract new customers or retain existing customers due to increased competition. Pricing pressures and increased competition could result in reduced sales, reduced margins, losses, or a failure to maintain or improve our competitive market position, any of which could adversely affect our business.

We may fail to sufficiently and promptly respond to rapid scientific and technological changes, clinical demand and market changes in the pharmaceutical industry.

Our business is subject to rapid scientific and technological changes. Failure to keep up with such changes could have a material adverse effect on our business, prospects, results of operations and financial condition. The market in which we compete is characterized by evolving industry standards, and changing customer demands. As a result, an investment in our Shares could be speculative and is only suitable for investors who recognize the associated risks involved and can afford loss of investment.

To remain competitive, we must continue to enhance and improve the functionality and features of the technology that forms part of our service. The pharmaceutical industry is rapidly changing, and if competitors introduce new services using new technologies or if new industry standards and practices emerge, our existing services may become obsolete. Our potential failure to timely and effectively respond to technological change or to adequately maintain, upgrade and develop our services could harm our business, prospects, financial condition and results of operations. While we are usually the inventor of technologies in generative AI and next-generation computing technologies and author of proof-of-concept studies openly in peer-reviewed journals, there is a risk that these technologies, often considered to be critical technologies, may result in unwanted scrutiny by the regulators without intimate knowledge of the industry.

If the commercialization of AI and automation technologies does not meet our expectation, our business, growth and prospects may be significantly affected.

Commercialization of AI and automation technologies and solutions and services powered by our AI and automation technologies depends on a number of factors, including the technological upgrade and innovation of our technologies, the accuracy and reliability of our technologies and related solutions and services, the increasing application of AI and automation in R&D, the performance and perceived value of our technologies and the related solutions and services, and laws and regulations governing our technologies and the related solutions and services. If AI, automation technologies and related solutions and services do not achieve widespread acceptance, or if there is a reduction in demand for AI and automation technologies and related solutions or services caused by weakening economic conditions, decreases in R&D spending, technical challenges, data security or privacy concerns, governmental regulation, and competing technologies, among others, our business, growth prospects and results of operations will be materially and adversely affected. In addition, we cannot assure you that the trend of adopting and utilizing AI and automation technologies and related solutions and services will continue in the future, which could materially and adversely affect the AI technology and automation industries, and in turn, our business, growth and sustainability.

Any flaws or misuse of AI technologies, whether actual or perceived, intended or inadvertent, committed by us or by other third parties, could have a material adverse effect on our reputation, business, financial condition, results of operations and prospects.

AI technologies are at early stages of development and continue to evolve. Similar to many innovations, AI technologies present risks and challenges, such as potential misuse by third parties for inappropriate purposes or biased applications which diminish public confidence or violate applicable laws and regulations in China and other jurisdictions or incur litigation or other proceedings initiated by certain individuals claiming for infringement of legitimate rights, including privacy or personality rights. Such misuse could affect customer perception, public opinions, views of policymakers and regulators and result in decreased adoption of AI technologies.

In addition, flaws or deficiencies in AI technologies could undermine the accuracy and thoroughness of the decisions and analyses made on the relevant solutions and services. There can be no assurance that we will be able to detect and remedy such flaws or deficiencies in a timely manner, or at all. Any flaws or deficiencies in AI technologies and the related solutions and services, whether actual or perceived, could materially and adversely affect our business, reputation, results of operations and prospects.

We use third-party providers of cloud-based infrastructure to enable our AI-driven drug discovery solutions. Disruption in the operations of these third-party providers, limitations on capacity, or interference with our use could adversely affect our business, financial condition, and results of operations. If we fail to manage our technology infrastructure, our internal drug discovery team may experience service outages and our existing or future customers and collaborators may experience delays in the deployment of our solutions.

We outsource the infrastructure relating to our cloud supercomputing to multiple third-party service providers. Therefore, our cloud supercomputing infrastructure, which enables our high-performance computational chemistry algorithms and AI models, depends on third-party service providers to maintain the security, configuration, architecture, features and interconnection specifications of the virtual cloud infrastructure, which is transmitted by third-party internet service providers. Any limitation on the capacity of our third-party service providers could impede our ability to deliver services or study results, onboard new customers or expand the usage of our existing customers in a timely manner, which could adversely affect our business, financial condition, and results of operations.

In the event that our service agreements with our third-party services providers are terminated, or there is a lapse of service, elimination of services or features that we utilize, interruption of internet service provider connectivity, or damage to such facilities, we could experience interruptions in access to our platform as well as significant delays and additional expense in arranging or creating new facilities and services and/or re-architecting our software solutions for deployment on a different cloud infrastructure service provider, which could adversely affect our business, financial condition, and results of operations.

We have experienced significant growth in the number of research projects that our technology infrastructure supports. We seek to maintain sufficient excess capacity in our technology infrastructure to meet the needs of all of our customers and collaborators, and to support our internal drug discovery programs. We also seek to maintain excess capacity to facilitate the rapid provision of solutions to new customers and collaborators. In addition, we need to properly manage our technology infrastructure in order to support version control, changes in hardware and software parameters and the evolution of our solutions. However, updating our technology infrastructure requires adequate lead-time. We may experience website disruptions, outages, and other performance problems. These types of problems may be caused by a variety of factors, including infrastructure changes, human or software errors, viruses, security attacks, fraud, spikes in usage, and denial of service issues. In some instances, we may not be able to identify the cause(s) of these performance problems within an acceptable period of time. If we do not accurately predict our infrastructure requirements, we may experience service outages that may cause us to delay the delivery of work products and subject us to financial penalties, financial liabilities, and customer losses. If our technology or other operation infrastructure fails to keep pace with increased sales and usage, customers and collaborators, our internal drug discovery team may experience delays in the deployment of our solutions as we seek to obtain additional capacity, which could adversely affect our reputation and adversely affect our revenues.

Clinical development involves a lengthy and expensive process with uncertain outcomes. If our pre-clinical studies and clinical trials are not sufficient to support regulatory approval of any of our drug candidates, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development of such drug candidates.

Clinical testing is expensive, is difficult to design and implement, can take many years to complete and has an uncertain outcome. Even if we can successfully advance our drug candidates into clinical development stage, we cannot guarantee that any of our clinical trials will be conducted as planned or completed on schedule, or at all. A failure of one or more clinical trials can occur at any stage of testing, which may result from a multitude of factors, including, but not limited to, flaws in trial design, dose selection issues, participant enrollment criteria and failure to demonstrate favorable safety or efficacy traits of the drug candidate.

Before we can commence clinical trials for a drug candidate, we must complete extensive preclinical testing and studies that support our planned IND applications and other regulatory filings in applicable jurisdictions. We cannot be certain of the timely completion or outcome of our preclinical testing and studies and cannot predict if regulatory authorities will accept our proposed clinical programs or if the outcome of our preclinical testing and studies will ultimately support the further development of any drug candidates. As a result, we cannot be sure that we will be able to submit INDs or corresponding regulatory filings for our preclinical programs on the timelines we expect, if at all, and we cannot be sure that submission of INDs or these regulatory filings will result in regulatory authorities allowing clinical trials to begin.

The time required to obtain approval from the FDA, the NMPA, the EMA, the Medsafe, the TGA or other comparable regulatory authorities is unpredictable but typically takes many years following the commencement of clinical trials and depends upon numerous factors, including the substantial discretion of regulatory authorities. Before obtaining marketing approval from regulatory authorities for the sale of any drug candidates, we must complete preclinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy of such drug candidates in humans. We have not yet completed a clinical trial of any of our drug candidates. Clinical trials may fail to demonstrate that our drug candidates are safe and effective for indicated uses. Even if the clinical trials are successful, changes in marketing approval policies during the development period, changes in or the enactment or promulgation of additional statutes, regulations or guidance or changes in regulatory review for each submitted product application may cause delays in the approval or rejection of an application.

Furthermore, drug candidates are subject to continued preclinical safety studies, which may be conducted concurrently with our clinical testing. The outcomes of these safety studies may delay the launch of or enrollment in future clinical trials and could impact our ability to continue to conduct our clinical trials.

Any inability to successfully complete preclinical studies and clinical trials could result in additional costs to us or impair our ability to generate revenues from product sales, regulatory and commercialization milestones and royalties. And successful results in earlier studies in the clinical development process may not be predictive of future trial results.

In addition, if we make manufacturing or formulation changes to our drug candidates, we may need to conduct additional preclinical studies or clinical trials to bridge our modified drug candidates to earlier versions. Clinical trial delays could also shorten any periods during which we may have the exclusive right to commercialize our drug candidates or allow our competitors to bring products to the market before we do, which could impair our ability to successfully commercialize our drug candidates and may harm our business, financial condition, results of operations and prospects.

The market opportunities for our drug candidates may be small and the potential could be minimal. We may encounter development and manufacturing challenges for our drug candidates.

The market opportunities for our drug candidates may be small and the potential could be minimal. Clinical trials can be difficult to set up due to the limited number of possible participants and their disparate locations. For other product candidates for the treatment of cancer, there is no guarantee that our oncology product candidates, even if initially approved as a second or later line of treatment, would be approved as a first line therapy. To develop our oncology product candidates as a first line treatment, we may have to conduct additional clinical trials at a much larger scale, which may not be successful. As a result, even though the number of patients addressable by the indications we are developing may be large, the actual addressable patients for our oncology product candidates may be limited to those that have

failed prior treatments. Additionally, regulatory authorities may establish narrower definitions around when a patient is eligible for treatment using our drug candidates than we have used in our projections and the number of addressable patients may turn out to be lower than expected.

We may face intense competition from manufacturers of generic drugs.

As of the Latest Practicable Date, only pirfenidone, nintedanib and Nerandomilast have been approved globally for the treatment of IPF. The patents for pirfenidone have already expired. The generic version of pirfenidone is available in the market which is marketed by several manufacturers such as Sandoz. The generics of nintedanib are expected to be marketed for the treatment of IPF in China in 2026, and in the United States in 2029 when the patents relating to nintedanib are expired. Thus, we may face competition from generic drugs for the treatment of IPF.

In addition, although a patent may qualify for certain extensions, the life of a patent and the protection it affords is limited. Even if we successfully obtain patent protection for an approved product candidate, it may face competition from generic drugs once the patent has expired. Manufacturers of generic drugs may also 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. Our issued patents for our product candidates are expected to expire on various dates as described in "Business — Intellectual Property" of this Prospectus. Upon the expiration of these patents, we will not be able to assert such patent rights against potential competitors and our business and results of operations may be adversely affected. For example, upon the expiration of relevant patents of ISM001-055, we may further face fierce competition from generic products of ISM001-055.

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

Drug-related adverse events and serious adverse events might be reported in our ongoing and/or future clinical trials. Adverse events caused by our drug candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials, or make significant changes to our clinical protocol or development plan, resulting in a more restrictive label or the delay in or denial of regulatory approvals by the FDA, the NMPA, the EMA, the Medsafe, the TGA or other comparable regulatory authorities, or limitations or withdrawal following approvals. For example, in May 2025, the FDA placed the U.S. Phase IIa trial of ISM001-055 on clinical hold, which was subsequently lifted in October 2025. In connection with the clinical hold, the FDA requested enhancements to safety monitoring, reporting, and transparency measures, including clarifying edits to the study protocol, informed consent form, and investigator's brochure. We promptly implemented these precautionary measures and maintained close, constructive communication with the FDA, following which the clinical hold was fully lifted.

If results of our trials reveal a high and unacceptable severity or prevalence of certain adverse events, our trials could be suspended or terminated and the FDA, the NMPA, the EMA, the Medsafe, the TGA or other comparable regulatory authorities may order us to cease further development of, or deny approval of, our drug candidates for any or all targeted indications.

Adverse events caused by our drug candidates, including when used in combination therapy, which may involve unique adverse events that could be exacerbated compared to adverse events caused by monotherapies, and off-label use of our drug candidates could potentially cause significant negative consequences for our Company, including but not limited to:

- regulatory authorities could interrupt, delay or halt pending clinical trials;
- we may suspend, delay or alter development or marketing of our product candidates;
- regulatory authorities may order us to cease further development of, or deny approval of, our product candidates for any or all targeted indications if results of our clinical trials reveal a high and unacceptable severity or prevalence of certain adverse events;
- regulatory authorities may withdraw approvals or revoke licenses of an approved product candidate, or we may determine to do so even if not required;
- regulatory authorities may require additional warnings on the label of an approved product candidate or impose other limitations on an approved product candidate;
- we may be required to develop a risk evaluation mitigation strategy ("**REMS**") for our product candidates, or, if one is already in place, to incorporate additional requirements under the REMS, or to develop a similar strategy as required by the FDA, the NMPA, the EMA, the Medsafe, the TGA or a comparable regulatory authority;
- we may be required to conduct post-market studies;
- we could be subject to litigation proceedings and held liable for harm caused to patients; and
- the cost of clinical trials of our product candidates may be substantially higher than anticipated.

Any drug-related side effects could affect patient recruitment or the ability of enrolled patients to complete trials or may result in potential product liability claims, which could prevent us from obtaining regulatory approvals or achieving or maintaining market acceptance of a particular product candidate, and could materially and adversely affect our business, results of operations and prospects.

We have engaged and expect to continue utilizing CROs, CDMOs and other third-party partners in our research and development process. If such organizations do not meet our requirements for supplies or services, development of our product candidates may be delayed.

We have engaged and expect to utilize CROs, CDMOs and other third-party partners in our research and development process, including synthesizing molecules. Using third parties may expose us to different risks than if we were to synthesize molecules ourselves. We may not be able to fulfill, or may be delayed in producing sufficient product candidates to meet our internal development or supply requirements if these third parties do not successfully carry out their contractual duties, meet expected deadlines, or synthesize molecules in accordance with regulatory requirements; if there are disagreements between us and such parties; or if such parties are unable to expand capacities. These third parties may also be affected by natural disasters, such as floods or fire, health epidemics, or geopolitical developments. These third parties could face production issues, such as contamination or regulatory concerns following a regulatory inspection of their facilities. In such instances, we may need to locate an appropriate replacement third-party facility and establish a contractual relationship, which may not be readily available or on acceptable terms, which would cause additional delay and increased expense, and may have a material adverse effect on our business.

As a result of capacity constraints or delays or disruptions in the market for the raw materials or active pharmaceutical ingredient ("**API**"), we or any third party, such as our CDMOs, may also encounter shortages in the raw materials or API necessary to synthesize molecules we may discover in the quantities needed for preclinical studies or clinical trials. Even if raw materials or API are available, we may be unable to obtain sufficient quantities at a reasonable cost or of acceptable quality. Failure by us or the third parties to obtain the raw materials or API necessary to synthesize sufficient quantities of molecules we may discover could cause our development efforts to be delayed, prevented, or impaired, which may have a material adverse effect on our business.

Our preclinical programs may experience delays or may never advance to clinical trials, which would adversely affect our ability to obtain regulatory approvals or commercialize these product candidates on a timely basis or at all, which would have an adverse effect on our business.

Many of our product candidates are still in the preclinical development stage, and the risk of failure of preclinical programs is high. Before we can commence clinical trials for a product candidate, we must complete extensive preclinical testing and studies to obtain regulatory clearance to initiate human clinical trials, including based on IND applications in the United States, Investigational Medicinal Product ("**IMP**") application in Australia and Clinical Trial Applications ("**CTAs**") in China, New Zealand and the European Union. We cannot be certain of the timely completion or outcome of our preclinical testing and studies and cannot predict if the FDA, the NMPA, the EMA, the Medsafe, the TGA or other regulatory authorities will accept our proposed clinical programs or if the outcome of our preclinical testing and studies will ultimately support the further development of our programs. As a result, we cannot be sure

that we will be able to submit IND applications or similar applications for our preclinical programs on the timelines we expect, if at all, and we cannot be sure that submission of IND applications or similar applications will result in the FDA, the NMPA, the EMA, the Medsafe, the TGA or other regulatory authorities allowing clinical trials to begin.

Results of earlier studies and trials may not be predictive of future trial results, and interim and/or preliminary data derived from our preclinical studies and/or clinical trials that we announce or publish from time to time may change as more valid data becomes available and are subject to audit and verification procedures that could result in material changes in the final results.

The results of preclinical studies and early clinical trials may not be predictive of the success of later phase clinical trials, and favorable initial or interim results of a clinical trial do not necessarily predict successful final results. Our drug candidates in later stages of clinical trials may fail to show the desired safety, immunogenicity and efficacy traits despite having progressed through preclinical studies and initial clinical trials.

In some instances, there can be significant variability in safety, immunogenicity and/or efficacy results among different trials of the same drug candidate due to numerous factors, including, but not limited to, changes in trial procedures set forth in protocols, differences in the size and demographics of the patient populations, including genetic differences, patient adherence to the dosing regimen, other trial protocol elements and the rate of dropout among clinical trial volunteers. As 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. Differences in the number of clinical trial sites and countries involved may also lead to variability between earlier and later-phase clinical trials. Constantly updated standard therapies may change patient resistance, which may affect the efficacy of our medicines. Such changes carry the inherent risks that they may not necessarily achieve the intended objectives. In addition, our future clinical trial results may differ from earlier trials and may not be favorable. Even if our future clinical trial results show favorable efficacy, not all patients may benefit. Therefore, the results of planned clinical trials or other future clinical trials could be significantly different than predicted, which could result in delays in the completion of clinical trials, regulatory approvals and commencement of commercialization of our drug candidates. If so, we would have expended a significant amount of capital to progress the relevant drug candidates to that stage, and would not realize any revenue on such drug candidate if it then ultimately failed to receive regulatory approval due to poor clinical trial results. Such an uncompensated expenditure could materially and adversely affect our business, financial condition results of operations and prospects.

From time to time, we may publish interim or preliminary data from our clinical trials. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Preliminary data are subject to audit and verification procedures, which may result in the final data being materially different from the preliminary data we previously published. As a result, interim and preliminary data should be viewed with caution until the final data are available. Differences between preliminary or interim data and final data could significantly harm our business prospects and may lead to significant fluctuations in the trading price of our 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, which could adversely affect our business operations and financial condition.

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 research and development efforts with respect to our drug candidates and any future drug candidates that we may develop, as well as the services we provide and may provide in the future. Any of these relationships may require us to incur non-recurring and other charges, increase our near and long-term expenditures, issue securities that dilute the shares held by our existing Shareholders or disrupt our management and business.

Our strategic collaboration with partners involves numerous risks, which could adversely affect our ability to recognize the benefits of the collaboration within an acceptable timeframe or at all. A collaboration partner may choose to delay or terminate a partnership for a variety of reasons, which include, but are not limited to, a lack of financial resources to continue to fund the collaboration, material disagreement between us and the partner, a shift in our partners' views of the clinical or commercial viability of our drug candidates, personnel changes in research leadership and other management resulting in a loss of internal advocacy, or other strategic realignment within the organization. Disputes may arise between us and our current or future collaboration partners. Such disputes may cause delay or termination of the research, development or commercialization of our drug candidates, or may result in costly litigation or arbitration that diverts management attention and resources. We face significant competition in seeking appropriate strategic partners and the negotiation process is time consuming and complex. Moreover, we may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for our drug candidates because they may be deemed to be at too early of a stage of development for collaborative effort, and third parties may not view our drug candidates as having the requisite potential to demonstrate safety and efficacy or commercial viability. Further, any agreement that we do enter into may not result in the anticipated benefits.

Global markets are an important component of our growth strategy. If we fail to obtain licenses or enter into collaboration arrangements with third parties in other markets, or if a third-party partner 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 acquisition or development of drug candidates;

- difficulty of effective enforcement of contractual provisions in local jurisdictions;

- third-party partners may not properly obtain, maintain, protect or enforce our patents, trade secret and other intellectual property rights and regulatory exclusivity for our drug candidates or may use our intellectual property in such a way as to invite litigation or other intellectual property-related proceedings that could jeopardize or invalidate our intellectual property or expose us to potential litigation or other intellectual property-related proceedings;

- difficulty of ensuring that third-party partners do not infringe, misappropriate, or otherwise violate the patent, trade secret, or other intellectual property and proprietary rights of others;

- unexpected changes in or imposition of trade restrictions, such as tariffs, sanctions or other trade controls, and similar regulatory requirements;

- 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;

- workforce uncertainty and labor unrest;

- failure of our employees and contracted third parties to comply with the FCPA; and

- business interruptions resulting from geopolitical actions, including war and acts of terrorism, or natural disasters, including earthquakes, volcanoes, typhoons, floods, hurricanes and fires.

These and other risks may materially adversely affect our ability to procure equipment and raw material and to attain or sustain any future revenue from international markets.

If our current research collaborators, scientific advisors or employees terminate their relationships with us or develop relationships with a competitor, our ability to conduct research and development could be adversely affected.

In advancing our integrated technology platform and improving our capabilities in drug discovery activities, we work with a number of key research collaborators and/or scientific advisors. There can be no assurance that there will not be a detrimental impact on us if one or more of these key research collaborators and/or scientific advisors were to cease relationship with us, potentially as a result of lateral recruitment by existing or new competitors. As a result, this may adversely affect our ability to advance our integrated technology platform and further develop our drug discovery services.

Furthermore, our ability to continue to conduct and expand operations depends on our ability to attract and retain a large and growing number of personnel. The ability to meet our expertise needs, including the ability to find qualified personnel to fill positions that become vacant at our research and development department or to collaborate with us in research and development efforts, while controlling our costs, is generally subject to numerous external factors, including the availability of a sufficient number of qualified persons in the AI-driven drug research and development service market, the unemployment levels within those markets, prevailing wage rates, changing demographics, health and other insurance costs and adoption of new or revised employment and labor laws and regulations. If we are unable to locate, to attract or to retain qualified personnel, the quality of services provided to customers may decrease and our financial performance may be adversely affected. In addition, if costs of labor or related costs to maintain relationships with research collaborators increase for other reasons or if new or revised labor laws, rules or regulations or healthcare laws are adopted or implemented that further increase labor costs, our business, financial condition and results of operations could be materially adversely affected.

We have no experience in launching and marketing product candidates. If we are unable to maintain sufficient marketing and sales capabilities, we may not be able to generate product sales revenue as planned.

We have no track record in commercialization, and if we are unable to build sufficient sales and marketing capabilities, we may be unsuccessful to raise awareness and sell our product candidates successfully. We have not yet demonstrated an ability to launch and commercialize any of our product candidates. As a result, our ability to successfully commercialize our product candidates may involve more inherent risk, take longer, and cost more than it would if we were a company with experience launching and marketing product candidates.

Our future approved product candidates may fail to achieve the degree of market acceptance by physicians, patients, third-party payers and others in the medical community necessary for commercial success.

Our future approved product candidates 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 new products to ours. The degree of market acceptance of our product candidates, if approved for commercial sale, will depend on a number of factors, including:

- the clinical indications for which our product candidates are approved;
- physicians, hospitals, and patients considering our product candidates as a safe and effective treatment;
- the potential and perceived advantages of our product candidates over alternative treatments;
- the prevalence and severity of any side effects;
- product labeling or package insert requirements of regulatory authorities;
- limitations or warnings contained in the labeling approved by regulatory authorities;
- the timing of market introduction of our product 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.

If any approved product candidates that we commercialize fail to achieve market acceptance in the medical community, we will not be able to generate significant revenue. Even if our future approved product candidates achieve market acceptance, we may not be able to maintain that market acceptance over time if new products or technologies are introduced that are more favorably received than our product candidates, are more cost-effective or render our product candidates obsolete.

Our product candidates when commercialized may become subject to unfavorable pricing regulations, or to unfavorable changes in national or third-party reimbursement practices, which could negatively affect our business.

There has been heightened governmental scrutiny in the United States, China and other major jurisdictions of biopharmaceutical pricing practices in light of the rising cost of biopharmaceutical products. For example, in the United States, the scrutiny of biopharmaceutical pricing practices has resulted in several Congressional inquiries and proposed and enacted federal legislation designed to, among other things, bring more transparency to pricing of biopharmaceutical products, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for products. If the United States or other relevant governments issue pricing guidance for our commercialized products, such guidance may negatively affect the price at which we can sell our products and therefore may have a material adverse effect on our business and results of operations.

Our ability to commercialize any approved product candidates successfully will also depend in part on the extent to which reimbursement for these products and related treatments will be available from government health administration authorities, private health insurers and other organizations. A primary trend in the global healthcare industry is cost containment. Government authorities and third-party payers have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications.

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 product candidate 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 product candidate that we commercialize. Obtaining or maintaining reimbursement for approved product 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 product candidate that we successfully develop.

There may be significant delays in obtaining reimbursement for approved product candidates, and coverage may be more limited than the purposes for which the product candidates are approved by the regulatory authorities. Moreover, eligibility for reimbursement does not imply that any biopharmaceutical product 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 product and the clinical setting in which it is used, may be based on payments allowed for lower-cost products that are already reimbursed, and may be incorporated into existing payments for other services. Net prices for products may be reduced by mandatory discounts or rebates required by government healthcare programs or private payers. Our inability to promptly obtain coverage

and profitable payment rates from both government-funded and private payers for any future commercialized products and any new products that we develop could have a material adverse effect on our business, operating results, and overall financial condition.

Furthermore, the market opportunities for our product candidates may be uncertain, which could render some products ultimately unprofitable even if commercialized, and we may not be able to fully capture the target populations of our products.

Our commercial success depends significantly on our ability to operate without infringing upon, misappropriating or otherwise violating the intellectual property rights of third parties.

The AI-driven drug research and development market is subject to rapid technological change and substantial litigation regarding patent and other intellectual property rights. Our potential competitors may have substantially greater resources and are likely to make substantial investments in patent portfolios and competing technologies, and may apply for or obtain patents that could prevent, limit or otherwise interfere with our ability to make, use and sell our products or technologies. Numerous third-party patents exist in fields relating to our products, algorithms or technologies, and it is difficult for industry participants, including us, to identify all third-party patent rights relevant to our technologies. Moreover, because some patent applications are maintained as confidential for a certain period of time, we cannot be certain that third parties have not filed patent applications that cover our products and technologies.

Patents could be issued to third parties and we may ultimately be found to infringe such patents. Third parties may have or obtain valid and enforceable patents or proprietary rights that could block us from using our technologies. Our failure to obtain or maintain a license to any third-party intellectual property rights that we require may materially harm our business, financial condition and results of operations. Furthermore, we would be exposed to risks of litigation.

Third-party intellectual property right holders may also actively bring infringement or other intellectual property-related claims against us, even if we have received patent protection for our technologies, products, and services. Regardless of the merit of third parties claims against us for infringement, misappropriation or violations of their intellectual property rights, such third parties may seek and obtain injunctive or other equitable relief, which could effectively block our ability to continue to offer our drug discovery services and perform future clinical trials. Further, if a patent infringement suit were brought against us, we could be forced to stop or delay our development or regulatory approval process or other activities that are the subject of such suit. Defense of these claims, even if such claims are resolved in our favor, could cause us to incur substantial expenses and be a substantial diversion of our employee resources even if we are ultimately successful. Any adverse ruling or perception of an adverse ruling in defending ourselves could have a material adverse impact on our cash position and stock price. Such litigation or proceedings could substantially increase our operating costs and reduce the resources available for development activities or any future sales, marketing, or

distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios.

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. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments, which could have a material adverse effect on the price of our Shares. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our Shares. The occurrence of any of these events may have a material adverse effect on our business, results of operation, financial condition or cash flows.

We may be subject to disasters, health epidemics, acts of war, terrorism, business disruptions and other force majeure events, which may have a material adverse effect on our business, financial condition and results of operations.

Natural disasters, acts of war, terrorism or other force majeure events beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the regions where we conduct our business. Our operations, and those of our third-party research institution collaborators, suppliers and other contractors and consultants, may be under the threat of natural disasters such as floods, earthquakes, sandstorms, snowstorms, fire or drought, the outbreak of a widespread health epidemic, such as swine flu, avian influenza, severe acute respiratory syndrome, or SARS, Ebola, Zika, COVID-19, force majeure events such as power, water or fuel shortages, failures, malfunction and breakdown of information management systems, unexpected maintenance or technical problems, or potential wars or terrorist attacks.

The occurrence of a disaster or a prolonged outbreak of an epidemic illness or other adverse public health developments in the world could materially disrupt our business and operations. For example, since the end of December 2019, the outbreaks of a new strain of coronavirus COVID-19 have materially and adversely affected the global economy. Many countries and regions had been affected by the COVID-19 outbreaks and, in response, had imposed certain lockdown measures, closure of workplaces and restrictions on mobility and travel to contain the spread of the virus. The outbreak of COVID-19 has caused temporary suspension of production and shortage of labor and raw materials in affected regions, and disrupted local and international travel and economy.

There also could occur serious natural disasters, which may result in loss of lives, injury, destruction of assets and disruption of our business and operations. Damage or extended periods of interruption to our corporate, development, research or manufacturing facilities due to fire, disaster, epidemics, power loss, communications failure, unauthorized entry or other events could cause us to cease or delay development or commercialization of some or all of our drug candidates. As we rely on third parties on various services and supplies, the occurrence of any of the foregoing events could seriously harm ability to obtain services or supplies if such third parties are affected by disasters, epidemics, business interruptions and other force

majeure events. In addition, our insurance might not cover all losses under such circumstances and our business may be seriously harmed by such delays and interruption. Acts of war or terrorism may also injure our employees, disrupt our business network and destroy our markets. Any of the foregoing events and other events beyond our control could have an adverse effect on the overall business sentiment and environment, cause uncertainties in the regions where we conduct business, cause our business to suffer in ways that we cannot predict and materially and adversely impact our business, financial condition and results of operations.

Risks Related to Extensive Government Regulations

The research, development and commercialization of our pharmaceutical products are heavily regulated.

All jurisdictions in which we intend to conduct our pharmaceutical-industry activities regulate these activities in great depth and detail. We intend to focus our activities in the major markets, including the United States, Greater China and Europe. These jurisdictions strictly regulate the pharmaceutical industry, and in doing so they employ broadly similar regulatory strategies, including regulation of product development and approval, manufacturing, and marketing, sales and distribution of products. However, there are differences in the regulatory regimes that make for a more complex and costly regulatory compliance burden for a company like us that plans to operate in these regions.

The process of obtaining regulatory approvals and compliance with appropriate laws and regulations require the expenditure of substantial time and financial resources. Failure to comply with the applicable requirements at any time during the product development process and approval process, or after approval, may subject an applicant to administrative or judicial sanctions. These sanctions could include: refusal to approve pending applications; withdrawal of an approval; license or approval revocation; clinical hold; voluntary or mandatory product recalls; product seizures; total or partial suspension of production or distribution; injunctions; fines; refusals of government contracts; providing restitution; undergoing disgorgement; or other civil or criminal penalties. Failure to comply with these regulations could have a material adverse effect on our business.

For example, certain of our research and development operations are located in China, which we believe confers clinical, commercial and regulatory advantages. The biopharmaceutical industry in China is subject to comprehensive government regulation and supervision, encompassing the research, clinical trial, approval, registration, manufacturing, packaging, licensing and marketing of new product candidates. See "Regulatory Overview" for a discussion of the regulatory requirements that are applicable to our current and planned business activities in China. In recent years, the regulatory framework in China regarding the biopharmaceutical industry has undergone significant changes, and we expect that it will continue to change. 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 product candidates in China and reduce the current benefits we believe are available to us from developing drugs in China.

The regulatory approval processes of the FDA, the NMPA, the EMA, the Medsafe, the TGA and other comparable regulatory authorities are lengthy, time-consuming and inherently unpredictable. If we are ultimately unable to obtain, or experience material delays in obtaining, regulatory approval for our product candidates, our business will be substantially harmed.

The time required to obtain approval by the FDA, the NMPA, the EMA, the Medsafe, the TGA and other comparable regulatory authorities is unpredictable, particularly with respect to new products, and depends on numerous factors, including the substantial discretion of the regulatory authorities.

Our product candidates could fail to receive regulatory approval for many reasons, including:

- failure to enter into or complete clinical trials due to disagreements with regulatory authorities;
- failure to demonstrate that a product candidate is safe, pure and potent for its proposed indication;
- failure of clinical trial results to meet the level of statistical significance required for approval;
- failure to demonstrate that the clinical and other benefits of a product candidate outweigh its safety risks;
- data integrity issues related to our clinical trials;
- insufficiency of data generated from clinical trials of our product candidates to support the filing of the NDA or other submission or to obtain regulatory approval;
- the regulatory authorities' disagreement with our interpretation of data from preclinical studies or clinical trials;
- our inability to conduct a clinical trial in accordance with regulatory requirements or our clinical trial protocols;
- clinical trial sites, investigators or other volunteers in our clinical trials deviating from a trial protocol, failing to conduct the trial in accordance with regulatory requirements, or dropping out of a trial; and
- deficiencies identified by the regulatory authorities in relation to chemistry, manufacturing or control ("**CMC**").

The FDA, the NMPA, the EMA, the Medsafe, the TGA or a comparable regulatory authority may require more information, including additional preclinical or clinical data, to support approval, which may delay or prevent approval and our commercialization plans, or cause us to decide to abandon the development program.

Changes in regulatory requirements and guidance may also occur, and we may need to amend clinical trial protocols submitted to applicable regulatory authorities to reflect these changes. Resubmission may impact the costs, timing or successful completion of a clinical trial. In addition, changes in government regulations or in practices relating to the pharmaceutical or biopharmaceutical industry, 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, and may have a material adverse impact on our business, financial condition, results of operations, and prospects.

If we experience delays in the completion of, or the termination of, a clinical trial of any of our product candidates, the commercial prospects of that product candidate will be harmed, and our ability to generate product sales revenues from that product candidate will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our product candidate development and approval process, and jeopardize our ability to commence product sales and generate related revenues from that candidate. Any of these occurrences may harm our business, financial condition and prospects significantly. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates.

Moreover, we have limited experience in filing for regulatory approval for our product candidates, and we have not yet demonstrated the ability to receive marketing approval for our product candidates. As a result, our ability to successfully obtain marketing approval for our product candidates may involve more inherent risk, take longer, and cost more than it would if we were a company with substantial experience in obtaining regulatory approvals.

Changes in government regulations or in practices relating to the biopharmaceutical industry may adversely affect our business.

The biopharmaceutical industry in the United States, Greater China, Europe and other markets where we intend to enter is heavily regulated. Changes in government regulations or in practices relating to the biopharmaceutical industry, such as a relaxation in regulatory requirements, or the introduction of simplified approval procedures which lower entry barriers for potential competitors, or an increase in regulatory requirements that 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 addition, recently enacted and future legislation in relevant jurisdictions may increase the difficulty and cost for us to obtain regulatory approval and commercialize our product candidates and affect the prices we may set. In recent years, there have been and will likely continue to be efforts to enact administrative or legislative changes to healthcare laws and

policies that will affect the biopharmaceutical industry, including measures which may result in more rigorous coverage criteria and downward pressure on the price that we set for any approved product. Any reduction in reimbursement from government programs may result in a similar reduction in payments from private payers. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability, or commercialize our products.

In particular, there may be intrinsic risks associated with new targets such as unknown biology, unclear mechanism of actions, new or less clear pathways, which could increase the uncertainties for our drug development. New drug molecules discovered through AI technologies may not be easily identified via traditional high throughput screening. Considering the newness of targets and the scarcity of historical research conducted, there are risks associated with our drugs, which include unknown safety and clinical efficacy performance on human subjects until extensive testing and validation studies have been performed.

Even if we receive regulatory approvals for our product 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 products.

Any of our future approved product candidates will be subject to ongoing or additional regulatory requirements for manufacturing, labeling, packaging, storage, advertising, promotion, sampling, recordkeeping, conduct of post-marketing studies, and submission of safety, efficacy, and other post-market information, including requirements of regulatory authorities in the United States, Greater China, Europe and other countries and regions.

Our manufacturing facilities are required to comply with extensive requirements promulgated by the FDA, the NMPA, the EMA, the Medsafe, the TGA and comparable regulatory authorities in other relevant jurisdictions to ensure that quality control and manufacturing procedures conform to GMP and other comparable regulations and standards, which include requirements relating to quality control and quality assurance as well as the corresponding maintenance of records and documentation and reporting requirements. As such, we will be subject to continual review and inspections to assess compliance with GMP and other comparable regulations and standards. Accordingly, we must continue to expend time, money and effort in all areas of regulatory compliance, including manufacturing, production and quality control.

We must also comply with requirements concerning advertising and promotion for any of our product candidates for which we obtain marketing approval. The FDA, the NMPA, the EMA, the Medsafe, the TGA and other regulatory authorities strictly regulate the marketing, labeling, advertising and promotion of products that are placed on the market. We must limit our promotional communications with respect to our approved products only with regard to their approved indications and for use in accordance with the provisions of the approved label. Such limitations may potentially pose an adverse impact on our product's commercial

potential. In addition, any approvals that we receive for our product candidates may contain requirements for potentially costly post-marketing studies and surveillance to monitor the safety and efficacy of the approved product candidate. We will need to incur additional costs and devote substantial resources to comply with such requirements to, for example, produce and submit safety and other post-marketing information and reports, registration, as well as ensure continued compliance with GMP and GCP, for any clinical trials that we conduct post-approval, as well as other applicable comparable regulations and standards. Such additional costs may have an adverse impact on our results of operations and financial condition.

Any failure to comply with applicable laws and regulations or obtain various licenses and permits could harm our reputation and our business, results of operations and prospects.

A number of governmental agencies or industry regulatory bodies in the United States, the United Arab Emirates, Greater China and other jurisdictions where we operate impose strict laws, regulations and rules governing biopharmaceutical research and development activities, which may apply to us. We may be required to maintain licenses, registrations, permits, authorizations, approvals, certifications, accreditations and other types of national and local governmental permissions in the United States, the United Arab Emirates, Greater China and other jurisdictions and to comply with various regulations in every jurisdiction in which we operate, including with respect to our research and development activities. The failure to comply with such licensure requirements could result in enforcement actions, including the revocation or suspension of the licenses, registrations or accreditations, or subject us to plans of correction, monitoring, civil money penalties, civil injunctive action and/or criminal penalties. The failure of us, our collaborators and/or other business partners, including our CROs, to comply with such regulations could result in the termination of ongoing research, administrative penalties imposed by regulatory bodies or the disqualification of data for submission to regulatory authorities. This could harm our business, reputation, prospects for future work and results of operations.

In addition, there can be no assurance that we will be able to maintain our existing licenses, approvals, registrations or permits necessary to provide our current services in the relevant jurisdictions, renew any of them when their current term expires, or update existing licenses or obtain additional licenses, approvals, permits, registrations or filings necessary for our business expansion from time to time. If we fail to do so, our business, financial conditions and operational results may be materially and adversely affected.

Furthermore, if the interpretation or implementation of existing laws and regulations changes, or new regulations come into effect requiring us and/or other such related parties to make any additional filings or obtain any additional approvals, permits, licenses or certificates that were previously not required to operate our existing businesses, we cannot assure you that we and/or parties related to our operation will successfully make such filings or obtain such approvals, permits, licenses or certificates in a timely manner or at all. Our or these parties' failure to make the additional filings or obtain the additional approvals, permits, licenses or certificates may restrict the conduct of our business, decrease our revenues and/or increase our costs, which could materially reduce our profitability and prospects.

We may be directly or indirectly subject to applicable anti-kickback, anti-bribery, false claims laws, physician payment transparency laws, fraud and abuse laws or similar healthcare and security laws and regulations, which could, in the event of non-compliance, expose us to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.

Healthcare providers, physicians and others play a primary role in the recommendation and prescription of any products for which we obtain regulatory approvals. Our operations are subject to various applicable anti-kickback, an-bribery, false claims laws, physician payment transparency laws, fraud and abuse laws or similar healthcare and security laws and regulations in the jurisdictions in which we operate or intent to operate. These laws may impact, among other things, our proposed sales and marketing programs. Violations of fraud and abuse laws may be punishable by criminal and/or civil sanctions, including penalties, fines and/or exclusion or suspension from governmental healthcare programs and debarment from contracting with governments.

There is no definitive guidance on the applicability of fraud and abuse laws to our business. Law enforcement authorities are increasingly focused on enforcing these laws, and some of our practices may be challenged under these laws. Efforts to ensure that our business arrangements with third parties comply with applicable healthcare laws and regulations will involve substantial costs. Governmental authorities could conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If any such actions are instituted against us, and if we are not successful in defending ourselves or asserting our rights, those actions could result in the imposition of civil, criminal and administrative penalties, damages, disgorgement, monetary fines, possible exclusion from participation in governmental healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business and have a significant impact on our businesses and results of operations.

Finally, we are subject to the Foreign Corrupt Practices Act ("**FCPA**"). The FCPA generally prohibits us from making improper payments to non-United States 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.

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 relating to our management of the medical data.

We routinely receive, collect, generate, store, process, transmit and maintain medical data, treatment records and other personal details of the patients 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 various jurisdictions in which we operate and conduct our clinical trials, as well as contractual obligations. These data protection and privacy law regimes continue to evolve and may result in ever-increasing public scrutiny and escalating levels of enforcement and sanctions and increased costs of compliance. Failure to comply with any of these laws and regulations could result in enforcement action against us, including fines, imprisonment of company officers and public censure, claims for damages by customers and other affected individuals, damage to our reputation and loss of goodwill, any of which could have a material adverse effect on our business, financial condition, results of operations or prospects.

Data protection and privacy laws and regulations generally require clinical trial sponsors and operators and their personnel to protect the privacy of their enrolled patients and prohibit unauthorized disclosure of personal information. If such institutions or personnel divulge the patients' private or medical records without their consent, they will be held liable for damage caused thereby. The personal information of patients or subjects for our clinical trials is highly sensitive and we are subject to strict requirements under the applicable privacy protection regulations in the relevant jurisdictions. Whilst we have adopted security policies and measures to protect our proprietary data and patients' privacy, privacy leakage incidents might not be avoided due to hacking activities, human error, employee misconduct or negligence or system breakdown.

As data protection and privacy issues draw more and more attention from society, we may also become subject to new laws and regulations, or newly adopted interpretation and application of existing privacy and data protection laws or regulations, which are often uncertain and in flux and could further restrict collection and usage of data, or otherwise inconsistent with our practice. Any additional enactment or promulgation of this type may, among other things, require us to implement new security measures or bring within the legislation or promulgation other personal data not currently regulated. Compliance with any additional laws could be expensive, may place restrictions on our data collection and processing practice.

In addition, our clinical trials frequently also involve professionals from third-party institutions working on-site with our staff and enrolled subjects. We cannot ensure that such persons will always comply with our data privacy measures. We also cooperate with third parties including principal investigators, hospitals, CROs, and other third-party contractors and consultants for our clinical trials and operations. Any leakage or abuse of patient data by our third-party partners may be perceived by the patients as our fault, negligence or a result of our failure.

Furthermore, any change in such laws and regulations could affect our ability to use medical data and subject us to liability for the use of such data for previously permitted purposes. Complying with all applicable laws, regulations, standards and obligations relating to privacy and data security may cause us to incur substantial operational costs or require us to modify our data processing practices and processes. Non-compliance could result in proceedings against us by data protection authorities, governmental entities or others, including class action privacy litigation in certain jurisdictions, which would subject us to significant fines, penalties, judgments and negative publicity. Any failure or perceived failure by us to prevent information security breaches or to comply with privacy policies or privacy-related legal obligations, or any compromise of information security that results in the unauthorized release or transfer of personally identifiable information or other patient data, could have a material adverse effect on our business, financial condition and results of operations.

We are subject to registration, review and other requirements of the regulatory authorities for cross-border sales or licensing of technology as well as operations related to genetics and data safety.

As an AI drug discovery company, we must comply with various laws, regulations and guidelines relating to the cross-border sale and licensing of technology, genetics and data security. These regulations have the potential to increase our costs and adversely affect our operations and financial performance. In particular, the laws and regulations governing the cross-border sale and licensing of technology may require us to obtain licenses, approvals or permits from regulatory authorities, which could restrict or delay the transfer of technology across borders. Similarly, the laws and regulations governing the research, development and commercialization of genetics-related products and services may require us to obtain approvals or permits from regulatory authorities, which could have a significant impact on our operations. In addition, failure to comply with data security laws and regulations could result in significant fines and penalties.

If we or our third-party research collaborators or other contractors or consultants fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could have a material adverse effect on the success of our business.

We and third parties, such as our collaborators, CROs, CDMOs and other partners, are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. The cost of compliance with environmental protection, health and safety regulations is substantial. Our business activities involve the controlled use of hazardous materials. Our research and development activities involve the controlled storage, use and disposal of hazardous materials, including the components of our product candidates and other hazardous compounds, which requires us to file with the government authority for occupational disease hazards. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials, which could cause an interruption of our commercialization efforts, research and

development efforts and business operations. We cannot guarantee that the safety procedures utilized by our partners and by third-party manufacturers and suppliers with whom we may contract will comply with the standards prescribed by laws and regulations or will eliminate the risk of accidental contamination or injury from these materials. In such an event, we could be held liable for any resulting damages, and such liability could exceed our resources. In addition, we may be required to incur substantial costs to comply with current or future environmental, health and safety laws and regulations which are complex, change frequently and have tended to become more stringent. Failure to duly comply with the environmental, health and safety laws and regulations may subject us to fines, warnings or rectification orders imposed by the competent authorities. We do not currently carry biological or hazardous waste insurance coverage. In the event of an accident or environmental discharge, we may be held liable for any consequential damage and any resulting claims for damages, which may exceed our financial resources and may materially adversely affect our business, financial condition, results of operations and future growth prospects, and the value of our Shares.

We are subject to changing laws and regulations regarding regulatory matters, corporate governance and public disclosure that have increased both our costs and the risk of non-compliance. If we face allegations of non-compliance with laws and encounter sanctions, our reputation, business, operating result and financial condition may suffer, and our drug candidates and future drugs could be subject to restrictions or withdrawal from the market.

We are subject to rules and regulations by various governing bodies and the various regulatory authorities in the United States, Canada, Greater China, the United Arab Emirates and the Cayman Islands, and to new and evolving regulatory measures under applicable law. Our efforts to comply with new and changing laws and regulations, including those relating to health care fraud and abuse, have resulted in and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

Moreover, because these laws, regulations and standards are subject to varying interpretations, their application in practice may evolve over time as new guidance becomes available. This evolution may result in continuing uncertainty regarding compliance matters and additional costs necessitated by ongoing revisions to our disclosure and governance practices. If we fail to address and comply with these regulations and any subsequent changes, we may be subject to penalty and our business may be harmed.

Any government investigation of alleged violations of laws or regulations could require us to expend significant time and resources in response, and could generate negative publicity. Any failure to comply with ongoing regulatory requirements may significantly and adversely affect our ability to obtain approvals to commercialize and generate revenues from our drugs. If regulatory sanctions are applied or if regulatory approval is withdrawn, the value of our Company and our operating results will be adversely affected. Additionally, if we are unable to generate revenues from our product sales, our potential for achieving profitability will be diminished and the capital necessary to fund our operations will be increased.

You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing actions in China against us or our management named in the document based on foreign laws.

A number of our business and operations are located in the PRC. In addition, some of our Directors and senior management reside in China and substantially all of their assets are located in China. It may be difficult for investors to effect service of process upon those persons residing in China or to enforce against us or them in China any judgments obtained from non-PRC courts. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts of most other jurisdictions. As a result, recognition and enforcement in the PRC of judgments of a court in any of these jurisdictions outside China may be difficult.

On July 14, 2006, the Supreme People's Court of the PRC and the Government of the Hong Kong Special Administrative Region signed an Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "Arrangement"). Under the Arrangement, a party with an enforceable final court judgment rendered by any designated people's court of China or any designated Hong Kong court requiring payment of money in a civil and commercial case according to a written choice of court agreement, may apply for recognition and enforcement of the judgment in the relevant people's court of China or Hong Kong court. A written choice of court agreement 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 PRC court is expressly designated as the court having sole jurisdiction for the dispute.

On January 18, 2019, the Supreme People's Court of the PRC and Hong Kong entered into an agreement regarding the scope of judgments which may be enforced between China and Hong Kong (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "New Arrangement"). The New Arrangement broadens the scope of judgments that may be enforced between China and Hong Kong under the Arrangement. Whereas a choice of jurisdiction needs to be agreed in writing in the form of an agreement between the parties for the selected jurisdiction to have exclusive jurisdiction over a matter under the Arrangement, the New Arrangement provides that the court where the judgment was sought could apply jurisdiction in accordance with the certain rules without the parties' agreement. The New Arrangement became effective on January 29, 2024 both in China and in Hong Kong, and replaced the Arrangement. Under the New Arrangement, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the effective judgments in civil and commercial cases subject to the conditions set forth in the New Arrangement. Although the New Arrangement has been signed and took effect, the outcome and effectiveness of any action brought under the New Arrangement may still be uncertain. We cannot assure you that an effective judgment that complies with the New Arrangement can be recognized and enforced in a PRC court.

International market conditions and the international regulatory environment may affect our business operations. Changes in international trade policies and rising tensions may adversely impact our business, financial condition and results of operations.

International market conditions and the international regulatory environment have historically been affected by competition among countries and geopolitical frictions. We have been closely monitoring policies in the United States that are aimed at restricting U.S. persons from investing in or supplying to certain Chinese companies. For example, on October 28, 2024, the U.S. Department of the Treasury issued a final rule on outbound investment, or the Final Rule, to implement the executive order of August 9, 2023. The Final Rule became effective on January 2, 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. persons for certain investments in entities associated with China (including Hong Kong and Macau) that are engaged in certain activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems, collectively defined as "Covered Foreign Persons." U.S. persons subject to the Final Rule are in some instances prohibited altogether from making, and in other instances required to report, certain investments in Covered Foreign Persons, which are defined as "Covered Transactions." Based on our understanding of the Final Rule and our current business operations, we do not believe we are within the scope of the Final Rule. However, there is no assurance that the U.S. Department of Treasury will take the same view as ours. If we became within the scope of the Final Rule, and if U.S. persons engaged in a "Covered Transaction" that involves the acquisition of our equity interests, such U.S. persons may need to make a notification pursuant to the Final Rule. Notably, President Trump issued the America Investment Policy Memorandum on February 21, 2025, which proposes to further expand the set of technologies of concern, including but not limited to biotechnology. If we were in the future deemed to be within the scope of the Final Rule due to changes in our business operations or amendments to relevant laws and regulations or the interpretation thereof, our ability to raise capital from U.S. persons could be significantly and negatively affected, in which case the trading price of the Shares may be materially and adversely affected.

Changes to trade policies, treaties and tariffs, or the perception that these changes could occur, could adversely affect the financial and economic conditions in the jurisdictions in which we operate. Such political tensions and policy changes may have an adverse effect on global economic conditions, the stability of global financial markets, and international trade policies. Moreover, the bilateral relationship is an ongoing matter, evolving sometimes from day to day, and we cannot predict how the relationship will further evolve or what impact any subsequent developments in the relationship may have on our business.

There is currently uncertainty about the future relationship between the United States and China with respect to trade policies, treaties, government regulations and tariffs. For example, on December 10, 2025, the National Defense Authorization Act for Fiscal Year 2026 ("***NDAA***") passed overwhelmingly in the U.S. House of Representatives (the "***House***") and includes the BIOSECURE Act which, in its current form, would prohibit the U.S. government from procuring biotechnology equipment or services from "biotechnology companies of concern,"

and would prohibit U.S. government contracts, loans and grants to any entity that uses biotechnology equipment or services from a designated "biotechnology company of concern." "Biotechnology companies of concern" include companies identified on the U.S. Department of Defense's "Chinese military companies operating in the United States" list and also authorizes the U.S. government to identify additional entities for inclusion as "biotechnology companies of concern." The U.S. Senate is expected to vote on and pass the NDAA the week of December 15. At the conclusion of this congressional process, President Trump is expected to sign the NDAA into law. If the BIOSECURE Act becomes law, we may be restricted in our ability to work with certain Chinese biotechnology manufacturing companies to the extent we would contract with, or otherwise receive funding from, the U.S. government. In addition, if we, our suppliers, or our customers were to be designated under the BIOSECURE Act, this could potentially cause harm to our business and financial condition, though if ultimately enacted in its current form, the Act would also have a delayed implementation date. If we plan to continue to expand our business internationally in the future, any unfavorable government policies on international trade, such as capital regulations, export regulations, sanctions, embargoes or tariffs, may affect the demand for our products and services, impact our competitive position, or prevent us from being able to conduct business in certain countries. If any new tariffs, trade restrictions, legislation, or regulations are implemented, or if existing trade agreements are renegotiated, such changes could adversely affect our business, financial condition, and results of operations. See "— International trade policies, including tariffs, sanctions and trade barriers may adversely affect our business, financial condition, results of operations and prospects." below for more details.

While we have not started commercialization of any of our drug candidates, any unfavorable government policies on international trade, such as capital regulations or tariffs, may affect the demand for our future drug products, the competitive position of our future drug products, the hiring of scientists and other research and development personnel, and import or export of raw materials in relation to drug development, 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 United States government takes retaliatory trade actions due to the recent United States-China trade tension, such changes could have an adverse effect on our business, financial condition and results of operations. See "— International trade policies, including tariffs, sanctions and trade barriers may adversely affect our business, financial condition, results of operations and prospects." below for more details.

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

International trade policies, including tariffs, sanctions and trade barriers may adversely affect our business, financial condition, results of operations and prospects.

We operate in a global economy, which includes utilizing third-party suppliers in several countries outside the United States. There is an inherent risk, based on the complex relationships among the U.S. and the countries in which we conduct our business, that political, diplomatic, and national security factors can lead to global trade restrictions and changes in trade policies and export regulations that may adversely affect our business and operations. The current international trade and regulatory environment is subject to significant ongoing uncertainty. The U.S. government has recently announced substantial new tariffs affecting a wide range of products and jurisdictions and has indicated an intention to continue developing new trade policies, including with respect to the pharmaceutical industry. In response, certain foreign governments have announced or implemented retaliatory tariffs and other protectionist measures. These developments have created a dynamic and unpredictable trade landscape, which may adversely impact our business, results of operations, financial condition and prospects.

We do not own or operate, and currently have no plans to establish, any manufacturing facilities. We currently rely, and expect to continue to rely, on third parties for the manufacture of our product candidates for clinical testing, as well as for manufacture of any products that we may commercialize, if approved. Currently, several of our suppliers are located outside of the United States, and our principal suppliers of raw materials are located in China. We also rely on specialized laboratory equipment, supplies, materials, and precursor compounds, all or part of which we believe may be ultimately sourced from multiple countries outside the United States, to advance our research and development efforts.

Current or future tariffs may result in increased research and development expenses, including with respect to increased costs associated with APIs, raw materials, laboratory equipment and research materials and components. In addition, such tariffs may increase our supply chain complexity and could also potentially disrupt our existing supply chain. Trade restrictions affecting the import of materials necessary for clinical trials could result in delays to our development timelines. Increased development costs and extended development timelines could place us at a competitive disadvantage compared to companies operating in regions with more favorable trade relationships and could reduce investor confidence, negatively impacting our ability to secure additional financing on favorable terms. In addition, as we advance toward commercialization in the future, tariffs and trade restrictions could hinder our ability to establish cost-effective production capabilities, negatively impacting our growth prospects.

The complexity of announced or future tariffs may also increase the risk that we or our customers or suppliers may be subject to enforcement actions in the United States or foreign jurisdictions related to compliance with trade regulations. Foreign governments may also take other retaliatory actions against U.S. entities, such as decreased intellectual property protection, increased enforcement actions, or delays in regulatory approvals, which may result in heightened international legal and operational risks. In addition, the United States and other

governments have imposed and may continue to impose additional sanctions, such as trade restrictions or trade barriers, which could restrict us from doing business directly or indirectly in or with certain countries or parties and may impose additional costs and complexity to our business.

Trade disputes, tariffs, restrictions and other political tensions between the United States and other countries may also exacerbate unfavorable macroeconomic conditions including inflationary pressures, foreign exchange volatility, financial market instability, and economic recessions or downturns. The ultimate impact of current or future tariffs and trade restrictions remains uncertain and could materially and adversely affect our business, financial condition, and prospects. While we actively monitor these risks, any prolonged economic downturn, escalation in trade tensions, or deterioration in international perception of U.S.-based companies could materially and adversely affect our business, ability to access the capital markets or other financing sources, results of operations, financial condition and prospects. In addition, tariffs and other trade developments have and may continue to heighten the risks related to the other risk factors described elsewhere in this prospectus.

Increases in labor costs and enforcement of stricter labor laws and regulations may adversely affect our business and profitability.

The global economy has experienced general increases in inflation and labor costs in recent years. As a result, average wages worldwide are expected to continue to increase. We expect that our labor costs, including wages and employee benefits, will continue to increase. Unless we are able to control our labor costs or pass on these increasing labor costs, our financial condition, and results of operations may be adversely affected. In addition, we are required by applicable laws and regulations to pay various statutory employee benefits, including mandatory provident fund to designated government agencies for the benefit of our employees. The relevant government agencies may examine whether an employer has made adequate payments to the statutory employee benefits, and those employers who fail to make adequate payments may be subject to fines and other penalties. If the relevant authorities determine that we shall make supplemental social insurance and housing provident fund contributions or that we are subject to fines and legal sanctions in relation to our failure to make social insurance and housing provident fund contributions in full for our employees, our business, financial condition and results of operations may be adversely affected.

We may fail to renew our leases upon expiration, in which case we may have to relocate our offices or lab.

We lease properties for our offices and laboratories in Massachusetts, New York, Hong Kong, Taipei, Montreal, Abu Dhabi, Shanghai and Yixing. We may not be able to extend or renew such leases on acceptance terms, or if at all. Rental payments may significantly increase as a result of high demand for the leased properties. Moreover, we may not be able to extend or renew such leases upon expiration of the current term and may therefore be forced to relocate the affected operations. This could disrupt our operations and result in significant

relocation expenses. We may not be able to locate desirable alternative sites for our offices and laboratories. The occurrence of such events could materially and adversely affect our business, financial condition, results of operations and prospects.

Any failure of our direct or indirect PRC resident Shareholders to comply with PRC regulations relating to offshore investment activities may restrict the foreign exchange activities of our PRC subsidiaries.

In July 2014, SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment Through Special Purpose Vehicles, or SAFE Circular 37. SAFE Circular 37 requires PRC residents to register with local branches of the SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with assets or equity interests of onshore companies or offshore assets or interests held by the PRC residents, referred to in SAFE Circular 37 as a "special purpose vehicle." If a shareholder who is a PRC resident does not complete the registration with the local SAFE branches, the PRC subsidiaries of the special purpose vehicle may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to the special purpose vehicle, and the special purpose vehicle may be restricted to contribute additional capital to its PRC subsidiaries. On February 13, 2015, SAFE promulgated a Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment, or SAFE Notice 13, which became effective on June 1, 2015. Under SAFE Notice 13, applications for foreign exchange registration of inbound foreign direct investments and outbound overseas direct investments, including those required under SAFE Circular 37, will be filed with qualified banks instead of SAFE. The qualified banks will directly examine the applications and accept registrations under the supervision of SAFE.

There remains uncertainty as to the interpretation and implementation of the SAFE rules at practice level. We are committed to complying with and to ensuring that our Shareholders who are subject to the SAFE Circular 37 will comply with the relevant SAFE rules and regulations, however, due to the uncertainty in the implementation of the regulatory requirements by PRC authorities, such registration might not be always practically available in all circumstances as prescribed in those regulations. Although such failure to complete SAFE registration will not subject us to administrative penalty, failure by any such shareholders to comply with SAFE Circular 37 may result in restrictions on the foreign exchange activities of our PRC subsidiaries.

The U.S. Internal Revenue Service may not agree that we should be treated as a non-U.S. corporation for U.S. federal income tax purposes, which could result in unfavorable tax consequences to the Company and our Shareholders.

Generally, a corporation is considered to be a U.S. person for U.S. federal income tax purposes if it is created or organized in the United States or under the law of the United States or of any State. Accordingly, under generally applicable U.S. federal income tax rules, the Company, which is incorporated in the Cayman Islands, would generally be classified as a

non-U.S. corporation for U.S. federal income tax purposes. However, Section 7874 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury regulations promulgated thereunder contain specific rules that may cause a non-U.S. corporation to be treated as a U.S. corporation for U.S. federal income tax purposes, including in certain circumstances where a non-U.S. corporation directly or indirectly acquires substantially all of the assets held directly or indirectly by a U.S. corporation.

As described in "History, Reorganization and Corporate Structure — Reorganization," prior to the Reorganization the Group's holding company was Insilico Inc., a U.S. corporation. As part of the Reorganization, Insilico Inc. transferred its assets to Insilico Subco, which had elected to be treated as a partnership for U.S. federal income tax purposes, in consideration for a preferred interest in the partnership. In connection with the Reorganization, Insilico Inc. received advice that the Company should not be treated as a U.S. corporation for U.S. federal income tax purposes under Section 7874 of the Code as a result of the Reorganization. However, the application of Section 7874 of the Code is complex and subject to rules the application of which is uncertain in various respects. There is a risk that the U.S. Internal Revenue Service (the "IRS") will seek to challenge the status of the Company as a non-U.S. corporation for U.S. federal income tax purposes under Section 7874 of the Code and there can be no assurance that any such challenge will not be sustained by a court.

If the IRS were to successfully challenge the Company's status as a non-U.S. corporation for U.S. federal income tax purposes, the Company would be subject to significant adverse tax consequences, including being subject to U.S. federal income tax on its worldwide income and on certain income of its non-U.S. subsidiaries, in the same manner as U.S. corporations. U.S. withholding tax at a rate of 30% would also apply to dividends paid to non-U.S. Shareholders, subject to reduction under an applicable income tax treaty. In addition, regardless of the application of Section 7874 of the Code, if the IRS were to assert that additional tax was payable by Insilico Inc. in connection with the Reorganization, the Company may be liable to pay the tax. Investors should consult their tax advisors regarding the application of Section 7874 of the Code to the Restructuring and the tax consequences to the Group and our Shareholders if the classification of the Company as a non-U.S. corporation is not respected.

PRC tax authorities may assert that we are a PRC resident enterprise for PRC tax purposes, which could result in unfavorable tax consequences to the Company and our Shareholders.

Under the PRC Enterprise Income Tax Law (the "EIT Law") and its implementation rules, an enterprise established outside of the PRC with its "de facto management body" within the PRC is considered a "resident enterprise" and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term "de facto management body" as the body that exercises full and substantial control over and overall management of the business, productions, personnel, accounts and properties of an enterprise.

In addition, the State Administration of Taxation (the "SAT"), issued the SAT Circular 82 in April 2009 specifying that certain offshore incorporated enterprises controlled by PRC enterprises or PRC enterprise groups will be classified as PRC resident enterprises if the

following are located or resident in the PRC: (a) senior management personnel and departments that are responsible for daily production, operation and management; (b) financial and personnel decision-making bodies; (c) key properties, accounting books, company seal, minutes of board meetings and shareholders' meetings; and (d) half or more of the senior management or directors having voting rights. Further to SAT Circular 82, the SAT issued the SAT Bulletin 45, which took effect in September 2011, to provide more guidance on the implementation of SAT Circular 82. SAT Bulletin 45 provides for procedures and administration details of determination on resident status and administration on post-determination matters. Our Company is a company incorporated outside the PRC. As a holding company, its key assets are its ownership interests in its subsidiaries, and its key assets are located, and its records (including the resolutions of its board of directors and the resolutions of its shareholders) are maintained, outside the PRC. As such, we do not believe that our Company meets all of the conditions above or is a PRC resident enterprise for PRC tax purposes. For similar reasons, we believe our other entities outside China are not PRC resident enterprises either. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body."

If the PRC tax authorities determine that the Company (or any of our non-PRC subsidiaries) is a PRC resident enterprise for enterprise income tax purposes, the Company (or such subsidiaries) will be subject to a 25% income tax on its worldwide income. In addition, if the Company is treated as a PRC resident enterprise, we may be required to withhold a 10% withholding tax from dividends we pay to our Shareholders that are nonresident enterprises. In addition, non-resident enterprise Shareholders may be subject to PRC tax at a rate of 10% on gains realized on the sale or other disposition of our Shares, if such income is treated as sourced from within the PRC. Furthermore, if we are deemed a PRC resident enterprise, dividends payable to our non-PRC individual Shareholders and any gain realized on the transfer of our Shares by such Shareholders may be subject to PRC tax at a rate of 20% (which, in the case of dividends, may be withheld at source by us). Any PRC tax liability may be reduced under applicable tax treaties, but it is unclear whether in practice our non-PRC Shareholders would be able to obtain the benefits of any tax treaties between their countries of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax will reduce the returns on your investment in our Shares.

Risks Related to Our Operations and Financial Prospects

We have incurred net losses and negative cash flow from operations and we may continue to incur net losses and negative cash flow from operations in the near future.

We have a history of significant net losses and of experiencing, and we expect to continue to experience, negative cash flow from operations. Our net loss was US$221.8 million, US$211.6 million, US$17.1 million and US$19.2 million for 2022, 2023, 2024 and the six months ended June 30, 2025, respectively. These losses have resulted primarily from expenses incurred in connection with research and development activities and general and administrative expenses associated with our operations. We anticipate that our operating expenses will

increase substantially in the foreseeable future as we continue to invest in our internal drug discovery program and our integrated technology platform. We expect to continue to incur net losses, as well as negative operating cash flow over the next several years. We anticipate that our expenses will increase substantially as we:

- continue ongoing and planned research and development of our pipeline programs;
- continue advancement of and investment in our integrated technology platform;
- continue to expand and improve our drug discovery business;
- continue to expand our relationships with CROs, CDMOs, and other service providers;
- maintain, expand, enforce and protect our intellectual property portfolio;
- establish and enhance our sales and marketing teams to maintain and expand our customer relationship and business development efforts;
- attract, hire and retain additional scientific, technical, management and administrative personnel;
- invest in new technologies, products or businesses;
- expand our operations globally; and
- incur additional costs associated with operating as a public company upon the completion of this offering.

We have a limited operating history, which may make it difficult to evaluate our current business and predict our future performance.

We have a limited operating history. Since our inception in 2014, we have focused substantially all of our efforts and financial resources on building our end-to-end drug discovery solutions that integrate biology, chemistry and clinical development. We currently generate revenues primarily from drug discovery and software solutions. In addition, we have not obtained regulatory approvals for any of our product candidates with respect to our drug discovery business and there is no assurance that we will successfully obtain approvals in the future. We expect to continue to incur significant expenses and operating losses for the foreseeable future. Our prior losses, combined with expected future losses, have had and may continue to have an adverse effect on our working capital.

Our operations to date have focused on the provision of drug discovery business, enhancing our integrated technology platform, building our intellectual property portfolio and raising capital. We are also developing our internal drug discovery programs; however, we do

not have any product candidates approved for sale and have not generated any revenue from our internal drug discovery programs. These operations provide a limited basis for you to assess our ability to successfully market and commercialize our services and product candidates. Consequently, predictions about our future success or viability may not be as accurate as they could be if we had a longer operating history. We will encounter risks and difficulties frequently experienced by early-stage companies in rapidly evolving fields as we seek to shift our focus to late-stage development and commercial activities. If we do not address these risks and difficulties successfully, we may not be successful in such a transition.

We recorded net liabilities and net current liabilities during the Track Record Period and may continue to incur net liabilities going forward, which can expose us to liquidity risk.

We had net liabilities of US$449.5 million, US$650.2 million, US$663.9 million and US$681.4 million as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively. As of December 31, 2022, 2023 and 2024 and June 30, 2025, we had net current liabilities of US$463.7 million, US$663.4 million, US$673.5 million and US$692.3 million, respectively. Although we expect our net liability position to be reversed after the automatic conversion of the Preferred Shares into Shares upon the Listing, a net liabilities position can expose us to the risk of shortfalls in liquidity. This in turn would require us to seek adequate financing from sources such as external debt, which may not be available on terms favorable or commercially reasonable to us or at all. Any difficulty or failure to meet our liquidity needs as and when needed can have a material adverse effect on our prospects.

We are subject to credit risk with respect to trade and other receivables.

We generally allow a credit period of 10 to 60 days to our customers. As of December 31, 2022, 2023, 2024 and June 30, 2025, our average trade receivables turnover days were 37 days, 22 days, 6 days and 22 days, respectively. As of the same dates, trade receivables were at US$4.9 million, US$1.1 million, US$0.9 million and US$5.6 million, respectively. These mainly relate to a number of customers whom there is no significant financial difficulty for and, based on our past experience, the amounts can be recovered from. Nevertheless, there can be no assurance that all such amounts due to us would be settled on time, or that such amounts will not continue to increase in the future. Accordingly, we face credit risk in collecting trade receivables due from customers. Our performance, liquidity and profitability would be adversely affected if significant amounts due to us are not settled on time or substantial impairment is incurred. The bankruptcy or deterioration of the credit condition of any of these customers could also materially and adversely affect our business, results of operations and financial condition.

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

During the Track Record Period, we had certain financial assets at fair value through profit or loss. Our financial assets at FVTPL at the end of each reporting period mainly represented our equity investment in Regent Pacific Group Limited. For the year ended December 31, 2022 we recorded fair value losses on financial assets at FVTPL of US$1.0 million. For the year ended December 31, 2023 and 2024 and the six months ended June 30, 2025, we recorded fair value gains on financial assets at FVTPL of US$0.4 million, US$0.6 million and US$1.0 million, respectively. We are exposed to risks in relation to the financial assets, which may adversely affect our net changes in their fair value. The financial assets at fair value through profit or loss are stated at fair value, and net changes in their fair value are recorded as other gains or other expenses, and therefore directly affect our results of operations. We cannot assure you that market conditions and regulatory environment will create fair value gains and we will not incur any fair value losses on our financial assets at fair value through profit or loss in the future. If we incur such fair value losses, our results of operations, financial condition and prospects may be adversely affected.

Our business is dependent on the strengths and market acceptance of our brands, including InSilico Medicine, Pharma.AI, Biology42, Chemistry42, Medicine42 and Science42. If we fail to maintain and enhance our brands, or if we incur excessive expenses in this effort, our business, results of operations and prospects may be materially and adversely affected.

We believe that our brand is important to attracting and retaining customers and collaborators and our success depends on our ability to maintain and enhance our brand image and reputation. Maintaining, promoting and growing our brands depend largely on the success of our ability to provide consistent, high-quality services, our marketing efforts and our ability to successfully secure, maintain, and defend our rights to use our brands and tradenames.

Our brand could be harmed if we fail to achieve these objectives. Our brand value also depends on our ability to maintain a positive customer perception of our corporate integrity, purpose and brand culture. Any negative publicity concerning us, our management, employees, affiliates, third-party collaborators, CROs and other partners, or any entity that shares the "InSilico" name, even if untrue, could adversely affect our reputation and business prospects. There can be no assurance that negative publicity about us or any of our affiliates or any entity that shares the "InSilico" name would not damage our brand image or have a material adverse effect on our business, results of operations and financial condition.

We have historically derived a significant percentage of our revenues from a concentrated group of customers and any loss of our major customers could materially and adversely affect our business, results of operations and/or financial condition.

Our five largest customers in 2022, 2023, 2024 and the six months ended June 30, 2025 contributed 90.6%, 94.1%, 94.4% and 86.2% of total revenues in the respective periods. The largest customer in 2022, 2023, 2024 and the six months ended June 30, 2025 contributed 56.6%, 76.2%, 60.6% and 66.3% of total revenues in the respective periods. The loss of any of our major customers could have a material adverse effect on our results of operations and financial condition. We may not be able to maintain our customer relationships, and our customers may delay payment under, or fail to renew, their agreements with us, which could adversely affect our business, results of operations or financial condition. Any reduction in the amount of revenues that we derive from our major customers, without an offsetting increase in new sales to other customers, could have a material adverse effect on our operating results. A significant change in the liquidity or financial position of our customers generally could also have a material adverse effect on the collectability of our accounts receivable, our liquidity, and our future operating results.

Raising additional capital may be dilutive to our Shareholders and result in restrictions on our operations or require us to relinquish rights to our technologies or drug candidates.

We may seek additional funding through a combination of equity and debt financings and collaborations. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the beneficial ownership interest of existing Shareholders and the holders of our Shares will be diluted, and the terms may include liquidation or other preferences that adversely affect the rights of our existing Shareholders and the holders of our 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 incurring additional debt, making capital expenditures, or declaring dividends. If we raise additional funds through partnerships, collaborations, strategic alliances, or licensing arrangements from third parties, we may have to relinquish valuable rights to our technologies, product candidates, or future revenue streams, or grant licenses on terms that are not favorable to us.

Our internal computer systems, or those of any of our customers, third-party service providers, manufacturers, other contractors, consultants or potential future collaborators, may fail or suffer actual or suspected security or data privacy incidents or other unauthorized or improper access to, use of or destruction of our proprietary or confidential data, employee data or personal information, which could result in additional costs, loss of revenue, significant liabilities, harm to our brand, material disruption of our operations and, potentially, significant delays in our clinical trials and delivery of our product candidates to market.

In the ordinary course of our business, we may collect, store, and transmit information which could be confidential or sensitive, including research and development information, intellectual property, proprietary business information and personal information. As a result, it is critical that we do so in a secure manner to maintain the confidentiality, integrity and accessibility of such information. We also have outsourced certain of our operations to third parties, and as a result, we manage a number of third parties who have access to our information. In the future, if and when we conduct clinical trials on selected product candidates, we may also collect and store clinical data that may include health information.

Despite the implementation of security measures, our internal computer systems, and those of other third parties on which we rely, are vulnerable to damage from computer viruses, unauthorized access, cyberattacks by malicious third parties (including the deployment of harmful malware (such as malicious code, viruses and worms)), supply chain attacks, natural disasters, global pandemics, fire, terrorism, war and telecommunication and electrical failures, fraudulent activity, as well as security incidents from inadvertent or intentional actions (such as error or theft) by our employees, contractors, consultants, business partners, and/or other third parties, phishing attacks, ransomware, denial-of-service attacks, social engineering schemes and other means that affect service reliability and threaten the confidentiality, integrity and availability of information, which may compromise our system infrastructure as well as lead to unauthorized access, disclosure or acquisition of information. Threat actors, personnel (such as through theft or misuse), sophisticated nation-states, and nation-state-supported actors now engage and are expected to continue to engage in cyberattacks, including without limitation nation-state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other conflicts, we and the third parties upon which we rely may be vulnerable to a heightened risk of these attacks, including cyber-attacks that could materially disrupt our systems and operations, supply chain, and ability to produce, sell and distribute our goods and services.

Additionally, because the techniques used to obtain unauthorized access or sabotage systems change frequently, are increasingly sophisticated, and generally are not identified until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures in all instances. The recovery systems, security protocols, network protection mechanisms and other security measures that we have integrated into our information technology systems, which are designed to protect against, detect and minimize security breaches, may not be adequate to prevent or detect service interruption, system failure or data loss. To the extent that any disruption or security incident results in a

loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the further development of our future product candidates could be delayed. Any such security incidents, if they occur in the future, may result in unauthorized, unlawful, or inappropriate access to, inability to access, disclosure of, or loss of the sensitive, proprietary and confidential information that we handle. While we employ security measures to prevent, detect, and mitigate potential harm on our network, these measures may not be effective in every instance.

In addition, if our employees fail to adhere to our security practices, or if the technical solutions we have adopted malfunction, our customers and collaborators may lose confidence in our ability to maintain the confidentiality of their proprietary information. This risk extends to the third-party vendors and subcontractors we use to manage this sensitive data and third-party collaborators who share with us sensitive data. Any or all of these issues could adversely affect our ability to attract new customers, cause existing customers or collaborators to elect to not to enter into new collaborations with us or procure additional services from us, result in reputational damage or subject us to third-party lawsuits or other action or liability, which could adversely affect our operating results.

We may also be required to comply with laws, regulations, rules, industry standards, and other legal obligations that require us to maintain the security of personal data. We may also have contractual and other legal obligations to notify customers, collaborators, or other relevant stakeholders of security incidents. Failure to prevent or mitigate cyberattacks could result in unauthorized access to data, including proprietary and personal information. Most jurisdictions have enacted laws requiring companies to notify individuals, regulatory authorities, and others of security breaches involving certain types of data. Such disclosures are costly, could lead to negative publicity, may cause our customer or collaborators or other relevant stakeholders to lose confidence in the effectiveness of our security measures and require us to expend significant capital and other resources to respond to and/or alleviate problems caused by the actual or perceived security incident. In addition, the costs to respond to a cybersecurity event or to mitigate any identified security vulnerabilities could be significant, including costs for remediating the effects of such an event, paying a ransom, restoring data from backups, and conducting data analysis to determine what data may have been affected by the breach. In addition, our efforts to contain or remediate a security incident or any vulnerability exploited to cause an incident may be unsuccessful, and efforts and any related failures to contain or remediate them could result in interruptions, delays, harm to our reputation, and increases to our insurance coverage.

In addition, litigation resulting from security breaches may adversely affect our business. Unauthorized access to our information technology systems could result in litigation with our customers, collaborators, or other relevant stakeholders. These proceedings could force us to spend money in defense or settlement, divert management's time and attention, increase our costs of doing business, or adversely affect our reputation. We could be required to fundamentally change our business activities and practices in response to such litigation, which

could have an adverse effect on our business. If a security breach were to occur and the confidentiality, integrity or availability of our data or the data of our collaborators were disrupted, we could incur significant liability, which could negatively affect our business and damage our reputation.

Furthermore, insurance may not be adequate to cover losses associated with such events, and in any case, such insurance may not cover all of the types of costs, expenses, or at all, and losses we could incur to respond to and remediate a security breach. The successful assertion of one or more large claims against us that exceeds our available insurance coverage, or results in changes to our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an adverse effect on our business. In addition, we cannot be sure that our existing insurance coverage and coverage for errors and omissions will continue to be available on acceptable terms or that our insurers will not deny coverage as to any future claim.

We may not be able to attract and retain senior management members, board members, research and development and other key personnel.

Our future success depends upon the continuing services of members of our senior management team and key research and development personnel and consultants. For example, Our founder and CEO, Mr. Alex Zhavoronkov, Ph.D., is an expert in the field of generative AI. Our CSO and CEO, Mr. Feng Ren, Ph.D. is a pharmaceutical industry veteran, and he guides our R&D strategy and operational oversight and execution of our growing R&D organization. Our in-house R&D capabilities are complemented with an external network of over 40 CROs and CDMOs that support our discovery, preclinical and clinical activities. Although we typically require our key personnel to enter into the proprietary information and invention assignment agreement, which contains non-compete and confidentiality clauses, with us, we cannot prevent them joining our competitor after the non-compete period. The loss of their services could adversely impact our ability to achieve our business objectives. If one or more of our senior management or key clinical and scientific personnel are unable or unwilling to continue in their present positions or joins a competitor or forms a competing company, we may not be able to replace them in a timely manner or at all, which will have a material and adverse effect on our business, financial condition and results of operations.

In addition, the continued growth of our business depends on our ability to hire additional qualified personnel, in particular those with expertise in molecular biology, chemistry, biological information processing, software, engineering, and technical support. We compete for qualified management and scientific personnel with other life science and technology companies, universities, and research institutions globally. Competition for these individuals is intense, and the turnover rate can be high. Failure to attract and retain management and research and development personnel could prevent us from pursuing collaborations or developing our product candidates or technologies.

We have limited insurance coverage, and any claims beyond our insurance coverage may result in us incurring substantial costs and a diversion of resources.

We maintain insurance based on our assessment of our operational needs and industry practice. Our insurance coverage may be insufficient to cover any claim for product liability, damage to our fixed assets or employee injuries. Any uninsured risks may result in substantial costs and the diversion of resources, which could adversely affect our results of operations and financial condition. For additional information, see "Business — Insurance."

Fluctuations in exchange rates may result in foreign currency exchange losses and may have a material adverse effect on your investment.

If any portion of our revenue, expenses or cash flows is denominated in currencies other than U.S. dollars, our operating results and financial condition may be adversely affected by fluctuations in foreign currency exchange rates. In addition, the translation into U.S. dollars of revenues, expenses, assets and liabilities denominated in foreign currencies will be affected by changes in foreign currency exchange rates. We may not be able to hedge effectively against these risks, and the costs of such hedging may be significant. As a result, our net income and cash flows may be negatively affected by changes in foreign currency exchange rates.

Our results of operations, financial condition and prospects have been adversely affected by fair value changes of financial liabilities at fair value through profit or loss, in particular, by fair value changes in our preferred Shares. Changes in unobservable inputs and other estimates and judgments could also materially affect the fair value of our Shares with preferred rights, which in turn may adversely affect our results of operations.

We issued a series of preferred Shares prior to and during the Track Record Period. We recorded these financial instruments as financial liabilities at FVTPL for which no quoted prices in an active market exist. As of December 31, 2022, 2023, 2024 and June 30, 2025, our preferred Shares had a fair value of US$649.0 million, US$775.1 million, US$766.1 million and US$889.1 million, respectively. For further information regarding the Shares with preferred rights, see Note 26 to the Accountants' Report in Appendix I to this Prospectus. During the Track Record Period, our losses from changes in fair value of financial liabilities at FVTPL were US$138.1 million, US$126.1 million, US$0.3 million in 2022, 2023 and the six months ended June 30, 2025, respectively, while we recorded a gain of US$9.0 million in 2024.

The fair value of the financial instruments is established by using valuation techniques, which include discounted cash flow and back-solve method involving various parameters and inputs. Valuation techniques are certified by an independent qualified professional valuer before being implemented for valuation and are calibrated to ensure that outputs reflect market conditions. However, it should be noted that some inputs require management estimates and are inherently uncertain. Management estimates and assumptions are reviewed periodically and are adjusted if necessary. Changes in these unobservable inputs and other estimates and judgments could materially affect the fair value of our Shares with preferred rights, which in turn may

adversely affect our results of operations. We expect continued fluctuation of the fair value of our preferred Shares till the Listing Date, upon which all the preferred Shares will automatically convert into ordinary Shares.

We have granted, and may continue to grant, share options and other types of awards under our share incentive plans, which may result in increased share-based payment expenses. Those share-based awards may also adversely impact our results of operations and be dilutive to your investment.

We adopted the 2019 Share Plan, 2019 Equity Incentive Plan, 2021 Equity Incentive Plan and 2022 Equity Incentive Plan, to enhance our ability to attract and retain exceptionally qualified individuals and to encourage them to acquire a proprietary interest in our growth and performance. For details, please refer to the section headed "Appendix IV — Statutory and General Information — Pre-IPO Equity Incentive Plans."

Similar to other biotech companies, we believe share-based awards as part of an overall compensation package is important to attracting and retaining key personnel and employees, and we plan to continue to grant share-based compensation to employees in the future. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations. Alternatively, share-based awards may not provide an adequate incentive to retain key personnel.

Risks Related to Our Intellectual Property

Our patent portfolio comprises a significant portion of patent applications. If we are unsuccessful in obtaining or maintaining patent or other adequate intellectual property protection for one or more of our technologies or product candidates, due to any failure of granting our patent applications or licensed patent applications and/or issued patents covering one or more of our technologies or product candidates being found invalid or unenforceable if challenged in court or before administrative bodies, 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 any product or technology may be adversely affected.

Our commercial success will depend, in large part, on our ability to obtain, maintain and defend patent and other intellectual property protection with respect to our integrated technology platform, in particular our algorithm and technologies, and products associated with our drug discovery and development of drug candidates. We seek to protect our proprietary position by filing patent applications in the United States, Hong Kong, China, Japan, Europe and under the Patent Cooperation Treaty ("**PCT**"), related to our technologies and any product candidates we may develop that are important to our business and by in-licensing intellectual property related to our technologies and product candidates. If we are unable to obtain or maintain patent protection with respect to any proprietary technologies or product candidate, our business, financial condition, results of operations, and prospects could be materially harmed.

We cannot be certain that patents will be issued or granted with respect to our patent applications that are currently pending, or that issued or granted patents will not later be found to be invalid and/or unenforceable, be interpreted in a manner that does not adequately protect our technologies or product candidates, or otherwise provide us with any competitive advantage. The patent position of biotechnology and pharmaceutical companies is generally uncertain because it involves complex legal and factual considerations. Patent applications we have applied for may not be granted in the end. Moreover, some patents and patent applications resulting from collaboration arrangements are, and may in the future be, co-owned with, or solely owned by third parties. If we are unable to obtain an exclusive license to any such third-party co-owned interest in such patents or patent applications, such co-owners may be able to license or assign their rights to other third parties, including our competitors, and our competitors could market competing products and use the same technologies. 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. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects. As such, we do not know the degree of future protection that we will have on our product candidates and technologies, if any, and a failure to obtain adequate intellectual property protection with respect to our product candidates and technologies could have a material adverse impact on our business.

Despite the fact that we can take measures to obtain patent and other intellectual property protections with respect to our technologies and product candidates, there can be no assurance that the existence, validity, enforceability, or scope of our intellectual property rights will not be challenged by a third party, or that we can obtain sufficient scope of claim in those patents to prevent a third party from practicing our technologies or competing against our product candidates. For example, in an infringement proceeding, a court may decide that patent rights or other intellectual property rights owned by us are invalid or unenforceable, or may refuse to refrain the other party from practicing the technology at issue on the ground that our patent rights or other intellectual property rights do not cover the technology in question. An adverse result in any litigation proceedings 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, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation.

In addition, if we were to initiate legal proceedings against a third party to enforce a patent covering one of our technologies or product candidates, the defendant could counterclaim that our patent is invalid and/or unenforceable. Third parties may also raise similar claims before administrative bodies, even outside the context of litigation. Such mechanisms include ex parte re-examination, inter partes review, post-grant review, derivation and equivalent proceedings, such as opposition proceedings. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, for example, unpatentable subject matter, lack of novelty, obviousness or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of

the patent withheld relevant material information from the United States Patent and Trademark Office ("**USPTO**"), or other applicable foreign counterparts, or made a misleading statement, during prosecution. Although we believe that we have conducted our patent prosecution in accordance with the duty of candor and in good faith, the outcome following legal assertions of invalidity and unenforceability during patent litigation is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which we, our patent counsel, and the patent examiner were unaware 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 technologies or product candidates. Even if a defendant does not prevail on a legal assertion of invalidity and/or unenforceability, our patent claims may be construed in a manner that would limit our ability to enforce such claims against the defendant and others. Any loss of patent protection could have a material adverse impact on one or more of our technologies or product candidates and our business.

Our obligations under our existing or future drug discovery collaboration agreements may limit our intellectual property rights that are important to our business.

We are a party to collaboration agreements with biotechnology and pharmaceutical companies, pursuant to which we participate in early drug discovery but have co-ownership or no ownership rights, to certain intellectual property generated through the collaborations. We may enter into additional collaboration agreements in the future, pursuant to which we may have co-ownership or no ownership rights to certain intellectual property generated through the future collaborations. If we are unable to obtain ownership or license of such intellectual property generated through our prior, current, or future collaborations and overlapping with, or related to, our own proprietary technologies or product candidates, then our business, financial condition, results of operations, and prospects could be materially harmed.

Our existing collaboration agreements contain certain exclusivity obligations that require us to design compounds exclusively for our collaborators with respect to certain specific targets over a specified time period. It is possible that our future collaboration agreements may potentially grant similar exclusivity rights to future collaborators with respect to target(s) that are the subject of such collaborations. These existing or future collaboration agreements may impose diligence obligations on us. In spite of our best efforts, our prior, current, or future collaborators might conclude that we have materially breached our collaboration agreements. If these collaboration agreements are terminated, or if the underlying intellectual property, to the extent we have ownership or license of, fails to provide the intended exclusivity, competitors would have the freedom to seek regulatory approval of, and to market, products and technology identical to ours. This could have a material adverse effect on our competitive position, business, financial condition, results of operations, and prospects. Disputes may arise regarding intellectual property subject to a collaboration agreement, including:

- the scope of ownership or license granted under the collaboration agreement and other interpretation related issues;

- the extent to which our technologies and product candidates infringe on intellectual property that is generated through the collaboration of which we do not have ownership or license under the collaboration agreement;

- the assignment or sublicense of intellectual property rights and other rights under the collaboration agreement;

- our diligence obligations under the collaboration agreement and what activities satisfy those diligence obligations; and

- the inventorship and ownership of inventions and know-how resulting from the joint creation or use of intellectual property by us and our current or future collaborators.

In addition, collaboration agreements are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property, or increase what we believe to be our obligations under the relevant agreements, either of which could have a material adverse effect on our business, financial condition, results of operations, and prospects. Moreover, if disputes over intellectual property that we have owned, co-owned, or in-licensed under the collaboration agreements prevent or impair our ability to maintain our current collaboration arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize the affected technology or product candidates, which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

Obtaining and maintaining patent protection depends on compliance with various procedural, document 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 USPTO and various patent offices or authorities require compliance with a number of procedural, documentary, fee payment and other provisions during the patent application and prosecution process. Periodic maintenance fees, renewal fees, annuity fees, and various other governmental fees on patents and/or applications will be due to be paid to the USPTO and various other patent offices or authorities in several stages over the lifetime of the patents and/or applications. We employ reputable professionals and rely on such third parties to help us comply with these requirements and effect payment of these fees with respect to the patents and patent applications that we own. Non-compliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official communications within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. In many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. However, there are situations in which non-compliance can result in abandonment or lapse of a patent or patent application, resulting in loss of patent rights in the relevant jurisdiction. In such an event, competitors

might be able to enter the market earlier than would otherwise have been the case, which could have a material adverse effect on our competitive position, business, financial condition, results of operations, and prospects.

Patent terms may not be sufficient to effectively protect our product candidates and technology platform.

In most countries in which we plan to file applications for patents, the term of an issued patent is generally 10 to 20 years from the earliest claimed filing date of a non-provisional patent application in the applicable country. Although various extensions may be available, the life of a patent and the protection it affords are limited. Even if patents covering our product candidates and technology platform are obtained, we may be open to competition from other companies once our patent rights expire. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protection for such candidates might expire before or shortly after such candidates are commercialized. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

We may be subject to claims challenging the inventorship or ownership of our patents and other intellectual property.

We, our collaborators and/or our business partners may be subject to claims that former employees, collaborators or other third parties have an interest in our patents or other intellectual property as an inventor or co-inventor. In addition, we cannot assure you that all inventors have been or will be identified by us and/or by our collaborators and/or our business partners despite diligent effort. The failure to name the proper inventors on a patent application can result in the patents issued thereon being unenforceable. Inventorship disputes may arise from conflicting views regarding the contributions of different individuals named as inventors, the effects of foreign laws where foreign nationals are involved in the development of the subject matter of the patent, conflicting obligations of third parties involved in developing our product candidates or as a result of questions regarding co-ownership of potential joint inventions. Litigation may be necessary to resolve these and other claims challenging inventorship and/or ownership. Alternatively, or additionally, we may enter into agreements to clarify the scope of our rights in such intellectual property. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to enforce, such valuable intellectual property. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

Our collaborators and/or our business partners may have relied on third-party consultants or collaborators such that our collaborators and/or our business partners are not the sole and exclusive owners of the patents we in-licensed or utilized. If other third parties have ownership

rights or other rights to our in-licensed patents, they may be able to license such patents to our competitors, and our competitors could market competing products or services. This could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

We may not be able to enter into invention assignment and confidentiality agreements with all of our employees and third parties and such agreements may not prevent ownership disputes or unauthorized disclosure of trade secrets and other proprietary information.

We rely upon unpatented trade secrets, unpatented know-how and continuing technological innovation to develop and maintain our competitive position, which we seek to protect, in part, by entering into agreements, including patent or invention assignment agreements, confidentiality agreements and non-disclosure agreements, with parties that have access to them, such as our employees, consultants, academic institutions, corporate partners and, other third-party service providers. Nevertheless, there can be no guarantee that an employee or a third party will not make an unauthorized disclosure of our proprietary confidential information. This might happen intentionally or inadvertently. It is possible that a competitor will make use of such information, and that our competitive position will be compromised, in spite of any legal action we might take against persons making such unauthorized disclosures. In addition, to the extent that our employees, consultants or contractors use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

Trade secrets are difficult to protect. Although we use reasonable efforts to protect our trade secrets, our employees, consultants, contractors or business partners might intentionally or inadvertently disclose our trade secret information to competitors or our trade secrets may otherwise be misappropriated. Enforcing a claim that a third party illegally obtained and is using any of our trade secrets is expensive and time consuming, and the outcome is unpredictable.

We sometimes enter into agreements to sponsor individuals or research institutions to conduct research relevant to our business. The ability of these individuals or research institutions to publish or otherwise publicly disclose data and other information generated during the course of their research is subject to certain contractual limitations. These contractual provisions may be insufficient or inadequate to protect our confidential information. If we do not file patent application(s) prior to such publication, or if we cannot otherwise maintain the confidentiality of our proprietary technology and other confidential information, then our ability to obtain patent protection or to protect our trade secret or proprietary information may be jeopardized, which could adversely affect our business, financial condition and results of operations.

We also seek to enter into agreements with our employees and consultants that obligate them to assign any inventions created during their work for us to us. However, we may not obtain these agreements in all circumstances and the assignment of intellectual property under such agreements may not be self-executing. It is possible that technology relevant to our business will be independently developed by a person that is, or is not, a party to such an

agreement. Furthermore, if the employees, consultants or collaborators who are parties to these agreements breach or violate the terms of these agreements, we may not have adequate remedies for any such breach or violation, and we could lose our trade secrets and inventions through such breaches or violations. Any of the foregoing could have a material and adverse effect on our business, financial condition and results of operations.

Risks Related to the Global Offering

No public market currently exists for our Shares, and an active trading market for our Shares may not develop and the market price for the Shares may decline or fluctuate significantly.

Prior to the completion of the Global Offering, there has been no public market for our Shares. There can be no guarantee that an active trading market for our Shares will develop or be sustained after the completion of the Global Offering. The initial Offer Price is the result of negotiations between us and the Overall Coordinators (for themselves and on behalf of the Underwriters) based upon several factors, which may not be indicative of the price at which our Shares will be traded following completion of the Global Offering. We have applied to the Stock Exchange for the listing of, and permission to deal in, the Shares. As a result, a listing on the Stock Exchange does not guarantee that an active and liquid trading market for our Shares will develop, especially during the period when a significant portion of our Shares are subject to lock-up undertakings, or if it does develop, that it will be sustained following the Global Offering, or that the market price of the Shares will not decline following the Global Offering.

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

The trading price of our Shares may be volatile and could fluctuate widely due to factors beyond our control, including general market conditions of the securities market in Hong Kong, the PRC, the United States and elsewhere in the world. The stock market in general, and pharmaceutical and biotechnology companies in particular, have experienced significant price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. In addition to market and industry factors, the price and trading volume of our Shares may be highly volatile for specific business reasons, regulatory developments affecting the pharmaceutical industry, healthcare, health insurance and other related matters, fluctuations in our revenue, earnings, cash flows, investments and expenditures, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, the trading performance of the securities of biotech companies at the time of or after their offerings may affect the overall investor sentiment towards other biotech companies listed in Hong Kong and consequently may impact the trading performance of our Shares.

The sale or availability for sale, or perceived sale or availability for sale, of substantial amounts of the Shares in the public market following the Global Offering could materially and adversely affect the price of our Shares and our ability to raise additional capital in the future, and may result in dilution of your shareholding.

The market price of our Shares could decline as a result of future sales of a substantial number of our Shares or other securities relating to our Shares in the public market, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holding if we issue more securities in the future. New Shares or share-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the Shares.

As the Offer Price of our Offer Shares is higher than our net tangible book value per Share, purchasers of our Shares in the Global Offering may experience immediate dilution upon such purchases. Purchasers of our Offer Shares may also experience future dilution in shareholding if we issue additional Shares in the future.

The Offer Price of the Offer Shares is higher than the net tangible asset value per Share immediately prior to the Global Offering. Therefore, purchasers of the Offer Shares in the Global Offering will experience an immediate dilution in pro forma net tangible asset value, and our existing Shareholders will receive an increase in the pro forma adjusted consolidated net tangible assets per Share of their Shares. In order to expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the Offer Shares may experience dilution in the net tangible asset value per Share of their Shares if we issue additional Shares in the future at a price that is lower than the net tangible asset value per Share at that time.

Because we do not expect to pay dividends in the foreseeable future after the Global Offering, you must rely on price appreciation of the Shares for 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 growth of our business. 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 Shares as a source for any future dividend income.

Our Board has complete discretion as to whether to distribute dividends, subject to certain requirements of Cayman Islands law. In addition, our Shareholders may, subject to the provisions of the Cayman Islands law and our articles of association, by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course

of business. Even if our Board declares and pays 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 distribution (if any) received by us from our subsidiary, our financial condition, contractual restrictions and other factors deemed relevant by the Board. Accordingly, the return on your investment in our Shares will likely depend entirely upon any future price appreciation of our Shares. There is no guarantee that our Shares will appreciate in value after the Global Offering or even maintain the price at which you purchased the Shares. You may not realize a return on your investment in our Shares and you may even lose your entire investment in our Shares.

We are a Cayman Islands company and, because judicial precedent regarding the rights of Shareholders is more limited under the laws of the Cayman Islands than other jurisdictions, you may have difficulties in protecting your shareholder rights.

Our corporate affairs are governed by our Memorandum and Articles and by the Cayman Companies Act and common law of the Cayman Islands. The rights of Shareholders to take legal action against our Directors and us, actions by minority Shareholders and the fiduciary responsibilities of our Directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority Shareholders differ in some respects from those established under statutes and judicial precedent in existence in the jurisdictions where minority shareholders may be located. See "Appendix III — Summary of the Constitution of the Company and Cayman Islands Company Law" in this Prospectus.

As a result of all of the above, minority Shareholders may have difficulties in protecting their interests under the laws of the Cayman Islands through actions against our management or our Directors, which may provide different remedies to minority Shareholders when compared to the laws of the jurisdiction in which such Shareholders are located.

Investors should not place undue reliance on facts, forecasts, estimates and other statistics in this Prospectus relating to the economy and our industry obtained from official or other resources.

Facts, forecasts, estimates and other statistics in this Prospectus relating to the economy and the industry in which we operate our business on have been collected from materials from official government sources. While we have exercised reasonable care in compiling and reproducing such information and statistics derived from government publications, we cannot assure you nor make any representation as to the accuracy or completeness of such information. The information and statistics from official government sources have not been independently verified by the Group, our Directors, the Joint Sponsors, the Overall Coordinators, the Joint

Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters or any other party involved in the Global Offering, and no representation is given as to its accuracy.

Neither we or any of our respective affiliates or advisers, nor the Underwriters or any of its affiliates or advisers, have independently verified the accuracy or completeness of such information directly or indirectly derived from official government sources. In particular, due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, such information and statistics may be inaccurate or may not be comparable to information and statistics produced with respect to other countries. Statistics, industry data and other information relating to the economy and the industry derived from the official government sources used in this Prospectus may not be consistent with other information available from other sources and therefore, investors should not unduly rely upon such facts, forecasts, estimates and statistics while making investment decisions.

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.

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 our Group. Our Directors (including any proposed Director who is named as such in this Prospectus), 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 matters the omission of which would make any statement herein or this Prospectus misleading.

CSRC FILING

In accordance with the Trial Measures and its supporting guidelines, the Company submitted filing with CSRC on May 12, 2025. On December 9, 2025, the CSRC issued a notification on our Company's completion of the CSRC filing procedures for the listing of our Shares on the Stock Exchange and the Global Offering.

INFORMATION ON THE GLOBAL OFFERING

This Prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. The Global Offering comprises the Hong Kong Public Offering of initially 9,469,500 Hong Kong Offer Shares and the International Offering of initially 85,221,000 International Offer Shares (subject, in each case, to reallocation on the basis as set out in "Structure of the Global Offering" and assuming the Over-allotment Option is not exercised).

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 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 Underwriters, any of their respective directors, agents, employees or advisors or any other party involved in the Global Offering.

Neither the publication 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 of any date subsequent to the date of this Prospectus.

Further information regarding the structure of the Global Offering, including its conditions, is set out in "Structure of the Global Offering" of this Prospectus and the procedures for applying for our Hong Kong Offer Shares are set out in "How to apply for Hong Kong Offer Shares".

OVER-ALLOTMENT AND STABILIZATION

Details of the arrangement relating to the Over-allotment Option and stabilization are set out in "Structure of the Global Offering."

UNDERWRITING

The listing of our Shares on the Stock Exchange is sponsored by the Joint Sponsors and the Global Offering is managed by the Overall Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement. An International Underwriting Agreement relating to the International Offering is expected to be entered into on or around December 24, 2025. The International Offering will be fully underwritten by the International Underwriters under the terms of the International Underwriting Agreement to be entered into. For more details about the Underwriters and the underwriting arrangements, see "Underwriting."

RESTRICTIONS ON OFFER AND SALE OF THE SHARES

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

No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than Hong Kong, or the publication of this Prospectus in any jurisdiction other than Hong Kong. Accordingly, without limitation to the following, this Prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The publication of this Prospectus and the offering and sales of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Hong Kong Offer Shares have not been publicly offered or sold, directly or indirectly, in the PRC or the United States.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for granting the listing of, and permission to deal in, the Shares in issue (including the Ordinary Shares in issue and the Ordinary Shares to be converted from the Preferred Shares upon the Listing) and to be issued pursuant to (i) the Global Offering, including the Shares which may be issued pursuant to the exercise of the Over-allotment Option; (ii) the Shares to be issued under the Pre-IPO Equity Incentive Plans; and (iii) the Shares which may be issued under the Post-IPO Equity Incentive Plans.

Our listing application is made on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to: (i) our revenue for the year ended December 31, 2024 which is over HK$500 million as required by Rule 8.05(3) of the Listing Rules; and (ii) our expected market capitalization based on the Offer Price at the time of Listing which exceeds HK$4 billion as required by Rule 8.05(3) of the Listing Rules.

No part of our Company's share or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to deal is being or proposed to be sought in the near future. All Offer Shares will be registered on the Hong Kong Share Registrar of our Company in order to enable them to be traded on the Stock Exchange.

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

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Tuesday, December 30, 2025. The Shares will be traded in board lots of 500 Shares each. The stock code of the Shares will be 3696.

Save as disclosed in this Prospectus, no part of our Shares or loan capital 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 on the Stock Exchange or any other stock exchange as of the date of this Prospectus. All the Shares will be registered on our Hong Kong Share Register in order to enable them to be traded on the Stock Exchange.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on the Stock Exchange and our compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second Settlement Day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. Investors should seek the advice of their stockbroker or other professional advisor for details of the settlement arrangements as such arrangements may affect their rights and interests. All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

HONG KONG REGISTER OF MEMBERS AND HONG KONG STAMP DUTY

Our Company's principal register of members will be maintained by our principal share registrar and transfer office, Walkers Corporate Limited, in the Cayman Islands. All of the Shares issued pursuant to the Global Offering will be registered on our Company's Hong Kong Share register of members to be maintained in Hong Kong by our Hong Kong Share Registrar, Tricor Investor Services Limited. Dealings in the Shares registered in the Hong Kong Share register of members will be subject to Hong Kong stamp duty. Unless determined otherwise by our Company, dividends payable in Hong Kong dollars in respect of Shares will be paid to the Shareholders listed on the Hong Kong Share register of members, by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisors as to the taxation implications of subscribing for, purchasing, holding or disposing of, and/or dealing in the Shares or exercising rights attached to them. None of us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Underwriters, any of their respective directors, officers, employees, agents or representatives or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchase, holding, disposition of, or dealing in, or the exercise of any rights in relation to, the Shares.

EXCHANGE RATE CONVERSION

Solely for your convenience, this Prospectus contains translations among certain Renminbi amounts into Hong Kong dollars and of Renminbi amounts into U.S. dollars at specified rates.

Unless indicated otherwise, the translation of Renminbi into Hong Kong dollars, Renminbi into U.S. dollars and Hong Kong dollars into U.S. dollars, and vice versa, in this Prospectus was made at the following rates: RMB0.90928 to HK$1.00; RMB7.0753 to US$1.00; and HK$7.7812 to US$1.00. No representation is made that any amounts in Renminbi, Hong Kong dollars or U.S. dollars can be or could have been at the relevant dates converted at the above rates or any other rates or at all.

LANGUAGE

Translated English names of Chinese laws and regulations, governmental authorities, departments, entities (including subsidiaries of our Group), institutions, natural persons, facilities, certificates, titles and the like included in this Prospectus and for which no official English translation exists are unofficial translations for identification purposes only. In the event of any inconsistency, the Chinese name shall prevail.

ROUNDING

Unless otherwise stated, all the numerical figures are rounded to one or two decimal places. Any discrepancies in any table or chart between totals and sums of amounts listed therein are due to rounding.

In preparation for the Listing, our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and certificates of exemption from strict compliance with the relevant provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

MANAGEMENT PRESENCE IN HONG KONG

According to Rule 8.12 of the Listing Rules, our Company 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. We do not have a sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Listing Rules, given that only one of our executive Directors, Mr. Alex Zhavoronkov, Ph.D., is ordinarily residing in Hong Kong. We have applied for a waiver from strict compliance with Rule 8.12 of the Listing Rules primarily on the basis that in order to conduct and develop our business operations which spread across the globe, only one of the two executive Directors ordinarily resides in Hong Kong. As such, the Joint Sponsors have applied, on behalf of our Company, to the Stock Exchange for, and the Stock Exchange has granted us a waiver from strict compliance with Rule 8.12 of the Listing Rules subject to, among others, the following conditions:

(a) pursuant to Rule 3.05 of the Listing Rules, we have appointed two authorized representatives, who will act as our principal channel of communication with the Stock Exchange. The two authorized representatives appointed are Mr. Alex Zhavoronkov, Ph.D., our executive Director, founder and CEO, and Ms. Leung Kwan Wai, our company secretary. Both of our authorized representatives are situated and based in Hong Kong and will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange. Both of our authorized representatives will be readily contactable by telephone, facsimile and email to deal promptly with enquiries from the Stock Exchange;

(b) pursuant to Rule 3.20 of the Listing Rules, each Director has provided his or her contact information to the Stock Exchange and to the authorized representatives. This will ensure that the Stock Exchange and the authorized representatives should have means for contacting all Directors promptly at all times as and when required. In the event that a Director expects to travel or is otherwise out of office, he or she will endeavor to provide his or her phone number of the place of his or her accommodation to the authorized representatives or maintain an open line of communication via his or her mobile phone;

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

(d) pursuant to Rule 3A.19 of the Listing Rules, we have appointed Guotai Junan Capital Limited as our compliance adviser, which will have access at all times to our authorized representatives, Directors, senior management and other officers of our Company, and will act as an additional channel of communication between the Stock Exchange and us;

(e) meetings between the Stock Exchange and our Directors could be arranged through our authorized representatives or the Compliance Adviser, or directly with our Directors within a reasonable time frame. Our Company will promptly inform the Stock Exchange of any changes of our authorized representatives and/or the Compliance Adviser; and

(f) we will appoint other professional advisors (including legal advisors in Hong Kong) after the Listing to assist us in dealing with any questions which may be raised by the Stock Exchange and to ensure that there will be prompt and effective communication with the Stock Exchange.

WAIVER AND EXEMPTION IN RELATION TO THE PRE-IPO EQUITY INCENTIVE PLANS

Rule 17.02(1)(b) of the Listing Rules requires a listing applicant to, inter alia, disclose in this Prospectus full details of all outstanding options and awards and their potential dilution effect on the shareholdings upon listing as well as the impact on the earnings per share arising from the issue of shares in respect of such outstanding options or awards.

Paragraph 27 of Appendix D1A to the Listing Rules requires a listing applicant to disclose, inter alia, particulars of any capital of any member of the group which is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee, or an appropriate negative statement, provided that where options have been granted or agreed to be granted to all the members or debenture holders or to any class thereof, or to employees under a share option scheme, it shall be sufficient, so far as the names and addresses are concerned, to record that fact without giving the names and addresses of the grantees.

Under section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the prospectus must state the matters specified in Part I of the Third Schedule.

Under paragraph 10 of Part I of the Third Schedule, the number, description and amount of any shares in or debentures of the company which any person has, or is entitled to be given, an option to subscribe for, together with the particulars of the option, that is to say, (a) the period during which it is exercisable; (b) the price to be paid for shares or debentures subscribed for under it; (c) the consideration (if any) given or to be given for it or for the right to it; and (d) the names and addresses of the persons to whom it or the right to it was given or, if given to existing shareholders or debenture holders as such, the relevant shares or debentures must be specified in the Prospectus.

As of the Latest Practicable Date, our Company had granted outstanding options and restricted share units ("**RSUs**") under the Pre-IPO Equity Incentive Plans to a total of 199 participants to subscribe for an aggregate of 1,850,112 Shares (or 37,002,240 Shares as adjusted after the Share Split), which included:

(a) options granted to 117 grantees (the "**Grantee(s)**") to subscribe for an aggregate of 1,579,776 Shares (or 31,595,520 Shares as adjusted after the Share Split), which consist of (i) one Director with respect to 253,271 underlying Shares (or 5,065,420 Shares as adjusted after the Share Split); (ii) two members of the senior management with respect to 169,995 underlying Shares (or 3,399,900 Shares as adjusted after the Share Split); (iii) two connected persons with respect to 82,490 underlying Shares (or 1,649,800 Shares as adjusted after the Share Split); (iv) 17 consultants with respect to 272,100 underlying Shares (or 5,442,000 Shares as adjusted after the Share Split; and (v) 95 other grantees (who are our employees or former employees, and not Directors, senior management, connected persons or consultants of the Company) with respect to 801,920 underlying Shares (or 16,038,400 Shares as adjusted after the Share Split). The Shares underlying the outstanding options represent (i) approximately 5.67% of the total number of Shares in issue immediately after completion of the Share Split and the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued upon the exercise of outstanding options granted under the Pre-IPO Equity Incentive Plans); or (ii) approximately 5.32% of the total number of Shares in issue immediately after completion of the Share Split and the Global Offering, and taking into account the Shares to be issued assuming all outstanding options granted under the Pre-IPO Equity Incentive Plans are exercised (assuming the Over-allotment Option is not exercised and without taking into account any Shares that may be issued upon the exercise of options available to be granted under the Pre-IPO Equity Incentive Plans).

(b) outstanding RSUs granted to 82 participants (the "**Awardee(s)**"), all of whom were also options Grantees, underlying an aggregate of 270,336 Shares (or 5,406,720 Shares as adjusted after the Share Split), which consist of (i) one Director with respect to 160,000 underlying Shares (or 3,200,000 Shares as adjusted after the Share Split); (ii) one member of the senior management with respect to 12,915 underlying Shares (or 258,300 Shares as adjusted after the Share Split); (iii) two connected persons with respect to 6,500 underlying Shares (or 130,000 Shares as adjusted after the Share Split); (iv) 1 consultant with respect to 100 underlying Shares (or 2,000 Shares as adjusted after the Share Split); and (v) 77 other Awardees (who are our employees, and not Directors, senior management, consultants or connected persons of the Company) with respect to 90,821 underlying Shares (or 1,816,420 Shares as adjusted after the Share Split). The Shares underlying the outstanding RSUs represent (i) approximately 0.97% of the total number of Shares in issue immediately after completion of the Share Split and the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued upon the vesting of outstanding RSUs granted under

the Pre-IPO Equity Incentive Plans); or (ii) approximately 0.91% of the total number of Shares in issue immediately after completion of the Share Split and the Global Offering, and taking into account the Shares to be issued assuming all outstanding RSUs granted under the Pre-IPO Equity Incentive Plans are vested (assuming the Over-allotment Option is not exercised and without taking into account any Shares that may be issued upon the vesting of RSUs available to be granted under the Pre-IPO Equity Incentive Plans).

No options and RSUs under the Pre-IPO Equity Incentive Plans will be further granted after Listing. For more details of our Pre-IPO Equity Incentive Plans, see "Appendix IV — Statutory and General Information — Pre-IPO Equity Incentive Plans".

The Joint Sponsors have applied, on behalf of our Company, to (i) the Stock Exchange for a waiver from strict compliance with the requirements under Rule 17.02(1)(b) of the Listing Rules (in connection with the options and RSUs granted) and paragraph 27 of Appendix D1A to the Listing Rules (in connection with the options granted) and (ii) the SFC for a certificate of exemption from strict compliance with paragraph 10(d) of Part I of the Third Schedule pursuant to section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (in connection with the options granted), on the ground that the waiver and the exemption will not prejudice the interest of the investing public and strict compliance with the above requirements would be unduly burdensome for our Company for the following reasons:

(a) since the outstanding options and RSUs under the Pre-IPO Equity Incentive Plans were granted to a total of 117 Grantees and 82 Awardees involved, strict compliance with the relevant disclosure requirements to disclose names, addresses, and entitlements on an individual basis in the Prospectus would be costly and unduly burdensome for our Company, requiring a substantial number of pages of additional disclosure that does not provide any material information to the investing public and would significantly increase the cost and timing for prospectus preparation;

(b) full details of the options and RSUs granted under the Pre-IPO Equity Incentive Plans to each of our Directors, members of the senior management, connected persons, consultants and other Grantees who have been granted options to subscribe for an aggregate of 700,000 Shares (as adjusted after the Share Split) or more has already been disclosed in "Statutory and General Information — Pre-IPO Equity Incentive Plans" in Appendix IV to this Prospectus;

(c) with respect to the Grantees and Awardees not disclosed on an individual basis, such number of Shares (representing only approximately 1.68% of the total issued share capital of our Company immediately following the completion of the Share Split and Global Offering) is not material in the circumstances of our Company, and the grant and exercise or vesting in full of such options and RSUs will not cause any material adverse impact to the financial position of our Company; and

(d) material information relating to the options and RSUs under the Pre-IPO Equity Incentive Plans will be disclosed in this Prospectus, including a summary of the major terms of the Pre-IPO Equity Incentive Plans, the total number of Shares to be issued under the Pre-IPO Equity Incentive Plans, the price per Share for RSUs or exercise price per Share for options, the vesting schedule and exercise period (if applicable), the potential dilution effect on shareholding and the impact on earnings per Share. Our Directors consider that the lack of full compliance with such disclosure requirements will not prevent potential investors from making an informed assessment of the activities, assets and liabilities, financial position, management and prospects of our Group and will not prejudice the interest of the investing public.

The Stock Exchange has granted us a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules on the conditions that:

(a) the following information will be clearly disclosed in this Prospectus:

(i) on an individual basis, full details of all the outstanding options and RSUs granted by our Company under the Pre-IPO Equity Incentive Plans to each of our Directors, members of the senior management, connected persons, consultants and other Grantees who have been granted options to subscribe for an aggregate of 700,000 Shares (as adjusted after the Share Split) or more including all the particulars required under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules;

(ii) in respect of the outstanding options and RSUs granted by our Company to the Grantees and Awardees other than those referred to in sub-paragraph (i) above:

a. the aggregate number of the Grantees and Awardees and the number of Shares subject to the options and RSUs;

b. the consideration paid for and the date of the grant of the options and RSUs; and

c. the vesting schedule, exercise period (if applicable) and the price or exercise price for the options and RSUs;

(iii) the dilution effect and impact on earnings per Share upon full exercise of the outstanding options and vesting of RSUs granted under the Pre-IPO Equity Incentive Plans;

(iv) the aggregate number of Shares subject to the outstanding options and RSUs granted by our Company under the Pre-IPO Equity Incentive Plans and the percentage of our Company's issued share capital upon completion of the Global Offering of which such number represents;

(v) a summary of the Pre-IPO Equity Incentive Plans;

(vi) the particulars of this waiver;

(b) the list of all the Grantees and Awardees (including the persons referred to in paragraph (a)(ii) above), containing all details as required under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules, be made available for public inspection in accordance with "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display — Document Available for Inspection" in Appendix V to this Prospectus; and

(c) a certificate of exemption under the Companies (Winding Up and Miscellaneous Provisions) Ordinance from the SFC exempting us from the disclosure requirements provided in paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance having been obtained.

The SFC has granted us a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, subject to the conditions that:

(a) on an individual basis, full details of all the outstanding options granted by our Company under the Pre-IPO Equity Incentive Plans to each of our Directors, members of the senior management, connected persons, consultants and other Grantees who have been granted options to subscribe for an aggregate of 700,000 Shares (as adjusted after the Share Split) or more will be disclosed in this Prospectus, such details including all the particulars required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

(b) in respect of the outstanding options granted by our Company under the Pre-IPO Equity Incentive Plans to the other Grantees (other than those referred to in paragraph (a) above), the following details be disclosed in this Prospectus on an aggregate basis, categorized into lots based on the number of Shares underlying each individual Grantee, being (i) 1 to 199,999 Shares (as adjusted after the Share Split), (ii) 200,000 to 399,999 Shares (as adjusted after the Share Split), and (iii) 400,000 to 699,999 Shares (as adjusted after the Share Split):

(i) the aggregate number of the other Grantees and the number of Shares subject to the options;

(ii) the consideration paid for, the date of the grant and the vesting schedule of the options; and

(iii) the exercise period and the exercise price for the options.

(c) a full list of all the Grantees (including the persons referred to in paragraph (b) above) who have been granted options to subscribe for Shares under the Pre-IPO Equity Incentive Plans, containing all details as required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, be made available for public inspection in accordance with "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display — Document Available for Inspection" in Appendix V to this Prospectus; and

(d) the particulars of the exemption be disclosed in this Prospectus and that this Prospectus be issued on or before December 18, 2025.

ALLOCATION OF OFFER SHARES TO CLOSE ASSOCIATE OF AN EXISTING SHAREHOLDER AS CORNERSTONE INVESTOR WITH A CONSENT UNDER PARAGRAPH 17 OF CHAPTER 4.15 OF THE GUIDE

Paragraph 1C(2) of Appendix F1 to the Listing Rules states that no allocations will be permitted to applicants' existing shareholders or their close associates without consent, unless the conditions set out in Rules 10.03 and 10.04 of the Listing Rules are fulfilled.

Paragraph 13 of Chapter 4.15 of the Guide for New Listing Applicants provides that the Stock Exchange will ordinarily agree to grant a consent and waiver for allocation to existing shareholders or their close associates if it is satisfied that the actual or perceived preferential treatment arising from their ability to influence the applicant during the allocation process can be addressed.

Paragraph 14 of Chapter 4.15 of the Guide for New Listing Applicants sets out the conditions required to be fulfilled when the Stock Exchange considers granting a waiver and consent from Rule 10.04 of the Listing Rules to placing to existing shareholders or their close associates (the "**Existing Shareholder Conditions**").

Paragraph 18 of Chapter 4.15 of the Guide for New Listing Applicants provides that the Stock Exchange will grant consent and/or waiver to allow an existing shareholder and/or its close associates and a cornerstone investor to subscribe or purchase Offer Shares in the Global Offering without fulfilment of the Existing Shareholder Conditions subject to the disclosure of details of the allocation in the listing document and/or the allotment results announcement, and the following:

(i) the offer (excluding any over-allocation) has a total value of at least HK$1 billion;

(ii) securities allocated to all existing shareholders and their close associates (whether as cornerstone investors and/or as placees) as permitted under this exemption do not exceed 30% of the total number of securities offered; and

(iii) each director and chief executive of the applicant must have confirmed that no securities have been allocated to them or their respective close associates under this exemption. (together, the "**Size-based Exemption Conditions**").

Subscription by TAIBAI INVESTMENTS PTE. LTD.

As at the date of this Prospectus, Palace Investments Pte. Ltd. (**"Palace Investments**") is an existing Shareholder of the Company. TAIBAI INVESTMENTS PTE. LTD. ("**Taibai Investments**") intends to participate in the International Offering as a Cornerstone Investor. Each of Palace Investments and Taibai Investments are indirectly wholly-owned subsidiaries of Temasek Holdings (Private) Limited. Accordingly, Taibai Investments is a close associate of Palace Investments. For details, see "Cornerstone Investors" in this prospectus.

We have applied for, and the Stock Exchange has granted, a written consent under Paragraph 1C(2) of Appendix F1 to the Listing Rules and a consent under paragraph 18 of Chapter 4.15 of the Guide for New Listing Applicants for the allocation of Offer Shares to Taibai Investments on the conditions that:

(a) the Size-based Exemption Conditions will be fulfilled;

(b) we will comply with the public float requirement under Rule 8.08(1) of the Listing Rules; and

(c) details of the allocation to such investor will be disclosed in this Prospectus and in the allotment results announcement.

CONSENT IN RESPECT OF PROPOSED SUBSCRIPTION OF SHARES BY CERTAIN CORNERSTONE INVESTOR WHO IS CONNECTED CLIENT

Paragraph 1C of Appendix F1 to the Listing Rules (the "**Placing Guidelines**") states that no allocations will be permitted to "connected clients" of the overall coordinator(s), any syndicate member(s) (other than the overall coordinator(s)) or any distributor(s) (other than syndicate members(s)), without prior written consent of the Stock Exchange.

Paragraph 1B(7) of the Placing Guidelines states that "connected clients" in relation to an exchange participant means any client of such member who is a company which is a member of the same group of companies as such exchange participant.

Chapter 4.15 of the Guide for New Listing Applicants provides that the Stock Exchange will ordinarily give its consent for allocation to connected clients if it is satisfied that: (i) the allocation to a connected client represents genuine demand for securities of an applicant; and (ii) the connected client has not taken and will not take advantage of its position to receive an allocation for its own benefit at the expense of other placees or the public (i.e., no actual or perceived preferential treatment has been given to such connected client).

E Fund Management Co., Ltd. ("**E Fund Management**") has entered into a cornerstone investment agreement with the Company, the Joint Sponsors and the Overall Coordinators.

E Fund Management and GF Securities (Hong Kong) Brokerage Limited ("**GF Securities (Hong Kong) Brokerage**"), one of the Overall Coordinators and Underwriters of the Global Offering, are members of the same group of companies. GF Securities (Hong Kong) Brokerage is an indirect wholly-owned subsidiary of GF Securities Co., Ltd. (廣發証券股份有限公司) (Stock Code: 1776) ("**GF Securities**"), which in turn holds 22.65% of the issued share capital of E Fund Management. As a result, E Fund Management constitutes a member of the same group of companies as GF Securities (Hong Kong) Brokerage and is a connected client of GF Securities (Hong Kong) Brokerage.

We have applied for, and the Stock Exchange has granted, a consent under paragraph 1C of the Placing Guidelines to permit E Fund Management to participate in the Global Offering as a cornerstone investor on the following bases and conditions as set out in paragraph 6 of Chapter 4.15 of the Guide:

(a) any Offer Shares to be allocated to E Fund Management will be held on behalf of independent third parties;

(b) the cornerstone investment agreement of E Fund Management does not contain any material terms which is more favorable to E Fund Management than those in other cornerstone investment agreements;

(c) no preferential treatment has been, nor will be, given to E Fund Management by virtue of their relationship with GF Securities (Hong Kong) Brokerage, in any allocation of Offer Shares in the International Offering (other than the assured entitlement under the relevant cornerstone investment agreement);

(d) E Fund Management confirms that to the best of its knowledge and belief, it has not received and will not receive preferential treatment in the allocation of Offer Shares in the Global Offering as a cornerstone investor by virtue of its relationship with GF Securities (Hong Kong) Brokerage, other than the assured entitlement under the relevant cornerstone investment agreements;

(e) each of (i) the Company, (ii) the Overall Coordinators, (iii) GF Securities (Hong Kong) Brokerage (in respect of E Fund Management) has provided the Stock Exchange with written confirmations in accordance with Chapter 4.15 of the Guide; and

(f) details of the cornerstone investments and details of the allocations will be disclosed in this prospectus and the allotment results announcement.

For further information about the cornerstone investment of E Fund Management, please refer to the section headed "Cornerstone Investors" in this prospectus.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Aleksandrs Zavoronkovs (also known as Alex Zhavoronkov), Ph.D.	Flat 25 D, Tower 2A (Moon Tower) The Arch No. 1 Austin Road West Kowloon Hong Kong	Canadian/ Latvian
Mr. Feng Ren, Ph.D. (任峰)	Room 601, Building 1 Lane 219 Jinan East Road Pudong, Shanghai China	Chinese
Non-executive Directors		
Mr. Chuen Yan Leung, Ph.D. (梁傳昕)	House 4 No 4 Peel Rise The Peak Hong Kong	Chinese (Hong Kong)
Mr. Kan Chen, Ph.D. (陳侃)	3842 167th PL NE Apartment K2033 Redmond Washington 98052-6331 United States of America	Chinese
Mr. Long Shi (施瓏)	Room 1001, Unit 3 Lane 968, Tianyaoqiao Road Xuhui District Shanghai PRC	Chinese

Independent Non-Executive Directors

Ms. Denitsa Milanova, Ph.D.	230 Commonwealth Avenue, Apt. 4 Boston Massachusetts 02116-2561 United States of America	Bulgarian
Mr. Jingsong Wang, Ph.D. (王勁松)	Apartment C, Floor 2 No. 228 Xingguo Road Changning District Shanghai 200031 China	American
Mr. Roman Kyrychynskyi	36 Puckeridge Cres Etobicoke Ontario M9B 3A2 Canada	Canadian

For more details of our Directors, see "Directors 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

China International Capital Corporation Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

GF Capital (Hong Kong) Limited
27/F, GF Tower
81 Lockhart Road
Wan Chai
Hong Kong

Sponsor-Overall Coordinators

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

China International Capital Corporation Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

GF Securities (Hong Kong) Brokerage Limited
27/F, GF Tower
81 Lockhart Road
Wan Chai
Hong Kong

Overall Coordinators

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

China International Capital Corporation Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

GF Securities (Hong Kong) Brokerage Limited
27/F, GF Tower
81 Lockhart Road
Wan Chai
Hong Kong

BNP Paribas Securities (Asia) Limited
60/F. and 63/F., Two International Finance Centre
8 Finance Street
Central
HongKong

Joint Global Coordinators and Joint Lead Managers	**Morgan Stanley Asia Limited** 46/F, International Commerce Centre 1 Austin Road West Kowloon Hong Kong
	China International Capital Corporation Hong Kong Securities Limited 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong
	GF Securities (Hong Kong) Brokerage Limited 27/F, GF Tower 81 Lockhart Road Wan Chai Hong Kong
	BNP Paribas Securities (Asia) Limited 60/F. and 63/F., Two International Finance Centre 8 Finance Street Central Hong Kong
	Sinolink Securities (Hong Kong) Company Limited Unit 3501-08, 35/F Cosco Tower 183 Queen's Road Central Sheung Wan Hong Kong
Joint Lead Manager	**BOCI Asia Limited** 26/F Bank of China Tower 1 Garden Road, Central Hong Kong
Joint Bookrunners	**Morgan Stanley Asia Limited** 46/F, International Commerce Centre 1 Austin Road West Kowloon Hong Kong

China International Capital Corporation Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

GF Securities (Hong Kong) Brokerage Limited
27/F, GF Tower
81 Lockhart Road
Wan Chai
Hong Kong

BNP Paribas Securities (Asia) Limited
60/F. and 63/F., Two International Finance Centre
8 Finance Street
Central
Hong Kong

Sinolink Securities (Hong Kong) Company Limited
Unit 3501-08, 35/F
Cosco Tower
183 Queen's Road Central
Sheung Wan
Hong Kong

BOCI Asia Limited
26/F Bank of China Tower
1 Garden Road, Central
Hong Kong

Capital Market Intermediaries

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

China International Capital Corporation Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

GF Securities (Hong Kong) Brokerage Limited
27/F, GF Tower
81 Lockhart Road
Wan Chai
Hong Kong

BNP Paribas Securities (Asia) Limited
60/F. and 63/F., Two International Finance Centre
8 Finance Street
Central
Hong Kong

Sinolink Securities (Hong Kong) Company Limited
Unit 3501-08, 35/F
Cosco Tower
183 Queen's Road Central
Sheung Wan
Hong Kong

BOCI Asia Limited
26/F Bank of China Tower
1 Garden Road, Central
Hong Kong

Legal Advisers to our Company

As to Hong Kong and U.S. laws

Davis Polk & Wardwell
10/F, The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

As to PRC law

Jingtian & Gongcheng
45/F, K. Wah Center
1010 Huaihai Road (M)
Xuhui District, Shanghai
China

As to Cayman Islands law

Walkers (Hong Kong)
15th Floor, Alexandra House
18 Chater Road
Central
Hong Kong

Legal Advisers to the Joint Sponsors and the Underwriters

As to Hong Kong and U.S. laws

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

As to PRC law

Commerce & Finance Law Offices
12-14th Floor
China World Office 2
No. 1 Jian Guo Men Wai Avenue
Beijing, 100004
China

Reporting Accountants and Auditors

Deloitte Touche Tohmatsu
Certified Public Accountants and Registered Public Interest Entity Auditor
35/F One Pacific Place
88 Queensway
Hong Kong

Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** 2504 Wheelock Square 1717 Nanjing West Road Shanghai 200040 China
Compliance Adviser	**Guotai Junan Capital Limited** 27/F., Low Block, Grand Millennium Plaza 181 Queen's Road Central Central Hong Kong
Receiving Bank	**CMB Wing Lung Bank Limited** 45 Des Voeux Road Central Hong Kong

Registered Office	190 Elgin Avenue, George Town Grand Cayman KY1-9008 Cayman Islands
Global Presence	*Abu Dhabi* Level 6, Unit 08, Block A IRENA HQ Building Masdar City, Abu Dhabi United Arab Emirates *Boston* 1000 Massachusetts Avenue, Suite 126 Cambridge, MA 02138 United States *Hong Kong* Unit 310, 3/F, Building 8W, Phase 2 Hong Kong Science Park Pak Shek Kok New Territories, Hong Kong *Shanghai* 9F, Chamtime Plaza Block C Lane 2889, Jinke Road Pudong New Area, Shanghai PRC
Principal Place of Business in Hong Kong	Unit 310, 3/F, Building 8W, Phase 2, Hong Kong Science Park Pak Shek Kok New Territories, Hong Kong
Company's Website	**insilico.com** *(the information contained on this website does not form part of this Prospectus)*
Company Secretary	**Ms. Leung Kwan Wai (梁君慧)**, *HKACG, ACG* Room 1928, 19/F, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong

Authorized Representatives	**Mr. Alex Zhavoronkov, Ph.D.** Unit 310, 3/F, Building 8W, Phase 2, Hong Kong Science Park Pak Shek Kok New Territories, Hong Kong
	Ms. Leung Kwan Wai (梁君慧) Room 1928, 19/F, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong
Audit Committee	Mr. Roman Kyrychynskyi *(Chairman)* Mr. Chuen Yan Leung, Ph.D. Ms. Denitsa Milanova, Ph.D. Mr. Jingsong Wang, Ph.D.
Remuneration Committee	Mr. Jingsong Wang, Ph.D. *(Chairman)* Ms. Denitsa Milanova, Ph.D. Mr. Feng Ren, Ph.D. Mr. Long Shi Mr. Roman Kyrychynskyi
Nomination Committee	Mr. Alex Zhavoronkov, Ph.D. *(Chairman)* Ms. Denitsa Milanova, Ph.D. Mr. Jingsong Wang, Ph.D. Mr. Kan Chen, Ph.D. Mr. Roman Kyrychynskyi
ESG Committee	Mr. Feng Ren, Ph.D. *(Chairman)* Mr. Alex Zhavoronkov, Ph.D. Ms. Denitsa Milanova, Ph.D. Mr. Jingsong Wang, Ph.D. Mr. Roman Kyrychynskyi
Principal Share Registrar and Transfer Office	**Walkers Corporate Limited** 190 Elgin Avenue George Town Grand Cayman KY1–9008 Cayman Islands
Hong Kong Share Registrar	**Tricor Investor Services Limited** 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong

Principal Banks

The Hong Kong and Shanghai Banking Corporation Limited
HSBC Main Building
1 Queen's Road Central
Hong Kong

JP Morgan Chase Bank N.A., Hong Kong Branch
Chater House
8 Connaught Road Central
Hong Kong

The information and statistics set out in this section and other sections of this Prospectus were extracted from the Frost & Sullivan Report, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the Global Offering. The information from official government sources has not been independently verified by us, the Joint Sponsors, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Underwriters, any of their respective directors and advisers, or any other persons or parties involved in the Global Offering, and no representation is given as to its accuracy. For more details of the risks relating to our industry, see "Risk Factors" in this Prospectus.

GLOBAL GENERATIVE AI MARKET

Artificial intelligence ("AI") is playing an increasingly significant role in shaping industries and driving innovation across the global economy. Its applications are wide-ranging, impacting areas such as pharmaceuticals, nutrition, agriculture, smart laboratory, and energy solution. AI is steadily changing how businesses operate and how new discoveries and solutions are developed.

Within the broader AI landscape, generative AI has emerged as a particularly dynamic and fast-growing segment. Generative AI introduces the ability to create new content, molecules, materials, and strategies, opening new possibilities across many fields.

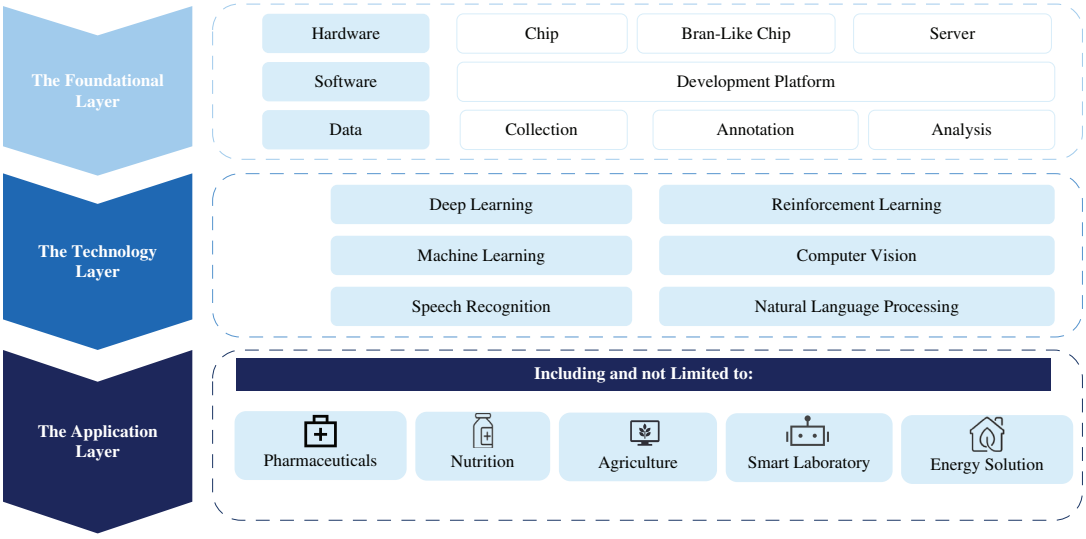
Overview of Artificial Intelligence

The AI industry is commonly understood as a three-layered structure:

- **The foundational layer** focuses on establishing basic support platforms, including elements such as chips, development platforms, and data services.

- **The technology layer** consists of general-purpose AI technologies such as natural language processing (NLP), computer vision, machine learning (ML), and deep learning (DL). These technologies enable a wide range of AI functionalities and broaden the accessibility of AI across industries.

- **The application layer** involves industry-specific applications, platforms, and solutions that use AI technologies to solve real-world problems. This layer covers a wide range of industries including pharmaceuticals, nutrition, agriculture, smart laboratory, and energy solution.



Source: Frost & Sullivan Report

Key Concepts in the Development of AI

Several important concepts, namely machine learning (ML), deep learning (DL) and reinforcement learning (RL), shape the development and application of AI.

- **Machine learning (ML):** ML is a subset of AI that focuses on enabling computers to learn patterns from data and deliver intelligent applications without being explicitly programmed. It encompasses a variety of techniques, including neural networks, as well as other methods such as kernel-based algorithms and decision tree models.

- **Deep learning (DL):** DL is a specialized subset of ML that allows computers to tackle more complex tasks. While AI broadly refers to systems that attempt to mimic human intelligence, DL specifically focuses on using advanced neural networks to achieve high-level performance on tasks like image and text recognition.

  Among various approaches within neural networks, DL has shown the most success in practical applications and remains a major focus of research. DL models use multilayered neural networks, trained with different learning algorithms, to solve problems related to images, language, and other data types. Within DL, three fundamental types of network structures are widely recognized: convolutional neural networks (CNNs), recurrent neural networks (RNNs), and recursive neural networks. CNNs, in particular, excel at image processing. They utilize convolutional kernels to extract key features from images, while techniques like weight sharing and pooling help reduce the computational complexity of training these networks, making them more efficient and scalable.

- **Reinforcement learning (RL):** RL focuses on teaching systems to make decisions through trial and error, guided by feedback and rewards. By continuously adapting its strategies, an RL system can optimize performance in complex, dynamic environments, including those with high levels of constraint or latency. This approach is particularly valuable for applications that require long-term planning and precise decision-making.

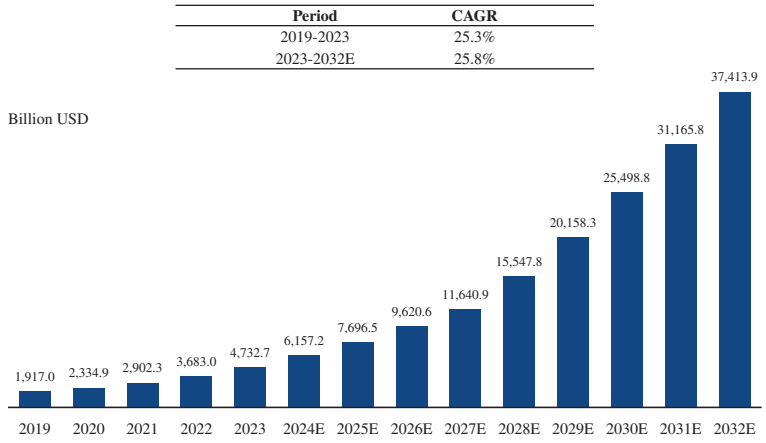
  In the field of drug discovery, for example, platforms like Chemistry42 use reinforcement learning to design new molecules, optimizing their structures based on predicted biological activity and drug-likeness.

Overview of Generative AI

Among all areas of AI, generative AI has recently attracted the most attention for its ability to create new and valuable outputs across a broad range of domains. Generative AI systems can produce human-like text, generate realistic images, compose music, design optimized molecules for pharmaceuticals, invent new materials for industrial use, and develop customized nutrition plans.

The global generative AI market is experiencing rapid growth, driven by the increasing adoption of generative AI across industries, rising investment from both private and public sectors, and ongoing advances in computational power and algorithms. The size of the global generative AI market is expected to increase from US$4,732.7 billion in 2023 to US$37,413.9 billion in 2032, representing a CAGR of 25.8%, as illustrated in the below chart.

Global Generative AI Market Size, 2019-2032E



Source: Frost & Sullivan Analysis

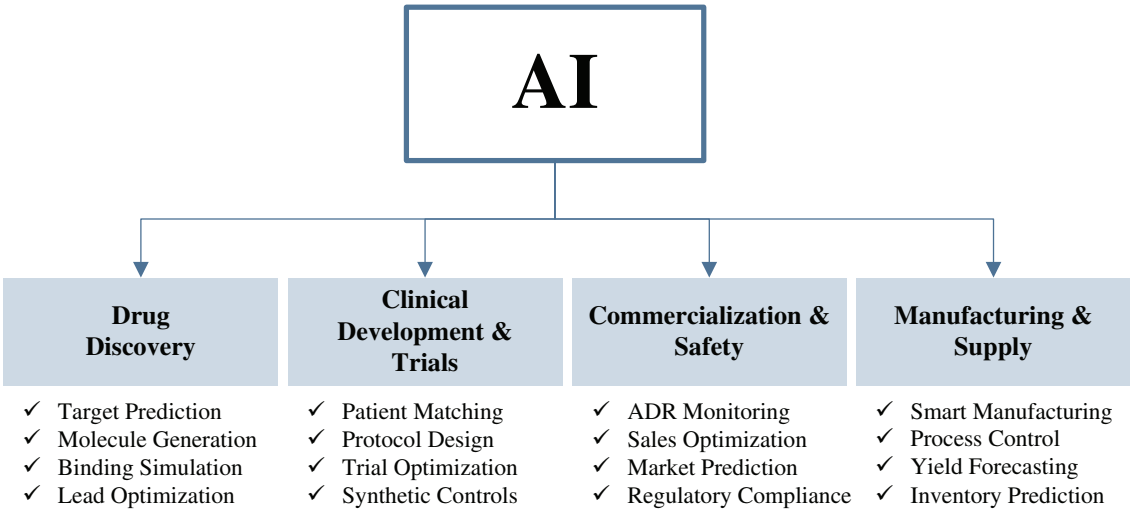
In the pharmaceutical industry, generative AI applications are expected to expand significantly. From designing new drug candidates to optimizing clinical trial protocols, AI systems are shortening development timelines, reducing R&D costs, and enabling a more personalized approach to medicine.

Generative AI is also being applied in the non-pharmaceutical industries such as energy (for materials discovery and grid optimization), agriculture (for crop yield prediction and plant breeding), food and nutrition (for functional food formulation and personalized diet design), and materials science (for the discovery of new polymers and alloys).

Overview of Artificial Intelligence in the Pharmaceutical Industry

AI is rapidly transforming the entire pharmaceutical value chain, from early-stage research to commercial production and post-market surveillance, as illustrated in the below diagram.

AI Applications in Pharmaceutical Industry



Source: Frost & Sullivan Analysis

AI-Based Drug Discovery and Development (AIDD)

AI-based drug discovery and development (AIDD) is becoming an increasingly important trend in the pharmaceutical industry. AI technologies are being applied at both early and late stages of drug development, helping to identify targets, design molecules more efficiently, and optimize clinical trials. By supporting various stages of the pipeline, AI enables drug discovery and development processes to be faster, more accurate, and more cost-effective.

At the early stage of drug discovery, AI assists in target discovery by analyzing large volumes of omics data and disease-specific information. Through pattern recognition and the mapping of biological networks, AI can identify new biological targets that traditional methods might overlook. Once targets are selected, AI further accelerates the process by helping to screen potential lead compounds. Instead of manually testing vast chemical libraries, AI models predict which compounds are most likely to bind effectively to the targets and filter out those with poor activity or unfavorable safety profiles. This enables researchers to prioritize the more favorable candidates for further development.

As compounds move into preclinical stages, AI continues to contribute by predicting critical pharmacokinetic and toxicological properties, such as absorption, distribution, metabolism, excretion, and toxicity (ADMET). These early predictions allow researchers to optimize drug candidates and reduce the risk of later-stage failures. AI also supports the clinical trial process by improving patient selection, enabling real-time monitoring, and facilitating adaptive trial designs that can adjust protocols based on emerging data. In some cases, AI creates synthetic control groups using historical data, reducing the need for traditional placebo groups and making trials more efficient and ethical.

The integration of AI with expert knowledge creates synergies that accelerate drug discovery across multiple stages. AI-driven generative algorithms can design new drug-like molecules, while smart laboratory platforms synthesize and test large numbers of compounds in parallel. This highly iterative process, where AI models continuously learn from experimental outcomes, accelerates discovery and refinement. Additionally, AI helps guide experimental design by predicting optimal conditions, reducing human error and minimizing unnecessary trials.

Besides drug discovery, AI plays an important role in advancing precision medicine. By rapidly analyzing genomic data, AI models can predict protein structures, regulatory elements, and gene expression patterns, helping to uncover the links between genetic variation and disease. This integration of AI analysis with expert insights improves the speed and accuracy of developing personalized treatments.

AI is also making valuable contributions to aging and longevity research. Scientists initially use AI platforms such as PandaOmics to identify genes associated with age-related diseases. After initial target discovery, AI helps prioritize targets by evaluating their relevance to known biological mechanisms of aging. Finally, scientists refine target selection by choosing genes that consistently show dysregulation across aging datasets and demonstrate mechanistic involvement in aging processes.

AI-Driven Smart Laboratories in Drug Discovery

AI-driven smart laboratories are reshaping the drug discovery process by integrating molecule design, synthesis, biological testing, and experimental optimization into a seamless workflow. These innovations can be categorized into four key areas:

- **Automation:** Automated systems improve the precision and reliability of research by maintaining exact reaction conditions and enabling in-situ analysis. They also enhance safety by continuously monitoring lab environments and allow laboratories to operate 24/7. The large amount of data generated through automation supports continuous optimization through meta-analysis, further enhancing R&D productivity.

- **Molecule Design and Synthesis:** AI generative models propose new, drug-like molecules, which are then automatically synthesized by platforms capable of processing large chemical libraries in parallel. This process is iterative, with AI refining its predictions based on synthesis outcomes in real time.

- **Biological Testing and Characterization:** Once synthesized, compounds undergo high-throughput biological screening. Automated workflows enable the rapid generation and analysis of genomics, proteomics, and metabolomics data, feeding valuable insights back into the discovery pipeline.

- **Experimental Optimization:** Automated preparation systems reduce human error and ensure consistent sample handling. Meanwhile, AI models guide experimental planning by predicting the best combinations of variables such as incubation time and media conditions, improving the likelihood of successful experiments before physical testing begins.

Overview of Artificial Intelligence in Non-Pharmaceutical Industries

AI is creating meaningful changes across a wide range of non-pharmaceutical industries. By supporting data-driven decision-making, improving operational efficiency, and enabling new capabilities, AI technologies are becoming an essential part of modern industrial systems.

In agriculture, AI is being applied across all stages of production, from crop cultivation to pest management and quality testing. Through precision agriculture, AI helps farmers make better decisions by analyzing data from sensors, drones, and satellite imagery. This leads to more efficient use of resources, higher crop yields, improved product quality, and lower production costs. As a result, AI is helping to build farming systems that are both more productive and more sustainable. In particular, AI can be applied to disease and pest control. An AI-based crop disease and pest identification system typically comprises a pest database, an AI analysis unit, and an information processing unit that manages information related to crop pests based on the results of pest identification performed by the AI analysis unit.

In the energy sector, AI technologies are being used to optimize supply chains and manage smart grids. In supply chain management, AI improves efficiency by automating inventory control, predicting future demand, and optimizing logistics operations, leading to reported efficiency gains of 20–35%. For smart grids, machine learning models improve forecasting accuracy by about 1.65%, while also helping to reduce energy losses and enable features like self-healing networks. Increasingly, AI is also being utilized in advanced material discovery, such as systematically calculating the heat of hydrogen (H_2) adsorption in Metal-Organic Framework (MOF) materials — a key indicator of MOF–H_2 interaction strength critical for optimizing hydrogen storage. Furthermore, AI supports pore engineering efforts, assisting in the optimization of pore size, shape, connectivity, and metal distribution to enhance H_2 gravimetric and volumetric storage capacities.

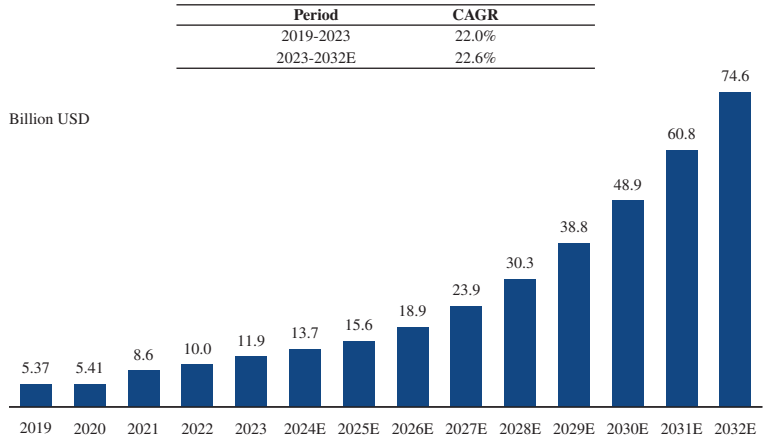
In the field of nutrition and food science, AI enables the development of personalized health and wellness solutions. By collecting and analyzing large volumes of biological and lifestyle data, AI allows for accurate predictions of health outcomes and supports the development of customized nutrition plans. This is particularly valuable in clinical nutrition and health management, where AI-driven tools help design evidence-based, individualized interventions. AI applications are also expanding into anti-aging healthcare, where machine learning models are being used to identify and develop nutraceuticals that target aging pathways, promoting cellular health and longevity. Research efforts in this area are increasingly focused on identifying geroprotectors — compounds or interventions that can mitigate aging processes and potentially extend healthy lifespan.

AI-BASED DRUG DISCOVERY MARKET

Market Size of the Global AI-empowered Pharmaceutical R&D Expense

The size of the global AI-empowered pharmaceutical R&D expense market is expected to increase from US$11.9 billion in 2023 to US$74.6 billion in 2032, representing a CAGR of 22.6%, as illustrated in the below chart.

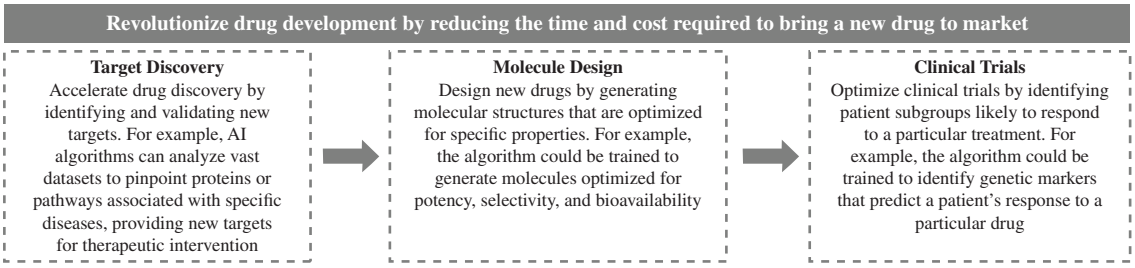
Global AI-empowered Pharmaceutical R&D Expense Market Size, 2019-2032E



Source: Frost & Sullivan Analysis

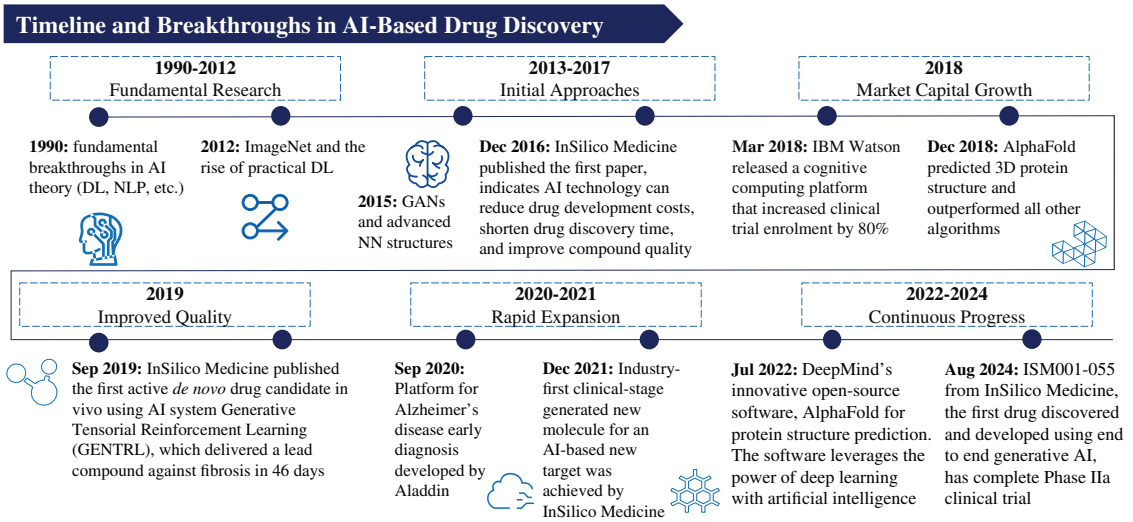
Overview of AI in Drug Discovery and Development

AI is playing a growing role in the evolution of drug discovery and development, as illustrated in the below diagram. In particular, the field of AIDD has progressed rapidly, supported by advances in machine learning, deep learning, and generative AI technologies.



Source: Literature Review, Frost & Sullivan Analysis

Fundamental advances in AI research during the early 1990s, followed by applications like ImageNet and generative adversarial networks (GANs), expanded the possibilities for applying AI in various industries, including healthcare. In drug discovery, momentum increased as companies like InSilico Medicine introduced integrated platforms such as Pharma.AI. Insilico's drug candidate for idiopathic pulmonary fibrosis has completed Phase IIa clinical trial, marking a major milestone in AI-based drug development.



Source: Literature Review, Frost & Sullivan Analysis

AI can be applied throughout the drug discovery process, improving efficiency from the earliest stages by analyzing large and complex datasets. Since nearly 80% of medical data remains unstructured and underutilized, AI provides a useful method to organize, match, and interpret this information. This allows researchers to form new hypotheses and explore previously overlooked directions. Advances in machine learning continue to improve the

accuracy of identifying new drug candidates, biomarkers, and therapeutic targets. By analyzing patient data from both healthy and diseased states, as well as data from functional genomics and drug screening, AI helps systematically identify critical insights for developing new treatments.

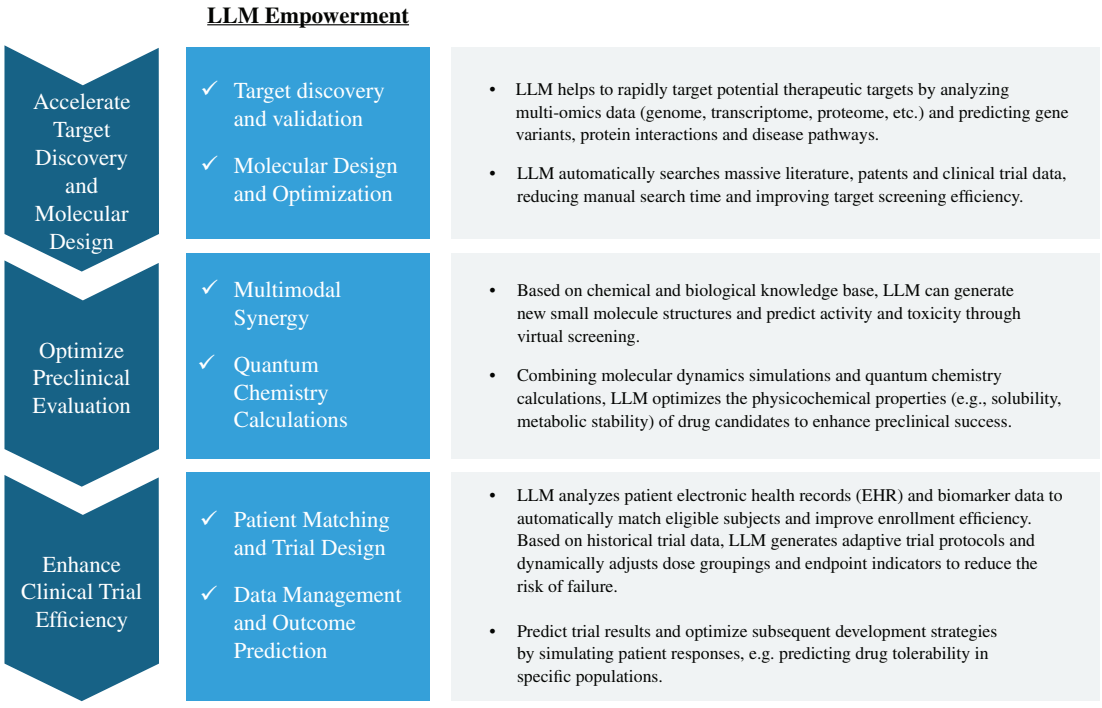
AI-based approaches are also contributing to improving the success rate of drug research and development. One important application is the prediction of a drug's ADMET profile. For example, Chemistry42's ADMET Profiling tool utilizes advanced AI algorithms to predict the absorption, distribution, metabolism, excretion, and toxicity of small molecules. This feature enables the optimization of lead compounds by ensuring they possess favorable pharmacokinetic and toxicological profiles early in the drug discovery process. AI also assists in screening compounds for drug-like properties, safety, and the ability to be synthesized, which are essential factors for advancing compounds successfully through the drug development pipeline.

AI is also making important contribution to structural biology and chemistry. For example, Generative Biologics under Biology42 platform uses advanced AI techniques to design and optimize protein-based therapeutics. By leveraging generative models and machine learning algorithms, this platform can predict protein structures, identify binding sites, and generate new sequences with enhanced specificity and efficacy. Similarly, in the realm of small molecule drug discovery, Chemistry42's Generative Chemistry platform employs AI-driven generative models to create and optimize new chemical entities. This platform can rapidly generate large libraries of drug-like molecules, predict their physicochemical properties, and optimize them for desired pharmacological profiles.

Moreover, AI is being increasingly used in the design and execution of clinical trials. Machine learning models can help predict clinical trial outcomes more accurately, improve trial design, enhance patient safety, and reduce costs. This can lead to faster drug approvals and allow more resources to be directed toward developing additional new treatments. For example, inClinico platform uses advanced AI to forecast the success of Phase II clinical trials. In an internal validation study, inClinico was trained on public clinical trial data from before 2021 and then tested on trials that reported results between January and September 2021. The platform achieved a prediction accuracy of 0.86, measured by the area under the ROC curve (AUC-ROC), which gauges the model's ability to predict trial success, with 1.0 indicating perfect predictive power.

The Rise of Large Language Models (LLMs) in AIDD

Large language models (LLMs) are reshaping the AIDD landscape by accelerating target discovery and molecular design, optimizing preclinical evaluations, and enhancing clinical trial efficiency. With breakthroughs in multimodal modeling and interpretability technologies, LLMs are poised to become a core infrastructure in supporting future drug discovery and development.



Source: Literature Review, Frost & Sullivan Analysis

As AI and LLMs continue to evolve, several key trends may reshape the future of drug discovery and development:

- **Multimodal LLMs**: These models integrate diverse data types, including text, medical images (such as pathology slides), and time-series data (such as continuous sensor monitoring), to construct more robust and nuanced representations of disease states. By combining multiple modalities, they enable deeper insights into complex biological processes and support more accurate predictions in diagnosis and treatment.

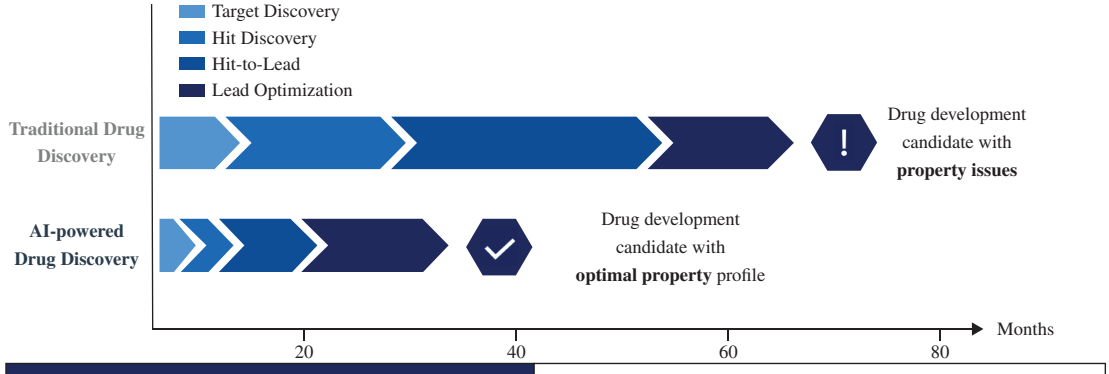
- **Human-Computer Co-development**: LLMs are increasingly functioning as collaborative "AI assistants" that work alongside researchers throughout the scientific process. They assist in drafting experimental protocols, interpreting complex biological pathways, and generating hypotheses, ultimately accelerating innovation and enhancing productivity in drug development.

Key Advantages of AI-Based Drug Discovery

AI addresses critical challenges in drug discovery by improving efficiency across multiple stages of the process. AI can analyze large and complex datasets to identify potential drug candidates, uncover biomarkers and therapeutic targets, predict pharmacological properties, filter for drug-like molecules, model protein structures, and forecast clinical trial outcomes. These capabilities support early-stage research by making it more productive and by reducing the likelihood of costly failures later in development.

Compared to traditional approaches, AI-based drug discovery offers several key advantages: AI can significantly shorten discovery timelines by rapidly analyzing vast amounts of data and generating insights early in the research process. Its ability to predict drug properties and success rates also helps researchers select more favorable candidates, which can reduce resource waste and lower the risk of failure. Studies suggest that using AI in first-in-class drug discovery can reduce both time and costs by as much as 50% during the preclinical and clinical stages. This makes AI a valuable tool for pharmaceutical companies aiming to improve efficiency and achieve a stronger return on investment. The below chart summarizes the differences between AI-based drug discovery and traditional approaches.

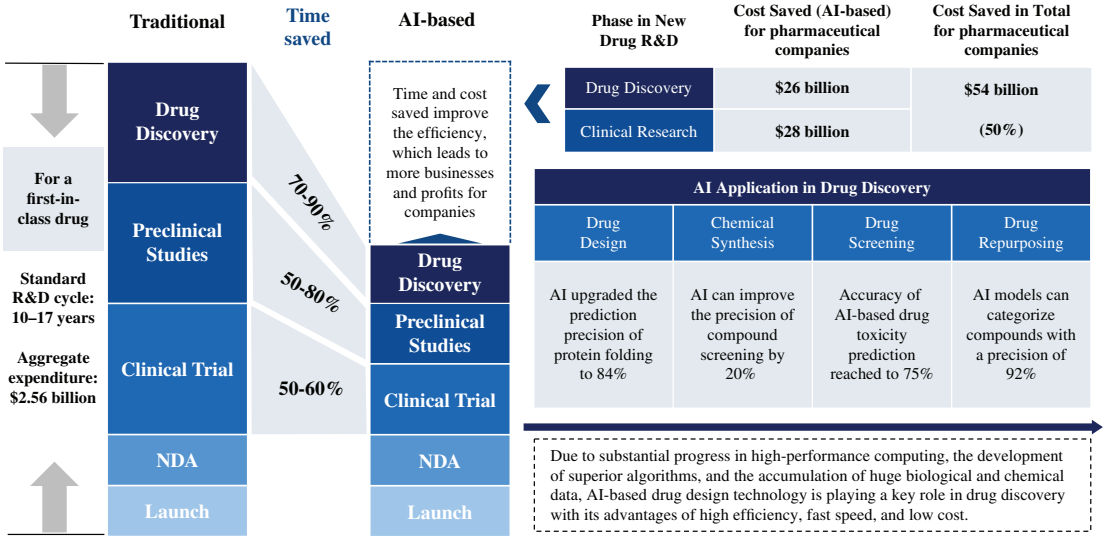
Comparison of Efficiency between AI-based and Traditional R&D



Traditional Drug Discovery	AI-based Drug Discovery
To identify a pre-clinical candidate, ~5,000 molecules need to be synthesized and tested over 4-6 years	To identify a pre-clinical candidate, billions of molecules can be virtually screened and only a few hundred are synthesized and tested over 2-3 years
• Begins at experimental screening of existing limited libraries of molecules to find molecules with detectable activity against particular targets	• Customized generation of millions of hit molecules for a given target
• Manual testing of physical and chemical properties and optimization through trial and error	• Multi-dimensional screening and optimization of drug properties to ensure novelty and patentability of molecules, narrowing down to a list of dozens of compounds from thousands of compounds
• Costly and iterative synthesis and testing of molecules	• Only a few dozens of compounds to synthesize and test in lab

Source: Literature Review, Frost & Sullivan Analysis

The diagram below sets forth a comparison of time and costs spent between AI-based and traditional first-in-class drug R&D.



Source: Literature Review, Frost & Sullivan Analysis

Drivers and Future Trends of AI in Drug Discovery and Development

The rapid growth of AI in drug discovery and development market is expected to be driven and influenced by the following factors or trends:

- **Emphasis on Drug Innovation.** Advances in deep learning, neural networks, and GANs have enabled AI to process large quantities of data with greater complexity in shorter time periods. Therefore, simulations and predictions carried out by AI can help researchers reduce the experimental labor work and increase the efficiency in finding suitable drug targets by screening for molecules that have a higher probability of success. AI can also perform computational drug design. Therefore, with the increasing emphasis on drug innovation, AIDD will be in greater demand.

- **Sophistication of AIDD Platforms.** Combined with quantum computing, AIDD platforms can simulate larger and more complex molecules. New machine learning models, such as transformers, allow AIDD platforms to automate parts of the drug design process. AIDD can cover the entire process of drug development from pre-clinical to clinical stages. In clinical trials, AIDD platforms can identify patient populations that are more likely to respond to a particular drug.

- **Increasing Commitment from Pharmaceutical Industry.** Large pharmaceutical companies are increasingly interested in partnerships with AIDD firms and are investing heavily to build in-house AI capabilities. This growing commitment highlights the pharmaceutical sector's recognition of AI's potential to improve efficiency and success rates. As AI's benefits become increasingly evident, more investment and collaboration are expected, which will in turn drives the further development and expansion of the AIDD market.

- **Supportive Regulatory Framework.** Favorable policies have been implemented in China to promote innovative solutions in healthcare industry. For example, the *14th Five-Year Plan for National Health Informatization* (2020) set a target for all public medical institutions to be fully connected to the national health information platform by 2025, laying the foundation for large-scale data sharing and AI-enabled applications. More recently, the *Guidance on AI Application Scenarios in the Health and Wellness Industry* (November 2024) identified 84 application scenarios across diagnosis, treatment, and research, providing a clear roadmap for technology adoption. In addition, the *Implementation Plan for Digital Transformation of the Pharmaceutical Industry (2025-2030)* (April 2025) established a goal to build over 10 innovation platforms for large pharmaceutical models by 2027, promoting integration of AI in drug discovery and development. Further, the *Opinions on Deeply Implementing the "AI+" Initiative* (July 2025) emphasized accelerating the deployment of AI in healthcare and supporting the development of AI-driven solutions in drug discovery and development. Collectively, these policies create a supportive regulatory environment that aligns with the Group's focus on AI-driven drug discovery and delivery technologies.

- **Pipeline Diversification**. The advancement of AI-powered prediction tools has enhanced and will continue to enhance the accuracy and efficiency of drug R&D and pre-clinical testing, enabling new research directions and more strategic R&D approaches. As the volume of high-quality data and algorithms continues to grow, AI-based method will further minimize failures in drug R&D while enhance pipeline diversification, thereby generating a higher return on investment in drug R&D.

Competitive Landscape of Leading AI Pharmaceutical Companies

The AI drug discovery market is highly dynamic, with a mix of startups, biotechnology companies, and large pharmaceutical firms seeking to capitalize on AI advancements. The table below shows the comparison of the major global AI pharmaceutical companies.

Company	AI Platform			Clinical Pipeline[1]	Laboratories	AI Technology	Lead Asset Phase I Duration	Focus Areas	Scientific Deliverables
	Target Discovery	Molecule Generation	Clinical Trial						
InSilico Medicine	√ (Commercially Available)	√ (Commercially Available)	√ (Commercially Available)	2 PhII 8 PhI	Smart laboratory & wet-lab	Generative AI/ Machine Learning/ Deep Learning	12 months	Fibrosis Oncology Immunology	Over 250 peer-reviewed publications
Relay Therapeutics	√ (In-house)	√ (In-house)	No publicly available information	1 PhIII 1 PhII 1 PhI/II 1 PhI	No publicly available information	Machine Learning/ Deep Learning	33 months	Precision Oncology and Genetic Disease	Several presentations at conferences and symposiums
Schrödinger	√ (Commercially Available)	√ (Commercially Available)	No publicly available information	2PhI	No publicly available information	Machine Learning/ Deep Learning	Phase I incomplete	Oncology	Hundreds of publications in biologics and small molecule drug discovery
Recursion	√ (Commercially Available)	√ (Commercially Available)	√ (Commercially Available)	1 PhII 3 PhI/II 1 PhI	Wet-lab & dry lab	Machine Learning/ Deep Learning/ LLMs	Undisclosed	Oncology Inflammation and immunology Rare diseases	Several publications and posters as well as open datasets
AbCellera	No publicly available information	√ (Commercially Available)	No publicly available information	2 Ph I	Wet-lab & dry lab	Machine Learning	Clinical trials have not yet been initiated	Endocrine system diseases, Metabolic diseases and immunology disease	Several publications and posters as well as open datasets
XtalPi	√ (Commercially Available)	√ (Commercially Available)	No publicly available information	2 Phase I 2 IND Approval 2 IND Application	Wet-lab & dry lab	Generative AI/ Machine Learning/ Deep Learning	Phase I incomplete	Oncology, neurology, respirology, inflammatory diseases, ophthalmology	Several publications and posters

Notes:

1. The count pipeline is derived from the clinicaltrials.gov database, encompassing all active clinical trials. If a drug has trials in multiple countries, those are all included in the count.

Source: Public Information, Frost & Sullivan Analysis

MARKET OPPORTUNITIES OF CERTAIN THERAPEUTIC AREAS

Fibrosis Drug Market

Fibrosis is a pathological feature of many chronic inflammatory diseases that refers to the scarring and hardening of tissues and organs. It is caused by the accumulation of excess extracellular matrix components, particularly collagen. As fibrosis progresses, it can lead to organ dysfunction and, ultimately, death. Most tissues in the body are susceptible to fibrotic damage.

Traditionally, drug discovery and development for fibrotic disease face many challenges. In preclinical research, there is often low translational relevance between animal models and human patients. In clinical trials, identifying specific, meaningful endpoints remain major obstacles.

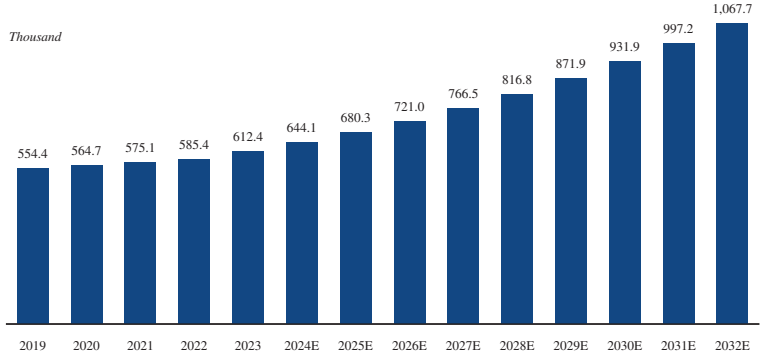
Fibrosis can affect almost any tissue or organ, with common types including lung fibrosis (or pulmonary fibrosis), kidney fibrosis, heart fibrosis, mediastinal fibrosis, retroperitoneal cavity fibrosis, bone marrow fibrosis, skin fibrosis, and systemic conditions such as scleroderma or systemic sclerosis. Among these, idiopathic pulmonary fibrosis (IPF) stands out as a particularly severe and complex form of the disease. Due to its progressive nature, limited treatment options, and poor prognosis, IPF has become a major focus of current research and drug development.

Incidence of IPF

According to Frost & Sullivan, the incidence of IPF worldwide increased from 554.5 thousand in 2019 to 612.4 thousand in 2023, at a CAGR of 2.5%. This is due to the increasing rate of aging populations, increasing awareness and diagnosis of this life-threatening condition and the prevalence of unhealthy lifestyles. The number of new cases is expected to continue increasing to 1,067.7 thousand in 2032, with a higher CAGR of 6.4% from 2023 to 2032.

Incidence of Idiopathic Pulmonary Fibrosis Globally, 2019-2032E

Period	CAGR
2019-2023	2.5%
2023-2032E	6.4%



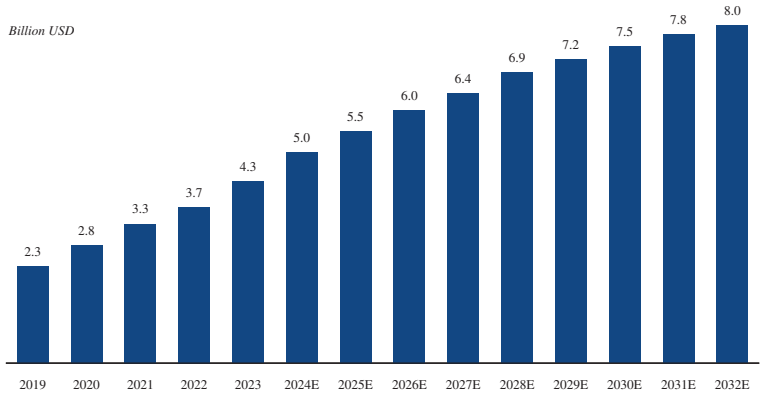
Source: Frost & Sullivan Analysis

Size of the IPF Drug Market

In recent years, as affected by a combination of factors, including increasing incidence and prevalence of IPF patients, growing awareness of IPF has augmented the demand for special treatments, leading to improvement in IPF diagnosis and government support for drugs targeting orphan disease, positively impacting IPF treatment market growth. The IPF markets in developing countries are relatively underpenetrated due to limited access to diagnosis and treatments of IPF, therefore, there is still a large population of untreated patients. The discrepancy between patient population and market size suggests significant room for IPF drug growth globally. The following chart sets forth the market size of global IPF drug market.

Global Idiopathic Pulmonary Fibrosis Drug Market, 2019-2032E

Period	CAGR
2019-2023	16.8%
2023-2032E	7.1%



Source: Frost & Sullivan Analysis

Competitive Landscape of the IPF Drug Market

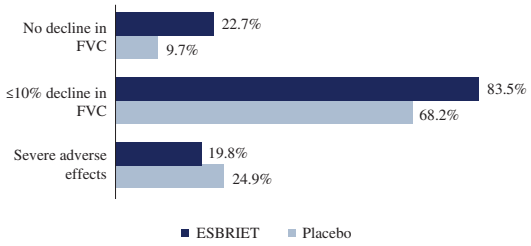
As of the Latest Practicable Date, only pirfenidone (Esbriet®, by Roche/Genentech) nintedanib (OFEV®, by Boehringer Ingelheim) and Nerandomilast (Jascayd®, by Boehringer Ingelheim) have been approved globally for the treatment of IPF. The clinical response of pirfenidone and nintedanib is not very significant as shown in the chart below. The patents for pirfenidone have already expired. The generics of pirfenidone have been marketed by several manufacturers such as Sandoz. The generics of nintedanib are expected to be marketed for the treatment of IPF in China in 2026, and in the United States in 2029 when the patents relating to nintedanib are expired. The following table shows the global competitive landscape for the two approved original drugs. Some IPF drug candidates have had technical difficulties or risks of failure in the R&D stage which may lead to non-approval by the competent authorities or relevant regulatory authorities. For example, FibroGen's drug (pamrevlumab), administered intravenously every three weeks, failed to show significant improvement from placebo in its Phase III trial after 48 weeks of treatment. The preliminary results also showed the drug failed to meet a secondary endpoint measuring time to disease progression.

Approved Drugs					
Generic Name	**Brand Name**	**Original Drug Manufacturer**	**FDA Approved Date**	**Drug Target**	**Original Drug Approved Region**
Pirfenidone	Esbriet®	Roche/Genentech	2014-10-15	TGF-β, TNF-α and interleukin 6	FDA, EMA, PMDA
Nintedanib	OFEV®	Boehringer Ingelheim	2014-10-15	Tyrosine kinases	FDA, EMA, NMPA, PMDA
Nerandomilast	Jascayd®	Boehringer Ingelheim	2025-10-08	PDE4B	FDA, NMPA

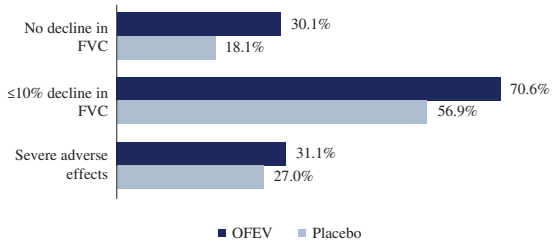
Note: As of December 10, 2025

Source: FDA Label, Frost & Sullivan Analysis

ESBRIET vs placebo for IPF



OFEV vs placebo for IPF



Source: Clinicaltrials.gov, Frost & Sullivan Analysis

There are currently nearly 100 active clinical-stage IPF drug candidates globally, of which 25 are small molecules drugs. In addition, a total number of 2 drug candidates have entered Phase III clinical trials globally.

Despite the growing market potential and continued research interest, drug development for IPF has faced persistent challenges and a high failure rate. The high failure rate of drug candidates targeting IPF is primarily attributed to two factors: (i) lack of efficacy in late-stage clinical trials, often reflected by the failure to meet primary endpoints, as seen in programs such as pamrevlumab and GLPG1690; and (ii) unfavorable risk-benefit profiles due to emerging safety concerns, as in the case of bexotegrast (PLN-74809).

Inflammatory Bowel Disease (IBD) Drug Market

Inflammatory Bowel Disease (IBD) refers to a group of chronic, relapsing inflammatory conditions of the gastrointestinal tract, primarily including Crohn's disease (CD) and ulcerative colitis (UC). IBD is characterized by symptoms such as persistent diarrhea, abdominal pain, rectal bleeding, weight loss, and fatigue, and can significantly impair patients' quality of life. While the exact cause of IBD remains unclear, it is widely believed to result from a complex interplay of genetic predisposition, environmental triggers, gut microbiota imbalances, and immune system dysfunction.

The primary goal of IBD treatment is to control the inflammation that triggers symptoms, with the broader aim of inducing and maintaining remission and preventing complications. Treatment typically involves drug therapy and, in some cases, surgery, depending on the severity of the disease and individual patient response.

Drug therapy often begins with anti-inflammatory agents. Immunomodulators such as azathioprine are also commonly used to suppress the immune response and reduce the release of inflammation-inducing chemicals in the gut lining. In recent years, biologic therapies have transformed the IBD treatment landscape by specifically targeting and neutralizing key immune proteins that drive chronic inflammation in IBD.

The following table shows the global competitive landscape for major marketed drugs for IBD treatment.

Brand Name	INN	Company	Target	Indication	NMPA First Approval Date	FDA First Approval Date
TREMFYA®	Guselkumab	Janssen Biotech	IL23A	Crohn's Disease	2025/2/20	2025/3/20
				Ulcerative Colitis	NDA	2024/9/11
REMICADE®	Infliximab	Janssen Biotech	TNF-α	Crohn's Disease	2006/5/3	1998/8/24
				Ulcerative Colitis	2018/12/24	2005/9/15
SKYRIZI®	Risankizumab	AbbVie	IL23A	Crohn's Disease	2025/3/4	2022/6/17
				Ulcerative Colitis	NDA	2024/6/18
HUMIRA®	Adalimumab	AbbVie	TNF-α	Crohn's Disease	2020/1/13	2007/2/17
				Ulcerative Colitis	/	2012/9/28
STELARA®	Ustekinumab	Janssen Biotech	IL12 p40	Crohn's Disease	2020/3/12	2016/9/26
				Ulcerative Colitis	/	2019/9/4
ENTYVIO®	Vedolizumab	Takeda	Integrin α4β7	Crohn's Disease	2020/3/12	2014/5/20
				Ulcerative Colitis	2020/3/12	2014/5/20
OMVOH®	Mirikizumab	Eli Lilly	IL23A	Crohn's Disease	NDA	2025/1/15
				Ulcerative Colitis	NDA	2023/10/26
SIMPONI®	Golimumab	Janssen Biotech	TNF-α	Ulcerative Colitis	/	2013/5/15
CIMZIA®	Certolizumab Pegol	UCB	TNF-α	Crohn's Disease	/	2008/4/22
TYRUKO®	Natalizumab	Biogen	ITGA4	Crohn's Disease	/	2008/1/14
RINVOQ®	Upadacitinib	AbbVie	JAK1	Crohn's Disease	2023/6/30	2022/3/16
				Ulcerative Colitis	2023/6/30	2023/2/3
XELJANZ®	Tofacitinib	Pfizer	JAK1, JAK2, JAK3	Ulcerative Colitis	/	2018/5/25
ZEPOSIA®	Ozanimod	BMS	S1PR1, S1PR5	Ulcerative Colitis	/	2021/5/27
VELSIPIT®	Etrasimod	Pfizer	S1PR1, S1PR4, S1PR5	Ulcerative Colitis	NDA	2023/10/12

Note: As of December 10, 2025

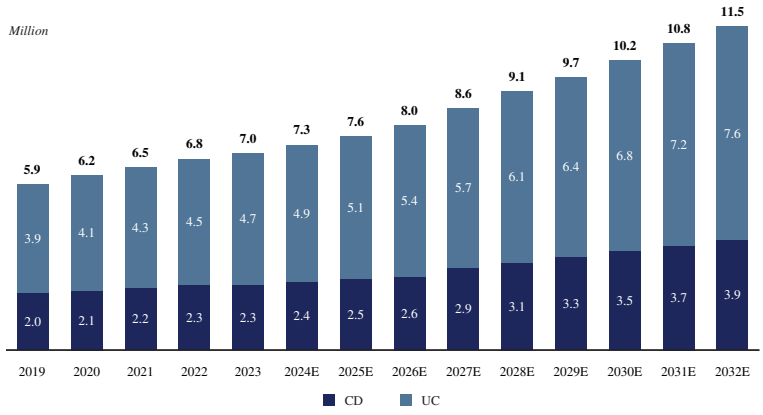
Source: CDE, FDA, Frost & Sullivan Analysis

Incidence of IBD

According to Frost & Sullivan, the number of IBD cases worldwide has been steadily increasing. Epidemiological studies indicate that the global incidence of IBD rose from 5.9 million in 2019 to 7.0 million in 2023, representing a CAGR of 4.4%. The global incidence of IBD is projected to reach 11.5 million by 2032, with a CAGR of 5.6% from 2023 to 2032.

Incidence of IBD Globally, 2019-2032E

Period	CAGR
2019-2023	4.4%
2023-2032E	5.6%



Source: Frost & Sullivan Analysis

Oncology Drug Market

Over the past century, the oncology treatment paradigm has shifted from conventional broad-spectrum therapies to precision treatments. Targeted therapies (including small molecule therapies and antibody-based therapies) and immunotherapies offer oncology patients more accurate prognoses and better chances of survival.

The application of new technologies such as PROTACs is helping address the issue of "undruggability." For antibody-based therapies, an increasing number of antibody-drug conjugates (ADCs) have demonstrated favorable results across various cancer types. Bi/multi-specific T-cell engagers have also been developed for the treatment of hematological malignancies.

The market size of global oncology drug market increased from US$143.5 billion in 2019 to US$228.9 billion in 2023, with a CAGR of 12.4%. It is expected to reach US$486.8 billion by 2032, representing a CAGR of 8.7% from 2023 to 2032.

As of Latest Practicable Date, more than 480 oncology drugs have been approved globally. There are currently over 4,500 active clinical-stage oncology drug candidates globally, of which nearly 300 have entered Phase III clinical trials globally.

The following table shows the global competitive landscape for USP1-targeted anti-tumor drugs.

Drug Name	Company	Target	Highest Phase	First Posted Date	Country	Indications
HSK39775	Xizang Haisco Pharmaceutical Group Co., Ltd	USP1	Phase I/II	2024-03-18	China	Advanced Solid Tumors
AT-012	Jiangsu Yahong Meditech	USP1	Phase I/II	2025-01-16	–	Advanced Solid Tumors
KSQ-4279	Hoffmann-La Roche	USP1	Phase I	2022-02-15	US	Advanced Solid Tumors
ISM3091	**InSilico Medicine/ Exelixis**	**USP1**	**Phase I**	**2023-06-27**	**US**	**Advanced Solid Tumors**
SIM0501	Jiangsu Simcere Pharmaceutical	USP1	Phase I	2024-03-26	China	Advanced Solid Tumors

Note: As of December 10, 2025

Source: Clinicaltrials.gov, Frost & Sullivan Analysis

The following table shows the global competitive landscape for QPCTL-targeted anti-tumor drugs.

Drug Name	Company	Target	Highest Phase	First Posted Date	Country	Indications
ISM8207	**InSilico Medicine**	**QPCTL**	**Phase I**	**2024-06-06**	**China**	**Advanced Solid Tumors, Relapsed/Refractory B-cell Lymphoma**

Note: As of December 10, 2025

Source: Clinicaltrials.gov, Frost & Sullivan Analysis

The following table shows the global competitive landscape for KAT6A-targeted anti-tumor drugs.

Drug Name	Company	Target	Highest Phase	First Posted Date	Country	Indications
PF-07248144	Pfizer	KAT6A/KAT6B	Phase III	2025-07-14	US, Japan, Puerto Rico	HR-positive, HER2-negative Advanced or Metastatic Breast Cancer
			Phase I	2020-10-28	US, Japan, Korea, Australia, China	Advanced or Metastatic Solid Tumors
HRS-2189	Hengrui Medicine & Fudan University	KAT6A	Phase II	2024-12-13	China	Prostate Cancer
QLS1304	Qilu Pharmaceutical Co., Ltd.	KAT6A/KAT6B	Phase I/II	2025-11-19	China	ER+/HER2- Breast Cancer
			Phase I	2025-02-06	-	Advanced Malignant Tumor
ISM5043	**InSilico Medicine / Menarini Group**	**KAT6A**	**Phase I**	**2024-10-15**	**US**	**Advanced Breast Cancer**
OP-3136	Olema Pharmaceuticals, Inc.	KAT6A/KAT6B	Phase I	2025-01-20	US, Australia	Advanced or Metastatic Solid Tumors
BG-75202	BeOne Medicines	KAT6A/KAT6B	Phase I	2025-10-29	US	Advanced Solid Tumors

Note: As of December 10, 2025

Source: Clinicaltrials.gov, Frost & Sullivan Analysis

The following table shows the global competitive landscape for MAT2A-targeted anti-tumor drugs.

Drug Name	Company	Target	Highest Phase	First Posted Date	Country	Indications
IDE-397	AMG 193	IDEAYA Biosciences / Amgen	MAT2A, PRMT5	Phase I/II	2023-07-27	US, Australia, Canada, Korea, China, Spain, Denmark	Advanced Methylthioadenosine Phosphorylase (MTAP)-Null Solid Tumors
S95035	Servier Bio-Innovation LLC, Institut de Recherches Internationales Servier	MAT2A	Phase I	2024-01-02	Australia, US, Japan	MTAP-deleted Solid Tumors
ISM3412	**InSilico Medicine**	**MAT2A**	**Phase I**	**2024-05-09**	**US, China**	**Locally Advanced/Metastatic Solid Tumors**
SYH2039	CSPC	MAT2A	Phase I	2024-08-21	China	Advanced or Metastatic MTAP-deleted Solid Tumors
NTQ-3617	Nanjing Chia Tai Tianqing Pharmaceutical	MAT2A	Phase I	2025-01-24	China	Solid Tumor

Note: As of December 10, 2025

Source: Clinicaltrials.gov, Frost & Sullivan Analysis

The following table shows the global competitive landscape for TEAD-targeted anti-tumor drugs.

Drug Name	Company	Target	Highest Phase	First Posted Date	Country	Indications
ODM212	Orion Corporation, Orion Pharma	TEAD	Phase I/II	2024-12-09	UK	Advanced Solid Tumors
VT3989	Vivace Therapeutics, Inc	TEAD	Phase I	2020-12-10	Australia, US	Advanced Solid Tumors
BPI-460372	Betta Pharmaceuticals Co. Ltd.	TEAD	Phase I	2023-03-16	China	Advanced Solid Tumors
SW-682	SpringWorks Therapeutics, Inc.	TEAD	Phase I	2024-02-09	US	Advanced Solid Tumors
BGC 515	BridGene Biosciences Inc.	TEAD	Phase I	2024-06-11	US	Advanced Solid Tumors
ISM6331	**InSilico Medicine**	**TEAD**	**Phase I**	**2024-08-22**	**US, China**	**Advanced/Metastatic Malignant Mesothelioma or Other Solid Tumors**
IAG933	Novartis Pharmaceuticals	TEAD/YAP1	Phase I	2021-04-20	Australia, Japan, Spain, US, Germany, Italy, UK, Canada, France, Switzerland, Netherlands	Advanced/Metastatic Malignant Mesothelioma or Other Solid Tumors

Note: As of December 10, 2025

Source: Clinicaltrials.gov, Frost & Sullivan Analysis

The following table shows the global competitive landscape for ENPP1-targeted anti-tumor drugs.

Drug Name	Company	Target	Highest Phase	First Posted Date / FDA Acceptance Date	Country	Indications
SR-8541A	Stingray Therapeutics	ENPP1	Phase II	2024-09-05	US	Refractory Metastatic Microsatellite Stable Colorectal Cancer (MSS-CRC)
RBS2418	Riboscience, LLC.	ENPP1	Phase II	2025-02-10	US, Vietnam	Metastatic and Advanced Colorectal Cancer
			Phase II	2025-09-16	US	Advanced Unresectable Hepatocellular Carcinoma
TXN10128	Txinno Bioscience Inc.	ENPP1	Phase I	2023-07-29	Korea	Locally Advanced (Unresectable) or Metastatic Solid Tumors
ZX-8177	Zenshine Pharmaceuticals	ENPP1	Phase I	2025-11-25	China	Solid tumor
ISM5939	**InSilico Medicine**	**ENPP1**	**Obtained FDA IND Approval**	**2024-10-30**	**US**	**Advanced Solid Tumor**

Note: As of December 10, 2025

Source: Clinicaltrials.gov, Frost & Sullivan Analysis

Metabolic Disease Drug Market

Metabolism refers to the biological processes through which the human body breaks down food into its fundamental components — proteins, carbohydrates (sugars), and fats — primarily within the digestive system. When dysfunction occurs in these physiological mechanisms, it can lead to metabolic diseases such as diabetes, obesity, and nonalcoholic steatohepatitis.

Primary risk factors for metabolic diseases include unhealthy lifestyle habits, aging, obesity, environmental pollutants, and abnormalities in glycemic control, blood pressure, blood lipids, and uric acid levels. Patients often experience multiple complications or comorbidities, such as obesity, metabolic dysfunction-associated steatohepatitis, hypertension, and dyslipidemia.

The market size of global metabolic disease drug market increased from US$106.3 billion in 2019 to US$134.6 billion in 2023, representing a CAGR of 6.1%. It is expected to reach US$208.5 billion by 2030, at a CAGR of 6.5% from 2023 to 2030.

As of Latest Practicable Date, more than 210 metabolic disease drugs have been approved globally. There are currently over 700 active clinical-stage metabolic disease drug candidates globally, of nearly 80 have entered Phase III clinical trials globally.

Neurological Disease Drug Market

Neurological diseases, particularly those involving pain, represent a significant area of clinical need and pharmaceutical innovation. According to the International Association for the Study of Pain (IASP), pain is defined as "an unpleasant sensory and emotional experience

associated with actual or potential tissue damage, or described in terms of such damage." Pain can vary widely in intensity, duration, and origin, and effective management is crucial to alleviating suffering, restoring function, and improving overall quality of life.

The market size of global pain management drug market remained stable at US$73.5 billion from 2019 to 2023, mainly due to stricter restrictions on opioid usage and the impact of the COVID-19 pandemic. Driven by the approval of innovative non-opioid analgesics and a rising number of patients affected by chronic pain, the global market size is expected to reach US$107.5 billion by 2030, representing a CAGR of 5.6% from 2023 to 2030.

As of Latest Practicable Date, more than 120 pain management drugs have been approved globally. There are currently over 200 active clinical-stage pain management drug candidates globally, of which 22 have entered Phase III clinical trials globally.

REPORT COMMISSIONED BY FROST & SULLIVAN

In connection with the Global Offering, we have engaged Frost & Sullivan to conduct a detailed analysis and to prepare an industry report on our markets. Frost & Sullivan is an independent global market research and consulting company founded in 1961 and is based in the United States. Services provided by Frost & Sullivan include market assessments, competitive benchmarking, and strategic and market planning for a variety of industries.

We have included certain information from the Frost & Sullivan Report in this Prospectus because we believe such information facilitates an understanding of our markets for potential investors. Frost & Sullivan prepared its report based on its in-house database, independent third-party reports and publicly available data from reputable industry organizations. Where necessary, Frost & Sullivan contacts companies operating in the industry to gather and synthesize information in relation to the market, prices and other relevant information. Frost & Sullivan believes that the basic assumptions used in preparing the Frost & Sullivan Report, including those used to make future projections, are factual, correct and not misleading. Frost & Sullivan has independently analyzed the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. Frost & Sullivan research may be affected by the accuracy of these assumptions and the choice of these primary and secondary sources.

We have agreed to pay Frost & Sullivan a fee of RMB1,525,000 for the preparation of the Frost & Sullivan Report. The payment of such amount was not contingent upon our successful listing or on the content of the Frost & Sullivan Report. Except for the Frost & Sullivan Report, we did not commission any other industry report in connection with the Global Offering. We confirm that after taking reasonable care, there has been no adverse change in the market information since the date of the report prepared by Frost & Sullivan which may qualify, contradict or have an impact on the information set forth in this section in any material respect.

Due to the geographic diversity of our business, our operations are subject to a variety of rules and regulations. The following is a brief summary of the key laws and regulations that currently may materially affect us and our operations, and does not purport to be a comprehensive description of all the laws and regulations applicable to our business and operations and/or which may be important to potential investors. Investors should note that the following summary is based on the laws and regulations in force as at the Latest Practicable Date, which may be subject to change.

Regulation of Pharmaceutical Product Research, Development, Approval and Registration

United States

The FDA and other regulatory authorities at federal, state, and local levels, extensively regulate, among other things, the research, development, testing, manufacture, quality control, import, export, safety, effectiveness, labeling, packaging, storage, distribution, record keeping, approval, advertising, promotion, marketing, post-approval monitoring and post-approval reporting of drugs and biologics such as those we are developing. FDA's regulatory requirements are frequently changing and evolving. For instance, over the last few years, FDA has been developing its policy around the use of artificial intelligence and machine learning in drug development and clinical trial programs. This includes the issuance of a discussion paper on the topic, as well as a draft guidance regarding the use of artificial intelligence in support of regulatory decision making. This is likely to be an evolving area of FDA regulation. We, along with third-party contractors and our customers, will be required to navigate the various preclinical, clinical and commercial approval requirements to conduct studies or seek approval or licensure of product candidates.

Our product candidates are subject to regulation by the FDA and may be regulated as drugs or biologics. Our customers are also subject to FDA regulation and, as such, our services for our customers may be directly or indirectly regulated. Drugs require the submission of a New Drug Application, or NDA. Biologics require the submission of a Biologics License Application, or BLA. Although drugs and biologics require different applications and biologics are subject to certain different regulatory requirements, biologics are also considered a kind of drug. The FDA must approve an NDA/BLA before the product candidate can be marketed in the United States. Failure to comply with applicable FDA or other requirements at any time during product development, clinical testing, the NDA/BLA approval process or after NDA/BLA approval may result in administrative or judicial actions, including the FDA's refusal to approve pending applications, suspension or revocation of approved applications, warning letters, product recalls, product seizures, total or partial suspensions of manufacturing or distribution, injunctions, fines, civil penalties or criminal prosecution.

The process required by the FDA before drug product candidates may be marketed in the United States generally involves the following:

- completion of preclinical laboratory tests and animal studies performed in accordance with the FDA's Good Laboratory Practices, or GLP, regulations;

- submission to the FDA of an Investigational New Drug application, or IND, which must become effective before clinical trials may begin and must be reported on annually and amended when significant changes are made;

- approval by an independent Institutional Review Board, or IRB, or ethics committee at each clinical site before the trial is commenced;

- performance of adequate and well-controlled human clinical trials to establish the safety and effectiveness of the proposed product candidate for its intended indications;

- preparation of and submission to the FDA of an NDA/BLA when adequate data are obtained from pivotal clinical trials;

- registration of the manufacturing facility or facilities at which the proposed product will be manufactured, packaged or labeled;

- a determination by the FDA within 60 days of its receipt of an NDA/BLA to accept the application for review;

- satisfactory completion of a potential FDA Advisory Committee review, if applicable;

- satisfactory completion of an FDA pre-approval inspection, either remotely or in person, of the manufacturing facility or facilities at which the proposed product is manufactured to assess compliance with cGMP and to assure that the facilities, methods and controls are adequate to preserve the drug's continued safety and efficacy or the biological product's continued safety, purity and potency, and of selected clinical investigation sites to assess compliance with Good Clinical Practices, or GCP regulations;

- potential FDA audit, remotely or in person, of the nonclinical study and clinical trial sites that generated the data in support of the NDA/BLA, if applicable; and

- FDA review and approval of the NDA/BLA to permit commercial distribution and marketing of the product for approved indications for use in the United States.

IND Application and Clinical Development

Prior to initiating the first clinical trial with a product candidate in the United States, sponsors must submit an IND application to the FDA. An IND application is a request for authorization from the FDA to administer an investigational new drug product to humans. The central focus of an IND application is on the general investigational plan and the protocol(s) for clinical trials. The IND application also includes results of animal and *in vitro* pre-clinical studies assessing the toxicology, pharmacokinetics, pharmacology, and pharmacodynamic characteristics of the investigational product; chemistry, manufacturing, and controls information; and any available human data or literature to support the use of the investigational product.

Preclinical studies must generally be conducted in accordance with the FDA's GLPs, which set forth the minimum basic requirements for the conduct of preclinical research, as well as the requirements of other U.S. agencies regarding the conduct of animal research. Notably, FDA is currently working to phase out animal testing requirements for certain drugs, and replace them with validated new approach methodologies, which include in vitro human-based systems, computer-based modeling, and other innovative platforms.

An IND must become effective before human clinical trials may begin. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, raises safety concerns or questions about the proposed clinical trial. If the IND sponsor is not able to address the FDA's concerns satisfactorily within the 30-day time frame, the IND may be placed on clinical hold. The IND sponsor and the FDA must resolve any outstanding concerns or questions before the clinical hold is removed by the FDA and the clinical trial can begin. Submission of an IND therefore may or may not result in FDA authorization to begin a clinical trial. Clinical holds may also be imposed by the FDA at any time before or during trials due to safety concerns or non-compliance.

If a clinical trial involves the use of an investigational device, including an in vitro diagnostic device or delivery device, the sponsor may also need to comply with FDA's investigational device regulations and obtain an investigational device exemption from the FDA. Drugs and biologics that require the use of a medical device may also be considered combination products. In such cases, the use of the two products together must be shown to be safe and effective for the proposed intended use and the labeling of the two products must reflect their combined use. In some cases, the device component may require a separate premarket submission. Once approved or cleared, the sponsor of the device component submission (or the combination product submission, if both components are covered by one premarket submission) would need to comply with FDA's post-market device requirements.

Clinical trials involve the administration of the investigational product to human subjects under the supervision of qualified investigators in accordance with GCPs, which include the requirement that all research subjects provide their informed consent for their participation in any clinical trial. Clinical trials are conducted under protocols detailing, among other things, the objectives of the study, the parameters to be used in monitoring safety and the effectiveness

criteria to be evaluated. Generally, a separate submission to the existing IND must be made for each successive clinical trial conducted during product development and for any subsequent protocol amendments. Furthermore, an independent IRB for each site proposing to conduct the clinical trial must review and approve the plan for any clinical trial and its informed consent form before the clinical trial begins at that site, and must monitor the study until completed. Regulatory authorities, the IRB or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the subjects are being exposed to an unacceptable health risk or that the trial is unlikely to meet its stated objectives.

Additionally, some clinical trials are overseen by an independent group of experts organized by the sponsor, which may be called data monitoring committees or data safety monitoring boards. This group may review data and advise the sponsor on the trial (including modifications or discontinuation) and product safety.

A number of other requirements also apply to FDA regulated clinical trials. For instance, FDA seeks to ensure that clinical trial data is meaningful for and applicable to a U.S. population and medical practice, which may impact FDA's acceptance of data from foreign clinical studies. Additionally, information about certain clinical trials must be timely submitted to clinicaltrials.gov, for public posting. Sponsors or distributors of investigational products for the diagnosis, monitoring, or treatment of one or more serious disease or conditions must also have a public policy on expanded access. Sponsors must further make certain disclosure statements to FDA with respect to investigator conflicts of interest.

Additionally, the manufacture of investigational drugs and biologics for clinical trials is subject to cGMP requirements. Investigational drugs/biologics and active ingredients/substances that are imported into the United States must also comply with FDA requirements. Further, the export of investigational products from the United States is subject to regulatory requirements of the receiving country as well as U.S. export requirements.

A sponsor may choose, but is not required, to conduct a clinical trial at sites outside the United States under an IND. When a foreign clinical trial is conducted under an IND, all FDA IND requirements must be met unless waived. When a foreign clinical trial is not conducted under an IND, the sponsor must ensure that the study complies with certain regulatory requirements of the FDA in order to use the study as support for an IND or application for marketing approval or licensing. In particular, such studies must be conducted in accordance with GCP, including review and approval by an IRB or independent ethics committee, or IEC, and informed consent from volunteers. The FDA must be able to validate the data through an onsite inspection or remote regulatory assessment, if deemed necessary by the FDA.

For purposes of NDA/BLA approval, human clinical trials are typically conducted in three sequential phases that may overlap. Phase 1 clinical trials may be conducted in patients or healthy volunteers to evaluate the product's safety, dosage tolerance, structure-activity relationships, mechanism of action, absorption, metabolism distribution, excretion, and pharmacokinetics and, if possible, seek to gain an early indication of its effectiveness. Phase 2 clinical trials usually involve controlled trials in a larger but still relatively small number of

subjects from the relevant patient population to evaluate dosage tolerance and appropriate dosage; identify possible short-term adverse effects and safety risks; and provide a preliminary evaluation of the efficacy of the drug or biologic product for specific indications. Phase 3 clinical trials evaluate clinical efficacy and safety in a larger, geographically dispersed patient population. These trials typically compare the product candidate to placebo, standard treatments, or other active comparators to provide statistically significant evidence for approval. The goal is to establish the overall risk-benefit profile and provide an adequate basis for physician labeling. Phase 3 trials are larger, more complex, and more costly than Phase 1 and Phase 2 trials.

In some cases, the FDA may require, or companies may voluntarily pursue, additional clinical trials after a product is approved to gain more information about the product. These so-called Phase 4 studies may be made a condition to approval of the NDA/BLA. These clinical trials are used to gain additional experience from the treatment of patients in the intended therapeutic indication, particularly for long-term safety follow-up. During all phases of clinical development, regulatory agencies require extensive monitoring and auditing of all clinical activities, clinical data, and clinical trial investigators. Annual progress reports detailing the results of the clinical trials must be submitted to the FDA. Written IND safety reports must be promptly submitted to the FDA, and to the clinical investigators, regarding serious and unexpected adverse events, as well as any findings from other studies, tests in laboratory animals or *in vitro* testing that suggest either a significant risk for human patients or a clinically important increase in the rate of a serious suspected adverse reaction over that listed in the protocol or investigator brochure. In addition, concurrent with clinical trials, companies may complete additional animal studies and develop additional information about the biological characteristics of the product candidate, and must finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, must develop methods for testing the identity, strength, quality and purity of the final product, or for biologics, the safety, purity and potency. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

Additionally, NDAs or BLAs or supplements to NDAs or BLAs for a new active ingredient, dosage form, dosage regimen, or route of administration must contain data to assess the safety and effectiveness of the product for pediatric patients and to support pediatric dosing and administration. The FDA may, on its own initiative or at the request of the applicant, grant deferrals or partial waivers. This requirement does not generally apply to orphan designated products, but pediatric studies may be required if approval is sought for indications for which the product has not received orphan designation. Further, for product candidates intended for the treatment of adult cancer which are directed at molecular targets that the FDA determines to be substantially relevant to the growth or progression of pediatric cancer, with the application, sponsors must submit reports from molecularly targeted pediatric cancer investigations designed to yield clinically meaningful pediatric study data, gathered using

appropriate formulations for each applicable age group, to inform potential pediatric labeling. The FDA may, on its own initiative or at the request of the applicant, grant deferrals or waivers of some or all of this data. Orphan products are not exempt from this requirement.

Premarket Submission and Review

Assuming successful completion of all required testing in accordance with all applicable regulatory requirements, the results of product development, preclinical studies and clinical trials are submitted to the FDA as part of an NDA/BLA requesting approval to market the product for one or more indications. The NDA/BLA must include all relevant data available from pertinent preclinical and clinical trials, including negative or ambiguous results as well as positive findings, together with detailed information relating to the product's chemistry, manufacturing, controls and proposed labeling, among other things. The submission of an NDA/BLA requires payment of a substantial application user fee to the FDA unless a waiver or exemption applies.

Once an original NDA/BLA has been submitted, the FDA has 60 days to determine whether the application can be filed. If the FDA determines that an application is deficient on its face in a way that precludes a complete review, the FDA may not accept the application for review and may issue a refuse-to-file letter to the sponsor. If the FDA determines the application is fileable, the FDA's goal is to review standard applications within ten months after it accepts the application for filing, or, if the application qualifies for priority review, six months after the FDA accepts the application for filing. In both standard and priority reviews, the review process is often significantly extended by FDA requests for additional information or clarification. The FDA reviews an NDA/BLA to determine whether a drug is safe and effective for its intended uses. The FDA also reviews the applications to determine whether the facilities in which products are manufactured, processed, packed, or held meet standards designed to assure the product's continued safety and efficacy. The FDA may convene an advisory committee to provide insight on application review questions. The FDA is not bound by the recommendation of an advisory committee, but it considers such recommendations carefully. Before approving an NDA/BLA, the FDA will typically inspect, either remotely or in person, the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving an NDA/BLA, the FDA will typically inspect, either remotely or in person, one or more clinical sites to assure compliance with GCP. If the FDA determines that the application, manufacturing process or manufacturing facilities are not acceptable, it may request additional testing or information.

Notwithstanding the submission of relevant data and information, the FDA may ultimately decide that the NDA/BLA does not satisfy its regulatory criteria for approval and deny approval. Data obtained from clinical trials are not always conclusive and the FDA may interpret data differently than the company interprets the same data. If the FDA decides not to approve an NDA/BLA in its present form, the FDA will issue a complete response letter that describes all of the specific deficiencies in the application identified by the FDA. The complete

response letter may include recommended actions that the applicant might take to place the application in a condition for approval. If a complete response letter is issued, the applicant may either resubmit the NDA/BLA, addressing all of the deficiencies identified in the letter, request a hearing or withdraw the application.

If regulatory approval of a product is granted, such approval will be granted for particular indications and may entail limitations on the indicated uses for which such product may be marketed. For example, the FDA may approve the drug subject to a Risk Evaluation and Mitigation Strategy, or REMS, to ensure the benefits of the product outweigh its risks. A REMS is a safety strategy to manage a known or potential serious risk associated with a product and to enable patients to have continued access to such medicines by managing their safe use, and 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. The FDA also may condition approval on, among other things, changes to proposed labeling or the development of adequate controls and specifications. Once approved, the FDA may withdraw the product approval if compliance with pre- and post-marketing requirements is not maintained or if problems occur after the product reaches the marketplace. The FDA may require one or more Phase 4 post-market studies and surveillance to further assess and monitor the product's safety and effectiveness after commercialization, and may limit further marketing of the product based on the results of these post-marketing studies.

Expedited Development and Review Programs

The FDA offers a number of expedited development and review programs for qualifying product candidates that FDA may grant upon a sponsor's application. Designations, however, may be revoked if a product candidate no longer meets the applicable qualifying criteria. The Fast Track program is intended to expedite or facilitate the process for reviewing new products that meet certain criteria. Specifically, new products are eligible for Fast Track designation if they are intended to treat a serious or life-threatening disease or condition and nonclinical or clinical data demonstrate the potential to address an unmet medical need for the disease or condition. Fast Track designation applies to the combination of the product and the specific indication for which it is being studied. The sponsor of a Fast Track product has opportunities for frequent interactions with the review team during product development and, once an NDA/BLA is submitted, the product may be eligible for priority review. A Fast Track product may also be eligible for rolling review, in which case the FDA may consider for review sections of the NDA/BLA on a rolling basis before the complete application is submitted, if the sponsor provides a schedule for the submission of the sections of the NDA/BLA, the FDA agrees to accept sections of the NDA/BLA and determines that the schedule is acceptable, and the sponsor pays any required user fees upon submission of the first section of the NDA/BLA.

A product intended to treat a serious or life-threatening disease or condition may also be eligible for breakthrough therapy designation to expedite its development and review. A product can receive breakthrough therapy designation if it is intended to treat a serious or life threatening disease or condition, and preliminary clinical evidence indicates that the product may demonstrate substantial improvement over existing therapies on one or more clinically

significant endpoints, such as substantial treatment effects observed early in clinical development. The designation includes all of the Fast Track program features, as well as more intensive FDA interaction and guidance beginning as early as Phase 1 and an organizational commitment to expedite the development and review of the product, including involvement of senior managers.

Any marketing application for a drug or biologic submitted to the FDA for approval, including a product with a Fast Track designation and/or breakthrough therapy designation, may be eligible for other types of FDA programs intended to expedite the FDA review and approval process, such as priority review and accelerated approval. A product is eligible for priority review if it has the potential to provide a significant improvement in the treatment, diagnosis or prevention of a serious disease or condition compared to marketed products. For products containing new molecular entities, priority review designation means the FDA's goal is to take action on the marketing application within six months of the 60-day filing date (compared with ten months under standard review).

Additionally, products studied for their safety and effectiveness in treating serious or life-threatening diseases or conditions may receive accelerated approval upon a determination that the product has an effect on 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, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. To receive accelerated approval, the product must generally provide a meaningful advantage over available therapies. As a condition of accelerated approval, the FDA will generally require the sponsor to perform adequate and well-controlled post-marketing clinical trials to verify and describe the anticipated effect on irreversible morbidity or mortality or other clinical benefit. In fact, by the date of approval of an accelerated approval product, FDA must specify the conditions for the required post approval studies, including enrollment targets, the study protocol, milestones, and target completion dates. FDA may also, and frequently does, require that the confirmatory Phase 4 studies be commenced prior to FDA granting a product accelerated approval. In addition, the FDA currently requires as a condition for accelerated approval pre-submission of promotional materials, which could adversely impact the timing of the commercial launch of the product. Reports on the progress of the required Phase 4 confirmatory studies must be submitted to the FDA every 180 days after approval. If the trials fail to verify the clinical benefit of the drug or biologic product, the FDA may withdraw approval of the application through a statutorily defined streamlined process. Failure to conduct the required Phase 4 confirmatory studies or to conduct such studies with due diligence, as well as failure to submit the required update reports can subject a sponsor to penalties.

Orphan Drug Designation

Under the Orphan Drug Act, the FDA may grant the orphan drug designation to a drug intended to treat a rare disease or condition, which is a disease or condition that affects fewer than 200,000 individuals in the United States, or to a drug intended to treat a disease or condition affecting more than 200,000 individuals in the United States if there is no reasonable expectation that the cost of developing and making available the drug to treat that disease or condition will be recovered from sales in the United States for that drug. Sponsors must also provide a medically plausible basis for the use of the drug for the rare disease or condition. Additionally, sponsors must present a plausible hypothesis for clinical superiority to obtain orphan designation if there is a product already approved by the FDA that that is considered by the FDA to be the same as the already approved product and is intended for the same indication. This hypothesis must be demonstrated to obtain orphan exclusivity. Orphan drug designation must be requested before submitting an application for marketing approval. After the FDA grants the orphan drug designation, the generic identity of the therapeutic agent and its potential orphan use are disclosed publicly by the FDA. The orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review or approval process.

If a product that has the orphan drug designation subsequently receives the first FDA approval for the disease for which it has such designation, the product is entitled to orphan drug exclusive approval (or exclusivity), which means that the FDA may not approve any other applications, including a full NDA/BLA, to market the same drug for the same indication for seven years, except in certain circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity. In recent years, however, the exact scope of the orphan drug exclusivity protection has come under question. Specifically, a 2021 judicial decision, Catalyst Pharms., Inc. v. Becerra, challenged and reversed an FDA decision on the scope of orphan product exclusivity for the drug, Firdapse. Under this decision, orphan drug exclusivity for Firdapse blocked approval of another company's application for the same drug for the entire disease or condition for which orphan drug designation was granted, not just the disease or condition for which approval was received. In a January 2023 Federal Register notice, however, FDA stated that it intends to continue to apply its regulations tying the scope of orphan-drug exclusivity to the uses or indications for which a drug is approved. The exact scope of orphan drug exclusivity may be an evolving area. Orphan drug exclusivity does not prevent the FDA from approving a different drug for the same disease or condition, or the same drug for a different disease or condition. Among the other benefits of the orphan drug designation are tax credits for certain research and a waiver of the NDA/BLA application fee.

A designated orphan drug may not receive orphan drug exclusivity if it is approved for a use that is broader than the indication for which it received orphan designation. In addition, exclusive marketing rights in the United States may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantities of the product to meet the needs of patients with the disease or condition for which the drug was designated.

Additional U.S. Research Requirements

Depending on the scope of our specific activities, we may be subject to additional U.S. laws and regulations related to research activities, including those with respect to laboratory biosecurity, licensing (with associated compliance obligations), and the regulation of certain chemicals and other biological substances, specimens, and materials.

To the extent that we use, research, test, import, export, manufacture, or sell controlled, substances, listed chemicals, or scheduled listed chemicals, we would be subject to regulation by the U.S. Drug Enforcement Administration, or DEA, through the Controlled Substances Act and the DEA's implementing regulations, and by similar state level regulatory bodies. Depending on the substance, the DEA regulations include requirements for registration, security, recordkeeping, reporting, storage, purchasing, acquisition, shipping, distribution, sale, inventory, import, export, and disposal of controlled substances, listed chemicals, or scheduled listed chemicals. The DEA and state authorities typically inspect a facility to review its security measures prior to issuing a registration and on a periodic basis. Failure to comply with DEA's and state requirements can have significant consequences, including administrative, civil or criminal enforcement action, as well as revocation or suspension of registrations and refusal to renew registrations.

We may also be subject to regulation by other agencies, including the U.S. Environmental Protection Agency and agencies that regulate workplace safety.

PRC

Clinical Trial application

According to the Administrative Measures for Drug Registration (《藥品註冊管理辦法》), or the Circular 27, which was promulgated on January 22, 2020 and took effect on July 1, 2020, the Center for Drug Evaluation under the NMPA (the "**CDE**") is responsible for the application of conducting new drug clinical trials. According to Circular 27, drug clinical trials shall be divided into Phase I clinical trial, Phase II clinical trial, Phase III clinical trial, Phase IV clinical trial, and bioequivalence trial. In accordance with Circular 27 and the Announcement on Adjusting Evaluation and approval Procedures for Clinical Trials for Drugs (《關於調整藥物臨床試驗審評審批程序的公告》) issued in July 2018, if a clinical trial applicant does not receive any negative or questioned opinions from the CDE within 60 days after the date when the trial application is accepted and the fees are paid, the applicant can proceed with the clinical trial in accordance with the trial protocol submitted to the CDE.

Conduction of Clinical Trial and the Communication with CDE

Clinical trials must be conducted in accordance with the Announcement on Good Clinical Practice for Drug Trials (《藥物臨床試驗質量管理規範》), which was promulgated by NMPA and NHC on April 23, 2020 and took effect on July 1, 2020, which also sets forth the requirements for conducting the clinical trial, including preparation of clinical trials, clinical trial protocol, duties of the sponsor and investigators and protection of the trial subjects.

According to the Circular on Adjusting Evaluation and Approval Procedures for Clinical Trials for Drugs (《關於調整藥物臨床試驗審評審批程序的公告》), where the application for clinical trial of new investigational drug has been approved, upon the completion of Phases I and II clinical trials and prior to Phase III clinical trial, the applicant shall submit the application for Communication Session to CDE to discuss with CDE the key technical questions including the design of Phase III clinical trial protocol.

Supportive Measures for Orphan Drugs and Rare Diseases

According to the Provisions on the Administration of Special Examination and Approval of Registration of New Drugs (《新藥註冊特殊審批管理規定》) promulgated by the NMPA on January 7, 2009, special examination and approval for new drugs registration applications applies when new drugs with distinctive clinical treatment advantages for diseases such as AIDS, malignant tumor or other rare diseases; or new drugs for diseases that currently lacking effective treatment. According to the Opinions on Reform of the Review & Approval System of Drugs and Medical Devices (《關於改革藥品醫療器械審評審批制度的意見》) published on August 9, 2015 by the State Council, a special review and approval system shall be adopted for innovative drugs to accelerate the review and approval of innovative drugs for prevention and treatment of AIDS, cancer, major infectious diseases, rare diseases and other diseases.

Announcement on Several Policies Pertaining to the Review & Approval of Drug Registration (《關於藥品註冊審評審批若干政策的公告》) published on November 11, 2015 by the NMPA, further specifies that efforts shall be made to accelerate the review and approval of registration applications for several categories of innovative drugs including those for prevention and treatment of AIDS, malignant tumor, serious infectious diseases and other rare diseases. According to the Announcement on Matters Concerning the Optimisation of Drug Registration Review & 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 on May 17, 2018 and effective from the same date, 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 priority review and approval.

According to the Priority Review and Approval Procedures for Drug Marketing Authorizations (for Trial Implementation) (《藥品上市許可優先審評審批工作程序(試行) 》) issued on July 8, 2020 by the NMPA, an applicant for drug marketing authorization may apply for priority review and approval procedures for the following drugs with obvious clinical value: (i) drugs in urgent clinical demand and in shortage, innovative drugs and modified new drugs for prevention and treatment of serious infectious diseases, rare diseases and other

diseases; (ii) new varieties, dosage forms and specifications of children's drugs that conform to children's physiological characteristics; (iii) vaccines and innovative vaccines that are in urgent need for disease prevention and control; (iv) drugs that have been included in the procedures for breakthrough therapy designation; (v) drugs that are subject to conditional approval; and (vi) other circumstances under which priority review and approval shall be provided for by the NMPA.

According to the "14th Five-Year Plan for National Drug Safety and Promotion of High-quality Development" (《"十四五"國家藥品安全及促進高品質發展規劃》) jointly published by the NMPA and other seven agencies on December 30, 2021, innovative drugs with obvious clinical value, urgently needed drugs for the prevention and treatment of AIDS, malignant tumors, major infectious diseases, rare diseases and other diseases, as well as drugs for children, shall be given priority review and approval if meet the relevant requirements.

Other Healthcare Laws and Compliance Requirements

Other United States Healthcare Laws and Compliance Requirements

Pharmaceutical companies are subject to additional healthcare regulation and enforcement by the federal government and by authorities in the states and foreign jurisdictions in which they conduct their business. Such laws include, without limitation:

- the U.S. federal Anti-Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, receiving, offering or paying remuneration (including any kickback, bribe or rebate), to induce, or in return for, either the referral of an individual, or the purchase or recommendation of an item or service for which payment may be made under any federal healthcare program. The term "remuneration" has been interpreted broadly to include anything of value. Exceptions and safe harbors to the Anti-Kickback Statute are drawn narrowly, and practices that involve remuneration that may be alleged to be intended to induce prescribing, purchases, or recommendations may be subject to scrutiny if they do not qualify for an exception or safe harbor. Several courts have interpreted the statute's intent requirement to mean that if any one purpose of an arrangement involving remuneration is to induce referrals of federal healthcare program business, including purchases of products paid by federal healthcare programs, the statute has been violated. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. In addition, a violation of the federal Anti-Kickback Statute is grounds for the government or a whistleblower to assert that a claim for payment of items or services resulting from such violation constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act;

- federal civil and criminal false claims laws, including the civil False Claims Act which prohibits, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment or approval to the federal government, including federal healthcare programs, that are false or fraudulent, knowingly making or using, or causing to be made or used, a false record or statement material to a false or fraudulent claim, or knowingly concealing, or knowingly and improperly avoiding or decreasing, an obligation to pay or transmit money or property to the federal government. A claim includes "any request or demand" for money or property presented to the U.S. government. Intent to deceive is not required to establish liability under the civil False Claims Act. Civil False Claims Act actions may be brought by the government or may be brought by private individuals on behalf of the government, called "qui tam" actions. If the government decides to intervene in a qui tam action and prevails in the lawsuit, the individual will share in the proceeds from any fines or settlement funds. If the government declines to intervene, the individual may pursue the case alone. In addition to treble damages and a civil monetary penalty for each false claim, which can aggregate into hundreds of millions of dollars, a judgment for violating the civil False Claims Act may result in exclusion from participation in federal health care programs, suspension and debarment from government contracts, and refusal of orders under existing government contracts. Private payers also have filed follow-on lawsuits alleging fraudulent misrepresentation;

- the government may further prosecute conduct constituting a false claim under the criminal False Claims Act. The criminal False Claims Act prohibits the making or presenting of a claim to the government knowing such claim to be false, fictitious, or fraudulent. Unlike the civil False Claims Act, the criminal False Claims Act requires proof of intent to submit a false claim;

- the civil monetary penalties statute is another potential statute under which we may be subject to enforcement. Among other things, the civil monetary penalties statute imposes fines against any person who is determined to have knowingly presented, or caused to be presented, claims to a federal healthcare program that the person knows, or should know, is for an item or service that was not provided as claimed or is false or fraudulent;

- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created additional federal criminal statutes which prohibit, among other things, executing a scheme to defraud any healthcare benefit program, including private third-party payors, and prohibits (i) knowingly and willfully falsifying, concealing, or covering up a material fact or making any materially false, fictitious, or fraudulent statement or representation and (ii) making or using any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry in connection with the delivery of or payment for healthcare benefits, items or services;

- the U.S. federal Physician Payments Sunshine Act, which requires certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program, with specific exceptions, to annually report to the federal government, information related to payments or other transfers of value made to physicians, as defined by such law, certain other health care professionals (such as physicians assistants and nurse practitioners), and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members; and

- U.S. state and local equivalents of each of the above federal laws and regulations, such as state anti-kickback and false claims laws, which may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the compliance guidance promulgated by the federal government or that otherwise restrict payments that may be made by pharmaceutical companies, directly or indirectly, to healthcare providers; state laws that restrict the ability of manufacturers to offer co-pay support to patients for certain prescription drugs; state laws that require drug manufacturers to report information related to clinical trials, or information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; state laws that require drug manufacturers to report information on the pricing of certain drugs; and state laws and local ordinances that require identification or licensing of sales representatives, all of which, may differ from each other and from federal law in significant ways, and may not have the same effect, thus complicating compliance efforts.

If our operations are found to be in violation of any of such laws or any other governmental regulations that apply, we may be subject to significant penalties, including, without limitation, civil, criminal and administrative penalties, damages, fines, exclusion from government-funded healthcare programs, such as Medicare and Medicaid or similar programs in other countries or jurisdictions, integrity oversight and reporting obligations to resolve allegations of non-compliance, disgorgement, imprisonment, contractual damages, reputational harm, diminished profits and the curtailment or restructuring of our operations. Moreover, we expect that there will continue to be federal and state laws and regulations, proposed and implemented, that could impact our operations and business, the effects of which remain uncertain.

Coverage and Reimbursement

In the United States, sales of any product depend, in part, on the extent to which such product will be covered by third-party payers, such as federal, state and foreign government healthcare programs, commercial insurance and managed healthcare organizations, and the level of reimbursement for such product by third-party payers. Significant uncertainty exists as to the coverage and reimbursement status of any pharmaceutical or biological product for

which we obtain regulatory approval. Decisions regarding the extent of coverage and amount of reimbursement to be provided are made on a plan-by-plan basis. As there is no uniform policy of coverage and reimbursement for drug products among third-party payers in the United States, coverage and reimbursement policies for drug products can differ significantly from payer to payer. There may be significant delays in obtaining coverage and reimbursement as the process of determining coverage and reimbursement is often time-consuming and costly which will require us to provide scientific and clinical support for the use of our products to each payer separately, with no assurance that coverage or adequate reimbursement will be obtained. It is difficult to predict at this time what government authorities and third-party payers will decide with respect to coverage and reimbursement for any of our drug products that may receive marketing approval. Additionally, separate reimbursement for the product itself or the treatment or procedure in which the product is used may not be available, which may impact physician utilization.

In addition, the U.S. government, state legislatures and foreign governments have continued implementing cost-containment programs, including price controls, restrictions on coverage and reimbursement and requirements for substitution of generic products. Third-party payers are increasingly challenging the prices charged for medical products and services, examining the medical necessity and reviewing the cost effectiveness of pharmaceutical or biological products, medical devices and medical services, in addition to questioning safety and efficacy. Adoption of price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit sales of any product. Decreases in third-party reimbursement for any product or a decision by a third-party payer not to cover a product could reduce physician usage and patient demand for the product.

Privacy and Security

We may be subject to data privacy and security regulations by both the federal government and the states in which we conduct our business. For example, under the administrative simplification provisions of HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, HHS issued regulations that establish uniform standards governing the conduct of certain electronic healthcare transactions and requirements for protecting the privacy and security of protected health information, or PHI, used or disclosed by covered entities. Covered entities and their business associates (and their covered subcontractors) are subject to HIPAA and HITECH.

HIPAA and HITECH include privacy and security rules, breach notification requirements and electronic transaction standards. The HIPAA Privacy Rule generally prohibits the use or disclosure of PHI except as permitted under the rule. The rule also sets forth individual patient rights, such as the right to access or amend certain records containing his or her PHI, or to request restrictions on the use or disclosure of his or her PHI. The HIPAA Security Rule requires those subject to HIPAA to safeguard the confidentiality, integrity, and availability of

electronically transmitted or stored PHI by implementing administrative, physical and technical safeguards. Under HITECH's breach notification rule, a covered entity must notify individuals, the Secretary of the HHS, and in some circumstances, the media of breaches of unsecured PHI.

If found to be in violation of HIPAA as the result of a breach of unsecured PHI, a complaint about their privacy practices or an audit by HHS, entities may be subject to significant civil and criminal fines and penalties and/or additional reporting and oversight obligations if such entities are required to enter into a resolution agreement and corrective action plan with HHS to settle allegations of HIPAA non-compliance.

In addition, we may be subject to state health information privacy, security and data breach notification laws, which may govern the collection, use, disclosure and protection of health-related and other personal information. State laws may be more stringent, broader in scope or offer greater individual rights with respect to health-related information or other personal information than HIPAA. California, for example, has enacted the Confidentiality of Medical Information Act, or the CMIA, which sets forth standards in addition to HIPAA and HITECH with which all California health care providers like us must abide. In addition, the California Consumer Privacy Act, or the CCPA, was signed into law on June 28, 2018, and went into effect January 1, 2020. The CCPA contains new disclosure obligations (among other things) for covered businesses that collect personal information about California residents and affords those individuals new rights relating to their personal information that may affect our ability to use personal information. The CCPA authorizes private lawsuits to recover statutory damages for certain data breaches. Although the CCPA exempts health related information regulated by HIPAA or the CMIA and certain data regarding clinical trials, the CCPA, to the extent applicable to our business and operations, may increase compliance costs and potential liability with respect to other personal information we maintain about California residents. Furthermore, the California Privacy Rights Act of 2020, or the CPRA, amended the CCPA and added new additional privacy protections that began on January 1, 2023. The CPRA will (among other things) give California residents the ability to limit use of certain sensitive personal information, establish restrictions on the retention of personal information, expand the types of data breaches subject to the CCPA's private right of action, and establish a new California Privacy Protection Agency to implement and enforce the new law. Other states in the United States have also enacted data privacy laws. For example, Virginia recently passed its Consumer Data Protection Act, and Colorado recently passed the Colorado Privacy Act, both of which differ from the CPRA and became effective in 2023. Additionally, U.S. federal and state consumer protection laws may, among other things, require us to publish statements that accurately and fairly describe how we handle personal information and choices individuals may have about the way we handle their personal information. Complying with these various state laws and regulations, which may differ from state to state, requires significant resources and may complicate our compliance efforts. Penalties for violation of any of these laws and regulations may include sanctions against a laboratory's licensure, as well as civil and/or criminal penalties.

Other states, like Washington State, have passed healthcare-specific privacy laws. The My Health My Data Act became effective March 31, 2024 and restricts how entities collect, use, and process "consumer health data," defined broadly as personal information that is linked or reasonably linkable to a consumer and that identifies the consumer's health status. While HIPAA regulated entities may be exempt from the Act, the exemption is based on the data collected and used rather than on the entity's status as a HIPAA covered entity or business associate. As such, some data may be subject to the Act and HIPAA, while other data may only be subject to HIPAA.

The U.S. regulatory framework for privacy, data security and data transfers is rapidly evolving, and there has been an increasing focus on privacy and data protection issues. As a result, interpretation and implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future.

Foreign Research Activities

Recently, certain foreign activities related to drugs, biologics, and research, especially with respect to China, have come under increased scrutiny in the United States. This scrutiny and regulation may continue or may increase which may make the conduct of our business more difficult. Solely by example, some of the recent United States actions include:

- Steps to encourage use of U.S. domestic manufacturing and supply chains. This includes executive orders intended to facilitate and streamline the development of U.S. manufacturing, enhance the inspection of foreign manufacturing facilities, and increase foreign manufacturing facility user fees.

- FDA restrictions on certain foreign research, such as an immediate review of new clinical trials that involve sending American citizens' living cells to China and other hostile countries for genetic engineering.

- On December 10, 2025, the National Defense Authorization Act for Fiscal Year 2026 ("***NDAA***") passed overwhelmingly in the U.S. House of Representatives (the "**House**"). The NDAA passed by the House includes the BIOSECURE Act ("***Act***"), which, in its current form, would prohibit the U.S. government from procuring biotechnology equipment or services from "biotechnology companies of concern," and would prohibit U.S. government contracts, loans and grants to any entity that uses biotechnology equipment or services from a designated "biotechnology company of concern." The Act states that the prohibition would apply to companies identified on the U.S. Department of Defense's "Chinese military companies operating in the United States" list (the "***1260H List***") and also authorizes the U.S. government to identify additional entities for inclusion as "biotechnology companies of concern," including any entity that is subject to the administrative governance structure, direction, control, or operates on behalf of the government of a foreign adversary (including China 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. If ultimately enacted in its current form, the Act provides for a grandfathering period and thereby would have a delayed implementation date. The U.S. Senate is expected to vote on and pass the NDAA the week of December 15. At the conclusion of this congressional process, President Trump is expected to sign the NDAA into law. If we, our suppliers, or our customers were to be designated under the Act, this could potentially cause harm to our business and financial condition, though if ultimately enacted in its current form, the Act would also have a delayed implementation date.

- The issuance of a final rule (the DSP Rule) by the U.S. Department of Justice, or DOJ, which took effect in April and for which enforcement began in July, to impose restrictions on access to US bulk sensitive personal data and government-related data by certain foreign countries and persons. The DSP Rule prohibits and restricts "bulk" data transactions involving China (including Hong Kong and Macau) and other specified "countries of concern" and individuals and entities under their control. Bulk U.S. sensitive personal data includes covered personal identifiers, precise geolocation data, biometric identifiers, human 'omic (including genomic) data, personal health data, personal financial data, or any combination thereof that exceeds certain specified thresholds of number of U.S. persons. To be subject to the DSP Rule, the data transaction must involve providing a "country of concern" or "covered person" with "access" to such controlled data. Exemptions to the prohibitions and restrictions of the DSP Rule include certain data transactions that involve "regulatory approval data" necessary to obtain or maintain regulatory authorization or approval to research or market a drug, biological product, device, or combination product, if reporting and recordkeeping requirements are met. There is also an exemption for data transactions to the extent that they are ordinarily incident to and part of certain clinical investigations or the collection and processing of certain clinical care data or post-marketing surveillance data.

- Certain biological agents, toxins, and related technology are restricted by the United States for export to China for national security reasons and require an export authorization from the U.S. Department of Commerce. These controls are primarily managed under the Export Administration Regulations (EAR)'s Commerce Control List (CCL) in Category 1 at ECCNs 1C351 through 1C360 (and related technology in ECCN 1E001 and 1E351). Export controls also apply to genetic elements and genetically modified organisms that contain DNA associated with the pathogenicity of these biological materials.

PRC Regulations Relating to Sampling and Collecting Human Genetic Resources Filing

The Regulations on Human Genetic Resources Management (《人類遺傳資源管理條例》) promulgated by the State Council on May 28, 2019 and implemented on July 1, 2019, stipulates that foreign organizations and institutions established or actually controlled by foreign organizations or individuals that need to make use of PRC's genetic resources to carry out scientific research activities shall abide by PRC laws, administrative regulations and

relevant provisions, and shall cooperate with PRC scientific research institutions, higher education institutions, medical institutions and enterprises. In order to obtain marketing authorization for relevant drugs in China, no approval is required in international clinical trial cooperation using PRC's human genetic resources at clinical institutions without export of human genetic resource materials. However, the two corresponding parties shall file the type, quantity and usage of the human genetic resource to be used with the administrative department of science and technology under the State Council before commencing clinical trial.

The PRC Biosecurity Law (《中華人民共和國生物安全法》), or Biosecurity Law, was promulgated by the Standing Committee of the National People's Congress ("**SCNPC**") on October 17, 2020 and became effective on April 15, 2021, and was further amended on April 26, 2024. The Biosecurity Law establishes a comprehensive legislative framework for the preexisting 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. As per 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, upon obtaining the approval or record-filing; the establishment of a pathogenic microorganism laboratory shall be subject to approval or record-filing requirements in accordance to the law, including using the PRC's human genetic resources to carry out international scientific research cooperation.

The Ministry of Science and Technology promulgated the Implementation Rules for the Administrative Regulation on Human Genetic Resources (《人類遺傳資源管理條例實施細則》) (the "Implementation Rules") on May 26, 2023, which took effect on July 1, 2023. The Implementation Rules refined the Administrative Regulations on Human Genetic Resources of the PRC, including but not limited to refining the definition of "human genetic resources information", improving the identification standard of "foreign entities", adjusting the scope of application of collection licensing, adjusting and improving the approval procedures for international cooperative scientific research and administrative supervision rules.

LAWS AND REGULATIONS OF AUSTRALIA

Laws and Regulations of Clinical Development

Clinical trials conducted in Australia are regulated by the Therapeutic Goods Administration ("**TGA**"). Clinical trials must comply with a number of laws and regulations in Australia at the Commonwealth and State/Territory levels, including the *Therapeutic Goods Act 1989* (Cth) and the *Therapeutic Goods Regulations 1990* (Cth). Clinical trials must also comply with: the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH) Guidelines for Good Clinical Practice, as adopted and annotated by the TGA (the "**ICH GCP Guidelines**"); and the National Statement on Ethical Conduct in Human Research (the "**National Statement**").

There are two schemes for the approval of clinical trials in Australia: the Clinical Trial Notification ("**CTN**") scheme; and the Clinical Trial Approval ("**CTA**") scheme. The CTN scheme involves the TGA being notified of the clinical trial, but not undertaking any evaluation of the clinical trial. The CTA scheme involves the TGA not only being notified of the clinical trial, but also conducting an evaluation and assessment of the clinical trial prior to its commencement. The CTN scheme is generally used for earlier phase studies when there is adequate preclinical information about the product, particularly in relation to safety. The CTA scheme is generally used for high-risk or new treatments, where there is little known or no knowledge about the safety of the goods. The decision regarding which scheme to follow is generally up to the sponsor of the trial and the applicable Human Research Ethics Committee ("**HREC**"), although the CTA scheme is mandatory for certain types of biological medicines. Clinical trials in Australia require the approval of the research institute that is conducting the trial, following a review by its HREC before the trial commences. HRECs are also responsible for overseeing clinical trials.

Clinical trials conducted in Australia must have a trial sponsor that is an Australian company. It is permissible for a foreign corporation to engage an Australian company to act as the sponsor of a clinical trial in Australia, often referred to as the Local Sponsor. In this situation, the foreign corporation does not, itself, need to obtain any licenses or authorizations in respect of the clinical trial. The Australian trial sponsor is responsible for the initiation, management and financing (or arranging the financing) for the clinical trial and is legally responsible for the conduct of the clinical trial, including obtaining the requisite licenses or authorizations. The trial sponsor does not need to be the manufacturer of the product being trialed. The product manufacturer may rely on the results the trial when seeking to have the product registered on the Australian Register of Therapeutic Goods.

Clinical trials in Australia must follow the ICH GCP Guidelines as annotated by the TGA. The TGA's annotations provide additional guidance regarding compliance with the National Statement, obtaining informed consent in special cases, responsibility for the conduct of the trial (including management, data handling and record keeping), the manufacturing, packaging, labelling and coding of investigational products, and reporting for adverse drug reactions. The approval of a clinical trial in Australia is conditional upon compliance with the ICH GCP Guidelines as annotated by the TGA.

Clinical trials in Australia must also comply with the National Statement. The National Statement sets out the Australian ethical standards against which all research involving humans, including clinical trials, are reviewed. The approval of a clinical trial in Australia is conditional upon compliance with the National Statement.

In relation to safety reporting requirements, clinical trials conducted in Australia must follow: the Note for Guidance on Clinical Safety Data Management: Definitions and Standards for Expedited Reporting (CPMP/ICH/377/95), as annotated by the TGA; and the National Health and Medical Research Council ("**NHMRC**") Guidance: Safety Monitoring and Reporting in Clinical Trials Involving Therapeutic Goods.

Additionally, per the ICH GCP Guidelines as annotated by the TGA, products used in clinical trial must comply with the applicable good manufacturing practices ("**GMP**"). For investigational products manufactured in Australia, the relevant manufacturing standards are set out in the *Therapeutic Goods (Manufacturing Principles) Determination 2020 (Cth)*. Generally, therapeutic goods (other than blood, blood components, haematopoietic progenitor cells and biologicals that do not comprise or contain live animal cells, tissues or organs) must be manufactured in accordance with the Guide to Good Manufacturing Practice of Medicinal Products (PE 009-15, 1 May 2021) published by PIC/S.

Under both the CTN and CTA schemes, the clinical trial sponsor for a trial involving medicines or biological products must provide to the TGA information about the proposed dosage form, route of administration, formulation, dosage, and frequency of administration of the product (amongst other information), prior to the commencement of the clinical trial. If a change to the dosage is proposed to be made following the completion of a phase I clinical trial, then that change must be either notified to the TGA (if the clinical trial falls under the CTN scheme), or approved by the TGA (if the clinical trial falls under the CTA scheme). The change would also require review and approval by the HREC overseeing the trial.

Regulations Relating to Intellectual Property Rights

United States

Patent Term Restoration, Extension and Marketing Exclusivity

The term of a patent (other than a design patent) begins on the date the patent issues and ends on the date that is twenty years from the date on which the first non-provisional application for the patent was filed in, or designated the United States. A patent claiming a new drug product may be eligible for a limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, or the Hatch-Waxman Act, which permits a patent restoration of up to five years for patent term lost during the FDA regulatory review process. The allowable extension is calculated based on a formula that takes int account a number of factors and timepoints, such as the number of days between when an IND issued, a BLA or NDA is submitted, and a BLA or NDA is ultimately approved, as well as any time the applicant did not act with due diligence. Patent term extension cannot extend the term of a patent past a total of 14 years from the product's approval date. Only one patent applicable to an approved product is eligible for the extension, and only those claims covering the approved product, a method for using it, or a method for manufacturing it, may be extended. Additionally, the application for the extension must be submitted within 60 days of the product's approval date and prior to the expiration of the patent in question. A patent that covers multiple products for which approval is sought can only be extended in connection with one of the approvals. The United States Patent and Trademark Office reviews and approves the application for any patent term extension or restoration in consultation with the FDA.

Market exclusivity provisions under the Federal Food, Drug and Cosmetic Act (FDCA) also can delay the submission or the approval of certain applications. The FDCA provides a five-year period of non-patent marketing exclusivity within the United States to the first applicant to gain approval of an NDA for a New Chemical Entity, or NCE. A drug is an NCE if the FDA has not previously approved any other new drug containing the same active moiety, which is the molecule or ion responsible for the physiological or pharmacological action of the drug substance excluding those appended portions of the molecule that cause the drug to be an ester, salt or other noncovalent derivative of the molecule. During the exclusivity period, the FDA may not accept for review an abbreviated new drug application, or ANDA, or a 505(b)(2) NDA submitted by another company for a version of such drug where the applicant does not own or have a legal right of reference to all the data required for approval. However, an application may be submitted after four years if it contains a certification of patent invalidity or non-infringement. The FDCA also provides three years of marketing exclusivity for an NDA, 505(b)(2) NDA or supplement to an existing NDA if new clinical investigations, other than bioavailability studies, that were conducted or sponsored by the applicant are deemed by the FDA to be essential to the approval of the application, for example, new indications, dosages or strengths of an existing drug. This three-year exclusivity covers only the conditions of use associated with the new clinical investigations and does not prohibit the FDA from approving applications for drugs containing the original active agent without the relevant change. Five-year and three-year exclusivity will not delay the submission or approval of a full NDA. However, an applicant submitting a full NDA would be required to conduct or obtain a right of reference to all of the preclinical studies and adequate and well-controlled clinical trials necessary to demonstrate safety and effectiveness or generate such data themselves.

FDA also provides a different period of exclusivity for BLA approved biologic products. Specifically, an application for a biosimilar product may not be submitted to the FDA until four years after the approval of the reference biologic. The FDA may not approve a biosimilar product until 12 years from the approval of the reference biologic. However, certain changes and supplements to an approved BLA, and subsequent applications filed by the same sponsor, manufacturer, licensor, predecessor in interest, or other related entity do not qualify for this exclusivity. Moreover, even if a biologic product is eligible exclusivity, another company could market a competing version of that product if the FDA approves a full BLA for such product.

Hong Kong

Patent

The Patents Ordinance (Chapter 514 of the Laws of Hong Kong), or the Patents Ordinance, is the primary legislation governing patent law in Hong Kong. The Patents Ordinance provides for the protection of inventions through the granting of patents. Subject to the Patents Ordinance, for standard patent by original grant, an application must be filed with the Intellectual Property Department ("**IPD**") in order to obtain the patent. The application must include a description of the invention, claims defining the scope of the invention, and any necessary drawings or diagrams. The IPD will examine the application to determine whether the invention is patentable. The examination process may include a search for prior art, a

review of the claims, and an assessment of the inventive step. If the application is successful, a patent will be granted for a period of 20 years from the date of filing. In addition, the Patents Ordinance provides a framework for the protection of patent infringement, where a person carries out certain activities without the permission of the patent owner, such as making, using, or selling the patented invention.

Trademark

Trade Mark Ordinance (Chapter 559 of the Laws of Hong Kong), or the Trade Mark Ordinance, is the primary legislation governing trademark law in Hong Kong. The Trade Mark Ordinance provides for the registration and protection of trademarks, which are signs used to distinguish goods or services of one trader from those of another. To obtain trademark protection, an application must be filed with the IPD. The application must include a representation of the trademark and a list of the goods and services for which the trademark will be used. The IPD will examine the application to determine whether the trademark is registrable. The examination process may include a search for prior trademarks and an assessment of the distinctiveness of the trademark which may be renewed for a further period of 10 years upon the expiry of the previous registration period. If the application is successful, the trademark will be registered for a period of 10 years from the date of filing. In addition, the Trade Mark Ordinance provides a framework for the protection of trademark infringement where a person uses a trademark that is identical or similar to a registered trademark in relation to goods or services that are the same or similar to those covered by the registered trademark.

Copyright

The Copyright Ordinance (Chapter 528 of the Laws of Hong Kong), or the Copyright Ordinance is the primary legislation governing copyright law in Hong Kong. The Copyright Ordinance provides protection for recognized categories of literary, dramatic, musical, and artistic works, as well as for films, television broadcasts and cable diffusion and works made available to the public on the internet. Copyright is an automatic right, which arises when a work is created. It is not necessary to register a copyright in Hong Kong in order to get protection under Hong Kong law. In fact, there is no official registry in Hong Kong for registration of copyright works. Pursuant to the Copyright Ordinance, copyright infringement occurs when a person carries out certain activities without the permission of the copyright owner, such as reproducing, distributing, or communicating a work to the public. A copyright owner can also take civil legal action against any person who infringes the copyright in the work.

PRC

Patent

According to the Patent Law of the PRC (《中華人民共和國專利法》), or the Patent Law, which was promulgated by the Standing Committee of NPC on March 12, 1984, and the most recent amendment took effect on June 1, 2021, patent protection is divided into three

categories, namely, invention patents, utility model patents and design patents. Invention patents are valid for twenty years from the date of application, utility patents are valid for ten years from the date of application while design patents are valid for fifteen years from the date of application. To be patentable, invention or utility models must meet three criteria: novelty, inventiveness and practicability. Once an invention patent, or an utility model patent is granted, unless otherwise permitted by law, no individual or entities are permitted to engage in the manufacture, use, sale, offer for sale or import of the product protected by such patent or otherwise engage in the manufacture, use, sale, offer for sale or import of the product directly derived from applying the production technology or method protected by such patent, without consent of the patent holder, otherwise, the use will constitute an infringement of the patent rights.

Trademark

The Trademark Law (《中華人民共和國商標法》) was promulgated by the SCNPC on August 23, 1982, last amended on April 23, 2019, and became effective on November 1, 2019. According to the Trademark Law, the Trademark Office of the National Intellectual Property Administration, or the Trademark Office, handles trademark registrations and grants a term of 10 years to registered trademarks. The registration may be renewed for a consecutive 10-year period upon request by the trademark owner within 12 months prior to the expiry date of the trademark if continued use is intended. For licensed use of a registered trademark, the licensor shall file record of the licensing of such trademark with the Trademark Office. The Trademark Law has adopted a "first-to-file" principle with respect to trademark registration. Where a trademark under registration application is identical or similar to another trademark that has already been registered or been subject to a preliminary examination, the application for registration of such trademark may be rejected.

Copyright

Copyright in the PRC, including copyrighted software, is principally protected under the PRC Copyright Law (《中華人民共和國著作權法》), or Copyright Law, which was promulgated by Standing Committee of NPC on September 7, 1990 and the most recent amendment came into effect on June 1, 2021. Under the Copyright Law, PRC citizens, legal persons or other organizations enjoy copyright over their works which refer to original intellectual achievements in the fields of literature, art and science which can be expressed in a certain form including written works, oral works, computer software and other intellectual achievements which comply with the characteristics of the works, whether published or not.

Pursuant to the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002 and the Regulation on Computers Software Protection (《計算機軟件保護條例》) which was promulgated by the State Council on June 4, 1991 and amended on January 30, 2013 and came into effect on March 1, 2013, the National Copyright Administration is mainly responsible for the registration and management of software copyright in China and recognizes the China Copyright Protection Center as the software registration organization. The China

Copyright Protection Center shall grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright and the Regulation on Computers Software Protection. The term of protection for software copyright is fifty years.

Domain Names

Domain names are protected under the Administrative Measures on the Internet Domain Names (《互聯網域名管理辦法》) which was promulgated by the Ministry of Industry and Information Technology, or the MIIT, on August 24, 2017, and became effective on November 1, 2017. The MIIT is the main regulatory authority responsible for the administration of PRC internet domain names. Domain name registrations are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

Regulations Relating to Data Privacy and Cybersecurity

General Data Protection Regulation 2016/679, or the GDPR, and the UK GDPR

The collection, use, disclosure, transfer, or other processing of personal data regarding individuals in the European Union, including personal health data, is subject to the GDPR which became effective on May 25, 2018. The GDPR is wide-ranging in scope and imposes numerous requirements on companies that process personal data, including requirements relating to processing health and other sensitive data, obtaining consent of the individuals to whom the personal data relates, providing information to individuals regarding data processing activities, implementing safeguards to protect the security and confidentiality of personal data, providing notification of data breaches, and taking certain measures when engaging third-party processors. The GDPR imposes restrictions on our ability to gather personal data, provides individuals with the ability to opt out of personal data collection, imposes obligations on our ability to share data with others, and potentially subjects us to fines, lawsuits, and regulatory scrutiny.

The GDPR also imposes strict rules on the transfer of personal data to countries outside the European Union, including the United States. For example, the use of Standard Contractual Clauses (SCCs) (one of the primary alternatives to the Privacy Shield, which was invalidated in July 2020) for such cross-border data transfers must now be assessed on a case-by-case basis taking into account the legal regime applicable in the destination country, in particular, applicable surveillance laws and rights of individuals and additional measures and/or contractual provisions may need to be put in place. However, the nature of these additional measures is currently uncertain. Additionally, the European Commission recently adopted new SCCs that will repeal the SCCs adopted under the Data Protection Directive, which means we may need to update our contracts that involve the transfer of personal data outside of the European Union to the new SCCs.

Fines for non-compliance with the GDPR are significant — up to the greater of €20 million or 4% of global turnover. In addition to administrative fines, a wide variety of other potential enforcement powers are available to competent supervisory authorities in respect of potential and suspected violations of the GDPR, including extensive audit and inspection rights, and powers to order temporary or permanent bans on all or some processing of personal data carried out by non-compliant actors. The GDPR also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies, and obtain compensation for damages resulting from violations of the GDPR. Compliance with the GDPR is a rigorous and time-intensive process that increases the cost of doing business and has required companies to change their business practices.

Since the United Kingdom, or the UK, ceased to be a member of the European Union in January 2020, often referred to as "Brexit", data processing in the UK is governed by a UK version of the GDPR (combining the GDPR and the Data Protection Act 2018). Although the UK GDPR is substantially similar to the GDPR, ongoing developments in the UK have created uncertainty with regard to data protection regulation, which could result in new UK data privacy and protection laws and standards.

Hong Kong

We may be subject to data privacy and security regulations by the local authorities in which we conduct our business. For example, the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) ("**PDPO**") in Hong Kong provides guidance on the ethical development and use of AI in relation to personal data protection. The Privacy Commissioner for Personal Data ("**PCPD**") has issued Guidance on Ethical Development and Use of AI which recommends that organizations embrace three fundamental Data Stewardship Values when they develop and use AI, namely, being respectful, beneficial and fair to stakeholders. In line with international standards, the Guidance on Ethical Development and Use of AI sets out the following seven ethical principles for AI: (1) accountability — Organizations should be responsible for what they do and be able to provide sound justifications for their actions; (2) human oversight — Organizations should ensure that appropriate human oversight is in place for the operation of AI; (3) transparency and interpretability — Organizations should disclose their use of AI and relevant policies while striving to improve the interpretability of automated decisions and decisions made with the assistance of AI; (4) data privacy — Effective data governance should be put in place; (5) fairness — Organizations should avoid bias and discrimination in the use of AI; (6) beneficial AI — Organizations should use AI in a way that provides benefits and minimizes harm to stakeholders; and (7) reliability, robustness and security — organizations should ensure that AI systems operate reliably, can handle errors and are protected against attacks.

In addition, the PCPD has issued Guidance on Collection and Use of Biometric Data, to assist data users who wish to collect biometric data to comply with PDPO. Under the Guidance on Collection and Use of Biometric Data, biometric data includes the physiological data with which individuals are born with and behavioral data developed by an individual after birth. Biometric data is therefore data directly related to an individual. While it may not be

reasonably practicable for a lay person to ascertain the identity of an individual by merely looking at the individual's fingerprint images or their numeric representations, when the biometric data is linked with personal data in another database, a particular individual can be identified. Pursuant to the Guidance on Collection and Use of Biometric Data, data users should derive biometric data templates from the original biometric samples/images for storage and subsequent use, and discard the original samples/images safely afterwards. The templates derived from biometric samples/images should be stored in such a form from which it is technically infeasible or difficult to convert back to the original graphical images. Data users need to be aware of the sensitivity of the data concerned before deciding what data to collect and in what format they are to be kept. In this regard, the cost and the availability of biometric data readers and scanners should not be the prime consideration of the data users.

PRC Regulations Relating to Data Privacy and Cybersecurity

The Data Security Law of the PRC (《中華人民共和國數據安全法》), or the DSL, was promulgated by the SCNPC on June 10, 2021 and became effective on September 1, 2021. The primary purpose of the DSL is to regulate data-related activities, which include data collection, storage, usage, processing, transmission, provision and disclosing of data, safeguarding data security, promoting data development and usage, protecting individuals and entities' legitimate rights and interests, and safeguarding state sovereignty, state security and development interests. The DSL will apply to both data activities conducted within the territory of the PRC and data activities conducted outside the PRC that may harm the national security or public interests of the PRC, or the legitimate rights of PRC citizens or entities. The DSL provides that China shall establish a data classification and grading protection system and data security review system, under which data processing activities that affect or may affect national security shall be reviewed for national security. A decision on security review made in accordance with the law shall be final. Processors of data shall establish a sound data security management system throughout the whole process, organize data security education and training, and take corresponding technical measures and other necessary measures to ensure data security, in accordance with the provisions of laws and regulations.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law (《個人信息保護法》), which took effect from November 1, 2021. The Personal Information Protection Law stipulates, among other things, the circumstances under which a personal information processor could process personal information, such as: (i) with the consent of individual; (ii) if necessary for the execution or performance of a contract to which the individual is a party; (iii) if necessary to fulfill statutory duties and statutory obligations; (iv) in order to respond to public health emergencies or protect natural persons' life, health and property safety under emergency circumstances; (v) such information that has been made public is processed within a reasonable scope in accordance with this Law; (vi) personal information is processed within a reasonable scope to conduct news reporting, public opinion-based supervision, and other activities in the public interest; or (vii) under any other circumstance as provided by any law or regulation.

The SCNPC promulgated the PRC Cybersecurity Law (《中華人民共和國網絡安全法》) on November 7, 2016. According to the PRC Cybersecurity Law, personal information refers to all kinds of information that are recorded electronically or in other forms that can be used to independently identify or be combined with other information to identify natural persons' personal information, including but not limited to natural persons' names, dates of birth, identification numbers, biologically identified personal information, addresses and telephone numbers. Any network operators or providers of network products and services that violate the privacy protection requirements under the PRC Cybersecurity Law and related laws and regulations may be ordered to turn in illegal gains generated from unlawful operations and pay a fine of no less than one but no more than ten times of the illegal gains and may be ordered to cease the relevant business operations when the violation is serious.

On December 28, 2021, the Cyberspace Administration of China, or the CAC, together with other PRC governmental authorities, promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "**MCR**"), or the Cybersecurity Measures. Pursuant to the Cybersecurity Measures, online platform operators holding personal information of more than one million users and seeking a listing outside China must file for a cybersecurity review with the Cybersecurity Review Office before conducting any listing on a foreign stock exchange. In addition, the purchase of network products and services of a critical information infrastructure operator (the "**CIIO**") and data processing activities of an online platform operator that affect or may affect national security shall be subject to the cybersecurity review. Alternatively, relevant governmental authorities in the PRC may initiate cybersecurity review if such governmental authorities determine any network products and services, and data processing activities affect or may affect national security. According to the Critical Information Infrastructure Security Protection Regulations (《關鍵信息基礎設施安全保護條例》), competent authorities as well as the supervision and administrative authorities of the specific important industries and sectors are responsible for the security protection of CIIO (the "**Protection Authorities**"). The Protection Authorities shall formulate the recognition rules for the critical information infrastructure (the "**CII**"), and shall, according to such recognition rules, be responsible for organizing the recognition of the CII in the industry or field concerned, and informing the relevant operators of the recognition results in a timely manner.

On March 25, 2024, our PRC Legal Advisor and the Sponsors' PRC legal advisor conducted an oral consultation and notified our proposed listing with the China Cybersecurity Review Technology and Certification Center (the "**Center**"), which is authorized by the Cybersecurity Review Office of the CAC to accept public consultation and cybersecurity review submissions and is the competent authority to provide views and interpretation relating to the MCR. According to the Center, (i) the listing in Hong Kong is not required to proactively apply for cybersecurity review under the MCR; (ii) if we are not identified by relevant governmental authorities as CIIOs, then we are not required to proactively apply for cybersecurity review under the MCR which is applicable to CIIOs.

As of the Latest Practicable Date, (i) we have not been notified of the results of any determination that we have been identified as a CIIO or that any of our systems have been identified as CII by the relevant governmental authorities; (ii) the MCR provides no further explanation or interpretation for "affect or may affect national security", which remains to be clarified and elaborated by the CAC. As of the Latest Practicable Date, we have not been subject to any investigation or received any notification of cybersecurity review from relevant governmental authorities due to our impact or potential impact on national security; and (iii) we have taken reasonable and adequate technical and management measures to ensure cybersecurity and data security. Considering each factor set out in Article 10 of the MCR, we are of the view that the likelihood that our business operation or the Global Offering might give rise to national security risks is low.

Therefore, as advised by our PRC Legal Advisor, our Directors believe that as long as there is no material change to our current business and if no further rules are introduced and no significant changes to the enforcement of the MCR by governmental authorities, we are not required to proactively apply for the cybersecurity review for the Global Offering under the article 2 and article 7 of the MCR. Based on the above, with the support of the foregoing opinion from our PRC Legal Advisor, we believe the MCR would not have a material adverse impact on our business operations or the Global Offering.

Having taken into account the view and analysis of our Company and the PRC Legal Advisor as described above as well as the due diligence conducted, nothing material has come to the attention of the Joint Sponsors that would reasonably cause them to disagree with the reasonableness of our Directors' view that (i) as long as there is no material change to our current business and if no further rules are introduced and no significant changes to the enforcement of the MCR by governmental authorities, we are not required to proactively apply for the cybersecurity review for the Global Offering under the article 2 and article 7 of the MCR; and (ii) the MCR would not have a material adverse impact on our business operations or the Global Offering.

PRC Regulations Relating to Generative Artificial Intelligence Services

On July 13, 2023, the CAC published the Interim Measures for the Management of Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》), or the CAC New Measures, which came into effect on August 15, 2023. Pursuant to the CAC New Measures, these Measures apply to the use of generative AI technology to provide services for generating text, pictures, audio, video, and other content to the public within the PRC. Notably, industry organizations, enterprises, educational and scientific research institutions, public cultural institutions, and relevant professional institutions that develop and apply generative AI technology, but do not provide generative AI services to the domestic public, are not subject to the CAC New Measures.

As of the Latest Practicable Date, the function of the Pharma.AI platform we operated in the PRC is providing following services to our enterprise customers: analyzing data related to disease targets, ranking disease targets using its predictive models and supporting small molecule generation and property prediction, which does not involve using generative AI technology to provide services for generating text, pictures, audio, video or other content to the public within the PRC. Therefore, as advised by our PRC Legal Advisor, we are not subject to the CAC New Measures.

Other Regulations

PRC Regulations Relating to Overseas Securities Offering and Listing by Domestic Companies

On February 17, 2023, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), or the Trial Measures, and five supporting guidelines, which came into effect on March 31, 2023. According to the Trial Measures, PRC domestic companies that seek to offer or list securities overseas, both directly and indirectly, should fulfill the filing procedure and report relevant information to the CSRC. If an issuer meets both the following criteria, the overseas securities offering and listing conducted by such issuer will be deemed as indirect overseas offering and listing by PRC domestic companies: (i) the operating revenue, total profits, total assets or net assets of domestic enterprises in the latest financial year account for more than 50% of the respective data in such issuer's audited consolidated financial statements for the same period, and (ii) the main parts of such issuer's business activities are conducted in China, or its main place(s) of business are located in China, or the majority of the senior management in charge of its business operations and management are PRC citizens or have their usual place(s) of residence located in China.

OVERVIEW

Our Group was founded by Mr. Alex Zhavoronkov, Ph.D., who is our chairman of the Board, executive Director, founder, CEO and CBO, and has been responsible for the overall business operations and management of our Group since establishment. For the biography and industry experience of Mr. Alex Zhavoronkov, Ph.D., please refer to the section headed "Directors and Senior Management."

Our Group commenced our business operation through Insilico Inc., a corporation established in Delaware, United States on February 10, 2014. Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on November 19, 2018 and became the holding company of our Group after the Reorganization, details of which are set out in "— Reorganization" in this section.

OUR BUSINESS MILESTONES

The following table sets forth the key business development milestones of our Group:

Year	Event
2014	Insilico Inc. was established in Delaware, United States
	We began development of PandaOmics
2016	We began development of Chemistry42 and inClinico
	We published "The cornucopia of meaningful leads: Applying deep adversarial autoencoders for new molecule development in oncology" in Oncotarget
2018	Our Company was established in the Cayman Islands
	We completed our Series A financing
2019	We completed our Series B financing
	We published "Deep learning enables rapid identification of potent DDR1 kinase inhibitors" in Nature Biotechnology
	We initiated the drug discovery and development program that ultimately led to the development of ISM001-055.

Year	Event
2020	We officially launched PandaOmics and Chemistry42
	We designed the small molecule drug candidate ISM001-055. For ISM001-055, we also: • profiled in primary assays • performed the first PK study in mice • carried out the first tests in cell-based fibrosis assays • performed translational studies in human fibroblasts and epithelial cells • completed 14-day toxicity evaluation study in mice • carried out *in vivo* efficacy studies in bleomycin-induced lung fibrosis model in mice
2021	We nominated two PCCs for TNIK
	We entered into a strategic collaboration agreement with Fosun
	We completed our Series C financing
	We obtained Human Research Ethics Committee approval for Phase 0 FIH study of ISM001-055 in Australia and completed Clinical Trial Notification filing with the Therapeutic Goods Administration in Australia.
2022	For ISM001-055, we: • completed Phase 0 FIH study(1) • received approval from the New Zealand Medicines and Medical Devices Safety Authority to initiate a Phase I clinical trial in healthy volunteers in New Zealand, and initiated such clinical trial

Note:

(1) Phase 0 study was exploratory and considered for checking the primary pharmacokinetics of the drug candidate in microdoses in humans. This study was done with the 100 micrograms dose and showed no adverse effects.

Year	Event
	• received an umbrella clinical trial approval from the NMPA for Phase I-III clinical trials, and initiated a Phase I clinical trial of in healthy volunteers in China
	We officially launched inClinico
	We entered into a strategic collaboration agreement with Sanofi
	We launched our wholly owned automated laboratory in Suzhou, China
	We completed our Series C+ and Series D financing
2023	For ISM001-055, we:
	• received the orphan drug designation for treatment of IPF from the FDA
	• completed the New Zealand Phase I clinical trial in healthy volunteers[(2)]
	• completed the China Phase I[(2)] clinical trial in healthy volunteers
	• received IND approval for a Phase IIa clinical trial for the treatment of IPF from the FDA
	We closed two out-licensing deals with Exelixis and Stemline
2024	We officially launched PandaOmics Box, Dora and Generative Biologics
	We closed second out-licensing deal with Stemline
	We announced positive topline results of ISM001-055 for the treatment of idiopathic pulmonary fibrosis (IPF), demonstrated dose-dependent efficacy trend in Phase IIa trial

Note:

(2) Phase I study was performed to show safety in healthy volunteers in the single and multiple ascending doses and determine the dose range which could be used in the Phase II.

Year	Event
	We published "A small-molecule TNIK inhibitor targets fibrosis in preclinical and clinical models" in Nature Biotechnology
	We published "Intestinal mucosal barrier repair and immune regulation with an AI-developed gut-restricted PHD inhibitor" in Nature Biotechnology
2025	ISM001-055 received the breakthrough therapy designation from the CDE for the treatment of IPF
	We completed our Series E financing

OUR SUBSIDIARIES

The principal business activities and the dates of incorporation of our subsidiaries during the Track Record Period are shown below.

Name of subsidiary	Place of incorporation	Date of incorporation	Principal business activities
Insilico SubCo	Cayman Islands	November 19, 2018	Holding company
Insilico US	Delaware, United States	February 11, 2019	Business development, R&D collaboration and clinical trial operations
Insilico Hong Kong	Hong Kong	January 11, 2019	R&D collaboration
Mir Pharma	Hong Kong	June 1, 2021	Holding company
Insilico IP	Hong Kong	June 21, 2019	IP ownership
Insilico Taiwan	Taiwan	April 16, 2018	New drug discovery and business development

Name of subsidiary	Place of incorporation	Date of incorporation	Principal business activities
Insilico Canada	Canada	June 6, 2022	AI development and business development
Insilico AI	United Arab Emirates	July 29, 2022	AI development
Insilico Shanghai	China	June 13, 2019	New drug discovery and R&D collaboration
Insilico Suzhou	China	September 1, 2021	Research facility (laboratory) operations
InSilico Medicine Beijing Ltd. (英矽智能科技(北京)有限公司) ("**Insilico Beijing**")*(note)*	China	December 22, 2023	No business operations
Insilico Yixing	China	March 22, 2024	No business operations
Insilico Medicine (Shanghai) Investment Co., Ltd. (英矽智能(上海)投資有限公司) ("**Insilico Shanghai Investment**")	China	October 14, 2025	No business operations

Notes:

1. On August 4, 2025, Insilico Beijing was voluntarily deregistered as it had no business operations.
2. As of the Latest Practicable Date, (i) all of the business operations of Insilico Suzhou have been transferred to Insilico Shanghai and Insilico Yixing; and (ii) Insilico Yixing has commenced business activities in new drug discovery.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, we had not conducted any acquisitions, disposals or mergers that we consider to be material to us.

ESTABLISHMENT AND DEVELOPMENT OF OUR GROUP

1. Establishment of Insilico Inc.

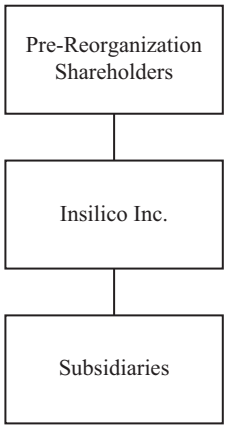
Our Group was founded by our founder, Mr. Alex Zhavoronkov, Ph.D. and commenced operations through Insilico Inc., a corporation established in Delaware, the United States, on February 10, 2014. The initial shareholder of Insilico Inc. was Pathway Pharmaceuticals, Limited, of which Mr. Alex Zhavoronkov, Ph.D. was a founder and director.

2. Series A preferred share financing of Insilico Inc. in June 2018

On June 1, 2018, Insilico Inc. entered into the series A preferred stock purchase agreement pursuant to which the Series A Investors agreed to subscribe for an aggregate of 904,888 series A preferred shares issued by Insilico Inc., at the price of US$6.63 per share, for an aggregate consideration of approximately US$6.0 million, which was fully settled on June 12, 2018. For details, see "— Pre-IPO Investments" in this section.

REORGANIZATION

Immediately prior to the commencement of the Reorganization, Insilico Inc. was the holding company of our Group. The following chart sets forth our Group's corporate structure immediately prior to the commencement of the Reorganization:



In order to re-domicile our Group's holding company from the United States to the Cayman Islands, we underwent the following Reorganization steps:

1. Incorporation of our Company

On November 19, 2018, our Company was incorporated in the Cayman Islands as an exempted company with limited liability and the ultimate holding company of our Group, as part of the Reorganization. Upon incorporation, the authorized share capital of our Company was US$109.04888 divided into 10,000,000 Ordinary Shares with a par value of US$0.00001 each, and 904,888 Preferred Shares with a par value of US$0.00001 each.

2. Incorporation of Insilico SubCo

On November 19, 2018, Insilico SubCo was incorporated in the Cayman Islands as an exempted company with limited liability and an intermediate holding company of our Group, with our Company as the sole common shareholder. Our Company held all the common shares with a par value of US$1 issued by Insilico SubCo since its incorporation.

3. Acquisition of assets of Insilico Inc. by Insilico SubCo

Effective on March 15, 2019, pursuant to a master contribution agreement entered into between Insilico SubCo and Insilico Inc., Insilico Inc. transferred all of its assets and business operations to Insilico SubCo in exchange for 1 preferred share issued by Insilico SubCo. Insilico Inc. has remained dormant since the completion of the Reorganization.

4. Allotment and issuance of Shares of our Company to then existing shareholders of Insilico Inc.

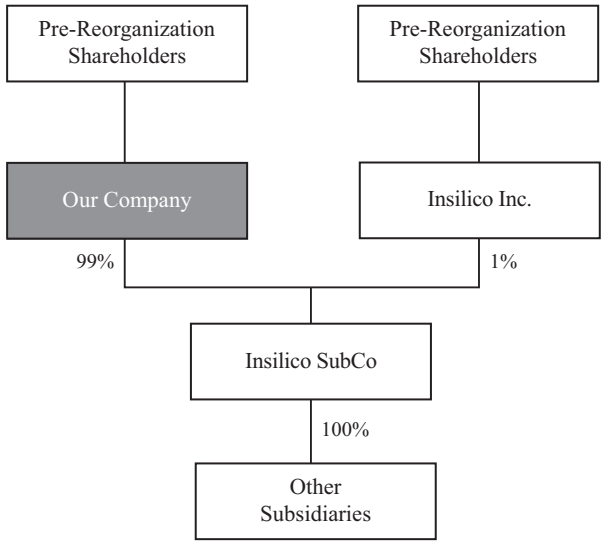
For the purpose of reflecting and mirroring the then shareholding structure of Insilico Inc. before the Reorganization, on March 15, 2019, our Company entered into (i) subscription agreements with each of the then existing shareholders of Insilico Inc. (the "**Pre-Reorganization Shareholders**"), pursuant to which the Pre-Reorganization Shareholders agreed to purchase an aggregate of 6,288,327 Ordinary Shares, for a nominal consideration at par value of US$0.00001 per Ordinary Share, and (ii) a series A preferred share purchase agreement with, among others, the Series A Investors, pursuant to which the Series A Investors agreed to purchase an aggregate of 904,888 Series A Preferred Shares, for a nominal consideration at par value of US$0.00001 per Series A Preferred Share, with shareholding ratio and shareholder rights identical to the series A preferred shares issued by Insilico Inc..

On March 15, 2019, the Company allotted in aggregate 6,288,327 Ordinary Shares and 904,888 Series A Preferred Shares to the Pre-Reorganization Shareholders or their nominees, in proportion to their then respective equity interests in Insilico Inc., as follows.

Name of Shareholder	Number of Ordinary Shares Allotted	Number of Series A Preferred Shares Allotted	Corresponding shareholding interest in the Company
Mr. Alex Zhavoronkov, Ph.D	3,187,886	–	44.32%
Deep Knowledge Ventures Limited ("**DKV**")	1,349,513	–	18.76%
Juvenescence Limited	1,076,777	152,584	17.09%
WuXi PharmaTech Healthcare Fund I L.P. ("**WuXi**")	–	316,713	4.40%
Palace Investments Pte. Ltd. ("**Palace Investments**")	–	301,631	4.19%
Synaro Corporation ("**Synaro**")	156,875	28,295	2.57%
Bold Capital Partners II, L.P. ("**Bold Capital II**")	83,656	75,407	2.21%
Qingsong Zhu	125,000	–	1.74%
Garri Zmudze	98,047	–	1.36%
Galloway Limited	58,829	10,611	0.97%
James Mellon	39,219	7,073	0.64%
Ted M. Routt	23,550	4,247	0.39%

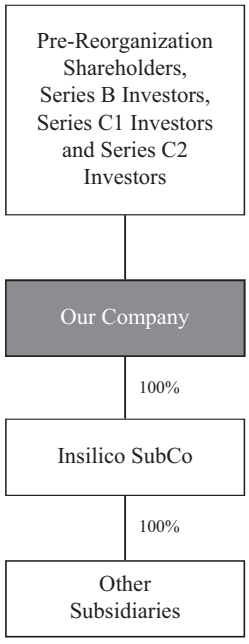
Name of Shareholder	Number of Ordinary Shares Allotted	Number of Series A Preferred Shares Allotted	Corresponding shareholding interest in the Company
Agronomics Limited (formerly Port Erin Biopharma Investments Limited)	19,610	3,537	0.32%
Palingenetic, LLC	23,089	–	0.32%
Biomedical Research and Longevity Society, Inc. (formerly Life Extension Foundation) ("**BRLS**")	9,804	–	0.14%
RyanChow Pty Ltd Super Fund ("**RyanChow Super Fund**")	5,000	901	0.08%
BMH Capital Limited ("**BMH Capital**")	4,903	884	0.08%
Bridget Jane Holmewood	4,903	884	0.08%
STBS Consultants Ltd. ("**STBS Consultants**")	4,902	884	0.08%
Richard Redmond and Aileen Redmond (jointly) (formerly through Papertech Limited)	4,902	884	0.08%
Andrew Garazha	5,000	–	0.07%
Bruce Chou, RP	4,902	–	0.07%
A-level Capital I, L.P. ("**A-level Capital**")	1,960	353	0.03%
Total:	**6,288,327**	**904,888**	**100%**

The following chart sets forth our Group's corporate structure immediately after the Company's allotment of Common Shares and Series A Preferred Shares to the Pre-Reorganization Shareholders:



5. Redemption of one preferred share of Insilico SubCo

As part of the Series C Preferred Share financing, on June 30, 2021, the one preferred share of Insilico SubCo held by Insilico Inc. was fully redeemed at a total redemption price of approximately US$19.4 million. The following chart sets forth our Group's corporate structure immediately following the redemption of the one preferred share of Insilico SubCo:



DISPOSAL OF INSILICO LLC

In October 2022, as part of the Company's commercial decision to shift the geographical focus of certain of its AI development operations from Russia to the Middle East, the Group disposed of its 100% equity interest in InSilico LLC, a wholly owned subsidiary incorporated in Russia on June 2, 2016, to an independent third party at a nominal cash consideration of RUB21,000 (equivalent to approximately US$341) after arms-length negotiations and taking into account the then registered capital and market conditions with respect to InSilico LLC. Upon completion of the disposal, the Company no longer owned the assets of InSilico LLC and did not have any continuing obligations with respect to InSilico LLC. Set forth below are certain key financial information of InSilico LLC prior to disposal:

	For the year ended December 31, 2021	For the period ended October 31, 2022	As of October 31, 2022
		(US$ in thousands)	
Revenue[(1)]	631	–	–
Net Profit/(loss)	**(1,804)**	**(2,318)**	**–**
Total assets	–	–	2,518
Total liabilities	–	–	(329)
Net assets	**–**	**–**	**2,189**

Note:

(1) The revenue generated by InSilico LLC for the year ended December 31, 2021 was nil after taking into account intra-group eliminations.

PRE-IPO INVESTMENTS

Overview

We underwent the following rounds of Pre-IPO investments, details of which are set forth below.[1]

No.	Round	Date of share purchase agreement	Date of settlement of consideration (last payment)	Number of Shares subscribed for	Total funds raised by our Company	Post-money valuation of our Company	Cost per Share without taking into account the effect of the Share Split	Cost per Share after taking into account the effect of the Share Split	Discount to the Offer Price[(2)]
					(USD)	*(USD)*	*(USD)*	*(HK$)*	
1	Series A[(1)]	June 1, 2018	June 12, 2018	904,888	6.0 million	54.4 million	6.63	2.58	89.27%
2	Series B[(3)]	August 12, 2019	September 4, 2019	4,403,933	36.8 million	106.8 million	8.35	3.25	86.49%
3	Series C1[(4)(5)]	June 16, 2021	July 6, 2021	3,001,366	68.2 million	570.3 million	22.73	8.84	63.23%
4	Series C2[(4)(5)]	June 16, 2021	July 6, 2021	5,908,299	186.8 million	570.3 million	31.62	12.30	48.85%
5	Series C+[(4)]	November 12, 2021	January 10, 2022	176,535 (C1)/ 347,516 (C2)	15.0 million	585.3 million	22.73 (C1)/ 31.62 (C2)[(6)]	8.84 (C1)/ 12.30 (C2)	63.23% (C1)/ 48.85% (C2)
6	Series D[(7)]	May 13, 2022	May 23, 2022	1,539,594	60.2 million	860.2 million	39.12	15.22	36.71%
7	Series D (Second Closing)[(8)]	July 18, 2022	July 21, 2022	882,098	34.5 million	894.7 million	39.12	15.22	36.71%
8	Series E[(9)]	February 25, 2025	May 23, 2025	2,376,830	122.8 million	1,330.5 million	51.65	20.09	16.44%

Notes:

(1) For the avoidance of doubt, in the case of our Series A Preferred Share financing, the information presented in this table reflects the details of the issuance of the Series A preferred shares by Insilico Inc. prior to the Reorganization, with the corresponding number of shares and shareholding of each shareholder of Insilico Inc. subsequently reflected in and mirrored to our Company as part of the Reorganization. For more details, see "— Reorganization — 4. Allotment and issuance of shares of our Company to then existing shareholders of Insilico Inc." in this section.

(2) The discount to the Offer Price is calculated based on the Offer Price of HK$24.05, assuming the Share Split and the conversion of the Preferred Shares into Shares on a one-to-one basis have been completed prior to the Listing.

(3) The difference between the valuation of our Company between the Series A Preferred Share financing and Series B Preferred Share financing was primarily due to (i) our PandaOmics and Chemistry42 platforms were validated; and (ii) we entered into a collaboration with a global pharmaceutical company in 2019 to use AI to predict clinical trial outcomes.

(4) The difference between the valuation of our Company between the Series B Preferred Share financing and Series C Preferred Share financing was primarily due to (i) our Company launched our PandaOmics and Chemistry42 platforms in 2020; and (ii) we nominated ISM001-055 as our first preclinical candidate.

(5) We entered into the Series C share purchase agreement ("**Series C SPA**") on June 16, 2021, pursuant to which we issued both Series C1 and C2 Preferred Shares to each Series C Investor at different costs per Share. Pursuant to the Series C SPA, and in order to avoid further dilution effect from the issuance of the Series C Preferred Shares, the Company issued the Series C1 Preferred Shares to each Series C Investor, using the proceeds of the issuance to repurchase 2,631,231 Ordinary Shares, 173,805 Series A Preferred Shares and 196,329 Series B Preferred Shares

1 NTD: Disclosure on Series E2 subject to status prior to A1 filing

(collectively, the "**Repurchased Shares**") from the respective then Shareholders (including Mr. Alex Zhavoronkov, Ph.D. and certain employees), being the same aggregate total of Series C1 Preferred Shares issued, so as to not affect the then existing total issued Share capital of our Company. The cost per Share of the Series C1 Preferred Shares was based on the repurchase price of US$22.13, US$25.29 and US$28.46 per share for Ordinary Shares, Series A Preferred Shares and Series B Preferred Shares, respectively. The Series C2 Preferred Shares were new Shares issued to each Series C Investor pursuant to the Series C SPA. The cost per Share of the Series C2 Preferred Shares was based on the pre-money valuation of the Company after arms-length negotiations with Series C Investors.

(6) We entered into the Series C+ share purchase agreement on November 12, 2021, pursuant to which we issued both Series C1 and C2 Preferred Shares to the Series C+ Investor at the same costs per Share respectively as the Series C Investors.

(7) The difference between the valuation of our Company between the Series C Preferred Share financing and Series D Preferred Share financing was primarily due to (i) our Company nominated seven new preclinical candidates using our AI platform; (ii) we began Phase I trials for ISM001-055 in New Zealand in February 2022; and (iii) we entered into a strategic collaboration with Fosun in November 2021.

(8) The difference between the valuation of our Company between the Series D Preferred Share financing and Series D Preferred Share (Second Closing) financing was primarily due to the fact that our Company began a Phase 1 trial for ISM001-055 in China in July 2022 evidenced by the first healthy volunteer dosing in.

(9) The difference between the valuation of our Company between the Series D Preferred Share (Second Closing) financing and the Series E Preferred Share financing was primarily due to (i) our successful completion of the Phase IIa trial of ISM001-055 in China, (ii) we secured three significant out-licensing deals, and (iii) continual growth of our pipeline with 14 new preclinical candidates nominated and 9 IND approvals.

Other Principal Terms of the Pre-IPO Investments

Basis of determining the consideration paid	The consideration for the Pre-IPO Investments were determined based on arm's length negotiations between the Company and the Pre-IPO Investors after taking into consideration the timing of the investments and the status of our business.
Lock-up	Pursuant to the lock-up undertakings given by the Pre-IPO Investors in favor of the Company, the Joint Sponsors and the Overall Coordinators, without their prior written consent, each of the Pre-IPO Investors shall not at any time during the period commencing from the date of the Prospectus and ending on, and including the date falling six months after the Listing Date, directly or indirectly, dispose of any Shares held by it.

Use of proceeds from the Pre-IPO Investments	We utilized the proceeds for funding pre-clinical and clinical research and development of ISM001-055 and other drug candidates, development and expansion of our automated lab, development of our generative AI platform, working capital and other general corporate purposes. As of the Latest Practicable Date, approximately 65% of the net proceeds from the Pre-IPO Investments has been utilized.
Strategic benefit from the Pre-IPO Investments to our Group	At the time of each of the Pre-IPO Investments, our Directors were of the view that our Company could benefit from the Pre-IPO Investors' investment knowledge and experience in healthcare sectors and the Pre-IPO Investments demonstrated the Pre-IPO Investors' confidence in the operation and development of our Group.

Special Rights of the Pre-IPO Investors

Our Company and, among others, the Pre-IPO Investors entered into certain agreements ("**Shareholders' Agreements**") including but not limited to the Investors' Rights Agreement and the Voting Agreement, pursuant to which certain shareholder rights were agreed among the parties. Pursuant to the Shareholders' Agreements and the then memorandum and articles of association of our Company, certain Pre-IPO Investors were granted, among other rights, (i) information rights; (ii) the right to elect directors; (iii) registration rights; (iv) right of first-refusal; (v) right of co-sale; (vi) redemption rights; (vii) prior consent to corporate actions; and (viii) liquidation preferences.

(i) The redemption rights under the then memorandum and articles of association of our Company and (ii) the drag-along rights given in connection with such redemption rights under the Voting Agreement (the "**Redemption and Drag-along Rights**") have ceased to be effective immediately before our Company's submission of application for the listing of our Shares on the Stock Exchange (the "**Listing Application**"). The Redemption and Drag-along Rights shall be automatically reinstated upon the earliest of: (i) the return or rejection of the Listing Application from the Stock Exchange; (ii) the Company serving a notice of withdrawal of the Listing Application to the Stock Exchange; (iii) the non-renewal of the Listing Application to the Stock Exchange within six months after the listing application has lapsed; or (iv) the failure by the Company to achieve a qualified IPO as defined in the seventh amended and restated memorandum and articles of association of our Company, or otherwise an IPO approved by our Shareholders, within 18 months after the filing of the Listing Application.

No special rights granted to the Pre-IPO Investors will survive after the Listing.

Joint Sponsors' Confirmation

On the basis that (i) the Listing Date, being the first day of trading of the Shares on the Stock Exchange, will take place no earlier than 120 clear days after completion of the Pre-IPO Investments; (ii) the Redemption and Drag-along Rights have ceased to be effective immediately before the submission of the Listing Application; and (iii) no special rights granted to the Pre-IPO Investors will survive after Listing, the Joint Sponsors are of the view that the Pre-IPO Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants issued by the Stock Exchange.

Information about the Pre-IPO Investors

Details of each of our Pre-IPO Investors as of the Latest Practicable Date are set out below.

Qiming entities

*Qiming Venture Partners VI, L.P. ("**QVP VI**") and Qiming Managing Directors Fund VI, L.P. ("**QMD VI**")*

QVP VI and QMD VI are exempted limited partnerships registered in the Cayman Islands. Qiming GP VI, L.P. is the general partner of QVP VI, whereas Qiming Corporate GP VI, Ltd. is the general partner of both Qiming GP VI, L.P. and QMD VI. To the best of our knowledge, information and belief, each of QVP VI and QMD VI, their respective general partners and limited partners is an Independent Third Party.

*Qiming Venture Partners VII, L.P. ("**QVP VII**") and Qiming VII Strategic Investors Fund, L.P. ("**SIF VII**")*

QVP VII and SIF VII are exempted limited partnerships registered in the Cayman Islands. Qiming GP VII, LLC is the general partner of both QVP VII and SIF VII. To the best of our knowledge, information and belief, each of QVP VII and SIF VII, their respective general partners and limited partners is an Independent Third Party.

QVP VI, QMD VI, QVP VII and SIF VII are venture capital funds which are operated under Qiming Venture Partners, focusing on investments in companies in the technology & consumer and healthcare sectors across China.

LAV entities

*LAV Biosciences Fund V, L.P. ("**LAV Biosciences Fund V**")*

LAV Biosciences Fund V is an exempted limited partnership incorporated under the laws of the Cayman Islands. The general partner of LAV Biosciences Fund V is LAV GP V, L.P., whose general partner is LAV Corporate V GP, Ltd., a Cayman Islands exempted company wholly owned by Dr. Yi Shi, who is an Independent Third Party.

*LAV Fund VI, L.P. ("**LAV Fund VI**")*

LAV Fund VI is an exempted limited partnership incorporated under the laws of the Cayman Islands. The general partner of LAV Fund VI is LAV GP VI, L.P., whose general partner is LAV Corporate VI GP, Ltd., a Cayman Islands exempted company wholly owned by Dr. Yi Shi, who is an Independent Third Party.

*LAV Fund VI Opportunities, L.P. ("**LAV Fund VI Opportunities**")*

LAV Fund VI Opportunities is an exempted limited partnership incorporated under the laws of the Cayman Islands. The general partner of LAV Fund VI Opportunities is LAV GP VI Opportunities, L.P., whose general partner is LAV Corporate VI GP Opportunities, Ltd., a Cayman Islands exempted company wholly owned by Dr. Yi Shi, who is an Independent Third Party.

LAV Biosciences Fund V, LAV Fund VI and LAV Fund VI Opportunities are within a group of offshore investment vehicles, the investments of which are denominated in U.S. dollar, controlled by Dr. Yi Shi ("**LAV USD Group**"). LAV USD Group invested in over one hundred portfolios covering all major sectors of the biomedical and healthcare industry including biopharmaceuticals, medical devices, diagnostics and healthcare services, examples including ArriVent BioPharma, Inc., a company listed on the NASDAQ (symbol: AVBP), Abbisko Cayman Limited, a company listed on the Stock Exchange (HKSE: 2256) and Jacobio Pharmaceuticals Group Co., Ltd., a company listed on the Stock Exchange (HKSE: 1167).

Mr. Alex Zhavoronkov, Ph.D.

Mr. Alex Zhavoronkov, Ph.D. is our Company's founder, chairman of the Board, executive Director, CEO and CBO. For more information on Mr. Alex Zhavoronkov, Ph.D., please see the section headed "Directors and Senior Management."

A-level Capital

A-level Capital is a limited partnership established under the laws of the State of Delaware. The general partner of A-level Capital is A-Level Capital GP, LLC., which is an Independent Third Party.

BMH Capital

BMH Capital is a limited company established under the laws of Hong Kong, focusing on investments in early-stage private companies in the consumer, healthcare/life sciences and technology sectors. Its shareholders are Paul Barton, Phil Holmewood, David Millhouse and Jonathan Broughton, each of whom are Independent Third Parties.

BOLD Capital Partners entities

Bold Capital II

Bold Capital II is a limited partnership organized under the laws of the State of Delaware, and principally invests and holds equity and equity-oriented securities in privately held companies in technology related fields, with a focus in the fields of health & life sciences and deep tech & productivity. The general partner of Bold Capital II is BOLD Capital Management II, LLC, which is in turn managed by BOLD Management Partners, LLC, which is an Independent Third Party.

*Bold Capital Partners Select, LP ("**Bold Capital Select**")*

Bold Capital Select is a limited partnership established under the laws of the State of Delaware, and principally invests and holds equity and equity-oriented securities in privately held companies in technology related fields, with a focus in the fields of health & life sciences and deep tech & productivity. The general partner of Bold Capital Select is BOLD Capital Management Select, LLC, which is in turn managed by BOLD Management Partners, LLC, which is an Independent Third Party.

Bridget Jane Holmewood

Bridget Jane Holmewood is a healthcare executive who has over 10 years experience investing in early-stage companies in the healthcare, life sciences and technology sectors, and is a private investor and an Independent Third Party.

Richard Redmond and Aileen Redmond

Richard Redmond and Aileen Redmond are retired directors of other companies, and each is a private investor and an Independent Third Party.

RyanChow Super Fund

RyanChow Super Fund is a self-managed superannuation fund established under the laws of Australia, which invests in companies listed on the Australian Securities Exchange. The trustee of RyanChow Super Fund is Ryanchow Pty Ltd, which is in turn wholly owned by Julian Chow and Kerry Chow, each of whom are Independent Third Parties.

STBS Consultants

STBS Consultants is a holding company established under the laws of the Bahamas. STBS Consultants invests in companies for long term growth, including PepsiCo, Inc. (NASDAQ: PEP), McDonald's Corporation (NYSE: MCD), Exxon Mobil Corporation (NYSE: XOM), Sysco Corporation (NYSE: SYY) and Microsoft Corporation (NASDAQ: MSFT). STBS Consultants is wholly owned by the FFFF Foundation, which is in turn a private interest foundation established under the laws of the Republic of Panama with the descendants of Richard H. Harrison and Frances j. Y. Harrison as the beneficiaries.

Synaro

Synaro is a corporation established under the laws of the State of Delaware. Synaro is controlled by Vchieve Union Limited, a British Virgin Islands registered limited entity, which is an Independent Third Party. Synaro focuses on investing in high technology start-ups, including Navitas Semiconductor (NASDAQ: NVTS) and Fusen Technologies, Inc..

Ted M. Routt

Ted M. Routt is a private investor and a retired IT professional who formerly worked as an Application Development Manager for United Parcel Service, Inc.. He has 20 to 25 years of experience trading on U.S. exchanges, including NYSE and NASDAQ, and over 15 years of experience investing in privately held organizations. He is an Independent Third Party.

Palace Investments

Palace Investments is an indirectly wholly-owned subsidiary of Pavilion Capital Holdings Pte. Ltd. ("**Pavilion Capital**"), which in turn is an indirectly wholly-owned subsidiary of Temasek Holdings (Private) Limited ("**Temasek**"). Pavilion Capital is independently managed. Temasek is not involved in the business or operating decisions of Pavilion Capital or Palace Investments, including their decisions in relation to our Group.

WuXi

WuXi is an exempted limited partnership incorporated under the laws of the Cayman Islands, and specializes in the investment of pharmaceutical, biotech and healthcare companies. The general partner of WuXi is indirectly wholly owned by WuXi AppTec Co., Ltd. and its sole limited partner is WuXi AppTec (Hong Kong) Holding Limited, also indirectly wholly owned by WuXi AppTec Co., Ltd., which is listed on the Shanghai Stock Exchange and the Main Board of the Hong Kong Stock Exchange (SSE: 603259; HKSE: 2359).

Sinovation entities

*Sinovation Fund IV, L.P. ("**Sinovation Fund IV**")*

Sinovation Fund IV is an exempted limited partnership incorporated under the laws of the Cayman Islands, with its general partner being Sinovation Fund Management IV, L.P. ("**Sinovation Fund Management IV**"). Sinovation Fund IV GP, Ltd. ("**Sinovation Fund IV GP**") is the general partner of Sinovation Fund Management IV, which is an Independent Third Party.

*SV China Healthcare Fund, L.P. ("**SV China**")*

SV China is a limited partnership incorporated under the laws of the Cayman Islands, with its general partner being SV China Healthcare Holding, Ltd., which is an Independent Third Party.

Sinovation Fund IV and SV China are investment entities managed by Sinovation Ventures, a leading Chinese technology venture capital firm, started in 2009 by a team led by Dr. Kai-Fu Lee. Sinovation Ventures currently manages approximately US$3 billion AUM across its funds, and over 500 portfolio companies across the technology spectrum in China.

Bruce Chou, RP

Bruce Chou, RP is a qualified retirement plan established under the laws of the United States, with AUM of approximately US$2.7 million. Its investments have included a basket of U.S. stocks, such as Berkshire Hathaway (NYSE: BRK.B), Planet Fitness (NYSE: PLNT), IBM (NYSE: IBM) and Clorox (NYSE: CLX), as well as investments in private companies such as Oisin Biotechnologies, OncoSenX and Immusoft. The beneficiaries are Bruce Chou and Charlotte Bottrell, each of whom are Independent Third Parties.

Baidu Ventures L.P. ("Baidu Ventures")

Baidu Ventures is an exempted limited partnership registered in the Cayman Islands and a venture capital institution initiated by Baidu, Inc. (NASDAQ: BIDU; HKSE: 9888), which is listed on NASDAQ Global Market and the Main Board of the Hong Kong Stock Exchange, and is an Independent Third Party. Baidu Ventures concentrates on early-stage AI-based technological innovation companies, devoting to several major fields such as, among others, technological innovation and life sciences.

Longevity Vision Holding I LLC (formerly Longevity Vision Fund I, LP) ("Longevity Holding I")

Longevity Holding I is a Delaware incorporated private venture holding investments in health tech, longevity and biotech companies. Longevity Holdco Manager, LLC is the manager of Longevity Holding I, and is wholly owned by Dmitry Vorontsov, an Independent Third Party.

Amerigo Worldwide Limited is a member of Longevity Holding I, holding more than 30% membership interest. The beneficiaries of Amerigo Worldwide Limited are Anthony Miles and Oliver Miles, who are both Independent Third Parties.

Eight Roads entities

*ERVC Healthcare IV, L.P. ("**ERVC Healthcare IV**")*

ERVC Healthcare IV is an exempted limited partnership registered under the laws of Bermuda. The general partner of ERVC Healthcare IV is ERVC Healthcare Advisors IV LP, and the general partner of ERVC Healthcare Advisors IV LP is Eight Roads GP.

*ERVC Technology IV LP ("**ERVC Technology IV**")*

ERVC Technology IV is an exempted limited partnership registered under the laws of Bermuda. The general partner of ERVC Technology IV is ERVC Technology Advisors IV LP, and the general partner of ERVC Technology Advisors IV LP is Eight Roads GP.

*Eight Roads Ventures Japan II L.P. ("**Eight Roads Japan II**")*

Eight Roads Japan II is an exempted limited partnership registered under the laws of Bermuda. The general partner of Eight Roads Japan II is Eight Roads Ventures Japan Advisors II LP, and the general partner of Eight Roads Ventures Japan Advisors II LP is Eight Roads GP.

Each of ERVC Healthcare IV, ERVC Technology IV and Eight Roads Japan II is part of Eight Roads, a global proprietary investment firm backed by Fidelity, which mainly focuses on private investments in the healthcare (therapeutics, healthcare IT, healthcare services, med tech) and technology (enterprise tech, fintech, consumer/consumer tech) sectors in China and globally. Eight Roads is an Independent Third Party.

Eight Roads GP is indirectly wholly owned by Eight Roads Management Limited and Eight Roads Management Limited is owned as to more than one-third by Cliff Trail LLC and Crow Lane Limited. Therefore, under the SFO, each of Cliff Trail LLC and Crow Lane Limited is deemed to be interested in the Shares in which Eight Roads Management Limited is interested.

F-Prime Capital Partners Life Sciences Fund VI LP ("F-Prime Capital Fund VI")

F-Prime Capital Fund VI is a limited partnership established under the laws of the State of Delaware. F-Prime Capital Fund VI is a global venture capital fund and it and its affiliated funds invest in the healthcare (therapeutics, healthcare IT, healthcare services, med tech) and technology (enterprise tech, fintech) sections in the U.S., Europe and Asia. The general partner of F-Prime Capital Fund VI is F-Prime Capital Partners Life Sciences Advisors Fund VI LP, which is solely managed by Impresa Management LLC, as its investment manager and the managing member of its general partner.

***Tubus LLC* ("*Tubus*")**

Tubus is a limited liability company established under the laws of the State of Delaware. Tubus focuses on a broad range of investments ranging from private ventures to mature public companies. Tubus is wholly owned by The Michael Antonov 2014 Delaware Trust. The sole manager of Tubus is Michael Antonov, an Independent Third Party.

Michael Antonov Charitable Foundation Inc. ("Michael Antonov Charitable Foundation")

Michael Antonov Charitable Foundation is a nonprofit public benefit corporation established under the laws of the State of California which mostly invests in public companies with some private investments, and is solely managed by Michael Antonov, an Independent Third Party. As a nonprofit public benefit corporation, it has no shareholders or beneficial owners.

Formic Ventures ("Formic Ventures")

Formic Ventures is a limited liability company established under the laws of the State of Delaware. Formic Ventures focuses on venture capital investments in the healthcare/life sciences and technology sectors. Formic Ventures is a wholly owned subsidiary of Tubus and is an Independent Third Party.

Mesolite Gem Investments Ltd ("Mesolite")

Mesolite is an exempted company incorporated under the laws of the Cayman Islands with limited liability on March 12, 2021. Mesolite is wholly owned by certain investment funds managed by their fund manager, Warburg Pincus LLC, among which, approximately 52.10% of Mesolite is owned by Warburg Pincus China-Southeast Asia II (Cayman), L.P. ("**WPC-SEA II Cayman**"). The general partner of WPC-SEA II Cayman is Warburg Pincus (Cayman) China-Southeast Asia II GP, L.P., the general partner of which is Warburg Pincus (Cayman) China-Southeast Asia II GP LLC ("**WPC-SEA II Cayman GP LLC**"). The managing member of WPC-SEA II Cayman GP LLC is Warburg Pincus Partners II (Cayman), L.P., which is 90% owned by Warburg Pincus Partners II Holdings (Cayman), L.P. ("**WPP II Holdings**"). WPP II Holdings is wholly owned by Warburg Pincus (Cayman) Private Equity, L.P, the general partner of which is Warburg Pincus (Bermuda) Private Equity GP Ltd ("**WP Bermuda GP**"). The general partner of WPP II Holdings is WPP II Administrative (Cayman), LLC, which is in turn wholly owned by WP Bermuda GP.

Mesolite is an investment vehicle of Warburg Pincus. Warburg Pincus is the pioneer of global growth investing. The firm has more than US$85 billion in assets under management, and more than 215 companies in their active portfolio, diversified across stages, sectors, and geographies. Warburg Pincus has invested in more than 1,000 companies across its private equity, real estate, and capital solutions strategies.

HSG Growth VI Holdco E, Ltd. ("HSG Growth")

HSG Growth is an exempted company with limited liability incorporated under the laws of the Cayman Islands. HSG Growth is wholly owned by HongShan Capital Growth Fund VI, L.P. ("**HongShan Capital GVI Fund**"). The general partner of HongShan Capital GVI Fund is HSG Growth VI Management, L.P., whose general partner is HSG Holding Limited, a wholly owned subsidiary of SNP China Enterprises Limited. Neil Nanpeng Shen is the sole shareholder of SNP China Enterprises Limited, and is an Independent Third Party.

B Capital Group entities

*B Capital China III — LLC ("**B Capital China III**")*

B Capital China III is a limited liability company registered in the Cayman Islands. It is controlled by B Capital Fund II, L.P., an exempted limited partnership registered under the laws of the Cayman Islands. B Capital Fund II, L.P. is managed by B Capital Group Management, L.P.. B Capital Fund II, L.P. focuses on investing in technology-enabled retail, transportation, financial services, and healthcare sectors, and is an Independent Third Party.

*B Capital (China) I HoldCo IV Pte. Ltd. ("**B Capital (China) I**")*

B Capital (China) I is a private company limited by shares incorporated under the laws of Singapore. It is controlled by B Capital China I, L.P., an exempted limited partnership registered under the laws of the Cayman Islands. B Capital China I, L.P. is managed by B Capital Group Management, L.P.. B Capital China I, L.P. focuses on investing in high-growth startups within the enterprise technology, industrial technology, digital health and life science sectors, and is an Independent Third Party.

Deerfield entities

*Deerfield Partners, L.P. ("**Deerfield Partners**")*

Deerfield Partners is a limited partnership established under the laws of the State of Delaware. The General Partner of Deerfield Partners is Deerfield Mgmt, L.P., a limited partnership established under the laws of the State of Delaware. The General Partner of Deerfield Mgmt, L.P. is Deerfield UGP, LLC, a limited liability company established under the laws of the State of Delaware. The sole member of Deerfield UGP, LLC is James E. Flynn, who is the ultimate beneficial owner of Deerfield Partners and an Independent Third Party.

*Deerfield Private Design Fund V, L.P. ("**Deerfield Private Design Fund V**")*

Deerfield Private Design Fund V is a limited partnership established under the laws of the State of Delaware. The General Partner of Deerfield Private Design Fund V is Deerfield Mgmt V, L.P., a limited partnership established under the laws of the State of Delaware. The General

Partner of Deerfield Mgmt V, L.P. is Deerfield UGP, LLC, a limited liability company established under the laws of the State of Delaware. The sole member of Deerfield UGP, LLC is James E. Flynn, who is the ultimate beneficial owner of Deerfield Private Design Fund V and an Independent Third Party.

Mirae entities

*Mirae Asset Growth 6 Investment Company Limited ("**Mirae Asset Growth 6**")*

Mirae Asset Growth 6 is a company established under the laws of the British Virgin Islands. Mirae Asset Growth 6 is indirectly wholly owned by Mirae Asset Global Investments (Hong Kong) Limited, a limited company established under the laws of Hong Kong. Mirae Asset Growth 6 is a special vehicle for private equity investments. To the best of our knowledge, information and belief, each of Mirae Asset Growth 6 and Mirae Asset Global Investments (Hong Kong) Limited is an Independent Third Party.

*Mirae Asset New Economy Fund L.P. ("**Mirae Asset New Economy**")*

Mirae Asset New Economy is an exempted limited partnership incorporated under the laws of the Cayman Islands and its general partner is Mirae Asset General Partners. Mirae Asset Securities (HK) Limited is a limited partner holding 30% or more partnership interest in Mirae Asset New Economy. The shareholder of Mirae Asset Securities (HK) Limited is Mirae Asset Securities Co Ltd. which is a company listed on the Korea Exchange (KRX: 006800). Mirae Asset New Economy mainly invests in growth stage companies in healthcare, consumer, telecommunications, media and technology (TMT) sectors in Greater China. To the best of our knowledge, information and belief, each of Mirae Asset General Partners and Mirae Asset Securities (HK) Co., Ltd is an Independent Third Party.

Mirae Asset Sage New Technology Investment Fund I ("***Mirae Asset Sage Fund I***")

Mirae Asset Sage Fund I is a limited partnership established under the laws of the Republic of Korea. Mirae Asset Sage Fund I is a venture capital fund, managed by its general partner, Mirae Asset Capital Co., Ltd., with assets under management of approximately US$41 million, focusing on investment in industries covering healthcare, deep technology, and commerce platforms, including Akili Interactive Labs Inc (NASDAQ: AKLI), BaroPharm, and Motion2AI, Inc.. Mirae Asset Securities Co., Ltd. is a limited partner with 84.9% partnership interest. Each of Mirae Asset Sage Fund I and Mirae Asset Capital Co., Ltd. are Independent Third Parties.

*Mirae Asset Global Innovation Fund I ("**Mirae Innovation Fund I**")*

Mirae Asset Innovation Fund I is a limited partnership established under the laws of the Republic of Korea, with assets under management of approximately US$26 million, focusing on investment in industries covering healthcare/life science and technology both domestically in Korea and internationally. Its investments include our Company and HiFiBiO Therapeutics.

The general partner of Mirae Asset Innovation Fund I is Mirae Asset Capital Co., Ltd., while Mirae Asset Securities Co., Ltd. is a limited partner with 84.8% partnership interest. Each of Mirae Innovation Fund I, Mirae Asset Capital Co., Ltd. and Mirae Asset Securities Co., Ltd. are Independent Third Parties.

President (BVI) International Investment Holdings Ltd ("President")

President is a company established under the laws of the British Virgin Islands. President is an investment company with assets under management of approximately US$200 million focusing on investment in the technology, healthcare and AI application sectors. Its invested companies include Uni-President China Holdings Ltd. (HKSE: 220) and SEA Ltd. (NYSE: SE). President is a wholly owned subsidiary of President International Development Corp., which is in turn owned as to approximately 69.37% by Uni-President Enterprises Corporation (統一企業股份有限公司) (TWSE: 1216), which is listed on the Taiwan Stock Exchange and is an Independent Third Party.

LBC Sunshine Healthcare Fund II L.P. ("LBC Sunshine Fund II")

LBC Sunshine Fund II is an exempted limited partnership registered in the Cayman Islands managed by Lake Bleu Capital (Hong Kong) Limited. Its general partner is LBC GP II Limited, an exempted company incorporated in the Cayman Islands, which is an Independent Third Party. LBC Sunshine Fund II is a professional investor specializing in investing in healthcare companies in Asia and the Greater China. The investment portfolio of Lake Bleu Capital (Hong Kong) Limited in biotech and healthcare and related industries sectors include, among others, GenFleet Therapeutics (Shanghai) Inc. (stock code: 2595.HK), Duality Biotherapeutics, Inc. (stock code: 9606.HK), Akeso, Inc. (stock code: 9926.HK), RemeGenCo., Ltd. (stock code: 9995.HK), Zylox-Tonbridge Medical Technology Co., Ltd. (stock code: 2190.HK), Pharmaron Beijing Co., Ltd. (stock code: 3759.HK and 300759.SZ) and JD Health International Inc. (stock code: 6618.HK). The investment scope of LBC Sunshine Fund II includes pharmaceuticals, biotech, medical devices, and healthcare services. Each of LBC Sunshine Fund II, Lake Bleu Capital (Hong Kong) Limited and LBC GP II Limited are Independent Third Parties.

CYX Technology Investment Limited ("CYX Technology")

CYX Technology is a business company incorporated under the laws of the British Virgin Islands and its primary business activity is investment holding. CYX Technology is wholly owned by CPE Global Opportunities Fund II, L.P. ("**CPE GOF II**"), an exempted limited partnership formed under the laws of Cayman Islands. The general partner of CPE GOF II is CPE GOF GP Limited, a company incorporated in the Cayman Islands with limited liability. CPE GOF GP Limited is directly and wholly owned by CPE Management International Limited, which is in turn wholly owned by CPE Management International II Limited, both of which are companies incorporated in Cayman Islands with limited liability. CPE Management International II Limited is owned by a number of shareholders that are natural persons, none of whom controls CPE Management International II Limited and are Independent Third Parties.

Hillhouse entities

Each of MSPR III Holdings Limited ("**MSPR III**") and GSUM VI Holdings Limited ("**GSUM VI**") is a exempted company with limited liability incorporated under the laws of Cayman Islands. Both MSPR III and GSUM VI are ultimately managed and controlled by Hillhouse Investment Management, Ltd. ("**Hillhouse Investment**"), an exempted company incorporated under the laws of Cayman Islands, which is an Independent Third Party.

Founded in 2005, Hillhouse Investment is a global private equity firm of investment professionals and operating executives who are focused on building and investing in high quality business franchises that achieve sustainable growth. Independent proprietary research and industry expertise, in conjunction with world-class operating and management capabilities, are key to Hillhouse's investment approach. Hillhouse partners with exceptional entrepreneurs and management teams to create value, often with a focus on innovation and growth. Hillhouse invests in the fields of healthcare, business services, broad consumption and industrials. Hillhouse manages assets on behalf of institutional clients from across the globe.

OrbiMed Asia Partners IV, L.P. ("OAP IV")

OrbiMed Asia Partners IV, L.P. ("**OAP IV**") is an exempted limited partnership established under the laws of the Cayman Islands. OAP IV's general partner is OrbiMed Asia GP IV, L.P. ("**OAP IV GP**"), and OAP IV GP's general partner is OrbiMed Advisors IV Limited ("**OAP IV Limited**"). OAP IV Limited has six (6) directors: Sven H. Borho, Carl L. Gordon, David P. Bonita, W. Carter Neild, Sunny Sharma, and David G. Wang, each of whom is an Independent Third Party. OAP IV invests across the global healthcare industry, but primarily in Asia, from seed-stage venture capital to large publicly-traded companies.

MS Sublime Limited ("MS Sublime")

MS Sublime is an investment holding company established under the laws of Hong Kong, which is wholly owned by Maison Capital Fund LP (Cayman Islands) ("**Maison Capital**"), an exempted limited partnership established in the Cayman Islands, the general partner of which is Maison Capital GP LP (Cayman Islands), and the limited partner of which is Mr. WU Wei (鄔煒). The general partner of Maison Capital GP LP (Cayman Islands) is Maison Capital GP Limited (Cayman Islands), which is owned by Mr. CUI Wenli (崔文立), Mr. WU Wei (鄔煒) and Mr. TIAN Zirui (田子睿) as to 40%, 30% and 30%, respectively, each of whom are Independent Third Parties. Maison Capital is a private equity fund management institute with assets under management of approximately US$200 million focusing on investment in industries covering consumption, healthcare and technology.

WS Investment Company, LLC ("WS Investment")

WS Investment (21A) and WS Investment (22A) are limited liability companies established under the laws of the State of Delaware for the benefit of the partners and certain eligible employees of Wilson Sonsini Goodrich & Rosati, PC and its affiliates ("**WSGR**") for

investments made in different calendar years. No individual participant in WS Investment (21A) or WS Investment (22A) owned an interest of 1% or more in each respective entity. WS Investment has assets under management of approximately US$225 million, investing in private technology and life science companies across all stages, including early, growth and pre-IPO stages. WS Investment Management Company, the Managing Member of WS Investment (21A) and WS Investment (22A), is a wholly owned subsidiary of WSGR, which is an Independent Third Party.

Sage Partners Alpha 1 L.P. ("Sage Partners")

Sage Partners is an exempted limited partnership established under the laws of the Cayman Islands, and its general partner is Sage Partners Private Fund. Sage Partners is a pooled-investment fund with Sage Partners Limited as its investment manager which is licensed by the SFC to carry out type 9 regulated activities. Sage Partners mainly focuses on investment opportunities in the healthcare sector and other emerging technologies by deploying a long-term fundamental-based approach. Each of Sage Partners, Sage Partners Private Fund and Sage Partners Limited are Independent Third Party.

Anchor International Limited ("Anchor")

Anchor is a company established under the laws of the British Virgin Islands. Anchor is a wholly owned subsidiary of Antibiotics Hong Kong International Limited, which is in turn a wholly owned subsidiary of Qilu Pharmaceutical Group Co., Ltd, which is an Independent Third Party.

Dream Team Ventures Limited ("Dream Team Ventures")

Dream Team Ventures is a limited company established under the laws of the British Virgin Islands, and is wholly owned by an individual who is an Independent Third Party.

Fosun Industrial Co., Limited ("Fosun Industrial")

Fosun Industrial is a company incorporated in Hong Kong with limited liability, and is a wholly owned subsidiary of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司) ("**Fosun Pharma**"), with its H shares and A shares are listed and traded on the Main Board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange (SSE: 600196; HKSE: 2196) respectively. Fosun Pharma directly operates businesses including pharmaceutical manufacturing, medical devices, medical diagnosis, and healthcare services. As a shareholder of Sinopharm Group Co., Ltd., Fosun Pharma expands its areas in the pharmaceutical distribution and retail business. Each of the above entities are Independent Third Parties.

SMALLCAP World Fund, Inc. ("SMALLCAP")

SMALLCAP is a registered investment company incorporated in the State of Maryland, United States, which normally invests at least 80% of its net assets in common stocks and other equity-type securities of companies with small market capitalizations, including growth-oriented stocks. The investment adviser currently defines "small market capitalization" companies to be companies with market capitalizations within or below the capitalization range of companies included in the MSCI ACWI Small Cap Index or the Russell 2000 Index, measured based on the maximum market capitalization of companies in either index within the last 12 months. Its current assets under management are approximately US$83 billion. Capital Research and Management Company ("**CRMC**"), an investment management firm incorporated in the State of Delaware, United States, serves as the investment adviser to SMALLCAP. CRMC and/or Capital International Investors ("**CII**") may be deemed to be the beneficial owner of the securities held by SMALLCAP; however, each of CRMC and CII expressly disclaims that it is the beneficial owner of such securities. Julian N. Abdey, Peter Eliot, Brady L. Enright, Brittain Ezzes, Bradford F. Freer, Peter Gusev, Leo Hee, M. Taylor Hinshaw, Roz Hongsaranagon, Shlok Melwani, Dimitrije Mitrinovic, Aidan O'Connell, Samir Parekh, Piyada Phanaphat, Andraz Razen, Arun Swaminathan and Thatcher Thompson, as portfolio managers, have voting and investment power over the securities held by SMALLCAP. CRMC is a wholly-owned subsidiary of The Capital Group Companies, Inc., which is an Independent Third Party.

Sino Biopharmaceutical Limited ("Sino Biopharm")

Sino Biopharm is a limited liability company incorporated in the Cayman Islands and was listed on the Main Board of the Stock Exchange (HKEx: 1177) in 2003 and became a constituent stock of the Hang Seng Index in 2018. Sino Biopharm principally engages in the research and development as well as the manufacture and sales of pharmaceutical products. Its products have gained a competitive foothold in various therapeutic categories with promising potentials, comprising a variety of biopharmaceutical and chemical medicines for tumors, surgery/analgesia, liver diseases, respiratory system diseases and others.

BHR Investment Fund X, L.P. ("BHR Investment Fund X")

BHR Investment Fund X is an exempted limited partnership established under the laws of the Cayman Islands. The general partner of BHR Investment Fund X is BHR (Cayman) GP II, Limited ("**BHR (Cayman) II**"), while CAM Dragon Fund holds 60% partnership interest. BHR (Cayman) II is controlled by BHR Partners. BHR Partners is a private equity fund management institute with assets under management of approximately US$1.4 billion. Its major investment sectors include cross-border mergers and acquisitions (M&A) and high-tech investments. In the high-tech sector, it focuses on investing in promising early-stage high-tech enterprises, such as CATL (SZSE: 300750), Megvii and DiDi (OTC Pink: DIDIY). CAM Dragon Fund is a wholly owned subsidiary of Complus Investment Ltd, which is in turn a subsidiary of Complus Holdings Ltd. Complus Holdings Ltd is wholly owned by Kwok Ching Kam, who is an Independent Third Party.

P7 China Holdings PCC Limited, acting in respect of the P7CH Direct P7 I cell and P7CH Direct P7 II cell ("Prosperity7")

Prosperity7 is wholly-owned by Aramco Ventures Company, a company established under the laws of the Kingdom of Saudi Arabia. Aramco Ventures Company is in turn wholly owned by Saudi Arabian Oil Company (Saudi Aramco), whose shares are listed on the Saudi Stock Exchange (TADAWUL:2222), and is an Independent Third Party.

Value Partners Silver Dart Apollo Holdings Limited ("Value Partners Apollo")

Value Partners Apollo is a limited company incorporated in the British Virgin Islands, and is wholly owned by Value Partners Silver Dart Apollo LPF, a limited partnership fund established in Hong Kong. The general partner of Value Partners Silver Dart Apollo LPF is Value Partners Silver Dart GP Limited.

Value Partners Group Limited (HKEx: 806) directly holds 90.1% of Value Partners Silver Dart GP Limited. Value Partners Group Limited is one of Asia's largest independent asset management firms offering world-class investment services and products for institutional and individual clients in Asia Pacific and Europe. Value Partners' investment strategies cover equities, fixed income, alternatives, multi-asset and quantitative investment solutions. As of December 31, 2024, Value Partners Group Limited's assets under management was US$5.1 billion.

Each of Value Partners Apollo, Value Partners Silver Dart Apollo LPF, Value Partners Silver Dart GP Limited and Value Partners Group Limited are Independent Third Parties.

PD Capital entities

Pudong ChuangLing (Hong Kong) Limited (浦東創領(香港)有限公司) ("Pudong ChuangLing")

Pudong ChuangLing is a limited company established under the laws of Hong Kong on March 3, 2025 for investment purposes. Pudong ChuangLing is a wholly-owned subsidiary of Shanghai Puchuang Linghang Enterprise Management Partnership (Limited Partnership) (上海浦創領航企業管理合夥企業(有限合夥)) ("**Puchuang Linghang**"), whose sole general partner is Shanghai Pudong Private Equity Fund Management Co., Ltd (上海浦東私募基金管理有限公司) ("**Pudong Capital**"). Pudong Capital is wholly owned by Shanghai Pudong Innovation Investment Development (Group) Co., Ltd. (上海浦東創新投資發展(集團)有限公司) ("**Pudong Innovation Investment**"). Pudong Innovation Investment is in turn wholly owned by the Shanghai Pudong New Area State-owned Assets Supervision and Administration Commission (上海市浦東新區國有資產監督管理委員會) ("**Pudong SASAC**").

Each of Pudong ChuangLing, Puchuang Linghang, Pudong Capital, Pudong Innovation Investment and the Pudong SASAC are Independent Third Parties.

Shanghai Puxing Synergetic Fund L.P. (上海浦興協同私募基金合夥企業(有限合夥)) ("Puxing Synergetic Fund")

Puxing Synergetic Fund is a limited partnership established in the PRC on January 27, 2025. Its general partners are Pudong Capital and Shanghai Puxing Chuangling Technology Development Co., Ltd. (上海浦興創領科技發展有限公司) ("**Puxing Chuangling**"). Puxing Chuangling is turn owned as to 51% and 49% by Shanghai Pudong Development (Group) Co., Ltd. (上海浦東發展(集團)有限公司) ("**Pudong Development**") and Shanghai Pudong Construction Co., Ltd, (上海浦東建設股份有限公司) ("**Pudong Construction**"), a company listed on the Shanghai Stock Exchange (SSE: 600284), respectively. Pudong Development is in turn wholly owned by the Pudong SASAC.

Each of Puxing Synergetic Fund, Puxing Chuangling, Pudong Development and Pudong Construction are Independent Third Parties.

Wuxi Xichuang Xingyi Health Industry Equity Investment Partnership (Limited Partnership) (無錫市錫創興宜健康產業股權投資合夥企業(有限合夥)) ("Wuxi Xichuang")

Wuxi Xichuang is a limited partnership established in the PRC on January 26, 2025 for investment purposes. Its general partners are Wuxi Guolian Industry Investment Co., Ltd (無錫國聯產業投資私募基金管理有限公司) ("**Wuxi Guolian**") and Yixing Yicai Private Equity Fund Management Co., Ltd. (宜興市宜財私募基金管理有限公司) ("**Yixing Yicai**"). Wuxi Guolian is ultimately controlled by the Wuxi Municipal People's Government State-owned Assets Supervision and Administration Commission (無錫市人民政府國有資產監督管理委員會) ("**Wuxi SASAC**"), while Yixing Yicai is an indirectly wholly-owned subsidiary of Yixing Municipal People's Government State-owned Assets Supervision and Administration Office (宜興市人民政府國有資產監督管理辦公室) ("**Yixing SASAO**").

Each of Wuxi Xichuang, Yixing Yicai, Wuxi Guolian, Wuxi SASAC and Yixing SASAO are Independent Third Parties.

Grand Leader Investments Limited ("Grand Leader")

Grand Leader is a limited company incorporated under the laws of Hong Kong. Grand Leader is a wholly-owned subsidiary of Grand Wealth Development Limited, a holding company which is in turn owned by two individuals who are Independent Third Parties.

Kawn Holdings RSC LTD

Kawn Holdings RSC LTD is an incorporated company pursuant to Abu Dhabi Global Market Companies (Amendment No. 1) Regulations 2020 and is taken to be incorporated in Abu Dhabi Global Market, United Arab Emirates. Kawn Holdings RSC LTD is a holding company and wholly owned subsidiary of Kawn Foundation. Kawn Foundation is governed by the councilors of Kawn Foundation, which include 3 individuals who are Independent Third Parties.

PUBLIC FLOAT AND FREE FLOAT

Public Float

Rule 8.08 of the Listing Rules requires that there must be an open market in the securities for which listing is sought. This will normally mean that for a class of securities new to listing, at least a minimum prescribed percentage of that class of securities must be held by the public at the time of listing. Where the expected market value of the class of securities at the time of listing is over HK$6,000,000,000 but not exceeding HK$30,000,000,000, the minimum prescribed percentage is determined at the higher of: (i) the percentage that would result in the expected market value of such securities held by the public to be HK$1,500,000,000 at the time of listing; and (ii) 15%.

Based on (i) an Offer Price of HK$24.05, and (ii) 557,418,500 Shares in issue immediately upon completion of the Share Split and the Global Offering (assuming the Over-allotment Option is not exercised), it is expected that the market value of our Shares at the time of Listing will be HK$13,405.9 million, respectively. Accordingly, at least 15% of the total number of issued Shares must be held by the public at the time of Listing (assuming an Offer Price of HK$24.05 per Offer Share).

Apart from (i) the 42,583,500 Shares held by Mr. Alex Zhavoronkov, Ph.D., our Chairman of the Board, Executive Director, Founder, CEO and CBO, (ii) the 4,060,000 Shares held by Mr. Aleksandr Aliper, Ph.D., the President of our Company, Mr. Ivan Ozerov and Mr. Eugene Lane having granted the voting power attached to such Shares in favor of Mr. Alex Zhavoronkov, Ph.D. under the Voting Proxy Arrangement, and (iii) the 475,400 Shares held by Mr. Feng Ren, Ph.D., our Executive Director, CEO and Chief Scientific Officer, through his wholly-owned company, representing in aggregate 8.45% of our total issued Shares immediately upon the completion of the Share Split and the Global Offering (assuming the Over-allotment Option is not exercised) and which will not count towards the public float for the purpose of Rule 8.08 of the Listing Rules, Shares held by all other Shareholders will be counted towards the public float, representing 91.55% of the total issued Shares. Accordingly, the Company will satisfy the public float requirement under Rule 8.08 of the Listing Rules.

Free Float

Rule 8.08A of the Listing Rules provides that, there must be sufficient shares for which listing is sought by a new applicant that are held by the public and available for trading upon listing. This will normally mean that the portion of the class of shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (1) represent at least 10% of the total number of issued shares in the class of shares for which listing is sought (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (2) have an expected market value at the time of listing of not less than HK$600,000,000.

On the basis that (i) no Offer Shares will be allocated under the Global Offering to any core connected person of our Company or person which is not regarded as a member of the public under Rule 8.24 of the Listing Rules and (ii) all Shares to be issued to the cornerstone investors (if any) are excluded for the purpose of satisfying the free float requirement (assuming (i) the Over-allotment Option is not exercised; (ii) without taking into account any Shares to be issued pursuant to the Pre-IPO Equity Incentive Plans and the Post-IPO Equity Incentive Plans) and based on the Offer Price of HK$24.05, upon completion of the Global Offering, it is expected that 57,486,000 Shares, with an expected market value at the time of listing of approximately HK$1,382.5 million, will be held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of the listing. Accordingly, the Company will satisfy the free float requirement under Rule 8.08A of the Listing Rules.

CAPITALIZATION

The below table summarizes the capitalization of our Company as of the Latest Practicable Date and immediately upon completion of the Share Split and the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Pre-IPO Equity Incentive Plans and the Post-IPO Equity Incentive Plans).

Shareholder	Ordinary Shares	Series A Preferred Shares	Series B Preferred Shares	Series C Preferred Shares	Series D Preferred Shares	Series E Preferred Shares	Aggregate number of Shares as of the Latest Practicable Date	Aggregate shareholding percentage as of the Latest Practicable Date	Aggregate number of Shares upon the completion of the Share Split and the Global Offering	Aggregate shareholding percentage upon the completion of the Share Split and the Global Offering
Mr. Alex Zhavoronkov, Ph.D[6]	2,115,116	–	–	–	14,059	–	2,129,175	9.20%	42,583,500	7.64%
DKV[1]	142,513	–	–	–	–	–	142,513	0.62%	2,850,260	0.51%
DKAIT[1]	385,000	–	–	–	–	–	385,000	1.66%	7,700,000	1.38%
A-level Capital	1,960	353	–	–	–	58	2,371	0.01%	47,420	0.01%
BMH Capital	4,903	884	3,039	2,630	–	–	11,456	0.05%	229,120	0.04%
Bridget Jane Holmewood	4,903	884	3,039	2,630	–	–	11,456	0.05%	229,120	0.04%
Bruce Chou, RP	4,902	–	2,574	10,000	2,556	–	20,032	0.09%	400,640	0.07%
BRLS[2]	4,902	–	–	–	–	–	4,902	0.02%	98,040	0.02%
William Gelpi[3]	23,089	–	–	–	–	–	23,089	0.10%	461,780	0.08%
Richard Redmond and Aileen Redmond	4,902	884	3,038	2,630	–	–	11,454	0.05%	229,080	0.04%
RyanChow Super Fund	5,000	901	3,099	–	–	–	9,000	0.04%	180,000	0.03%
STBS Consultants	4,902	884	–	–	771	212	6,769	0.03%	135,380	0.02%
Synaro	100,000	28,295	–	–	–	–	128,295	0.55%	2,565,900	0.46%
Ted M Routt	23,550	4,247	–	–	–	290	28,087	0.12%	561,740	0.10%
WuXi[4]	–	–	838,564	174,710	–	–	1,013,274	4.38%	20,265,480	3.64%

Shareholder	Ordinary Shares	Series A Preferred Shares	Series B Preferred Shares	Series C Preferred Shares	Series D Preferred Shares	Series E Preferred Shares	Aggregate number of Shares as of the Latest Practicable Date	Aggregate shareholding percentage as of the Latest Practicable Date	Aggregate number of Shares upon the completion of the Share Split and the Global Offering	Aggregate shareholding percentage upon the completion of the Share Split and the Global Offering
Palace Investments	–	301,631	239,589	698,735	12,781	–	1,252,736	5.41%	25,054,720	4.49%
Bold Capital II	83,656	75,407	419,282	78,607	–	–	656,952	2.84%	13,139,040	2.36%
Bold Capital Select	–	–	–	131,013	6,390	–	137,403	0.59%	2,748,060	0.49%
QVP VI	–	–	816,591	340,213	–	–	1,156,804	5.00%	23,136,080	4.15%
QMD VI	–	–	21,973	9,155	–	–	31,128	0.13%	622,560	0.11%
QVP VII	–	–	–	346,177	65,854	–	412,031	1.78%	8,240,620	1.48%
SIF VII	–	–	–	3,190	607	–	3,797	0.02%	75,940	0.01%
LAV Biosciences Fund V	–	–	359,384	104,810	–	–	464,194	2.01%	9,283,880	1.67%
LAV Fund VI	–	–	–	209,620	–	–	209,620	0.91%	4,192,400	0.75%
LAV Fund VI Opportunities	–	–	–	209,620	–	–	209,620	0.91%	4,192,400	0.75%
Sinovation Fund IV	–	–	239,589	244,557	–	–	484,146	2.09%	9,682,920	1.74%
SV China	–	–	–	104,810	–	–	104,810	0.45%	2,096,200	0.38%
Tubus	–	–	359,384	–	–	–	359,384	1.55%	7,187,680	1.29%
Michael Antonov Charitable Foundation	–	–	59,897	–	–	–	59,897	0.26%	1,197,940	0.21%
Formic Ventures	–	–	–	69,873	–	–	69,873	0.30%	1,397,460	0.25%
Baidu Ventures	–	–	59,897	350	–	–	60,247	0.26%	1,204,940	0.22%
Longevity Vision I	–	–	299,487	–	–	–	299,487	1.29%	5,989,740	1.07%
ERVC Healthcare IV	–	–	179,692	209,620	–	–	389,312	1.68%	7,786,240	1.40%
ERVC Technology IV	–	–	179,692	209,620	–	–	389,312	1.68%	7,786,240	1.40%
F-Prime Capital Fund VI	–	–	119,794	–	–	–	119,794	0.52%	2,395,880	0.43%
Mesolite[4]	–	316,713	–	1,746,836	255,621	–	2,319,170	10.02%	46,383,400	8.32%
HSG Growth	–	–	–	174,684	–	–	174,684	0.76%	3,493,680	0.63%

Shareholder	Ordinary Shares	Series A Preferred Shares	Series B Preferred Shares	Series C Preferred Shares	Series D Preferred Shares	Series E Preferred Shares	Aggregate number of Shares as of the Latest Practicable Date	Aggregate shareholding percentage as of the Latest Practicable Date	Aggregate number of Shares upon the completion of the Share Split and the Global Offering	Aggregate shareholding percentage upon the completion of the Share Split and the Global Offering
B Capital China III	–	–	–	349,367	–	–	349,367	1.51%	6,987,340	1.25%
Deerfield Partners	–	–	–	174,684	23,301	–	197,985	0.86%	3,959,700	0.71%
Deerfield Private Design Fund V	–	–	–	174,684	23,301	–	197,985	0.86%	3,959,700	0.71%
Mirae Asset Growth 6	–	–	–	34,937	–	–	34,937	0.15%	698,740	0.13%
Mirae Asset New Economy	–	–	–	244,557	–	–	244,557	1.06%	4,891,140	0.88%
Mirae Asset Sage Fund I	–	–	–	52,406	–	–	52,406	0.23%	1,048,120	0.19%
Mirae Innovation Fund I	–	–	–	69,873	–	–	69,873	0.30%	1,397,460	0.25%
President	–	–	–	174,684	–	–	174,684	0.76%	3,493,680	0.63%
LBC Sunshine	–	–	–	174,684	–	–	174,684	0.76%	3,493,680	0.63%
CYX Technology	–	–	–	524,051	–	–	524,051	2.27%	10,481,020	1.88%
MSPR III	–	–	–	314,431	–	–	314,431	1.36%	6,288,620	1.13%
GSUM VI	–	–	–	209,620	–	–	209,620	0.91%	4,192,400	0.75%
OAP IV	–	–	–	524,051	–	–	524,051	2.27%	10,481,020	1.88%
MS Sublime	–	–	–	209,620	–	–	209,620	0.91%	4,192,400	0.75%
WS Investment (21A)	–	–	–	17,469	–	–	17,469	0.08%	349,380	0.06%
Sage Partners	–	–	–	87,342	–	–	87,342	0.38%	1,746,840	0.31%
Eight Roads Japan II	–	–	–	139,747	–	–	139,747	0.60%	2,794,940	0.50%
Anchor	–	–	–	174,684	–	–	174,684	0.76%	3,493,680	0.63%
Dream Team Ventures	–	–	–	174,684	–	–	174,684	0.76%	3,493,680	0.63%
Fosun Industrial	–	–	–	524,051	–	–	524,051	2.27%	10,481,020	1.88%
B Capital (China) I	–	–	–	–	511,242	–	511,242	2.21%	10,224,840	1.83%
SMALLCAP	–	–	–	–	605,423	72,985	678,408	2.93%	13,568,160	2.43%

Shareholder	Ordinary Shares	Series A Preferred Shares	Series B Preferred Shares	Series C Preferred Shares	Series D Preferred Shares	Series E Preferred Shares	Aggregate number of Shares as of the Latest Practicable Date	Aggregate shareholding percentage as of the Latest Practicable Date	Aggregate number of Shares upon the completion of the Share Split and the Global Offering	Aggregate shareholding percentage upon the completion of the Share Split and the Global Offering
Prosperity7	–	–	–	–	639,052	77,031	716,083	3.10%	14,321,660	2.57%
BHR Investment Fund X	–	–	–	–	127,810	–	127,810	0.55%	2,556,200	0.46%
Sino Biopharm	–	–	–	–	127,810	–	127,810	0.55%	2,556,200	0.46%
WS Investment (22A)	–	–	–	–	5,114	–	5,114	0.02%	102,280	0.02%
Value Partners Apollo	–	–	–	–	–	1,184,802	1,184,802	5.12%	23,696,040	4.25%
Pudong ChuangLing	–	–	–	–	–	290,392	290,392	1.26%	5,807,840	1.04%
Puxing Synergetic Fund	–	–	–	–	–	290,392	290,392	1.26%	5,807,840	1.04%
Wuxi Xichuang	–	–	–	–	–	402,590	402,590	1.74%	8,051,800	1.44%
Grand Leader	–	–	–	–	–	19,359	19,359	0.08%	387,180	0.07%
Kawn	–	–	–	–	–	38,719	38,719	0.17%	774,380	0.14%
Employees and consultants[5]	1,056,177	–	–	–	–	–	1,056,177	4.56%	21,123,540	3.79%
Other public Shareholders	–	–	–	–	–	–	–	–	94,690,500	16.99%
Total	3,965,475	731,083	4,207,604	9,433,716	2,421,692	2,376,830	23,136,400	100.00%	557,418,500	100.00%

Notes:

(1) Deep Knowledge entities:

(a) DKV, DKV is a limited company incorporated under the laws of Hong Kong, and is wholly owned by Dmitrii Caminschii, who is an Independent Third Party.

(b) Deep Knowledge AI Technologies Ltd ("**DKAIT**"), DKAIT is a company incorporated under the laws of the British Virgin Islands. The largest shareholder of DKAIT is Dmitrii Caminschii, who is an Independent Third Party.

DKV and DKAIT are part of Deep Knowledge Group, a consortium of commercial and non-profit organizations active on many fronts in the realm of DeepTech and Frontier Technologies (AI, Longevity, FinTech, GovTech, and InvestTech). The Deep Knowledge Group runs a number of diversified investment portfolios, including out of its Swiss entity Deep Knowledge Ventures Swiss based in Geneva, investing in global equities, fixed income and private markets. The preferred fields of investment in private markets include healthcare & biotech, technology, blockchain, spacetech and more generally deeptech.

(2) BRLS is a nonprofit organization established under the laws of the State of Florida, formed exclusively to advance social welfare purposes including conducting, promoting, encouraging and funding research and study in the fields of cryobiology, interventive gerontology and cryonics. BRLS provides research funding in the form of grants and other financial assistance, including program investments, to companies and nonprofit organizations in the biotechnology space, with an emphasis on the study of aging and age-related disease, cryobiology, and cryonics, such as Intervene Immune, Inc. and Ichor Therapeutics. As a nonprofit organization, BRLS has no shareholders or beneficial owners, and is an Independent Third Party.

(3) Pursuant to a Share Transfer Form dated November 24, 2024 between Palingenetic, LLC and William Gelpi, Palingenetic, LLC transferred its 23,089 Ordinary Shares to William Gelpi. Palingenetic, LLC is a limited liability company established under the laws of the State of Nevada, and is wholly owned by William Gelpi, an Independent Third Party.

(4) Pursuant to a Share Transfer Agreement dated April 9, 2025 between WuXi and Mesolite, WuXi transferred 316,713 Series A Preferred Shares to Mesolite, which was completed on April 15, 2025. The consideration was determined based on arm's length negotiations between the parties.

(5) Employees and consultants refer to current and former employees and consultants who (i) were transferred Ordinary Shares from Mr. Alex Zhavoronkov, Ph.D. as incentives for their contributions to our Group; (ii) exercised their options under the Pre-IPO Equity Incentive Plans; and/or (iii) held Ordinary Shares by virtue of the mirrored shareholding as described in "— Reorganization — 4. Allotment and issuance of Shares of our Company to then existing shareholders of Insilico Inc.", of which (i) Mr. Feng Ren, Ph.D., who is a Director of our Company, held 23,770 Ordinary Shares through his wholly-owned company; and (ii) Mr. Aleksandr Aliper, Ph.D., who is the President of our Company, held 85,000 Ordinary Shares.

(6) With effect from April 15, 2025 and as documented by proxies and powers of attorney dated May 5, 2025, each of Mr. Aleksandr Aliper, Ph.D., the President of our Company, and Mr. Ivan Ozerov and Mr. Eugene Lane (the latter two being former employees of our Company), holding 85,000, 63,000 and 55,000 Shares respectively as of the Latest Practicable Date, granted an irrevocable proxy of the voting power attached to their respective Shares in favour of Mr. Alex Zhavoronkov, Ph.D., our Company's founder, chairman of the Board, executive Director, CEO and CBO for an effective period until the date falling two years after the Listing Date (the "**Voting Proxy Arrangement**"). The purpose of the Voting Proxy Arrangement is to affirm the proxy grantors' support and faith in the leadership and ability of Mr. Alex Zhavoronkov, Ph.D., to continue to spearhead the Company's growth and development, and enable him to further enhance his voting power in the Company. Having taken into account both the Shares held by Mr. Alex Zhavoronkov, Ph.D. and the Shares subject to the Voting Proxy Arrangement, Mr. Alex Zhavoronkov, Ph.D. was entitled to control approximately 10.08% of the voting rights of the Company as of the Latest Practicable Date and will be entitled to control approximately 8.37% of the voting rights of the Company upon the completion of the Share Split and the Global Offering.

PRE-IPO EQUITY INCENTIVE PLANS

Our Company adopted the Pre-IPO Equity Incentive Plans, which included (i) 2019 Share Plan adopted on March 15, 2019 as amended and restated on December 31, 2019; (ii) 2019 Equity Incentive Plan adopted on December 31, 2019; (iii) 2021 Equity Incentive Plan adopted on June 30, 2021; and (iv) 2022 Equity Incentive Plan adopted on November 25, 2022 as amended on February 21, 2025. See "Appendix IV — Statutory and General Information — Pre-IPO Equity Incentive Plans" for details.

SHARE SPLIT AND CONVERSION OF PREFERRED SHARES INTO ORDINARY SHARES

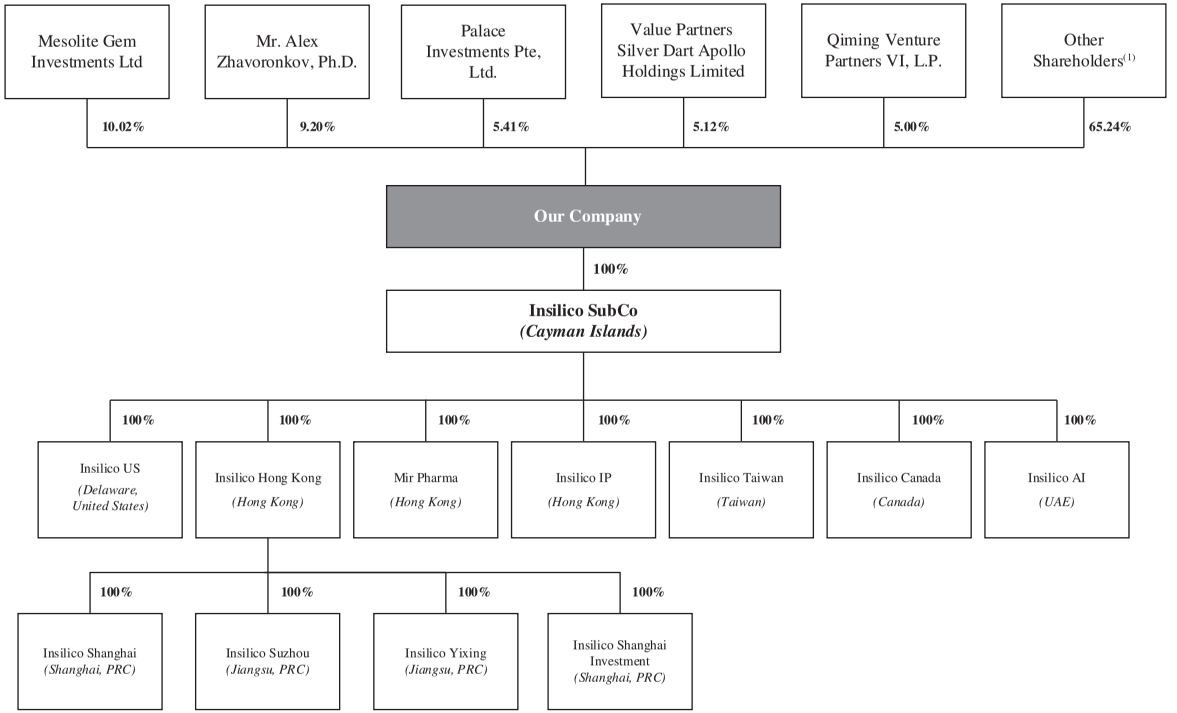
To enlarge our Company's Share number, on December 15, 2025, our Shareholders resolved to, among other things, conduct the Share Split pursuant to which each Share in our then issued and unissued share capital with a par value of US$0.00001 was split into 20 Shares of the corresponding class with a par value of US$0.0000005 each effective upon the conditions of the Global Offering being fulfilled.

Our Shareholders also resolved to, immediately upon completion of the Share Split, conduct the conversion of each Preferred Share such that each Preferred Share shall be re-designated and reclassified into Ordinary Share on a one-to-one basis. For details, please refer to the section headed "Share Capital" in this Prospectus.

OUR CORPORATE STRUCTURE

Corporate Structure Immediately Before the Completion of the Global Offering

The following chart sets forth our Group's corporate structure immediately upon the completion of the Share Split and prior to the completion of the Global Offering, assuming that all of the Preferred Shares have been converted to Ordinary Shares on a one-to-one basis and without taking into account any Shares to be issued under the Pre-IPO Equity Incentive Plans and the Post-IPO Equity Incentive Plans:

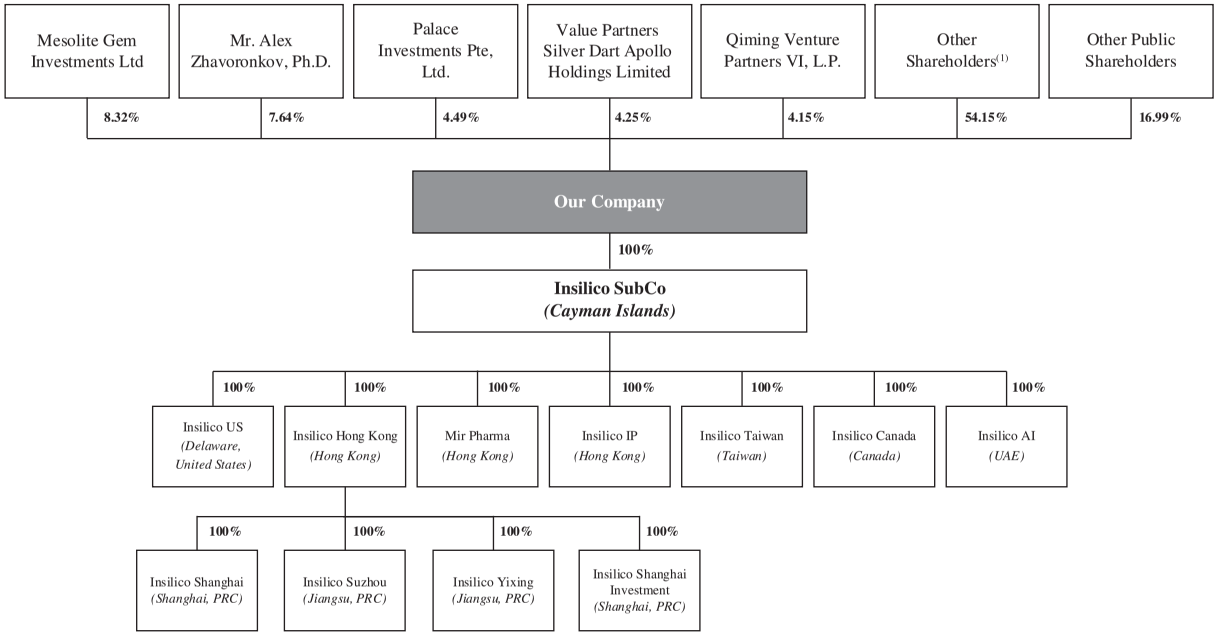


Note:

(1) For information in relation to other Shareholders which are Pre-IPO Investors, please refer to the section headed "— Information about the Pre-IPO Investors."

Corporate Structure Immediately Following the Completion of the Global Offering

The following chart sets forth our Group's corporate structure immediately following the completion of the Share Split and the Global Offering, assuming that all of the Preferred Shares have been converted to Ordinary Shares on a one-to-one basis and the Over-allotment Option is not exercised, and without taking into account any Shares to be issued under the Pre-IPO Equity Incentive Plans and the Post-IPO Equity Incentive Plans:



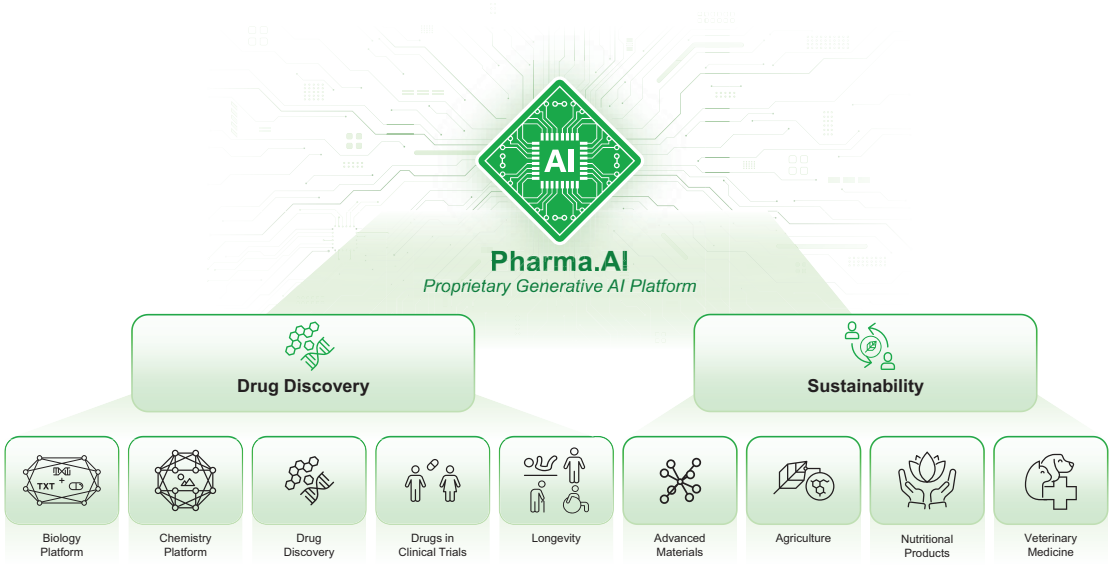
Notes: Please refer to note (1) in the section headed "— Corporate Structure Immediately Before the Completion of the Global Offering."

OVERVIEW

Founded in 2014, we are a reputable and global AI-driven drug discovery and development company. As of the Latest Practicable Date, we have generated more than 20 clinical or IND-enabling stage assets using Pharma.AI, our proprietary generative AI platform, with three of these assets out-licensed to international pharmaceutical and healthcare companies with the maximum total contract value of up to US$2.1 billion, including a total upfront payment of up to US$110.0 million and milestone payment of up to US$1.9 billion and one Phase II asset under self development, which has progressed to a comparatively more advanced stage among peer companies.

We operate under a project-based business model, deriving revenue primarily from out-licensing and collaboration arrangements, with no guarantee or clear visibility on future revenue generation. Under our drug discovery & pipeline development segment, we (i) self-develop drug candidates, (ii) co-develop and partially retain certain IP rights for out-licensed drugs, and (iii) collaborate with other pharmaceutical companies without retaining any IP rights.

Our unique dual-engine business model, combining a generative AI platform with deep in-house drug discovery capabilities, enables continuous reinforcement learning that strengthens Pharma.AI and drives scientific innovation. Leveraging Pharma.AI, on average, our drug candidates progress from target discovery to pre-clinical candidate (PCC)[(1)] confirmation within 12-18 months, significantly shorter than the average of 4.5 years required by traditional methods. We are also extending the reach of Pharma.AI across diverse industries, such as advanced materials, agriculture, nutritional products, and veterinary medicine.



(1) PCC refers to the point at which a molecule has completed target validation, hit identification, lead generation, and lead optimization, and is selected as the optimized drug candidate to advance into IND-enabling studies based on a comprehensive assessment of potency, selectivity, pharmacokinetics, safety margins, and developability. Because PCC is an industry-standard milestone that captures the full discovery and optimization phase directly influenced by our AI-driven design process, the time required to reach PCC is a widely accepted benchmark for measuring discovery efficiency.

Pharma.AI is a AI-powered drug discovery and development platform offering end-to-end services—from new target identification to small molecule generation and clinical outcome prediction. Pharma.AI, consisting of Biology42, Chemistry42, Medicine42 and Science42, is designed to operate across the entire drug discovery and development continuum. Pharma.AI enables the identification of new drug targets, the *de novo* design of molecules against both new and established targets, the optimization of clinical development of drug candidates, and streamlining the process of drafting academic papers and other related documents. Specifically, our generative AI-driven approach has enabled the identification of a potential target that modulates multiple fibrotic pathways, leading to the development of a new small molecule candidate with the potential to become a clinically differentiated therapy.

What sets Pharma.AI apart is its full integration with our biology teams, allowing for real-time feedback loops that enhance the platform's learning and performance. The platform receives data inputs from our pipeline development progress and strategic collaborations, creating a flywheel effect that enhances its machine learning capabilities and drives continuous improvement of our end-to-end capabilities. Additionally, Pharma.AI can integrate with external tools to leverage the latest technological breakthroughs and create customized solutions for different customer needs.

Our technology is supported by a highly specialized team of biologists, chemists, and AI experts, led by a seasoned management team and industry advisors with deep expertise in drug development. We have assembled a highly experienced drug discovery and development team alongside a world-class generative AI platform development team, each led by field experts. Our dual-CEO structure integrates generative AI with drug discovery and development in a collaborative operating model: Dr. Alex Zhavoronkov, our founder, CBO and CEO, oversees the development and deployment of our generative AI and automated laboratory capabilities to prioritize targets, design and optimize molecules, and refine experimental plans, while Dr. Feng Ren, our CEO and CSO, directs the incorporation of these AI outputs into R&D execution — validating hits, advancing candidates through preclinical and clinical stages, and optimizing resource allocation — thereby ensuring pipeline development is continuously supported by AI-derived insights and empirical data to deliver clinically meaningful therapies. Our business development team comprises experienced dealmakers with expertise in both biopharma and AI. With more than 241 scientists in R&D representing approximately 78% of our full-time employees, we aim to maintain strong research capabilities.

Our business model consists of drug discovery and pipeline development, software solutions and other discovery business related to non-pharma sectors. We have made significant investments in building our generative AI-based drug discovery and development platform and have generated a rich pipeline targeting areas of unsatisfied demands in oncology, immunology, fibrosis and other therapeutic areas. As our pipeline candidates mature and grow in potential value, we consider out-licensing them to pharmaceutical companies. We also enter into strategic drug discovery and development collaborations with pharmaceutical companies to explore potential targets and drug candidates that have the potential to become part of our drug development pipeline. We currently collaborate with 13 of the top 20 largest global pharmaceutical companies in terms of reported sales in 2024. These collaborations typically

leverage our technology and development capabilities to accelerate drug discovery efforts, with deal structures including upfront payments, success-based development milestones, regulatory and commercial milestones, and royalties. Our internal pharmaceutical pipeline development is further supported by an extensive network of CROs and CDMOs that facilitate efficient progression of our drug candidates through discovery, preclinical, and clinical stages. Our software licensing activities involve out-licensing one or more components of the entire Pharma.AI platform (Biology42, Chemistry42, Medicine42 and Science42) for target discovery, small molecule and biologics generation, clinical trial prediction and optimization and streamlining the process of drafting academic papers and other related documents. While primarily focused on the pharmaceutical industry, our generative AI platform has broad potential applications, such as advanced materials, agriculture, nutritional products, and veterinary medicine.

OUR STRENGTHS

Proven end-to-end generative AI-driven platform designed to integrate biology, chemistry and clinical development

Our integrated generative AI-driven drug discovery platform, Pharma.AI, has end-to-end capabilities in target discovery, molecule generation and clinical trial optimization for both small molecule and biologics drugs, aiming to address major opportunities to innovate the drug discovery and development process. Our Pharma.AI consists of Biology42, Chemistry42, Medicine42 and Science42:

- **Biology42.** Biology42 platform is composed of multiple applications: PandaOmics, Generative Biologics, Life Star 2, Precious1GPT, Precious2GPT, and Precious3GPT. PandaOmics is a powerful generative AI software designed for therapeutic target and biomarker discovery. It includes more than 20 models, which are produced with a combination of generative AI techniques and human expert validation.

- **Chemistry42.** Chemistry42 platform is composed of multiple applications: Generative Chemistry, Golden Cubes, absorption, distribution, metabolism, excretion, and toxicity (ADMET) Profiling, Alchemistry, Model Training, and Retrosynthesis. Generative Chemistry benefits from a strong foundation in generative AI. The over 40 AI models used to optimize the properties of generated molecular structures were built through an extensive deep learning process. More than 300 AI models were developed, and through testing and validation, the number was narrowed down to just over 40 validated AI models for use by Generative Chemistry.

- **Medicine42.** Medicine42 platform is composed of the inClinico application. inClinico is a multi-engine, generative AI clinical trial analysis application designed to predict the outcome of Phase II to Phase III conversion. inClinico's predictive accuracy has been verified through quasi-prospective and prospective validation studies.

- **Science42.** Science42 platform is a newly introduced platform featuring DORA (Draft Outline Research Assistant), an advanced AI-driven tool designed to streamline the process of drafting academic papers and other related documents. DORA enhances research capabilities by leveraging AI agents to assist in literature reviews, hypothesis generation, and data interpretation, ultimately accelerating the pace of scientific discovery. DORA can process and synthesize vast volumes of scientific literature, generating contextual summaries and highlighting new insights.

We are committed to continuous innovation and consistent validation of our generative AI platform. As a result of our work in the space, we had over 200 peer-reviewed publications and over 60 AI-related patents issued or filed as of the Latest Practicable Date. Our Pharma.AI platform has continued to evolve since our founding in 2014, driven by advances in the field of deep learning and generative learning, and our industry insights, as detailed in numerous publications. In a featured review entitled *Big Techs and Startups in Pharmaceutical R&D — A 2020 Perspective on Artificial Intelligence* that ranked both large technology and startup companies in AI-driven pharmaceutical research and development, we ranked the highest amongst the 398 AI startup companies analyzed in the study in terms of the total number of scientific publications covering the use of AI in pharmaceutical research and development, and we were among the top three in terms of the number of AI-related patent applications.

We have also received external validation of our platform with collaborations with industry partners around the globe, including 13 of the top 20 largest global pharmaceutical companies in terms of 2024 reported sales. We also work with top institutions, universities, and industry leaders on our AI projects. We work with the The Hong Kong University of Science and Technology, Fosun, Novo Nordisk A/S, Teva Branded Pharmaceutical Products R&D, Inc., Janssen Research & Development, LLC. and others on our PandaOmics application. We also work with the Eli Lilly and Company, Fosun, Deerfield Discovery and Development, LLC, Blueprint Medicines Corporation and others on our Generative Chemistry application.

Generative AI platform validated by rapidly bringing multiple drug candidates to IND enabling and clinical stage

Leveraging our generative AI platform, we have developed a robust pipeline that covering fibrosis, oncology, immunology, metabolic, anti-pain and other therapeutic areas. We chose these disease areas because they have highly unsatisfied medical demands and a high amount of available patient omics data, allowing us to fully utilize Pharma.AI to identify potentially new targets and rapidly progress new drug candidates to IND enabling stage.

ISM001-055 (Rentosertib) — a small-molecule drug candidate primarily designed to treat fibrosis-related diseases such as idiopathic pulmonary fibrosis

ISM001-055 (Rentosertib) is an effective inhibitor of TNIK, a newly identified, fibrosis-relating target with broad potential across multiple fibrotic indications. We used PandaOmics to identify TNIK and Generative Chemistry to guide the design and testing of small molecule drug candidates directed against TNIK. The target was selected due to its role

as a hub regulator of several profibrotic signaling pathways including the Wnt, NF-kB and TGF-ß signaling pathways. The inhibition of TNIK has the potential to address the underlying disease associated with fibrosis. ISM001-055 has shown an effective inhibitory effect against TNIK and has demonstrated anti-fibrotic properties in *in vivo* studies utilizing the well-established bleomycin-induced pulmonary fibrosis mouse model.

We initiated a multi-center, randomized, double-blind, placebo-controlled Phase IIa clinical trial for ISM001-055 in China in June 2023 to evaluate the safety, tolerability, pharmacokinetics and efficacy of ISM001-055 administered as an oral dose for 12 weeks in patients with IPF. In August 2024, we completed the Phase IIa clinical trial in China, and the top-line data were released in October 2024. After successfully completing the Phase IIa study in China, we intend to initiate Phase IIb/III study in China for ISM001-055 for the IPF indication in the first half of 2026. Furthermore, ISM001-055 received the orphan drug designation from the FDA in February 2023. We received the IND approval from the FDA for the Phase IIa trial in the U.S. in June 2023. The first patient for the Phase IIa trial in the U.S. was randomized and dosed in February 2024. In addition, we expect to file an IND application for the treatment of kidney fibrosis in the first half of 2026 and another IND application for inhalable ISM001-055 for the treatment of IPF in the first half of 2026. In May 2025, ISM001-055 received the breakthrough therapy designation from the CDE for the treatment of IPF. In support of our application, we submitted safety and efficacy data from the Phase IIa trial, which we believe demonstrated the potential of ISM001-055 to provide meaningful therapeutic benefit over existing treatments, in line with the criteria for breakthrough therapy designation.

The performance of our R&D organization is demonstrated by the rapid advancement of ISM001-055 into the clinical stage. It took less than 18 months to advance ISM001-055 to the preclinical candidate stage and only an additional nine months to Phase I clinical trial with substantially higher than the industry average of nominating one preclinical candidate per approximately 4.5 years.

ISM3091 — an orally administered small molecule inhibitor of USP1 as a potential treatment of HRD-related cancers

ISM3091 is a small molecule inhibitor targeting ubiquitin-specific protease 1 ("**USP1**") for the potential treatment of homologous recombination deficiency ("**HRD**")-related cancer, particularly those linked with BRCA mutations, such as breast cancer, ovarian cancer and prostate cancer. ISM3091 can be used as a monotherapy or in combination with platinum-based drugs or PARP inhibitors to reverse cancer cell resistance to these treatments.

Our ISM3091 has demonstrated its ability to induce cell apoptosis in the MDA-MB-436 human breast carcinoma cell line in a more potent manner than olaparib, one of the only two FDA-approved PARP inhibitors for the treatment of cancers in people with BRCA1 or BRCA2 mutations.

We received IND approval from the FDA in April 2023, and we initiated a Phase Ia clinical trial in the U.S. in August 2023. We entered into an out-licensing agreement with Exelixis in September 2023 that granted Exelixis the right to the research, development, manufacturing and commercialization of ISM3091 worldwide. We completed the transfer of sponsorship of Phase Ia clinical trial of ISM3091 to Exelixis in December 2023. Exelixis is conducting the Phase Ia clinical trial and will be responsible for conducting the Phase Ib clinical trial in the U.S. and all subsequent development, manufacturing and commercialization activities.

ISM5411 — small molecule inhibitor of PHD1/2 as potential treatments of IBD

ISM5411 is a wholly-owned, oral small molecule inhibitor of prolyl hydroxylase 1 and 2 (PHD1 and PHD2). The identification of the compound was achieved within 12 months and the compound received an official preclinical candidate nomination in November 2021 as a potential treatment for patients with IBD.

ISM5411 could stabilize HIFα and promote intestinal barrier protection. The mechanism of action of ISM5411 enables potential combination therapies with available anti-inflammatory drugs.

We initiated a Phase I clinical trial in Australia in October 2023 and completed the CSR finalization in December 2024. We initiated another Phase I clinical trial in China in May 2024 and completed the CSR finalization in January 2025. We initiated a Phase IIa clinical trial in China for ulcerative colitis in November 2025, and dosed the first patient in December 2025. We expect to complete this trial in 2027.

ISM8969 — CNS-penetrant NLRP3 inhibitor for inflammatory diseases

ISM8969 is a CNS-penetrant inhibitor of the NOD-like receptor protein 3 (NLRP3) inflammasome, a key driver of inflammation in a broad range of diseases. NLRP3 is reported to be highly expressed and activated in patients with various inflammatory conditions, and clinical proof-of-concept achieved by assets targeting IL-1β, an NLRP3-dependent cytokine, further confirms the critical and causative role of NLRP3. Moreover, gain-of-function mutations in NLRP3 are associated with the rare inflammatory disorder CAPS, providing strong genetic validation for targeting NLRP3 inhibition. ISM8969, a BCS Class I compound, has demonstrated excellent potency and selectivity in cellular assays and exhibits favorable pharmacokinetic profiles — including low clearance, robust exposure, and high oral bioavailability — across multiple preclinical species. Preclinical studies have shown efficacy in both acute and chronic disease models, alongside a clean in vitro safety profile and exceptional safety margins observed in dose-range finding studies in rats and dogs. Given its brain-penetrant properties, ISM8969 may have therapeutic utility in cardiometabolic diseases, where chronic NLRP3-mediated inflammation in both the periphery and CNS contributes to the regulation of appetite and food intake. We filed an IND application in the U.S. in November 2025. We expect to initiate a Phase I clinical trial in the first half of 2026.

iCVMs: cardio-vascular and metabolic assets

We are developing an oral, long half-life nonpeptide agonist targeting the glucagon-like peptide-1 receptor (GLP-1R). Designed for once-weekly administration, this candidate aims to offer superior efficacy over current once-daily regimens by improving glycemic control and promoting significant weight loss. It can be taken without food or water restrictions, potentially increasing adherence and reducing treatment burden. Our GLP-1R product demonstrates improved solubility, favorable in vitro clearance, and a low risk of CYP inhibition. It also exhibits excellent pharmacokinetic properties, including good oral bioavailability and a long half-life across four preclinical species, supporting the potential for once-weekly clinical dosing. In lean hGLP-1R mice, it has shown comparable effects to leading approved drugs in suppressing food intake, promoting blood glucose disposal, and stimulating insulin secretion. Additional metabolic benefits are currently being evaluated in Obesity/lean cynomolgus monkeys. We expect to nominate the preclinical candidate (PCC) in December 2025. With its favorable profile, this oral GLP-1R agonist has the potential to become a cornerstone therapy for obesity and type 2 diabetes, while also improving related cardiovascular outcomes, sleep apnea, chronic kidney disease (CKD), and metabolic dysfunction-associated steatotic liver disease.

We are advancing a selective, oral antagonist of the glucocorticoid receptor (NR3C1) for the treatment of hypercortisolism-associated diseases. Modulating the activity of excessive cortisol at the glucocorticoid receptor may provide a new therapeutic approach for treating serious conditions, including Cushing syndrome, metabolic disorders, and certain oncology indications. Preclinical studies have demonstrated favorable pharmacodynamic activity, efficacy in relevant animal models, and a favorable safety profile. We are currently progressing through toxicity studies and expect to nominate a PCC in the second half of 2025.

We are also developing multiple early-stage pipelines of new oral small molecule therapeutics to address obesity, type 2 diabetes, hypercholesterolemia, hypercortisolism-associated disease, and their complications including atherosclerosis, heart failure, sleep apnea, chronic kidney disease ("CKD"), osteoarthritis, metabolic dysfunction-associated steatotic liver disease ("MASH"), diabetic retinopathy, Parkinson's disease, and Alzheimer's disease.

iNAPs — Non-Opioid Anti-Pain Assets

The aging populations and chronic pain prevalence drive the expansion of global analgesic market. However, misuse of opioid substances such as morphine causes public health crisis despite of tightened regulations. The market urgently needs safer, targeted therapies balancing efficacy with addiction risks. We are advancing a class of selective, new small molecule kinase inhibitors for potential non-opioid pain management, with favorable analgesic effect demonstrated in various preclinical pain models. Superior efficacy to morphine is observed in one of the models. We are currently evaluating the safety profile of the candidate compounds and plan to nominate a PCC in the first quarter of 2026.

Business development expertise has led to multiple out-licensing collaborations

We have established a proven track record in business development, leveraging deep expertise of network in biotechnology and artificial intelligence. During the Track Record Period, we successfully out-licensed three product candidates to global pharmaceutical and healthcare companies, underscoring the scientific strength of our pipeline and the commercial value of our generative AI platform. These achievements reflect our ability to translate cutting-edge innovation into strategic partnerships that drive long-term value creation.

Our dedicated business development team comprises seasoned professionals from leading pharmaceutical and biotech companies, who play a pivotal role in advancing and commercializing our AI-based assets. They focus on asset out-licensing and strategic partnerships in drug discovery which are major value drivers of the company.

During the Track Record Period, we entered into three out-licensing agreements, including ISM3091, ISM5043, and an undisclosed drug candidate. The total contract value of these arrangements exceeded US$2.0 billion, highlighting the confidence of our partners in our platform and pipeline. These partnerships validate the quality of our drug candidates and demonstrate our ability to form high-value collaborations with top-tier pharmaceutical and healthcare companies globally.

- ISM3091: In September 2023, we entered into an exclusive license agreement with Exelixis, Inc., granting them worldwide rights to research, develop, manufacture, and commercialize ISM3091 and other USP1-targeting compounds discovered by our platform.

- ISM5043: In December 2023, we granted Stemline Therapeutics, Inc. ("**Stemline**"), a wholly-owned subsidiary of the Menarini Group, an exclusive global license to develop and commercialize ISM5043, a small-molecule KAT6 inhibitor, and related products.

- Undisclosed drug candidate: In December 2024, we granted Stemline an exclusive global license to develop and commercialize an AI-based pre-clinical asset targeting a broad range of solid tumor cancers. Under the terms of the agreement, Stemline will provide a US$20 million upfront payment to us. The combined value of the deal, including all development, regulatory, and commercial milestones, is over US$550 million, followed by tiered royalties.

A global organization focused on technological innovation and R&D execution

We have a global team of experienced scientists, AI engineers and business leaders dedicated to developing a pipeline of new potential therapies by leveraging our generative AI platform. These drug candidates will be advanced through a combination of our internal efforts and partnerships. Our team is distributed globally, allowing us to establish a local presence in key geographies to support the recruitment of top scientific talent, build relationships with new

and potential biopharma partners, investors and other stakeholders and support our global business development efforts. Our global presence spans multiple strategic offices in Abu Dhabi, Boston and Shanghai, enabling us to serve clients worldwide and allowing us to coordinate our efforts to take advantage of talent and opportunities.

We have a dual CEO structure that allows us to leverage the respective strengths of each leader and serves as the basis of a management partnership that provides additional focus on technological innovation and operational execution. Our founder and CEO, Mr. Alex Zhavoronkov, Ph.D., is an expert in the field of generative AI. He oversees the innovation of our generative AI platform and the implementation of other business and strategic initiatives at the firm, such as the launch of an automated laboratory and our expansion into new strategic markets. Our CEO and CSO, Mr. Feng Ren, Ph.D. is a pharmaceutical industry veteran. He guides our R&D strategy and operational oversight and execution of our growing R&D organization. Mr. Alex Zhavoronkov, Ph.D. and Mr. Feng Ren, Ph.D. also respectively oversee our sizable generative AI and drug development R&D teams. Our in-house R&D capabilities are complemented by an external network of over 40 CROs and CDMOs that support our discovery, preclinical and clinical activities.

Our in-house drug discovery R&D is supported by an advanced target discovery and validation lab, initially established at our Suzhou location and relocated to Shanghai in 2025, that complements our end-to-end generative AI platform. Dubbed the "Life Star," the automated lab serves to couple our Pharma.AI backbone, with its full suite of generative capabilities, with comprehensive lab capabilities to automate certain drug R&D workstreams, reduce experimental bias and aid with decision-making. The automated laboratory will have the potential to enhance our internal drug discovery efforts, particularly in the areas of target validation, analysis of target biology and biomarkers, indication selection, combination strategy analysis and boost our translational medicine capabilities. We will work to optimize the design of the Life Star 2 to expand its range of capabilities, miniaturize its physical footprint and optimize its construction and operating costs.

We have also benefited from long-term support from global financial and strategic investors across technology, healthcare and AI sectors, including Warburg Pincus, Qiming Venture Partners, WuXi AppTec, B Capital Group, Prosperity7, OrbiMed, Deerfield, Pavilion Capital, PIDC, CPE fund, Mirae Asset Capital, Lilly Asia Ventures, Eight Roads, Lake Bleu Capital, Baidu Ventures and Sinovation Ventures. We have raised over US$500 million as of the Latest Practicable Date and will continue to fund our future growth using both internal and external resources.

Business model built on scalable AI technology and drug discovery for long-term growth with generative AI innovations for next-generation platforms in non-pharma space

Our business model is built on two scalable pillars: (i) the development of a proprietary, AI-driven therapeutic pipeline, as well as other applications in non-pharma sectors, and (ii) the commercialization of our Pharma.AI platform through software licensing. This dual-engine approach leverages the disruptive power of generative AI to drive long-term growth across multiple revenue streams.

We have made substantial investments in building Pharma.AI, an end-to-end platform that integrates Biology42, Chemistry42, Medicine42 and Science42 to address complex challenges in drug discovery and development. This platform enables us to rapidly generate a robust pipeline across high-value therapeutic areas such as oncology, immunology, and fibrosis. As these assets mature, we unlock monetization opportunities through strategic out-licensing, retaining intellectual property rights while generating potential milestone and recurring royalty payments. We currently collaborate with 13 of the top 20 largest global pharmaceutical companies in terms of reported sales in 2024. We are also advancing strategic collaborations to expand the application of our Pharma.AI platform across diverse industries, such as advanced materials, agriculture, nutritional products, and veterinary medicine.

In parallel, our software licensing business generates recurring revenue through subscription-based access to Pharma.AI. These agreements allow customers to deploy our platform for target discovery, small molecule and biologics generation, and clinical trial optimization. The flexibility and scalability of our platform allows for broader applications beyond pharmaceuticals, such as agriculture, materials science, and environmental sustainability. This diversified and tech-enabled business model enables us to generate sustainable, long-term value creation.

OUR STRATEGIES

Invest in the continuous innovation of our Pharma.AI platform

As the foundation of any AI platform rests on the quality and quantity of the data used to train the algorithms, a vital part of our effort to improve our generative AI platform involves the expansion of our extensive proprietary datasets. We plan to accomplish this by continuing to draw on data from the public domain, including omics, chemical structure and text search data and carefully selecting only the best data for the training of our algorithms. We intend to license suitable commercially available database and obtain data from our various strategic collaborations with pharmaceutical companies and research institutions to supplement our repertoire of high-quality, curated datasets.

To enhance the predictive power of the AI models in our generative AI platform, we plan to continue to validate our AI models through lab experiments, including by utilizing our next generation automated lab as a means to generate valuable real-world experimental data to further train and validate our AI models. Our Pharma.AI platform generates predicted omics

data/responses, then designs lab experiments to be carried out in our automated lab. The result of these experiments will help us validate whether the initial predictions by our platform are correct and thus help us train the AI models. The entire process will be fully automatic, allowing for rapid iteration and improvement.

We believe our differentiated focus on achieving an end-to-end solution provides significant synergies across the entire drug discovery and development process. We plan to further integrate new synergistic technologies that could bolster our end-to-end drug development process, including automated laboratories and drug delivery methods.

We expect our business development activities to focus on increasing licensing partnerships of our pipeline assets, expanding utilization of our platform capabilities and highlighting our competitive advantages as a company. This, in turn, could lead to successful monetization opportunities for both our pipeline drug candidates and AI platforms.

Advance our pipeline in a focused and disciplined manner

Leveraging our Pharma.AI platform and automated laboratory, we plan to advance our pipeline in a focused and disciplined manner. We plan to utilize our network of over 40 CROs and CDMOs for our nominated preclinical candidates and advance those programs into the clinical stage. Our AI-based Rentosertib is a key regulator of several profibrotic signaling pathways. These pathways are implicated in the underlying disease pathology of multiple fibrotic diseases and our small molecule drug candidate could have therapeutic value in multiple fibrotic settings, supported by early favorable data in IPF, and kidney fibrosis. We are also advancing other preclinical programs, including a WRN inhibitor targeting solid tumors.

We remain focused on the development of ISM001-055, a drug candidate with an effective inhibitory effect on TNIK. We have completed a Phase I clinical trial in New Zealand, which showed the drug to be safe in healthy volunteers. We have also received umbrella approval from the NMPA to conduct Phase I, II and III clinical trials in China. Based on this approval, we initiated a Phase I clinical trial in healthy volunteers in China in July 2022 as evidenced by the first healthy volunteer dosing in and completed it in January 2023.

We have completed a prospective, randomized, multi-center, double-blind, parallel group, placebo-controlled Phase IIa clinical trial for ISM001-055. This trial was being conducted in China and was evaluated for the safety, tolerability, pharmacokinetics and efficacy of ISM001-055 administered as oral doses for 12 weeks in patients with IPF. We initiated the China Phase IIa clinical trial under the NMPA umbrella approval in June 2023. We received the IND approval for the Phase IIa trial in the U.S. in June 2023. After successfully completing a Phase IIa study in China, we intend to initiate Phase IIb/III study in China for ISM001-055 for the IPF indication. We are currently also exploring inhalation as an alternative administration route for ISM001-055 for the treatment of IPF. Inhalation administration can deliver ISM001-055 directly into the respiratory tract and offer a more lung-specific treatment with fast and effective local therapeutic effects, lower systemic exposure and reduced possible side

effects. We expect to file an IND application in China for ISM001-055 inhalation in the first half of 2026. For more details on our clinical development plan for ISM001-055, see "— ISM001-055: A Small Molecule Inhibitor of TNIK for the Potential Treatment of IPF — Clinical Development Plan."

We are also evaluating ISM001-055 for the treatment of kidney fibrosis. Both *in vitro* and *in vivo* studies have shown that ISM001-055 has inhibitory effects on kidney fibrosis. In an *in vitro* study, ISM001-055 inhibited -SMA expression in HK-2 cells at an IC_{50} of 0.104 μM. In an *in vivo* study using mice with induced kidney fibrosis, ISM001-055 reduced Sirius-red staining and collagen type 1 staining intensity in kidney tissues, as well as decreased kidney hydroxyproline content. ISM001-055 showed anti-tumor efficacy in both monotherapy and in combination with anti-PD-L1 or anti-PD1 in CT26 and MC38 syngeneic mouse tumor models. Possible mechanisms may include inhibition of TGF-β/smad2/3, EMT pathways, inhibition of M2-macrophage, and/or modulation of immune response by increasing CD8 T cell infiltration and activation.

We expect to advance our internal discovery-stage programs and nominate four to five additional preclinical candidates in the next 12 months. We also expect to advance two programs into the clinical trial stage in the next 12 months. In line with our collaboration business model, we will also advance our partnered pipelines according to current or future R&D collaboration agreements.

Continue to develop and execute strategic collaborations to maximize the application and commercial opportunity of our Pharma.AI platform

We intend to deepen existing relationships and actively pursue new collaborations across additional verticals where AI-driven data analytics can deliver significant value. By broadening the reach of Pharma.AI, we aim to unlock new use cases, drive innovation across sectors, and establish our platform as a reputable engine for scientific advancement beyond traditional pharma applications. We plan to continue expanding our strategic collaborations beyond the pharmaceutical sector to fully leverage the application potential and commercial opportunities of our Pharma.AI platform. Our current non-pharma partnerships cover a diverse range of industries, such as advanced materials, agriculture, nutritional products, and veterinary medicine.

We plan to execute our business plan by seeking future opportunities for research and development collaboration and software licensing. We may also explore the option of out-licensing our more advanced drug candidates. As we generate additional preclinical and clinical data as our pipeline progresses, we aim to advance our business development discussions with potential customers and negotiate more favorable commercial terms.

We will continue to expand our existing R&D collaborations and establish new ones with international and domestic pharmaceutical companies to accelerate the development of our pipeline, further validate our platform and business strategy, strengthen our financial position and deliver value to stakeholders. Over time, we expect to deepen our existing business relationships to expand R&D collaborations and target higher economic value opportunities.

We are building out a global team to support the expansion of our existing collaborations and the identification of new strategic collaboration opportunities. We also opportunistically evaluate monetization opportunities for our wholly-owned pipeline programs on a case-by-case basis to optimize the value of each program and maximize the impact of AI-enabled drug discovery and development.

Continue to attract, nurture and retain skilled talent

We focus on selecting, developing and retaining top talent. With scientific innovation at the core of our business, we will continue to attract, develop and retain talent to support our ongoing efforts in research and development, business development, support our expanding R&D organization and to further foster an innovation-driven culture.

To support our continued growth, we will expand our talent pool by attracting world-class experts, particularly those with extensive experience in AI and machine learning as well as clinical development, to accelerate our research and development efforts. As more of our drug candidates advance into the clinic, we intend to further strengthen our team by attracting and cultivating talent with deep expertise in clinical development and regulatory affairs.

PATH TO PROFITABILITY

Despite our rapid growth, we were loss-making during the Track Record Period. Our net loss was US$221.8 million, US$211.6 million, US$17.1 million and US$19.2 million for 2022, 2023, 2024 and the six months ended June 30, 2025, respectively. We recorded adjusted loss (non-IFRS measure) of US$70.8 million for 2022, US$67.4 million for 2023, US$22.7 million for 2024 and US$15.4 million for the six months ended June 30, 2025, respectively. Our revenue increased from US$30.1 million for 2022 to US$51.2 million for 2023, and further increased to US$85.8 million for 2024. Our adjusted net loss (non-IFRS measure) as a percentage of revenue significantly narrowed during the Track Record Period. We had cash and cash equivalents of US$212 million as of June 30, 2025. Assuming an average monthly cash burn consistent with the first half of 2025, our cash and cash equivalents as of June 30, 2025 are estimated to support our financial viability for approximately 33 months, until March 2028. Taking into account the estimated net proceeds based on the offer price, the runway is estimated to extend to approximately 75 months, until September 2031.

During the Track Record Period, we recorded historical losses primarily due to the following factors: (i) significant investments in R&D, as we consistently prioritized drug development and AI platform innovation. Our R&D expenses accounted for 259.3%, 190.2%, 107.1% and 129.6% of total revenue during the Track Record Period, reflecting our business

model of bearing the majority of pre-clinical costs before licensing pipeline assets. While these early-stage investments impact short-term profitability, they are critical for securing high-value licensing partnerships and driving long-term revenue growth; (ii) the timing of revenue recognition for pipeline licensing deals is largely impacted by deal closure and milestone achievements, which also affected profitability. As new deals are secured and milestones of existing deals have been met, we have observed growth in revenue and gross profit margins, accompanied by a decline in the expense-to-revenue ratio, demonstrating improved operational leverage over time; and (iii) non-cash fair value changes in financial liabilities, particularly the revaluation of convertible redeemable preferred shares classified at fair value through profit or loss, which further contributed to the reported losses. According to Frost & Sullivan, it is an industry norm for AI-driven pharmaceutical companies like ours to incur significant R&D costs upfront, well before commercialization and/or out-licensing opportunities are realized.

Going forward, we will seek to continue to improve profitability by implementing the following strategies:

Capturing the market opportunities of rapidly-growing industry

The global generative AI market is experiencing rapid growth, driven by the increasing adoption of generative AI across industries, rising investment from both private and public sectors, and ongoing advances in computational power and algorithms.

Specifically, AI-based drug discovery and development (AIDD) is becoming an increasingly important trend in the pharmaceutical industry. AI technologies are being applied at both early and late stages of drug development, helping to identify targets, design molecules more efficiently, and optimize clinical trials. The size of the global AIDD market is expected to increase from US$11.9 billion in 2023 to US$74.6 billion in 2032, representing a CAGR of 22.6%. As a reputable and global AI-driven drug discovery and development company, we believe we are well-positioned to capture the market opportunities.

Revenue growth from our transformative and dynamic business model

We have developed an transformative and dynamic business model that integrates multiple core components, including drug discovery and pipeline development, software solutions and other discovery related to non-pharma sectors. This multifaceted approach allows us to leverage our expertise across various domains, fostering innovation and growth. We have been actively advancing multiple potential out-licensing opportunities and drug discovery collaborations. These initiatives are strategically designed to unlock significant revenue streams, reinforcing our position in the industry and driving sustainable growth. During the Track Record Period, our revenue increased from US$30.1 million for 2022 to US$51.2 million for 2023, and further increased to US$85.8 million for 2024.

To accelerate the commercialization of our solutions, we have implemented a comprehensive strategy that focuses on identifying and capitalizing on high-value partnerships, rigorously evaluating new business opportunities, and deploying a targeted marketing model to enhance our market penetration. By continuously assessing the evolving needs of our clients and tailoring our offerings to meet these demands, we ensure our solutions remain competitive and relevant. This holistic approach not only maximizes the impact of our solutions but also enables us to effectively promote our solutions, foster long-term relationships, and achieve sustained success in an increasingly dynamic market landscape.

Pipeline drug development

During the Track Record Period, we generated revenue through the successful out-licensing of ISM3091, ISM5043, and an undisclosed drug candidate, which aligns with our broader business strategy. These agreements provided us with license fees in various forms, including upfront payments, milestone payments, royalties and contingent payments, among others. This revenue model reflects the strength of our intellectual property and our ability to create value through strategic partnerships and collaborations, enabling us to monetize our innovative drug candidates effectively.

- Looking ahead, we expect to receive additional milestone payments as we continue the R&D development of our existing out-licensing pipelines. These payments will further strengthen our revenue base and demonstrate the ongoing commercial potential of our pipeline assets. By advancing the development of these candidates in collaboration with our partners, we are poised to achieve significant progress in both innovation and financial performance.

- In addition to our existing out-licensing efforts, we are actively seeking the value realization of some of other existing drug candidates, as well as potential future candidates, through additional out-licensing deals. We actively pursued out-licensing arrangements for certain pipeline candidates, including those targeting TEAD and NLRP3, and negotiations are still ongoing. These opportunities will enable us to continue to expand the reach of our innovative solutions while leveraging the expertise and resources of our partners to accelerate market entry.

- Moreover, we anticipate generating revenue from the direct commercialization of our in-house developed pipeline drug candidates upon receipt of marketing authorization. This represents a key milestone in our business strategy, as it allows us to independently bring our innovations to market. For our commercialization plan of ISM001-055, see "— Business Development and Commercialization." By combining out-licensing agreements with in-house commercialization efforts, we aim to establish a balanced and sustainable revenue model that supports long-term growth and success.

Drug discovery

We generate revenues from our drug discovery business. Under drug discovery and collaboration arrangements, we utilize our Pharma.AI to discover new targets associated with diseases, and/or identify and further research and develop drug candidates for which we collaborate with third parties and thus do not have exclusive ownership of relevant intellectual property rights. We receive service fees in the form of upfront payments, milestone payments, royalties and contingent payments, among others, in connection with our drug discovery business.

- *Collaboration with Fosun*: In November 2021, we entered into a Drug Discovery and Development Collaboration Agreement with Fosun. We are entitled to receive upfront payment and milestone payments. As of December 31, 2024, we received (1) a total payment of US$8.0 million, which consist of an upfront payment of US$6.0 million and PCC Election Option Milestone payments for the completion of lead identification in two of the Discovery Programs, lead optimization and PCC election option fee in one Discovery Program totaling US$2.0 million; and (2) a total payment of US$14.4 million, which consist of an upfront payment of US$7.0 million, the PCC election option fee of US$3.0 million and R&D cost sharing charges of US$4.4 million for the QPCTL Project. We are expecting to receive further milestone payments.

- *Collaboration with Sanofi*: In October 2022, we entered into a Collaboration and License Agreement with Sanofi. We are entitled to receive upfront payment, milestone payments and royalty payments according to this agreement. As of the Latest Practicable Date, we received US$12.5 million upfront payment and are expecting to receive further milestone payments and royalty payments.

Our drug discovery programs progressed steadily, with us consistently working toward our annual goal of nominating 4-5 new preclinical candidates and advancing 1-2 programs into clinical development. In 2022, 2023, 2024 and the six months ended June 30, 2025, we collaborated with 40, 48, 55 and 61 customers for drug discovery, respectively. We plan to expand our customer base by increasing our market presence, leveraging our Pharma.AI platform with technological advantages and providing customized services.

Software solution

During the Track Record Period, we generated revenue by granting our customers access to four components of our Pharma.AI, namely Biology42, Chemistry42, Medicine42 and Science42. We entered into subscription agreements with our customers and collected subscription fees.

- *Expansion plan:* As part of our strategic growth plan, we are committed to expanding the sales of our software solution and significantly broadening our customer base. By capitalizing on the latest technological breakthroughs, we aim to

continuously enhance the capabilities of our solutions, ensuring they remain cutting-edge and highly relevant to the evolving needs of our clients. In addition, we are dedicated to developing tailored solutions that address the specific challenges faced by different industries, making our offerings indispensable to businesses seeking innovative and efficient tools. This focus on innovation and customization not only strengthens our market position but also reinforces our reputation as a trusted provider of advanced software solutions.

- *Broad customer base:* Our Pharma.AI platform serves as a key driver in attracting a broad and diverse customer base across multiple industries. The platform's versatility and powerful capabilities enable us to address complex, data-intensive challenges, making it a preferred choice for businesses in sectors ranging from pharmaceuticals to even non-pharmaceutical applications such as agriculture, energy, and nutrition. By leveraging the adaptability of Pharma.AI, we are well-positioned to expand our reach into new markets and industries, unlocking additional revenue streams and maximizing the commercial potential of our software solutions. This ability to deliver robust and scalable solutions across a wide array of use cases sets us apart from competitors and ensures we remain at the forefront of technological innovation.

- *High retention rate:* Our subscription-based model plays a critical role in fostering strong customer loyalty and ensuring high retention rates. By integrating customer use habits and elevating switching costs, our model creates a seamless and consistent experience that encourages long-term customer engagement. This approach not only strengthens our relationships with existing customers but also establishes a stable revenue base, providing a solid foundation for sustainable growth. As we continue to innovate and refine our offerings, we believe our software solution will not only attract a growing customer base but also maintain solid retention rates, driving long-term success in an increasingly competitive market.

R&D collaboration in non-pharma sectors

We plan to continue expanding our strategic collaborations beyond the pharmaceutical sector to fully unlock the application potential and commercial opportunities of our Pharma.AI platform. By leveraging the versatility of our platform, we aim to address complex challenges and deliver innovative solutions across a broad spectrum of industries. This strategic shift not only diversifies our revenue streams but also enhances the adaptability and scalability of our technologies, allowing us to capitalize on emerging opportunities in both pharmaceutical and non-pharmaceutical markets.

Our current non-pharma partnerships extended to a diverse range of industries, such as advanced materials, agriculture, nutritional products, and veterinary medicine, showcasing the wide-reaching applicability of our platform. These collaborations have already demonstrated the value of our technologies in solving industry-specific problems and driving innovation. We have expanded our non-pharma collaborations across diverse sectors including nutraceuticals,

sustainable fuels, materials science, and agriculture. For details, see "— Other Discovery." In 2022, 2023, 2024 and the six months ended June 30, 2025, we collaborated with 2, 3, 4 and 5 customers for other discovery, respectively. Moving forward, we plan to further expand into additional verticals, exploring untapped markets where our expertise and technology can create transformative impact. By broadening our reach and fostering cross-industry partnerships, we aim to establish Pharma.AI as a leading solution across multiple industries, driving long-term growth and value creation.

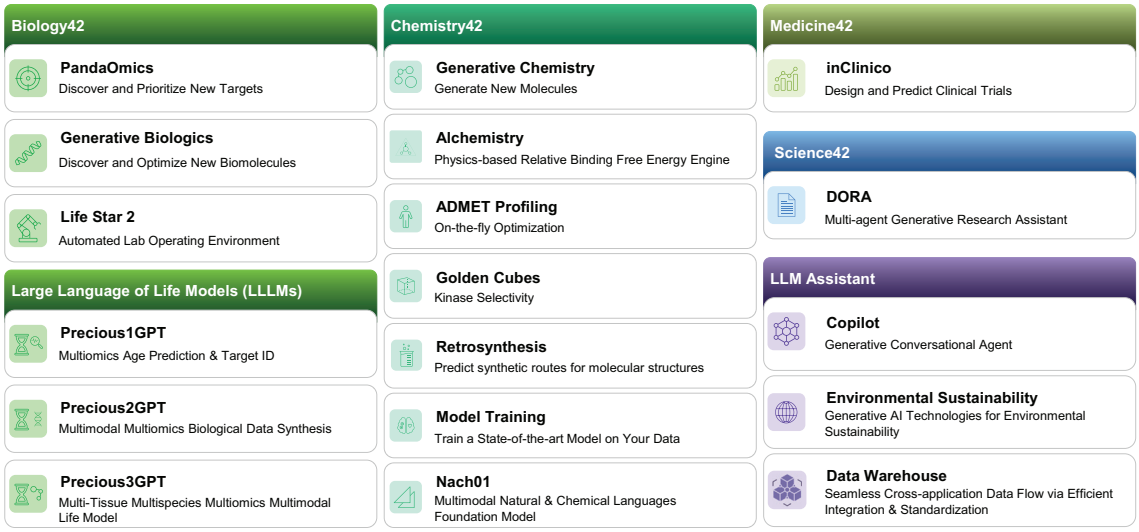
Pursuing greater cost efficiency and enhanced expenditure management

During the Track Record Period, our cost of revenue primarily comprised third-party contracting costs and labor costs associated with our pipeline drug development and drug discovery business. These expenditures reflect the essential investments required to advance our innovative projects. Our gross profit margin increased from 63.4% in 2022, to 75.4% in 2023 and further increased to 90.4% in 2024. In parallel, we achieved meaningful reductions in key operating expenses as a percentage of revenue. Selling and marketing expenses decreased from 17.8% in 2022 to 15.2% in 2023 and 6.4% in 2024; research and development expenses from 259.3% in 2022 to 190.2% in 2023 and 107.1% in 2024; and administrative expenses from 51.2% in 2022 to 33.9% in 2023 and 20.4% in 2024. These improvements demonstrate our progress in driving greater cost efficiency and more disciplined expenditure management. To optimize our cost structure, we plan to strengthen collaborations with third-party contractors, enabling us to negotiate more favorable agreements and achieve greater cost efficiency. Additionally, we aim to enhance workforce productivity through targeted initiatives, ensuring that our operations remain streamlined and effective.

OUR PHARMA.AI PLATFORM

Pharma.AI

Our Pharma.AI platform consists of Biology42, Chemistry42, Medicine42 and Science42, and is designed to be integrated across the drug discovery and development process in order to identify new drug targets, design *de novo* molecules against both new and known targets, optimize clinical development, and enhance research through multi-agent generative AI assistance. Additionally, the platform is supported by a robust Data Warehouse, which automates data ingestion and processing, ensuring seamless integration and scalability across applications. It is designed to be easy to use through the integration of the Copilot application, which enables conversational interaction with the Pharma.AI platform, allowing a user to directly ask the platform for specific data or instruct the Pharma.AI platform to perform specific tasks, such as target identification and small molecule generation. We are also advancing strategic collaborations to expand the application of our Pharma.AI platform across diverse industries, such as advanced materials, agriculture, nutritional products, and veterinary medicine.



Biology42: Discovery and Prioritization of New Targets

The Biology42 platform is composed of multiple applications: PandaOmics, Generative Biologics, Life Star 2, Precious1GPT, Precious2GPT, and Precious3GPT. PandaOmics enables systems biology research across multiple data types, including multi-omics and text data, and deploys AI-driven analytical capabilities to facilitate the discovery of new targets or the prioritization of established targets against diseases of interest. Generative Biologics uses generative models to design and evaluate proteins, predict protein interactions and analyze generated peptides. It utilizes hundreds of millions of biological data points with its machine learning algorithms and generative biological models to design polypeptides from scratch. Through the use of an automation interface, the Life Star application integrates lab capabilities with our generative AI framework to profile, identify and validate new targets, biomarkers and compounds. Precious1GPT leverages multiomics data to predict biological age and identify potential therapeutic targets, Precious2GPT synthesizes multimodal biological data for deeper insights, and Precious3GPT develops a multi-tissue, multispecies, multiomics, and multimodal life model for enhanced biological understanding.

PandaOmics

We have been developing PandaOmics since 2014 to facilitate AI-based target discovery, which complements our drug discovery capabilities and provides a competitive advantage over competing AI-driven drug discovery companies that are primarily focused on chemistry (drug discovery). Powered by AI and proprietary insights based on expertly curated datasets, PandaOmics is designed to facilitate systems biology research, which focuses on the fundamentals of complex interactions within biological systems in order to identify disease signatures and actionable targets in a disease-relevant manner. We believe that the comprehensive analysis enabled by PandaOmics allows us to identify new targets and prioritize established targets in diseases of interest for further development.

We believe the potential of PandaOmics in new target identification has been demonstrated through the depth of our pipeline and the multiple external collaborations we have established. For example, we successfully assisted a global pharmaceutical company in identifying new protein targets that met specified criteria, including complete newness with no prior clinical studies on the target candidates, druggability with small molecules and/or therapeutic antibodies, limited level of toxicity and a role within a given biological process of interest.

For our collaborators and customers, PandaOmics is accessible through a user-friendly, browser-based interface built on top of a distributed, scalable cloud-based platform. The implementation integrates a variety of features, including cluster management, multiple flexible workflows, integrated monitoring and logging, all aimed at optimizing the performance of PandaOmics. The PandaOmics application is designed to enable individuals without substantive industry experience or domain expertise to perform complex tasks in target discovery. To further enhance the user experience, PandaOmics (excluding its operation in China) has integrated ChatGPT's LLM module to provide chatbot functionality through the feature of ChatPandaGPT. The built-in chatbot allows users to query PandaOmics' powerful database by asking questions in plain language. ChatPandaGPT then interprets the user's query into a machine-readable format for processing by PandaOmics. Once PandaOmics returns a result, ChatPandaGPT converts the answer into a plain language response.

Generative Biologics

We introduced Generative Biologics in July 2024, an AI-powered tool for de novo protein engineering, designed to accelerate the development of next-generation biologics. Generative Biologics is an advanced platform capable of designing and optimizing a wide range of biologics — including peptides, nanobodies, and full-length antibodies — tailored to bind specific targets with high precision. Leveraging our generative AI models and a reward function, the platform enables the design of new biologics that not only show superior binding affinity but also meet critical developability criteria such as stability, solubility, and manufacturability.

The Generative Biologics application enables users to generate new biologic molecules in as few as three steps. Its modular architecture supports iterative optimization, allowing users to refine biologic candidates through a feedback loop guided by AI predictions. This streamlines the design process and significantly reduces the time and cost associated with traditional biologics development.

We believe the potential of Generative Biologics has been demonstrated through key collaborations. For example, we recently entered a strategic partnership with a leading biotechnology company to accelerate the discovery and development of therapeutic antibodies, combining our AI capabilities with the partner's deep expertise in antibody engineering.

Life Star 2

We launched our original Life Star automated laboratory, Life Star 1, in Suzhou, China in December 2022 with a GFA of 1,665 sq.m. In 2025, we relocated the laboratory to Shanghai and upgraded it into our next-generation automated laboratory, Life Star 2. The automated lab is equipped with comprehensive instruments including next-generation sequencers, cell incubators, cell analyzers, automated liquid handlers, echo liquid handlers, imaging systems, high content analysis platforms and automatic guided vehicle ("**AGV**"). It is designed to further improve the efficiency and capability of our internal lab experimentation and boost data generation to improve our Pharma.AI platform.

Compared to earlier generation automated laboratories, the Life Star 2 endeavors to minimize human intervention from the decision-making process. The generative AI-enabled Life Star 2 is able to automate target selection, experimental design and execution of experiments to collect experimental data to generate and test disease hypotheses and further validate and train our AI models. Our automated lab eliminates human target selection bias and opens up the potential for the discovery of new drugs and treatments. We envision the Life Star as the first of many, and we will work to optimize its design to expand its range of capabilities, miniaturize its physical footprint and optimize its construction and operating costs.

Life Star 2's modularity enables new capabilities such as new drug discovery methods to be progressively introduced. This would bolster our internal development capabilities while encouraging acceptance and adoption. At the same time, the template-based nature of the lab design allows us to iteratively optimize and improve upon the lab's cost-effectiveness and presents an attractive package solution for research institutions worldwide. Furthermore, as each Life Star will be equipped with the full complement of hardware and software solutions on-site, the processing of all patient data can be done on-location, reducing data privacy risks.

Chemistry42: Generation of New Small Molecules

The Chemistry42 platform is composed of multiple applications: Generative Chemistry, Golden Cubes, ADMET Profiling, Alchemistry, Model Training, and Retrosynthesis. Generative Chemistry is a small molecule design platform with generative chemistry capabilities to identify and facilitate the *de novo* synthesis of new drug structures. It leverages the power of automated machine learning, accesses structure-based and ligand-based drug design, and discovers new and diverse molecules for targets of interest, whether new or known. Generative Chemistry has a generative module and a reward module. The generative module consists of generative AI models that generate small molecule structures. Once each structure is generated, it is passed to the reward module, which evaluates the quality of the structure and feeds the results back to the generative module so that it learns to navigate through chemical space in the right way. The reward module consists of models and approaches that score or profile the generated structure (how well it binds to the target, how favorable is the physicochemical profile, etc.). As a part of the virtual screening workflow in Generative Chemistry, the reward module could be used alone (without the generative module) to evaluate structures submitted by a user. Golden Cubes is an application that enables the profiling of

small molecules and the identification of off-target activity for such molecules. Golden Cubes module can be used for ligand-based scoring of the kinase selectivity of small molecules to minimize unintended, off-target effects that can lead to severe side effects. ADMET predictors is an application that comprises machine learning models designed to predict key ADMET properties for small molecules. These models offer instrumental support during the hit-to-lead and lead optimization stages of drug discovery. They can be employed independently to annotate compound libraries or incorporated into a reward function to guide generative experiments towards the desired properties. Alchemistry is an application that offers accurate calculations of binding free energy estimates utilizing physics-based methods. This application is instrumental in swiftly and effectively prioritizing compounds for synthesis and testing at various stages of drug discovery. Model Training enables predictive model development to optimize molecular generation, and Retrosynthesis predicts viable synthetic routes for molecular structures, streamlining the transition from in silico discovery to practical synthesis. The combined capabilities of the applications under the Chemistry42 platform allows for the rapid evaluation of the drug-like properties of molecules generated by the platform, such as metabolic stability and their physicochemical profiles, leading to further optimization and eventual selection of lead preclinical candidates.

At the core of Chemistry42's predictive and generative capabilities is *Nach01*, our most progressed foundation model for chemical and biological tasks. Built with 1 billion parameters and trained on over 80 billion tokens, Nach01 enables users to develop highly accurate generative and predictive models using their own data. Nach01 offers comprehensive functionality across multiple domains:

- **Protein 2D**: Predicts solubility, stability, and fluorescence.

- **Protein 3D**: Enables pocket-conditioned generation, soluble/insoluble protein generation, conformation generation, and distribution learning.

- **Small Molecules 2D**: Predicts molecular properties, forward reaction outcomes, and multi-step retrosynthesis pathways.

- **Small Molecules 3D**: Predicts quantum properties, enables shape-conditioned generation, linker design, scaffold decoration, pocket-conditioned generation, and conformation generation.

- **Natural Language Processing (NLP)**: Supports biomedical named entity recognition, relation extraction, textual entailment, sentence similarity, document classification, and biomedical/chemistry question answering.

- **Cross-Domain Tasks**: Translates descriptions to molecules/proteins and vice versa.

Fine-tuned use cases highlight Nach01's versatility:

- **Retrosynthesis Modeling**: Fine-tuning Nach01 on retrosynthesis data achieves correct synthesis route prediction for 95% of molecules.

- **Predictive Modeling**: Fine-tuning on ADMET data achieves internal state-of-the-art (SOTA) performance for 65% of targets, with >10% improvement across 25% of targets.

- **3D Generative Modeling**: Fine-tuning on molecule completion tasks improves ligand ADMET profiles by an average of +25% while preserving critical structural and binding characteristics.

Nach01 integrates seamlessly into generative workflows, acting as a high-precision oracle to guide molecular design, enhance reinforcement learning pipelines, and increase the success rate of experimental validation through accurate ADMET, activity, and quantum property predictions.

Using our Chemistry42 platform, we have generated *de novo* compounds for all of our pipeline programs, including ISM001-055, which is currently in Phase II clinical trials for the potential treatment of IPF. In addition to our internal application of the Chemistry42 platform, as of the Latest Practicable Date, we have out-licensed applications under the Chemistry42 platform to multiple top biopharmaceutical collaborators, which we believe underscores the pharmaceutical industry's growing recognition of the capabilities of Chemistry42.

For our collaborators and third-party customers, Generative Chemistry is accessible through a user-friendly, browser-based interface built on top of a distributed, scalable cloud-based platform. The implementation integrates a variety of features, including cluster management, multiple flexible workflows, integrated monitoring and logging, all aimed at optimizing the performance of Generative Chemistry. The structure of the platform enables seamless third-party use via a SaaS model or as a software package for local deployment. Generative Chemistry's customizable, user-friendly interface makes it broadly accessible to AI specialists, medicinal chemists, computational chemists and other researchers alike.

Medicine42: Prediction of Clinical Trial Outcomes

The Medicine42 platform is composed of the inClinico application. Since 2016, we have been developing and testing inClinico, a multi-engine, generative AI analysis application that is designed to prospectively predict the outcomes of clinical trials by quantifying the probability of the product candidate to successfully transition to the next phase of clinical development. inClinico utilizes advanced AI algorithms to analyze vast amounts and types of data on molecular targets, diseases, clinical trial protocols and trial results. We commercially launched inClinico in November 2022.

Relying on advanced AI machine learning models for multi-modal assessment, inClinico is a multi-engine, generative AI clinical trial analysis application designed to predict clinical trial success. inClinico is focused primarily on the probability of success of Phase II clinical trials across a broad range of therapeutic indications, a critical stage that we believe is typically the primary inflection point linked to the first proof-of-concept data in patients. In addition, by scrutinizing detailed information on clinical trial design, inClinico also facilitates the identification of potential weak points in clinical trial design and allows the sponsors of clinical trials to adjust accordingly to potentially increase the probability of success of their trials. By integrating and analyzing a variety of data sources, inClinico computes scores on different components pertinent to trial success, including target choice, drug structure, trial design and patient eligibility. These scores are integrated into a forecasted probability of a clinical trial successfully advancing to the next stage of the development process. In particular, the target choice score is assessed based on shared elements with PandaOmics that estimate associations of the target of interest with the associated disease as well as the heterogeneity of the disease in the context of the target of interest. Furthermore, the drug structure score is derived based on shared elements with Generative Chemistry that evaluate contributions of molecular descriptors as well as ADME and toxicity features.

As part of an internal validation study, we trained inClinico using publicly available data from clinical trial results prior to 2021 and then prospectively validated the platform using the results of clinical trials across different therapeutic areas that read out between January 2021 and September 2021. In this study, inClinico achieved a 0.86 prediction value based on area under the curve, or AUC, of the receiver operating characteristic, or ROC, curve, a measure of diagnostic ability where a 1.0 AUC of ROC indicates perfect predictive power in predicting the likelihood of clinical trial progression from Phase II to Phase III. In 2019, a global pharmaceutical company engaged us to apply inClinico to predict seven outcomes within six of its ongoing Phase II clinical trials selected by the pharmaceutical company. We deployed inClinico to estimate the probability of success and to perform feature analysis of those seven outcomes. As of Latest Practicable Date, all of the seven outcomes of the clinical trials had read out, and inClinico correctly predicted five of the seven outcomes.

Science42: AI-Driven Research Assistance

DORA

Science42 is a newly introduced platform featuring DORA, a multi-agent generative research assistant. DORA enhances research capabilities by leveraging AI agents to assist in literature reviews, hypothesis generation, and data interpretation, ultimately accelerating the pace of scientific discovery. DORA can process and synthesize vast volumes of scientific literature, generating contextual summaries and highlighting new insights. Furthermore, the system integrates domain-specific knowledge, allowing researchers to simulate experimental conditions and propose optimized methodologies for laboratory testing. By combining predictive analytics with expert knowledge, DORA accelerates hypothesis validation and shortens the time to discovery in drug development.

Sustainability Consortium

We launched the Generative AI for Environmental Sustainability Consortium, a global initiative dedicated to applying our generative AI technologies beyond biomedicine to address critical environmental challenges. The consortium focuses on four key areas: CO_2 capture, hydrogen storage, agrochemistry, and base oils & lubricants. Leveraging our Pharma.AI platform, we aim to accelerate the discovery and development of sustainable materials and processes that contribute to climate change mitigation and broader environmental sustainability.

To advance these goals, we have formed strategic collaborations with industry leaders. For example, in partnership with Syngenta, we are developing next-generation, sustainable crop protection solutions using AI and deep learning technologies.

AI Agents

We have developed an extensive AI agent workforce. As of May 31, 2024, the workforce consisted of 660 AI agents across various specialized roles. By January 1, 2025, the workforce had expanded to 1,058 AI agents, including 20 hierarchical levels and 46 self-hosted agents. These AI agents manage tasks such as data analysis, model training, PR monitoring, HR oversight, and software development. By leveraging these agents in different capacities, we ensure that Pharma.AI operates at peak efficiency, streamlining complex workflows, enhancing automation, and driving continuous innovation. The workforce continues to expand, with agents trained for specialized roles as the platform evolves, streamlining workflows and driving innovation.

Data Warehouse: Integrating Pharma.AI Applications

The Data Warehouse provides automated data ingestion and processing capabilities for Pharma.AI platform. This infrastructure ensures efficient data integration, standardization, and accessibility, allowing AI-driven applications across Biology42, Chemistry42, Medicine42 and Science42 to function optimally. With scalable architecture and high-throughput capabilities, it ensures seamless data flow between platform components, enabling rapid analysis and retrieval of both structured and unstructured data.

OUR BUSINESS MODEL

Our business model consists of drug discovery and pipeline development, software solutions and other discovery related to non-pharma sectors. The following table sets forth a breakdown of our revenue in absolute amount and as a percentage of our total revenue for the periods indicated:

	For the year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	US$	%	US$	%	US$	%	US$	%	US$	%
							(unaudited)			
	(in thousands, except for percentages)									
Drug discovery and pipeline development	28,648	95.0	47,818	93.4	79,733	92.9	56,849	95.2	23,909	87.1
Software solution	1,499	5.0	3,362	6.6	3,970	4.6	1,685	2.8	2,018	7.3
Other discovery[1]	–	–	–	–	2,131	2.5	1,155	2.0	1,529	5.6
Total	**30,147**	**100.0**	**51,180**	**100.0**	**85,834**	**100.0**	**59,689**	**100.0**	**27,456**	**100.0**

Note:

(1) Revenues from discovery other than pharmaceuticals, which were not material in prior years and therefore disclosed in combination with drug discovery, are now disclosed separately from 2024.

Our future success will substantially depend on the success of our pipeline drug development, which includes research and development, and subsequent commercialization upon receipt of marketing authorization of our in-house developed pipeline drug candidates, as well as the out-licensing of certain pipelines drug candidates in which we retain exclusive ownership of relevant intellectual property rights. Under drug discovery, we utilize our Pharma.AI to discover new targets associated with diseases, and/or identify and further research and develop drug candidates for which we collaborate with third parties and thus do not have exclusive ownership of relevant intellectual property rights.

Pipeline Development and Drug Discovery

Model	Ownership of IP Rights	Revenue Generation
Self-development	The Group	Drug commercialization
Co-Development	The Group and/or Partner	Upfront payment, milestone payments, cost sharing, royalties
Out-licensing	The Group	Upfront payment, milestone payments, royalties

While primarily focused on the pharmaceutical industry, our generative AI platform has broad potential applications, such as advanced materials and agriculture. Under software solutions, we grant our customers access to our Pharma.AI platform. We enter into subscription agreements with our customers and collect subscription fees for access to Pharma.AI. To tailor customers' needs, we also grant rights to use the Chemistry42 and PandaOmics software installed on the customer's private cloud infrastructure.

PIPELINE DRUG DEVELOPMENT

As of the Latest Practicable Date, none of our drug candidates had been commercialized. During the Track Record Period, revenue generated from our pipeline drug development business mainly included the revenue generated from the out-licensing of three of our drug candidates. We are entitled to receive license fees in the form of upfront payments, milestone payments and royalties, among others, in connection with our pipeline drug development business. According to Frost & Sullivan, our current pipeline is appropriately positioned for out-licensing, being at a development stage that is not too advanced and not too late. This positioning is highly attractive for potential partners, as it offers a balanced risk-reward profile supported by meaningful clinical evidence. Furthermore, our pipeline's focus on high-demand therapeutic areas, including oncology, metabolic, and neurology, aligns with prevailing market trends and significantly enhances its out-licensing appeal to a broad range of potential partners. The following chart summarizes the development status of selected drug candidates as of the Latest Practicable Date.

Program	Target	Mechanism	Indication	Stage of Development[1][2]	Upcoming Milestone	Partners
ISM001-055[7] (Rentosertib)	**TNIK**	EMT, FMT, fibroblast macrophage activation	Idiopathic Pulmonary Fibrosis	China (NMPA)[8] / US (FDA)[8] — China Phase IIa Completed	China Phase IIb/III initiation: 2026H1	
			Kidney Fibrosis		IND submission: 2026H1	
			IPF (Inhalable)		IND submission: 2026H1	
ISM5411	**PHD1/2**	Epithelial integrity & anti-inflammation	Inflammatory Bowel Disease	China (NMPA)[8] — China & Australia[9] Phase I Completed	China Phase IIa completion: 2027	
ISM3091	**USP1**	Synthetic lethality	BRCA-mutant Cancer	US (FDA)[8]	Phase I ongoing[10]	EXELIXIS
ISM8207	**QPCTL**	Immune modulation	Immuno-Oncology	China (NMPA)[8]	Phase I completion: 2027	FOSUN PHARMA 复星医药
ISM5043	**KAT6**	Epigenetics	ER+/HER2- Breast Cancer	US (FDA)[8]	Phase I ongoing[10]	MENARINI group
ISM3412	**MAT2A**	Synthetic lethality	MTAP$^{-/-}$ Cancer	US (FDA) & China (NMPA)[8][11]	Phase I completion: 2027	
ISM6331	**TEAD**	Cell proliferation and survival	Solid Tumors	US (FDA) & China (NMPA)[8][11]	Phase I completion: 2027	
ISM5939	**ENPP1**	Inhibition of ENPP1 - mediated cGAMP degradation	Solid Tumors	US (FDA)[8]	Planning for clinical trial	
Undisclosed	**Undisclosed**	Tumor cell proliferation	Solid Tumors	US (FDA)[8]	Planning for clinical trial[10]	MENARINI group
ISM8969	**NLRP3**	Sterile inflammation	Metabolic Diseases; Inflammatory and Autoimmune Diseases; Parkinson's Diseases, etc.		Phase I initiation: 2026H1	
Undisclosed	**NR3C1**	Selective glucocorticoid receptor antagonist	Cushing Syndrome and Other Metabolic Diseases; Oncology		IND submission: 2026H2	
Undisclosed	**GLP-1R**	Long half-life agonist for once-weekly administration	Metabolic Diseases		IND submission: 2026H1	
Undisclosed	**Undisclosed**	Kinase inhibition	Non-opioid Pain Management		PCC nomination: 2026Q1	
Undisclosed	**Pan-KRAS**	Tumor cell proliferation	Solid Tumors with KRAS Aberrations		PCC nomination: Dec 2025	
Undisclosed	**CDK4**	Cell cycle	HR+/HER2- Breast Cancer		PCC nomination: Dec 2025	
Undisclosed	**Nav1.8**	Highly selective Nav1.8 inhibitor	Acute Pain and Chronic Pain		PCC nomination: Dec 2025	
ISM4529	**CBLB**	Immune modulation	Immuno-Oncology		IND submission: 2026H2	

Stage of Development[1][2]: Pre-Clinical Stage (Target Identification[3] / Target-to-hit[4] / Hit-to-lead[5] / Lead Optimization[6] / IND-enabling); Clinical Stage (Phase 1 / Phase 2 / Pivot / Phase 3)

Fibrosis · Oncology · Immunology · Others

Notes:

1. All programs are designed for oral administration unless otherwise indicated

2. All pipeline is entirely the product of internal generation, and no targets or compounds in-licensed from pharmaceutical companies

3. Target Identification: The process of identifying and validating a biological target (e.g., protein, RNA) that plays a key role in a disease pathway. The target must be capable of binding to a drug molecule to modulate its activity

4. Target-to-hit: Screening molecules that show measurable activity against the target (e.g., binding affinity), these compounds are called "hits"

5. Hit-to-lead: Optimizing "hits" to improve their potency, selectivity, and pharmacokinetic properties, yielding "lead" compounds

6. Lead Optimization: Further refining "leads" to select a clinical candidate with optimal efficacy, safety, and manufacturability

7. FDA granted ISM001-055 the orphan drug designation for its IPF indication

8. Regulatory authorities with IND submitted

9. We initiated a Phase I clinical trial in Australia in October 2023 and completed the CSR finalization in December 2024

10. Out-licensed drug candidates' clinical progress is subject to partners' development plan

11. Global multi-regional clinical trial (MRCT)

ISM001-055 (Rentosertib): A Small Molecule Inhibitor of TNIK for the Potential Treatment of IPF

ISM001-055 (Oral Administration)

Overview

ISM001-055 (Rentosertib) is an effective and selective small molecule inhibitor of TNIK with high affinity as a potential treatment of IPF, which is a fatal lung disease characterized by distorted lung architecture and progressive loss of respiratory function. We started to research and develop ISM001-055 in October 2019. The results of the Phase I clinical trials in New Zealand and in China, respectively, demonstrated good safety, tolerability and PK profile of ISM001-055 in healthy volunteers, respectively. We initiated a multi-center, randomized, double-blind, placebo-controlled Phase IIa clinical trial under the NMPA umbrella approval in China in June 2023. In August 2024, we completed the Phase IIa clinical trial in China, and the top-line data were released in October 2024. After successfully completing the Phase IIa study in China, we intend to initiate Phase IIb/III study in China for ISM001-055 for the IPF indication in the first half of 2026. Furthermore, ISM001-055 received the orphan drug designation from the FDA in February 2023. We received the IND approval for the Phase IIa trial in the U.S. from the FDA in June 2023. The first patient for the Phase IIa trial in the U.S. was randomized and dosed in February 2024. In addition, we expect to file an IND application

for the treatment of kidney fibrosis in the first half of 2026 and another IND application for inhalable ISM001-055 for the treatment of IPF in the first half of 2026. In May 2025, ISM001-055 received the breakthrough therapy designation from the CDE for the treatment of IPF.

R&D Expense

In 2022, the TNIK project entered Phase I clinical trials. By 2023, Phase II clinical trials commenced in both China and the United States, leading to an increase in R&D expenses due to expanded trial activities. By early 2024, all dosing for the China Phase II trial was completed, and the project transitioned to database lock and data analysis. Meanwhile, patient enrollment and dosing continued for the US Phase II trial. As a result, R&D spending for this project declined in 2024 as major clinical activities in China concluded.

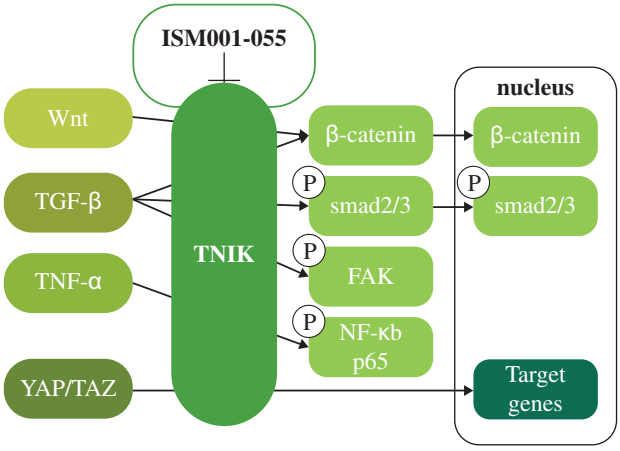
Mechanism of Action

TNIK is a member of the germinal center kinases family that is a potential therapeutic target for IPF because of its involvement in several IPF-related signaling pathways, including TGF-ß1 and NF-kB. The TGF-ß1 signaling pathway may contribute to IPF by promoting ECM deposition and myofibroblast activation. In addition, TNIK may have a direct regulatory effect on the TGF-ß1 signaling pathway through Smad transcription factors. For example, studies have shown that overexpression of TNIK caused weak Smad1 T322 phosphorylation and that knockdown of TNIK potently inhibited TGF-ß1-induced Smad2/3 phosphorylation.

IPF is a disease characterized by alveolar epithelial cell injury and hyperplasia, increased extracellular matrix ("**ECM**") deposition and myofibroblast activation. These processes lead to distortion of lung architecture and progressive loss of respiratory function.

In light of TNIK's interactions with pro-fibrotic pathways, it could be a key regulator whose inhibition may lead to amelioration or even termination of the fibrotic processes. There could be a synergistic effect in inhibiting multiple, well-characterized pro-fibrotic pathways, including TGF-ß1, NF-kB and YAP/TAZ. ISM001-055 is an ATP-competitive reversible TNIK inhibitor. As illustrated below, ISM001-055 exhibited a high inhibitory potency against TNIK. The anti-fibrotic effect of ISM001-055 was validated in both *in vitro* and *in vivo* studies using several fibrosis models where the levels of fibrotic markers and some inflammatory cytokines were downregulated. In addition to targeting fibrosis, ISM001-055 has a potential role in the treatment of cancer, particularly solid tumors.

The diagram below illustrates the potential role of TNIK as a hub regulator for pro-fibrotic pathways and the mechanism by which inhibition of TNIK by ISM001-055 could affect multiple pro-fibrotic signaling pathways.



Note: "P" denotes phosphorylation

Market Opportunity and Competition

IPF is a chronic disease that causes scarring of the lungs, making it increasingly difficult to breathe as the lungs lose their elasticity. IPF is commonly diagnosed in people over the age of 65 with a medium overall survival of only two to three years from diagnosis. According to Frost & Sullivan, the incidence of IPF worldwide increased from 544 thousand in 2018 to 585 thousand in 2022, at a CAGR of 1.9%. The IPF drug market grew from US$2.1 billion in 2018 to US$3.8 billion in 2022, at a CAGR of 15.2%. It is expected to grow further to US$5.0 billion and US$7.1 billion by 2025 and 2030, respectively, representing a CAGR of 10.0% and 7.3% from 2022 to 2025 and 2025 to 2030, respectively. Currently, there are only two drugs approved worldwide for the treatment of IPF, namely pirfenidone and nintedanib, which were both initially approved in 2014. In addition, numerous drugs are currently in clinical trials for the treatment of IPF.

Despite the growing market potential and continued research interest, drug development for IPF has faced persistent challenges and a high failure rate. For details, see "Industry Overview — Market Opportunities of Certain Therapeutic Areas — Fibrosis Drug Market — Competitive Landscape of the IPF Drug Market."

Our advantages based on Clinical Trial Results

Recognizing these challenges, we have adopted a risk-informed development strategy for ISM001-055. As of the Latest Practicable Date, several clinical trials worldwide have been conducted to evaluate the safety and efficacy of ISM001-055. In these trials, ISM001-055 showed consistent trend of efficacy and was generally well-tolerated. Compared with placebo, ISM001-055 demonstrated good tolerability across all dose levels in IPF subjects, with a clear dose-dependent response observed in FVC change from baseline in the Phase IIa study, where

the 60 mg QD treatment group showed the highest improvement. Furthermore, compared with other investigational agents in the current IPF market, ISM001-055 exhibited a comparable safety profile along with consistent and favorable improvements in lung function.

To mitigate development risk, we adopt a highly selective site and patient recruitment strategy, apply strict eligibility criteria, and implement intensive subject-level monitoring, including longitudinal assessments of lung function and adverse events. We have also established an international steering committee of IPF experts to provide independent oversight of trial conduct and data quality. In parallel, we are maintaining close and ongoing engagement with regulatory agencies to further refine the design of the next-stage clinical protocol and optimize the development pathway. The trial results of key clinical trials are summarized below.

Phase I Clinical Trials in New Zealand and China

Overview

We completed Phase I clinical trials of ISM001-055 in New Zealand and China to evaluate the safety, tolerability, pharmacokinetics (PK), and, in New Zealand, the food effect and drug-drug interaction potential of oral ISM001-055 in healthy volunteers. Both studies were randomized, double-blind, and placebo-controlled. The primary objective of each study was to assess the safety and tolerability of single and multiple ascending doses of ISM001-055. Secondary objectives included characterization of PK parameters, and in China, exploratory evaluation of biomarker effects following ISM001-055 administration.

Trial Design

Both studies employed a single ascending dose (SAD) and multiple ascending dose (MAD) design:

- **New Zealand Study**: Conducted between February 2022 and March 2023, enrolling 78 healthy volunteers aged 18 to 55 years.

- **China Study**: Conducted between July 2022 and January 2023, enrolling 48 healthy volunteers aged 18 to 45 years.

In both studies, participants were randomized in a 3:1 ratio to receive ISM001-055 or a placebo. Safety assessments included the monitoring of adverse events (AEs), clinical laboratory testing (hematology, serum chemistry, coagulation, urinalysis, fecal occult blood tests), electrocardiograms (ECGs), vital signs, and physical examinations.

New Zealand Study Details

The New Zealand study included three parts:

- **Part A (Single Ascending Dose)**: Participants received single oral doses of 10 mg, 30 mg, 60 mg, 90 mg, or 120 mg.

- **Part B (Multiple Ascending Dose)**: Participants received daily oral doses of 30 mg, 60 mg, or 120 mg for seven days.

- **Part C (Drug-Drug Interaction)**: Participants received a single oral dose of 200 mg caffeine on Day 1, followed by multiple daily oral doses of ISM001-055 120 mg from Day 5 to Day 18, with an additional dose of caffeine on Day 18.

The study also included a food effect assessment in Part A. PK endpoints included measurement of plasma PK parameters (Parts A and C) and plasma and urine PK parameters (Part B).

China Study Details

The China study included two parts:

- **Part A (Single Ascending Dose)**: Participants received single oral doses of 30 mg, 60 mg, or 120 mg.

- **Part B (Multiple Ascending Dose)**: Participants received twice-daily oral doses of 30 mg, 60 mg, or 90 mg for seven days.

In addition to safety and PK assessments similar to the New Zealand study, biomarker analysis was included as an exploratory endpoint.

Safety Results

In both studies, ISM001-055 was generally well tolerated.

- **New Zealand Study**:

    - **Part A (SAD)**: Among 30 subjects who received ISM001-055 and 10 subjects who received placebo, 11 (36.7%) and 4 (40.0%) participants, respectively, experienced at least one treatment-emergent adverse event (TEAE). A total of 21 TEAEs were reported. All TEAEs were mild in severity and resolved without sequelae. No serious adverse events (SAEs) or deaths were reported, and no subjects discontinued due to TEAEs.

- **Part B (MAD)**: Among 18 subjects who received ISM001-055 and 6 subjects who received placebo, 16 (88.9%) and 5 (83.3%) participants, respectively, experienced at least one TEAE. A total of 55 TEAEs were reported. One subject in the 30 mg group discontinued due to a moderate influenza-like illness considered unrelated to study treatment. All other TEAEs were mild in severity.

- **Part C (DDI)**: Among 14 subjects who received ISM001-055, one participant discontinued due to a moderate alanine aminotransferase (ALT) elevation. No deaths or SAEs occurred, and all other TEAEs were mild.

- **China Study**:

  - **Part A (SAD)**: Among 18 subjects who received ISM001-055 and 6 subjects who received placebo, 10 (55.6%) and 4 (66.7%) participants, respectively, experienced at least one TEAE. A total of 23 TEAEs were reported, all of mild severity. No moderate or severe AEs, SAEs, or discontinuations occurred.

  - **Part B (MAD)**: Among 18 subjects who received ISM001-055 and 6 subjects who received placebo, 16 (88.9%) and 5 (83.3%) participants, respectively, experienced at least one TEAE. A total of 92 TEAEs were reported. Five subjects receiving ISM001-055 and two subjects receiving placebo experienced moderate influenza-like illness, considered unrelated to study treatment. All other TEAEs were mild. No SAEs, deaths, or discontinuations due to AEs occurred.

Pharmacokinetics and Food/Drug-Drug Interaction Results

ISM001-055 demonstrated dose-proportional increases in exposure across the dose ranges studied in both trials. In the New Zealand study, food intake had no clinically meaningful impact on ISM001-055 PK. Co-administration with caffeine did not result in significant drug-drug interactions.

Phase IIa Clinical Trial in China

Overview. We completed a Phase IIa, prospective, randomized, multi-center, double-blind, parallel group, placebo-controlled study in August 2024 in China to evaluate the safety, tolerability, pharmacokinetics and efficacy of orally administered ISM001-055 for up to 12 weeks in adult subjects with IPF compared to placebo.

Trial design. This clinical trial employed a parallel design, enrolling a total of 71 subjects across four cohorts, including a placebo group. Patients were randomly assigned to receive ISM001-055 at 30 mg QD, 30 mg BID, or 60 mg QD, with 18 subjects per active treatment cohort and 17 subjects in the placebo cohort. The total treatment duration was 12 weeks. The primary endpoint was the percentage of patients experiencing at least one TEAE. Key

secondary endpoints included PK assessment and efficacy measures, such as forced vital capacity (FVC) decline, quality of life (QoL) assessments using the Leicester Cough Questionnaire (LCQ) and six-minute walk distance (6MWD), and the incidence of acute IPF exacerbation. Exploratory endpoints included the evaluation of serum IPF biomarkers and blood proteome analysis using Olink technology.

Trial Status. The trial was initiated in China in June 2023, and was completed in August 2024. We released the top-line data in October 2024.

Safety data.

Orally administered ISM001-055 was generally well tolerated over the 12-week treatment period in patients with IPF. Across all treatment groups, 43 of 54 patients (79.6%) receiving ISM001-055 and 12 of 17 patients (70.6%) receiving placebo experienced at least one TEAE. The majority of TEAEs were Grade 1 to Grade 2 in severity.

Treatment-related adverse events ("**TRAE**s") were reported in 34 of 54 patients (63.0%) receiving ISM001-055, compared to 5 of 17 patients (29.4%) in the placebo group. Grade 3 TEAEs were observed in 18 of 54 patients (33.3%) receiving ISM001-055 and in 4 of 17 patients (23.5%) in the placebo group. Grade 3 TRAEs were reported in 9 of 54 patients (16.7%) receiving ISM001-055 and in 1 of 17 patients (5.9%) receiving placebo.

SAEs occurred in 13 of 54 patients (24.1%) receiving ISM001-055 and in 3 of 17 patients (17.6%) in the placebo group. Treatment-related SAEs were reported in 5 of 54 patients (9.3%) receiving ISM001-055, while no treatment-related SAEs were observed in the placebo group.

Adverse events leading to treatment discontinuation occurred in 10 of 54 patients (18.5%) receiving ISM001-055 and in 2 of 17 patients (11.8%) receiving placebo. One death was reported in the ISM001-055 30 mg BID cohort, which was considered unrelated to the study drug. No deaths occurred in the placebo group.

Efficacy data.

In the ITT population, the mean (SD) change in FVC from baseline to Week 12 was -0.0270 (0.11368) L in the 30 mg QD group, 0.0197 (0.14177) L in the 30 mg BID group, 0.0984 (0.14113) L in the 60 mg QD group, and -0.0203 (0.18300) L in the placebo group. The least squares (LS) mean (SE) differences between the ISM001-055 dose groups and placebo were as follows: -0.0160 (0.06258) L for the 30 mg QD group ($p = 0.7977$), 0.0276 (0.06352) L for the 30 mg BID group ($p = 0.6645$), and 0.0974 (0.06969) L for the 60 mg QD group ($p = 0.1622$). The absolute change in FVC demonstrated a dose-dependent improvement.

After excluding outliers, a consistent trend of improvement was observed in both the absolute and percentage change in FVC.

For FVC percent predicted (FVC% predicted), the mean (SD) change from baseline to Week 12 in the ITT population was -0.6729 (2.92554)% in the 30 mg QD group, 0.6455 (3.73482)% in the 30 mg BID group, 3.0461 (4.38853)% in the 60 mg QD group, and -0.5675 (5.44712)% in the placebo group. The LS mean (SE) differences between dose groups and placebo were: -0.5834 (1.85916)% for the 30 mg QD group (p = 0.7537), 0.6719 (1.92126)% for the 30 mg BID group (p = 0.7266), and 2.5184 (2.08660)% for the 60 mg QD group (p = 0.2276). A dose-dependent trend was also observed in the percentage change of FVC (% predicted).

Similar improvement trends were observed in both the absolute and percentage changes in FVC (% predicted) after excluding outliers.

For hemoglobin-adjusted DLCO percent predicted (DLCO% predicted, HGB-corrected), the LS mean (SE) differences between ISM001-055 groups and placebo were: 2.0033% (2.84393) for the 30 mg QD group (p = 0.4812), -3.5161% (3.00139) for the 30 mg BID group (p = 0.2414), and 2.4767% (3.79610) for the 60 mg QD group (p = 0.5142). The percentage changes in hemoglobin-adjusted DLCO percent predicted (DLCO% predicted, HGB-corrected) showed similar results.

In the ITT population, the mean (SD) change in 6-minute walk distance (6MWD) from baseline to Week 12 was 0.07 (61.834) meters in the 30 mg QD group, -6.23 (33.068) meters in the 30 mg BID group, -17.47 (61.004) meters in the 60 mg QD group, and -12.43 (50.164) meters in the placebo group. The LS mean (SE) differences between treatment and placebo were: 23.98 (18.118) meters for the 30 mg QD group (p = 0.1857), 0.01 (17.745) meters for the 30 mg BID group (p = 0.9998), and -7.95 (20.126) meters for the 60 mg QD group (p = 0.6930).

In the ITT population, the mean (SD) changes in LCQ total scores from baseline to Weeks 4, 8, and 12 were relatively small across both ISM001-055 and placebo groups.

Overall, from baseline to Week 12, a clear and consistent dose-dependent response in both absolute and percentage changes in FVC as well as FVC percent predicted (FVC% predicted) was observed, with the greatest improvement noted in the 60 mg QD group.

Although no similar dose-dependent improvements were observed in hemoglobin-adjusted DLCO percent predicted (DLCO% predicted, HGB-corrected) or LCQ total scores, the 60 mg QD group consistently showed the most favorable outcomes across these endpoints when compared with placebo.

The 6MWD results remain inconclusive due to large standard deviations relative to the mean values in each group. It is well recognized that 6MWD is subject to high inter-individual variability and can be influenced by patient training, site-specific operators, and/or staff performance. Despite an apparent dose-dependent decline in 6MWD from baseline to Week 12,

the reduction observed in the 60 mg QD group was similar to that in the placebo group, with only a 5-meter difference between them. Therefore, the impact of 12 weeks of ISM001-055 treatment on 6MWD appears to be minimal.

Phase IIa Clinical Trial in the U.S.

Overview. The Phase IIa clinical trial in the U.S. adopted the same study design as the one in China. The primary objective is to evaluate the safety and tolerability of orally administered ISM001-055 for up to 12 weeks in adult subjects with IPF compared to placebo. Like the study in China, this Phase IIa clinical trial in IPF patients adopts a design of four parallel cohorts, one of which is treated with placebo. Subjects are randomly assigned to one of the following treatment cohorts in a 1:1:1:1 ratio: 30 mg QD ISM001-055, 30 mg BID ISM001-055, 60 mg QD ISM001-055 or placebo. The total treatment period is 12 weeks. The primary endpoint is the percentage of patients who have at least one TEAE.

Trial Status. The trial was initiated in the U.S. in November 2023. The first patient was randomized and dosed in February 2024.

FDA Clinical Hold and Lift. In May 2025, during our ongoing discussions with the FDA on proposed modifications to the Phase IIa clinical trial in the U.S. to advance the program, the FDA placed the U.S. trial on hold primarily to further assess the information we submitted. In June 2025, we received a clinical hold letter from the FDA outlining certain requests regarding safety monitoring and clarifications in study documents to more accurately characterize identified laboratory findings and related safety considerations. We promptly implemented precautionary measures and engaged in follow-up discussions with the FDA throughout August and September to address these comments. In October 2025, after we submitted a complete response reflecting the requested updates, the FDA lifted the clinical hold, allowing the U.S. clinical trial to resume.

CDE Confirmation to Proceed to Phase III. We believe the clinical hold has not had any material adverse impact on the development of ISM001-055, our business, operations, or prospects. The Company confirms that the CDE has been made aware of the FDA hold in May 2025. The development of ISM001-055 in China continues to advance as planned, based on the communication with the CDE in July 2025, the CDE confirmed that we may proceed to a Phase III clinical trial following favorable results from the Phase IIa study completed.

ISM001-055 (Inhalation)

Overview

Compared to oral administration, inhaled ISM001-055 can achieve higher lung exposure with lower systemic exposure (AUC lung/plasma 50). Therefore, inhalation may deliver ISM001-055 directly into the deep lung, which offers a more targeted approach that may reduce the amount of drug required and thus reducing potential side effects while achieving fast and effective local therapeutic effects.

Inhalation delivery of ISM001-055 is considered one route of drug delivery to the targeted area of the lungs. In addition, the inhalation route of administration is a complex drug delivery technology that requires a combination of formulations and devices and thus presents higher technical barriers for generics. We aim to develop the inhalable ISM001-055 for the treatment of IPF with a low dose and minimal side effects. A feasible solution formulation for inhalation has been developed. The effects of lung function improvement, anti-fibrosis and anti-inflammatory effects of inhaled ISM001-055 were validated in the bleomycin-induced lung fibrosis rat model. We expect to file an IND application for a Phase I clinical trial of inhaled ISM001-055 in the first half of 2026.

Advantages of Inhaled ISM001-055

Safety Profile Demonstrated in Preclinical Studies

Inhaled ISM001-055 showed good safety and tolerability in 4-week inhalation toxicity studies under GLP compliance. In the 4-week toxicity study in rats, no ISM001-055 related mortality, respiratory irritation or systemic toxicity were observed at the dose up to 20.0 mg/kg/day following 28-day consecutive dosing. In the 4-week toxicity study in dogs, no ISM001-055 related local or systemic adverse effects were noted when ISM001-055 was administered by inhalation route at the dose up to 10.0 mg/kg/day for 28 consecutive days. Therefore, the NOAEL was determined to be 20.0 mg/kg/day and 10.0 mg/kg/day in rats and dogs, respectively, which demonstrated greater safety margins (more than 100 folds) from inhalation compared to oral administration.

Efficacy Profile Demonstrated in Preclinical Studies

In the efficacy study, the pulmonary fibrosis model was established by bleomycin via airway atomization in rats. Inhaled ISM001-055 at 0.040 mg/kg (0.1 mg/mL, 30 min), 0.136 mg/kg (0.3 mg/mL, 30 min), 0.485 mg/kg (1.0 mg/mL, 30 min) and 2.575 mg/kg (6.0 mg/mL, 30 min) were administered once a day for 21 consecutive days. All doses of inhaled ISM001-055, including the lowest dose of 0.040 mg/kg (0.1 mg/mL, 30 min), showed significant improvement in lung function impaired by bleomycin. Doses of 0.485 mg/kg and 2.575 mg/kg produced significant amelioration in pulmonary fibrosis and inflammation in pathological assessments.

Clinical Development Plan

We are currently also exploring inhalation as an alternative administration route for ISM001-055 for the treatment of IPF. Inhalation administration can deliver ISM001-055 directly into the respiratory tract and offer a more lung-specific treatment with fast and effective local therapeutic effects, lower systemic exposure and reduced side effects. We nominated PCC in June 2023 and expect to file an IND application of inhalation administration for the treatment of IPF in China in the first half of 2026.

As development progresses, we expect to evaluate potential out-licensing opportunities at a more advanced stage.

ISM5411: A Small Molecule Inhibitor of PHD1/2 for the Treatment of IBD

ISM5411 is an wholly-owned, oral, gut-restricted small molecule inhibitor of PHD1/2 for the treatment of IBD, which is an umbrella term for disorders that involve chronic inflammation of the digestive tract, such as ulcerative colitis and Crohn's disease. The preclinical studies show that ISM5411 is well tolerated and demonstrates efficacy in several murine colitis models induced by different chemicals. We initiated the Phase I clinical trial in Australia in October 2023 and completed the CSR finalization in December 2024. We initiated another Phase I clinical trial in China in May 2024, and completed the CSR finalization in January 2025. We initiated a Phase IIa clinical trial in China for ulcerative colitis in November 2025, and dosed the first patient in December 2025. We expect to complete this trial in 2027.

R&D Expense

During 2022 and 2023, IND-enabling studies for PHD1/2 were conducted for two indications, with IND approvals obtained in August and December 2023, respectively. In 2024, clinical research was conducted only for the IBD indication, leading to a decrease in R&D expenditure compared to the prior year, when two indications were being developed in parallel.

Summary of Clinical Trial Results

As of the Latest Practicable Date, two Phase I clinical trials have been conducted in Australia and China to evaluate the safety, tolerability and PK profiles of ISM5411. In these trials, ISM5411 was generally well-tolerated by healthy volunteers and the gut-restrictive property was preliminarily validated. The trial results of key clinical trials are summarized below.

Phase I Clinical Trial in Australia

Overview: We completed a randomized, double-blind, placebo-controlled, single and multiple ascending dose and food effect study in December 2024 in Australia to evaluate the safety, tolerability, PK and food effect of ISM5411 in healthy volunteers. The primary objective of this clinical trial was to assess the safety and tolerability of single and multiple oral ascending dose of ISM5411 administered to healthy volunteers. The secondary objectives included determination of the PK of ISM5411 and ISM5411-M15 (Di-oxygenation and dehydrogenation metabolite) following single and multiple oral ascending dose in healthy volunteers and the assessment of the food effect on the PK of ISM5411 following a single dose in healthy volunteers.

Trial design: This was a randomized, double-blind, placebo-controlled trial in healthy subjects. The trial was conducted in 3 parts: single ascending dose (SAD), food effect (FE), and multiple ascending dose (MAD) studies. A total of 52 healthy subjects were expected to be

enrolled in the SAD study, including 7 dose groups (A1-A7), with 6 subjects in Group A1 and A2, and 8 subjects per following group (A3-A7). A preliminary FE study was conducted in the SAD A4 group. The MAD study was expected to enroll a total of 24 healthy subjects in 3 dose groups (B1 ~ B3), with 8 subjects in each group (6 for ISM5411 and 2 for placebo).

Trial results: The study found that ISM5411 exhibited good safety and tolerability after a single dose of 50 ~ 1000 mg and multiple doses of 200 mg QD, 400 mg QD and 800 mg QD ISM5411, with no serious adverse events reported and all TEAEs were Grade 1 except for 1 TEAE of Grade 2.

In SAD and FE studies, a total of 16 TEAEs were reported by 12 (23.1%) of the 52 subjects who received any amount of ISM5411 or placebo, 6 TEAEs were reported by 5 (13.2%) of the 38 subjects who received any dose of ISM5411 and 10 TEAEs were reported by 7 (50.0%) of the 14 subjects who received the placebo.

In MAD study, a total of 26 TEAEs were reported by 13 (54.2%) of the 24 subjects, who received any amount of ISM5411 or placebo, 19 TEAEs were reported by 9 (50.0%) of the 18 subjects who received any dose of ISM5411 and 7 TEAEs were reported by 4 (66.7%) of the 6 subjects who received the placebo.

Phase I Clinical Trial in China

Overview: We completed a randomized, double-blind, placebo-controlled, single and multiple ascending dose and food effect study in January 2025 in China to evaluate the safety, tolerability and PK profile of ISM5411 in healthy volunteers. The primary objective of this clinical trial was to assess the safety and tolerability of single and multiple oral ascending dose of ISM5411 administered to healthy volunteers. The secondary objectives included determination of the PK of ISM5411 and ISM5411-M15 (Di-oxygenation and dehydrogenation metabolite) following single and multiple oral ascending dose in healthy volunteers.

Trial design. Similar to the Phase I clinical trial in Australia, the Phase I clinical trial in China adopted a combined single ascending dose and multiple ascending doses design, with 48 healthy volunteers between the ages of 18 and 55 enrolled. For SAD study, eight healthy volunteers were assigned to each of three sequential dose cohorts: 200 mg, 400 mg and 800 mg. For MAD study, eight healthy volunteers were assigned to each of three sequential dose cohorts: 400 mg QD, 800 mg QD and 400 mg BID.

Trial results: The study found that ISM5411 exhibited good safety and tolerability after single dose of 200, 400, 800 mg and multiple doses of 400 mg QD, 800 mg QD, 400 mg BID ISM5411 cohorts, with no serious adverse events reported and all TEAEs were Grade 1 except for 1 TEAE of Grade 2 in pooled placebo group.

In SAD study, a total of 15 TEAEs were reported by 14 (58.3%) of the 24 subjects who received any amount of ISM5411 or placebo, 11 TEAEs were reported by 10 (55.6%) of the 18 subjects who received any dose of ISM5411 and 4 TEAEs were reported by 4 (66.7%) of the 6 subjects who received the placebo.

In MAD study, a total of 35 TEAEs were reported by 11 (45.8%) of the 24 subjects who received any amount of ISM5411 or placebo, and 24 TEAEs were reported by 9 (50.0%) of the 18 subjects who received any dose of ISM5411 and 11 TEAEs were reported by 2 (33.3%) of the 6 subjects who received the placebo.

ISM3091: A Small Molecule Inhibitor of USP1 as a Potential Treatment of Tumors with Homologous Recombination DNA Repair Deficiency

Overview

ISM3091, is an orally available small molecule inhibitor of USP1 with the potential to treat tumors with homologous recombination deficiency ("**HRD**"). Synthetic lethality is a favorable area of cancer therapy to induce tumor cell death while sparing normal cells. Tumors with HRD such as BRCA1/2 mutations are highly dependent on PARP or ubiquitin specific peptidase 1 ("**USP1**")-mediated repair for survival. USP1 belongs to USP subclass of deubiquitinating enzyme family, and its expression is critical for cancer cell survival. USP1 cleaves the post-translational modification of ubiquitin from a variety of substrates (e.g., proliferating cell nuclear antigen ("**PCNA**")). It has been reported that USP1 plays a critical role in the replication fork stabilization in BRCA1-deficient cells and that knockdown or inhibition of USP1 leads to replication fork destabilization via PCNA ubiquitination, and eventually leads to impaired cell growth of BRCA1-deficient cells. Thus USP1 inhibitors may have the potential for the treatment of HRD tumors. Preclinical profiling demonstrated that ISM3091 exhibited high potency and efficacy in mice tumor models, and synergistic effects with PARP inhibitors. We filed an IND application in both the U.S. and China and received approval by the FDA in April 2023. We initiated a Phase Ia clinical trial in the U.S. in August 2023.

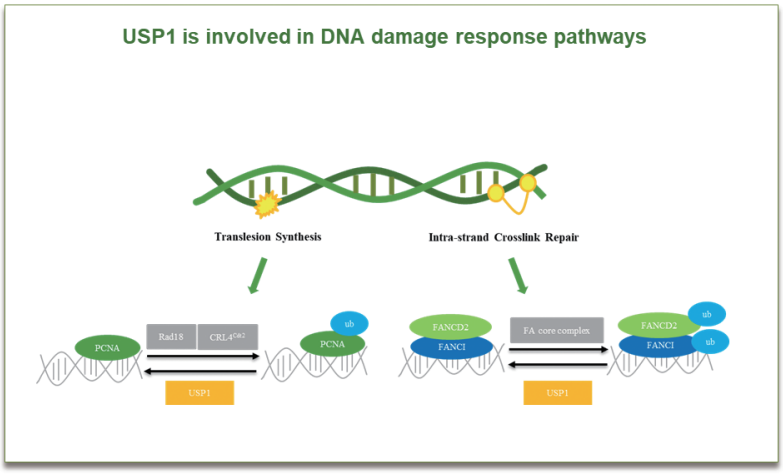
R&D Expense

Since the project was out-licensed, our R&D expenses increased in 2023 due to IND-enabling activities prior to out-licensing, but declined in 2024 following the completion of the out-licensing.

Mechanism of Action

DNA damage response pathways maintain the genomic integrity and counter serious assaults on genomic stability. Errors occurring in this process can cause genomic instability and lead to the onset of cancer. USP1, one of the best characterized human deubiquitinating enzymes ("**DUBs**"), plays an important role in the cellular response to replication fork stress. USP1 regulates DNA repair by deubiquitylating DNA repair proteins, including PCNAubiquitin ("**PCNA-Ub**") pathway for DNA translesion synthesis, as well as FANCD2-ubiquitin ("**FANCD2-Ub**") and FANCI-ubiquitin ("**FANCI-Ub**") in Fanconi anemia ("**FA**") pathways for intra-strand crosslink repair. By reverting PCNA monoubiquitination, USP1 contributes to prevent unscheduled recruitment of TLS polymerases, and thus help maintaining genome stability. Similarly, Ubiquitylated FANCI-FANCD2 is directed to DNA lesions and functions as a platform to colocalize with specific nucleases and interact with downstream DNA repair proteins, initiating the ICL correction. USP1 deubiquitinates the modified FANCI-FANCD2 complex, thereby reverting the crucial events in the FA damage repair pathway, which is crucial for the correct function of the FA pathway in intra strand repair. Therefore, inhibition of USP1 by small molecule inhibitors such as ISM3091 leads to inhibition of DNA damage repair, which has great potential for the treatment of tumors lacking homologous recombination and DNA repair.

The following diagram illustrates the mechanism of action of ISM3091.



Source: Modified from Iraia Garcia-Santisteban et al., 2013, Molecular Cancer 12, 91

Licenses, Rights and Obligations

In September 2023, we entered into an Exclusive License Agreement with Exelixis, Inc. (Nasdaq: EXEL) ("**Exelixis**") (the "**Exelixis Agreement**"). Under the Exelixis Agreement, we have granted Exelixis an exclusive, royalty-bearing, sublicensable license to conduct research and development, manufacturing and commercialization of (i) ISM3091 and any other USP1targeting compounds controlled by us (the "**Licensed Exelixis Compounds**") and (ii) any pharmaceutical drug products containing one of the Licensed Exelixis Compounds as an active ingredient in any form and for any mode of administration (the "**Licensed Exelixis Products**") for any use worldwide. Exelixis is an oncology company innovating next-generation medicines and regimens at the forefront of cancer care. Exelixis is an Independent Third Party to us.

Under the terms of the agreement, we are required to disclose and make available to Exelixis all our know-how existing and not previously provided to Exelixis in relation to ISM3091, including the documents, materials, samples, and information according to the agreed development and manufacturing transition plan. We completed the transfer of sponsorship of Phase Ia clinical trial of ISM3091 to Exelixis in December 2023. Exelixis is conducting the Phase Ia clinical trial and will be responsible to conduct the Phase Ib clinical trial in the U.S. and all subsequent development, manufacturing and commercialization activities. Exelixis must use commercially reasonable efforts to obtain regulatory approval for, and commercialize at least one product for which regulatory approval is obtained, in each of (i) the U.S., (ii) the UK or one major EU market, and (iii) Japan or China.

In consideration of the licenses and rights granted to Exelixis, Exelixis paid us a non-refundable upfront payment of US$80.0 million in September 2023, and will pay us (i) development milestone payments of up to US$100.0 million; (ii) commercial milestone payments of up to US$775.0 million upon the achievement of certain thresholds of aggregate annual net sales of the Licensed Exelixis Products worldwide; and (iii) tiered royalty payments calculated as a percentage ranging from mid-single digits to low teens of annual net sales of the Licensed Exelixis Products worldwide. In November 2024, we received the first US$10.0 million milestone payment under the Exelixis agreement. In 2023, 2024 and the six months ended June 30, 2025, the amount of revenue recognized by the Group in relation to the Exelixis Agreement was US$39.0 million, US$52.0 million, and nil, respectively.

The Exelixis Agreement will continue in effect on a product-by-product and country-by-country basis until the expiration of the royalty term in such country. The royalty term commences upon the first commercial sale of such Licensed Exelixis Product in such country and continues until the later of (i) 10 years after the first commercial sale of such Licensed Exelixis Product in such country, (ii) the expiration of the last-to-expire valid claim of our patents claiming the composition of matter of such Licensed Exelixis Product in such country, and (iii) the expiration of any and all regulatory exclusivity for such Licensed Exelixis Product in such country. Each party may terminate the Exelixis Agreement upon written notice if (i) the other party materially breaches the Exelixis Agreement and has not cured such breach within the agreed cure period, or (ii) the other party becomes a party to a bankruptcy proceeding.

Exelixis may terminate the Exelixis Agreement (i) without cause upon (a) the provision of a 120 days' prior written notice if terminating before the first commercial sale of the Licensed Exelixis Product worldwide and (b) the provision of a six months' prior written notice if terminating on or after the first commercial sale of the Licensed Exelixis Product worldwide, or (ii) if Exelixis reasonably determines that the medical risk of the Licensed Exelixis Products are so unfavorable that it would be incompatible with the welfare of patients to develop or commercialize the Licensed Exelixis Products ("**Safety Reasons**"). If Exelixis, its affiliates or sublicensees challenges any of the licensed patents, we may terminate the Exelixis Agreement in its entirety or on a country-by-country basis depending on the challenge scope.

In the event that we terminate the Exelixis Agreement for Exelixis' material breach, or Exelixis terminates the Exelixis Agreement without cause or for Safety Reasons, the parties will negotiate commercially reasonable terms for an assignment from Exelixis to us of Exelixis' interest in and to data and inventions generated by or on behalf of Exelixis or its affiliates in the performance of activities under the Exelixis Agreement that are solely related to ISM3091 or the other licensed USP1-targeting compounds. In the event that Exelixis has cause to terminate the Exelixis Agreement for our material uncured breach of our exclusivity obligation not to research, develop, make, manufacture, collaborate or consult with third parties, offer for sale, sell, or otherwise commercialize any competing product, but elects to continue the Exelixis Agreement, any unaccrued milestone payments or royalty payments will be reduced by a specified percentage.

We believe that the out-licensing of ISM3091 demonstrated the high potential of our asset pipeline generated from our generative AI platform, and our ability to conduct business development activities that maximize the commercial value of our products.

ISM8207: A Small Molecule Inhibitor of QPCTL as a Potential Treatment of Tumors with High Engagement of CD47-Signal Regulatory Protein α ("SIRPα") Axis

Overview

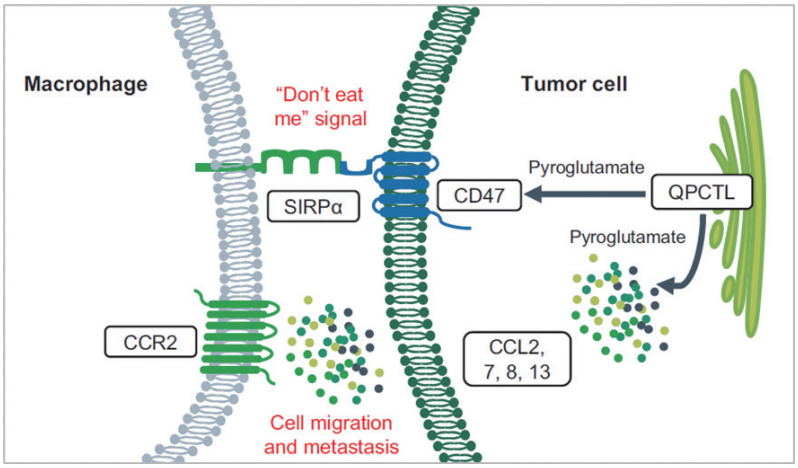
ISM8207, currently co-developed in partnership with Fosun, is an orally available small molecule inhibitor of QPCTL, a regulator of the CD47-SIRPα axis, designed as a cancer immunotherapy. The blockade of the CD47-SIRPα axis has recently demonstrated clinical validation as a favorable immunotherapy approach for the potential treatment of cancer. We filed an IND application with the NMPA in China in April 2023. We received the Phase I IND approval from the NMPA in July 2023 and initiated a Phase I clinical trial in April 2024.

Mechanism of Action

QPCTL, which is located on the cell organelle called the Golgi apparatus, has been identified as a crucial regulator of the CD47-SIRPα axis, commonly referred to as the "don't eat me" axis. Cancer cells use CD47, a "don't eat me" signal mediated by SIRPα, to evade the detection by the immune system and subsequent destruction by macrophages. There are a variety of anti-CD47 therapies under clinical development to counter the "don't eat me" signal across broad cancer types. Due to the wide expression of CD47, especially on erythrocytes, however, clinical trials with anti-CD47 antibodies have experienced limitations in dose escalation due to hematological toxicity, including anemia and thrombocytopenia. The N terminus of the CD47 protein contains a pyroglutamate residue that is essential to create a high affinity SIRPα binding site, and this modification shortly after protein synthesis has been shown to depend on QPCTL. Inhibition of QPCTL with pharmacological tools or bioengineered knockout methods has been shown to cause a reduction or loss of the binding between CD47 and SIRPα, as well as increased antibody-dependent cellular phagocytosis and neutrophils-induced cytotoxicity. Given the lack of Golgi apparatus where QPCTL is localized in mature erythrocytes, QPCTL inhibitors may induce lower hematological toxicity compared to most of CD47-blocking agents currently under clinical development.

In addition to the engagement of the CD47-SIRPα axis, QPCTL also adds pyroglutamate to the C-C motif chemokine ligand ("**CCL**") proteins CCL2, CCL7, CCL8 and CCL13, which are the ligands of the C-C motif chemokine receptor ("**CCR**") 2 responsible for directing the migration of myeloid cell lineage, including monocytes/macrophages and dendritic cells. The modification of CCL chemokine family members by QPCTL increases this chemokine stability against degradation and enhances CCR2 activation and signal transductions. The CCL2/CCR2 axis has been implicated in cancer cell survival, migration and metastasis via recruitment of immune cells into the tumor microenvironment. A downregulation of CCL2/CCR2 signaling transduction by inhibiting QPCTL could thus be used to reprogram the tumor immune microenvironment through modulating suppressive myeloid cells toward phagocytic macrophages-enriched profile, subsequently turn less T cell-inflamed tumors into highly T cell-infiltrating tumor, and further favor anti-tumor immunity led by T cell engagers like anti-PD-1/L1 antibodies or anti-CTLA-4 antibody.

The diagram below illustrates the mechanism of action of ISM8207:



Licenses, Rights and Obligations

We entered into an agreement with Fosun in November 2021 to co-develop ISM8207. We take the leading role in the clinical development of ISM8207 through Phase I trial, with the roles of each party for the development of ISM8207 from Phase II trial to be negotiated after Phase I trial completion. For additional information, see "— Collaboration with Fosun" below in this section.

Clinical Development Plan

We filed an IND application with the NMPA for a Phase I clinical trial of ISM8207 in April 2023. We received an IND approval from the NMPA in July 2023. Subsequently, Fosun and we initiated a first-in-human, open-label, multi-center Phase I clinical trial in China to evaluate the safety, tolerability, PK/pharmacodynamics, and preliminary anti-cancer activity of ISM8207 monotherapy in patients with advanced/metastatic solid tumors and relapsed/refractory B-cell lymphoid malignancies in April 2024. The phase I study consists of two parts, a dose escalation part (Part 1) and a dose expansion part (Part 2), enrolling patients with advanced solid tumors or relapsed/refractory B-cell lymphoma. Ten dose levels, including 5mg, 10mg, 20mg, 40mg, 75mg, 125mg, 200mg, 300mg, 400mg, and 525mg, are planned for Part 1. Following completion of dose escalation, all available data will be synthesized and reviewed by the Safety Review Committee (SRC) to determine the recommended expansion dose for Part 2. The study is currently in the dose escalation stage. The Phase I trial is currently in the dose escalation stage, and exploration of expansion indications for combination therapy is ongoing.

ISM5043: A Small Molecule KAT6 Inhibitor as a Potential Treatment of ER+/HER2 Breast Cancer

Overview

ISM5043 is a new oral small molecule KAT6-selective inhibitor with comparable potency against both KAT6A and its close paralog KAT6B. The inhibition of KAT6A can downregulate the expression of estrogen receptor α ("**ERα**") at transcriptional level, which potentially provides new therapies for ER+ breast cancer patients. The preclinical studies showed its effective inhibition against KAT6A and favorable safety and efficacy profiles. We out-licensed ISM5043 to Stemline in December 2023. Currently the molecule is in Phase Ia trial, sponsored by our partner Stemline.

R&D Expense

Since the project was out-licensed, our R&D expenses increased in 2023 due to IND-enabling activities prior to out-licensing, but declined in 2024 following the completion of the out-licensing.

Licenses, Rights and Obligations

In December 2023, we entered into the Stemline KAT6 Agreement with Stemline, a commercial-stage biopharmaceutical company and a whollyowned subsidiary of the Menarini Group, to grant to Stemline a worldwide, royalty-bearing, exclusive license, with the right to grant sublicenses, to research, develop and commercialize ISM5043, the small molecule KAT6 inhibitor (the "**Licensed Stemline Compound**") and any other products incorporating ISM5043 (the "**Licensed Stemline Product**"). Stemline is an Independent Third Party to us.

Under the Stemline KAT6 Agreement, Stemline and we intend to collaborate on development of the Licensed Stemline Compound or Licensed Stemline Product, pursuant to a written research and development plan. We will be responsible for certain development activities related to chemistry, manufacturing and controls, toxicology and preclinical studies and providing regulatory and clinical support. Stemline will reimburse us for half of the costs directly incurred in connection with the performance of our development activities set forth in the research and development plan, up to a specified maximum total documented costs and up to a specified reimbursement sum.

Stemline will have the sole right and responsibility for all other activities relating to the development and commercialization of each Licensed Stemline Product worldwide.

We make available to Stemline our know-how and patents relating to the Licensed Stemline Compound or Licensed Stemline Product existing as of the effective date of the Stemline KAT6 Agreement. We will exclusively own any inventions made to the extent relating to any Licensed Stemline Compound or Licensed Stemline Product ("**Improvements**"), which will be exclusively licensed to Stemline. Other than Improvements, each party will exclusively own any invention made solely by themselves and jointly own any inventions made jointly. Each party is entitled to practice, license (through multiple tiers), assign and otherwise exploit its interest under the Joint Inventions and patents claiming such Joint Inventions for all purposes on a worldwide basis without the duty of accounting or seeking consent from the other party.

Under the Stemline KAT6 Agreement, Stemline has agreed to make various payments to us, including but not limited to an upfront payment, development and regulatory milestone payments, sales milestone payments and royalty payments, we are entitled to receive: (i) US$12.0 million in upfront payment; (ii) up to US$150.0 million in development and regulatory milestone payments; (iii) up to US$344.0 million in sales milestones payments based on the achievement of specific preset annual net sales thresholds in the world; and (iv) royalty payment, based on rate ranging from a mid-single digit percentage to a low double-digit percentage.

The Stemline KAT6 Agreement will continue in effect on a product-by-product and country-by-country basis until the expiration of the royalty term. Unless the Stemline KAT6 Agreement is terminated sooner, upon the expiration of the royalty term for a particular Licensed Stemline Product in a particular country, the license granted to Stemline with respect to such Licensed Stemline Product in such country will be deemed fully-paid, royalty-free, perpetual and irrevocable. Each party will have the right to terminate the Stemline KAT6 Agreement immediately in its entirety upon written notice to the other party (i) for material breach, if not cured within a specified period; and (ii) for bankruptcy, if the bankruptcy proceeding is not dismissed within a specified period after commencement.

We have the right to terminate the Stemline KAT6 Agreement in whole or in part upon prior written notice to Stemline, if Stemline does not conduct any research, development or commercialization activities for a Licensed Stemline Product during any consecutive 18-month period, if such lack of activity is not (a) by written agreement of the parties, (b) a result of Stemline's reasonable response to guidance from or action or inaction by a regulatory authority, or (c) a direct result of any force majeure event. We have the right to terminate the Stemline KAT6 Agreement upon prior written notice, if Stemline challenges our patents. In addition, Stemline has the right to terminate the Stemline KAT6 Agreement for safety reasons upon written notice to us, if Stemline reasonably determines that the medical risk/benefit of a Licensed Stemline Product is so unfavorable that it would be incompatible with the welfare of patients to develop or commercialize the Licensed Stemline Product. Stemline has the right to terminate the Stemline KAT6 Agreement for any reason or no reason upon (a) prior written notice to us before the initiation of the first Phase I clinical trial for a Licensed Stemline Product, (b) prior written notice to us after the initiation of the first Phase I clinical trial for a Licensed Stemline Product and (c) prior written notice to us after the first commercial sale of a Licensed Stemline Product.

Upon termination of the Stemline KAT6 Agreement, all licenses granted by us to Stemline will automatically terminate. If the termination is not due to our material breach, bankruptcy or safety reasons, Stemline must assign or transfer to us the regulatory filings, approvals and data necessary for the development, manufacture or commercialization of ISM5043 and/or Licensed Stemline Products. Stemline must also transfer to us ownership of trademarks exclusively used for Licensed Stemline Products. If the Stemline KAT6 Agreement is terminated by Stemline without cause or by us pursuant to material breach, Stemline will either (i) wind-down any ongoing development activities (including clinical trials) of the Licensed Stemline Products in an orderly fashion or (ii) promptly transfer such development activities to us. If the Stemline KAT6 Agreement is terminated following the first commercial sale of a Licensed Stemline Product, Stemline will either (i) continue certain ongoing commercialization activities for up to a specified period as determined by us, (ii) handoff such activities to us, sell and make available to us all of their existing inventory of Licensed Stemline Products on negotiated terms, or (iii) destroy the existing inventory. Stemline will also continue to book sales and make royalty payments to us during the up to six-month commercial wind-down period. Upon termination of the Stemline KAT6 Agreement and upon the request of any sublicensee not then in breach of its sublicense agreement or the terms of the Stemline KAT6 Agreement applicable to such sublicensee, we will negotiate in good faith in order to enter into a direct agreement with such sublicensee.

ISM3412: A Small Molecule Inhibitor of MAT2A as a Potential Treatment of MTAP$^{-/-}$ Cancers

ISM3412 is an orally available effective and selective small molecule inhibitor of MAT2A, a synthetic lethal target in MTAP-deleted or MTAP$^{-/-}$ cancers. ISM3412 functions through the suppression of S-adenosylmethionine ("**SAM**") production, leading to the loss of methylation function of the major SAM-utilizing type II arginine methyltransferase (also known as protein arginine methyltransferase 5, the "**PRMT5**"). We received IND approval from FDA on April 9th 2024 and CDE on April 30th 2024. The Phase I, first-in-human, global, multicenter clinical trial is ongoing in both China and in the U.S, to investigate the safety, tolerability, RP2D, PK/PD and preliminary anti-tumor activity of ISM3412 monotherapy in participants with locally advanced/metastatic solid tumors with confirmed homozygous MTAP deletion. The study consists of two parts, a dose escalation part (Part 1) and a dose selection optimization part (Part 2). The trial is currently ongoing in Part 1 with the first study site was activated in December 2024, and the enrollment of the first patient (First-patient-in, FPI) was accomplished in April 2025.

ISM6331: A Small Molecule TEAD Inhibitor for the Treatment of Mesothelioma and Other Solid Tumor

ISM6331 is a small molecule pan-TEAD1/2/3/4 inhibitor that blocks the transcriptional activity of the TEAD-Yes-associated protein/transcriptional co-activator with PDZ-binding motif ("**YAP/TAZ**") complex for the treatment of Hippo pathway dysregulated solid tumors. The TEAD proteins modulate gene expression by binding to the coactivator YAP/TAZ, and the TEAD–YAP/TAZ complex has emerged as an attractive therapeutic target in these

malignancies. ISM6331 has demonstrated equipotent inhibition against TEAD1/2/3/4, along with a favorable safety profile and effective antitumor activity in preclinical studies. ISM6331 received orphan drug designation from the U.S. FDA in June 2024. We obtained IND approval for a Phase I clinical trial from the FDA in July 2024 and from the CDE in October 2024. The Phase I, first-in-human, global, multicenter clinical trial is ongoing in both China and the U.S, to evaluate the safety, tolerability, recommended Phase 2 dose (RP2D), PK/PD, and preliminary anti-tumor activity of ISM6331 in participants with advanced or metastatic malignant mesothelioma or other solid tumors.

The Phase I study consists of two parts, a dose escalation part (Part 1) and a dose selection optimization part (Part 2). Following completion of dose escalation, all available data will be synthesized and reviewed by the SRC to select two dose levels for the dose selection optimization part. The RP2D will be recommended upon reviewing all available data from Part 1 and Part 2. Seven dose levels, 15mg, 30mg, 50mg, 75mg, 100mg, 130mg and 170mg, are planned to be explored in Part 1. As of the data cut-off date, the cohort 1 has been completed with a total of 3 patients enrolled. The SRC reached a consensus that ISM6331 was well tolerated, with no severe AEs or DLT reported. Three patients in cohort 1 have completed the post-dose tumor assessment, of which one patient with epithelioid hemangioendothelioma achieved stable disease and remains on study treatment, while the other two patients experienced disease progression. The dose escalation to Cohort 2 (30 mg) is currently underway. Since project achieved PCC nomination in May 2023 and received IND approval in October 2024, the progression of the project and associated milestones led to higher R&D expenses in line with increased development activities.

ISM5939: A Small Molecule ENPP1 Inhibitor for the Treatment of Cancer

ISM5939 is a new selective oral small molecule ENPP1 inhibitor. An alternative strategy to activate STING that may prove to be safe and efficacious is to inhibit the extracellular hydrolase ENPP1, which is a negative regulator of the STING pathway via directly hydrolyzing 2'3'-cGAMP, the natural ligand for STING. Increased ENPP1 expression has been shown to be associated with reduced immune cell infiltration and poor prognosis in multiple tumor types. Inhibition of ENPP1 would enhance non-cell autonomous STING-signaling and allow for modulation of the tumor microenvironment with increased tumor antigen presentation and T cell activation. The preclinical studies show its inhibitory potency against ENPP1 and strong safety and efficacy profiles. In comparison with direct STING agonists, ISM5939 exhibits a much higher therapeutic index. We obtained an IND approval from the FDA for a Phase Ia/b clinical trial in the U.S. in October 2024. Consistent with our priority-based pipeline strategy, we plan to initiate clinical development of ISM5939 at a strategically selected time, allowing us to allocate resources efficiently across our pipeline and advance the most promising programs to maximize potential clinical and commercial value.

ISM8969: CNS-penetrant NLRP3 inhibitor for inflammatory diseases

ISM8969 is a CNS-penetrant inhibitor of the NOD-like receptor protein 3 (NLRP3) inflammasome, a key driver of inflammation in a broad range of diseases. NLRP3 is reported to be highly expressed and activated in patients with various inflammatory conditions, and clinical proof-of-concept achieved by assets targeting IL-1β, an NLRP3-dependent cytokine, further confirms the critical and causative role of NLRP3. Moreover, gain-of-function mutations in NLRP3 are associated with the rare inflammatory disorder CAPS, providing strong genetic validation for targeting NLRP3 inhibition. ISM8969, a BCS Class I compound, has demonstrated excellent potency and selectivity in cellular assays and exhibits favorable pharmacokinetic profiles — including low clearance, robust exposure, and high oral bioavailability — across multiple preclinical species. Preclinical studies have shown favorable efficacy in both acute and chronic disease models, alongside a clean in vitro safety profile and exceptional safety margins observed in dose-range finding studies in rats and dogs. Given its brain-penetrant properties, ISM8969 may have therapeutic utility in cardiometabolic diseases, where chronic NLRP3-mediated inflammation in both the periphery and CNS contributes to the regulation of appetite and food intake. We filed an IND application in the U.S. in November 2025.

ISM9682: A New and Effective Inhibitor as a Potential Treatment of Chromosomally Unstable Cancers

ISM9682 is an inhibitor that targets mitotic progression which possesses excellent inhibitory potency and high selectivity in kinesin panel screening. ISM9682 induced sustained PD markers of mitotic arrest *in vitro* and *in vivo* with robust mono-therapeutic efficacy in multiple cell line- and patient-derived xenograft models with chromosomal instability and displayed favorable drug-like properties. Such properties include desirable *in vitro* ADMET properties, excellent *in vivo* clearance and good oral bioavailability across multiple preclinical species, along with exceptional safety margin. Therefore, ISM9682 could be considered a potential inhibitor for treating cancers with chromosomal instability.

iCVMs: Cardio-Vascular and Metabolic Assets

We are advancing a selective, oral antagonist of the glucocorticoid receptor (NR3C1) for the treatment of hypercortisolism-associated diseases. Modulating the activity of excessive cortisol at the glucocorticoid receptor may provide a new therapeutic approach for treating serious conditions, including Cushing syndrome, metabolic disorders, and certain oncology indications. Preclinical studies have demonstrated favorable pharmacodynamic activity, efficacy in relevant animal models, and a favorable safety profile. We are currently progressing through toxicity studies and expect to nominate a PCC in the second half of 2025.

We are developing an oral, long half-life nonpeptide agonist targeting the glucagon-like peptide-1 receptor (GLP-1R). Designed for once-weekly administration, this candidate aims to offer superior efficacy over current once-daily regimens by improving glycemic control and promoting significant weight loss. It can be taken without food or water restrictions, potentially increasing adherence and reducing treatment burden. Our GLP-1R product demonstrates improved solubility, favorable in vitro clearance, and a low risk of CYP inhibition. It also exhibits excellent pharmacokinetic properties, including good oral bioavailability and a long half-life across four preclinical species, supporting the potential for once-weekly clinical dosing. In lean hGLP-1R mice, it has shown comparable effects to leading approved drugs in suppressing food intake, promoting blood glucose disposal, and stimulating insulin secretion. Additional metabolic benefits are currently being evaluated in obesity/lean cynomolgus monkeys. We expect to nominate the PCC by the end of 2025. With its favorable profile, this oral GLP-1R agonist has the potential to become a cornerstone therapy for obesity and type 2 diabetes, while also improving related cardiovascular outcomes, sleep apnea, chronic kidney disease (CKD), and metabolic dysfunction-associated steatotic liver disease.

We are also developing multiple early-stage pipelines of new oral small molecule therapeutics to address obesity, type 2 diabetes, hypercholesterolemia, hypercortisolism-associated disease, and their complications including atherosclerosis, heart failure, sleep apnea, chronic kidney disease ("CKD"), osteoarthritis, metabolic dysfunction-associated steatotic liver disease ("MASH"), diabetic retinopathy, Parkinson's disease, and Alzheimer's disease.

iNAPs — Non-Opioid Anti-Pain Assets

The aging populations and chronic pain prevalence drive the expansion of global analgesic market. However, misuse of opioid substances such as morphine causes public health crisis despite of tightened regulations. The market urgently needs safer, targeted therapies balancing efficacy with addiction risks. We are advancing a class of selective, new small molecule kinase inhibitors for potential non-opioid pain management, with favorable analgesic effect demonstrated in various preclinical pain models. Superior efficacy to morphine is observed in one of the models. We are currently evaluating the safety profile of the candidate compounds and plan to nominate a PCC in the first quarter of 2026.

Undisclosed Pan-KRAS Program

We are developing an oral pan-KRAS (ON/OFF) inhibitor that selectively targets all major oncogenic KRAS variants across multiple solid tumors, while sparing HRAS and NRAS. KRAS alterations occur in approximately 17% of all solid tumors, including pancreatic, colorectal, lung adenocarcinoma, and esophagogastric carcinoma. Our candidate inhibits tumor cell proliferation by potently suppressing the growth of cell lines harboring KRAS aberrations (e.g., G12X, G13D, Q61H, and wild-type amplification) and induces robust tumor regression in KRAS variant-derived CDX models. The inhibitor also demonstrates a promising

pharmacokinetic profile, with favorable in vivo clearance and oral bioavailability. We are currently advancing toxicology studies and anticipate nominating a PCC in December 2025. The pan-KRAS program is at the lead optimization stage for oncology indications.

Undisclosed CDK4 Program

We are developing a highly selective CDK4 inhibitor for the treatment of HR+/HER2- breast cancer. This candidate targets the cell cycle to selectively inhibit CDK4 while sparing CDK6, with the potential to significantly reduce hematologic and off-target toxicities compared to dual CDK4/6 inhibitors. Current standard-of-care therapies are limited by CDK6-driven hematological toxicity and gastrointestinal adverse events, which often result in dosing interruptions and suboptimal target coverage. Our compound demonstrates potent antitumor efficacy, excellent selectivity, and favorable ADMET properties in preclinical studies. With a differentiated mechanism and improved safety profile, this CDK4 inhibitor addresses key limitations of current CDK4/6 therapies in HR+/HER2- cancers. We anticipate nominating a PCC by the end of 2025. The CDK4 program is in lead optimization for oncology indications.

Undisclosed Nav1.8 Program

We are developing a highly selective Nav1.8 inhibitor for the treatment of both acute and chronic pain. Nav1.8 is predominantly expressed in peripheral nociceptors, particularly C-fibers and Aδ-fibers, which mediate pain signaling. It facilitates action potential propagation under depolarized conditions and contributes to hyperexcitability in pathological states. By specifically targeting Nav1.8, our candidate has the potential to treat both acute and chronic pain without abuse liability. Preclinical data demonstrate strong in vitro and in vivo efficacy, high selectivity, and favorable ADME profiles. We are currently preparing in vivo safety studies and expect to nominate a PCC in December 2025. The Nav1.8 program is in lead optimization for pain indications.

ISM4529: A Small Molecule CBLB Inhibitor for the Treatment of Cancer

ISM4529 is a small molecule, orally administered inhibitor of CBLB, an E3 ubiquitin ligase that serves as a novel intracellular immune checkpoint. CBLB negatively regulates the activation of T cells, NK cells, dendritic cells, and mast cells, thereby limiting antitumor immune responses. By targeting immune modulation, ISM4529 robustly activates T cells and NK cells and restores effector T cell function within the immunosuppressive tumor microenvironment — even in the presence of PGE2 or A2AR agonists. Its antitumor efficacy has been clearly demonstrated both as a monotherapy and in combination with anti-PD1 therapy, with long-term immune memory confirmed in tumor rechallenge models. ISM4529 also demonstrates favorable in vitro ADMET properties, excellent in vivo clearance, and a broad safety margin. Accordingly, ISM4529 has the potential to become a best-in-class CBLB inhibitor in immuno-oncology. We have nominated a PCC in November 2025 and anticipate filing an IND application in the second half of 2026.

DRUG DISCOVERY

We generate revenues from our drug discovery business. Under drug discovery and collaboration arrangements, we utilize our Pharma.AI to discover new targets associated with diseases, and/or identify and further research and develop drug candidates in which we do not have exclusive ownership. We receive fees in the form of upfront payments, milestone payments, royalties and contingent payments, among others, in connection with our drug discovery business.

In 2022, 2023, 2024 and the six months ended June 30, 2025, we collaborated with 40, 48, 55 and 61 customers for drug discovery, respectively. The following sets forth details of two material drug discovery projects and collaboration arrangements during the Track Record Period and as of the Latest Practicable Date. The terms of each of the Fosun Agreement and Sanofi Agreement are comparable to transactions with other independent customers.

Collaboration with Fosun

In November 2021, we entered into a Drug Discovery and Development Collaboration Agreement (the "**Fosun Agreement**") with Fosun. Fosun is an Independent Third Party to us and is engaged in the discovery, development and commercialization of therapeutic products.

Obligations and Responsibilities

We will provide certain drug discovery and development services for up to four discovery programs (the "**Discovery Programs**") to discover and identify small molecule chemical entities directed at certain targets selected by Fosun. Fosun's selection of targets are subject to our approval to avoid potential competition with our pipeline development business. We also agreed to work with Fosun on the discovery and development of ISM8207 (the "**QPCTL Project**"), through the completion of Phase I trial, for which we are to take the leading and sponsor role. The R&D costs of the QPCTL Project will be shared equally (50/50) by Fosun and us through the Phase I clinical trials. The roles and responsibilities of each party for clinical trials beyond Phase I, including our involvement in the QPCTL Project and cost sharing terms, will be set forth in a separate written agreement to be negotiated in good faith by each party.

Fosun and us will establish a joint steering committee (the "**JSC**") to oversee, review, and coordinate the activities of the parties with respect to the conduct of the Discovery Programs and the QPCTL Project and serve as a forum for the exchange and discussion of information. Each of Fosun and us will appoint two members with the requisite experience and seniority to make decisions on behalf of the parties with respect to issues falling within the jurisdiction of the JSC. Decisions of the JSC will be made by a simple majority of the members. In the event that the JSC is unable to reach consensus, then either party may, by written notice to the other, refer the matter to our CEO and Fosun's president to resolve. Any final decision mutually agreed to by our CEO and Fosun's president shall be conclusive and binding. If Fosun's president and our CEO are not able to resolve any such matter within 30 business days after

such issue was first referred to them, then either party may proceed with arbitration procedures. Each party will (a) be responsible for the day-to-day implementation and operation of the various activities and (b) keep the other party informed as to the progress of such activities as reasonably requested by the other party or as otherwise determined by the JSC. Each party will designate a single project leader for each target to oversee the day-to-day performance of the Discovery Programs with respect to such target and facilitate communication between the parties.

As of the Latest Practicable Date, four Discovery Programs have been initiated which has satisfied the requirement under the Fosun Agreement to identify four targets. Among the four Discovery Programs, one has progressed to PCC nomination and one has reached the lead identification stage. The progress of the Discovery Programs is in line with expectations and consistent with industry standards for early-stage research.

For the QPCTL Project, Fosun has exercised its PCC election option and we have obtained IND approval for Phase I clinical trial in China.

Upfront and Milestone Payments for the Discovery Programs and QPCTL Project

In consideration of the rights granted and obligations undertaken by us under the Fosun Agreement with respect to the Discovery Programs, Fosun will pay us (a) a project initiation fee in the amount of US$3.0 million for the initial batch of up to two Discovery Programs that Fosun selects and (b) a project initiation fee in the amount of US$1.5 million for each of the other batch of up to two Discovery Programs that Fosun selects. For each target for which Fosun has exercised its PCC election option to assume responsibilities for the Discovery Program and paid us the PCC election option exercise fee of US$1.5 million, we are entitled to receive an aggregated amount of US$3.0 million in milestone payment on a Discovery Program-by-Discovery Program basis.

With respect to the QPCTL Project, Fosun has made an upfront payment of US$7.0 million to us in January 2022. Following Fosun's exercise of the PCC election option with respect to the QPCTL Project and two payments of the associated US$1.5 million PCC election option exercise fee in May 2023 and September 2023, we are entitled to an aggregated amount of US$48.0 million of service milestone payment. The service milestone events include acceptance by applicable regulatory authority of first IND application filing in Fosun and us will equally share (50-50) all R&D costs in connection with the performance of the QPCTL Project research plan through the completion of Phase I trials, and equally share (50-50) all profits/losses of QPCTL Project.

In 2022, 2023, 2024 and the six months ended June 30, 2025, the amount of revenue recognized by the Group in relation to the Fosun Agreement was US$17.1 million, US$3.4 million, US$1.9 million and US$1.9 million, respectively. As of December 31, 2024, we received (1) a total payment of US$8.0 million, which consist of an upfront payment of US$6.0 million and PCC Election Option Milestone payments for the completion of lead identification in two of the Discovery Programs, lead optimization and PCC election option fee in one

Discovery Program totaling US$2.0 million; and (2) a total payment of US$14.4 million, which consist of an upfront payment of US$7.0 million, the PCC election option fee of US$3.0 million and R&D cost sharing charges of US$4.4 million for the QPCTL Project.

Intellectual Property

Each party will retain all patents, know-how, and other intellectual property controlled by each party as of the effective date of the Fosun Agreement or developed by such party independently and without use of or reference to the other party's confidential information. With respect to each Discovery Program, Fosun will own all rights in any development technology first developed by or on behalf of Fosun in the conduct of such Discovery Program. Fosun will own all right in any technology first developed by us or jointly with Fosun in the conduct of such Discovery Program to the extent that Fosun has made the applicable project initiation fee payment. Each party shall own and control an equal, undivided interest in any and all development technology developed by either party, by such party itself or jointly with the other party, in connection with the conduct of the QPCTL Project under the Fosun Agreement. In the event that Fosun does not exercise its PCC election option for a given Discovery Program, we will have the sole right (but not the obligation) and at our own expense to prosecute patents to such Discovery Program. In the event that Fosun does not exercise its PCC election option for the QPCTL Project, Fosun assigns to us all of its right, title and interest in and to joint development technology, as applicable, in the QPCTL Project, and we will be free and have exclusive rights to use and grant rights to the joint development technology with respect to the QPCTL Project for any purpose (including to develop compounds that modulate the activity of the applicable target alone or in connection with third parties).

Termination Clauses

The Fosun Agreement became effective as of November 12, 2021, and unless earlier terminated, it will continue in full force and effect. Fosun has the right to terminate the Fosun Agreement on a Discovery Program-by-Discovery Program basis or in its entirety at any time upon 60 days' prior written notice to us. Upon such termination, other than payment obligations or other liabilities that have accrued, Fosun will have no further payment obligations in relation to that terminated Discovery Program. Either party may terminate the Fosun Agreement in its entirety or on program or regional basis (as applicable) due to material breach or insolvency of the other party, or due to a material safety issue of the compounds or clinical hold.

A "major safety issue" means, with respect to a collaboration product, any of the following: (a) an adverse safety profile of such collaboration product, or receipt or generation by a party of any safety, tolerability, or other data indicating or signaling, as measured by safety and efficacy evaluation criteria and methodology customarily used by a majority of clinicians conducting studies on similar products in the applicable jurisdiction, that such collaboration product has or would have serious risks for medical applications in humans to require a recall, withdrawal, or similar action; or (b) any notice, information or correspondence received by a party from a regulatory authority, or any action taken by a regulatory authority,

in each case, indicates that regulatory approval is unlikely to be granted therefor or, if already granted, the regulatory approval therefor would likely be revoked or materially amended, or causes the regulatory approval therefor not to be granted or, if already granted, to be revoked or materially amended.

Collaboration with Sanofi

In October 2022, we entered into a Collaboration and License Agreement (the "**Sanofi Agreement**") with Genzyme Corporation, a wholly-owned subsidiary of Sanofi S.A., a French multinational pharmaceutical and healthcare company listed in both Euronext Paris and Nasdaq stock markets ("**Sanofi**"). Sanofi is an Independent Third Party to us.

Obligations and Responsibilities

Under the Sanofi Agreement, we will collaborate with Sanofi to carry out target-based research programs leveraging our technology to accelerate the identification of development candidates for up to six collaboration targets, including the conduct of research activities in accordance with the research plan for each collaboration target. Targets proposed by Sanofi are not subject to direct approval by us as doing so would require the disclosure of prospective target identity information that are commercially sensitive. However, the Sanofi Agreement allows us to exclude from the collaboration program a list of targets (i) from our existing or potential internal pipelines, including those involving IPF and fibrosis-related research efforts, (ii) subject to collaboration with existing third-party collaborators, or (iii) for AI platform demonstration purposes. Therefore, the collaboration with Sanofi will not directly compete with our existing R&D efforts. Each Party will be responsible for all costs and expenses incurred by or on behalf of that party or its affiliates under such research program.

We will provide written reports and supporting data and information to Sanofi that meet pre-specified criteria relating to the collaboration targets. Sanofi will have the right to perform, at Sanofi's cost, chemistry, manufacturing and control activities and, other research activities under the research plan, and will notify us regarding whether Sanofi elects to designate any research compound to be progressed to clinical drug development activities. Sanofi will have the exclusive right to control all clinical drug development activities and any regulatory matters, including any filings, correspondence and communication of regulatory materials with regulatory authorities, and have the exclusive right and control over the commercialization of the compounds. We will not sponsor or lead the clinical trials.

Intellectual Property

Sanofi will retain all of its rights, title and interest in and to all patents, know-how and other intellectual property rights that are controlled by Sanofi prior to the effective date of the Sanofi Agreement or developed independently of the Sanofi Agreement (the "**Sanofi Background IP**") except to the extent that any rights or licenses under Sanofi Background IP are expressly granted to us under the Sanofi Agreement. We will retain all of the rights, title and interest in and to all patents, know-how and other intellectual property rights that are

controlled by us prior to the effective date of the Sanofi Agreement or developed independently of the Sanofi Agreement (the "**Insilico Background IP**") except to the extent that any rights or licenses under the Insilico Background IP are expressly granted to Sanofi under the Sanofi Agreement. Any intellectual property rights arising out of a research program that pertains to a particular research compound or collaboration target, such as the molecular composition of potential drug candidates for the designated targets, is Sanofi's intellectual property (the "**Sanofi Foreground IP**"). The intellectual property rights arising from a research program that do not incorporate or arise from Sanofi Background IP and are directed to generic improvements to our technology platforms belong to us (the "**Insilico Foreground IP**"). For example, we would own the know-how for any general optimization of our Pharma.AI platform derived from our experience in this project that is not also derived from Sanofi's preagreement IP portfolio.

Under the Sanofi Agreement, we grant to Sanofi, on a collaboration target-by collaboration target basis (a) an exclusive, irrevocable, nontransferable, worldwide license, with the right to grant sublicenses through multiple tiers, under the Insilico Background IP and Insilico Platform Technology IP (i.e., patent, know-how and other intellectual property rights subsisting in our Pharma.AI platform) that are necessary or useful for the research, development, manufacture or commercialization of collaboration compound for that collaboration target for purposes of research, development, manufacture and commercialization; and (b) a non-exclusive, perpetual, irrevocable, non-transferable, worldwide license, with the right to grant sublicenses through multiple tiers, under the Insilico Background IP to the extent necessary to exploit (including to assign, license or otherwise use) the Sanofi Foreground IP (i.e., IP arising out of any research program); provided that, for purposes of the foregoing license grant, the Insilico Background IP (i) will only include background IP that is both (a) owned solely by us and (b) necessary to exploit the Sanofi Foreground IP, and (ii) specifically excludes background IP to the extent claiming, disclosing or otherwise covering (1) any active ingredients or constituents (other than collaboration compound) controlled by us or any third party, and/or (2) any protein degrader.

On a collaboration target-by-collaboration target basis, Sanofi grants to us a nonexclusive, non-sublicensable, royalty-free, worldwide license under the Sanofi controlled IP that is necessary or reasonably useful for the activities to be conducted by us under any research program, the Sanofi Foreground IP and the rights exclusively licensed to Sanofi, in each case, solely for us to conduct our obligations under such research program and not for any other purpose. All manufacturing know-how that are controlled by us and necessary or useful for Sanofi to manufacture and further scale-up the manufacturing process of the collaboration compounds will be transferred to Sanofi prior to the designation of the collaboration development candidate in accordance with the Sanofi Agreement. The grant of the worldwide licences in respect of the relevant intellectual properties and transfer of know-how is not uncommon and is consistent with the market practice. We believe that it will not affect our operations and financial performance.

Upfront and Milestone Payment

Under the Sanofi Agreement, Sanofi has agreed to make various payments to us, including but not limited to, an upfront payment, milestone payments and royalty payments. As of December 31, 2023, we invoiced and received from Sanofi a total upfront payment of US$12.5 million, which covers three identified collaboration targets. If Sanofi designates three additional collaboration targets, out of a maximum of six collaboration targets stipulated in the Sanofi Agreement, we are entitled to receive an additional US$9.0 million in upfront payment. With respect to each collaboration target, we are entitled to a maximum aggregate of US$200.5 million of milestone payments. As of the Latest Practicable Date, we received a total upfront payment of US$12.5 million from Sanofi. In 2022, 2023, 2024 and the six months ended June 30, 2025, the amount of revenue recognized by the Group in relation to the Sanofi Agreement was US$8.3 million, US$4.2 million, US$0.3 million and US$0.5 million, respectively.

Termination Clauses

The Sanofi Agreement will remain in effect, on a collaboration target-by-collaboration target basis, through the date on which neither party has any obligation to the other under the Sanofi Agreement with respect to the collaboration target. The Sanofi Agreement may be terminated by either party unilaterally for the other party's uncured material breach or insolvency event. In addition, Sanofi has the right to terminate the Sanofi Agreement for safety reasons or at will. An at will termination becomes effective 60 days following the date of our receipt of a written notice. If Sanofi terminates the agreement at will, it is required to make certain milestones payments for milestones achieved in the period between the notice of termination and the effective date of termination. The safety reasons include, as supported by reasonable supporting details and documentation, that the medical risk or benefit of further development or commercialization of such collaboration compound is so unfavorable as to be incompatible with the welfare of patients. Additionally, we have the option to terminate this agreement in the event of certain shelving events by providing written notice to Sanofi. Termination resulting from shelving events will be regarded as an at will termination by Sanofi, with the same milestone payment obligations. The shelving events refer to Sanofi's failure to, for a consecutive 12-month period prior to the first regulatory approval in a Major Country, (a) conduct any *bona fide* clinical development activities for such collaboration compound, or (b) has instituted and maintained (per Sanofi's internal policies) a hold on conducting all clinical development activities for such collaboration compound, which is not (i) by written agreement of the parties, (ii) as a result of Sanofi's reasonable response to guidance from or action or inaction by a governmental authority (such as a clinical hold, a recall or withdrawal), (iii) as a result of a safety reviewer's recommendation to cease development, (iv) as a result of a failure outside of Sanofi's reasonable control to secure adequate supply of the relevant components of the corresponding product, to the extent that Sanofi has used good faith efforts to do so or (v) as a direct result of any other event outside of the reasonable control of Sanofi, including a force majeure event or any claim brought by a third party against Sanofi relating to the applicable collaboration development compound or product.

If the Sanofi Agreement is terminated by Sanofi in whole or on a collaboration target basis for convenience or by us for Sanofi's material breach or insolvency after achieving certain discovery milestones, we are entitled to a reversion right under which Sanofi will grant to us an exclusive, irrevocable, non-transferable, worldwide and sublicensable license for purpose of researching, developing, manufacturing and commercializing the terminated compound under the Sanofi Foreground IP and certain Sanofi Background IP by entering into a separate license agreement with reasonable commercial terms, including without limitation us paying certain royalty to Sanofi based on net sales of such terminated compounds. Meanwhile, Sanofi will be restricted from researching, developing, manufacturing and commercializing any terminated compound directed the terminated target within a certain time period after termination. In the event of any unilateral termination of the Sanofi Agreement by Sanofi, we will remain entitled to receive all payments that accrued but were unpaid as of the effective date of such termination, including milestone payments due as of the effective date of such termination.

Other Collaborations

We have also established several strategic collaborations with leading global healthcare and pharmaceutical companies:

- In March 2025, we entered into a collaboration with Mabwell, a commercial-stage biopharmaceutical company focused on innovative biologics, to apply our AI technology to accelerate the discovery and development of next-generation ADCs.

- In February 2025, we partnered with Tenacia Biotechnology, a commercial-stage biopharmaceutical company focused on CNS disorders, to jointly pursue early-stage discovery of new small molecule inhibitors for CNS diseases.

- In February 2025, we also formed a strategic collaboration with Harbour BioMed, a clinical-stage biopharmaceutical company specializing in immunology and oncology, to integrate our AI-driven drug discovery platform with their antibody discovery capabilities and expedite the development of new therapeutic antibodies.

- In December 2022, we entered into a partnership with Novo Nordisk, a global healthcare company focused on chronic diseases including diabetes and rare diseases, to leverage our AI-driven drug discovery platform for identifying new targets for the treatment of liver fibrosis.

- In September 2022, we signed a memorandum of understanding with the Ministry of Investment of Saudi Arabia to support the development of an AI-powered biotechnology industry in the Kingdom.

OUR SOFTWARE SOLUTION

We generate revenue by granting our customers access to the components of our Pharma.AI, namely Biology42, Chemistry42, Medicine42 and Science42. We enter into subscription agreements with our customers and collect subscription fees under two models: (i) on as-required basis for the hosted software access subscription, and (ii) on on-premise basis for software installation subscription. Our pricing policies are determined based on cost and market positioning. We set the price taking into account certain factors, such as the number of subscription accounts, the number of sites for installment, as well as the nature of the customer (whether it is a not-for-profit organization such as an institution or university, or a for-profit organization).

Since the launch of our software solution in 2020, both our software solution and drug discovery services have achieved strong growth. In 2024, revenue from drug discovery services reached approximately US$80 million. This demonstrates that providing external access to our Pharma.AI platform has not hindered, but rather complemented, the development of our drug discovery segment. The concurrent growth of both revenue streams since 2020 indicates that the two business models can operate in parallel without cannibalizing each other. Our internal drug discovery team also relies on the same platform, which reinforces the integration and mutual support between the two business models. However, revenue from our drug discovery and pipeline development decreased in the six months ended June 30, 2025, compared with the same period in 2024. This decline was primarily due to lower upfront payments recognized based on the development progress of outlicensed drug candidates, rather than cannibalization between the two segments. For details, please refer to the section titled "Financial Information — Period-to-Period Comparison of Results of Operations."

Although both segments leverage the same underlying Pharma.AI platform, they are designed to serve distinct customer needs and business models. The software solution segment provides customers with access to Pharma.AI as a tool to enhance internal R&D capabilities, while the drug discovery services segment delivers fully validated discovery outcomes, including pre-clinical candidates, to customers seeking an outsourced, end-to-end solution. These models target different customer segments and stages of R&D engagement, and are therefore complementary rather than competitive.

Under the hosted software arrangements, each of the Pharma.AI components are licensed out on as-required basis. We charge subscription fees from providing our customers with access to our Pharma.AI. The subscription agreement is typically a one-year term, with fees collected upfront. Subscription fees vary depending on the Pharma.AI components ordered, the account number and the subscription period. Currently, the maximum one-year subscription fee for hosted software is US$200,000. Under the on-premise software arrangements, we grant customers the right to use our Chemistry42 and PandaOmics on the private cloud infrastructure specified and controlled by the customer, typically for a one-year renewable term. The installation fees are of one-off nature included in the first year's subscription fee. Currently, the maximum one-year subscription fee for on-premise software is US$525,000.

OTHER DISCOVERY

Our expertise in generative AI has fostered transformative collaborations across various industries, where we leverage our deep knowledge in biology and chemistry to drive innovation and sustainability. After extensive R&D, we expanded the application of Pharma.AI into non-pharmaceutical industries. Under these collaborations, clients provide specific business challenges and industry data. Leveraging our expertise in generative AI technologies, algorithms are developed and models trained, with outputs validated in real-world settings. This approach enables clients to design novel molecular structures or products tailored to their needs.

Under the discovery and collaboration arrangement, we receive fees in the form of upfront payments, research period regular payment, milestone payments, cost reimbursement and royalties, among others, in connection with our other discovery business.

In 2022, 2023, 2024 and the six months ended June 30, 2025, we collaborated with 2, 3, 4 and 5 customers for other discovery, respectively. The following sets forth details of three notable R&D collaborations in non-pharma sectors. These partnerships demonstrate the versatility of our Pharma.AI platform and its potential to drive innovation and foster sustainable solutions across various industries.

Syngenta: Revolutionizing Agriculture with AI

We collaborate with Syngenta to leverage our AI-driven generative chemistry platform for the discovery of next-generation, sustainable agricultural solutions. This collaboration focuses on accelerating the discovery of new, environmentally friendly crop protection products that combat diseases, weeds, and pests while preserving ecosystems. By integrating our AI-powered generative chemistry technology, we aim to design molecules that are not only effective but also sustainable, thereby enhancing global food security.

SRW Laboratories: Innovating Nutraceuticals for Longevity

We collaborate with SRW Laboratories to bring AI-driven precision to the development of next-generation nutraceuticals. Our AI platform identifies and optimizes natural compounds that support cellular health and longevity. By leveraging our deep learning models, we accelerate the discovery of bioactive ingredients that enhance human wellness.

RESEARCH AND DEVELOPMENT

We are deeply committed to the continuous development and refinement of Pharma.AI, which is our proprietary end-to-end generative AI platform built to revolutionize pharmaceutical research and development. Pharma.AI integrates advanced algorithms and deep learning models across multiple stages of the drug discovery and development lifecycle, including target identification, molecular generation, lead optimization, biomarker discovery, and clinical trial prediction. By streamlining and accelerating traditionally time-intensive processes, Pharma.AI enhances the probability of clinical success and reduces the overall time and cost associated with drug development.

Our R&D strategy is focused on advancing the capabilities of Pharma.AI through systematic algorithmic enhancements, integration of multi-omics and real-world data, and the continuous expansion of domain-specific expertise. These efforts aim to further improve the platform's accuracy, predictive power, and scalability across therapeutic areas. As Pharma.AI evolves, it not only supports our internal pipeline development but also strengthens our value proposition in strategic collaborations and software licensing.

Leveraging the advantages of our generative AI-driven platform, we are targeting drug development opportunities that address unsatisfied demands. ISM001-055 is a small molecule drug candidate primarily for the potential treatment of IPF. It has already demonstrated a preliminary safety and efficacy profile in both *in vitro* cell and *in vivo* animal models in preclinical studies and in healthy volunteers in clinical studies. ISM3091 is an orally available small molecule inhibitor of USP1 with the potential to treat tumors with HRD. We filed an IND application in both the U.S. and China and received approval by the FDA in April 2023. Our other products include drug candidates in preclinical and early discovery stages. In 2022, we nominated nine preclinical candidates and were able to generate revenues to support internal R&D. In addition, we collaborate with CRO partners to augment our in-house R&D.

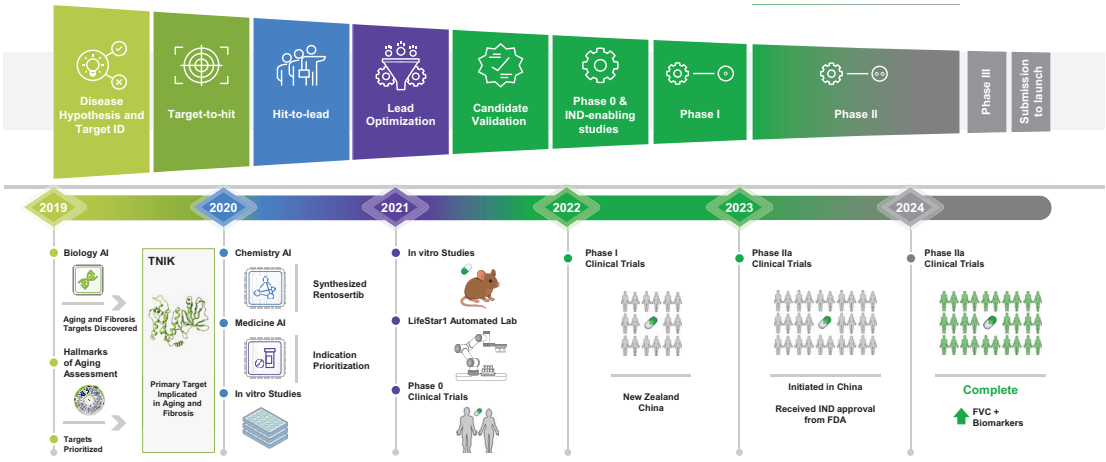
Since our inception, we have been interested in advancing the field of aging research. Fibrosis occurs in the final stage of chronic organ deficiencies, such as pulmonary, kidney or liver diseases, and is associated with aging. It is characterized by excessive proliferation of matrix producing cells which arise from dysregulated chronic inflammation triggered by the poorly understood internal or external stimuli and processes. We initially noticed that IPF is characterized by a progressive and irreversible decline in lung function, remains far from being well understood and there are only two approved drugs that only slowed down the disease progression. In our platform, a ranked list of targets can be generated through flexibly applying a combination of score compositions and filters, which includes but is not limited to disease-agnostic properties such as protein family, accessibility by small molecules/therapeutic antibodies, newness, crystal structure availability. Therefore, we were encouraged to utilize PandaOmics, a target discovery platform using multiple artificial intelligence engines including generative pretrained transformers, to identify a new target in IPF. The selection of

high confident new therapeutic targets for IPF was based on a list of dynamic multi-omics datasets derived from tissue samples of IPF patients and relies on biological networks analysis and text data from scientific literature which includes clinical trials, publications and grant applications.

TNIK was identified as the first target among the five top candidates using the "novel kinase (causal)" approach with relatively high values of network neighbors, causal inference, pathways, interactome community, expression, heterogeneous graph walk, and matrix factorization scores. Although TNIK is known with association to the key fibrosis-driving pathways including WNT, TGF-ß, Hippo, JNK and NF-kB signaling networks, TNIK was not studied as a therapeutic target in IPF until selected by the AI algorithm. To design new TNIK inhibitors with high drug likeness, especially selectivity, we exploited the available co-crystal structures of TNIK with inhibitors and the Chemistry42 structure-based drug design. The compound candidates generated were selected based on synthetic accessibility, newness and medicinal chemistry properties, and tested using a radiometric enzymatic assay. ISM001-055 was generated after lead optimization stage, which prioritized the ADME profile. Compared with the known TNIK inhibitor NCB-0846, the clinical candidate compound ISM001-055 showed higher binding affinity.

According to the proposed mode of action in anti-fibrosis, our experienced R&D team further validated that ISM001-055 suppressed the EMT and FMT induction by the key fibrosis master, TGF-ß not only in immortalized lung cell lines but also in primary lung fibroblasts or bronchial epithelial cells from IPF patients as well. The following bulk RNA-seq analysis using the lung alveolar epithelial cell line A549 pre-treated with TGF-ß showed upregulation at transcriptional level on processes associated with ECM organization, cell-cell junctions, focal adhesions, and collagen fibril organization, while concomitant treatment with ISM001-055 significantly reverted these transcriptional alterations. Notably, knocking down TNIK phenocopied the transcriptional changes induced by ISM001-055 treatment. Based on the PK profile and in vitro cell-based antifibrosis assays, we performed the in vivo efficacy study in murine bleomycin-induced lung fibrosis model. As expected, treatment with ISM001-055 significantly decreased modified Ashcroft scores and lung fibrotic area relative to vehicle-treated mice. Nonclinical toxicology validated a good safety profile of ISM001-055. The oral toxicity studies (4-week or 13-week repeat-dose studies in mice and dogs) confirmed a NOAEL in each species for ISM001-055, providing sufficient safety margin for the proposed dosing regimen in clinical trials. In addition, neither genotoxic potential nor phototoxicity potential was identified. Based on the results in two Phase I clinical trials, it is further confirmed that ISM001-055 is generally well tolerated and shows desirable PK profiles in human.

In summary, using our AI-driven methodology, we generated ISM001-055 as a small-molecule TNIK inhibitor. ISM001-055 had desirable drug-like properties and anti-fibrotic activity across different organs in vivo through oral, inhaled or topical administration. In addition, we evaluated its safety and tolerability as well as PK in the Phase I clinical trials in New Zealand and China. The results were published in Nature Biotechnology journal. The diagram below sets forth an overview of our R&D efforts related to TNIK.



Research and Development Team

As of the Latest Practicable Date, we have established a research and development team of 249 experienced scientists, with more than 87% of them having obtained a master's or doctorate degree. Among them, 113 are dedicated to our AI drug discovery programs, while the remaining 136 focus on pipeline development. Most of our core R&D team members, team leaders and project leaders are from leading universities and research institutes globally, such as Harvard University, The University of Texas at Austin, Peking University and Tsinghua University. They have on average seven years of experience in the drug discovery field, including working experiences at global big pharma companies such as GSK, Eli Lilly, Novartis, Roche, Johnson & Johnson and Amgen.

Our drug discovery and development team is led by Dr. Feng Ren (our CEO and CSO), Dr. Man Zhang (Head of Biology), and Dr. Xiao Ding (Head of Chemistry). Dr. Feng Ren is a pharmaceutical industry veteran, and he guides our R&D strategy and operational oversight and execution of our growing R&D organization. Dr. Man Zhang has over 15 years of experience in drug discovery and translational research across oncology, HBV, and other disease areas. Dr. Xiao Ding has more than 10 years of experience in medicinal chemistry, leading small molecule discovery programs from early research through preclinical development. The drug discovery and development team has nominated more than 20 preclinical candidate compounds, ten of which have received IND clearance. In June 2023, we dosed the first patient in a Phase IIa trial of our TNIK candidate, a small molecule inhibitor treatment for IPF that was discovered and designed using our Pharma.AI platform by our R&D team, marking the world's first drug discovered and designed with generative AI entering Phase II trials.

Our therapeutics pipeline development team is headed by our CEO and CSO, Mr. Feng Ren, Ph.D., a pharmaceutical industry veteran, and includes the Drug Discovery and Clinical Operations & CRO Management teams. The therapeutics pipeline development team streamlines and guides the drug discovery process and manages relationships with CROs. We have set up an expert CRO management system focused on speed, quality and accuracy with direct local supervision, with dedicated managers for over 40 CROs and CDMOs.

We also have assembled a scientific advisory board that comprises Dr. Charles Cantor, Dr. Michael Levitt, Dr. Kai-Fu Lee, Dr. Alan Aspuru-Guzik, Dr. Donald Small, Dr. Klaus Witte, Dr. Stevan Djuric, and Dr. Bud Mishra. They are renowned external experts with relevant academic and industry records to provide scientific advice to the Company. Such advice is requested by the Company's management on an as-needed basis for reference.

Automated Laboratory

Our next generation automated laboratory combines automation technology and laboratory management system with our drug-discovery focused Pharma.AI platform through the use of an automation interface to cell culture, compound management, high-throughput screening, high-connotation imaging and other functions. The platform provides three capabilities: (i) target discovery and target verification, including synthetic lethality target discovery platform, phenotype-based target discovery platform and age-related disease target discovery platform; (ii) drug development and translational medicine, including target validation and acceleration of certain preclinical activities; and (iii) algorithm verification, by generating results predicted by multiple omics data verification algorithms.

Clinical Development Team

Our clinical development team is led by Dr. Feng Ren, our CEO and CSO. As of the Latest Practicable Date, our clinical development team consisted of 20 employees with over ten years of working experience on average in trial design, trial execution and trial development. Among those 20 employees, 16 hold master's or doctoral degrees. Our clinical development team's responsibilities include implementation of our clinical development strategy, the design of clinical development plans, the establishment of quality assurance and control systems, the execution of clinical trial operations, the performance of data analysis and programming and the procurement of clinical supplies.

Clinical Development

Upon obtaining the IND approval from the NMPA, the FDA and Medsafe, our clinical development team, together with reputable CROs and CDMOs in New Zealand, China and the United States, conducted numerous activities for the ongoing and planned clinical trials, including clinical development strategy, market value assessments, trial proposal and protocol designs, including determining study objective and endpoints, trial preparation, site selection, patient recruitment, clinical manufacturing, medical/safety monitoring, site monitoring, data collection/verification and statistical analysis.

Clinical Trial Design and Implementation

Our clinical development team is responsible for trial design and execution and manages clinical procedures and provides oversight of our clinical trials, with the assistance of CROs and CDMOs. Our rapid clinical trial advancements are driven by our (i) extensive clinical trial

development experience, (ii) well-designed clinical trial protocols, (iii) multi-center clinical trial strategy in close collaboration with clinical trial sites (i.e., hospitals) and corresponding principal investigators ("**PI**s"), and (iv) effective clinical trial execution.

During the Track Record Period, we cooperated with leading PIs to conduct the clinical trials of our drug candidates. To the best of our knowledge, none of them has any prior or existing relationships with us, our executive Directors, shareholders, senior management or any of their respective associates. As the sponsor of our clinical trials, we take primary responsibility for the design and execution of the entire trial. Our clinical development team formulates trial protocols and selects and engages trial sites and PIs to conduct clinical trials. The PIs are primary responsible for conducting site-level clinical research activities according to our designed trial protocols and in accordance with laws, regulations, and the good clinical practice ("**GCP**") Guideline, a quality standard for overall clinical trial conduct. PIs regularly communicate with us on the trial progress and observations to evaluate the efficacy and safety of our drug candidates. Each clinical trial has a leading PI with primary responsibility to ensure compliance with clinical trial protocol and GCP over the entire trial. Through the clinical trial process and with the assistance of CROs and CDMOs, we closely monitor trial-related activities, perform site audits, conduct an ongoing risk assessment and safety evaluation, review protocol deviations, and review clinical data to protect the safety of volunteers and ensure the integrity of trial results. We collect and analyze trial data after the last participant completes the last visit to prepare documentation for regulatory approvals of our drug candidates.

As advised by Frost & Sullivan, the roles and responsibilities of the PIs in our clinical trials are in line with the common industry practices. In accordance with the laws and regulations, we (either by ourselves or through our CROs) enter into clinical trial agreements ("CTAs") with the clinical sites or institutions that the PIs belong to and settle the fees and expenses with those clinical sites or institutions through CROs. To avoid any potential conflicts of interest, we do not make any payment to PIs under the CTAs directly. Based on the view of Frost & Sullivan, such clinical trials have been conducted in line with the common industry practice.

Clinical Translational Research

We conduct clinical translational research to assess the effectiveness and safety of treatment, evaluate different ways to customize therapies and improve personalized medicine guidelines using the new data generated. These insights help to further guide us toward new directions in new drug discovery and position us to obtain proof of concept results. We also maintain extensive collaboration with physicians, scientists and key opinion leaders, and further develop products based on their clinical feedback to our drug candidates, whether in terms of indications or potential treatment combinations. We have established a rich network of top-tier CROs and CDMOs, research institutions and hospitals to facilitate progress of our drug candidates into clinical trials.

Collaboration with CROs and CDMOs

As of the Latest Practicable Date, we did not have any plans to establish our own manufacturing facilities to support our pre-clinical and clinical studies. We collaborate with CROs (including SMOs) and CDMOs (including CMOs) to conduct and support our preclinical and clinical studies in line with industry practice. We select our CROs and CDMOs by weighing various factors, such as their qualifications, academic and professional experience, industry reputation and service fees. We maintained a cooperation relationship with over 40 CROs and CDMOs. To the best of our knowledge, except for WuXi AppTec, none of them has any past or present relationships with us, our Directors, shareholders, senior management or any of their respective associates.

During the drug discovery stage, our R&D team focuses on exploring the activities of new chemical entities with disease targets, based on a thorough biological understanding of the disease. Our team also coordinates and accomplishes pre-clinical R&D activities on the product candidates' pharmacology, pharmacokinetics and toxicology during the drug evaluation stage. Our drug discovery capabilities comprise (i) screening and validation of compound with specific biological targets; (ii) analytical technology formulation and toxicology; and (iii) supporting systems including intellectual properties and quality assurance. During the clinical development stage, our R&D team conducted clinical activities including: (i) coordinating all clinical development activities; (ii) designing the key aspects of the clinical study; (iii) designing and coordinating the selection process for qualified CROs to assist in engaging clinical sites and coordinating clinical studies once commenced; (iv) supervising the clinical studies; and (v) overseeing extensive regulatory outreach.

Our preclinical CRO and CDMOs partners mainly provide us with services related to compound synthesis, lab testing, preclinical toxicity and safety evaluations, such as animal studies, of our drug candidates in accordance with our study design and under our supervision. Our clinical CRO partners provide us with an array of services necessary for complex clinical trials in accordance with our trial design and under our supervision. CROs generally provide a comprehensive suite of services to assist us with implementing and managing clinical trials, including trial preparation, source data verification, clinical safety management, data management, and report preparation. Our CDMO partners are responsible for manufacturing our required products in accordance with certain product specifications, in compliance with current Good Manufacturing Practice ("**cGMP**") requirements (where applicable), our quality standards and other applicable laws and regulations.

The following table sets forth the costs attributable to five largest CROs or CDMO in terms of total attributable costs (in descending order) in each year/period during the Track Record Period.

		Year ended December 31,			Six months ended June 30	During the Track Record Period
	Background	2022	2023	2024	2025	Total Amount
		US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Costs attributable to each major CRO/CDMO						
WuXi AppTec Co., Ltd. and its subsidiary (無錫藥明康德新藥開發股份有限公司及其附屬公司)	Preclinical testing and compound synthesis, and manufacturing service	20,611	15,594	12,690	4,919	53,814
Supplier A	Preclinical testing and compound synthesis	9,018	7,391	5,509	2,976	24,894
Supplier E	Clinical trial related service	487	7,524	12,377	1,026	21,414
Supplier B	Chemical manufacturing and control	2,760	5,001	1,660	884	10,305
Supplier G	Chemical manufacturing and control	2,134	2,418	2,518	1,262	8,332

REGULATORY AFFAIRS

Our regulatory affairs team is responsible for the regulatory approval process of our drug candidates, including assembling application dossiers for IND and NDA, addressing inquiries from relevant regulatory agencies and monitoring our R&D projects to ensure their compliance with relevant laws and regulations. Our regulatory affairs team manages the regulatory submission process for our drug candidates, which requires filings to be made to and approved by the relevant authorities before clinical trials can be initiated. The regulatory affairs team prepares and manages regulatory filings by drafting filing dossiers, addressing regulatory questions and conducting CMC and GMP readiness assessments for our drug candidates. Our regulatory affairs team possess extensive knowledge and experience with regard to regulatory filings in the U.S., China and other jurisdictions. In addition, our regulatory affairs team work with consultants who are experienced in obtaining drug approvals. With our presence and expertise in the U.S., China and other jurisdictions, we can design our clinical trials to maximize operational efficiency.

BUSINESS DEVELOPMENT AND COMMERCIALIZATION

To support our long-term business strategy and to realize the potential of our assets besides self-developing and commercializing the pipeline products, our corporate and business development group takes a comprehensive approach to continuously assess partnering opportunities with various global and regional stakeholders in the biopharmaceutical and biotech industry. The business development team is composed of seasoned professionals with deep experience in both business and R&D from leading global pharmaceutical and biotech companies. They focus on asset out-licensing and forming strategic partnerships in drug discovery which are major value drivers for the company. Our software licensing business involves the licensing out of our Pharma.AI platform as software tools. The breadth of our AI platforms, while focused on the biopharma industry, has broader appeal. We have invested substantially to create a rich drug discovery and development pipeline targeting areas spanning oncology, immunology, fibrosis and other therapeutic areas. Our typical pipeline product advances from discovery stage to the preclinical stage within 12-18 months based on our practice, which is considerably faster than the industry average of 4.5 years from discovery stage to preclinical stage using traditional methods, according to Frost & Sullivan analysis based on statistics on time frame for drug development provided by global leading CROs. As more of our pipeline assets mature, our asset offering is becoming increasingly attractive to pharmaceutical companies for licensing and commercialization, potentially providing us with significant monetization opportunities.

Our R&D team collaborates closely with our corporate and business development group to evaluate business opportunities (including out-licensing assets and strategic partnerships) and gather competitive intelligence and make decisions about portfolio prioritization and clinical positioning of our programs. Our dual CEO structure provides added oversight and specialized focus to the R&D function and allows us to continue to invest in innovation, while meeting our business development objectives.

We take a strategic and data-driven approach when determining whether to pursue self-development, out-licensing, or co-development for our pipeline drug candidates. Our default position is to self-develop programs that align with our long-term strategy, which is to maintain and continuously optimize our proprietary end-to-end generative AI platform while focusing on high-novelty therapeutic areas with limited competition. We prioritize self-development in areas where we hold a distinct technological or scientific advantage, meaning our platforms and expertise allow us to address previously intractable targets or to design drug candidates with high novelty and differentiation. Our decisions are grounded in systematic evaluations that consider technical barriers, market potential, R&D costs, and internal capabilities. When a candidate meets our strategic priorities and we are confident in overcoming associated scientific and clinical challenges using our proprietary AI platforms and R&D expertise, we typically retain full control through in-house development from discovery through clinical stages.

For programs that reach preclinical or early clinical stages and generate sufficient data to validate their scientific rationale and market potential (i.e., robust biological and mechanistic support together with evidence of clinical relevance, patient need, and commercial viability), we may consider out-licensing to partners who have the resources and commercial infrastructure to accelerate development and maximize market reach. We conduct rigorous due diligence on potential partners, prioritizing those with proven development capabilities and strong commercial channels. In situations where external parties approach us with clear needs — for example, where they lack sufficient internal resources or face high project complexity — we may opt for a co-development model. In these cases, we take the lead in R&D execution while the partner provides funding support, and both parties share in the risks and commercial upside.

We will employ a strategic marketing model to increase our market penetration and to promote our products, in particular, ISM001-055. Under this model, a series of marketing activities will be carried out including establishing collaboration with hospitals with expertise in our targeted IPF, KOL engagement through regional educational seminars held online and offline. To maintain our market competitiveness and increase our market awareness, we will build our sales and marketing team, establish referral network, provide trainings to physicians, and attend or organize educational symposia, conferences, seminars, and other activities at national, regional and local levels in both China and the U.S. We will also adjust the geographic and product coverage of our in-house sales force and third-party contract sales organization for existing and new products based on respective network advantages, historical performance and cost efficiency.

To compete with the two approved drugs (pirfenidone and nintedanib) and their generics as well as the drug candidates at more advanced clinical stages for the treatment of IPF, we plan to employ a strategic academic-promotion model to promote and sell ISM001-055. Under this model, we expect to promote ISM001-055 to hospitals and physicians in Greater China through academic marketing, establishing centers of excellence and referral network, and providing trainings to physicians. As physicians are expected to play a key role in this process, not only in administering ISM001-055 but also in educating patients about its potential benefits, we intend to design our marketing and academic education strategy around close and continued engagement with physicians. Our focus is on physician and patient education on the differentiating features or better results of ISM001-055 to its competitors. In China, we plan to adopt a tiered provincial market-entry approach with the goal of achieving nationwide coverage in the medium term. Our priority is to initially focus on top tier provinces that have favorable reimbursement coverage and high patient volume capture for which we will need to continue to invest in building our on-the-ground presence and coverage. Importantly, we recognize that inclusion in the National Reimbursement Drug List (NRDL) will be a critical milestone for ensuring broad patient access and long-term commercial success. Accordingly, we plan to initiate dialogue early with relevant authorities and build the necessary clinical and pharmacoeconomic evidence to support a compelling case for NRDL listing of ISM001-055 after we receive regulatory approval. We seek to strengthen our relationship with key stakeholders in each province to drive diagnosis and treatment, and also to support reimbursement negotiation into provincial formulary.

We consider the U.S. to be our most attractive market and are exploring ways to eventually manufacture and sell ISM001-055 in the U.S. To support the initial launch, we are exploring ways to establish a dedicated in-house commercialization team in the U.S. This team will focus on executing a medical engagement plan for KOL development, promoting community awareness and gaining market insights. Considering the sales and marketing costs, we may also pursue opportunities to work with global partners to manufacture and commercialize ISM001-055 in the U.S. on a cost- and profit-sharing model. As of the Latest Practicable Date, several global pharmaceutical companies had expressed an interest in collaboration. While Orphan drugs have a smaller addressable market, they are associated with significantly higher pricing compared to non-orphan drugs. Furthermore, we have received the Orphan Drug Designation from the FDA for ISM001-055. This designation could potentially grant us seven years of market exclusivity in the U.S., which we will leverage to capture market share. With the expected higher drug pricing and market exclusivity, we anticipate the revenue from sales of ISM001-055 in the U.S. to be substantially higher than its associated R&D costs.

As of the Latest Practicable Date, ISM001-055 is undergoing clinical studies and has not been commercialized. As such, we have not formulated any definitive pricing policy for our ISM001-055. As ISM001-055 progresses towards potential approval and commercialization in the future, we or a partner will determine pricing based on a variety of factors such as ISM001-055's clinical profile and competitive pricing from other relevant marketed drugs. We or a partner may conduct extensive market research with KOLs, hospitals, physicians and patients as well as regulatory bodies before pricing ISM001-055 and may take into account various factors such as feedback collected from these parties, our production costs, the differences in safety and efficacy profiles between ISM001-055 and competing products, the estimated demand for ISM001-055 and the clinical value to patients. For pricing in China, we or partner may determine pricing based on the affordability to Chinese patients and the price of comparable products. The pricing in overseas markets may vary according to the specific conditions in each territory, including, among other things, the pricing of multinational competitors in the same market. We observed that over the years of China's exploration in insurance mechanism of orphan diseases at the local level, an aggregate of 29 provinces have implemented insurance policies for certain rare disease with various reimbursement models. Certain orphan disease patients are treated at a limited number of specialized hospitals and therefore sales efforts for orphan drugs can be much more targeted. The unique nature of orphan diseases has also led to a favorable regulatory environment in various countries, such as the Orphan Drug Act in the United States, which helps accelerate the development and commercialization process of orphan drugs.

In addition to geographic expansion, we plan to broaden the therapeutic indications for ISM001-055 to maximize its clinical and commercial potential. Building upon the initial focus on oral administration for IPF, we intend to expand into additional indications, including inhaled formulations for IPF, oral treatments for other fibrotic lung diseases, as well as oral therapies targeting kidney fibrosis, skin fibrosis, and oncology indications. These expansion strategies are supported by ISM001-055's new therapeutic approach targeting TNIK, a key regulator of multiple pro-fibrotic signaling pathways. We believe that broadening the scope of indications will not only enhance the value proposition of ISM001-055 but also diversify our revenue streams and strengthen our competitive positioning across multiple large and underserved markets.

INTELLECTUAL PROPERTY

Intellectual property rights are central to the success of our business. Our commercial future will depend, in part, on our ability to acquire and protect our intellectual property rights for commercially significant technologies, inventions and know-how. This could involve the acquisition of new patents, the defense of existing patents, and the protection of our trade secrets. We will also have to operate without infringing, misappropriating, or otherwise violating third parties' valid, enforceable intellectual property rights.

As of the Latest Practicable Date, we held 787 patents and patent applications. The following table sets forth an overview of our material granted patents and filed patent applications in connection with our selected clinical drug candidates as of the Latest Practicable Date.

Product	Name of patent[1]	Jurisdiction	Status	Patent expiration[2]	Owner/Applicant	Market commercial rights of the Group
ISM001-055 .	Kinase Inhibitors	U.S.	Granted	2040/2/20	Insilico IP	Full ownership
		U.S., EPO[3], Mainland China, Japan,	Pending	–	Insilico IP	Full ownership
	Methods of Inhibiting Kinases	U.S.	Granted	2040/2/20	Insilico IP	Full ownership
		Taiwan	Granted	2040/2/24	Insilico IP	Full ownership
	Analogs for The Treatment of Diseases[5]	U.S.	Granted	2042/2/23	Insilico IP	Full ownership
		Argentina, U.S., Australia, Canada, Mainland China, India, Korea, EPO[3], Japan, Singapore, Hong Kong, Taiwan	Pending	–	Insilico IP	Full ownership
	Analogs for The Treatment of Diseases[5]	U.S., EPO[3], Mainland China	Pending	–	Insilico IP	Full ownership
	Methods of Manufacturing Kinase Inhibitors	Taiwan, Argentina, Australia, Canada, Mainland China, EPO[3], Japan, Korea, U.S., Hong Kong	Pending	–	Insilico IP	Full ownership
	Cystalline TNIK Inhibitor and Uses Thereof	PCT[4], Argentina, Taiwan	Pending	–	Insilico IP	Full ownership
	Pharmaceutical Formulations for Inhalation and Uses Thereof	PCT[4], Argentina, Taiwan	Pending	–	Insilico IP	Full ownership
	TNIK Inhibitors for the Treatment of Pain	PCT[4]	Pending		Insilico IP	Full ownership
ISM8207 . . .	Beta-Lactam Derivatives for the Treatment of Diseases	U.S.	Granted	2042/6/23	Insilico IP	Full ownership
		Taiwan, U.S., Australia, Canada, EPO[3], Japan, Korea, New Zealand, Singapore, Mainland China, Hong Kong	Pending	–	Insilico IP	Full ownership
	Crystalline Beta- Lactam Derivatives and Uses Thereof	PCT[4]	Pending	–	Insilico IP	Full ownership
	Pharmaceutical Combinations for use in the Treatment of Cancers	PCT[4]	Pending	–	Insilico IP; Shanghai Fosun Pharmaceutical (Group) Co., Ltd.	Co-ownership

Product	Name of patent[1]	Jurisdiction	Status	Patent expiration[2]	Owner/Applicant	Market commercial rights of the Group
ISM3091 . . .	Small Molecule Inhibitors of Ubiquitin Specific Protease 1 (USP1) and Uses Thereof	U.S., Eurasian	Granted	2042/11/11	Insilico IP	Full ownership
		U.S., Taiwan, Argentina, United Arab Emirates, ARIPO, Australia, Brazil, Canada, Chile, Mainland China, Hong Kong, Colombia, Costa Rica, Dominican Republic, Ecuador, Egypt, EPO[3], Eurasian, Indonesia, Georgia, India, Israel, Japan, Jordan, Korea, Mexico, Malaysia, Nigeria, New Zealand, OAPI, Panama, Peru, Philippines, Saudi Arabia, Singapore, Thailand, Ukraine, Viet Nam, South Africa	Pending	–	Insilico IP	Full ownership
	Small Molecule Inhibitors of Ubiquitin Specific Protease 1 (USP1) And Uses Thereof	PCT[4], Argentina, Taiwan	Pending	–	Insilico IP	Full ownership
ISM5411 . .	Prolyl Hydroxylase Domain-Containing Protein (PHD) Inhibitors and Uses Thereof	U.S.	Granted	2042/10/28	Insilico IP	Full ownership
		U.S., Taiwan, Argentina, Australia, Canada, Mainland China, Hong Kong, EPO[3], Israel, India, Japan, Korea, Singapore, South Africa	Pending	–	Insilico IP	Full ownership
	Crystalline Prolyl Hydroxylase Domain-Containing Protein (PHD) Inhibitor and Uses Thereof	U.S., Australia, Canada, Mainland China, Japan, Korea, EPO[3]	Pending	–	Insilico IP	Full ownership
	Prolyl Hydroxylase Domain-Containing Protein (PHD) Inhibitors, Combinations and Uses Thereof	U.S., Australia, Canada, Mainland China, Japan, EPO[3], Korea	Pending	–	Insilico IP	Full ownership
	Use of Compounds for Treating or Preventing Inflammatory Skin Disorders	PCT[4]	Pending	–	Insilico IP	Full ownership

Product	Name of patent[1]	Jurisdiction	Status	Patent expiration[2]	Owner/Applicant	Market commercial rights of the Group
ISM3412 . . .	Methionine Adenosyltransferase 2a (MAT2A) Inhibitors and Uses Thereof	Taiwan, Argentina, Australia, Canada, Mainland China, Hong Kong, EPO[3], Japan, Korea, Israel, India, Singapore, South Africa,	Pending	–	Insilico IP	Full ownership
		U.S.	Granted	2042/10/19	Insilico IP	Full ownership

Notes:

(1) Unless otherwise indicated, the patent for applications within the same product is the same and is therefore disclosed once.

(2) The patent expiration date is estimated based on current filing status, without taking into account any possible patent term adjustments or extensions and assuming payment of all appropriate maintenance, renewal, annuity and other government fees.

(3) EPO: European Patent Office. The EPO provides a single patent grant procedure and grants patents covering the contracting states to the European Patent Convention and several other states that have concluded extension and validation agreements with the EPO. The EPO currently has 39 member states.

(4) PCT: Patent Cooperation Treaty. The PCT is an international patent law treaty that provides a unified procedure for filing patent applications to protect inventions in each of its contracting states. A patent application filed under the PCT is called PCT application. To date, 157 jurisdictions, including China and the United States, are parties to the PCT.

(5) The names of the two patent applications are the same.

The term of individual patents may vary based on the countries in which they are obtained. In most countries and regions in which we file patent applications, the term of an issued patent is generally 10 to 20 years from the filing date of the formal patent application on which the patent is based in the applicable country or region. In the U.S., a patent's term may be lengthened in some cases by a patent term adjustment, which extends the term of a patent to account for administrative delays by the United States Patent and Trademark Office ("**USPTO**"), in excess of a patent applicant's delays during the prosecution process, or may be shortened if a patent is terminally disclaimed over a commonly owned patent having an earlier expiration date.

The actual protection provided by a patent varies on a claim-by-claim and country-by-country basis and depends upon various 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 country or region, and the validity and enforceability of the patent. We cannot provide any assurance that patents will be issued with respect to any of our owned pending patent applications or any such patent applications that may be filed in the future, nor can we provide any assurance that any of our owned issued patents or any such patents that may be issued in the future will be commercially useful in protecting our product candidates and methods of manufacturing the same.

We may rely, in some circumstances, on trade secrets and confidential information to protect aspects of our technology. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with consultants, scientific advisors and contractors, and invention assignment agreements with our employees and consultants. We have entered into confidentiality agreements and non-competition agreements with our senior management, certain key members of our R&D team, and other employees who have access to trade secrets or confidential information about our business. Our standard employment contract, which we use to employ each employee, contains an assignment clause. We own all the rights to all inventions, technology, know-how, and trade secrets derived during such employees' work.

These agreements may not sufficiently protect our trade secrets and confidential information. These agreements may also be breached, resulting in the misappropriation of our trade secrets and confidential information, and we may not have an adequate remedy for any such breach. In addition, our trade secrets and confidential information may become known or be independently developed by a third party or misused by any collaborator to whom we disclose such information. Despite any measures taken to protect our intellectual property, unauthorized parties may attempt to or successfully copy aspects of our products or obtain or use information that we regard as proprietary without our consent. As a result, we may not sufficiently protect our trade secrets and proprietary information.

We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining the physical security of our premises and the physical and electronic security of our information technology systems. Despite any measures taken to protect our data and intellectual property, unauthorized parties may attempt to or successfully gain access to and use information that we regard as proprietary. See "Risk Factors — Risks Related to Our Intellectual Property" to describe risks related to our intellectual property.

We conduct our business under the brand name "InSilico Medicine" and "英矽智能." As of the Latest Practicable Date, we held 122 trademarks and trademark applications and 20 registered software copyrights. We are also the registered owner of 63 domain names.

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any proceedings in respect of, and we had not received notice of any claims of infringement of, any intellectual property rights that may be threatened or pending, in which we may be a claimant or a respondent.

CUSTOMERS

During the Track Record Period, our major customers are pharmaceutical/biotech companies. The total revenue generated from our five largest customers in each year/period during the Track Record Period amounted to US$27.3 million, US$48.2 million, US$81.0 million and US$23.7 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively. Our five largest customers in each year/period during the Track Record Period, together accounted for 90.6%, 94.1%, 94.4% and 86.2%, respectively, of our total revenues. Our largest customer in each year/period during the Track Record Period accounted for 56.6%, 76.2%, 60.6% and 66.3%, respectively, of our total revenues. We normally grant a credit term of 10 business days to 60 days to our customers. None of our five largest customers in each year/period during the Track Record Period is a supplier to us.

To the best of our knowledge, all our five largest customers in each year/period during the Track Record Period are independent third parties. None of our Directors, their respective associates or 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 customers in each year/period during the Track Record Period.

We provided two types of arrangements to our customers, for access to our Pharma.AI, or by granting right to use Chemistry42 and/or PandaOmics installed on the customer's premise. We had 41, 50, 153 and 154 subscription customers in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively.

Below is a summary of the key terms of a typical agreement with our subscription customers:

- *Duration*. The subscriptions are typically for one year subject to renewal. If a customer intends to renew its subscription upon expiry of the initial term, we will enter into a new subscription agreement or a new order under the subscription agreement.

- *Pricing*. The subscriptions are generally in fixed price and non-refundable, and such fees are payable within 30 days of delivery of the invoices.

- *Termination*. Either the customer or we may terminate the subscription in case of the other party's material breach or insolvency.

- *Intellectual Property*. We retain ownership of and reserves all IP rights in or related to the subscription platform.

The tables below set forth certain information about our five largest customers in terms of revenue (in descending order) in each year/period generated during the Track Record Period.

			Six Months Ended June 30, 2025							
Customer	**Years of relationship**	**Background and business activities**	**Product sold**	**Credit term**	**Sales amount**	**Percentage of revenue**	**Relationship with the Company**	**Methods of settlement**	**Company scale***	**Country/ Region**
					US$'000					
Customer E. . .	Two	A leading international pharmaceutical and diagnostics company, focusing on therapeutic areas with high unmet needs with products for cardiology, oncology, pneumology, gastroenterology, infectious diseases, diabetology, inflammation, and analgesia.	Asset license-out	45 Days	18,194	66.3%	Independent Third Party	Bank Transfer	N/A	USA

			Six Months Ended June 30, 2025							
Customer	**Years of relationship**	**Background and business activities**	**Product sold**	**Credit term**	**Sales amount**	**Percentage of revenue**	**Relationship with the Company**	**Methods of settlement**	**Company scale***	**Country/ Region**
					US$'000					
Customer A. . .	Four	A leading global pharmaceutical company engaged in drug research and development, production, and sales, committed to improving human health through innovation.	Provision of drug discovery and development program	60 Days	2,000	7.3%	Independent Third Party	Bank Transfer	Market Cap of US$939.37 Billion	USA
Fosun Industrial Co., Limited (上海復星醫藥(集團)股份有限公司) . .	Four	A global innovation-driven pharmaceutical and healthcare industry group, operates businesses including pharmaceutical manufacturing, medical devices, medical diagnosis, and healthcare program.	Provision of drug discovery and development program	30 Days	1,947	7.1%	Independent Third Party	Bank Transfer	Market Cap of USD10.06 Billion	Mainland China

			Six Months Ended June 30, 2025							
Customer	**Years of relationship**	**Background and business activities**	**Product sold**	**Credit term**	**Sales amount**	**Percentage of revenue**	**Relationship with the Company**	**Methods of settlement**	**Company scale***	**Country/ Region**
					US$'000					
Customer F. . .	Three	A leading producers of the energy and chemicals that drive global commerce and help enhance the lives of people around the globe.	Provision of other discovery and development program	60 Days	1,055	3.8%	Independent Third Party	Bank Transfer	N/A	Kingdom of Saudi Arabia
Genzyme Corporation .	Four	A leading global healthcare company, focused on patient needs and engaged in the research, development, manufacture and marketing of therapeutic solutions.	Provision of drug discovery and development program	60 Days	479	1.7%	Independent Third Party	Bank Transfer	N/A	USA

* Market cap is the information as of the Latest Practicable Date, which may vary from time to time.

			For the Year Ended December 31, 2024							
Customer	**Years of relationship**	**Background and business activities**	**Product sold**	**Credit term**	**Sales amount**	**Percentage of revenue**	**Relationship with the Company**	**Methods of settlement**	**Company scale***	**Country/ Region**
					US$'000					
Exelixis, Inc. . .	Two	A globally ambitious oncology company innovating next-generation medicines and regimens at the forefront of cancer care.	Asset license-out	30 days	51,995	60.6%	Independent Third Party	Bank Transfer	Market Cap of US$11.01 billion	USA
Customer E. . .	One	A leading international pharmaceutical and diagnostics company, focusing on therapeutic areas with high unmet needs with products for cardiology, oncology, pneumology, gastroenterology, infectious diseases, diabetology, inflammation, and analgesia.	Asset license-out	45 days	24,594	28.7%	Independent Third Party	Bank Transfer	N/A	USA

			For the Year Ended December 31, 2024							
Customer	**Years of relationship**	**Background and business activities**	**Product sold**	**Credit term**	**Sales amount**	**Percentage of revenue**	**Relationship with the Company**	**Methods of settlement**	**Company scale***	**Country/ Region**
					US$'000					
Customer F. . .	Two	A leading producers of the energy and chemicals that drive global commerce and help enhance the lives of people around the globe.	Other discovery and development program	60 days	1,901	2.2%	Independent Third Party	Bank Transfer	N/A	Kingdom of Saudi Arabia
Fosun Industrial Co., Limited (上海復星醫藥(集團)股份有限公司) . .	Three	A global innovation-driven pharmaceutical and healthcare industry group operates businesses including pharmaceutical manufacturing, medical devices, medical diagnosis, and healthcare program.	Drug discovery and development program	30 days	1,853	2.2%	Independent Third Party	Bank Transfer	Market Cap of US$10.06 billion	Mainland China
Customer G. . .	Two	A leading global healthcare company whose purpose is driving change to defeat serious chronic diseases.	Drug discovery and development program	45 days	651	0.8%	Independent Third Party	Bank Transfer	Market Cap of US$166.85 billion	Denmark

			For the Year Ended December 31, 2023							
Customer	**Years of relationship**	**Background and business activities**	**Product sold**	**Credit term**	**Sales amount**	**Percentage of revenue**	**Relationship with the Company**	**Methods of settlement**	**Company scale***	**Country/ Region**
					US$'000					
Exelixis, Inc. . .	One	A globally ambitious oncology company innovating next-generation medicines and regimens at the forefront of cancer care.	Asset license-out	30 days	39,022	76.2%	Independent Third Party	Bank Transfer	Market Cap of US$11.01 billion	USA
Genzyme Corporation .	Two	A global healthcare company, focused on patient needs and engaged in the research, development, manufacture and marketing of therapeutic solutions.	Drug discovery	60 days	4,167	8.1%	Independent Third Party	Bank Transfer	N/A	USA
Fosun Industrial Co., Limited (上海復星醫藥(集團)股份有限公司) . .	Two	A global innovation-driven pharmaceutical and healthcare industry group operates businesses including pharmaceutical manufacturing, medical devices, medical diagnosis, and healthcare program.	Drug discovery*	30 days	3,350	6.6%	Independent Third Party	Bank Transfer	Market Cap of US$10.06 billion	Mainland China

			For the Year Ended December 31, 2023							
Customer	**Years of relationship**	**Background and business activities**	**Product sold**	**Credit term**	**Sales amount**	**Percentage of revenue**	**Relationship with the Company**	**Methods of settlement**	**Company scale***	**Country/ Region**
					US$'000					
Customer A. . .	Two	A global pharmaceutical company engaged in drug research and development, production, and sales, committed to improving human health through innovation.	AI based software license	60 days	1,000	2.0%	Independent Third Party	Bank Transfer	Market Cap of US$939.37 billion	USA
Customer B. . .	Three	A global agriculture innovation company.	Drug discovery	60 days	630	1.2%	Independent Third Party	Bank Transfer	N/A	Switzerland

			For the Year Ended December 31, 2022							
Customer	**Years of relationship**	**Background and business activities**	**Product sold**	**Credit term**	**Sales amount**	**Percentage of revenue**	**Relationship with the Company**	**Methods of settlement**	**Company scale***	**Country/Region**
					US$'000					
Fosun Industrial Co., Limited and its subsidiary (上海復星醫藥(集團)股份有限公司及其附屬公司) . .	One	A global innovation-driven pharmaceutical and healthcare industry group, operates businesses including pharmaceutical manufacturing, medical devices, medical diagnosis, and healthcare program.	Drug discovery	30 days	17,066	56.6%	Independent Third Party	Bank Transfer	Market Cap of US$10.06 billion	Hong Kong and Mainland China
Genzyme Corporation .	One	A global healthcare company, focused on patient needs and engaged in the research, development, manufacture and marketing of therapeutic solutions.	Drug discovery	60 days	8,333	27.6%	Independent Third Party	Bank Transfer	N/A	USA
Customer B. . .	Two	A global agriculture innovation company.	Drug discovery**	60 days	766	2.5%	Independent Third Party	Bank Transfer	N/A	Switzerland

			For the Year Ended December 31, 2022							
Customer	**Years of relationship**	**Background and business activities**	**Product sold**	**Credit term**	**Sales amount**	**Percentage of revenue**	**Relationship with the Company**	**Methods of settlement**	**Company scale***	**Country/Region**
					US$'000					
Customer C. . .	Two	An innovation-driven biomedical company, commit to developing drugs targeting major human diseases such as cancer and coronavirus diseases.	Drug discovery	10 business days	596	2.0%	Independent Third Party	Bank Transfer	Registered Capital of RMB17.32 million	Mainland China
Customer D. . .	Two	A clinical-stage biotechnology company focusing on therapies.	Drug discovery	10 business days	559	1.9%	Independent Third Party	Bank Transfer	Registered Capital of RMB37.04 million	Mainland China

** For Customer B, we leveraged our small molecules application to provide research services related to improving the design of active ingredients for herbicides.

SUPPLIERS

During the Track Record Period, our purchases mainly include third-party contracting services for preclinical evaluation and clinical trials of our drug candidates, regents and consumables, machines and equipment and professional service. The purchases (including assets and services) from our five largest suppliers in each year/period during the Track Record Period in the aggregate amounted to US$42.6 million, US$39.0 million, US$36.4 million and US$12.2 million in each year/period during the Track Record Period, respectively. In 2022, 2023, 2024 and the six months ended June 30, 2025, our five largest suppliers in aggregate accounted for 49.5%, 43.0%, 48.3% and 37.4%, respectively, of our total purchases in each year/period during the Track Record Period. Our largest supplier in each year/period during the Track Record Period accounted for 24.0%, 17.2%, 16.9% and 15.1%, respectively, of our total purchases (including value-added tax).

To the best of our knowledge, all our five largest suppliers in each year/period during the Track Record Period are independent third parties. None of our Directors, their respective associates or 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.

In addition, we believe that adequate alternative sources for such supplies exist, and we have developed alternative sourcing strategies for these supplies. We will establish necessary relationships with alternative sources based on supply continuity risk assessment. Other than the agreements with certain CROs and CDMOs, we order supplies and services on a purchase order basis and do not enter long-term dedicated capacity or minimum supply arrangements. We generally have credit periods of 30 days.

Below is a summary of the key terms of a typical agreement with our CROs and CDMOs.

- *Services*. The CRO or CDMO provides us with services such as implementing a clinical research project, manufacturing products as specified in the master agreement or work order.

- *Term*. The CRO or CDMO is required to perform its services according to the prescribed timeframe set out in the master agreement or a work order.

- *Payment*. We are required to make payments to the CRO or CDMO according to the payment schedule agreed by the parties.

- *Confidentiality*. We and the CRO or CDMO agree to keep confidential any information in relation to the performance of the master agreement.

- *Intellectual Property*. We own all intellectual property derived from the clinical research project, and we are entitled to apply patent for such intellectual properties.

The tables below set forth certain information about our five largest suppliers in terms of total purchases in each year/period during the Track Record Period.

			Six Months Ended June 30, 2025							
Supplier	**Years of relationship**	**Credit term**	**Product or service supplied**	**Purchase amount**	**Percentage of total purchases**	**Relationship with the Company**	**Methods of settlement**	**Nature of business of the supplier**	**Company scale***	**Country/ Region**
				US$'000						
WuXi AppTec Co., Ltd. and subsidiaries . .	Eight	30 days	CRO	4,919	15.1%	Related Party	Bank Transfer	Contract Research Organization	Market Cap of US$39.26 Billion	Hong Kong and Mainland China
Supplier A	Six	20-30 business days	CRO	2,976	9.1%	Independent Third Party	Bank Transfer	Contract Research Organization	Market Cap of US$1.06 Billion	Mainland China
Supplier F	Twelve	30 days	IT Service	2,008	6.2%	Independent Third Party	Bank Transfer	Cloud Service and Marketplace Provider	Market Cap of US$2,477.78 Billion	USA, Abu Dhabi and Luxembourg
Supplier G	Five	60 days	CRO	1,262	3.9%	Independent Third Party	Bank Transfer	Contract Research Organization	N/A	Mainland China
Supplier E	Four	30 days	CRO	1,026	3.1%	Independent Third Party	Bank Transfer	Contract Research Organization	Market Cap of US$1.40 Billion	USA

* Market cap is the information as of the Latest Practicable Date, which may vary from time to time.

Supplier	Years of relationship	Credit term	For the Year Ended December 31, 2024							
			Product or service supplied	Purchase amount	Percentage of total purchases	Relationship with the Company	Methods of settlement	Nature of business of the supplier	Company scale*	Country/ Region
				US$'000						
WuXi AppTec Co., Ltd. and subsidiaries . .	Seven	30 days	Clinical trial related service	12,690	16.9%	Related party	Bank Transfer	Contract Research Organization	Market Cap of Over US$39.26 Billion	Hong Kong and Mainland China
Supplier E	Three	30 days	Clinical trial related service	12,377	16.4%	Independent Third Party	Bank Transfer	Contract Research Organization	Market Cap of US$1.40 Billion	USA
Supplier A	Five	20-30 business days	Clinical trial related service	5,509	7.3%	Independent Third Party	Bank Transfer	Contract Research Organization	Market Cap of US$1.06 Billion	Mainland China
Supplier F	Eleven	30 days	IT service	3,273	4.4%	Independent Third Party	Bank Transfer	Cloud Service and Marketplace Provider	Market Cap of US$2,477.78 Billion	USA, Abu Dhabi and Israel
Supplier G	Four	60 days	Clinical trial related service	2,518	3.3%	Independent Third Party	Bank Transfer	Contract Research Organization	N/A	Mainland China

			For the Year Ended December 31, 2023							
Supplier	**Years of relationship**	**Credit term**	**Product or service supplied**	**Purchase amount**	**Percentage of total purchases**	**Relationship with the Company**	**Methods of settlement**	**Nature of business of the supplier**	**Company scale***	**Country/ Region**
				US$'000						
WuXi AppTec Co., Ltd. and its subsidiaries (無錫藥明康德新藥開發股份有限公司及其附屬公司) . . .	Six	30 days	Preclinical testing, compound synthesis and manufacturing services	15,594	17.2%	Related party	Bank Transfer	Contract Research Organization	As of Latest Practicable Date, Market Cap of Over US$39.26 Billion	Hong Kong and Mainland China
Supplier E	Two	30 days	Clinical trial related service	7,524	8.3%	Independent Third Party	Bank Transfer	Contract Research Organization	Market Cap of US$1.40 Billion	USA
Supplier A	Four	20-30 business days	Preclinical testing and compound synthesis	7,391	8.1%	Independent Third Party	Bank Transfer	Contract Research Organization	Market Cap of US$1.06 Billion	Mainland China
Supplier B	Three	60 days	Chemical manufacturing and control	5,001	5.5%	Independent Third Party	Bank Transfer	Contract Research Organization	Market Cap of US$2.17 Billion	Mainland China
Hangzhou Tigermed Consulting Co., Ltd. and its subsidiaries (杭州泰格醫藥科技股份有限公司及其附屬公司)	Two	60 days	Clinical trial related service	3,528	3.9%	Independent Third Party	Bank Transfer	Contract Research Organization	Market Cap of US$5.81 Billion	Mainland China

Supplier	Years of relationship	Credit term	For the Year Ended December 31, 2022							
			Product or service supplied	Purchase amount	Percentage of total purchases	Relationship with the Company	Methods of settlement	Nature of business of the supplier	Company scale*	Country/ Region
				US$'000						
WuXi AppTec Co., Ltd. and its subsidiaries (無錫藥明康德新藥開發股份有限公司及其附屬公司) . . .	Five	30 days	Preclinical testing, compound synthesis and manufacturing services	20,611	24.0%	Related party	Bank Transfer	Contract Research Organization	As of Latest Practicable Date, Market Cap of Over US$39.26 Billion	Hong Kong and Mainland China
Supplier A	Three	20-30 business days	Preclinical testing and compound synthesis	9,018	10.5%	Independent Third Party	Bank Transfer	Contract Research Organization	Market Cap of US$1.06 Billion	Mainland China
Supplier C	Two	10 business days	Lab equipment	6,169	7.2%	Independent Third Party	Bank Transfer	Equipment manufacturer	Registered Capital of RMB7.06 Million	Mainland China
Supplier D	Two	30 days	Clinical trial related service	4,054	4.7%	Independent Third Party	Bank Transfer	Contract Research Organization	N/A	USA
Supplier B	Two	60 days	Chemical manufacturing and Control	2,760	3.2%	Independent Third Party	Bank Transfer	Contract Research Organization	Market Cap of US$2.17 Billion	Mainland China

COMPETITION

Our industry is highly competitive and subject to rapid and significant change. We face fierce competition from existing drugs in the market and drug candidates under development. While we believe that our generative AI platform, comprehensive R&D capabilities (including through our access to a network of CROs and CDMOs), the unique profile of our products, our flexible business model, global operational footprint and seasoned management team provide us with competitive advantages, we face potential competition from many different sources working to develop therapies targeting the same indications against which we are developing our drug candidates. These include major pharmaceutical companies, other biopharmaceutical companies, government agencies and research institutions. Any drug candidates that we successfully develop and commercialize will compete with existing drugs and any new drugs that may become available in the future. For more details of the competitive landscape of each relevant market regarding our pipeline products, please see "Industry Overview" in this Prospectus.

INSURANCE

We maintain insurance policies that we consider to be in line with market practice and adequate for our business. Our principal insurance policies cover employee benefits liability and adverse events in clinical trials. As of the Latest Practicable Date, our current life science liability policy covers damages that we are legally obligated to pay for bodily injury or property damage that happens in connection with the business which including preclinical services. The period of the existing life science liability insurance policy is from October 26, 2024 to October 25, 2025, retroactive date to October 26, 2021. For additional information, please refer to the section headed "Risk Factors — Risks Related to Our Operations and Financial Prospects — We have limited insurance coverage, and any claims beyond our insurance coverage may result in us incurring substantial costs and a diversion of resources" in this Prospectus.

We consider that the coverage from the insurance policies maintained by us is adequate for our present operations and is in line with the industry norm. During the Track Record Period, we had not made or been the subject of any material insurance claims.

EMPLOYEES AND CONSULTANTS

As of the Latest Practicable Date, we had a total of 319 employees and consultants, including a total of 263 professionals, the vast majority of whom hold a master's or doctorate degree in a relevant field. The following table sets forth the number of our employees and consultants by function as of the Latest Practicable Date.

Function	Number	Percentage of total
Research and Development	249	78%
General Administration	47	15%
Sales and Marketing	23	7%
Total	**319**	**100%**

We enter into individual employment contracts with our employees which cover salaries, bonuses, employee benefits, workplace safety, confidentiality obligations, work product assignment clause and grounds for termination. We also enter into separate confidentiality and non-competition agreements with our senior management, certain key members of our R&D team, and other employees who have access to trade secrets or confidential information about our business.

To maintain our workforce's quality, knowledge, and skill levels, we provide continuing education and training programs, including internal and external training, to improve their technical, professional or management skills. We also provide training programs to our employees from time to time to ensure their awareness and compliance with our policies and procedures in various aspects. Furthermore, we provide various incentives and benefits to our employees, including competitive salaries, bonuses and share-based compensation, particularly our key employees.

Our employees' remuneration comprises salaries, bonuses, provident funds, social security contributions, and other welfare payments. We have made contributions and benefits to our employees pursuant to applicable laws and regulations. We believe that we have maintained good working relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any strikes, work stoppages, labor disputes or other actions which had a material adverse effect on our business and operations.

LAND AND PROPERTIES

As of the Latest Practicable Date, we did not hold any real property.

As of the Latest Practicable Date, we leased 12 properties with an aggregate floor area of approximately 7,441 square meters from third parties, mainly for AI and drug R&D, automated lab, business development and administrative offices.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Governance

We acknowledge our responsibility in environmental protection, civil society and all levels of governance, and understand that the issues which arise from environmental, social and governance ("**ESG**") may affect the sustainability of our business operations. Therefore, we established an ESG management structure that specifies the ESG roles and responsibilities of all levels of our organization.

The Board of Directors is responsible for and guides our ESG development. To promote our sustainable and healthy development, the Board of Directors incorporated the ESG strategic development, the setting and suggestions on ESG targets, the study on ESG industrial development and relevant major decisions on ESG into the responsibilities of the ESG Committee under the Board of Directors. The ESG Committee consists of five Board members and ESG Committee meetings shall be held not less than twice a year. For additional information on the ESG Committee members, see "Directors and Senior Management — Corporate Governance — ESG Committee".

For the monitoring level, we established an ESG working group to address ESG risks and formulated corresponding working rules to supervise our social responsibility and measures for sustainable development. The ESG working group is responsible for (i) integrating ESG into our strategy; (ii) overseeing, identifying, assessing and managing our potential ESG-related risks and opportunities, and deliberating on the formulation of ESG strategic plans, management structure, systems, strategies and implementation rules so as to ensure the continuous execution and implementation of our ESG policies; (iii) making guidelines for reviewing the identification and ranking of our important ESG issues; (iv) determining our key ESG issues; (v) reviewing our ESG work and internal monitoring systems, and making recommendations on their appropriateness and effectiveness; (vi) monitoring our ESG-related risks and making inquiries on and formulating corresponding measures for major issues that affect our performance of ESG-related work, and reviewing and supervising how such issues are handled; (vii) the coordination management, communication and ESG disclosure of ESG matters; (viii) reviewing our ESG-related disclosure documents, including but not limited to the annual ESG reports; (ix) providing ESG-related training and materials to the Board of Directors.

The ESG working group will also guide all key departments on ESG promoting the achievement of key ESG performance indicators and targets, implementing the ESG work within the scope of authority under the guidance of the ESG working group and reporting to the ESG Committee on significant ESG matters from time to time and at least each quarter. We are committed to, after being listed, complying with the reporting requirements related to ESG.

We have in place a set of environmental, social and governance policies ("**ESG Policy**") which are in line with relevant international standards. To reduce the negative impact on the environment, we are committed to energy conservation and sustainable development. We intend to adopt governance measures which are in compliance with all ESG-related laws and regulations, and to monitor and collect ESG-related data so as to prepare our disclosure report after listing and in accordance with the Environmental, Social and Governance Reporting Guide, Appendix C2 of the Listing Rules in due course. We are preparing and formulating our ESG policies in accordance with the standards under Appendix C2 of the Listing Rules, which outlines, among other things, (i) establishing a green management system; (ii) strict rules on waste disposal; (iii) resources efficiency; and (iv) responses to climate change.

We believe that employees are our most valuable resource. We are committed to respecting their dignity and treating them with respect. We value employees' physical and mental health as well as well-being. We will continue to promote work-life balance and create a positive workplace for all of our employees. With regard to the issues in our employment-related governance, we adopted the following policies relating to: (i) creating a safe and healthy workplace, encouraging and supporting a culture of learning and improving; (ii) offering competitive compensation and other benefits to our employees; and (iii) providing training, health, and professional and personal development for our employees.

The Board of Directors takes full responsibility for overseeing, monitoring and identifying the risks and opportunities related to environment, society and employees well-being, establishing and adopting our ESG policies and objectives, and reviewing our performance based on our ESG objectives annually. If material deviations are found, our ESG strategies will be revised accordingly.

Potential Impacts of ESG-Related Risks

During the Track Record Period, we were not involved in any manufacturing activities. We launched our automated laboratory in Suzhou, China in December 2022. The automated laboratory was subsequently relocated to Shanghai in 2025. We rented a laboratory at Roche Accelerator, an innovation hub for startups, in Shanghai, China in January 2024.

During the Track Record Period and up to the Latest Practicable Date, we have 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.

To promote sustainable development, we have identified potential physical risks and transition risks from climate change. Acute physical risk can arise from extreme weather conditions such as storms and flooding, which may have potential financial implications for us. In the event of such extreme weather conditions, there could be financial losses due to direct damage of assets, delay of our drug pipeline R&D progress, disruption of operations, or even threaten the personal safety of employees. We may also experience indirect impacts from supply chain disruption if our suppliers suffer from such extreme weather conditions.

Meanwhile, sustained elevated temperature resulting from chronic physical risk may increase the electricity consumption and thus the operating expenditure. In order to prevent these situations in advance, we always pay attention to catastrophic weather, strengthen our contingency plans for extreme weather, and make timely adjustments according to temperature and weather conditions to ensure smooth transportation. Also, we adopted an array of measures in managing our energy consumption. During the Track Record Period, we were not affected by the above risks and our exposure to these potential risks is relatively low based on our analysis.

Potential transition risk may result from a lower-carbon economy, which entails climate-related regulations and policy change and reputational risk. We will work with suppliers to comply with such regulations as and when the same is in place, and we will monitor the scope to ensure our works meet the demands and expectations of the regulators and our customers.

Strategies for Addressing ESG-related Risks

We are adopting various strategies and measures to identify, assess, manage and mitigate ESG and climate-related risks, including but not limited to:

- Reviewing and evaluating ESG reports of comparable companies in the industry so as to ensure timely identification of general ESG-related risks;

- Discussing with the management from time to time and holding regular meetings so as to ensure that all material ESG areas are identified and reported;

- Discussing key ESG principles and practices with key stakeholders to ensure that important aspects are covered;

- Formulating specific ESG risk early warning system and management approaches, which quantify the performance indicators so as to identify and consider ESG risks and opportunities, and separate ESG risks and opportunities from other business risks and opportunities; and

- Setting short-term and long-term targets for environmental key performance indicators, including emissions, pollution and other impacts on the environment, so as to reduce emissions and consumption of natural resources.

In addition, we will take comprehensive measures to mitigate, adapt and build resilience to the impact of the environment on our business, strategies and financial performance, as summarized below.

Important Areas	Key Measures
Solid waste management	• Track waste volumes/trends for ESG disclosures • Implementing regular waste disposal cycles to maintain operational and regulatory adherence • Conduct training on waste sorting and sustainability policies
Hazardous waste management	• Carrying out hazardous waste storage in accordance with relevant standards • Establishing a system for standardized management of hazardous waste • Delivering to qualified third party for proper disposal
Energy and resources saving	• Establishing a "Green Office Management System" • Replacing with energy-saving equipment in offices • We actively educate and empower employees to reduce water usage in daily operations.

We will carry out a corporate risk assessment at least once a year which covers current and potential risks that we face, including but not limited to ESG risks and strategic risks from disruptive forces (such as climate change). The Board of Directors will, by themselves or by engaging third-party experts to, assess such risks, review our existing strategies, objectives and internal control, and make necessary optimizations to reduce the risks. The Board of Directors and the ESG working group will keep monitoring our approaches to risk management, including climate-related risks and risks monitored as part of standard operation procedures, to ensure that appropriate mitigation measures are implemented in regular management reviews.

The decisions on the reduction, transfer, acceptance or control of the risks are affected by various factors. We will incorporate climate-related issues, including the analysis on physical and transition risks, into risk assessment process and risk appetite setting. We will consider the risks and opportunities in strategic and financial planning process if such risks and opportunities are deemed to be material. After reviewing the environmental, social and climate-related risks and our performance in response to such risks each year, we may revise and alter our ESG strategies and corporate governance policies as appropriate.

Indicators and Targets

We monitor the following indicators to assess and manage our environmental and climate-related risks arising from our business and R&D activities.

- Power consumption. We regularly monitor our electricity consumption levels and implement measures to improve energy efficiency. For 2022, 2023 and 2024, our electricity consumption levels were 151,312.2 KWh, 1,685,750.5 KWh and 1,079,978.1 KWh, respectively. The decrease of electricity consumption in 2024 compared to 2023 was mainly due to the technical upgrade in our laboratory air conditioning system. The increase of electricity consumption in 2023 compared to 2022 was mainly due to our automated laboratory launched in December 2022;

- Water consumption. We regularly monitor our water consumption levels and implement measures to promote water conservation. For 2022, 2023 and 2024, our water consumption levels were 15,311.7 tons, 7,835.8 tons and 7,627.2 tons, respectively;

- Gasoline consumption. We regularly monitor our gasoline consumption levels and implement measures to improve energy efficiency. For 2022, 2023 and 2024, our gasoline consumption levels were 11.1 tons, 89.1 tons and 87.6 tons, respectively. The increase of gasoline consumption in 2023 compared to 2022 was mainly due to the car rented for daily travel purpose since late 2022;

- Heat consumption. We regularly monitor our heat consumption levels and implement measures to improve energy efficiency. For 2022, 2023 and 2024, our heat consumption levels were 0.8mmBtu, 1.5mmBtu and 1.0mmBtu, respectively. The decrease of heat consumption in 2024 compared to 2023 was primarily attributable to milder winter conditions and our transition to electric heating systems. The increase of heat consumption in 2023 compared to 2022 was mainly due to the Canada office leased since October 2022;

- Emission of greenhouse gasses. We regularly monitor the level of greenhouse gas ("**GHG**") emissions. For 2022, 2023 and 2024, our greenhouse gas emissions (scope 1 and scope 2) were approximately 83.9 tonnes of CO_2-e, 1,010.9 tonnes of CO_2-e and 635.3 tonnes of CO_2-e, respectively. The decrease of GHG emissions in 2024 compared to 2023 was mainly because the technical upgrade in our laboratory air conditioning system, which reduce the power consumption and Canada's milder winter conditions, which reduce the heat consumption. The increase of GHG emissions in 2023 compared to 2022 was mainly because the increasing number and size of our operational office spaces in 2023 resulted in an increase of the overall electricity consumption; and

- We monitored GHG emissions generated from employee business travel. For 2022, 2023 and 2024, our greenhouse gas emissions (scope 3) were approximately 23.0 tonnes of CO_2-e, 173.1 tonnes of CO_2-e and 294.7 tonnes of CO_2-e, respectively. The increase in each year was mainly due to the increasing employee business travel.

- Discharge of hazardous waste. Our self-built automated laboratory in Suzhou, China was launched in December 2022. Our hazardous waste discharge levels were 4.2 tons and 3.8 tons for 2023 and 2024, respectively.

The ESG working group will set targets for each material key performance indicator at the beginning of each financial year in accordance with the disclosure requirements under Appendix C2 of 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 key performance indicators, we shall 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. Once the ESG key performance indicator targets are established, they will be linked to the performance evaluations of relevant Board of Directors members and core ESG working group members.

For example, our Suzhou Lab reduced water usage by 20% and electronic usage by 49% in 2024. We invested in technical upgrades to the laboratory air conditioning (by adding ceiling-mounted units to key rooms), the operation time of the laboratory's purification air conditioning was reduced from running 24/7 throughout the year to operating only from 8 a.m. to 6 p.m. on workdays. This measure significantly reduced electricity consumption while still meeting the laboratory's temperature and humidity requirements. Additionally, the installation of water treatment and disinfection systems for the air conditioning reduced the frequency of water replacement, thereby lowering water usage.

During the Track Record Period, the total amount of GHG emissions (scope 1, scope 2 and scope 3) were 2,221.0 tonnes of CO_2-e. We actively align with China's national "Carbon Peak and Carbon Neutrality" strategic goals, deeply integrating green and low-carbon principles into our corporate development strategy and operational processes. We are committed to systematically reducing our operational carbon footprint through technological innovation, energy efficiency improvements, and resource recycling. Simultaneously, we actively explore the application of renewable energy, the development of green supply chains, and the empowerment of low-carbon solutions to drive collaborative decarbonization across the industrial chain. Moving forward, we will continue to refine our carbon management mechanisms, strengthen green competitiveness, and contribute our efforts to achieving high-quality development and ecological civilization.

Workplace Safety

We have adopted and maintained a series of rules, standard operating procedures, and measures to maintain our employees' healthy and safe environment. We require new employees to participate in safety training to familiarize themselves with the relevant safety rules and procedures. We invite experts on fire control safety to conduct training sessions and regularly perform emergency evacuation drills to reduce risks associated with potential fire accidents. Also, we have policies in place and have adopted relevant measures to ensure the hygiene of our work environment and the health of our employees.

Employment Management

We attach great importance to the development of a diverse company cultures and continually implement management practices that support diversity and provide fair treatment and employment opportunities for all employees. We have no discrimination against job applicants or employees based on their ethnicity, race, nationality, social background, disability, religious belief, gender, marital status or age. As of the Latest Practicable Date, approximately 48% of our employees are female. We have an employee handbook and a transparent employee promotion system to protect the legal rights and interests of our employees and reasonably plan their professional development. We have established an internal Code of Conduct policy on business ethics, applicable to all employees, which outlines the company's requirements regarding professional integrity, anti-fraud, anti-bribery, confidentiality, and conflict-of-interest avoidance. This policy serves as a guide for employees to uphold principles of honesty and integrity in their work. The Code of Conduct is distributed to all staff as an annex to the Employee Handbook and clearly defines reporting procedures and disciplinary measures for violations. From 2022 to 2024, we were awarded the "E-trend Best Employer Award in Greater Health Field" each year.

Social Responsibility

In terms of social responsibility, our public relations department is responsible for disclosing the development and achievements of our company, and actively communicating with the media, universities, government, investors, public welfare organizations and other parties. We have carried out a number of activities in the fields of talent education and healthcare, and have provided support and assistance to the general public, university students and patients through diverse channels such as online platforms, research cooperation, social welfare organizations and science courses to deeply understand and solve key social issues.

We actively participate in events organized by major disease foundations in China, reach out to patients through channels built by the foundations, listen to their needs, and work with the foundations and other medical and research institutions to develop targeted drugs. In addition, we also provide a rich talent pool for the AI pharmaceutical industry. By establishing

scholarships, holding various scientific seminars, and opening our PandaOmics platform, we provide professional guidance to university students, guide them to actively participate in AI biopharmaceutical industry R&D projects, and train relevant talents for the future of the industry.

We proactively participate science outreach activities, such as events at Zhangjiang Science Hall, engaging over 40 children aged 6-15 through an accessible keynote on AI in drug discovery, stimulating their interest in science and technology. The event included discussions on drug development, targeted therapies, and AI applications, with lively Q&A sessions and small gifts to encourage participation, fostering enthusiasm for future innovations. Ethical and Scientific Dialogue: Children explored thought-provoking questions, such as whether AI could reduce reliance on animal testing, reflecting the our commitment to inspiring scientific curiosity and ethical awareness.

To enhance public awareness, we launched a pioneering documentary initiative on AI-driven drug discovery, inviting filmmakers worldwide to submit entries, with five winning works selected from over 90 submissions across 14 countries. These efforts demonstrate our dual focus on science education and global collaboration, aiming to attract top talent while advancing public understanding of AI's role in healthcare innovation.

The company places high importance on suppliers' ESG performance and incorporates their ESG responsibilities into contractual agreements. Vendor shall comply with all applicable environmental laws, health, and human safety laws, including without limitation, all laws prohibiting child labor, human trafficking, and slavery. Specifically, Vendor agrees not to employ children or forced labor in performing its obligations under this Agreement. In the meantime, to the extent any care, handling and use of non-human animals is involved in performing the Vendor's obligations under this Agreement, the Vendor shall comply (and shall ensure compliance by any of its subcontractors) with applicable laws, rules and regulations, and the most current market practices for the proper care, handling and use of animals in biopharmaceutical research activities.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material claim or penalty in relation to health, work safety, social and environmental protection, had not been involved in any accident or fatality and had been in compliance with the relevant laws and regulations in all material aspects.

PERMITS, LICENSES AND OTHER APPROVALS

During the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits that are material to our operations, and such licenses, permits and certifications all remain 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 Prospectus. 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. To the best of our knowledge, there is no material legal impediment in renewing such licenses, permits, approvals and certificates as they expire in the future as long as we are in compliance with applicable laws, regulations and rules. During the Track Record Period and up to the Latest Practicable Date, we had not been penalized by any government authorities for any non-compliance relating to maintenance and renewal of our material licenses, permits, approvals and certificates.

The following table sets forth the details of our material licenses, permits and approvals as of the Latest Practicable Date.

Licenses/Permit	Authority	Grant Date	Expiry Date
Filing for Phase 0 Clinical Trial of ISM001-055 (CT- 2021-CTN-03609-1)	Therapeutic Goods Administration	October 13, 2021	N/A
Approval for Clinical Trial on ISM001-055 Acetate Salt Capsule (C201103007-FPA)	Medsafe	January 14, 2022	N/A
Notice of Approval for Clinical Drug Trials (No. 2022LP00860) for ISM001-055	NMPA	May 24, 2022	N/A
Notice of Approval for Clinical Drug Trials (No. 2022LP00861) for ISM001-055	NMPA	May 24, 2022	N/A
Notice of Approval for Clinical Drug Trials (No. 2022LP00862) for ISM001-055	NMPA	May 24, 2022	N/A
Orphan Drug Designation for ISM001-055	FDA	February 1, 2023	N/A
Notice of Approval for Clinical Drug Trials (No. 2025LP00995) for ISM001-055	NMPA	April 3, 2025	N/A
Notice of Supplemental Approval for Clinical Drug Trials (No. 2025LB00619) for ISM001-055	NMPA	September 1, 2025	N/A
Approval for ISM3091 Clinical Trial for Advanced Solid Tumors	FDA	April 14, 2023	N/A
Approval for ISM001-055 Clinical Trial for IPF	FDA	June 8, 2023	N/A
Notice of Approval for Clinical Drug Trials (No. 2023LP01318) for ISM3091	NMPA	July 10, 2023	N/A
Notice of Approval for Clinical Drug Trials (2023LP01319) for ISM3091	NMPA	July 10, 2023	N/A
Notice of Approval for Clinical Drug Trials (No. 2023LP01445) for ISM8207	NMPA	July 20, 2023	N/A

Licenses/Permit	Authority	Grant Date	Expiry Date
Notice of Approval for Clinical Drug Trials (No. 2023LP01446) for ISM8207	NMPA	July 20, 2023	N/A
Notice of Approval for Clinical Drug Trials (No. 2023LP01447) for ISM8207	NMPA	July 20, 2023	N/A
Notice of Approval for Clinical Drug Trials (No. 2023LP01653) for ISM4808	NMPA	August 21, 2023	N/A
Notice of Approval for Clinical Drug Trials (No. 2023LP01654) for ISM4808	NMPA	August 21, 2023	N/A
Filing Certificate of Information System Security Level Protection (Level III) (No. 31011550159-23001)	Shanghai Municipal Public Security Bureau	August 25, 2023	N/A
Filing for Phase 1 Clinical Trial of ISM5411-101 (CT-2023-CTN-03770-1)	Therapeutic Goods Administration	October 6, 2023	N/A
Filing Certificate for Business Operation of Class II Medical Device (Hu Pu Drug Administration Device Operation Filing No. 20230270)	Shanghai Pudong New District Administration for Market Regulation	October 10, 2023	N/A
Notice of Approval for Clinical Drug Trials (No. 2024LP00014) for ISM5411	NMPA	December 29, 2023	N/A
Notice of Approval for Clinical Drug Trials (No. 2024LP00015) for ISM5411	NMPA	December 29, 2023	N/A
Approval for ISM3412 Phase 1 Clinical Trial for Locally Advanced/Metastatic Solid Tumors	FDA	April 9, 2024	N/A
Notice of Approval for Clinical Drug Trials (No. 2024LP01090) for ISM3412	NMPA	April 30, 2024	N/A
Notice of Approval for Clinical Drug Trials (No. 2024LP01091) for ISM3412	NMPA	April 30, 2024	N/A
Notice of Approval for Clinical Drug Trials (No. 2024LP01092) for ISM3412	NMPA	April 30, 2024	N/A
Approval for ISM6331 Phase 1 Study for Advanced/Metastatic Malignant Mesothelioma or Other Solid Tumors	FDA	July 23, 2024	N/A

Licenses/Permit	Authority	Grant Date	Expiry Date
ISO/IEC 27001 Certificate for Insilico Hong Kong	Beijing NGV Certification Center Co., Ltd.	October 9, 2024	October 8, 2027
ISO/IEC 27001 Certificate for Insilico Shanghai	Beijing NGV Certification Center Co., Ltd.	October 9, 2024	October 8, 2027
Notice of Approval for Clinical Drug Trials (No. 2024LP02312) for ISM6331	NMPA	October 14, 2024	N/A
Notice of Approval for Clinical Drug Trials (No. 2024LP02313) for ISM6331	NMPA	October 14, 2024	N/A
Notice of Approval for Clinical Drug Trials (No. 2024LP02314) for ISM6331	NMPA	October 14, 2024	N/A
Approval for ISM5939 Study for Solid Tumors	FDA	October 30, 2024	N/A
High and New-Technology Enterprise Certificate (No. GR202431000439)	Shanghai Municipal Finance Bureau	December 4, 2024	December 3, 2027
Biosafety Level 2 Laboratory Filing Certificate (No. 0220250107)	Shanghai Pudong New Area Health Commission	October 17, 2025	N/A

GOVERNMENT GRANTS, AWARDS AND RECOGNITIONS

The following table sets forth some of the important accreditations and awards we had received as of the Latest Practicable Date in recognition of our research and development capabilities.

Year	Accreditation/Award	Accreditation Organization
2025	TR50, 50 Smartest Companies	MIT Technology Review
2025	Top 100 Global Corporate Institution Research Leader	Nature Index
2024	Fortune 50 Al Innovators 2024	Fortune
2024	Exemplary Case of Intelligent Collaborative Governance at "2024 Pharmaceutical Digital Intelligence Development Conference"	Information Center of the NMPA

Year	Accreditation/Award	Accreditation Organization
2024	Fierce 50 of 2024	Fierce Pharma
2024	China Bridge 2023-2024 POWER50	Chinese Venture
2024	Health Innovation Trailblazer Award – Industry	UAE Genetic Diseases Association
2024	2024 Fast Company's Most Innovative Companies in Biotech Top 10	Fast Company
2023	Hong Kong ICT Awards Smart Business	Hong Kong Computer Society
2023	China Entrepreneur 21 Future Stars	China Entrepreneur
2022	SAIL Stars by World Artificial Intelligence Conference	WAIC
2022	Top 100 Most Innovative Artificial Intelligence Startups in the world by CB Insights	CBInsights
2021	2021 Entrepreneurial Company of the Year Award in the global AI-enabled drug discovery industry	Frost & Sullivan

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

During the pending Track Record Period and up to the Latest Practicable Date, we were not a party to any actual or pending legal or administrative proceedings, which would have a material adverse effect on our business, financial position or results of operations as a whole. We are committed to maintaining the standards of compliance with the laws and regulations applicable to our business. However, we may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business.

Legal Compliance

During the Track Record Period and up to the Latest Practicable Date, we had complied with applicable laws and regulations in all material aspects in the relevant jurisdictions where we operate. Our Directors confirmed that we were not involved in any material or systematic non-compliance incidents.

Our compliance team is responsible for building, developing and improving our compliance management system to ensure our compliance culture is embedded into everyday workflow. The team conducts compliance training for target groups and identifies, assesses, and reports compliance risks and expectations in a timely manner. For example, we provide formal and comprehensive company-level legal seminars to our employees, followed by on-the-job training to get them familiarized with their responsibilities and our compliance requirements. Our compliance team will also work with the senior management team to monitor and evaluate the effectiveness of our compliance function and structure to ensure that we comply with the applicable laws and regulations. For example, we will periodically conduct compliance and performance reviews on our employees against our internal compliance standards to ensure their compliance awareness meets our requirements.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

We are exposed to various risks in our business operations, and we believe that risk management is important to our success. For details, see "Risk Factors." Our Directors oversee and manage the overall risks associated with our operations. We have prepared written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules.

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the Listing, we have adopted or will continue to adopt, among other things, the following risk management measures:

- establish an Audit Committee to review and supervise our financial reporting process and internal control system;

- adopt various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure;

- provide anti-corruption and anti-bribery compliance training periodically to our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations; and

- attend training sessions by our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong.

Internal Control

We have employed an independent internal control consultant to assess our internal control system in connection with the Listing. The internal control consultant has conducted a review procedure on our internal control system in certain aspects, including financial reporting and disclosure controls, corporate level controls, information system control management and other procedures for our operations, and put forward suggestions for improvement. We have accepted these suggestions and further strengthened the design of our internal control process. After our rectification, the internal control consultant has performed the follow-up review and not identified any material deficiencies in our internal system.

We have also appointed external legal professionals to advise us on compliance matters, such as compliance with the regulatory requirements on clinical research and development, which is also monitored by our regulatory and quality assurance team. We have also established anti-bribery guidelines and compliance requirements in our employee handbook. After considering the remedial actions we have taken, our Directors are of the view that our internal control system is adequate and effective for our current operations.

We plan to provide our Directors, senior management, and relevant employees with continuous training programs and updates regarding the relevant laws and regulations regularly to proactively identify any concerns and issues relating to any potential non-compliance.

Anti-bribery

We maintain strict anti-corruption policies among our employees. We believe we will be less affected by the increasingly stringent measures taken by the relevant government to correct corruptive practices in the pharmaceutical industry. We strictly prohibit bribery or other improper payments in our business operations. This prohibition applies to all business activities, anywhere globally, whether involving government officials or healthcare professionals. Improper payments prohibited by this policy include bribes, kickbacks, excessive gifts or entertainment, or any other payment made or offered to obtain an undue business advantage. We keep accurate books and records that reflect transactions and asset dispositions in reasonable detail. Requests for false invoices or payment of unusual, excessive or inadequately described expenses are rejected and promptly reported. Misleading, incomplete or false entries in our books and records are never acceptable. We will also ensure that future commercialization team personnel comply with applicable promotion and advertising requirements, including restrictions on promoting drugs for unapproved uses or patient populations and limitations on industry-sponsored scientific and educational activities.

Sanction Compliance

Our legal and compliance departments lead the sanction compliance function with support from the finance department and oversight from the management. Each department is required to follow due diligence procedures to comply with our sanction compliance policy. We will provide training on U.S. Economic Sanctions and on the sanction compliance policy to all employees. Each employee will receive initial training upon onboarding, as well as periodic refresher training. Employees are required to sign an acknowledgement that they have completed the training and will comply with the requirements of the sanction compliance policy. In order to better ensure our compliance with the applicable laws and regulations, we have taken the initiative to adopt the following sanction compliance measures:

- Employees should immediately consult with legal and compliance departments when dealing with an entity or individual in a high-risk country or when there is a suspicion that a sanctioned country, entity or individual is involved.

- In order to ensure compliance with applicable U.S. Economic Sanctions, to identify target persons, and to avoid possible U.S. secondary sanctions risk, we conduct OFAC screening of all its customers, vendors, and other service providers and counterparties.

- Employees should consult with the finance and legal departments to include or review sanctions language in contracts. Employees should report to legal and compliance departments if employees become aware that an existing counterparty has been sanctioned.

- Management is the owner of compliance and holds ultimate responsibility for the implementation of and adherence to the sanction compliance policy, supported and advised by the legal, compliance and finance departments.

- Legal and compliance departments are responsible for ensuring the effectiveness and integrity of the compliance process and monitoring of the adherence to the sanction compliance policy.

- We may not enter into any agreement with, sell or provide any products or services to, or receive or obtain any products or services from any OFAC's List of Specially Designated Nationals and Blocked Persons (SDNs) or any entity 50 percent or more owned, directly or indirectly, by one or more SDNs.

- To the extent that we sell services through third parties, we must obtain appropriate representations, warranties and covenants from such distributors in order to ensure our compliance with the sanction compliance policy. The legal department shall

draft the required provisions to be included in the relevant distribution agreements when and as necessary. The relevant business department selling such services shall be responsible to ensure that the counterparties adopt such provisions in the relevant third-party agreements.

- We may not conduct any direct or indirect sales to or purchases from sanctions targets in U.S. dollars. This includes sales by us to persons located in target countries and sales to persons located outside target countries intended to be on-sold into target countries.

- All direct and indirect sales to or purchases from parties in target countries or parties that are identified as possible "hits" to the SDN list or OFAC's Sectoral Sanctions Identification List must be pre-approved by CEO and Head of Finance.

- U.S. Person employees of us may not approve or participate, directly or indirectly, in any transactions or dealings with or that involve sanctions targets.

- The legal and compliance departments are responsible for investigations, reporting to senior managers and directors, and making suggestion to the senior management about reporting or disclosure to governmental authorities. The legal department must inform our CEO regarding any investigation. An employee subject to the investigation must be provided an opportunity to present his or her case before resolution by the legal and compliance departments. If any employee violates this policy, he or she will be subject to disciplinary measures, including possible termination of employment, to the extent permitted by applicable laws.

- The finance department will as appropriate conduct U.S. Economic Sanctions risk assessments that include an assessment of the following: (i) customers, supply chain, intermediaries, and counter-parties; (ii) the products and services it offers, including how and where such items fit into other financial or commercial products, services, networks, or systems; and (iii) the geographic locations of the organization, as well as its customers, supply chain, intermediaries, and counterparties.

- We will conduct annual audits of compliance with the sanction compliance policy. The internal audit department is responsible for the audit and results of the audit will be reported to the CEO.

DATA PRIVACY PROTECTION

The data used for the model training of Pharma.AI is mainly collected from publicly available information or from database supplied by independent vendors, and only a limited amount of data is collected from collaborations with clients when we are authorized to do so. Proper consents and authorization had been obtained before utilizing the data for model training. Using the data generated by Pharma.AI will not be considered as redistributing the

information to third parties during the provision of services because those data is generated after model training rather than raw data. Therefore, it does not constitute a breach of any relevant rules and regulations on data privacy and intellectual properties. Since essentially all of the data used for model training comes from publicly available information on a global basis or is legally granted from globally recognized databases provided by independent vendors, such collection and use of data does not violate rules and regulations on data privacy and security in relevant jurisdictions in any material respect. During the Track Record Period and as of the Latest Practicable Date, there had been no material investigation, penalty or litigation relating to infringement or violation of data security against the Group that would materially and adversely affect the Group's business. All data used for model training passes quality control. Our quality control measures include (i) a team of assessors or data scientists with expertise in the field will review and evaluate the data, (ii) data licenses are reviewed for compliance before incorporation into the products or model training, and (iii) we have also adopted and implemented relevant policies and management system in relation to data privacy and protection, and the relevant contracts with third party data providers include the representations and warranties made by relevant third parties in relation to compliance with relevant laws and regulations, and the relief and indemnification clauses as well as dispute resolution mechanism that we can resort to in the event of the breach by such data providers.

In terms of the types of data collected and generated across our operations, for AI model training we primarily use publicly available information from disclosed clinical trial designs and published results, which do not involve identifiable patient records, treatment details, personal information of clinical trial participants or functional genomics data. For drug discovery and pipeline development, we may collect clinical research data that include personal information of clinical trial participants (such as name, age, gender and ethnicity), medical records (such as medical history, diagnoses, laboratory results and concomitant medications), treatment details (such as dosage and treatment outcomes), and functional proteomics data, in each case in compliance with applicable laws and regulations. The collection and processing of such data are conducted through partner hospitals and clinical sites strictly in accordance with clinical study protocols approved by the relevant regulatory authorities, and only after participants have provided informed consent. Where such data are collected, they are de-identified or pseudonymized when appropriate, relevant consents and authorizations are properly obtained, and generally no new personal data are generated or obtained by us after a pipeline drug is licensed out, except where we may receive aggregate clinical data or perform continued tests to meet our post-licensing obligations. For our software solutions, including both subscription-based services and project-based collaborations, the only data collected consist of limited software usage statistics and user feedback, which are used solely for system maintenance and performance improvement. Any data generated or shared in the course of project-based collaborations belongs to the client and is not retained by us after project completion.

Data security and protection are among our highest priorities, and we have designed strict data protection and information security policies to ensure strict compliance with applicable laws, regulations and prevalent industry practice. We have established a data and information security group whose members include an information security advisor, IT directors and

professionals. The data and information security group is responsible for formulating data and information security policies, overseeing the implementation of data security and protection in practice, reviewing and evaluating data security and protection activities on our databases and data review records on a regular basis and making decisions in the event of a material data breach. We have implemented comprehensive internal control policies on protecting data privacy and security under the supervision of the data and information security group, with the purpose to ensure data and information security, optimize data governance, protect the benefits of our users, business partners, employees and other third parties, and ensure compliance with applicable laws and regulations in all material respects. We also engage external legal professionals to regularly review and update our internal control policies and strategies, conduct penetration tests to ensure our implementation of data protection policies, and ensure continuous compliance with applicable laws and regulations in all material respects. In addition, our Pharma.AI system obtained the Filing Certificate of Information System Security Level Protection (Level III) (No. 31011550159-23001) that was issued by the Shanghai Municipal Public Security Bureau on August 25, 2023.

We have implemented the following measures to safeguard data privacy and cybersecurity:

(i) Authentication and authorization: We have implemented measures at the infrastructure level to protect data stored on our Pharma.AI platform and other information technology systems. A robust internal authentication and authorization system is used to ensure that confidential data can only be accessed by authorized personnel for authorized use at authorized Internet Protocol (IP) addresses. Data access activities are recorded for further monitoring. We also have clear and strict authorization and authentication procedures and policies. We have established procedures to protect the confidentiality of patients' data. We maintain policies requiring our personnel to be trained to collect and safeguard personal information and require our CROs to have data protection clauses in our agreements with them. They are responsible for safeguarding data in their possession. According to the GCP and relevant regulations, access to clinical trial data has been strictly limited to authorized personnel.

(ii) Information technology system: Our employees have access only to data that is directly relevant and necessary to their job functions and for limited purposes and are required to verify authorization for each access attempt. We have established our information technology system in accordance with data security requirements, national standards and industry best practices, and intend to continue to invest heavily in data security and privacy protection. Our information technology system employs multiple layers of security, including both internal and external advanced firewalls, to protect our Pharma.AI platform and our information technology system from hacking, unwanted traffic and/or unauthorized access.

(iii) Data storage: We have taken a variety of measures to back up the data accumulated during our operations. Our cloud service vendor backs up our data on a daily, weekly or monthly basis according to the nature of the data. All data are stored in our AWS cloud accounts in the hosted scenario. In the on-premise installation of our Pharma. AI platform, all data are stored on the client's cloud, and all monitoring and alerting tools are available only for the client. The encryption at rest and in transit and all other security measures are the same for both sub-segments. In the hosted scenario, we utilize analytical tools to improve the product based on anonymized statistics. We do not collect any information from the on-premise installations. Additionally, we require external parties and internal employees involved in clinical trials to comply with confidentiality requirements. Data are to be used only for the intended use, as agreed by the trial participants and consistent with the Informed Consent Form (the "**ICF**"). We will obtain additional consent from clinical trial participants if any use of data falls outside the scope of ICF.

(iv) Customer data segregation: Subject to subscription agreements with our customers, we will not use or disclose the data generated by the customers when using our software except for limited circumstances, which include operations reasonably necessary to comply with applicable laws and regulations, derivation or creation of benchmarking, transactional or performance information and other forms of statistics or analytics on an aggregated basis that may not reasonably be used on its own to distinguish or trace the identity of the customer, and collection of the usage information and user behavior of the customer for account management and record keeping purpose. Such carve-out complies with all relevant rules and regulations in all material respects. Accordingly, we have separated our own data from our customers' data in accordance with the subscription agreements. Pharma.AI used internally is segregated from Pharma.AI used by customers and installed on separate servers. In addition, we separate a customer's data from other customers' data through an internal role-based access model and a security model in the platform. Role-based access ("**RBAC**") allows us to segregate data usage and identify required access rights. All clients get minimal permissions necessary to access their own data and run the experiments. RBAC also ensures that no privileged access is given to internal employees without proper authorization. We also regularly test roles security and data segregation during penetration tests. The security model ensures segregation on the network and access level based on the user roles.

(v) Clinical data transfer: We have a number of ongoing or planned clinical studies in China and the U.S. 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 U.S. Together with our CROs and other collaborators, we have implemented controls and arrangements designed to ensure a data management and transfer plan is developed and implemented to govern the transfer of all clinical trial data or other potentially sensitive information. Related measures include, as applicable, ensuring that the cross-border transfer of this clinical data and information is permitted, any requisite

approvals are properly obtained, and applicable filings are made, in each case, with the competent authorities and in accordance with 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 have not experienced any material difficulty in data transfer, and we believe our transfer of relevant clinical trial data and information between China and the U.S. is in line with market practice.

In addition, we are committed to compliance, fairness and transparency in our privacy practices. All data collection, use and management practices are consistent with applicable laws and regulations, including any ethnicity related data privacy laws or regulations, as well as industry standards and practices. Reaching agreement on data collection, use and management with our business partners and customers is a top priority before we enter into collaborations.

Based on the above, and considering that: (i) we had obtained relevant consents or authorizations for collecting and using personal information in the PRC as required by applicable PRC laws and regulations, (ii) Insilico Shanghai has obtained the Filing Certificate of Information System Security Level Protection (Level III) issued by the Shanghai Municipal Public Security Bureau for the Pharma.AI system; (iii) we had adopted a variety of policies, and taken relevant technical measures, including establishment of emergency plans, data classification, data backup and recovery strategy and deploying firewalls, to protect user privacy and data security in accordance with applicable PRC laws and regulations, and (iv) during the Track Record Period and up to the Latest Practicable Date, we were not subject to any penalty, fine, investigation or rectification notice from relevant authorities in the area of data security, privacy and personal data protection, our PRC Legal Advisor is of the view that during the Track Record Period and up to the Latest Practicable Date, we had complied with applicable PRC laws and regulations on data security, privacy and personal data protection in all material respects.

During the Track Record Period and up to the Latest Practicable Date, we had not received any claim from any third party against us on the ground of infringement of such party's right to data and privacy protection as provided by any applicable laws and regulations, or subject to any fines or other penalties due to non-compliance with data privacy and security laws or regulations, or experienced any data leakage or loss with respect to data security, privacy and personal data protection.

However, we may still be subject to certain risks in relation to the heightened regulations and market scrutiny. For additional information, please refer to "Risk Factors — Risks Related 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 relating to our management of the medical data."

IMPACT OF COVID-19 PANDEMIC

During the Track Record Period, the COVID-19 pandemic did not have any material adverse impact on our operations or financial performance. To protect the health and safety of our employees and ensure business continuity, we implemented various precautionary measures such as remote working, social distancing and enhanced workplace hygiene protocols. While certain on-site meetings, deployment activities and technical support were temporarily delayed or cancelled during the early stages of the pandemic, such disruptions did not result in any material impact on our research and development activities, clinical development, daily operations, supply chain management or regulatory affairs. We did not receive any COVID-19-specific government subsidies or other forms of financial assistance during the Track Record Period. Our financial performance remained stable and was not materially affected by the COVID-19 pandemic. Given that the pandemic has largely subsided and that our business model is not dependent on extensive on-site operations, our Directors are of the view that the COVID-19 pandemic is unlikely to have any material adverse impact on our business operations or financial performance going forward.

DIRECTORS

Upon Listing, our Board will consist of eight Directors, including two executive Directors, three non-executive Directors and three independent non-executive Directors.

The table below sets forth certain information in respect of the members of the Board of Directors of our Company:

Name	Age	Position	Date of Appointment as Director	Date of Joining our Group	Role and Responsibility
Executive Directors					
Mr. Aleksandrs Zavoronkovs (also known as Alex Zhavoronkov), Ph.D.	46	Chairman of the Board, Executive Director, Founder, CEO and CBO	January 2019	February 2014	Overall strategic planning, business direction and day to-day operational management
Mr. Feng Ren, Ph.D. (任峰)	50	Executive Director, CEO, CSO	June 2021	February 2021	Overall strategic planning, business direction and day to-day operational management
Non-executive Directors					
Mr. Chuen Yan Leung, Ph.D. (梁傳昕)	36	Non-executive Director	February 2025	February 2025	Participating in key decision-making process in respect of major matters such as formulating overall corporate and business strategies
Mr. Kan Chen, Ph.D. (陳侃)	43	Non-executive Director	August 2021	August 2021	Participating in key decision-making process in respect of major matters such as formulating overall corporate and business strategies

Name	Age	Position	Date of Appointment as Director	Date of Joining our Group	Role and Responsibility
Mr. Long Shi (施瓏)	45	Non-executive Director	March 2025	March 2025	Participating in key decision-making process in respect of major matters such as formulating overall corporate and business strategies
Independent Non-executive Directors					
Ms. Denitsa Milanova, Ph.D.	41	Independent non-executive Director	Listing Date	Listing Date	Supervising and providing independent judgment to our Board
Mr. Jingsong Wang, Ph.D. (王勁松)	61	Independent non-executive Director	Listing Date	Listing Date	Supervising and providing independent judgment to our Board
Mr. Roman Kyrychynskyi	50	Independent non-executive Director	Listing Date	Listing Date	Supervising and providing independent judgment to our Board

Note:

(1) There is no relationship among each Director and member of senior management of the Company.

EXECUTIVE DIRECTORS

Mr. Alex Zhavoronkov, Ph.D., aged 46, is the founder of our Company and has served as the chairman of the Board, our Director, CEO and CBO since our inception. He was re-designated as our executive Director in June 2023.

Mr. Zhavoronkov served as an advisor and director of Deep Longevity, Inc from March 2020 to January 2023. Prior to founding Insilico Inc., Mr. Zhavoronkov worked in the Biogerontology Research Foundation from May 2008 to June 2018. He has published over 300 research papers and three books including "The Ageless Generation: How Biomedical Advances Will Transform the Global Economy." Mr. Zhavoronkov is also the co-organizer of the Annual Aging Research and Drug Discovery Meeting, one of Europe's largest industry events in aging research and drug discovery.

Mr. Zhavoronkov received two bachelor's degrees in commerce and science from Queen's University in Canada in May and June 2001, respectively, a master's degree in biotechnology from Johns Hopkins University in the United States in May 2007, and a Ph.D. in physics and mathematics from Moscow State University in Russia in October 2008.

Mr. Feng Ren, Ph.D. (**任峰**), aged 50, has served as our CSO since February 2021, as our Director since June 2021 and as our CEO since June 2022. He was re-designated as our executive Director in June 2023.

Prior to joining our Group, Mr. Ren was senior vice president, head of chemistry and biology of Shanghai Medicilon Inc., a company listed on the Shanghai Stock Exchange (SSE: 688202) which is a contract research organization, from February 2018 to January 2021. From February 2007 to January 2018, Mr. Ren worked in GlaxoSmithKline PLC, a global pharmaceutical company listed on the London Stock Exchange (LSE: GSK), with his final position being director, head of chemistry in neurodegeneration DPU. Mr. Ren has published approximately 80 peer-reviewed research papers and holds approximately 120 patents.

Mr. Ren received his bachelor's degree in polymer science from the University of Science and Technology of China in July 1998, a master's degree in science from the National University of Singapore in March 2004, and a Ph.D. in organic chemistry from Harvard University in the United States in June 2007.

NON-EXECUTIVE DIRECTORS

Mr. Chuen Yan Leung, Ph.D. (**梁傳昕**), aged 36, has served as our Director since February 2025 and was re-designated as our non-executive Director in May 2025.

Mr. Leung has served as a partner, healthcare investment at Value Partners Private Equity Limited since June 2023. Previously, Mr. Leung served as a vice president at EQT Partners Shanghai Ltd from May 2020 to June 2022, and as a Croucher Research Fellow and post-doctoral researcher at the Karolinska Institutet from January 2015 to January 2019.

Mr. Leung received a bachelor of science degree in biochemistry and research abroad from Imperial College London in August 2011, and a Ph.D. degree in physiology, development and neuroscience from the University of Cambridge in May 2015. Mr. Leung is also an associate of the Royal College of Science.

Mr. Kan Chen, Ph.D. (**陳侃**), aged 43, has served as our Director since August 2021 and was re-designated as our non-executive Director in June 2023.

Mr. Chen has served as a non-executive director of Connect Biopharma Holdings Limited, a company listed on the NASDAQ (NASDQ: CNTB), since December 2020.

Previously, Mr. Chen served as a director of Abbisko Cayman Limited, a company listed on the Hong Kong Stock Exchange (HKEx: 2256), which is principally engaged in research of small molecule new drugs, from February 2020 to June 2021, a director of Jiangsu Yahong Pharmaceutical Technology Co., Ltd. (江蘇亞虹醫藥科技股份有限公司), a company listed on the Shanghai Stock Exchange STAR Market (SSE: 688176), which is principally engaged in drug innovation with a focus on urinary system tumors and other serious diseases, from October 2020 to December 2023, a non-executive director of Antengene Corporation Limited, a company listed on the Hong Kong Stock Exchange (HKEx: 6996), from March 2021 to June 2024, and a non-executive director of CANbridge Pharmaceuticals Inc., a company listed on the Hong Kong Stock Exchange (HKEx: 1228), from December 2020 to September 2024.

Mr. Chen joined Qiming Venture Partners since February 2016 and currently serves as a partner, focusing on healthcare management.

Mr. Chen received a bachelor of science degree in biological sciences from Fudan University in July 2004 and a Ph.D. degree in cell biology from Case Western Reserve University in January 2009.

Mr. Long Shi (施瓏), aged 45, has served as our Director since March 2025 and was re-designated as our non-executive Director in May 2025. Mr. Shi participates in key decision-making process in respect of major matters of the Company such as formulating overall corporate and business strategies.

He first joined the Shanghai branch of Beijing Warburg Pincus Investment Consulting Co., Ltd.* (北京華平投資諮詢有限公司上海分公司) in November 2011 and served as an investment director focusing on investments in the healthcare sector in Asia until June 2014. From January 2015 to November 2019, he served as a director of Temasek Holdings Consulting (Shanghai) Co., Ltd., focusing on healthcare and consumer investments. He returned to the Shanghai branch of Beijing Warburg Pincus Investment Consulting Co., Ltd.* (北京華平投資諮詢有限公司上海分公司) and served as an executive director since November 2019 and later transferred to Shanghai Warburg Pincus Private Equity Management Co., Ltd.* (上海華平私募基金管理有限公司) in January 2020. Mr. Shi has served as a managing director of Shanghai Warburg Pincus Private Equity Management Co., Ltd. since January 2021, focusing on investments in the healthcare sector in Asia.

Mr. Shi served as a non-executive director of Gaush Meditech Ltd (HKEX: 2407) from April 2021 to August 2023, where he participated in the formulation of the Company's corporate and business strategies.

Mr. Shi received his bachelor's degree in economics (international finance) from Fudan University (復旦大學) in the PRC in 2002.

Independent Non-executive Directors

Ms. Denitsa Milanova, Ph.D., aged 41, was appointed as our independent non-executive Director in June 2023 with effect from the Listing Date.

Ms. Milanova is a founder and chief executive officer of Medici Therapeutics, Inc., an immuno-oncology company based in Boston, San Francisco and Emeryville, since October 2022. Prior to founding Medici, Ms. Milanova served as a Technology Development Fellow and Principal Investigator at Wyss Institute for Biologically Inspired Engineering of Harvard University from April 2018 to October 2022, and as a Postdoctoral Fellow in the Genetics Department of Harvard Medical School working with Prof. George Church from December 2015 to April 2018. Ms. Milanova also served as a business consultant at Ohana Biosciences (a subsidiary of Flagship Pioneering), a Boston-based life science company incubator, from April 2016 to November 2017.

Ms. Milanova became a Doctoral Fellow of the Stanford Microfluidics Laboratory under Prof. Juan Santiago at Stanford University School of Engineering in August 2008. In 2010, Ms. Milanova continued her degree while also collaborating with Profs. Annelise Barron in Molecular Bioengineering for Medicine and Biotechnology and Michael Snyder at Stanford University School of Medicine from January 2015 to January 2016. Prior to that, Ms. Milanova served as an undergraduate researcher at the Nanofluids and Two-Phase Flow Laboratory during her studies at University of Central Florida.

Ms. Milanova received her B.S. in Mechanical Engineering at University of Central Florida in the United States in May 2008. Ms. Milanova received her M.Sc. in Mechanical Engineering in June 2010, her M.Sc. in Management Science and Engineering (an executive business degree with a focus on entrepreneurship) in June 2013, and her Ph.D. in Mechanical Engineering in January 2016, all from Stanford University in the United States. During her studies, Ms. Milanova was awarded a Stanford Graduate School of Engineering Fellowship in 2008, and a Stanford Bio-X Medtronic Fellowship in 2011, both of which provided outstanding young researchers with full financial support.

Mr. Jingsong Wang, Ph.D. (**王勁松**), aged 61, was appointed as our independent non-executive Director in June 2023 with effect from the Listing Date.

Mr. Wang has served as an executive director, the chief executive officer and chairman of the board of HBM Holdings Limited, a company listed on the Hong Kong Stock Exchange (HKEx: 2142), since July 2016. Mr. Wang is the principal founder of HBM Holdings Limited. From November 2011 to December 2015, Mr. Wang served as the head of China research and development at Sanofi.

Mr. Wang has served as an independent non-executive director of Frontage Holdings Corporation, a company listed on the Hong Kong Stock Exchange (HKEx: 1521), since April 2018. Previously, he was an independent non-executive director of Xinjiang Bai Hua Cun Pharma Tech Co., Ltd. (新疆百花村醫藥集團股份有限公司), a company listed on the Shanghai Stock Exchange (SSE: 600721), from September 2021 to August 2024.

Mr. Wang received his M.D. in clinical medicine from Xuzhou Medical College in China in June 1986, his master's degree in medical science (immunology) from Jilin University (formerly known as Norman Bethune University of Medical Science before the combination with Jilin University) in China in July 1989, and his Ph.D. in molecular pharmacology from China Pharmaceutical University in China in July 2011. Mr. Wang also obtained a physician qualification awarded by the Commonwealth of Massachusetts Board of Registration in Medicine in May 2002, as well as a Diplomate in Internal Medicine and a Diplomate in Rheumatology, both awarded by the American Board of Internal Medicine in 2003 and 2004 respectively. He obtained Medical Physician and Surgeon certificate from the State Board of Medicine of the Commonwealth of Pennsylvania in 2006. From June 2001 to June 2005, Mr. Wang served as a research/clinical fellow in rheumatology at Brigham and Women's Hospital and Harvard Medical School.

Mr. Roman Kyrychynskyi, aged 50, was appointed as our independent non-executive Director in June 2023 with effect from the Listing Date.

He began his career at AMD in 2000 as Group Manager for Planning and Pricing, later serving as Financial Controller (2007-2009). He advanced to Product Director in 2009, Senior Director in 2018, and Vice President in 2021, overseeing inventory, revenue management, product valuations, and the memory BU P&L. Since 2007, he has also managed AMD's global memory procurement, a vital function supporting the company's growth.

Mr. Kyrychynskyi is a member of the Chartered Professional Accountants of Canada. He earned his Bachelor of Commerce (Honours) degree from Queen's University in Canada in May 2000.

OTHER DISCLOSURE

Pursuant to Rule 8.10 of the Listing Rules

As of the Latest Practicable Date, none of the Directors have any interest in a business which competes or is likely to compete, directly or indirectly, with our business and requires disclosure under Rule 8.10 of the Listing Rules.

Pursuant to Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in March 2023 and April 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Pursuant to Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of the Company or its subsidiaries 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 are no other factors that may affect his/her independence at the time of his/her appointments.

Pursuant to Rule 13.51(2) of the Listing Rules

Save as disclosed above and in this Prospectus, each of our Directors confirms with respect to himself or herself that he or she (i) did not hold other long positions or short positions in the Shares, underlying Shares, debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) as of the Latest Practicable Date; (ii) did not hold any other directorships in the three years prior to the Latest Practicable Date in any public companies of which the securities are listed on any securities market in Hong Kong and/or overseas; and (iii) there are no other matters concerning his or her appointment that need to be brought to the attention of our Shareholders and the Stock Exchange or shall be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. As of the Latest Practicable Date, none of our Directors or senior management is related to other Directors or senior management of our Company.

SENIOR MANAGEMENT

The following table sets out information regarding the members of senior management of our Company:

Name	Age	Position	Date of Appointment as a member of senior management of the Group	Date of Joining the Group	Roles and Responsibilities
Mr. Aleksandrs Zavoronkovs (also known as Alex Zhavoronkov), Ph.D.	46	Chairman of the Board, Executive Director, Founder, CEO and CBO	February 2014	February 2014	Overall strategic planning, business direction and day to-day operational management

Name	Age	Position	Date of Appointment as a member of senior management of the Group	Date of Joining the Group	Roles and Responsibilities
Mr. Feng Ren, Ph.D. (任峰).	50	Executive Director, CEO, CSO	February 2021	February 2021	Overall strategic planning, business direction and day to-day operational management
Mr. Aleksandr Aliper, Ph.D.	36	President	February 2014	February 2014	Overall strategic planning and business direction
Mr. Peng Dai (戴鵬).	41	Head of Finance, Vice President	November 2023	June 2021	Overseeing finance and capital raising

Mr. Alex Zhavoronkov, Ph.D., aged 46, is the chairman of the Board, our executive Director, founder, CEO and CBO. For more details of his biography, see "Directors — Executive Directors" above.

Mr. Feng Ren, Ph.D. (任峰), aged 50, is our executive Director, CEO and CSO. For more details of his biography, see "Directors — Executive Directors" above.

Mr. Aleksandr Aliper, Ph.D., aged 36, has joined our Group in February 2014 as our scientific co-founder and was appointed as our president in November 2018.

Prior to joining our Group, Mr. Aliper worked in the field of bioinformatics and analytics holding a senior bioinformatics scientist position at National Medical Research Center of Pediatric Hematology, Oncology and Immunology.

Mr. Aliper received his specialist degree in bioengineering from Moscow State University in Russia in June 2011 and a Ph.D. from Federal State Institution A.I. Burnazyan Federal Medical and Biophysical Center (SRC IBR) in Russia in June 2019.

Mr. Peng Dai (戴鵬), aged 41, has served as our Head of Finance and Vice President since November 2023. He first joined the Company as a director in financial planning and analysis in June 2021 and served as a senior director from September 2022 to October 2023.

Prior to joining our Group, Mr. Dai served successively as a director in the finance department at WuXi AppTec (Shanghai) Co., Ltd. (上海藥明康德新藥開發有限公司), a wholly-owned subsidiary of WuXi AppTec Co., Ltd. (無錫藥明康德新藥開發股份有限公司), a company listed on the Stock Exchange (HKEx: 2359) and the Shanghai Stock Exchange (SSE: 603259), from August 2017 to May 2021, where he was responsible for providing financial analysis and advices on business operations of the company. Prior to joining WuXi AppTec (Shanghai) Co., Ltd. (上海藥明康德新藥開發有限公司), Mr. Dai served successively as a senior finance planning analyst at Thermo Fisher Scientific (China) Co., Ltd. (賽默飛世爾科技(中國)有限公司) from June 2013 to August 2017. Mr. Dai also worked as a senior auditor at Deloitte Touche Tohmatsu Certified Public Accountants LLP from September 2010 to April 2013, where he led a number of audit projects.

Mr. Dai received his bachelor's degree in commerce (accounting and corporate finance) from the University of Adelaide in Australia in August 2009 and his master's degree in commerce (applied finance) from the University of Adelaide in Australia in July 2010. Mr. Dai has been awarded Deloitte Green Dot Award in November 2012, WuXi AppTec Group A+ Employee in 2017, 2018 and 2019, and he is also a member of Certified Practising Accountant Australia.

COMPANY SECRETARY

Ms. Leung Kwan Wai (梁君慧) was appointed as our company secretary in March 2023. Ms. Leung is a Senior Manager of Company Secretarial Services of Tricor Services Limited.

Ms. Leung has over 15 years of experience in the corporate secretarial and compliance service field and has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. Leung is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute (CGI). Ms. Leung obtained her master's degree of Corporate Governance from Hong Kong Metropolitan University.

CORPORATE GOVERNANCE

Audit Committee

We have established the 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 of the Company comprises four members, namely Mr. Roman Kyrychynskyi, Mr. Chuen Yan Leung, Ph.D., Ms. Denitsa Milanova, Ph.D. and Mr. Jingsong Wang, Ph.D., with Mr. Roman Kyrychynskyi, being our independent non-executive Director with the appropriate professional qualifications or accounting or related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules, as chairman of the Audit Committee. The primary duties

of the Audit Committee are, among other things, to review and supervise the financial reporting process and internal controls system of our Group, review and approve connected transactions and provide advice and comments to the Board.

Remuneration Committee

We have established the 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 of the Company comprises five members, namely Mr. Jingsong Wang, Ph.D., Ms. Denitsa Milanova, Ph.D., Mr. Feng Ren, Ph.D., Mr. Long Shi and Mr. Roman Kyrychynskyi, with Mr. Jingsong Wang, Ph.D. as chairman of the Remuneration Committee. The primary duties of the Remuneration Committee are to review and make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to our Directors and other senior management.

Nomination Committee

We have established the 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 of the Company comprises five members, namely Mr. Alex Zhavoronkov, Ph.D., Ms. Denitsa Milanova, Ph.D., Mr. Jingsong Wang, Ph.D., Mr. Kan Chen, Ph.D. and Mr. Roman Kyrychynskyi, with Mr. Alex Zhavoronkov, Ph.D. as chairman of the Nomination Committee. The primary duties of the Nomination Committee are to make recommendations to our Board on the appointment of Directors and management of Board succession.

ESG Committee

The Company has established the ESG Committee which comprises five members, namely Mr. Feng Ren, Ph.D., Mr. Alex Zhavoronkov, Ph.D., Ms. Denitsa Milanova, Ph.D., Mr. Jingsong Wang, Ph.D. and Mr. Roman Kyrychynskyi, with Mr. Feng Ren, Ph.D. as chairman of the ESG Committee. The primary duties of the ESG Committee is to formulate and review the Company's ESG responsibilities, vision, strategy, framework, principles and policies and to monitor the implementations of the ESG policies passed by the Board.

Board Diversity

We are committed to promoting the culture of diversity in the Company. We have strived to promote diversity to the extent practicable by taking into consideration a number of factors in our corporate governance structure.

Our Company has adopted a board diversity policy which sets out the objective and approach to achieve and maintain diversity of the Board in order to enhance the effectiveness of our Board. Pursuant to the board diversity policy, we seek to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age,

educational background, industry experience and professional experience. Our Directors have balanced mix of gender, knowledge, skills and experiences, including management, finance, law, investment and biotechnology industries. They obtained degrees in various areas such as biology, bioengineering, pharmacy, business administration, law, and economics. We have also taken, and will continue to take steps to promote gender diversity at the Board level of our Company. Upon Listing, our Board comprises seven male members and one female member. After Listing, the nomination committee will revisit the board diversity policy and monitor its implementation from time to time. Our nomination committee will also use their best efforts to identify and recommend suitable female candidates for the Board's consideration in the future to ensure that gender diversity can be maintained. With reference to our board diversity policy, we will also ensure that there is gender diversity when recruiting staff at mid to senior level so that we will have a pipeline of female senior management and potential successors to our Board in due time to ensure gender diversity of the Board. Our Group will continue to emphasize training of female talent and providing long-term development opportunities for our female staff.

Corporate Governance Code

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 roles of chairman and chief executive should be separate and should not be performed by the same individual. Currently Mr. Alex Zhavoronkov, Ph.D., the Chairman of our Board, also performs as our CEO. Our Board believes that, in view of his experience, personal profile and his roles in our Company as mentioned above, Mr. Alex Zhavoronkov, Ph.D. is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as the founder and our CEO. Our Board also believes that the combined role of Chairman of the Board and the CEO can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board. Our Board will continue to review and consider splitting the roles of Chairman of the Board and the CEO at a time when it is appropriate by taking into account the circumstances of our Group as a whole. We aim to implement a high standard of corporate governance, which is crucial to safeguard the interests of our Shareholders. To accomplish this, we expect to comply with the Corporate Governance Code after the Listing save for the matter disclosed above.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors receive compensation in the form of salaries and benefits in kind. Our Directors' remuneration is determined with reference to the relevant Director's experience and qualifications, level of responsibility, performance and the time devoted to our business, and the prevailing market conditions.

The aggregate amount of remuneration (including salaries, allowances and benefits in kind, bonuses, discretionary bonuses and share based payments) to our Directors for the three years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025 were US$3.1 million, US$6.0 million, US$4.1 million and US$2.2 million, respectively. It is estimated that remuneration and benefits in kind (excluding any possible payment of discretionary bonus) equivalent to approximately US$1.0 million in aggregate will be paid and granted to our Directors by us in respect of the financial year ending December 31, 2025 under arrangements in force at the date of this Prospectus.

The five highest paid individuals of our Group for each of the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025 included two Directors, respectively. The aggregate amount of remuneration (including salaries, allowances and benefits in kind, bonuses, discretionary bonuses and share based payments) for the remaining three highest paid individuals for each of the three years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025 were US$4.9 million, US$4.8 million, US$3.3 million and US$1.9 million, respectively.

During the Track Record Period, (i) no remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining our Group; (ii) no compensation was paid to, or receivable by, our Directors, past Directors or the five highest paid individuals for the loss of office as director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group; and (iii) none of our Directors waived any emoluments.

For more details on remuneration of our Directors and the highest paid individuals, see Note 13 to the Accountants' Report.

PRE-IPO EQUITY INCENTIVE PLANS

Our Company adopted the Pre-IPO Equity Incentive Plans, which included (i) 2019 Share Plan adopted on March 15, 2019 as amended and restated on December 31, 2019; (ii) 2019 Equity Incentive Plan adopted on December 31, 2019; (iii) 2021 Equity Incentive Plan adopted on June 30, 2021; and (iv) 2022 Equity Incentive Plan adopted on November 25, 2022 as amended on February 21, 2025. See "Appendix IV — Statutory and General Information — Pre-IPO Equity Incentive Plans" for details.

COMPLIANCE ADVISER

Our Company has appointed Guotai Junan Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, our compliance adviser will advise our Company in the following circumstances:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated, including shares issues and share repurchases;
- where our Company proposes to use the proceeds of 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
- where the Stock Exchange makes an inquiry of our Company under Rule 13.10 of the Listing Rules.

The term of the appointment of our compliance adviser shall commence on the Listing Date and end on the date on which our Company distribute our annual report in respect of our financial results for the first full financial year commencing after the Listing Date.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the Share Split and the Global Offering, assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Pre-IPO Equity Incentive Plans and the Post-IPO Equity Incentive Plans, the following persons will have interests and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our 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:

Substantial Shareholder	Capacity/ Nature of interest	Total number of Shares held as of the Latest Practicable Date	Approximate percentage of interest in our Company on the Latest Practicable Date	Total number of Shares held upon completion of the Share Split and the Global Offering	Approximate percentage of interest in our Company upon completion of the Share Split and the Global Offering[1]
			(%)		*(%)*
Mr. Alex Zhavoronkov, Ph.D.	Beneficial interest	2,129,175	9.20%	42,583,500	7.64%
	Interest held through voting powers entrusted by other persons[2]	203,000	0.88%	4,060,000	0.73%
Mesolite[3]	Beneficial interest	2,319,170	10.02%	46,383,400	8.32%
Temasek[4]	Interest in controlled corporations	1,252,736	5.41%	29,907,720	5.36%

Notes:

(1) Assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Pre-IPO Equity Incentive Plans and the Post-IPO Equity Incentive Plans, and assuming all Preferred Shares are converted into Ordinary Shares on 1:1 basis. The number of Shares held as of the Latest Practicable Date is subject to adjustments as a result of the Share Split.

(2) Pursuant to proxies and powers of attorney dated May 5, 2025 and with effect from April 15, 2025, Mr. Alex Zhavoronkov, Ph.D. is entitled to exercise the voting rights of the Shares held by Mr. Aleksandr Aliper, Ph.D., Mr. Ivan Ozerov and Mr. Eugene Lane. See the section headed "History, Reorganization and Corporate Structure — Capitalization" for details. Therefore, Mr. Alex Zhavoronkov, Ph.D. is deemed to be interested in the Shares held by Mr. Aleksandr Aliper, Ph.D., Mr. Ivan Ozerov and Mr. Eugene Lane under the SFO.

(3) Mesolite Gem Investments Ltd ("**Mesolite**") is an exempted company incorporated under the laws of the Cayman Islands with limited liability on March 12, 2021. Mesolite is wholly owned by certain investment funds managed by their fund manager, Warburg Pincus LLC, among which, approximately 52.10% of Mesolite is owned by Warburg Pincus China-Southeast Asia II (Cayman), L.P. ("**WPC-SEA II Cayman**"). The general partner of WPC-SEA II Cayman is Warburg Pincus (Cayman) China-Southeast Asia II GP, L.P. ("**WPC-SEA II Cayman GP**"), the general partner of which is Warburg Pincus (Cayman) China-Southeast Asia II GP LLC ("**WPC-SEA II Cayman GP LLC**"). The managing member of WPC-SEA II Cayman GP LLC is Warburg Pincus Partners II (Cayman), L.P. ("**WPP II Cayman**"), which is 90% owned by Warburg Pincus Partners II Holdings (Cayman), L.P. ("**WPP II Holdings**"). WPP II Holdings is wholly owned by Warburg Pincus (Cayman) Private Equity, L.P ("**WP Cayman PE**"), the general

partner of which is Warburg Pincus (Bermuda) Private Equity GP Ltd ("**WP Bermuda GP**"). The general partner of WPP II Holdings is WPP II Administrative (Cayman), LLC ("**WPP II Administrative**"), which is in turn wholly owned by WP Bermuda GP. Based on the above, under the SFO, each of WPC-SEA II Cayman, WPC-SEA II Cayman GP, WPC-SEA II Cayman GP LLC, WPP II Cayman and WP Bermuda GP is deemed interested in the 2,319,170 Shares held by Mesolite Gem, WPP II Holdings, WP Cayman PE, WPP II Administrative.

(4) This includes the (i) Shares held by Palace Investments as an existing Shareholder, and (ii) Shares subscribed by TAIBAI INVESTMENTS PTE. LTD. through its investment as a cornerstone investor. For details of Palace Investments, see "History, Reorganization and Corporate Structure — Information about the Pre-IPO Investors". For details of the investment of TAIBAI INVESTMENTS PTE. LTD. as a cornerstone investor, see "Cornerstone Investors". Both Palace Investments and TAIBAI INVESTMENTS PTE. LTD. are indirectly wholly-owned subsidiaries of Temasek Holdings (Private) Limited ("**Temasek**").

Except as disclosed above, our Directors are not aware of any other person who will, immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), have any interest and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed to us 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 our share capital carrying rights to vote in all circumstances at general meetings of our 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 or any other member of our Group.

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 out 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 500 Shares) that may be purchased for an aggregate amount of US$115 million (or approximately HK$894.84 million, calculated based on the exchange rate set out in the section headed "Information about this Prospectus and the Global Offering — Exchange Rate Conversion" in this Prospectus) (the "**Cornerstone Placing**"). The aggregate amount of the investment contributed by the Cornerstone Investors does not include brokerage, SFC transaction levy, AFRC transaction levy and Hong Kong Stock Exchange trading fee which the Cornerstone Investors will pay in respect of the International Offer Shares to be subscribed by them.

Based on the Offer Price of HK$24.05 per Share, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 37,204,500 Offer Shares, representing approximately (i) 39.29% of the Shares offered pursuant to the Global Offering and 6.67% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised); and (ii) 34.17% of the Shares offered pursuant to the Global Offering and 6.51% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is fully exercised).

We believe that the Cornerstone Placing signifies our Cornerstone Investors' confidence in our Company and its business prospect, and that the Cornerstone Placing will help to raise the profile of our Company. Our Company became acquainted with each of the Cornerstone Investors during its ordinary course of operations, either through the Group's business network or through introduction by the Company's business partners or the Overall Coordinators.

The Cornerstone Placing will form part of the International Offering, and save as otherwise consented to by the Stock Exchange, the Cornerstone Investors (and for CPIC, E Fund Management, Fullgoal Fund, Harvest and Taikang Life who will subscribe for our Offer Shares through qualified domestic institutional investors ("**QDII(s)**"), the QDIIs) and their respective close associates will not subscribe for any Offer Shares under the Global Offering other than pursuant to the Cornerstone Investment Agreements. The Offer Shares to be subscribed by the Cornerstone Investors (and for CPIC, E Fund Management, Fullgoal Fund, Harvest and Taikang Life who will subscribe for our Offer Shares through QDIIs, the QDIIs) will rank *pari passu* in all respects with the fully paid Shares in issue and all the Shares to be subscribed by the Cornerstone Investors will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules. Immediately following the completion of the Global Offering, the Cornerstone Investors will not have any Board representation in our Company; and none of the Cornerstone Investors will become a substantial shareholder of our Company.

The Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders, other than a guaranteed allocation of the relevant Offer Shares at the Offer Price.

As confirmed by each of the Cornerstone Investors, there are no side arrangements or agreements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Listing, other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, following the principles as set out in Chapter 4.15 of the Guide for New Listing Applicants.

The Cornerstone Investors have agreed to pay for the relevant Offer Shares that they have subscribed before dealings in the Company's Shares commence on the Stock Exchange. There will be no deferred settlement of the Offer Shares to be subscribed by the Cornerstone Investors. Where delayed delivery takes place, each Cornerstone Investor that may be affected by such delayed delivery arrangement has agreed that it shall nevertheless pay for the relevant Offer Shares in full before the Listing. 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.

To the best of the knowledge, information and belief of our Company, other than Taibai Investments who is a close associate of Palace Investments, an existing Shareholder, (i) each of the Cornerstone Investors (and for CPIC, E Fund Management, Fullgoal Fund, Harvest and Taikang Life who will subscribe for our Offer Shares through QDIIs, the QDIIs) is an Independent Third Party; (ii) none of the Cornerstone Investors (and for CPIC, E Fund Management, Fullgoal Fund, Harvest and Taikang Life who will subscribe for our Offer Shares through QDIIs, the QDIIs) is accustomed to take and has not taken instructions from the Company, our Directors, chief executive, the single largest shareholder, existing Shareholders or any of their subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; and (iii) none of the subscription of the Offer Shares by the Cornerstone Investors (and for CPIC, E Fund Management, Fullgoal Fund, Harvest and Taikang Life who will subscribe for our Offer Shares through QDIIs, the QDIIs) is directly or indirectly financed by the Company, our Directors, chief executive, the single largest shareholder, existing Shareholders or any of their subsidiaries or their respective close associates.

To the best knowledge of the Company and the Overall Coordinators, and based on the indicative interest of investment of the Cornerstone Investors and/or their close associates as of the date of this Prospectus, certain Cornerstone Investors and/or their close associates may participate in the International Offering as placees and subscribe for further Offer Shares in the Global Offering. The Company will seek the Stock Exchange's consent and/or waiver to allow the Cornerstone Investors and/or their close associates to participate in the International Offering as placees pursuant to Chapter 4.15 of the Guide for New Listing Applicants. Whether such Cornerstone Investors and/or their close associates will place orders in the International Offering is uncertain and will be subject to the final investment decisions of such investors and the terms and conditions of the Global Offering.

To the best knowledge of our Company, (i) the Cornerstone Investors make independent investment decisions, and (ii) their subscription under the Cornerstone Investment Agreements would be financed by their own internal resources or the funds under its management as the source of funding for the subscription of the Offer Shares, and they each have sufficient funds to settle their respective investments under the Cornerstone Placing. Each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing, and that no specific approval from any stock exchange (if relevant) or its shareholders is required for their participation in the Cornerstone Placing.

Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of our Company to be published on or around December 29, 2025.

THE CORNERSTONE INVESTORS

The information about our Cornerstone Investors set forth below has been provided by our Cornerstone Investors in connection with the Cornerstone Placing.

Lilly

Eli Lilly and Company ("**Lilly**") was incorporated in 1901 in Indiana to succeed to the drug manufacturing business founded in Indianapolis, Indiana, in 1876 by Colonel Eli Lilly. Lilly discovers, develops, manufactures, and markets products in a single business segment–human pharmaceutical products. Lilly's purpose is to unite caring with discovery to create medicines that make life better for people around the world. Most of the products that Lilly sell today were discovered or developed by Lilly's own scientists, and Lilly's long-term success depends on Lilly's ability to continually discover or acquire, develop, and commercialize innovative medicines. Lilly manufactures and distributes its products through facilities in the United States, including Puerto Rico, and in Europe and Asia. Its products are sold in approximately 105 countries. Lilly's shares are listed on the New York Stock Exchange (stock code: LLY). As confirmed by Lilly, (i) it is a customer of the Group; and (ii) it is not a close associate of or otherwise related to the LAV entities, namely LAV Biosciences Fund V, L.P., LAV Fund VI, L.P., and LAV Fund VI Opportunities, L.P.

Tencent

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 services, fintech and business services in the PRC.

Oaktree

Oaktree Capital Management, L.P. ("**Oaktree**") is the investment manager of Oaktree Emerging Markets Equity Fund, L.P. and certain funds and separately managed accounts within its Emerging Markets Equity strategy (severally and not jointly) (each, an "**Oaktree Fund**", and collectively the "**Oaktree Funds**"). Oaktree Emerging Markets Equity Fund, L.P. had 49 limited partners as of December 1, 2025, and no limited partner of Oaktree Emerging Markets Equity Fund, L.P. holds 30% or more interests in Oaktree Emerging Markets Equity Fund, L.P. as of December 1, 2025, while the other Oaktree Funds are separately managed accounts of Oaktree. Oaktree is a Delaware limited partnership and is registered as an investment adviser with the United States Securities and Exchange Commission. Oaktree is a global investment management firm managing a broad array of complementary strategies in four asset classes: credit, private equity, real assets and listed equities, and maintains a contrarian, value-oriented investment philosophy. Oaktree's investor base includes institutional investors such as pension plans, insurance companies, endowments, foundations and sovereign wealth funds.

Schroders

Schroder Investment Management (Singapore) Ltd ("**SIMSL**") and Schroder Investment Management (Hong Kong) Limited ("**SIMHK**"), each acting as a discretionary investment manager for and on behalf of certain funds and/or segregated accounts with a focus on Asian Equities, have entered into the cornerstone investment agreement with the Company.

To the best of Schroders' knowledge, no single ultimate beneficial owner holds 30% or more interest in the participating accounts of such funds/accounts, and each of such fund/account is an Independent Third Party.

SIMSL is a company incorporated in Singapore. SIMHK is a company incorporated in Hong Kong. Each of SIMSL and SIMHK is ultimately wholly owned by Schroders plc, whose ordinary shares are listed on the London Stock Exchange (LON: SDR).

There is no individual person who is the "ultimate controlling shareholder" of Schroders plc. The interests of some members of the Schroder family, are spread across a number of parties, who are collectively known as the Principal Shareholder Group (PSG).

Temasek

TAIBAI INVESTMENTS PTE. LTD. is an indirect wholly owned subsidiary of Temasek Holdings (Private) Limited ("**Temasek**"). Temasek is a global investment company headquartered in Singapore, with a net portfolio value of S$434 billion as at 31 March 2025. Temasek's Purpose "So Every Generation Prospers" guides it to make a difference for today's and future generations. Temasek seeks to build a resilient and forward-looking portfolio that will deliver sustainable returns over the long term. It has 13 offices in 9 countries around the world: Beijing, Hanoi, Mumbai, Shanghai, Shenzhen, and Singapore in Asia; and Brussels, London, Mexico City, New York, Paris, San Francisco, and Washington, DC outside Asia.

UBS

UBS Asset Management (Singapore) Ltd. ("**UBS AM Singapore**"), a company incorporated in Singapore in December 1993, has entered into a cornerstone investment agreement with the Company, the Joint Sponsors and the Overall Coordinators, in its capacity as the delegate of the investment manager for and on behalf of the following fund(s): (i) UBS (Lux) Equity Fund — Greater China (USD); (ii) UBS (Lux) Equity Fund — China Opportunity (USD); (iii) UBS (HK) Fund Series — China Opportunity Equity (USD); (iv) UBS (Lux) Equity SICAV — All China (USD); (v) UBS (Lux) Investment SICAV — China A Opportunity (USD); (vi) UBS (CAY) China A Opportunity; and (vii) certain other segregated accounts and mandates. As confirmed by UBS AM Singapore, no single ultimate beneficial owner holds 30% or more interest in those funds.

UBS AM Singapore is a wholly owned subsidiary of UBS Asset Management AG, an investment management company, which is wholly ultimately owned by UBS Group AG, which is a company organized under Swiss law as a corporation that has issued shares of common stock to investors. UBS Group AG's shares are listed on the SIX Swiss Exchange (stock code: UBSG) and the New York Stock Exchange (stock code: UBS).

China AMC

China Asset Management (Hong Kong) Limited (華夏基金(香港)有限公司) ("**China AMC (HK)**") is a wholly-owned subsidiary of China Asset Management Co., Ltd., ("**China AMC**"), which is owned as to 62.2% by CITIC Securities Company Limited (a company listed on the Shanghai Stock Exchange with stock code 600030 and on the Hong Kong Stock Exchange with stock code 6030). China AMC (HK) has participated in the Global Offering for and on behalf of certain mutual funds and mandate accounts. The underlying investors of such mutual funds and mandate accounts are Independent Third Parties. As a top Chinese fund management company in Hong Kong, China AMC (HK) is committed to developing offshore and cross-border asset management businesses by leveraging the expertise of its experienced investment and research teams and its shareholder companies' resources, services and connections in Mainland China. China AMC provides a full range of services to retail and institutional investors home and abroad, covering equity, fixed income, money markets, etc. With more than RMB3.03 trillion in assets under management (including that of subsidiaries) as of June 30, 2025, it is one of the largest asset managers in China. China AMC provides services to National Social Security Fund, corporate pensions, separate accounts, sovereign funds in Europe, America, and Asia, central banks, pensions, banks, asset managers, securities companies and other overseas institutional clients.

CPIC

Pacific Asset Management Co., Ltd. (太平洋資產管理有限責任公司) ("**Pacific Asset Management**") was established in China with the approval of the China Banking and Insurance Regulatory Commission.

Pacific Asset Management is the primary external investment entity of China Pacific Insurance (Group) Co., Ltd. ("**China Pacific Insurance Group**"), a company listed on the Shanghai Stock Exchange (stock code: 601601.SH), the Hong Kong Stock Exchange (stock code: 2601.HK), and whose global depositary receipts are listed under the code CPIC. The principal businesses of Pacific Asset Management include management and utilization of proprietary funds and insurance funds, entrusted fund management services, advisory services related to fund management, and other asset management businesses permitted under Chinese laws and regulations.

China Pacific Insurance Group is a comprehensive insurance company headquartered in Shanghai, holding approximately 99.7% equity interest (direct and indirect) in Pacific Asset Management.

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 fund manager managing assets on behalf of its underlying clients. E Fund Management has agreed to participate in the Global Offering for and on behalf of E Fund Global Healthcare Sector Sponsored Hybrid Fund (易方達全球醫藥行業混合型發起式證券投資基金), which is a QDII approved by the relevant PRC authority and targets at companies with competitive edge over its competitors in the global healthcare sector. No one holds 30% or more interest in such fund. 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 Group Co., Ltd (盈峰集團有限公司), 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 and GF Securities (Hong Kong) Brokerage Limited ("**GF Securities (Hong Kong) Brokerage**"), one of the Overall Coordinators and Underwriters of the Global Offering, are members of the same group of companies. GF Securities (Hong Kong) Brokerage is an indirect wholly-owned subsidiary of GF Securities Co., Ltd. (廣發証券股份有限公司) (Stock Code: 1776) ("**GF Securities**"), which in turn holds 22.65% of the issued share capital of E Fund Management. As a result, E Fund Management constitutes a member of the same

group of companies as GF Securities (Hong Kong) Brokerage and is a connected client of GF Securities (Hong Kong) Brokerage. For details, see "Waivers and Exemptions — Consent in respect of Proposed Subscription of Shares by Certain Cornerstone Investor who is Connected Client".

Fullgoal

Fullgoal HK

Established in 2012 in Hong Kong, Fullgoal Asset Management (HK) Limited ("**Fullgoal HK**") is a limited liability company incorporated in Hong Kong and a wholly owned subsidiary of Fullgoal Fund Management Co., Ltd. (富國基金管理有限公司) ("**Fullgoal Fund**"). Fullgoal HK has Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) licenses issued by the SFC. The relevant funds proposed to subscribe for the Offer Shares under the management of Fullgoal HK are discretionary funds that hold the underlying shares on behalf of Independent Third Parties. No one holds 30% or more interest in any of such funds.

Fullgoal Fund

Fullgoal Fund is a fund management company established in China in April 1999, and is one of the first ten fund management companies authorized by the CSRC and other regulatory authorities to obtain full licenses to provide asset management services in the PRC. Fullgoal Fund has a registered capital of RMB520 million and its main scope of business includes the provision of traditional fund management services, fund raising, fund sale and asset management solutions to both domestic and overseas clients. Fullgoal Fund is a QDII approved by the relevant PRC authority and is also the first fund management company with foreign equity participation among the first ten fund management companies in China. The relevant funds proposed to subscribe for the Offer Shares under the management of Fullgoal Fund are open-ended publicly raised securities investment funds registered with the CSRC. Such funds are discretionary funds that hold the underlying shares on behalf of Independent Third Parties. No one holds 30% or more interest in any of such funds.

The shareholders of Fullgoal Fund include (i) Guotai Haitong Securities Co., Ltd. (國泰海通證券股份有限公司) holding 27.775% in Fullgoal Fund; (ii) Shenwan Hongyuan Securities Co., Ltd. (申萬宏源證券有限公司) holding 27.775% in Fullgoal Fund; (iii) Bank of Montreal holding 27.775% in Fullgoal Fund, and (iv) Shandong Financial Asset Management Co., Ltd. (山東省金融資產管理股份有限公司), holding 16.675% in Fullgoal Fund.

Harvest

Harvest Global Investments Limited (嘉實國際資產管理有限公司) ("**HGI**") was established in Hong Kong in 2008 and is licensed by the SFC to conduct the regulated activities of asset management, advising on securities, and dealing in securities.

HGI is the wholly-owned subsidiary of Harvest Financial Group Limited ("**HFG**") since July 2024, and HFG is the wholly-owned subsidiary of Harvest Fund Management Co., Ltd ("**HFM**"). HFM is owned as to 40% by China Credit Trust Co. Ltd (which is in turn held as to 32.9% by The People's Insurance Company (Group) of China Limited, a company listed on the Shanghai Stock Exchange (stock code: 601319.SH) and the Hong Kong Stock Exchange (stock code: 1339.HK)), 30% by Lixin Investment Co., Ltd and 30% by DWS Investments Singapore Limited. HFM was established as one of the first asset management companies in China in 1999. Since then, HFM has grown into one of the largest asset managers in China. The Harvest group (namely HFM and HGI) had approximately CNY 1609 billion of assets under management as of end of December 2024.

HGI's on-the-ground team understands how policy decisions impact local markets, the complexities of risk on-shore and off-shore and have their finger on the pulse of companies primed for quantum growth. HGI's investment and management teams combine top-pedigree international experience with intimate knowledge of Chinese markets. At the investment level, as the forefront of Harvest Fund's overseas investments, HGI has always adhered to HFM's progressive and steady investment philosophy, embracing the resource sharing of the integrated investment research system and the investment management process centered on "research-driven investment", and built an investment management team with comprehensive management capabilities.

HGI has agreed to participate in the Global Offering for and on behalf of the following funds: (i) Harvest Global Innovation Leader Equity Fund (QDII); (ii) Harvest Global Internet Equity Fund (QDII); (iii) HARVEST FUND RUIJIANZUNXIANG NO.A; (iv) Harvest Fund Yuyuan Hengsheng No.2; (v) HARVEST FUND RUIYUANJINQU GROWTH NO.4; (vi) HARVEST FUND RUIJIANLOWHYBRID NO.1; (vii) HARVEST FUND RUIJIANLOWHYBRID NO.2; (viii) HGI IPO Mandate #1; and (ix) Asia Frontier Equity Fund. No one holds 30% or more interest in any of such funds.

Taikang Life

Taikang Life Insurance Co., Ltd (泰康人壽保險有限責任公司) ("**Taikang Life**"), a company incorporated in China, is a wholly owned subsidiary of Taikang Insurance Group Inc. There is no shareholder holding 30% or more in Taikang Insurance Group Inc. Taikang Life provides a full range of personal security and investment and wealth management products and services for individuals and families. The products on offer correspond to the different requirements of customers in terms of market segments such as the children and teenagers, females and high-income population groups. They also meet multidimensional demands regarding health care and accident cover, pensions and wealth management, among others. Taikang Insurance Group Inc. is an insurance and financial service conglomerate focused on insurance, asset management and health and elderly care as main businesses. The Beijing-headquartered company consists of several subsidiaries including Taikang Life, Taikang AMC, Taikang

Pension, Taikang Healthcare, Taikang Health, and TK.CN. Its product offering covers life insurance, internet-based financial insurance, enterprise annuity, asset management, health and elderly care, health management and commercial real estate, among others.

RTW

RTW Master Fund, Ltd. ("**RTW Master Fund**", a private investment fund incorporated in the Cayman Islands), RTW Innovation Master Fund, Ltd. ("**RTW Innovation Fund**", a private investment fund incorporated in the Cayman Islands) and RTW Biotech Opportunities Ltd ("**RTW Biotech**", a publicly listed investment fund incorporated in Guernsey, together with RTW Master Fund and RTW Innovation Fund, the "**RTW Funds**") are collective investment vehicles consisting of hundreds of underlying investors that are high-net-worth individuals, institutional investors, funds of funds, etc. As of September 30, 2025, RTW Master Fund, RTW Innovation Fund and RTW Biotech had approximately US$3.7 billion, US$3.0 billion and US$695 million in assets under management, respectively. As of September 30, 2025, RTW Master Fund and RTW Innovation Fund had 1,412 and 352 limited partners, respectively, none of whom owned more than a 30% partnership interest in the relevant fund. RTW Biotech is a fund listed on the London Stock Exchange (ticker code: RTW).

RTW Funds are managed by RTW Investments, LP ("**RTW Investments**"), a healthcare and biotech investment management firm based in New York. The general partner of RTW Investments is RTW Investments GP, LLC. Rod Wong, an Independent Third Party, is the sole member of RTW Investments GP, LLC. RTW Investments is a full life cycle investment firm supporting scientists and entrepreneurs at any stage where it identifies opportunity, from academic programs in need of industry sponsorship all the way to mature publicly traded companies.

Exome

Emerging Markets Healthcare Partners LLC ("**EMHCP**") is a limited liability company organized under the laws of the State of Delaware. Exome Asset GP LLC, a Delaware limited liability company, serves as the managing member of the EMHCP. EMHCP is held by more than 30 limited partners and none of the limited partners hold 30% or more interests in this fund. Exome Asset Management LLC, a Delaware limited liability company, is the investment manager of EMHCP. Exome Holdco LLC is the ultimate beneficial owner of Exome Asset GP LLC and Exome Asset Management LLC.

Infini

Infini Global Master Fund ("**Infini**") is a multi-strategy discretionary investment fund with wide investor base, managed by Infini Capital Management Limited (無極資本管理有限公司 ("**Infini Capital**"). With dual headquarters in Hong Kong and Abu Dhabi, Infini Capital

is licensed by the SFC and the Abu Dhabi Global Market (ADGM) Financial Services Regulatory Authority (FSRA). Infini Capital is wholly-owned by Infini Capital Global, a Cayman Island holding company. None of the investor holds 30% or more interest in Infini and Infini Capital Global.

Set out below is the details of the Cornerstone Placing assuming there is no other change made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date (or the date of exercise of Over-allotment Option (where applicable)):

Based on the Offer Price of HK$24.05

			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
Cornerstone Investor	**Investment amount[1]**	**Number of Offer Shares[2]**	**Approximate % of the Offer Shares**	**Approximate % of our total issued share capital**	**Approximate % of the Offer Shares**	**Approximate % of our total issued share capital**
Lilly	US$5 million	1,617,500	1.71%	0.29%	1.49%	0.28%
Tencent	US$5 million	1,617,500	1.71%	0.29%	1.49%	0.28%
Oaktree	US$15 million	4,853,000	5.13%	0.87%	4.46%	0.85%
Schroders	US$15 million	4,853,000	5.13%	0.87%	4.46%	0.85%
Temasek	US$15 million	4,853,000	5.13%	0.87%	4.46%	0.85%
UBS	US$15 million	4,853,000	5.13%	0.87%	4.46%	0.85%
China AMC	US$5 million	1,617,500	1.71%	0.29%	1.49%	0.28%
CPIC	US$5 million	1,617,500	1.71%	0.29%	1.49%	0.28%
E Fund Management	US$4 million	1,294,000	1.37%	0.23%	1.19%	0.23%
Fullgoal						
– *Fullgoal HK*	US$2.34 million	757,000	0.80%	0.14%	0.70%	0.13%
– *Fullgoal Fund*	US$2.66 million	860,500	0.91%	0.15%	0.79%	0.15%
Harvest	US$5 million	1,617,500	1.71%	0.29%	1.49%	0.28%
Taikang Life	US$5 million	1,617,500	1.71%	0.29%	1.49%	0.28%
RTW	US$4 million	1,294,000	1.37%	0.23%	1.19%	0.23%
Exome	US$2 million	647,000	0.68%	0.12%	0.59%	0.11%
Infini	US$10 million	3,235,000	3.42%	0.58%	2.97%	0.57%
Total	**US$115 million**	**37,204,500**	**39.29%**	**6.67%**	**34.17%**	**6.51%**

Notes:

(1) The investment amount excludes brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee, and is calculated based on the exchange rate set out in the section headed "Information about this Prospectus and the Global Offering — Exchange Rate Conversion" in this Prospectus.

(2) Rounded down to the nearest whole board lot of 500 Shares, and is calculated based on the exchange rate set out in the section headed "Information about this Prospectus and the Global Offering — Exchange Rate Conversion" in this Prospectus.

CLOSING CONDITIONS

The obligation of each of the Cornerstone Investors to subscribe for the Offer Shares under their respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

(i) the Hong Kong Underwriting Agreement and the International Underwriting Agreement being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Hong Kong Underwriting Agreement and the International Underwriting Agreement, and neither the Hong Kong Underwriting Agreement nor the International Underwriting Agreement having been terminated;

(ii) the Offer Price having been agreed upon between our Company and the Overall Coordinators (for themselves and on behalf of the underwriters of the Global Offering);

(iii) the Listing Committee having granted the approval for the listing of, and permission to deal in, the Shares (including the Shares under the Cornerstone Placing) as well as other applicable waivers and approvals and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;

(iv) no laws having been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or each Cornerstone Investment Agreement, and there being no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and

(v) the respective representations, warranties, acknowledgements, undertakings, and confirmations of the Cornerstone Investors under their respective Cornerstone Investment Agreement are (as of the date of the respective Cornerstone Investment Agreement) and will be (as of the Listing Date) accurate, true and complete in all material respects and not misleading or deceptive and that there is no material breach of the respective Cornerstone Investment Agreement on the part of the relevant Cornerstone Investor.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each Cornerstone Investor has agreed that without the prior written consent of our Company, the Joint Sponsors and the Overall Coordinators, it will not, whether directly or indirectly, at any time during the period of six months after the Listing Date (the "**Lock-up Period**"), dispose of, in any way, any of the Offer Shares it has purchased, pursuant to their respective Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of the Cornerstone Investor, including the Lock-up Period restriction.

AUTHORIZED AND ISSUED SHARE CAPITAL

The following is a description of the authorized and issued share capital of our Company in issue and to be issued as fully paid immediately following completion of the Global Offering.

As of the Latest Practicable Date, our authorized share capital was US$635 divided into (i) 41,190,443 Ordinary Shares, (ii) 731,083 Series A Preferred Shares, (iii) 4,207,604 Series B Preferred Shares, (iv) 3,177,901 Series C1 Preferred Shares, (v) 6,255,815 Series C2 Preferred Shares, (vi) 3,834,317 Series D Preferred Shares, and (vii) 4,102,837 Series E Preferred Shares, of a par value of US$0.00001 each.

Immediately before the Share Split and the Global Offering, our issued and outstanding share capital consists of (i) 3,965,475 Ordinary Shares, (ii) 731,083 Series A Preferred Shares, (iii) 4,207,604 Series B Preferred Shares, (iv) 3,177,901 Series C1 Preferred Shares, (v) 6,255,815 Series C2 Preferred Shares, (vi) 2,421,692 Series D Preferred Shares, and (vii) 2,376,830 Series E Preferred Shares, of a par value of US$0.00001 each.

Effective upon the conditions of the Global Offering being fulfilled, each Share in our then issued and unissued share capital with a par value of US$0.00001 each shall be split into 20 Shares of the corresponding class with a par value of US$0.0000005 each. The Preferred Shares will be converted into Ordinary Shares of our Company on a one-to-one basis by way of re-designation immediately before the completion of the Global Offering. As a result, our authorized share capital will be US$635 divided into 1,270,000,000 Shares of par value of US$0.0000005 each.

Assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Pre-IPO Equity Incentive Plans and the Post-IPO Equity Incentive Plans, the share capital of our Company immediately after the Share Split and the Global Offering will be as follows:

Description of Shares	Number of Shares	Aggregate nominal value of Shares
		(US$)
Shares in issue (including the Shares upon re-designation of the Preferred Shares)	462,728,000	231.364
Shares to be issued under the Global Offering	94,690,500	47.34525
Total	557,418,500	278.70925

Assuming the Over-allotment Option is exercised in full and without taking into account any Shares to be issued under the Pre-IPO Equity Incentive Plans and the Post-IPO Equity Incentive Plans, the share capital of our Company upon completion of the Share Split and the Global Offering will be as follows:

Description of Shares	Number of Shares	Aggregate nominal value of Shares
		(US$)
Shares in issue (including the Shares upon re-designation of the Preferred Shares)	462,728,000	231.364
Shares to be issued under the Global Offering	94,690,500	47.34525
Shares to be issued pursuant to the Over-allotment Option	14,203,500	7.10175
Total	571,622,000	285.811

ASSUMPTIONS

The above tables assume that the Share Split is completed, the Global Offering becomes unconditional, all Preferred Shares are converted into Ordinary Shares, and that the issue of Shares pursuant to the Global Offering are made as described herein. It takes no account of any Shares which may be issued under the Pre-IPO Equity Incentive Plans and the Post-IPO Equity Incentive Plans, or any Shares which may be issued and allotted or repurchased pursuant to the general mandate given to the Directors for issuance and allotment of Shares referred to in Appendix IV in this Prospectus or the repurchase mandate referred to in Appendix IV to this Prospectus, as the case may be.

RANKING

The Offer Shares are shares in the share capital of our Company and rank equally with all Shares currently in issue or to be issued (including all Preferred Shares re-designated into Shares upon completion of the Share Split and the Global Offering) and, in particular, will rank in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this Prospectus.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the Cayman Companies Act and the terms of the Memorandum of Association and the Articles of Association, our Company may from time to time by ordinary resolution of Shareholders (i) increase its share capital; (ii) consolidate or divide its share capital into Shares of larger or smaller amount; (iii) subdivide its Shares into shares of smaller amount; (iv) cancel any shares which have not been taken; (v) make provision for the allotment and issue of shares; (vi) change the currency of denomination of share capital; and (vii) reduce its share premium account. In addition, our Company may subject to the provisions of the Cayman Companies Act

reduce its share capital or capital redemption reserve by its shareholders passing a special resolution. For more details, see "Summary of the Constitution of the Company and Cayman Islands Company Law — Articles of Association — Shares — Alteration of Capital" in Appendix III.

GENERAL MANDATE TO ISSUE SHARES

Subject to the Global Offering becoming unconditional, our Directors were granted a general mandate to allot, issue and deal with any Shares or securities convertible into Shares of not more than the sum of:

(a) 20% of the total number of Shares in issue immediately following completion of the Share Split and the Global Offering (but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option); and

(b) the total number of Shares repurchased by our Company pursuant to the authority referred to in the sub-section headed "Potential Changes to Share Capital — General Mandate to Repurchase Shares" below.

This general mandate to issue Shares will remain in effect until the earliest of:

(a) the conclusion of the next annual general meeting of our Company unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to condition;

(b) the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws of the Cayman Islands or the Memorandum and Articles of Association; and

(c) the date on which it is varied or revoked by an ordinary resolution of our Shareholders passed in a general meeting.

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the Global Offering becoming unconditional, our Directors were granted a general mandate to repurchase our own Shares up to 10% of the total number of Shares in issue immediately following completion of the Share Split and the Global Offering (excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option).

This mandate only relates to repurchases on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed (and which is recognized by the SFC and the Stock Exchange for this purpose), and in accordance with all applicable laws and the requirements under the Listing Rules or equivalent rules or regulations of any other stock exchange as amended from time to time.

This general mandate to repurchase Shares will remain in effect until the earliest of:

(a) the conclusion of the next annual general meeting of our Company unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to condition;

(b) the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws of the Cayman Islands or the memorandum and the articles of association of our Company; and

(c) the date on which it is varied or revoked by an ordinary resolution of our Shareholders passed in a general meeting.

See "Appendix IV — Statutory and General Information — Further Information About Our Company — Resolutions of Our Shareholders" to this Prospectus for more details on the general mandates to issue and repurchase Shares.

PRE-IPO EQUITY INCENTIVE PLANS

We have adopted the Pre-IPO Equity Incentive Plans, consisting of the 2019 Share Plan, 2019 Equity Incentive Plan, the 2021 Equity Incentive Plan and the 2022 Equity Incentive Plan. The principal terms of each are summarized in the section headed "Appendix IV — Statutory and General Information — Pre-IPO Equity Incentive Plans".

POST-IPO EQUITY INCENTIVE PLANS

We have adopted the Post-IPO Equity Incentive Plans, consisting of the Post-IPO RSU Scheme and the Post-IPO Share Option Scheme. The principal terms of each are summarized in the section headed "Appendix IV — Statutory and General Information — Post-IPO Equity Incentive Plans".

You should read the following discussion and analysis with our consolidated financial information, including the notes thereto, included in the Accountants' Report in Appendix I to this Prospectus. Our consolidated financial information has been prepared in accordance with IFRS, which may differ in material aspects from generally accepted accounting principles in other jurisdictions.

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 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, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in the section headed "Risk Factors" in this Prospectus.

For the purpose of this section, unless the context otherwise requires, references to 2022, 2023 and 2024 refer to our financial year ended December 31 of such year. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

Founded in 2014, we are a reputable and global AI-driven drug discovery and development company. As of the Latest Practicable Date, we have generated more than 20 clinical or IND-enabling stage assets using Pharma.AI, our proprietary generative AI platform, with three of these assets out-licensed to international pharmaceutical and healthcare companies with the maximum total contract value of up to US$2.1 billion, including a total upfront payment of up to US$110.0 million and milestone payment of up to US$1.9 billion and one Phase II asset under self development, which has progressed to a comparatively more advanced stage among peer companies.

We operate under a project-based business model, deriving revenue primarily from out-licensing and collaboration arrangements, with no guarantee or clear visibility on future revenue generation. Under our drug discovery & pipeline development segment, we (i) self-develop drug candidates, (ii) co-develop and partially retain certain IP rights for out-licensed drugs, and (iii) collaborate with other pharmaceutical companies without retaining any IP rights.

Our unique dual-engine business model, combining a generative AI platform with deep in-house drug discovery capabilities, enables continuous reinforcement learning that strengthens Pharma.AI and drives scientific innovation. Leveraging Pharma.AI, on average,

our drug candidates progress from target discovery to pre-clinical candidate (PCC)[1] confirmation within 12-18 months, significantly shorter than the average of 4.5 years required by traditional methods. We are also extending the reach of Pharma. AI across diverse industries, such as advanced materials, agriculture, nutritional products, and veterinary medicine.

BASIS OF PREPARATION

The consolidated financial statements of the Group for the Track Record Period have been prepared in accordance with the accounting policies which conform with the International Financial Reporting Standards ("**IFRSs**") issued by International Accounting Standards Board ("**IASB**"). The consolidated financial information of the Group is presented in U.S. dollars except when otherwise indicated. The preparation of consolidated financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying our accounting policies.

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. For example, not only the factors in relation to our pre-revenue product candidates, but also the factors in relation to our revenue-generating business, may affect our results of operations. A detailed discussion of the key factors is set out below.

Our ability to continue to generate new drug candidates leveraging our generative AI platform and to advance our drug pipeline

Leveraging our generative AI platform, we have developed a robust pipeline covers fibrosis, oncology, immunology and other therapeutic areas. We chose these disease areas because they have high unsatisfied medical demands and a high amount of available patient omics data, allowing us to fully utilize PandaOmics to continue to identify potentially new targets and rapidly progress new drug candidates to IND enabling stage. We are advancing our internal drug discovery programs by leveraging our end-to-end technology platform. As these programs progress, we will strategically evaluate on a program-by-program basis whether to conduct development ourselves or to enter an out-licensing arrangement to maximize the value of the programs.

For those candidates that we largely develop on our own, we will need to devote substantial resources to advance them. Our expenses associated with progressing our internal drug discovery programs will impact our financial performance, especially as they enter

[1] PCC refers to the point at which a molecule has completed target validation, hit identification, lead generation, and lead optimization, and is selected as the optimized drug candidate to advance into IND-enabling studies based on a comprehensive assessment of potency, selectivity, pharmacokinetics, safety margins, and developability. Because PCC is an industry-standard milestone that captures the full discovery and optimization phase directly influenced by our AI-driven design process, the time required to reach PCC is a widely accepted benchmark for measuring discovery efficiency.

late-stage clinical trials. Additionally, our business and results of operations will depend on our drug candidates' ability to obtain the requisite regulatory approvals for our drug candidates to initiate clinical trials, ability to demonstrate favorable safety and efficacy in clinical trials, and ability to advance through clinical development and secure eventual regulatory approval. Finally, we may not be able to successfully develop and commercialize our drug candidates, which would materially and adversely affect our financial performance.

Our ability to expand our collaborations for drug discovery and development

An important component of our strategy is to expand our collaborations with biopharmaceutical firms globally. We have entered into several drug discovery and development collaborations with biopharmaceutical companies, and we believe that we have a significant opportunity to build upon our existing collaborations to secure new opportunities that leverage our generative AI platform and research and development capabilities. We believe that our collaborations have the potential to be a significant driver of value for us in the form of research fees, milestone payments and option fees, as well as royalties.

We continue to work with our current collaborators to advance existing programs through the research and discovery stages and to initiate additional programs with these collaborators. Our ability to derive value from our collaborations will be driven by the ability to move the associated assets through development, regulatory approval and potential commercialization by us or our collaborators. Our ability to secure additional collaborations is dependent upon successful research and development efforts, the ongoing enhancement of our technology platform and business development efforts.

Our ability to increase our customer base and drive additional revenue for our software solutions from existing customers

We believe that we have a significant opportunity for growth with biopharmaceutical companies that could benefit from our solutions. Our ability to continue to grow our customer base is dependent upon our ability to educate the market and support the business through investment in our sales and marketing efforts and the ongoing enhancement of our generative AI platform.

The biopharmaceutical industry presents a significant opportunity for us to expand our revenue by increasing the customer base that utilizes our software. The revenue that we generate through our software solutions from each of our customers varies depending on the number of subscription agreements that each customer enters into with us. Accordingly, we work with our customers to improve their experience and increase the utilization of our platforms.

We intend to leverage our existing relationships with our customers and establish new relationships with potential customers to drive greater adoption of our software solutions. If we are unable to continue to increase revenue from existing and new customers, our financial performance will be adversely impacted.

Our Ability to Expand Our Partnership to Non-pharma Sectors

We are advancing strategic collaborations to expand the application of our Pharma.AI platform across diverse industries. Our partnership with Syngenta focuses on leveraging AI-driven Generative Chemistry to discover sustainable agricultural solutions, including environmentally friendly crop protection products that preserve ecosystems and enhance global food security. In addition, we are working with SRW Laboratories to accelerate the discovery of next-generation nutraceuticals by identifying and optimizing natural compounds that promote cellular health and longevity through AI-driven precision.

Cost Structure

Our results of operations are significantly affected by our cost structure, which primarily consists of research and development expenses and administrative expenses.

Research and development activities, such as conducting preclinical studies, clinical trials and activities related to regulatory filings for our product candidates, are central to our business model. For 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our research and development expenses were US$78.2 million, US$97.3 million, US$91.9 million, US$45.6 million and US$35.6 million, respectively. Our research and development expenses primarily consist of third-party contracting costs, labor costs and share based compensation expenses. We expect our research and development expenses to keep stable and slightly increase for the foreseeable future as our development programs progress, as we continue to support the clinical trials of our product candidates and as we move those product candidates into further clinical trials.

Our administrative expenses consist of labor costs, professional and consultation fees, share based compensation expenses, travel and entertainment expenses, IT and office supplies expenses, and rental and utilities expenses.

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 product candidates continue to progress and as we gradually bring assets in our product pipeline to commercialization, we expect to incur additional costs, such as the cost of manufacturing and sales and marketing of marketed drugs. We also anticipate increasing legal, compliance, accounting, insurance, and investor and public relations expenses associated with being a public company in Hong Kong.

Funding for Our Operations

During the Track Record Period, we funded our operations primarily through equity financing, drug discovery revenue including payments from upfront payments and other success-based development milestones, as well as software solution services revenues. Going forward, we expect to fund our operations with revenue generated from research and development collaborations, revenue generated from asset out-licensing and subscription fees related to licensing components of our proprietary Pharma.AI. In the event of the successful

development and commercialization with our partners of one or more of our drug candidates, we may also generate revenue from our commercialized drug products. However, with the continuing expansion of our business, we may require further funding through public or private equity offerings, debt financing, collaboration and licensing arrangements or other funding sources. Any fluctuation in the funding for our operations will impact our cash flow and our results of operations.

MATERIAL ACCOUNTING POLICY INFORMATION, JUDGMENTS AND ESTIMATES

We have identified certain accounting policies that are material 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 critical 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 of critical importance to us or involve the most significant estimates and judgments used in the preparation of our consolidated financial statements. Our material accounting policy information and estimates, which are important for an understanding of our financial condition and results of operations, are set forth in detail in Notes 4 and 5 to the Accountants' Report in Appendix I to this Prospectus.

Material Accounting Policy Information

Revenue from Contracts with Customers

We recognize revenue when (or as) a performance obligation is satisfied, i.e., when "control" of the services underlying the particular performance obligation is transferred to customers. A performance obligation represents a service (or a bundle of services) that is distinct or a series of distinct services that are substantially the same. Except for granting of a license that is distinct from other promised services, control is transferred over time and revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by our Group's performance as our Group performs;

- our Group's performance creates or enhances an asset that the customer controls as our Group performs; or

- our Group's performance does not create an asset with an alternative use to our Group and our Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognized at a point in time when the customer obtains control of the distinct service. For granting of a license that is distinct from other promised services, the nature of our Group's promise in granting a license is a promise to provide a right to access our Group's intellectual property if all of the following criteria are met:

- the contract requires, or the customer reasonably expects, that our Group will undertake activities that significantly affect the intellectual property to which the customer has rights;

- the rights granted by the license directly expose the customer to any positive or negative effects of our Group's activities; and

- those activities do not result in the transfer of a good or a service to the customer as those activities occur.

If the criteria above are met, our Group accounts for the promise to grant a license as a performance obligation satisfied over time. Otherwise, our Group considers the grant of license as providing the customers the right to use our Group's intellectual property and the performance obligation is satisfied at a point in time at which the license is granted.

A contract asset represents our Group's right to consideration in exchange for services that our Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9 *Financial Instruments*. In contrast, a receivable represents our Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents our Group's obligation to transfer services to a customer for which our Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Employee Benefits

Retirement benefit costs

We participate in state-managed retirement benefit schemes, which are defined contribution schemes, pursuant to which we pay a fixed percentage of our staff's wages as contributions to the plans. Payments to such retirement benefit schemes are recognized as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset. A liability is recognized for benefits accruing to employees (such as wages and salaries, annual leave) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on our Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, we revise its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve. For share options and restricted shares that vest immediately at the date of grant, the fair value of the share options and restricted shares granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognized in share-based payments reserve will be transferred to other reserve. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share-based payments reserve will continue to be held in share-based payments reserve.

When the restricted shares are forfeited after the vesting date, the amount previously recognized in share-based payments reserve will continue to be held in share-based payments reserve.

When restricted shares granted are vested, the amount previously recognized in share-based payments reserve will be transferred to other reserve.

When the terms and conditions of an equity-settled share-based payment arrangement are modified, our Group recognizes, as a minimum, the services received measured at the grant date fair value of the equity instruments granted, unless those equity instruments do not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date. In addition, if we modify the vesting conditions (other than a market condition) in a manner that is beneficial to the employees, for example, by reducing the vesting period, our Group takes the modified vesting conditions into consideration over the remaining vesting period.

The incremental fair value granted, if any, is the difference between the fair value of the modified equity instruments and that of the original equity instruments, both estimated as at the date of modification.

If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognized for services received over the period from modification date until the date when the modified equity instruments are vested, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognized over the remainder of the original vesting period.

If the modification occurs after vesting period, the incremental fair value granted is recognized immediately, or over the vesting period if additional period of service is required before the modified equity instruments are vested.

If the modification reduces the total fair value of the share-based arrangement, or is not otherwise beneficial to the employee, our Group continues to account for the original equity instruments granted as if that modification had not occurred.

Property and equipment

Property and equipment are tangible assets that are held for use in the supply of services, or for administrative purposes other than construction in progress. Property and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties, including leasehold improvement in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalized in accordance with our Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost of assets other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

No impairment loss on property and equipment is recognized during the Track Record Period. As operational and financial performance remained in line with expectations and net losses were primarily due to fair value changes of financial liabilities at FVTPL, we assessed that no indicators of impairment were present at the end of each reporting periods.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives of three years. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally generated intangible assets-research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally generated intangible asset arising from development activities (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;

- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Our intangible assets as of December 31, 2022, 2023 and 2024 and June 30, 2025 pertained to acquired software.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is designated as at FVTPL.

A financial liability may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with our documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. For financial liabilities that contain embedded derivatives, the changes in fair value of the embedded derivatives are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to accumulated losses upon derecognition of the financial liability.

Significant Accounting Judgments and Estimates

Critical accounting judgments in applying accounting policies

Capitalization of research and development expenditure

Development expenditures incurred on our drug product pipelines are capitalized and deferred only when we could demonstrate (i) the technical feasibility of completing the development of the relevant intangible asset so that it will be available for use or sale; (ii) our intention to complete and our ability to use or sell the asset; (iii) how the asset will generate future economic benefits; (iv) the availability of resources to complete the pipeline; and (v) the ability to measure reliably the expenditure during the development. Development expenditures which do not meet these criteria are expensed when incurred. Management assesses the progress of each of the research and development projects and determine whether the criteria are met for capitalization. During the Track Record Period, all research and development expenditures are expensed when incurred.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the coming twelve months, are described below.

Fair value measurement of financial liabilities at FVTPL

We issued series of preferred shares to certain investors during the Track Record Period. We accounted for these financial instruments as financial liabilities at FVTPL. The fair value of these financial instruments is determined using valuation techniques, namely back-solve method under market approach, discounted cash flow method and equity allocation model involving various parameters and inputs. Valuation techniques are certified by an independent qualified professional valuer before being implemented for valuation and are calibrated to ensure that outputs reflect market conditions. However, it should be noted that some inputs, such as possibilities and expected date under different scenarios such as liquidation event, volatility and risk-free interest rate which require management estimates. Management estimates and assumptions are reviewed periodically and are adjusted if necessary. Should any of the estimates and assumptions change, it may lead to a change in the fair value of the financial liabilities at FVTPL. As of December 31, 2022, 2023, 2024 and June 30, 2025, the carrying amounts of financial liabilities at FVTPL were US$649.0 million, US$775.1 million, US$766.1 million and US$889.1 million, respectively.

Details of the fair value measurement of our level 3 financial instruments, particularly the fair value hierarchy, the valuation techniques and key inputs, are disclosed in Note 31 of the Accountants' Report set out in Appendix I to this Prospectus. The Reporting Accountants performed its work in accordance with Hong Kong Standard on Investment Circular Reporting Engagement 200 "Accountants' Report 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 historical financial information for the Track Record Period as a whole, and its opinion on the Group for the Track Record Period as a whole is set out in the Accountants' Report in Appendix I to this Prospectus.

In relation to the valuation of the Level 3 financial liabilities, with reference to the "Guidance note on directors' duties in the context of valuations in corporate transactions" issued by the SFC, our Directors have adopted the following procedures: (i) reviewing the terms of the relevant agreements and documents regarding the financial liabilities; (ii) assisting by an independent qualified valuer to perform valuation procedures with necessary financial and non-financial information and discussing with the valuer on the relevant assumptions; (iii) obtaining sufficient understanding of the valuation model, methodologies and techniques on which the valuation is based; and (iv) reviewing the valuation works and results and the financial statements prepared in accordance with IFRS. Based on the above procedures, our Directors are of the view that the valuation analysis performed during the Track Record Period is fair and reasonable, and our financial statements are properly prepared. In addition, our Directors are satisfied with the valuation work for the Level 3 financial liabilities performed during the Track Record Period.

In relation to the fair value assessment of the financial liabilities requiring Level 3 measurements under the fair value classification, the Joint Sponsors has conducted relevant due diligence work, including but not limited to, (i) obtaining and reviewing the terms of the underlying agreements for the Level 3 Financial Liabilities; (ii) discussing our management to understand the methodology, assumptions and information relied upon in respect of our valuation of the Level 3 Financial Liabilities of our Group and our views on the fairness and reasonableness of the assumptions, basis and approaches of the valuation; (iii) discussing with our management to understand the work performed in relation to such valuation; (iv) discussing with the Reporting Accountants to understand the work they have performed in this regard; and (v) reviewing the relevant notes in the Accountants' Report as contained in Appendix I to this Prospectus and the Reporting Accountants' opinion on the historical financial information as a whole for the Track Record Period. Based upon the due diligence work conducted by the Joint Sponsors as stated above, and having considered the views of the Directors, nothing material has come to the Joint Sponsors' attention that would cause the Joint Sponsors to question the valuation in respect of the financial assets requiring Level 3 measurements under the fair value classification.

Fair value of share-based compensation

The share-based compensation expense is measured based on the fair value of the share rewards as calculated under the binomial option pricing model. Management is responsible for determining the fair value of the share options or restricted shares. The key assumptions used to determine the fair value of the share unit awards at the grant date include share price on measurement date, expected volatility and risk-free interest rate. Changes in these assumptions could significantly affect the fair value of share awards and hence the amount of compensation expenses that we recognize in the Historical Financial Information.

Revenue recognition of drug discovery and pipeline development

Revenue from drug discovery and pipeline development is recognized either over time, typically by using hours expended or milestone reached to measure progress, or at a point in time upon completion of delivery of promised services based on the nature of the performance obligation. Payments for drug discovery and pipeline development are generally due upon achieving milestones stated in a contract, upfront at the start of a contract, or upon consumption of resources. Revenue may at times include variable consideration in the way of milestone payments and royalty payments. The Group has estimated the amount of consideration that is variable using the most likely amount method. The Group identified the services promised in the service contracts as performance obligations and recognized revenue based on the service progress of the contract. Changes in these estimations could significantly affect the amount of revenue the Group recognize in the Historical Financial Information.

RESULTS OF OPERATIONS

The following table sets forth our consolidated statements of profit or loss and other comprehensive income with line items in absolute amounts for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	US$	*US$*	*US$*	*US$*	*US$*
				(unaudited)	
			(in thousands)		
Revenue	30,147	51,180	85,834	59,689	27,456
Cost of revenue	(11,037)	(12,611)	(8,257)	(3,883)	(4,437)
Gross Profit	19,110	38,569	77,577	55,806	23,019
Selling and marketing expenses	(5,375)	(7,774)	(5,532)	(2,217)	(2,633)
Research and development expenses	(78,175)	(97,341)	(91,895)	(45,610)	(35,571)
Administrative expenses	(15,442)	(17,344)	(17,487)	(5,325)	(7,007)
Listing expenses	–	(7,355)	(176)	(102)	(2,073)
Other income	275	5,437	10,633	5,930	4,403
Other gains and losses, net	(3,775)	319	1,025	881	1,218
Finance costs	(99)	(94)	(91)	(34)	(97)
(Loss) gain from changes in fair value of financial liabilities at FVTPL	(138,100)	(126,133)	9,004	(1,122)	(266)
Impairment losses under expected credit loss ("ECL") model, net of reversal	(234)	160	7	(125)	(167)
(Loss) profit before tax	**(221,815)**	**(211,556)**	**(16,935)**	**8,082**	**(19,174)**
Income tax expense	(13)	(84)	(161)	(52)	(41)

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	US$	*US$*	*US$*	*US$*	*US$*
				(unaudited)	
			(in thousands)		
(Loss) profit for the year/period	**(221,828)**	**(211,640)**	**(17,096)**	**8,030**	**(19,215)**
Other comprehensive income/(expense)	794	228	(333)	(155)	292
Total comprehensive expenses for the year	**(221,034)**	**(211,412)**	**(17,429)**	**7,875**	**(18,923)**

NON-IFRS MEASURES

We adopt the adjusted net (loss)/profit for the year/period (non-IFRS measure), which is not required by or presented in accordance with IFRS as an additional financial measure to supplement our consolidated financial statements. We believe that the non-IFRS measure facilitates comparisons of operating performance from period to period and company to company. We believe that the non-IFRS measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management.

We recorded adjusted (loss)/profit (non-IFRS measure) of US$70.8 million for 2022, US$67.4 million for 2023, US$22.7 million for 2024 and US$15.4 million for the six months ended June 30, 2025, while we recorded adjusted profit (non-IFRS measure) of US$10.9 million for the six months ended June 30, 2024. We define adjusted (loss)/profit (non-IFRS measure) as (loss)/profit for the year adjusted by adding back loss/gain from changes in fair value of financial liabilities at FVTPL, share-based compensation expenses and listing expenses. The following table reconciles our adjusted (loss)/profit (non-IFRS measure) for the periods presented in accordance with IFRSs, which is (loss)/profit for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	US$	*US$*	*US$*	*US$*	*US$*
				(unaudited)	
			(in thousands)		
(Loss)/profit for the year/period	(221,828)	(211,640)	(17,096)	8,030	(19,215)
Add:					
Loss/(Gain) from changes in fair value of financial liabilities at FVTPL	138,100	126,133	(9,004)	1,122	266

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	US$	*US$*	*US$*	*US$*	*US$*
				(unaudited)	
			(in thousands)		
Share-based compensation expenses	12,924	10,791	3,259	1,601	1,467
Listing expenses	–	7,355	176	102	2,073
Adjusted (loss)/profit (non-IFRS measure)	**(70,804)**	**(67,361)**	**(22,665)**	**10,855**	**(15,409)**

Loss/(gain) from changes in fair value of financial liabilities at FVTPL represent the fair value changes of convertible redeemable preferred shares we issued. The convertible redeemable preferred shares will automatically convert into ordinary shares upon the completion of the Global Offering, and no further loss or gain on fair value changes is expected to be recognized afterwards. Our share-based compensation expenses represent expenses associated with equity compensation to retain and reward persons performing services to us, which are non-cash in nature. Listing expenses relates to this Global Offering of the Company. We therefore believe that these items should be adjusted for when calculating our adjusted net (loss)/profit (non-IFRS measure). We have made the adjustments consistently during the Track Record Period. However, our presentation of such non-IFRS measure may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS.

DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue

During the Track Record Period, we generated revenue from drug discovery and pipeline development, software solution and other discovery. The following table sets forth a breakdown of our revenue in absolute amount and as a percentage of our total revenue for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
							(unaudited)			
					(in thousands, except for percentages)					
Drug discovery and pipeline development	28,648	95.0	47,818	93.4	79,733	92.9	56,849	95.2	23,909	87.1
Software solution	1,499	5.0	3,362	6.6	3,970	4.6	1,685	2.8	2,018	7.3
Other discovery[(1)]	–	–	–	–	2,131	2.5	1,155	2.0	1,529	5.6
Total	**30,147**	**100.0**	**51,180**	**100.0**	**85,834**	**100.0**	**59,689**	**100.0**	**27,456**	**100.0**

Note:

(1) Revenues from discovery other than pharmaceuticals, which were not material in prior years and therefore disclosed in combination with drug discovery, are now disclosed separately from 2024.

Since the launch of our software solution in 2020, both our software solution and drug discovery services have achieved strong growth. Although both segments leverage the same underlying Pharma.AI platform, they are designed to serve distinct customer needs and business models. The concurrent growth of both revenue streams since 2020 indicates that the two business models can operate in parallel without cannibalizing each other. Our internal drug discovery team also relies on the same platform, which reinforces the integration and mutual support between the two business models.

The following table sets forth a breakdown of our revenue by project for the pipeline development under drug discovery and pipeline development for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	US$	*US$*	*US$*	*US$*	*US$*
			(in thousands)	*(unaudited)*	
ISM3091	–	39,022	51,995	39,265	–
ISM5043	–	–	19,594	15,591	–
ISM9682	–	–	5,000	–	18,194
Total	**–**	**39,022**	**76,589**	**54,856**	**18,194**

Cost of Revenue

During the Track Record Period, our cost of revenue mainly consisted of third-party contracting costs and labor costs in relation to pipeline development business, drug discovery and other discovery. The pipeline drug development business, drug discovery business and internal research and development activities are both performed by our research and development specialists. In 2022, 2023 and 2024, our external services significantly increased. Therefore, we recorded cost of revenue of US$11.0 million, US$12.6 million and US$8.3 million in 2022, 2023 and 2024, respectively, and will continue to record cost of revenue going forward. The following table sets forth a breakdown of our cost of revenue in absolute amount and as percentage of our total cost of revenue for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		**2023**		**2024**		**2024**		**2025**	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
			(in thousands, except for percentages)				*(unaudited)*			
Third-party contracting costs	9,566	86.7	10,699	84.8	5,654	68.5	2,718	70.0	3,628	81.8
Labor costs	1,471	13.3	1,912	15.2	2,603	31.5	1,165	30.0	809	18.2
Total	**11,037**	**100.0**	**12,611**	**100.0**	**8,257**	**100.0**	**3,883**	**100.0**	**4,437**	**100.0**

Third-party contracting costs primarily include fees paid to CROs and CDMOs pursuant to services agreements we have entered into with them. Labor costs primarily include salaries, welfare and pension costs for our research and development employees.

The following table sets forth a breakdown of our cost of revenue by component in absolute amount and as percentage of our total cost of revenue for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
							(unaudited)			
	(in thousands, except for percentages)									
Drug discovery and pipeline development	11,037	100.0	12,611	100.0	7,403	89.7	3,401	87.6	4,174	94.1
Software solution	–	–	–	–	–	–	–	–	–	–
Other discovery	–	–	–	–	854	10.3	482	12.4	263	5.9
Total	**11,037**	**100.0**	**12,611**	**100.0**	**8,257**	**100.0**	**3,883**	**100.0**	**4,437**	**100.0**

During the Track Record Period, we recorded cost of revenue of nil for our software solution. Our software research and development specialists spend the majority of their time devoted to internal research and development activities and continuously upgrading and training our Pharma.AI. Therefore, these costs were included in our research and development expenses.

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by component for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross profit	**Gross profit margin**	**Gross profit**	**Gross profit margin**	**Gross profit**	**Gross profit margin**	**Gross profit**	**Gross profit margin**	**Gross profit**	**Gross profit margin**
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
							(unaudited)			
	(in thousands, except for percentages)									
Drug discovery and pipeline development	17,611	61.5	35,207	73.6	72,330	90.7	53,448	94.0	19,735	82.5
Software solution	1,499	100.0	3,362	100.0	3,970	100.0	1,685	100.0	2,018	100.0
Other discovery	–	–	–	–	1,277	59.9	673	58.3	1,266	82.8
Total gross profit	**19,110**	**63.4**	**38,569**	**75.4**	**77,577**	**90.4**	**55,806**	**93.5**	**23,019**	**83.8**

Our gross profit represents our revenue less our cost of revenue. Our gross profit margin represents our gross profit as a percentage of our revenue. For 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our gross profit was US$19.1 million, US$38.6 million, US$77.6 million, US$55.8 million and US$23.0 million, respectively, and our gross profit margin was 63.4%, 75.4%, 90.4%, 93.5% and 83.8%, respectively.

Other Income

During the Track Record Period, our other income consisted of bank interest income and others. Bank interest income includes interests generated from our bank deposits. Subsidy income includes expense reimbursement and project-related funding. Our subsidy income are all non-recurring in nature. Others represents income from government grants we received. The following table sets forth a breakdown of our other income.

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	US$	*US$*	*US$*	*US$*	*US$*
				(unaudited)	
			(in thousands)		
Bank interest income	219	4,116	6,528	3,612	2,962
Subsidy income	56	1,350	4,117	2,330	1,483
Other expense	–	(29)	(12)	(12)	(42)
	275	5,437	10,633	5,930	4,403

Selling and Marketing Expenses

During the Track Record Period, our selling and marketing expenses consisted of labor costs, marketing costs, share-based compensation expenses and others. The table below sets forth a breakdown of our selling and marketing expenses in absolute amount and as percentage of our total selling and marketing expenses for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
							(unaudited)			
					(in thousands, except for percentages)					
Selling and marketing expenses										
Labor costs	2,764	51.4	5,967	76.8	4,488	81.1	1,748	78.8	1,842	70.0
Marketing costs	489	9.1	791	10.2	200	3.6	61	2.8	257	9.8
Share-based compensation expenses	1,419	26.4	223	2.8	20	0.4	(26)	(1.2)	59	2.2
Others	703	13.1	793	10.2	824	14.9	434	19.6	475	18.0
Total	**5,375**	**100.0**	**7,774**	**100.0**	**5,532**	**100.0**	**2,217**	**100.0**	**2,633**	**100.0**

Our labor costs primarily consists of salaries, welfare and other benefits for our selling and marketing staff. Marketing costs primarily consists of marketing related expenses. Others include depreciation and amortization, travel expenses, IT and office supplies expenses and rental and utilities expenses.

Research and Development Expenses

During the Track Record Period, our research and development expenses were incurred in connection with carrying out the research and development activities of our product candidates and continuously upgrading and training our Pharma.AI. Our research and development expenses consist of third-party contracting costs for discovery and development business and clinical trial related services provided by CROs and CDMOs, labor costs, share-based compensation expenses and others. The table below sets forth a breakdown of our research and development expenses in absolute amount and as percentage of our total research and development expenses for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
							(unaudited)			
	(in thousands, except for percentages)									
Research and development expenses										
Third-party contracting costs	53,777	68.8	59,582	61.2	57,123	62.2	27,440	60.2	20,841	58.6
Labor costs	15,965	20.4	27,044	27.8	27,239	29.6	12,867	28.2	11,772	33.1
Share-based compensation expenses	6,274	8.0	5,829	6.0	1,284	1.4	1,637	3.6	524	1.5
Others	2,159	2.8	4,886	5.0	6,249	6.8	3,666	8.0	2,434	6.8
Total	**78,175**	**100.0**	**97,341**	**100.0**	**91,895**	**100.0**	**45,610**	**100.0**	**35,571**	**100.0**

Our third-party contracting costs primarily consist of CRO and CDMOs expenses incurred in relation to our programs. CROs and CDMOs engaged for our programs provide lab experiments and manufacturing services, and do not contribute to IP. Our labor costs primarily consists of salaries, welfare and pension for our research and development staff. Our share-based compensation expenses represent the expenses associated with equity compensation to our research and development staff. Others include depreciation and amortization, rental and utilities expenses and other miscellaneous costs.

Administrative Expenses

During the Track Record Period, our administrative expenses consisted of labor costs, professional and consultation fees and share-based compensation expenses and others. The table below sets forth a breakdown of our administrative expenses in absolute amount and as a percentage of our total administrative expenses for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
							(unaudited)			
	(in thousands, except for percentages)									
Administrative expenses										
Labor costs	5,634	36.5	7,528	43.4	6,751	38.6	3,367	63.2	3,098	44.2
Professional and consultation fees	2,801	18.1	1,230	7.1	5,551	31.7	938	17.6	823	11.7
Share-based compensation expenses	5,231	33.9	4,738	27.3	1,955	11.2	(10)	(0.2)	884	12.6
Others	1,776	11.5	3,848	22.2	3,230	18.5	1,030	19.4	2,202	31.5
Total	**15,442**	**100.0**	**17,344**	**100.0**	**17,487**	**100.0**	**5,325**	**100.0**	**7,007**	**100.0**

Our labor costs primarily consists of salaries, welfare and other benefits for our administrative staff. Our professional and consultation fees primarily represent the fees paid to professionals, such as legal advisors, intellectual property agents, accounting firm and other professional services. Others include depreciation and amortization, travel expenses, IT and office supplies expenses, rental and utilities expenses.

Other Gains and Losses, Net

The following table below sets forth a breakdown of our other gains and losses, net, and as percentage of our total other gains and losses, net, for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
							(unaudited)			
	(in thousands, except for percentages)									
Other gains and losses, net										
Net foreign exchange (losses) gains	(571)	15.1	(122)	(38.2)	466	45.5	335	38.0	175	14.4
Loss on disposal of property and equipment	–	–	(8)	(2.5)	–	–	–	–	(1)	(0.1)
Loss on disposal of a subsidiary	(2,189)	58.0	–	–	–	–	–	–	–	–
(Loss) gain from changes in fair value of financial assets at FVTPL	(1,038)	27.5	449	140.7	559	54.5	546	62.0	1,044	85.7
Others	23	(0.6)	–	–	–	–	–	–	–	–
Total	**(3,775)**	**100.0**	**319**	**100.0**	**1,025**	**100.0**	**881**	**100.0**	**1,218**	**100.0**

Our loss or gain from changes in fair value of financial assets at FVTPL represented the valuation of Regent Pacific Group Limited, a Hong Kong listed company that we invested. For further information about this equity investment, see Note 19 to the Accountants' Report in Appendix I to this Prospectus. In October 2022, we disposed of 100% equity interest of its wholly owned subsidiary InSilico LLC to an independent third party. For further information, see Note 32 to the Accountants' Report in Appendix I to this Prospectus.

(Loss) gain from changes in fair value of financial liabilities at FVTPL

(Loss) gain from changes in fair value of financial liabilities at FVTPL represented the fair value changes of convertible redeemable preferred shares we issued. In 2022 and 2023, we recorded fair value losses on convertible redeemable preferred shares of US$138.1 million and US$126.1 million, respectively, and we recorded a gain of US$9.0 million in 2024. For more details regarding preferred shares, see "History, Development and Corporate Structure — Pre-IPO Investments" in this Prospectus. The fair value changes of convertible redeemable preferred shares adversely affected our financial performance in 2022, 2023 and 2024 and may affect our financial performance during and subsequent to the Track Record Period until the conversion of preferred shares into ordinary shares upon Listing.

Income Tax

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which our members are domiciled and operate.

Taxation

Cayman Islands

Under the current laws of the Cayman Islands, we are not subject to tax on income or capital gains. In addition, upon payments of dividends by us to our shareholders, no Cayman Islands withholding tax is imposed.

United States

Under the laws of United States, our subsidiary incorporated in U.S. is subject to U.S. federal corporate income tax at a rate of 21%. It is also subject to state income tax in multiple states. We are slightly profitable in 2022, and generated tax provision US$25,000 for income taxes. Insilico US did not generate taxable income for the year ended December 31, 2023 and 2024, but recorded income tax of US$3,000 in the year ended December 31, 2023 according to the US government's minimum tax requirement.

Hong Kong

Under the two-tiered profit tax rates regime in Hong Kong, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and any profits above HK$2 million will be taxed at 16.5%. The profits of our subsidiaries that are not adopted for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5%.

PRC

Our subsidiaries established and operated in the PRC are subject to the EIT on the taxable income as reported in their respective statutory financial statements adjusted in accordance with the Enterprise Income Tax Law (the "**EIT Law**"). Pursuant to the EIT Law, our subsidiaries are generally subject to EIT at the statutory rate of 25%. Insilico Shanghai obtained High-New Technology Enterprise Certificate in 2024, which is valid through 2026. So far, the entity is in accumulated loss status and has not enjoyed any income tax benefits from the high and new technology enterprises status.

United Arab Emirates

United Arab Emirates Ministry of Finance enact a Federal corporate tax regime, and will become effective for accounting periods beginning on and after 1 June 2023. InSilico AI is in accumulated loss position and not subject to income tax under the current laws of the United Arab Emirates. Therefore, no provision for income taxes is required.

Other Regions

We are also subject to corporate income tax in other jurisdictions. Income tax on profit arising from other jurisdictions, including Taiwan and Canada had been calculated on the estimated assessable profit for the year at the respective rates prevailing in the relevant jurisdictions, ranging from 8% to 20%.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six months Ended June 30, 2024 Compared with Six months Ended June 30, 2025

Revenue

Our revenue decreased from US$59.7 million for the six months ended June 30, 2024 to US$27.5 million for the same period in 2025. Our revenue generated from drug discovery and pipeline development decreased from US$56.8 million for the six months ended June 30, 2024 to US$23.9 million for the same period in 2025, which was primarily attributable to a decrease in the number of licensing transactions and lower upfront payment amounts, as revenue in the first half of 2025 was mainly derived from the upfront payment from Stemline for an undisclosed target signed in late 2024, compared to larger upfront payments from the ISM3091 and ISM5043 projects signed in the second half of 2023. Our revenue generated from software

solution increased from US$1.7 million for the six months ended June 30, 2024 to US$2.0 million for the same period in 2025, which was primarily attributable to increased subscription revenue from PandaOmics and Chemistry42.

Cost of Revenue

Our cost of revenue increased from US$3.9 million for the six months ended June 30, 2024 to US$4.4 million for the same period in 2025, which was primarily attributable to changes in the revenue mix, as licensing transactions generally incur limited costs after the transfer of preliminary materials, while drug discovery projects continue to generate costs throughout their development.

We recorded cost of revenue of nil for our software solution in the six months ended June 30, 2024 and the same period in 2025 because our software research and development specialists spend the majority of their time devoted to internal research and development activities and continuously upgrading and training our Pharma.AI. Therefore, these costs were included in our research and development expenses.

Gross Profit and Gross Profit Margin

As a result of the changes in our revenue and cost of revenue described above, our gross profit decreased from US$55.8 million for the six months ended June 30, 2024 to US$23.0 million for the same period in 2025. For the same years, our gross profit margin decreased from 93.5% to 83.8%, which was attributable to changes in the composition of our revenue, as licensing transactions generally incur limited costs after the transfer of preliminary materials, while drug discovery projects continue to generate costs throughout their development.

Our gross profit generated from drug discovery and pipeline development significantly decreased from US$53.4 million for the six months ended June 30, 2024 to US$19.7 million for the same period in 2025, which was in line with the decrease in our revenue. For the same periods, gross profit margin for our drug discovery and pipeline development was 94.0% and 82.5%, respectively. The decrease in gross profit margin was mainly attributable to a change in revenue mix. In the six months ended June 30, 2024, revenue was primarily derived from upfront and milestone payments from out-licensing arrangements, which carried higher margins, whereas in the same period of 2025, a larger proportion of revenue was generated from drug discovery services, which carried relatively lower margins.

Our gross profit generated from software solution increased from US$1.7 million for the six months ended June 30, 2024 to US$2.0 million for the same period in 2025, which was in line with the increase in our revenue. For the same period, gross profit margin for our software solutions remained unchanged.

Other income

Our other income decreased from US$5.9 million for the six months ended June 30, 2024 to US$4.4 million for the same period in 2025, which was primarily attributable to a decrease in bank interest income resulting from lower deposit rates, as well as a decrease in subsidy income due to the absence of one-time government subsidies recorded in the first half of 2024 and the completion of the Gates Foundation grant project in Canada in 2024.

Selling and Marketing Expenses

Our selling and marketing expenses increased from US$2.2 million for the six months ended June 30, 2024 to US$2.6 million for the same period in 2025, which was primarily attributable to higher labor costs and increased share-based compensation expenses.

Research and Development Expenses

Our research and development expenses decreased from US$45.6 million for the six months ended June 30, 2024 to US$35.6 million for the same period in 2025, which was primarily attributable to a decrease in third-party CRO expenses, resulting from both higher CRO discounts obtained in 2024 and lower clinical costs for the ISM001-055 project following completion of Phase I trial, as well as reductions in labor and share-based compensation expenses due to changes in staffing levels.

Administrative Expenses

Our administrative expenses increased from US$5.3 million for the six months ended June 30, 2024 to US$7.0 million for the same period in 2025, which was primarily due to higher share-based compensation expenses and increased general administrative costs, including expenses related to the development of our new office in 2025.

Other Gains and Losses, Net

Our other net gains, increased from US$0.9 million for the six months ended June 30, 2024 to US$1.2 million for the same period in 2025, which was primarily attributable to increased gain from changes in fair value of financial assets at FVTPL.

Finance Costs

Our finance costs increased from US$34 thousand for the six months ended June 30, 2024 to US$97 thousand for the same period in 2025.

Loss from changes in fair value of financial liabilities at FVTPL

Our loss from changes in fair value of financial liabilities at FVTPL decreased from US$1.1 million for the six months ended in June 30, 2024 to US$0.3 million for the same period in 2025. This change was mainly due a smaller increase in the fair value of our preferred shares, as our market valuation was relatively stable with modest growth following completion of our Series E financing, compared to the significant valuation increases and fair value losses recorded in the first half of 2024.

Income Tax

Our income tax was US$52 thousand for the six months ended June 30, 2024 and US$41 thousand for the same period in 2025.

(Loss)/Profit for the Period

As a result of the above, we had a profit of US$8.0 million for the six months ended June 30, 2024 and a loss of US$19.2 million for the same period in 2025.

Year Ended December 31, 2023 Compared with Year Ended December 31, 2024

Revenue

Our revenue increased from US$51.2 million for 2023 to US$85.8 million for 2024. Our revenue generated from drug discovery and pipeline development increased from US$47.8 million for 2023 to US$79.7 million for 2024, which was primarily attributable to an increase in revenue from out-licensing arrangements. Our revenue generated from software solution increased from US$3.4 million for 2023 to US$4.0 million for 2024, which was primarily attributable to increased subscription from customers of existing software solutions and introduction of new software solutions in 2024.

Cost of Revenue

Our cost of revenue decreased from US$12.6 million for 2023 to US$8.3 million for 2024, which was primarily attributable to a decrease in third-party contracting costs mainly resulting from fewer collaboration deals requiring external services.

We recorded cost of revenue of nil for our software solution in 2023 and 2024 because our software research and development specialists spend the majority of their time devoted to internal research and development activities and continuously upgrading and training our Pharma.AI. Therefore, these costs were included in our research and development expenses.

Gross Profit and Gross Profit Margin

As a result of the changes in our revenue and cost of revenue described above, our gross profit increased from US$38.6 million for 2023 to US$77.6 million for 2024. For the same years, our gross profit margin increased from 75.4% to 90.4%, which was attributable to the higher gross profit margin associated with our out-licensing transactions from our drug discovery and pipeline development business, as described below.

Our gross profit generated from drug discovery and pipeline development significantly increased from US$35.2 million for 2023 to US$72.3 million for 2024, which was in line with our revenue. For the same years, gross profit margin for our drug discovery and pipeline development was 73.6% and 90.7%, respectively. The increase of gross profit margin was mainly because we received milestone payments from our out-licensing transactions, which is typically associated with higher gross profit margin.

Our gross profit generated from software solution increased from US$3.4 million for 2023 to US$4.0 million for 2024, which was in line with our revenue. For the same year, gross profit margin for our software solutions remained unchanged.

Other income

Our other income increased from US$5.4 million for 2023 to US$10.6 million for 2024, which was primarily attributable to increased interests income from our bank deposits and an increase in subsidy income. The increase in subsidy income in 2024 primarily attributed to the subsidy due to our investment in the UAE and new project-based subsidy in Shanghai.

Selling and Marketing Expenses

Our selling and marketing expenses decreased from US$7.8 million for 2023 to US$5.5 million for 2024, which was primarily attributable to decreases in labor costs, from US$6.0 million in 2023 to US$4.5 million in 2024, and share-based compensation expenses from US$0.2 million in 2023 to US$20 thousand in 2024.

Research and Development Expenses

Our research and development expenses slightly decreased from US$97.3 million for 2023 to US$91.9 million for 2024, which was primarily attributable to decreases in share-based compensation expenses, from US$5.8 million in 2023 to US$1.3 million in 2024, and third-party contracting costs, from US$59.6 million in 2023 to US$57.1 million in 2024.

Administrative Expenses

Our administrative expenses remained relatively stable at US$17.3 million for 2023 and US$17.5 million for 2024.

Other Gains and Losses, Net

Our other gains, net, significantly increased from US$0.3 million for 2023 to US$1.0 million for 2024, which was primarily attributable to an increase in foreign exchange gains.

Finance Costs

Our finance costs remained relatively stable at US$94 thousand for 2023 and US$91 thousand for 2024.

(Loss)/Gain from changes in fair value of financial liabilities at FVTPL

We recorded a gain of US$9.0 million from changes in the fair value of financial liabilities at FVTPL in 2024, compared to a loss of US$126.1 million in 2023. This change was mainly due to the increase probability of IPO that partially led to a decline in the value of preferred shares, despite the share price rising during the Series E financing completed in early 2025.

Income Tax

Our income tax was US$84 thousand for 2023 and US$161 thousand for 2024.

Loss for the Year

As a result of the above, we had a loss of US$211.6 million for 2023 and US$17.1 million for 2024.

Year Ended December 31, 2022 Compared with Year Ended December 31, 2023

Revenue

Our revenue increased from US$30.1 million for 2022 to US$51.2 million for 2023. Our revenue generated from pipeline drug development business and drug discovery business increased from US$28.6 million for 2022 to US$47.8 million for 2023, which was primarily attributable to the revenue from the out-license of ISM3091 to Exelixis in 2023 which contributed approximately US$39.0 million during the period. Our revenue generated from software solution increased from US$1.5 million for 2022 to US$3.4 million for 2023, which was primarily attributable to subscription renewals of existing clients and subscriptions from new clients in 2023.

Cost of Revenue

Our cost of revenue remained stable from US$11.0 million for 2022 to US$12.6 million for 2023, which relate to our pipeline drug development business and drug discovery business.

We recorded cost of revenue of nil for our software solution in 2022 and 2023 because our software research and development specialists spend the majority of their time devoted to internal research and development activities and continuously upgrading and training our Pharma.AI. Therefore, these costs were included in our research and development expenses.

Gross Profit and Gross Profit Margin

As a result of the changes in our revenue and cost of revenue described above, our gross profit increased from US$19.1 million for 2022 to US$38.6 million for 2023. For the same years, our gross profit margin increased from 63.4% to 75.4%, which was attributable to the increase in gross margin for pipeline drug development business and drug discovery business, which was due to the revenue from the out-license of ISM3091 to Exelixis in 2023.

Our gross profit generated from drug discovery and pipeline development business significantly increased from US$17.6 million for 2022 to US$35.2 million for 2023, which was in line with our revenue. For the same years, gross profit margin for our drug discovery and pipeline development business was 61.5% and 73.6%, respectively. The increase of gross profit margin was mainly because our pipeline drug development business generated revenue in 2023.

Our gross profit generated from software solution increased from US$1.5 million for 2022 to US$3.4 million for 2023, which was primarily attributable to the increased subscription to our software solution. For the same year, gross profit margin for our software solutions remained unchanged.

Other income

Our other income significantly increased from US$275 thousand for 2022 to US$5.4 million for 2023, which was primarily attributable to increased interests generated from our bank deposits in 2023.

Selling and Marketing Expenses

Our selling and marketing expenses increased from US$5.4 million for 2022 to US$7.8 million for 2023, which as primarily attributable to the increase in (i) labor costs from US$2.8 million to US$6.0 million, and (ii) other expense from US$0.7 million to US$0.8 million as we expanded our business development team and our selling and marketing efforts in 2023.

Research and Development Expenses

Our research and development expenses increased from US$78.2 million for 2022 to US$97.3 million for 2023, which was primarily attributable to the increase in third-party contracting costs related to CROs and CDMOs from US$53.8 million in 2022 to US$59.6

million in 2023 and the increase in labor costs from US$16.0 million in 2022 to US$27.0 million in 2023 which is in line with the expansion of our pipeline. Our research and development expenses incurred for ISM001-055 were US$10.0 million and US$16.5 million in 2022 and 2023, respectively.

Administrative Expenses

Our administrative expenses increased from US$15.4 million for 2022 to US$17.3 million for 2023, which is in line with our business expansion.

Other Gains and Losses, Net

Our other losses, net, significantly improved from US$3.8 million for 2022 to other gains, net at US$0.3 million for 2023, which was primarily attributable to (i) an equity investment in Regent Pacific Group Limited, for further information about this equity investment, see Note 19 to the Accountants' Report in Appendix I to this Prospectus, and (ii) a disposal of a subsidiary. In October 2022, we disposed of 100% equity interest of its wholly owned subsidiary InSilico LLC to an independent third party. For further information, see Note 32 to the Accountants' Report in Appendix I to this Prospectus.

Finance Costs

Our finance costs remained stable from US$99 thousand for 2022 to US$94 thousand for 2023.

Loss from changes in fair value of financial liabilities at FVTPL

Our losses from changes in fair value of financial liabilities at FVTPL decreased from US$138.1 million in 2022 to US$126.1 million for 2023. This decrease was primarily attributable to the fair value changes of our convertible redeemable preferred shares.

Income Tax

Our income tax was US$13 thousand for 2022 and US$84 thousand for 2023.

Loss for the Year

As a result of the above, we had loss for the period of US$221.8 million for 2022 and US$211.6 million for 2023.

DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from the Accountants' Report set out in Appendix I to this Prospectus:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	US$	*US$*	*US$*	*US$*
		(in thousands)		
Total non-current assets	16,035	14,142	10,593	15,697
Total current assets	218,751	188,653	133,409	225,614
Total assets	**234,786**	**202,795**	**144,002**	**241,311**
Total current liabilities	682,488	852,027	806,867	917,907
Total non-current liabilities	1,841	926	1,058	4,768
Total liabilities	**684,329**	**852,953**	**807,925**	**922,675**
Treasury shares	(11,346)	(11,346)	(2,047)	(2,047)
Share premium and reserves	(438,197)	(638,812)	(661,876)	(679,317)
Total deficits	**(449,543)**	**(650,158)**	**(663,923)**	**(681,364)**

NET CURRENT ASSETS/LIABILITIES

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of June 30,	As of October 31,
	2022	2023	2024	2025	2025
	US$	*US$*	*US$*	*US$*	*US$*
			(in thousands)		*(unaudited)*
Current assets					
Financial assets at FVTPL	–	–	–	–	80,703
Trade and other receivables	10,868	11,472	7,467	12,984	10,257
Bank balances and cash	207,883	177,181	125,942	212,630	106,362
Total current assets	**218,751**	**188,653**	**133,409**	**225,614**	**197,322**

	As of December 31,			As of June 30,	As of October 31,
	2022	2023	2024	2025	2025
	US$	*US$*	*US$*	*US$*	*US$*
					(unaudited)
			(in thousands)		
Current liabilities					
Trade and other payables	18,495	28,103	28,002	19,032	15,285
Amount due to a related party	8,422	4,903	4,176	4,558	2,418
Lease liabilities	1,382	1,267	1,503	2,177	1,989
Financial liabilities at FVTPL	648,978	775,111	766,107	889,146	888,702
Contract liabilities	5,211	42,142	6,864	2,787	3,001
Deferred income	–	501	215	207	204
Total current liabilities	**682,488**	**852,027**	**806,867**	**917,907**	**911,599**
Net current liabilities	**(463,737)**	**(663,374)**	**(673,458)**	**(692,293)**	**(714,277)**
Net liabilities	**(449,543)**	**(650,158)**	**(663,923)**	**(681,364)**	**(703,279)**

We had net liabilities of US$663.9 million as of December 31, 2024 and US$681.4 million as of June 30, 2025, respectively, primarily due to loss and total other comprehensive expense for the period of US$18.9 million, partially offset by recognition of share-based compensation of US$1.5 million. See the Accountants' Report set out in Appendix I to this Prospectus for a detailed description of our statements of changes in equity.

We had net liabilities of US$650.2 million and US$663.9 million as of December 31, 2023 and 2024, respectively, primarily due to loss and total other comprehensive expense for the year of US$17.4 million, partially offset by exercise of share options of US$0.4 million and recognition of share-based compensation of US$3.3 million. See the Accountants' Report set out in Appendix I to this Prospectus for a detailed description of our statements of changes in equity.

We had net liabilities of US$449.5 million and US$650.2 million as of December 31, 2022 and 2023, respectively, primarily due to loss and total other comprehensive expense for the year of US$211.4 million, partially offset by recognition of share-based compensation of US$10.8 million. See the Accountants' Report set out in Appendix I to this Prospectus for a detailed description of our statements of changes in equity.

We had net current liabilities of US$673.5 million as of December 31, 2024 and US$692.3 million as of June 30, 2025, respectively. The change was primarily due to an increase in financial liabilities at FVTPL from US$766.1 million as of December 31, 2024 to US$889.1 million as of June 30, 2025, partially offset by (a) an increase in bank balance and cash from US$125.9 million as of December 31, 2024 to US$212.6 million as of June 30, 2025 and (b) a decrease in trade and other payables from US$28.0 million as of December 31, 2024 to US$19.0 million as of June 30, 2025.

We had net current liabilities of US$663.4 million and US$673.5 million as of December 31, 2023 and 2024, respectively. The change was primarily due to a decrease in bank balance and cash from US$177.2 million as of December 31, 2023 to US$125.9 million as of December 31, 2024, partially offset by (a) a decrease in contact liabilities from US$42.1 million as of December 31, 2023 to US$6.9 million as of December 31, 2024 and (b) a decrease in financial liabilities of FVTPL from US$775.1 million as of December 31, 2023 to US$766.1 million as of December 31, 2024.

We had net current liabilities of US$663.4 million as of December 31, 2023, compared to net current liabilities of US$463.7 million as of December 31, 2022. The change was primarily due to (i) a decrease in bank balances and cash from US$207.9 million as of December 31, 2022 to US$177.2 million as of December 31, 2023, (ii) an increase in financial liabilities at FVTPL from US$649.0 million as of December 31, 2022 to US$775.1 million as of December 31, 2023, and (iii) an increase in contract liabilities from US$5.2 million as of December 31, 2022 to US$42.1 million as of December 31, 2023. The financial liabilities at FVTPL represents our convertible redeemable preferred shares, which will be re-classified as equity as the convertible redeemable preferred shares will automatically convert into ordinary shares upon the completion of the Global Offering, and no further loss or gain on fair value changes is expected to be recognized and the net current liabilities would turn into net current assets after the completion of the Global Offering.

To improve our net current liabilities position and ensure working capital sufficiency, we will take the following measures:

- We will improve our operating cash flow through our business development. We intend to increase our market penetration rate by providing more drug discovery business and software solution to increase our net current assets.

- We will closely monitor and control our costs and operating expenses and increase our collaboration with customers from which we can generate more revenue and reduce R&D expenses by out-license or co-development of our pipeline products.

Trade and Other Receivables

Our trade receivables primarily represent the balances due from certain customers. We generally allow for a credit period of up to one month or a particular period agreed with customers effective from the date when the services have been completed and billed to the customer. We consider a number of factors in determining the credit term of a customer, including its nature (public institutes or private companies), cash flow conditions and creditworthiness. We do not hold any collateral or other credit enhancements over our trade receivables balance and such receivables are non-interest bearing. Our other receivables mainly consist of good and services tax and prepayments to service providers. Our prepaid expenses represent advanced payments for goods, services and rent. Our prepayments represent payments that are already paid before its official due or expense over a certain period, and deferred share issue costs were related to financing activities that are already paid.

The following table sets forth our trade and other receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	US$	*US$*	*US$*	*US$*
		(in thousands)		
Trade receivables from contracts with customers – third parties	5,169	1,115	883	5,815
Less: Allowance for credit losses	(273)	(38)	(31)	(198)
	4,896	**1,077**	**852**	**5,617**
Other receivables	7	6	27	23
Value added tax recoverable	1,420	2,331	3,484	4,378
Interest receivable	–	1,495	331	67
Prepayments	819	1,777	1,699	1,554
Deferred issue costs and deferred share issue costs	3,726	4,786	1,074	1,345
	5,965	**10,389**	**6,588**	**7,344**
Total	**10,868**	**11,472**	**7,467**	**12,984**

Our trade receivables from contracts increased from US$0.9 million as of December 31, 2024 to US$5.6 million as of June 30, 2025, which was primarily attributable to the issuance of invoices for delivered services that had not yet reached their payment due dates.

Our trade receivables from contracts with customer remained relatively stable as US$1.1 million as of December 31, 2023 and US$0.9 million as of December 31, 2024.

Our trade receivables from contracts with customer decreased from US$5.2 million as of December 31, 2022 to US$1.1 million as of December 31, 2023, which was primarily attributable to the collection of milestone payments from collaborations in 2022.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes or disagreements with our customers in relation to the timing, amounts of billing or the collection of our trade and other receivables.

In determining impairment of trade receivables, we conduct regular reviews of aging analysis and evaluate collectivity, taking into account the historical loss patterns of our customers. We did not record material provision for impairment of trade receivables during the Track Record Period.

The following table sets forth our trade receivables turnover days for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
Average trade receivables turnover days[(1)]	37	22	6	22

Note:

(1) Trade receivable turnover days for a period equals the arithmetic mean of the beginning and ending trade receivable balances divided by revenue for that period and multiplied by 365 days for the full-year period.

The average trade receivables turnover days were 6 days and 22 days for 2024 and the six months ended June 30, 2025, respectively. The increase in average trade receivables turnover days for the six months ended June 30, 2025 was due to higher trade receivables balances, as certain invoices for delivered services had not yet reached their payment due dates.

The average trade receivables turnover days were 22 days and 6 days for 2023 and 2024, respectively. The decrease in average trade receivables days for 2024 was due to (i) our active collection of trade receivables in 2024, and (ii) a higher proportion of revenue generated from out-licensing transactions, which typically involve lower trade receivables balances.

The average trade receivables turnover days were 37 days and 22 days for 2022 and 2023, respectively. The turnover days are related to our revenue recognition and account receivable collection procedure. The decrease in average trade receivables days for 2023 was due to (i) our active collection of trade receivables in 2023, and (ii) our receipt of upfront payments in relation to the out-license of ISM3091 in 2023. We expect to improve our average turnover days going forward.

The following table sets forth the aging analysis of trade debtors based on the invoice date and net of loss allowance as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	US$	*US$*	*US$*	*US$*
		(in thousands)		
Within 1 year	4,872	1,077	852	5,617
1-2 years	24	–	–	–
Total	**4,896**	**1,077**	**852**	**5,617**

As of October 31, 2025, US$5.7 million, representing 101.8% of the US$5.6 million trade receivables outstanding as of June 30, 2025, were subsequently settled.

Bank Balances and Cash

Our bank balances and cash were US$207.9 million and US$177.2 million as of December 31, 2022 and December 31, 2023, respectively, primarily consisting of time deposits with original maturity of less than one year when acquired. The decrease was mainly attributable to the investment in money market fund and cash outflow from our operating activities. Our bank balances and cash further decreased to US$125.9 million as of December 31, 2024. Our bank balance and cash increased to US$212.6 million as of June 30, 2025, primarily due to the completion of our Series E financing in the first half of 2025.

Trade and other Payables

Our trade and other payables primarily consist of trade payables for research and development expenses, payroll and related liabilities, professional service fees and share issue costs and accrued office expenses. Trade payables mainly consist of balances due to our trade payables for research and development expenses, payroll and related liabilities, and professional service fees and share issue costs. The professional service fees and share issue costs were costs related to financing activities in 2022 and listing activities in 2023 and 2024. The following table sets forth our trade and other payables as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	US$	*US$*	*US$*	*US$*
		(in thousands)		
Trade and other payables				
Trade payables for research and development expenses	10,705	12,920	13,842	10,605
Payroll and related liabilities	3,780	8,542	8,910	4,843
Professional service fees and share issue costs	2,244	2,592	3,192	1,688
Accrued issue costs	–	364	86	149
Accrued listing expense	–	2,482	596	1,014
Accrued office expenses	991	505	685	439
Other taxes and surcharge	287	233	229	175
Other payables	488	465	462	119
Total	**18,495**	**28,103**	**28,002**	**19,032**

The table below sets forth our average trade payables turnover days for the periods indicated.

	For the year ended December 31, 2022	For the year ended December 31, 2023	For the year ended December 31, 2024	For the six months ended June 30, 2025
Average trade payables turnover days[(1)]	66	96	88	95

Note:

(1) Trade payables turnover days for a year equals the arithmetic mean of the beginning and ending payables balances in trading nature and divided by cost related to CRO & CDMO and other drug discovery business related activities for that period multiplied by 365 days.

Our trade payables turnover days remained relatively stable as 96 days and 88 days for 2023 and 2024, respectively.

Our trade payables turnover days were 66 days and 96 days for 2022 and 2023, respectively. The increase in turnover days in 2023 was due to more clinical stage expenses incurred as more of our projects progressed into clinical stage and these expenses typically have a relatively longer settlement cycle.

The following table sets forth an aging analysis of the trade payables as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	US$	*US$*	*US$*	*US$*
		(in thousands)		
0-30 days	6,891	9,129	11,997	9,378
31-90 days	1,969	3,532	1,618	1,227
91-180 days	1,535	259	227	–
181-360 days	310	–	–	–
Total	**10,705**	**12,920**	**13,842**	**10,605**

As of October 31, 2025, US$6.2 million, representing 58.5% of the US$10.6 million trade payables outstanding as of June 30, 2025, were subsequently settled.

Contract Liabilities

Our contract liabilities represent advance consideration received from customers for the unsatisfied performance obligations. Amounts billed in accordance with contracted payment schedules but in excess of revenues earned are recognized as contract liabilities and disclosed in the consolidated statements of financial position as contract liabilities. Our contract liabilities were US$6.9 million and US$2.8 million as of December 31, 2024 and June 30, 2025, respectively. Such decrease was primarily attributable to the absence of upfront payments from out-licensing projects in the first half of 2025, with the remaining contract liabilities related to software subscriptions and drug discovery service prepayments. Our contract liabilities were US$42.1 million and US$6.9 million as of December 31, 2023 and 2024, respectively. Such decrease was primarily attributable to the upfront payment received from Stemline at the end of 2024. Our contract liabilities were US$5.2 million and US$42.1 million as of December 31, 2022 and 2023, respectively. Such increase was primarily attributable to advance payments we received from certain customers.

As of October 31, 2025, US$1.4 million, representing 50.8% of the US$2.8 million contract liabilities as of June 30, 2025, were subsequently utilized.

LIQUIDITY AND CAPITAL RESOURCES

Overview

During the Track Record Period, we relied on capital contributions by our shareholders and operating revenues as the major sources of liquidity. As our business develops and expands, we expect to generate more net cash from our operating activities, through sales of our drug discovery and software solution, as a result of the broader market acceptance of our existing services and our continued efforts in marketing and expansion, improving cost control and operating efficiency and accelerating the turnover of trade receivables by tightening our credit policy.

With respect to cash management, our objective is to optimize liquidity to secure a stable return for Shareholders in a risk-averse manner. Specifically, we have policies in place to monitor and manage the settlement of trade receivables. When determining the credit term of a customer, we consider a number of factors, including its cash flow conditions and creditworthiness. To monitor the settlement of our trade receivables and avoid credit losses, we conduct annual review of each customer's financial performance, which is primarily based on the amount and aging of the trade receivables due from such customer in the respective period.

Cash Flows

The following table sets forth our cash flows for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	US$	*US$*	*US$*	*US$*	*US$*
				(unaudited)	
			(in thousands)		
(Loss) profit for the year/period	(221,828)	(211,640)	(17,096)	8,030	(19,215)
Operating cash flows before movements in working capital	(65,135)	(74,736)	(24,265)	9,249	(17,447)
Changes in working capital	17,618	46,048	(33,136)	(41,627)	(19,395)
Net cash used in operating activities	**(47,517)**	**(29,576)**	**(57,401)**	**(32,378)**	**(36,842)**
Net cash (used in)/from investing activities	**(13,580)**	**690**	**7,421**	**(8,429)**	**2,394**
Net cash from/(used in) financing activities	**107,148**	**(2,183)**	**(1,538)**	**(884)**	**120,387**
Net increase (decrease) in cash and cash equivalents	46,051	(31,069)	(51,518)	(41,691)	85,939
Effect of foreign exchange rate changes	291	367	279	291	249
Cash and cash equivalents	**207,883**	**177,181**	**125,942**	**135,781**	**212,130**

Net Cash Used in Operating Activities

We recorded net operating cash outflows throughout the Track Record Period. In setting our budget and R&D plans for the 2025 fiscal year, we have placed further emphasis on R&D and operational cost control. As a result, in the first half of 2025, our net cash used in operating activities was US$36.8 million, representing an improvement compared with US$57.4 million for the full year 2024. This reflects our effective management of cash outflows and disciplined approach to expenditure. More importantly, compared with the operating data of other AI-driven drug discovery companies globally, our cash consumption remains significantly lower, demonstrating our ability to maintain a relatively favorable cash outflow position while continuing to advance our pipeline.

For the six months ended June 30, 2025, our net cash used in operating activities was US$36.8 million, which was adjusted for non-cash and non-operating items. Positive adjustments for non-cash and non-operating items primarily include issuance cost of convertible redeemable preferred shares of US$1.7 million and share-based payment expenses

of US$1.5 million. The amount was then further adjusted by changes in working capital, primarily including a decrease in trade and other payments of US$9.7 million and an increase in trade and other receivables of US$5.5 million.

For 2024, our net cash used in operating activities was US$57.4 million, which was adjusted for non-cash and non-operating items. Positive adjustments for non-cash and non-operating items primarily include depreciation of property and equipment of US$4.3 million and share-based payment expenses of US$3.3 million. The amount was then further adjusted by changes in working capital, primarily including a decrease in contract liabilities of US$35.3 million and a decrease in trade and other receivables of US$2.9 million.

For 2023, our net cash used in operating activities was US$29.6 million, which was adjusted for non-cash and non-operating items. Positive adjustments for non-cash and non-operating items primarily include loss from changes in fair value of financial liabilities at FVTPL of US$126.1 million and share-based payment expenses of US$10.8 million. The amount was then further adjusted by changes in working capital, primarily including an increase in trade and other payables of US$9.1 million and a decrease in amount due to a related party of US$3.5 million which were offset by increase in contract liabilities of US$36.9 million. Our operating cash outflow position improved as we received US$31.0 million and US$92.2 million from customers in 2022 and 2023, respectively. In 2023, (i) we entered into the Exelixis Agreement and received $80.0 million upfront payment in September 2023, and (ii) we reached development milestones in the second half of 2023 to receive milestone payments from our collaborators.

For 2022, our net cash used in operating activities was US$47.5 million, which was adjusted for non-cash and non-operating items. Positive adjustments for non-cash and non-operating items primarily include loss from changes in fair value of financial liabilities at FVTPL of US$138.1 million, share-based payment expenses of US$12.9 million and loss from disposal of a subsidiary of US$2.2 million. The amount was then adjusted by changes in working capital, primarily including an increase in trade and other payables of US$12.7 million, increase in amount due to a related party of US$5.8 million and increase in contract liabilities of US$5.0 million, which was offset by increase in trade and other receivables of US$5.9 million.

Net Cash (Used in)/from Investing Activities

For the six months ended June 30, 2025, our net cash from investing activities was US$2.4 million, which was primarily attributable to the bank interest of US$3.2 million.

For 2024, our net cash from investing activities was US$7.4 million, which was primarily attributable to the bank interest and investment income from Money Market Fund received of US$8.4 million.

For 2023, our net cash from investing activities was US$690 thousand, which was primarily attributable to the bank interest and investment income from Money Market Fund received of US$3.7 million, partially offset by purchase of property and equipment and other intangible assets of US$3.0 million.

For 2022, our net cash used in investing activities was US$13.6 million, which was primarily attributable to purchase of property and equipment of US$11.0 million related to our automated lab.

In 2023 and 2024, we purchased some money market fund products, which are mutual fund products that generally invest in low-risk, highly liquid and short-term financial instruments. With regards to the purchase of money market fund products, we have formulated the investment policy of diversifying risks and generating steady returns on the premise of ensuring the safety of funds. Our CEO and the finance department are mainly responsible for making, implementing and supervising our investment decisions. We have implemented the following treasury policies and internal authorization controls:

- We have formulated the internal control measures to control our process of investment in wealth management products;

- Our Board is responsible for the approval of the investment policy. It includes looking at our material investments in financial products through a strict review and decision-making process;

- Our finance department is responsible for implementation and management of our investment products; and

- All investments must be rated at least investment grade with a low risk of default, except for depository products and wealth management product investments that are not rated, as long as such wealth management products are issued by a commercial bank or other financial institution that is regulated by its respective reputable regulatory authority.

Prior to making an investment, we ensure that there remains sufficient working capital for our business needs, operating activities, research and development and capital expenditures even after purchasing such investment products. We adopt a prudent approach in investing in such products. 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 duration of the investment and the expected returns. To control our risk exposure, we have in the past sought, and may continue in the future to seek, other low-risk and liquidity investment products issued by a commercial bank or other financial institution that is regulated by its respective reputable regulatory authority. Our investments in financial products after the Listing will be subject to compliance with Chapter 14 of the Listing Rules.

Net Cash From/(Used in) Financing Activities

For the six months ended June 30, 2025, our net cash from financing activities was US$120.4 million, which was primarily attributable to proceeds from issuance of convertible redeemable preferred shares of US$121.6 million.

For 2024, our net cash used in financing activities was US$1.5 million, which was primarily attributable to the repayment of our lease liabilities of US$1.6 million.

For 2023, our net cash used in financing activities was US$2.2 million, which was primarily attributable to the repayment of our lease liabilities of US$1.4 million.

For 2022, our net cash from financing activities was US$107.1 million, which was primarily attributable to proceeds from issuance of convertible redeemable preferred shares of US$109.7 million.

WORKING CAPITAL SUFFICIENCY

During the Track Record Period, we derived our cash inflows from financing activities primarily from issue of convertible redeemable preferred shares. Our management closely monitors the use of cash and cash balances and has maintained a healthy liquidity for our operations. As our business develops and expands, we expect to generate more cash flow from our operating activities through launching and commercializing our products and enhancing our cost containment capacity and operating efficiency.

Taking into account anticipated cash flow from our operating activities, existing cash and cash equivalents, expected capital expenditure and capital commitment, and the estimated net proceeds from the Global Offering, and after making reasonable inquiries of our management about our working capital, our Directors are of the opinion that we have sufficient working capital for our present requirements and for at least the next 12 months from the date of this Prospectus, to which the Joint Sponsors concur.

Our cash burn rate refers to the average monthly net cash used in operating activities and capital expenditures. We estimate that we will receive net proceeds of approximately HK$2,025.8 million after deducting the underwriting fees and expenses payable by us in the Global Offering, assuming no Over-allotment Option is exercised and the Offer Price of HK$24.05 per Share. We had cash and cash equivalents of US$212 million as of June 30, 2025. Assuming an average monthly cash burn consistent with the first half of 2025, without taking the IPO net proceeds into account, our cash and cash equivalents as of June 30, 2025 are estimated to support our financial viability for approximately 33 months, until March 2028. Taking into account the estimated net proceeds based on the Offer Price, our cash and cash equivalents will be US$472 million, the runway is estimated to extend to approximately 75 months, until September 2031, with 42 additional months, compared with that without taking

the IPO net proceeds into account. We will continue to monitor our cash flows from operations closely by utilizing our existing financial resources, such as our cash on hand and utilised banking facilities and expect to raise our next round of financing, if needed, with a minimum buffer of 12 months.

INDEBTEDNESS

The following table sets forth the breakdown of our financial indebtedness as of the dates indicated:

	As of December 31,			As of June 30,	As of October 31,
	2022	2023	2024	2025	2025
	US$	*US$*	*US$*	*US$*	*US$*
					(unaudited)
			(in thousands)		
Lease liabilities (secured[(i)] and unguaranteed)	1,382	1,267	1,503	2,177	6,297
Financial liabilities at FVTPL (unsecured and unguaranteed)	648,978	775,111	766,107	889,146	888,702[(ii)]
Total	**652,201**	**777,304**	**768,668**	**896,091**	**894,999**

Notes:

(i) Lease liability is secured by rental deposit.

(ii) This number is consideration received for preferred shares as of October 31, 2025.

As of June 30, 2025, we had unutilized and uncommitted bank facilities of US$100.0 million.

Except as disclosed in the financial indebtedness table above, as of the Latest Practicable Date, we did not have any material outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, any guarantees or other material contingent liabilities as of October 31, 2025, being the latest practicable date for our indebtedness statement.

Lease Liabilities

We recognized total lease liabilities of US$3.2 million, US$2.2 million, US$2.6 million, US$6.9 million and US$6.3 million as of December 31, 2022, 2023 and 2024 and June 30, 2025 and October 31, 2025, respectively, which are secured by rental deposit but not guaranteed. The

increase in lease liabilities over these periods is primarily attributable to the new lease contracts we entered into for the expansion of our offices. For further information regarding our lease liabilities, see Note 25 to the Accountants' Report in Appendix I to this Prospectus.

Since IFRS 16 was adopted by our Group throughout the Track Record Period, we recognized right-of-use assets and the corresponding lease liabilities in respect of all leases, except for short-term leases and low value assets. The following table sets forth our lease liabilities for the periods indicated.

	As of December 31,			As of June 30,	As of October 31,
	2022	2023	2024	2025	2025
	US$	*US$*	*US$*	*US$*	*US$*
					(unaudited)
			(in thousands)		
Lease liabilities payable:					
Within one year	1,382	1,267	1,503	2,177	1,989
Within a period of more than one year but not exceeding two years	1,173	632	935	1,379	1,188
Within a period of more than two years but not exceeding five years	668	294	123	3,389	3,120
	3,223	2,193	2,561	6,945	6,297
Less: Amount due for settlement within 12 months shown as current liabilities	(1,382)	(1,267)	(1,503)	(2,177)	1,989
Amount due for settlement after 12 months shown as non-current liabilities	1,841	926	1,058	4,768	4,308

Financial Liabilities at FVTPL

As of December 31, 2022, 2023 and 2024, we had financial liabilities at FVTPL of US$649.0 million, US$775.1 million and US$766.1 million, respectively. As of June 30, 2025, we had financial liabilities at FVTPL of US$889.1 million. As of October 31, 2025, we had financial liabilities at FVTPL of US$888.7 million. For more details, please see Note 26 to the Accountants' Report included in Appendix I to this Prospectus.

Except as disclosed in the financial indebtedness table above, as of the Latest Practicable Date, we did not have any material outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar

indebtedness, any guarantees or other material contingent liabilities. Our Directors have confirmed that since October 31, 2025 and up to Latest Practicable Date, there had been no material change in our indebtedness.

CAPITAL EXPENDITURES

We regularly make capital expenditures to expand our operations, upgrade our facilities and increase our operating efficiency. The following table sets forth our capital expenditures paid in cash for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
	US$	*US$*	*US$*	*US$*
		(in thousands)		
Purchase of property and equipment	10,978	2,562	844	920
Purchase of other intangible assets	242	411	81	58
Total	**11,220**	**2,973**	**925**	**978**

Our purchase of property and equipment remained stable at US$0.8 million in 2024 and US$0.9 million in the six months ended June 30, 2025.

The decrease in purchase of property and equipment from US$2.6 million in 2023 to US$0.8 million in 2024 was related to the reduction in our demand for our property, equipment and other intangible assets.

The decrease in purchase of property and equipment from US$11.0 million in 2022 to US$2.6 million in 2023 was related to the construction of our automated lab in Suzhou, China. We expect to finance such capital expenditures through a combination of operating cash flows and net proceeds from the Global Offering. For more details, see "Future Plans and Use of Proceeds." We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions and other factors, we believe to be appropriate.

CONTRACTUAL OBLIGATIONS

Capital Commitments

As of December 31, 2022, 2023, 2024 and June 30, 2025, we had capital commitments of US$2.5 million, US$263 thousand, nil and nil, respectively, primarily in connection with our capital expenditure in acquisition of intangible assets and equipment and construction of our automated lab in Suzhou, China.

CONTINGENT LIABILITIES

As of June 30, 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

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

KEY FINANCIAL RATIOS

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

	For/As of December 31,			For/As of June 30,
	2022	2023	2024	2025
	%	%	%	%
Gross profit margin[(1)]	63.4	75.4	90.4	83.8
Current ratio[(2)]	32.1	22.1	16.5	24.6

Notes:

(1) Gross profit margin represents our gross profit as a percentage of our revenue for the year. Gross profit represents revenue less cost of revenue for the year.

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

Our gross profit margin was 63.4%, 75.4%, 90.4% and 83.8%, respectively, for 2022, 2023, 2024 and the six months ended June 30, 2025. See "— Period to Period Comparison of Results of Operation" for a discussion of the factors affecting our gross profit margin during the Track Record Period.

Our current ratio was 32.1%, 22.1%, 16.5% and 24.6% as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively. Our current ratio increased as of June 30, 2025 compared to that as of December 31, 2024, primarily due to an increase in bank balances and cash from US$125.9 million as of December 31, 2024 to US$212.6 million as of June 30, 2025 as a result of proceeds from the issuance of Series E convertible redeemable preferred shares. Our current ratio decreased as of December 31, 2024 compared to that as of December 31, 2023, primarily due to a decrease in bank balance and cash from US$177.2 million as of December 31, 2023 to US$125.9 million as of December 31, 2024 as a result of capital expenditures. Our current ratio decreased as of December 31, 2023 compared to that as of December 31, 2022, primarily due to an increase in financial liabilities at FVTPL as a result of an increase in entity value.

MATERIAL RELATED-PARTY TRANSACTIONS

The below table sets forth material transactions between us and our related parties during the Track Record Period.

	For the year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
	US$	*US$*	*US$*	*US$*
		(in thousands)		
Purchases of CRO services from:				
WuXi Group	20,611	15,594	12,690	4,919

The below table sets forth outstanding balances with related parties as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	US$	*US$*	*US$*	*US$*
		(in thousands)		
Trade payables — amount due to a related party				
WuXi Group	8,422	4,903	4,176	4,558

Our Directors confirm that all material related party transactions during the Track Record Period were conducted on an arm's-length basis, and would not distort our results of operations over the Track Record Period or make our historical results over the Track Record Period not reflective of our expectations for our future performance. The amounts are trade in nature. Details of our transactions with related parties during the Track Record Period are set out in Note 32 to the Accountants' Report included in Appendix I to this Prospectus.

MARKET RISK DISCLOSURE

We are exposed to a variety of financial risks, including credit risk, liquidity risk, interest rate risk and currency risk, as set out below.

Credit Risk

Credit risk is the risk of financial loss to us if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from our receivables from customers. The carrying amounts of trade receivables, other receivables, bank balances included in the consolidated statements of financial position represent our maximum exposure to credit risk in relation to its financial assets.

The tables below detail the credit risk exposures of our financial assets, which are subject to ECL assessment:

			The Group			
	Internal credit rating	12m or lifetime ECL	As at December 31, 2022	As at December 31, 2023	As at December 31, 2024	As of June 30, 2025
			Gross carrying amount			
			(in US$ thousands)			
Financial assets at amortized cost						
Trade and other receivables	Low risk	Lifetime ECL/ 12m ECL	5,176	2,616	1,241	5,905
Other non-current assets	Low risk	12m ECL	538	562	635	1,109
Bank balances	N/A	12m ECL	207,883	177,181	125,942	212,630

We do not hold any collateral or other credit enhancements to cover its credit risks associated with our financial assets. For further details, see Note 35 to the Accountants' Report set out in Appendix I to this Prospectus.

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our objective when managing liquidity is to ensure, as far as possible, that we will always have sufficient liquidity to meet our liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation.

In the management of the liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance our operations and mitigate the effects of fluctuations in cash flows. We rely on issuance of preferred shares and ordinary shares as significant sources of liquidity. Our directors are satisfied that we will have sufficient financial resources to meet our financial obligation as they fall due and to sustain its operations for the foreseeable future. For further details, including relevant sensitivity analysis, please see Note 35 to the Accountants' Report set out in Appendix I to this Prospectus.

Interest Rate Risk

We are primarily exposed to fair value interest rate risk in relation to lease liabilities and cash flow interest rate risk in relation to bank balances. We currently do not have an interest rate hedging policy to mitigate interest rate risk; nevertheless, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

We consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant because the current market interest rates are relatively low and stable.

Currency Risk

Certain financial assets and liabilities are denominated in foreign currency of respective group entities which are exposed to foreign currency risk. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

For further details, including relevant sensitivity analysis, please see Note 35 to the Accountants' Report set out in Appendix I to this Prospectus.

DIVIDEND

No dividend has been paid or declared by our Company since its date of incorporation and up to the end of the Track Record Period. Our Company currently does not have a formal dividend policy or pre-determined dividend payout ratio. Any declaration and payment as well as the amount of dividends will be subject to our Memorandum of Association and the Cayman Companies Act. The declaration and payment of dividends in the future will be determined by our Board of Directors, in its discretion, or the Shareholders in general meeting, and will depend on a number of factors, including our earnings, capital requirements, and overall financial condition. As advised by our Cayman counsel, under the Cayman Companies Act, a Cayman Islands company may pay a dividend out of either profits or share premium account, provided that in no circumstances may a dividend by paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business (i.e., the solvency test as provided in the Cayman Companies Act). As advised by our Cayman counsel, the financial position of accumulated losses does not prohibit us from declaring and paying dividends to our Shareholders, as dividends may still be declared and paid out of our share premium account notwithstanding our profitability, provided that we satisfy the solvency test set out in the Cayman Companies Act. There is no assurance that dividends of any amount will be declared to be distributed in any year.

DISTRIBUTABLE RESERVES

As of June 30, 2025, we did not have any distributable reserves.

LISTING EXPENSES

The total listing expenses payable by our Company are estimated to be approximately HK$251.5 million assuming the Over-allotment Option is not exercised and based on an Offer Price of HK$24.05, which represent 11.0% of the gross proceeds from the Global Offering, assuming no Shares are issued pursuant to the Over-allotment Option. These expenses are comprised of (i) underwriting-related expenses of US$16.1 million and (ii) non-underwriting-related expenses of US$16.2 million, including (a) the legal advisors and the reporting accountants expenses of US$10.2 million, and (b) other fees and expenses of US$6.0 million.

For the years ended December 31, 2022, 2023, and 2024 and the six months ended June 30, 2025, we incurred listing expenses related to the Global Offering of nil, US$8.3 million, US$0.2 million and US$2.3 million, respectively. Of these amounts, nil, US$7.4 million, US$0.2 million and US$2.1 million were charged to our consolidated statements of profit or loss for the respective years. We estimate that additional listing expenses of approximately US$22.0 million (including underwriting commissions and other expenses, assuming the Over-allotment Option is not exercised and based on Offer Price of HK$24.05) will be incurred by us, approximately US$4.9 million of which is expected to be charged to our consolidated statements of profit or loss and approximately US$17.3 million of the listing expenses directly attributable to the issuance of shares will be deducted from equity.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE LIABILITIES

The following is an illustrative and pro forma statement of our adjusted consolidated net tangible liabilities as of June 30, 2025, which has been prepared in accordance with Rule 4.29 of the Listing Rules for the purpose of illustrating the effect of the Global Offering on the unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company as of June 30, 2025 as if the Global Offering had taken place on that date.

This unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible liabilities of the Group attributable to owners of the Company, had the Global Offering been completed as at June 30, 2025 or at any further dates.

The following unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group attributable to owners of our Company is prepared based on the audited consolidated net tangible liabilities of our Group attributable to owners of our Company as at June 30, 2025 as derived from the Accountants' Report set out in Appendix I to this Prospectus and adjusted as described below.

	Audited consolidated net tangible liabilities of the Group attributable to owners of the Company as of June 30, 2025	**Estimated net proceeds from the Global Offering**	**Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as of June 30, 2025**	**Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as of June 30, 2025**	
	USD'000	*USD'000*	*USD'000*	*USD*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*	*(Note 4)*
Based on the offer price of HK$24.05 per Share	(681,633)	269,952	411,681	(2.37)	(18.41)

Notes:

(1) The consolidated net tangible liabilities of our Group attributable to owners of our Company as at June 30, 2025 is arrived at after deducting other intangible assets of US$269,000 from the audited consolidated net liabilities of US$681,364,000 attributable to owners of our Company as at June 30, 2025 as extracted from the Accountants' Report set out in Appendix I to this Prospectus.

(2) The estimated net proceeds from the issue of the new shares pursuant to the Global Offering are based on 94,690,500 Shares at the fixed offer price of HK$24.05 per Share, after deduction of the estimated underwriting fees and commissions and other listing related expenses not yet recognized in profit or loss up to June 30, 2025. It does not take into account of (i) any share which may be allotted and issued upon the exercise of the over-allotment option; or (ii) any share which may be issued or repurchased by the Company under Pre-IPO Equity Incentive Plans; or (iii) allotment, issue or repurchase of shares under the general mandates granted to the directors of the Company or (iv) issue of shares upon conversion of the Preferred Shares.

For the purpose of this unaudited pro forma statement, the estimated net proceeds from the Global Offering, the amount denominated in HK$ has been converted into USD at the rate of HK$1 to US$0.1285, which was the exchange rate prevailing on December 10, 2025 with reference to the rate published by the People's Bank of China. No representation is made that the HK$ amounts have been, could have been or may be converted to USD, or vice versa, at that rate or any other rates or at all.

(3) The unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company per Share is arrived at on the basis that 174,000,000 Shares were in issue assuming that the Share Split and the Global Offering had been completed on June 30, 2025 and it does not take into account of (i) any Share which may be allotted and issued upon the exercise of the over-allotment option; or (ii) any share which may be issued or repurchased by the Company under Pre-IPO Equity Incentive Plans; or (iii) allotment, issue or repurchase of shares under the general mandates granted to the directors of the Company or (iv) issue of 383,418,500 shares (after taking into account the effect of the Share Split) upon conversion of the Preferred Shares, as Preferred Shares holders are not entitled to the same rights as the ordinary shareholders. If taking into account the effect of conversion of the Preferred Shares and issuance of Series E Shares, the total shares will be increased to 557,418,500 shares.

(4) For the purpose of unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company per Share, the amount stated in USD is converted into HK$ at the rate of US$1 to HK$7.7812, which was the exchange rate prevailing on December 10, 2025, with reference to the rate published by the People's Bank of China. No representation is made that the USD amounts have been, could have been or may be converted to HK$, or vice versa, at that rate or any other rates or at all.

(5) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as at June 30, 2025 to reflect any trading result or other transaction of the Group entered into subsequent to June 30, 2025. In particular, the unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as shown on page II-1 have not been adjusted to illustrate the effect of the conversion of 19,170,925 Preferred Shares in issue as at June 30, 2025. The conversion of Preferred Shares upon completion of the Global Offering would then have resulted in a reclassification of financial liabilities at fair value through profit or loss amounting to USD889,146,000 as at June 30, 2025 to equity. The conversion of Preferred Shares would have increased the total share in issue based on the assumption as stated in note 3 by 383,418,500 shares (after taking into account the effect of the Share Split) to a total of 557,418,500 shares (after taking into account the effect of the Share Split) in issue. Assuming the Offer Price is HK$24.05 per Share, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company after taking into effect the conversion of Preferred Shares would have been USD477,465,000, or USD0.86 per Share (equivalent to HK$6.67 per Share).

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 June 30, 2025, being the end of the period reported on as set out in the Accountants' Report included in Appendix I to this Prospectus.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

For further details of our future plans, see "Business — Our Strategies."

USE OF PROCEEDS

We estimate that the aggregate net proceeds to our Company from the Global Offering (after deducting underwriting commissions and other estimated expenses in connection with the Global Offering paid and payable by us taking into account any additional discretionary incentive fee and assuming that the Over-allotment Option is not exercised and an Offer Price of HK$24.05 per Share) will be approximately HK$2,025.8 million (US$260.3 million). We currently intend to apply such net proceeds we will receive from this offering for the following purposes:

- approximately HK$972.4 million (or approximately 48.0% of the net proceeds) to fund further clinical research and development of our key clinical-stage pipeline drug candidates:
  - approximately HK$810.3 million (or approximately 40.0% of the net proceeds) will be used to fund the research and development of ISM001-055:
    - approximately HK$336.3 million (or approximately 16.6% of the net proceeds) will be used to fund the Phase IIb/III clinical trial of ISM001-055 for IPF in China;
    - approximately HK$425.4 million (or approximately 21.0% of the net proceeds) will be used to fund the research and development of Phase IIb/III clinical trial of ISM001-055 in the U.S.;
    - approximately HK$48.6 million (or approximately 2.4% of the net proceeds) will be used to fund the research and development of IPF inhalable; and
  - approximately HK$162.1 million (or approximately 8.0% of the net proceeds) will be used to fund the research and development of clinical trials of our pipeline products of ISM8207, ISM5411, GLP-1R and iNAPs;
- approximately HK$303.9 million (or approximately 15.0% of the net proceeds) for development of new generative AI models and the associated validation research work. The allocation is expected to be used to retain and recruit additional 25 to 30 AI talents globally and to purchase additional 35 to 45 servers and 300 to 350 chips procurement in UAE. One of the major new generative AI models expected to be developed is our pharmaceutical superintelligence ("PSI") system — multimodal, cross-domain models that integrate biology, chemistry, pharmacology and clinical data. PSI will support ongoing innovation in drug discovery and development, and

will be integrated with our existing technologies such as the Large Language of Life Models (i.e., Precious1GPT, Precious2GPT, Precious3GPT) and Nach01 models, thereby maintaining a leading edge in both innovation and efficiency. For the new AI model validation, we will utilize our collaborations with CRO for in vivo/in vitro testing and collecting data, and purchase useful dataset from third-party vendors;

- approximately HK$243.1 million (or approximately 12.0% of the net proceeds) for the further development and expansion of our automated lab. We plan to utilize our automated lab to generate valuable real-world experimental data to further train and validate our AI models. The allocation is expected to used in the instrument procurement and automation implementation for the upgrade and expansion of our automated lab. We will also plan to enhance our standard research platform by collecting data from more disease research platforms;

- approximately HK$405.2 million (or approximately 20.0% of the net proceeds) to fund the research and development, for early-stage drug discovery and development, including preclinical and clinical of our other pipeline drug candidates; and

- approximately HK$101.3 million (or approximately 5.0% of the net proceeds) will be used for working capital and other general corporate purposes.

If the Over-allotment Option is exercised in full, the net proceeds of the Global Offering would increase to approximately HK$2,348.6 million (US$301.8 million). We intend to apply the additional net proceeds to the above uses 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, bank loans and other borrowings.

We will only place the net proceeds from the Global Offering which are not immediately required for the disclosed purposes in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the 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.

HONG KONG UNDERWRITERS

Morgan Stanley Asia Limited

China International Capital Corporation Hong Kong Securities Limited

GF Securities (Hong Kong) Brokerage Limited

BNP Paribas Securities (Asia) Limited

Sinolink Securities (Hong Kong) Company Limited

BOCI Asia Limited

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters.

The Global Offering comprises the Hong Kong Public Offering of initially 9,469,500 Hong Kong Offer Shares and the International Offering of initially 85,221,000 International Offer Shares, subject, in each case, to reallocation on the basis as described in "Structure of the Global Offering" in this Prospectus as well as to the Over-allotment Option (in the case of the International Offering).

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, the Company is offering the Hong Kong Offer Shares for subscription on the terms and conditions set out in this Prospectus and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) 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 any Shares that may be issued pursuant to the exercise of the Over-allotment Option), the Share Split and the Shares to be issued pursuant to the Pre-IPO Equity Incentive Plans and the Post-IPO Equity Incentive Plans, on the Main Board of the Stock Exchange and such approval not having been withdrawn and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally but not jointly to

procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the Hong Kong Offer Shares being offered 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, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

The Joint Sponsors and the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) shall be entitled by notice to our Company to terminate the Hong Kong Underwriting Agreement with immediate effect if at any time prior to 8:00 a.m. on the Listing Date:

(a) there shall develop, occur, exist or come into effect:

(i) any event, or series of events, in the nature of force majeure (including, without limitation, any acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, epidemic, pandemic, large scale outbreaks of diseases or its escalation, mutation or aggravation (including, without limitation, SARS, swine or avian flu, H5N1, H1N1, H7N9, contagious coronavirus (COVID-19) and such related/mutated forms), accident or interruption or delay in transportation, economic sanctions, strikes, labour disputes, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, 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 affecting Hong Kong, Taiwan, the PRC, the Cayman Islands, the BVI, the United States, Singapore, the United Kingdom or the European Union (or any member thereof) or any other jurisdiction relevant to the Group (collectively, the "**Relevant Jurisdictions**");

(ii) any change or development involving a prospective change, or any event or circumstances or series of events likely to result in 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 matters or conditions, equity securities or exchange control or any monetary or trading settlement system or other financial markets (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets), in or affecting any of the Relevant Jurisdictions;

(iii) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Singapore Stock Exchange or the Tokyo Stock Exchange;

(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), New York (imposed at the U.S. Federal or New York State level or by any other competent authority), London, the PRC, the European Union (or any member thereof), Japan, Singapore or any of the Relevant Jurisdictions (declared by the relevant authorities) or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in or affecting any of the Relevant Jurisdictions;

(v) any new law or regulation or any change or development involving a prospective change or any event or circumstance likely to result in a change or a development involving a prospective change in existing laws or regulations or any change or development involving a prospective change in the interpretation or application thereof by any court or any governmental authority in or affecting any of the Relevant Jurisdictions;

(vi) the imposition of sanctions, or the withdrawal of trading privileges, in whatever form, directly or indirectly, by any authority that is relevant to the business operations of any member of the Group;

(vii) any change or development involving a prospective change or amendment in or affecting taxation or foreign exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a material devaluation of the Hong Kong dollar or RMB against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or RMB is linked to any foreign currency or currencies), or the implementation of any exchange control, in any of the Relevant Jurisdictions or adversely affecting an investment in the Offer Shares;

(viii) a Director or a member of the Group's senior management as named in this Prospectus being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company;

(ix) the issue or requirement to issue by the Company of a supplement or amendment to this Prospectus, the Preliminary Offering Circular, the Final Offering Circular or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules, or upon any requirement or request of the Stock Exchange and/or the SFC;

(x) a valid demand by any creditor for repayment or payment of any material indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity;

(xi) an authority or a political body or organization in any Relevant Jurisdiction commencing any investigation or other action, or announcing an intention to investigate or take other action, against any Director or members of senior management;

(xii) any litigation, dispute, legal action or claim of any third party, regulatory or administrative investigation or action being threatened, instigated or announced against any member of the Group that, if materialized, may have a material adverse impact on the Group's business operation and financial conditions;

(xiii) any contravention by the Company, any member of the Group, or any Directors of any applicable laws and regulations including the Listing Rules; or

(xiv) 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" in this Prospectus,

which, individually or in the aggregate, in the sole and absolute opinion of the Joint Sponsors and the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

(1) has or will or may have a Material Adverse Effect on the assets, liabilities, general affairs, business, management, prospects, shareholder's equity, profit, losses, earnings, results of operations, performance, position or condition, financial or otherwise, of the Group as a whole;

(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;

(3) makes or will make or is likely to make it inadvisable, inexpedient, impracticable or incapable for the Hong Kong Public Offering and/or the International Offering to proceed or to market the Global Offering or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by this Prospectus; or

(4) has or will or may have the effect of making any material part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(b) there has come to the notice of the Joint Sponsors and the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) that:

(i) any statement contained in the Offering Documents (as defined in the Hong Kong Underwriting Agreement), the Operative Documents (as defined in the Hong Kong Underwriting Agreement), the Preliminary Offering Circular, and/or any notices, announcements, advertisements, communications or other documents (including any announcement, circular, document or other communication pursuant to the Hong Kong Underwriting Agreement) issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering and the Global Offering (including any supplement or amendment thereto) (the "**Offer-Related Documents**") was, when it was issued, or has become, untrue, incorrect, inaccurate, incomplete in any material respects or misleading or deceptive, or that any estimate, forecast, expression of opinion, intention or expectation contained in any of such documents is not fair and honest and based on reasonable grounds or reasonable assumptions;

(ii) 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;

(iii) there is a material breach of any of the obligations imposed upon the Company or the Warranting Shareholder (as defined in the Hong Kong Underwriting Agreement) under the Hong Kong Underwriting Agreement or the International Underwriting Agreement or any of the Cornerstone Agreements, as applicable;

(iv) there is an event, act or omission which gives or is likely to give rise to any material liability of the Company or the Warranting Shareholder (as defined in the Hong Kong Underwriting Agreement) pursuant to the indemnities given by any of them under the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable;

(v) there is any material adverse change, or development or likely to be any prospective material adverse change, or development in the assets, liabilities, general affairs, business, management, prospects, shareholders' equity, profits, losses, earnings, solvency, liquidity position, funding, results of operations, performance, position or condition, financial or otherwise, of the Group as a whole;

(vi) there is a breach of, or any event or circumstance rendering untrue, incorrect, incomplete or misleading in any respect, any of the warranties given by the Company in the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable;

(vii) the approval of the listing committee of the Stock Exchange the listing of, and permission to deal in, the Shares in issue and the Shares to be issued pursuant to the Global Offering (including the additional Shares which may be issued upon the exercise of the Over-allotment Option) is refused or not granted, other than subject to customary conditions, on or before the date of the Listing, or if granted, the approval is subsequently withdrawn, canceled, qualified (other than by customary conditions), revoked or withheld;

(viii) any person has withdrawn or is subject to withdrawing its consent to the issue of this Prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears;

(ix) the Company withdraws this Prospectus (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering;

(x) that a material portion of the orders placed or confirmed in the bookbuilding process, or of the investment commitments made by any cornerstone investors under agreements signed with such cornerstone investors, have been withdrawn, terminated or cancelled, or any of the cornerstone investment agreements is terminated;

(xi) there is a prohibition by any authority applicable to the 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 Offer Shares (including any additional Shares to be issued pursuant to the Over-allotment Option) pursuant to the terms of the Global Offering;

(xii) non-compliance of this prospectus, the CSRC Filings (or any other documents used in connection with the contemplated subscription and sale of the Offer Shares) or any aspect of the Global Offering with the Listing Rules, the CSRC Rules or any other applicable laws;

(xiii) the issue or requirement to issue by the Company of any supplement or amendment to this Prospectus, the preliminary offering circular or the final offering circular (or to any other documents issued or used in connection with the contemplated offer and sale of the Shares) pursuant to the Companies Ordinance or the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules, or any requirement or request of the Stock Exchange and/or the SFC;

(xiv) the Chief Executive Officer, or any director or members of senior management of the Company is vacating her/his office;

(xv) any Director or member of senior management of the Company is being charged with an indictable offence or is prohibited by operation of law or otherwise disqualified from taking part in the management of a company or there is the commencement by any authority, governmental, political or regulatory body of any investigation or other action against any Director in his or her capacity as such or any member of the Group or an announcement by any authority, governmental, political or regulatory body that it intends to commence any such investigation or take any such action; or

(xvi) there is any order or petition for the winding-up of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding-up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group.

Undertakings by the Company pursuant to the Listing Rules

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 of our Company (whether or not of a class already listed) or sell or transfer out of treasury or enter into any agreement to such issue, sale or transfer out of treasury within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except pursuant to the Share Split, the Global Offering (including the exercise of the Over-allotment Option) or under any of the circumstances provided under Rule 10.08 of the Listing Rules.

Undertakings Pursuant to the Hong Kong Underwriting Agreement

Undertakings by the Company

The Company has undertaken to 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, the Hong Kong Underwriters not to, and to procure each other member of the Group not to (save for (a) the issue, offer or sale of the Offer Shares by the Company pursuant to the Global Offering, including pursuant to any exercise of the Over-allotment Option or (b) the issue of Shares by the Company pursuant to the Pre-IPO Equity Incentive Plans and the Post-IPO Equity Incentive Plans), without the prior written consent of the Joint Sponsors and the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the Listing Rules, at any time during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the last date of the six months after the Listing Date (the "**First Six-Month Period**"):

(i) offer, allot, issue, sell, accept subscription for, contract to allot, issue or sell, contract or agree to allot, issue or sell, assign, grant or sell any option, warrant, right or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, 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, or repurchase, any legal or beneficial interest in any Shares or other equity and equity-linked securities of the Company, or any shares or other securities of such other member of the Group, as applicable, or any interests in any of the foregoing (including, but not limited to, any securities that are 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 other securities of such other member of the Group, as applicable), or deposit any Shares or other securities of the Company or any shares or other securities of such other member of the Group, as applicable, with a depositary in connection with the issue of depositary receipts; or

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership (legal or beneficial) of any Shares or other securities of the Company or any shares or other securities of such other members of Group, as applicable, or any interest therein (including, without limitation, any securities of which are convertible into or exchangeable or exercisable for, or represent the right to receive, or any warrants or other rights to purchase, any Shares or any shares of such other member of the Group, as applicable); or

(iii) enter into any transaction with the same economic effect as any transaction described in paragraphs (i) or (ii) above; or

(iv) offer to or contract to or agree to announce, or publicly disclose that the Company will or may enter into any intention to effect any transaction described in paragraphs (i), (ii) or (iii) above, in each case, whether any such transaction described in paragraphs (i), (ii) or (iii) above is to be settled by delivery of Shares or other securities of the Company or shares or other securities of such other member of the Group, as applicable, in cash or otherwise (whether or not the issue of such Shares or other securities of will be completed within the First Six-Month Period).

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**"), the Company enters into any such transactions described in paragraphs (i), (ii) or (iii) above or offers to or agrees to or contracts to or announces, or publicly discloses, any intention to, enter into any such transactions, the Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of the Company.

Lock-up Undertakings of All Existing Shareholders

Each of our Shareholders as of the date of this prospectus entered into a lock-up undertaking pursuant to which, at any time during the period commencing on the date of this Prospectus and ending on, and including the date falling (a) twelve months after the Listing Date, for each Shareholder who is an employee or a consultant of any members of the Group at the time of the Global Offering; and (b) six months after the Listing Date for each Shareholder who is not an employee or a consultant of any members of the Group at the time of the Global Offering; (the "**Lock-up Period**"), they would not (i) offer, pledge, charge, sell, mortgage, lend, create, transfer, assign or otherwise dispose of any legal or beneficial interest, or create any third party right of whatever nature over, any legal or beneficial interest in any Shares or other securities of the Company or any interest in any of the foregoing (the "**Relevant Shares**") or any other securities convertible into or exercisable or exchangeable for such Relevant Shares, or that represent the right to receive, such Relevant Shares, or any interest in them, or contract to do so, whether directly or indirectly and whether conditionally or unconditionally; (ii) enter into any option, swap or any other arrangement that transfers to another, in whole or in part, any beneficial ownership of the Relevant Shares or any of the economic consequences or incidents of ownership of the Relevant Shares or such other securities of the Company or any interest in them or which transfers or derives any significant part of its value from such Relevant Shares; (iii) enter into any transaction, directly or indirectly, with the same economic effect as any transaction described in (i) or (ii) above; or (iv) agree or contract to, or publicly announce an intention to, enter into any of the foregoing transactions described in paragraph (i), (ii) or (iii) above, subject to certain exceptions.

Hong Kong Underwriters' Interests in the Company

Save for their respective obligations under the Hong Kong Underwriting Agreement and as disclosed in this prospectus, as at the Latest Practicable Date, none of the Hong Kong Underwriters was interested, legally or beneficially, directly or indirectly, in any Shares or any securities of any member of the Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any Shares or any securities of any member of the 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 respective obligations under the Hong Kong Underwriting Agreement.

International Offering

International Underwriting Agreement

In connection with the International Offering, the Company expects to enter into the International Underwriting Agreement with, among others, the International Underwriters. Under the International Underwriting Agreement and subject to the Over-allotment Option, the International Underwriters would, subject to certain conditions set out therein, agree severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the International Offer Shares initially being offered pursuant to the International Offering. It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed. See "Structure of the Global Offering — The International Offering."

Over-allotment Option

The Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Sponsor-Overall Coordinators (for themselves and on behalf of the International Underwriters) at any time from the date of the International Underwriting Agreement until 30 days after the last day for lodging applications under the Hong Kong Public Offering, pursuant to which the Company may be required to issue up to an aggregate of 14,203,500 Shares, representing not more than 15% of the number of Offer Shares initially available under the Global Offering, at the Offer Price, to cover over-allocations in the International Offering, if any. See "Structure of the Global Offering – Over-allotment Option."

Commissions and Expenses and Joint Sponsors' Fee

Our Company will pay an underwriting commission of 3.0% of the aggregate Offer Price of all the Offer Shares, including Offer Shares to be issued pursuant to the Over-allotment Option (the "Fixed Fees"). Our Company may, at our sole and absolute discretion, pay an incentive fee of up to 2.5% of the Offer Price in respect of all the Offer Shares (including Offer Shares to be issued pursuant to the Over-allotment Option) (the "Discretionary Fees"). For the purpose of disclosure of the ratio of fixed and discretionary fees payable (the "Fee Split Ratio") as required under paragraph 3B of Appendix D1A to the Listing Rules, the Fee Split Ratio will be approximately 54.5%:45.5% (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.

The aggregate commissions and fees, together with the listing fees, SFC transaction levy, the Stock Exchange trading fee and 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 HK$251.5 million in total (based on the Offer Price of HK$24.05 per Offer Share and assuming the Over-allotment Option is not exercised).

The Joint Sponsors will receive an aggregate fee of US$1,200,000 for acting as joint sponsors for the Listing.

Indemnity

The Company has agreed to indemnify the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters for certain losses which they may suffer or incur, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any material breach by the Company of the Hong Kong Underwriting Agreement.

RESTRICTIONS ON THE OFFER SHARES

No action has been taken to permit a public offering of the Offer Shares or the publication of this Prospectus in any jurisdiction other than Hong Kong. Accordingly, without limitation to the following, this Prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The publication of this Prospectus and the offering and sales of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or

authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Hong Kong Offer Shares have not been publicly offered or sold, directly or indirectly, in China or the United States.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (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 our assets, securities and/or instruments and/or persons and entities with relationships with us and may also include swaps and other financial instruments entered into for hedging purposes in connection with our loans and other debt.

In relation to the Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the Shares (which financing may be secured by the Shares) in the Global Offering, proprietary trading in the 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 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 Shares, which may have a negative impact on the trading price of the Shares. All such 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 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 Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock 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 "Structure of the Global Offering." 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.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

(i) 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

(ii) 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 and other services to us and certain of our affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of the Offer Shares in the Global Offering.

THE GLOBAL OFFERING

This Prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises of:

(a) the Hong Kong Public Offering of initially 9,469,500 Offer Shares (subject to reallocation) in Hong Kong as described in "— The Hong Kong Public Offering" below; and

(b) the International Offering of initially 85,221,000 Offer Shares (subject to reallocation and the Over-allotment Option) (i) in the United States solely to QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and (ii) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, as described in the sub-section headed "— The International Offering" in this section below.

Investors may either apply for the Hong Kong Offer Shares under the Hong Kong Public Offering or apply for or indicate an interest for the International Offer Shares under the International Offering, but may not do both.

References in this Prospectus to applications, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares Initially Offered

Our Company is initially offering 9,469,500 Offer Shares, representing approximately 10% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price for subscription by the public in Hong Kong. Subject to the reallocation of Shares between (i) the International Offering and (ii) the Hong Kong Public Offering, the Hong Kong Offer Shares will represent approximately 1.70% of our Company's total Shares in issue immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued pursuant to the Pre-IPO Equity Incentive Plans and the Post-IPO Equity Incentive Plans).

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers and companies (including fund managers) whose ordinary business involves dealing in shares and other securities, and corporate entities which regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions as set out in "— Conditions of the Global Offering" in this section below.

Allocation

Allocation of the Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which 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.

The total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking account of any reallocation referred to below) will be divided equally into two pools with any odd board lots being allocated to Pool A for allocation purposes:

Pool A: The Hong Kong Offer Shares in Pool A will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK$5 million (excluding the brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable) or less.

Pool B: The Hong Kong Offer Shares in Pool B will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK$5 million (excluding the brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable) and up to the total value of pool B.

Applicants should be aware that applications in Pool A and applications in Pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the two pools are unsubscribed, such unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of this sub-section only, the "subscription price" for Hong Kong Offer Shares means the price payable on application.

Applicants can only receive an allocation of Hong Kong Offer Shares from either Pool A or Pool B, but not from both pools. Multiple or suspected multiple applications and any application for more than 4,734,500 Hong Kong Offer Shares (being approximately 50% of the 9,469,500 Offer Shares initially available under the Hong Kong Public Offering) will be rejected.

Reallocation

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Sponsor-Overall Coordinators. Subject to the allocation cap described in the subsequent paragraph, the Sponsor-Overall Coordinators may in their discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid

applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed, the Sponsor-Overall Coordinators will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate.

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 Sponsor-Overall Coordinators deem appropriate. In the event of reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering in the circumstances where (a) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, or (b) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 4,734,000 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 14,203,500 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option) in accordance with Chapter 4.14 of the Guide for New Listing Applicants.

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows Mechanism B set out under paragraph 2 of Chapter 4.14 of the Guide for New Listing Applicants and the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering.

In the event that both the Hong Kong Public Offering and International Offering are undersubscribed, the Global Offering will not proceed unless the Underwriters would subscribe or procure subscribers for their respective applicable proportions of the Offer Shares being offered which are not taken up under the Global Offering on the terms and conditions of this Prospectus and the Underwriting Agreements.

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, which is expected to be published on Monday, December 29, 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 that he and any person(s) for whose benefit he 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 International Offer

Shares under the International Offering, and such applicant's application is liable to be rejected if such undertaking and/or confirmation is breached and/or untrue (as the case may be) or it has been or will be placed or allocated International Offer Shares under the International Offering.

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the Offer Price of HK$24.05 per Offer Share in addition to the brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable on each Offer Share amounting to a total of HK$12,146.27 for one board lot of 500 Shares. Further details are set out in "How to Apply for Hong Kong Offer Shares."

THE INTERNATIONAL OFFERING

Number of Offer Shares Initially Offered

Subject to the reallocation as described above, the number of Offer Shares to be initially offered under the International Offering will be 85,221,000, representing approximately 90% of the total number of Offer Shares initially available under the Global Offering. Subject to the reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering, the number of Offer Shares initially offered under the International Offering will represent approximately 15.29% of the Company's issued share capital immediately after the completion of the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued pursuant to the Pre-IPO Equity Incentive Plans and the Post-IPO Equity Incentive Plans).

Allocation

International Offer Shares will be selectively placed by the International Underwriters or through selling agents appointed by them with certain professional and institutional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S and in the United States to QIBs as defined in Rule 144A. The International Offering is subject to the Hong Kong Public Offering being unconditional.

Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in "— Pricing and Allocation" in this section below and 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 hold or sell, Shares, after the listing of our Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the 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.

The Sponsor-Overall Coordinators (for themselves and 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 Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any application of Offer Shares under the International Offering.

Reallocation

The total number of Offer Shares to be issued pursuant to the International Offering may change as a result of the reallocation arrangement described in "— The Hong Kong Public Offering — Reallocation" in this section above, the exercise of the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, it is expected that the Company will grant the Over-allotment Option to the International Underwriters, which will be exercisable by the Sponsor-Overall Coordinators (on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters have the right, exercisable by the Sponsor-Overall Coordinators (on behalf of the International Underwriters) at any time from the effective date of the International Underwriting Agreement to the 30th day after the last day for lodging applications under the Hong Kong Public Offering, to require the Company to issue up to 14,203,500 additional Shares, representing in aggregate approximately 15% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering, to, among other things, cover over-allocations in the International Offering, if any.

If the Over-allotment Option is exercised in full and without taking into account any Shares to be issued pursuant to the Pre-IPO Equity Incentive Plans and the Post-IPO Equity Incentive Plans, the additional Offer Shares to be issued pursuant thereto will represent approximately 2.48% of the total Shares in issue immediately following the completion of the Global Offering. If the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the 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. It may be effected in jurisdictions where it is permissible to do so and subject to all applicable laws and regulatory requirements. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the Offer Price.

In connection with the Global Offering, the Stabilizing Manager or any person acting for it, on behalf of the Underwriters, may over-allocate or effect short sales or any other stabilizing transactions with a view to stabilizing or maintaining the market price of the Offer Shares at a level higher than that which might otherwise prevail in the open market. Short sales involve the sale by the Stabilizing Manager of a greater number of Shares than the Underwriters are required to purchase in the Global Offering. "Covered" short sales are sales made in an amount not greater than the Over-allotment Option. The Stabilizing Manager may close out the covered short position by either exercising the Over-allotment Option to purchase additional Offer Shares or purchasing Shares in the open market. In determining the source of the Offer Shares to close out the covered short position, the Stabilizing Manager will consider, among other things, the price of Offer Shares in the open market as compared to the price at which they may purchase additional Offer Shares pursuant to the Over-allotment Option. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or curbing a decline in the market price of the Offer Shares while the Global Offering is in progress. However, there is no obligation on the Stabilizing Manager or any person acting for it to conduct any such stabilizing action. Such stabilizing activity, 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 the Offer Shares that may be over-allocated will not exceed the number of the Shares that may be sold under the Over-allotment Option, namely, 14,203,500 Offer Shares, which is approximately 15% of the number of Offer Shares initially available under the Global Offering, and cover such over-allocations by exercising the Over-allotment Option or by making purchases in the secondary market at prices that do not exceed the Offer Price or through stock borrowing arrangements or a combination of these means.

In Hong Kong, stabilizing activities must be carried out in accordance with the Securities and Futures (Price Stabilizing) Rules. Stabilizing actions permitted pursuant to the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong) under the SFO include:

(a) over-allocating for the purpose of preventing or minimizing any reduction in the market price of our Shares;

(b) selling or agreeing to sell the 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;

(c) purchasing or subscribing for, or agreeing to purchase or subscribe for, our Shares pursuant to the Over-allotment Option in order to close out any position established under (a) or (b) above;

(d) purchasing, or agreeing to purchase, any of the Shares for the sole purpose of preventing or minimizing any reduction in the market price;

(e) selling or agreeing to sell any of our Shares in order to liquidate any position established as a result of those purchases; and

(f) offering or attempting to do anything as described in (b), (c), (d) or (e) above.

Stabilizing actions by the Stabilizing Manager, or any person acting for it, will be entered into in accordance with the laws, rules and regulations in place in Hong Kong on stabilization.

As a result of effecting transactions to stabilize or maintain the market price of the Shares, the Stabilizing Manager, or any person acting for it, may maintain a long position in the Shares. The size of the long position, and the period for which the Stabilizing Manager, or any person acting for it, will maintain the long position is at the discretion of the Stabilizing Manager and is uncertain. In the event that the Stabilizing Manager liquidates this long position by making sales in the open market, this may lead to a decline in the market price of the Shares.

Stabilizing action by the Stabilizing Manager, or any person acting for it, is not permitted to support the price of the Shares for longer than the stabilizing period, which begins on the day on which trading of the Shares commences on the Stock Exchange and ends on the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering. The stabilizing period is expected to end on Thursday, January 22, 2026. As a result, demand for the Shares, and their market price, may fall after the end of the stabilizing period. These activities by the Stabilizing Manager may stabilize, maintain or otherwise affect the market price of the Shares. As a result, the price of the Shares may be higher than the price that otherwise may exist in the open market. Any stabilizing action taken by the Stabilizing Manager, or any person acting for it, may not necessarily result in the market price of the Shares staying at or above the Offer Price either during or after the stabilizing period. Bids for or market purchases of the Shares by the Stabilizing Manager, or any person acting for it, may be made at a price at or below the Offer Price and therefore at or below the price paid for the Shares by purchasers. 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.

STOCK BORROWING AGREEMENT

In order to facilitate the settlement of over-allocations, if any, in connection with the Global Offering, the Stabilizing Manager, its affiliates, or any person acting for it may choose to borrow up to 14,203,500 Shares from Mr. Alex Zhavoronkov, Ph.D., representing approximately 15% of the Offer Shares initially being offered under the Global Offering, pursuant to the stock borrowing agreement, which is expected to be entered into between the Stabilization Manager and Mr. Alex Zhavoronkov, Ph.D. on or about December 24, 2025.

The same number of Shares so borrowed must be returned to Mr. Alex Zhavoronkov, Ph.D. or its nominees, as the case may be, on or before the fifth business day following the earlier of (a) the last day for exercising the Over-allotment Option and (b) the day on which the Over-allotment Option is exercised in full, or such earlier time as may be agreed in writing between the parties.

The stock borrowing arrangement described above will be effected in compliance with all applicable laws, Listing Rules and regulatory requirements. No payment will be made to Mr. Alex Zhavoronkov, Ph.D. by the Stabilizing Manager (or any person acting for it) in relation to such stock borrowing arrangement.

PRICING AND ALLOCATION

Determining the Offer Price

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building", is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

Offer Price

The Offer Price is HK$24.05 per Offer Share, unless otherwise announced. Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the Offer Price of HK$24.05 per Offer Share plus 1.0% brokerage, 0.0027% SFC transaction levy, 0.00015% AFRC transaction levy and 0.00565% Stock Exchange trading fee, amounting to a total of HK$12,146.27 for one board lot of 500 Shares.

Reduction in Offer Price and/or Number of Offer Shares

The Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective professional and institutional investors during the book-building process, and with the consent of our Company, reduce the number of Offer Shares and/or the Offer Price as stated in this Prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, we will, 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, cause to be published on the website of the Stock Exchange at **www.hkexnews.hk** and the Company at **insilico.com**, notices of the reduction and the cancellation of the Global Offering and relaunch of the offer at the revised number of Offer Shares and/or the revised Offer Price.

We will also, as soon as practicable following the decision to make such change, issue a supplemental or new prospectus updating investors of the change in the number of Offer Shares and/or the Offer Price, and giving investors at least three business days to consider the new information. The supplemental or new prospectus should include at least the following: updated (i) Offer Price and market capitalization; (ii) listing timetable and underwriting obligations; (iii) price/earnings multiple, unaudited pro forma and adjusted net tangible assets; and (iv) use of proceeds and confirmation of the working capital adequacy based on the revised estimated proceeds.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the Offer Price may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change as a result of any such reduction. In the absence of any such notice so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon by the Sponsor-Overall Coordinators (for themselves on behalf of the Underwriters) and the Company, will not be reduced.

If there is any change to the offer size due to change in the number of Offer Shares offered in the Global Offering (other than pursuant to the reallocation mechanism as disclosed in this prospectus), or change to the Offer Price, or if the Company becomes aware that there has been a significant change affecting any matter contained in this Prospectus or a significant new matter has arisen, the inclusion of information in respect of which would have been required to be in this Prospectus if it had arisen before this Prospectus was issued, after the issue of this Prospectus and before the commencement of dealings in our Shares as prescribed under Rule 11.13 of the Listing Rules, we are required to cancel the Global Offering and relaunch the offer with a supplemental prospectus or a new prospectus in FINI.

The level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in the section headed "How to Apply for Hong Kong Offer Shares — B. Publication of Results" in this prospectus.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is conditional upon the International Underwriting Agreement being signed and becoming unconditional.

We expect to enter into the International Underwriting Agreement relating to the International Offering on or about Wednesday, December 24, 2025.

These underwriting arrangements, and the Hong Kong Underwriting Agreement and the International Underwriting Agreement, are summarized in "Underwriting."

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on, among other things:

(a) 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 Share Split, the Global Offering on the Main Board of the Stock Exchange and such approval not subsequently having been withdrawn or revoked prior to the commencement of dealings in the Shares on the Stock Exchange;

(b) the execution and delivery of the International Underwriting Agreement on or about Wednesday, December 24, 2025; and

(c) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional 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 Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times).

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by our Company on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **insilico.com** on the next business day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of Share Certificates and refund of application monies." In the meantime, all application monies will be held in separate bank account(s) with the receiving bank or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

Share certificates for the Offer Shares will only become valid at 8:00 a.m. on Tuesday, December 30, 2025, provided that the Global Offering has become unconditional in all respects at or before that time.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the listing of, and permission to deal in, the Shares in issue (upon completion of the Share Split and including the Ordinary Shares to be converted from the Preferred Shares upon the Listing) and to be issued pursuant to (i) the Global Offering, including the Shares which may be issued pursuant to the exercise of the Over-allotment Option; (ii) the Shares to be issued under the Pre-IPO Equity Incentive Plans; and (iii) the Shares which may be issued under the Post-IPO Equity Incentive Plans.

Our listing application is made on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to: (i) our revenue for the year ended December 31, 2024 which is over HK$500 million as required by Rule 8.05(3) of the Listing Rules; and (ii) our expected market capitalization based on the Offer Price at the time of Listing which exceeds HK$4 billion as required by Rule 8.05(3) of the Listing Rules.

No part of our Company's share or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to deal is being or proposed to be sought in the near future.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of and permission to trade the 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 our Company by the Stock Exchange.

SHARES WILL BE ELIGIBLE FOR CCASS

All necessary arrangements have been made enabling the Shares to be admitted into CCASS, established and operated by the HKSCC.

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and our Company complies with the stock admission requirements of HKSCC, the 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 Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

DEALINGS IN THE SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Tuesday, December 30, 2025, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on Tuesday, December 30, 2025.

The Shares will be traded in board lots of 500 Shares each and the stock code of the Shares will be 3696.

IMPORTANT NOTICE TO INVESTORS
OF HONG KONG OFFER SHARES
FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "HKEXnews > New Listings > New Listing Information" section, and our website at insilico.com.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older; and
- have a Hong Kong address *(for the **HK eIPO White Form** service only)*.

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to us, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder or close associates; or
- are a Director 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, December 18, 2025 and end at 12:00 noon on Tuesday, December 23, 2025 (Hong Kong time).

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

Application Channel	Platform	Target Investors	Application Time
HK eIPO White Form service	**www.hkeipo.hk**	Investors who would like to receive a physical 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, December 18, 2025 (Hong Kong time) to 11:30 a.m. on Tuesday, December 23, 2025 (Hong Kong time). The latest time for completing full payment of application monies will be 12:00 noon on Tuesday, December 23, 2025 (Hong Kong time).
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction	Investors who would not like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

The **HK eIPO White Form** service and the HKSCC EIPO channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **HK eIPO White Form** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the electronic application instructions are given, you shall be deemed to have declared that only one set of electronic application instructions has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of electronic application instructions for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **HK eIPO White Form** service more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **HK eIPO White Form** service, you are deemed to have authorized the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO Channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this Prospectus and any supplement to it.

For those applying through HKSCC EIPO channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this Prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  - i. HKID card; or
  - ii. National identification document; or
  - iii. Passport; and
- Identity document number

For Corporate Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  - i. Legal entity identifier ("LEI") registration document; or
  - ii. Certificate of incorporation; or
  - iii. Business registration certificate; or
  - iv. Other equivalent document; and
- Identity document number

Notes:

(1) If you are applying through the **HK eIPO White Form** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong Address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.

(2) The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for shares in a public offer. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

(3) If the applicant is a trustee, the client identification data ("CID") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

(4) The maximum number of joint account holders on FINI is capped at 4 in accordance with market practice.

(5) If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

(6) If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

"Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

"Statutory control" means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through HKSCC EIPO channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size : 500

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 Offer Price is HK$24.05 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 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 **HK eIPO White Form** 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.

No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application/ successful allotment
	HK$		*HK$*		*HK$*		*HK$*
500	12,146.27	6,000	145,755.27	40,000	971,701.76	400,000	9,717,017.70
1,000	24,292.55	7,000	170,047.81	45,000	1,093,164.49	500,000	12,146,272.13
1,500	36,438.81	8,000	194,340.35	50,000	1,214,627.21	600,000	14,575,526.56
2,000	48,585.09	9,000	218,632.89	60,000	1,457,552.65	700,000	17,004,780.98
2,500	60,731.36	10,000	242,925.44	70,000	1,700,478.10	800,000	19,434,035.40
3,000	72,877.64	15,000	364,388.16	80,000	1,943,403.55	900,000	21,863,289.83
3,500	85,023.91	20,000	485,850.89	90,000	2,186,328.98	1,000,000	24,292,544.26
4,000	97,170.18	25,000	607,313.60	100,000	2,429,254.43	2,000,000	48,585,088.50
4,500	109,316.44	30,000	728,776.32	200,000	4,858,508.86	3,000,000	72,877,632.76
5,000	121,462.72	35,000	850,239.05	300,000	7,287,763.28	4,734,500[(1)]	115,013,050.76

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

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

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed "— A. Applications for Hong Kong Offer Shares — 3. Information Required to Apply" in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **HK eIPO White Form** service, (ii) HKSCC EIPO channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **HK eIPO White Form** service or HKSCC EIPO channel, you or the person(s) for whose benefit you have made the application shall not apply for any Offer Shares.

The Hong Kong Share Registrar would record all applications into its system and identify suspected multiple applications with identical names and identification document numbers according to the Best Practice Note on Treatment of Multiple/Suspected Multiple Applications ("Best Practice Note") issued by the Federation of Share Registrars Limited.

Since applications are subject to personal information collection statements, identification document numbers displayed are redacted.

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **HK eIPO White Form** service or HKSCC EIPO channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

(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 **HK eIPO White Form** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

(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 Capital Market Intermediaries, the Underwriters, their respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering (the "**Relevant Persons**"), the Hong Kong Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;

(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 Hong Kong 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 Hong Kong 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;

(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 **HK eIPO White Form** service 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 and the **HK eIPO White Form** Service Provider and (2) you have due authority to give electronic application instructions on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
Applying through the **HK eIPO White Form** service or **HKSCC EIPO channel**:		
Website	From the "Allotment Results" page at **www.hkeipo.hk/IPOResult** (or **www.tricor.com.hk/ipo/result**) with a "search by ID" function	24 hours, from 11:00 p.m. on Monday, December 29, 2025 to 12:00 midnight on Sunday, January 4, 2026 (Hong Kong time)
	The full list of (i) wholly or partially successful applicants using the **HK eIPO White Form** service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed at **www.hkeipo.hk/IPOResult** or **www.tricor.com.hk/ipo/result**.	
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **insilico.com** which will provide links to the above mentioned websites of the Hong Kong Share Registrar.	No later than 11:00 p.m. on Monday, December 29, 2025 (Hong Kong time).
Telephone	+852 3691 8488 – the allocation results telephone enquiry line provided by the Hong Kong Share Registrar	between 9:00 a.m. and 6:00 p.m. from Tuesday, December 30, 2025 to Monday, January 5, 2026 (Hong Kong time) on a business day

For those applying through HKSCC EIPO channel, you may also check with your broker or custodian from 6:00 p.m. on Wednesday, December 24, 2025 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Wednesday, December 24, 2025 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the level of indications of interest in the Global Offer, the level of applications in the Hong Kong Offer and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and our website at **insilico.com** by no later than 11:00 p.m. on Monday, December 29, 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 Hong Kong Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed "— A. Applications for Hong Kong Offer Shares – 5. Multiple Applications Prohibited" in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;

- the Underwriting Agreements do not become unconditional or are terminated;

- we or the Overall Coordinators believe that by accepting your application, 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 Global Offer. 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 Hong Kong 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 SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one 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 Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application.

Share certificates will only become valid evidence of title at 8:00 a.m. on Tuesday, December 30, 2025 (Hong Kong time), provided that the Global Offer has become unconditional and the right of termination described in the section headed "Underwriting" has not been exercised. Investors who trade Shares prior to the receipt of Share certificates or the 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.

The following sets out the relevant procedures and time:

	HK eIPO White Form service	HKSCC EIPO channel
Despatch/collection of Share certificate[1]		
For application of 1,000,000 Hong Kong Offer Shares or more	Collection in person from the Hong Kong Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong	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
	Time: from 9:00 a.m. to 1:00 p.m. on Tuesday, December 30, 2025 (Hong Kong time)	No action by you is required
	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	
	Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar	
	Note: If you do not collect your 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	

1 Except in the event of a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or an "extreme conditions" announcement issued after a super typhoon in force in Hong Kong in the morning on Monday, December 29, 2025 rendering it impossible for the relevant Share certificates to be dispatched to HKSCC in a timely manner, the Company shall procure the Hong Kong 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 refer to "— E. Severe Weather Arrangements" in this section.

	HK eIPO White Form service	HKSCC EIPO channel
For application of less than 1,000,000 Hong Kong Offer Shares	Your Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk **Date:** Monday, December 29, 2025	
Refund mechanism for surplus application monies paid by you		
Date	Tuesday, December 30, 2025	Subject to the arrangement between you and your broker or custodian
Responsible party	Hong Kong Share Registrar	Your broker or custodian
Application monies paid through single bank account	**HK eIPO White Form** e-Auto Refund payment instruction 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	

E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Tuesday, December 23, 2025 if, there is:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- an "extreme conditions" announcement issued after a super typhoon ("**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, December 23, 2025.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have **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 **insilico.com** of the revised timetable.

If a **Severe** Weather Signal is hoisted on Monday, December 29, 2025, the Hong Kong Share Registrar will make appropriate arrangements for the delivery of the Share certificates to the CCASS Depository's service counter so that they would be available for trading on Tuesday, December 30, 2025.

If a **Severe** Weather Signal is hoisted on Monday, December 29, 2025, for application of less than 1,000,000 Hong Kong Offer Shares, the despatch of physical Share certificate(s) 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 Monday, December 29, 2025 or on Tuesday, December 30, 2025).

If a **Severe** Weather Signal is hoisted on Tuesday, December 30, 2025, for application of 1,000,000 Hong Kong Offer Shares or more, physical Share certificate(s) will be available for collection in person at the Hong Kong Share Registrar's office after the **Severe** Weather Signal is lowered or cancelled (e.g. in the afternoon of Tuesday, December 30, 2025 or on Wednesday, December 31, 2025).

Prospective investors should be aware that if they choose to receive physical Share certificates issued in their own name, there may be a delay in receiving the Share certificates.

F. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the 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 Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second Settlement Day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the 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.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the Hong Kong 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 Hong Kong 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 Hong Kong 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 Hong Kong 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 Hong Kong 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 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 Hong Kong Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **HK eIPO White Form** e-Auto Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;

- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the 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 Hong Kong 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 Hong Kong Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the Hong Kong 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 advisers, 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 Hong Kong 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 Hong Kong Share Registrar in connection with their respective business operation;

- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and

- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

The Company and the Hong Kong Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the Hong Kong 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 Hong Kong 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 Hong Kong 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 Hong Kong Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report set out on pages I-1 to I-106, received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

Deloitte. 德勤

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF INSILICO MEDICINE CAYMAN TOPCO, MORGAN STANLEY ASIA LIMITED, CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND GF CAPITAL (HONG KONG) LIMITED

Introduction

We report on the historical financial information of InSilico Medicine Cayman TopCo (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-4 to I-106, which comprises the consolidated statements of financial position of the Group as at December 31, 2022, 2023 and 2024 and June 30, 2025, the statements of financial position of the Company as at December 31, 2022, 2023 and 2024 and June 30, 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended December 31, 2024 and the six months ended June 30, 2025 (the "Track Record Period") 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-106 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated December 18, 2025 (the "Prospectus") in connection with the initial listing of 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 to the Historical Financial Information, and for such internal control as the directors of the Company 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' judgment, 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 Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 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 of the Company, 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 Group's and the Company's financial position as at December 31, 2022, 2023 and 2024 and June 30, 2025, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended June 30, 2024 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period 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 issued by the HKICPA 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 Stub Period 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 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 15 to the Historical Financial Information which states that no dividend was declared or paid by the Company in respect of the Track Record Period.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
December 18, 2025

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with the IFRS Accounting Standards issued by International Accounting Standards Board ("**IASB**") and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA ("Underlying Financial Statements").

The Historical Financial Information is presented in United States dollar ("**USD**") and all values are rounded to the nearest thousand (USD'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	Year ended December 31,			Six months ended June 30,	
		2022	2023	2024	2024	2025
		USD'000	*USD'000*	*USD'000*	*USD'000* (unaudited)	*USD'000*
Revenue	*6*	30,147	51,180	85,834	59,689	27,456
Cost of revenue		(11,037)	(12,611)	(8,257)	(3,883)	(4,437)
Gross profit		19,110	38,569	77,577	55,806	23,019
Selling and marketing expenses		(5,375)	(7,774)	(5,532)	(2,217)	(2,633)
Research and development expenses		(78,175)	(97,341)	(91,895)	(45,610)	(35,571)
Administrative expenses		(15,442)	(17,344)	(17,487)	(5,325)	(7,007)
Listing expenses		–	(7,355)	(176)	(102)	(2,073)
Other income	*8*	275	5,437	10,633	5,930	4,403
Other gains and losses, net	*9*	(3,775)	319	1,025	881	1,218
Finance costs	*10*	(99)	(94)	(91)	(34)	(97)
(Loss) gain from changes in fair value of financial liabilities at fair value through profit or loss ("FVTPL")	*26*	(138,100)	(126,133)	9,004	(1,122)	(266)
Impairment losses under expected credit loss ("ECL") model, net of reversal		(234)	160	7	(125)	(167)
(Loss) profit before tax	*11*	(221,815)	(211,556)	(16,935)	8,082	(19,174)
Income tax expense	*12*	(13)	(84)	(161)	(52)	(41)
(Loss) profit for the year/period		(221,828)	(211,640)	(17,096)	8,030	(19,215)
Other comprehensive income (expense)						
Item that may be reclassified subsequently to profit or loss:						
Exchange differences arising on translation of foreign operations		794	228	(333)	(155)	292
Total comprehensive (expense) income for the year/period		(221,034)	(211,412)	(17,429)	7,875	(18,923)
(Loss) earnings per share						
– Basic (USD)	*14*	(3.31)	(3.13)	(0.24)	0.12	(0.25)
– Diluted (USD)		(3.31)	(3.13)	(0.24)	0.11	(0.25)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	NOTES	As at December 31, 2022	As at December 31, 2023	As at December 31, 2024	As at June 30, 2025
		USD'000	*USD'000*	*USD'000*	*USD'000*
Non-current assets					
Property and equipment	*16*	11,172	10,667	6,979	6,872
Right-of-use assets	*17*	3,107	2,120	2,459	6,775
Other intangible assets		193	379	274	269
Financial assets at FVTPL	*19*	1,025	414	246	672
Other non-current assets	*20*	538	562	635	1,109
		16,035	14,142	10,593	15,697
Current assets					
Trade and other receivables	*21*	10,868	11,472	7,467	12,984
Bank balances and cash	*23*	207,883	177,181	125,942	212,630
		218,751	188,653	133,409	225,614
Current liabilities					
Trade and other payables	*24*	18,495	28,103	28,002	19,032
Amounts due to a related party	*22*	8,422	4,903	4,176	4,558
Lease liabilities	*25*	1,382	1,267	1,503	2,177
Financial liabilities at FVTPL	*26*	648,978	775,111	766,107	889,146
Contract liabilities	*6*	5,211	42,142	6,864	2,787
Deferred income	*27*	–	501	215	207
		682,488	852,027	806,867	917,907
Net current liabilities		(463,737)	(663,374)	(673,458)	(692,293)
Total assets less current liabilities		(447,702)	(649,232)	(662,865)	(676,596)
Non-current liability					
Lease liabilities	*25*	1,841	926	1,058	4,768
Net liabilities		(449,543)	(650,158)	(663,923)	(681,364)
Capital and reserves					
Share capital	*28*	–*	–*	–*	–*
Treasury shares	*29*	(11,346)	(11,346)	(2,047)	(2,047)
Share premium and reserves		(438,197)	(638,812)	(661,876)	(679,317)
Total deficits		(449,543)	(650,158)	(663,923)	(681,364)

* Amount is less than USD1,000.

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	NOTES	As at December 31, 2022	2023	2024	As at June 30, 2025
		USD'000	*USD'000*	*USD'000*	*USD'000*
Non-current asset					
Investments in subsidiaries	*18*	48,761	25,658	584	24,321
Current assets					
Trade and other receivables	*21*	3,726	5,960	1,379	1,404
Amounts due from a subsidiary	*22*	–	10,964	10,714	10,714
Bank balances	*23*	149,132	89,173	94,704	177,765
		152,858	106,097	106,797	189,883
Current liabilities					
Trade and other payables	*24*	1,859	5,064	1,768	1,758
Amounts due to subsidiaries	*22*	325	1,738	3,429	4,664
Financial liabilities at FVTPL	*26*	648,978	775,111	766,107	889,146
		651,162	781,913	771,304	895,568
Net current liabilities		(498,304)	(675,816)	(664,507)	(705,685)
Total assets less current liabilities		(449,543)	(650,158)	(663,923)	(681,364)
Net liabilities		(449,543)	(650,158)	(663,923)	(681,364)
Capital and reserves					
Share capital	*28*	–*	–*	–*	–*
Treasury shares	*29*	(11,346)	(11,346)	(2,047)	(2,047)
Share premium and reserves	*30*	(438,197)	(638,812)	(661,876)	(679,317)
Total deficits		(449,543)	(650,158)	(663,923)	(681,364)

* Amount is less than USD1,000.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Share premium	Treasury shares	Share-based payments reserve	Other reserve	Foreign exchange reserve	Accumulated losses	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
As at January 1, 2022	–*	–	(11,462)	–	–	(184)	(229,995)	(241,641)
Profit (loss) and total other comprehensive income (expense) for the year	–	–	–	–	–	794	(221,828)	(221,034)
Exercise of share options	–*	208	–	(136)	136	–	–	208
Restricted shares granted through the ordinary shares contributed by the Founder *(Note 29)*	–	–	(1,633)	–	1,633	–	–	–
Vested restricted shares from the ordinary shares contributed by Founder	–	–	1,749	(1,749)	–	–	–	–
Recognition of share-based compensation	–	–	–	12,924	–	–	–	12,924
As at December 31, 2022	–*	208	(11,346)	11,039	1,769	610	(451,823)	(449,543)
Profit (loss) and total other comprehensive income (expense) for the year	–	–	–	–	–	228	(211,640)	(211,412)
Exercise of share options	–*	6	–	(1)	1	–	–	6
Recognition of share-based compensation	–	–	–	10,791	–	–	–	10,791
As at December 31, 2023	–*	214	(11,346)	21,829	1,770	838	(663,463)	(650,158)
Loss and total other comprehensive expense for the year	–	–	–	–	–	(333)	(17,096)	(17,429)
Exercise of share options	–*	405	–	(590)	590	–	–	405
Vested restricted shares from the ordinary shares contributed by Founder	–	–	9,299	(9,299)	–	–	–	–
Recognition of share-based compensation	–	–	–	3,259	–	–	–	3,259
As at December 31, 2024	–*	619	(2,047)	15,199	2,360	505	(680,559)	(663,923)
As at January 1, 2024	–*	214	(11,346)	21,829	1,770	838	(663,463)	(650,158)
(Loss) profit and total other comprehensive (expense) income for the period	–	–	–	–	–	(155)	8,030	7,875
Recognition of share-based compensation	–	–	–	1,601	–	–	–	1,601
As at June 30, 2024 (unaudited)	–*	214	(11,346)	23,430	1,770	683	(655,433)	(640,682)
As at January 1, 2025	–*	619	(2,047)	15,199	2,360	505	(680,559)	(663,923)
Profit (loss) and total other comprehensive income (expense) for the period	–	–	–	–	–	292	(19,215)	(18,923)
Exercise of share options	–*	15	–	(29)	29	–	–	15
Recognition of share-based compensation	–	–	–	1,467	–	–	–	1,467
As at June 30, 2025	–*	634	(2,047)	16,637	2,389	797	(699,774)	(681,364)

* Amount is less than USD1,000.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000* (unaudited)	*USD'000*
OPERATING ACTIVITIES					
(Loss) profit for the year/period	(221,828)	(211,640)	(17,096)	8,030	(19,215)
Adjustments for:					
Interest income	(219)	(4,116)	(6,528)	(3,612)	(2,962)
Finance costs	99	94	91	34	97
Depreciation of property and equipment	438	2,922	4,285	2,013	1,162
Depreciation of right-of-use assets	1,086	1,337	1,579	718	1,048
Amortization of other intangible assets	252	222	181	99	64
Impairment losses under ECL model, net of reversal	234	(160)	(7)	125	167
Share-based payment expenses	12,924	10,791	3,259	1,601	1,467
Net foreign exchange losses (gains)	571	122	(466)	(335)	(175)
Loss on disposal of property and equipment	–	8	–	–	1
Gain on termination of lease	(19)	–	–	–	–
Loss on disposal of a subsidiary	2,189	–	–	–	–
Issuance cost of convertible redeemable preferred shares	–	–	–	–	1,677
Loss (gain) from changes in fair value of financial assets at FVTPL	1,038	(449)	(559)	(546)	(1,044)
Loss (gain) from changes in fair value of financial liabilities at FVTPL	138,100	126,133	(9,004)	1,122	266
Operating cash flow before movements in working capital	(65,135)	(74,736)	(24,265)	9,249	(17,447)
Increase in term deposits with initial term of over three months	–	–	–	–	(500)
(Increase) decrease in trade and other receivables	(5,947)	2,109	2,864	(4,085)	(5,502)
Increase (decrease) in trade and other payables	12,692	9,138	291	(1,404)	(9,690)
Increase (decrease) in amounts due to a related party	5,840	(3,519)	(727)	2,130	382
Increase (decrease) in contract liabilities	5,033	36,931	(35,278)	(37,954)	(4,077)
Increase (decrease) in deferred income	–	501	(286)	(314)	(8)
NET CASH USED IN OPERATING ACTIVITIES	(47,517)	(29,576)	(57,401)	(32,378)	(36,842)

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000* (unaudited)	*USD'000*
INVESTING ACTIVITIES					
Bank interest received	219	2,621	7,692	4,833	3,226
Investment income received from Money Market Fund	–	1,060	727	526	614
Proceeds on disposal of property and equipment	–	6	–	–	6
Withdrawal of Money Market Fund	–	85,000	138,050	71,200	95,010
Payments for lease deposits	(364)	(24)	(73)	(66)	(474)
Purchase of property and equipment	(10,978)	(2,562)	(844)	(891)	(920)
Purchase of other intangible assets	(242)	(411)	(81)	(81)	(58)
Net cash outflow on disposal of a subsidiary	(2,215)	–	–	–	–
Payments of purchase Money Market Fund	–	(85,000)	(138,050)	(83,950)	(95,010)
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(13,580)	690	7,421	(8,429)	2,394
FINANCING ACTIVITIES					
Repayments of lease liabilities	(971)	(1,401)	(1,559)	(800)	(966)
Interests paid	(99)	(94)	(91)	(34)	(97)
Net proceeds from issuance of convertible redeemable preferred shares	109,738	–	–	–	121,644
Deferred share issue costs paid	(1,728)	–	–	–	–
Accrued issue costs paid	–	(694)	(293)	(50)	(209)
Net proceeds from issuance of ordinary shares upon exercise of options	208	6	405	–	15
NET CASH FROM (USED IN) FINANCING ACTIVITIES	107,148	(2,183)	(1,538)	(884)	120,387
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	46,051	(31,069)	(51,518)	(41,691)	85,939
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR/PERIOD	161,541	207,883	177,181	177,181	125,942
Effect of foreign exchange rate changes	291	367	279	291	249
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD	207,883	177,181	125,942	135,781	212,130

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company is a limited liability company incorporated under the laws of the Cayman Islands on November 19, 2018. The Group are primarily engaged in applying innovative artificial intelligence (AI) solutions to drug discovery and development by leveraging its proprietary platforms.

The Group commenced operations through InSilico Medicine Inc. ("InSilico Inc."), a limited liability company established in Delaware, United States ("US") in 2014 by Mr. Aleksandrs Zavoronkovs (the "Founder") and several outside investors (collectively referred to as the "Original Shareholders"). InSilico Inc. formed several subsidiaries in Russia, Hong Kong, Taiwan, Korea, and China to develop businesses.

From the end of 2018 through early 2019, the Group conducted a series of transactions to re-domicile the holding company from US to Cayman Islands (the "2019 Restructuring") as follows:

On March 15, 2019, the Original Shareholders set up the Company with the shareholding ratio and shareholder rights and obligations in the Company that mirrored that of InSilico Inc. The Company then set up a subsidiary named InSilico Medicine Cayman Subco ("Subco") and holds all ordinary shares issued by the Subco. Subco and InSilico Inc. entered into a master contribution agreement, pursuant to which InSilico Inc. transferred all of its assets and business operations to Subco in exchange for one preferred share issued by Subco. Upon the completion of the 2019 Restructuring, the Company became the holding company of the Group. As the 2019 Restructuring was a transaction under common ownership with no economic substance, it was accounted for in a manner similar to common control transaction with assets and liabilities recognized at their historical amount in the Group's consolidated financial statements. The share and per share data relating to the ordinary shares issued by the Company during the 2019 Restructuring are presented as if the transactions occurred at the beginning of the first period presented.

In 2022, the Company disposed of all of its equity interest in InSilico LLC, a subsidiary set up on June 2, 2016 to an independent third party after the outbreak of conflict between Ukraine and Russia. The carrying value of net assets at the time of disposal was USD2,189,000 and the Company recognized loss of USD2,189,000 from the disposal as disclosed in Note 32.

2. BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared based on the accounting policies which conform with IFRS Accounting Standards issued by the IASB.

No statutory financial statements of the Company have been prepared since its date of incorporation as it is incorporated in the jurisdiction where there are no statutory audit requirements.

As at June 30, 2025, the Group is in a net liabilities position of approximately USD681.4 million in which the balance consists of financial liabilities at FVTPL of approximately USD889.1 million arising from the issuance of preferred shares by the Company. In addition, the Group's current liabilities exceeded its current assets by approximately USD692.3 million which consists of bank balances and cash of approximately USD212.1 million. After taking into account of the Group's cash flow projection and the expected working capital requirements, the directors of the Company are satisfied that the Group is able to meet in full its financial obligations as they fall due for a period of twelve months and it is appropriate to prepare Historical Financial Information on a going concern basis.

3. ADOPTION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with the IFRS Accounting Standards, amendments to IFRS Accounting Standards and the related interpretations issued by the IASB, which are effective for the accounting period beginning on January 1, 2025 throughout the Track Record Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

At the date of this report, the following new and amendments to IFRS Accounting Standards have been issued which are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instrument[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards . .	Annual Improvements to IFRS Accounting Standards – Volume 11[2]
IFRS 18.	Presentation and Disclosure in Financial Statements[3]

1 Effective for annual periods beginning on or after a date to be determined
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual periods beginning on or after 1 January 2027

Except for the IFRS 18 mentioned below, the directors of the Company anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the combined financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. The new IFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss and other comprehensive income; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is not expected to have impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial statements. The Group will continue to assess the impact of IFRS 18 on the Group's combined financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared in accordance with the following accounting policies which confirm with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Basis of consolidation

The Historical Financial Information incorporate the financial statements of the Group. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

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.

Investments in subsidiaries

Investments in subsidiaries are included in the statement of financial position of the Company accounted using equity method as described in IAS 28 *Investments in Associates*. Under the equity method, investment in subsidiaries is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiaries. Dividends received reduce the carrying amount of the investment.

Revenue from contracts with customers

The Group recognizes revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the services underlying the particular performance obligation is transferred to customer.

A performance obligation represents a service (or a bundle of services) that is distinct or a series of distinct services that are substantially the same.

Except for granting of a license that is distinct from other promised services, control is transferred over time and revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or

- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognized at a point in time when the customer obtains control of the distinct service.

For granting of a license that is distinct from other promised services, the nature of the Group's promise in granting a license is a promise to provide a right to access the Group's intellectual property if all of the following criteria are met:

- the contract requires, or the customer reasonably expects, that the Group will undertake activities that significantly affect the intellectual property to which the customer has rights;

- the rights granted by the license directly expose the customer to any positive or negative effects of the Group's activities; and

- those activities do not result in the transfer of a service to the customer as those activities occur.

If the criteria above are met, the Group accounts for the promise to grant a license as a performance obligation satisfied over time. Otherwise, the Group considers the grant of license as providing the customers the right to use the Group's intellectual property and the performance obligation is satisfied at a point in time at which the license is granted.

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9 *Financial Instruments*. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised services to the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

The selection of the method to measure progress towards completion requires judgment and is based on the nature of the services to be provided. Depending on which better depicts the transfer of value to the customer, the Group generally measures its progress using either cost-to-cost (input method) or services transferred to the customer to date (output method).

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognize revenue on the basis of direct measurements of the value of the services transferred to the customer to date relative to the remaining services promised under the contract, that best depict the Group's performance in transferring control of services.

As a practical expedient, if the Group has a right to consideration in an amount that corresponds directly with the value of the Group's performance completed to date (for example, service contracts in which the Group bills a fixed amount for each hour of service provided), the Group recognizes revenue in the amount to which the Group has the right to invoice.

Input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognize revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of services.

Variable consideration

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using the expected value method, which better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Notwithstanding the above criteria, the Group shall recognize revenue for a sales-based or usage-based royalty promised in exchange for a license of intellectual property only when (or as) the later of the following events occurs:

- the subsequent sale or usage occurs; and
- the performance obligation to which some or all of the sales-based or usage-based royalty has been allocated has been satisfied (or partially satisfied).

Leases

Definition of a lease

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to 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 lease of low-value assets (such as tablets and personal computers, small items of office furniture and telephones). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use assets included in the amount of the initial measurement of the lease liability.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities other than adjustments to lease liabilities resulting from Covid-19-related rent concessions in which the Group applied the practical expedient.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 *Financial Instruments* and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments included in the measurement of the lease liability represent the fixed payments of the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments change due to changes in expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "lease modifications").

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

Lease modifications

Except for Covid-19-related rent concessions in which the Group applied the practical expedient, the Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognized at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognized in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the Group's interests in a subsidiary.

For the purposes of presenting the Historical Financial Information, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. USD) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign subsidiary), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits

Retirement benefit costs

The Group participates in state-managed retirement benefit schemes, which are defined contribution schemes, pursuant to which the Group pays a fixed percentage of its staff's wages as contributions to the plans. Payments to such retirement benefit schemes are recognized as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognized for benefits accruing to employees (such as wages and salaries, annual leave) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Share options and restricted shares granted to employees and others providing similar services

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects

the revised estimate, with a corresponding adjustment to the share-based payments reserve. For share options and restricted shares that vest immediately at the date of grant, the fair value of the share options and restricted shares granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognized in share-based payments reserve will be transferred to other reserve. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share-based payments reserve will continue to be held in share-based payments reserve.

When the restricted shares are forfeited after the vesting date, the amount previously recognized in share-based payments reserve will continue to be held in share-based payments reserve.

When restricted shares granted are vested, the amount previously recognized in share-based payments reserve will be transferred to other reserve.

Modification to the terms and conditions of the share-based payment arrangements

When the terms and conditions of an equity-settled share-based payment arrangement are modified, the Group recognizes, as a minimum, the services received measured at the grant date fair value of the equity instruments granted, unless those equity instruments do not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date. In addition, if the Group modifies the vesting conditions (other than a market condition) in a manner that is beneficial to the employees, for example, by reducing the vesting period, the Group takes the modified vesting conditions into consideration over the remaining vesting period.

The incremental fair value granted, if any, is the difference between the fair value of the modified equity instruments and that of the original equity instruments, both estimated as at the date of modification.

If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognized for services received over the period from modification date until the date when the modified equity instruments are vested, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognized over the remainder of the original vesting period.

If the modification occurs after vesting period, the incremental fair value granted is recognized immediately, or over the vesting period if additional period of service is required before the modified equity instruments are vested.

If the modification reduces the total fair value of the share-based arrangement, or is not otherwise beneficial to the employee, the Group continues to account for the original equity instruments granted as if that modification had not occurred.

Taxation

Income tax expense represents the sum of the tax currently and deferred tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit/(loss) before tax" because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liabilities for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each liabilities for reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognizes the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognizes a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Property and equipment

Property and equipment are tangible assets that are held for use in the supply of services, or for administrative purposes other than construction in progress. Property and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties, including leasehold improvement in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost of assets other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives of 3 years. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets-research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

The intangible assets of the Company as of December 31, 2022, 2023 and 2024 and June 30, 2025 pertained to acquired software.

Impairment on property and equipment, right-of-use assets and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use assets and intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other

assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Cash

Cash presented on the consolidated statements of financial position which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash.

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognized in the Historical Financial Information.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognized in the Historical Financial Information in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivable arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributed to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets the Group hold are subsequently measured at FVTPL.

(i) Amortized cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost and calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or fair value through other comprehensive income are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. The net gain or loss recognized in profit or loss includes any interest earned on the financial asset and is included in the "other gains and losses, net" line item.

Impairment of financial assets

The Group performs impairment assessment under ECL model on financial assets (including trade receivables and other receivables and other non-current assets and bank balances and cash) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after each reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognizes lifetime ECL for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at each reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and other receivables, where the corresponding adjustment is recognized through a loss allowance account.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the assets expire.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity interests is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancelation of the Company's own equity interests.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is designated as at FVTPL.

A financial liability may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. For financial liabilities that contain embedded derivatives, the changes in fair value of the embedded derivatives are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to accumulated losses upon derecognition of the financial liability.

Financial liabilities at amortized cost

Financial liabilities including trade and other payables and amounts due to a related party are subsequently measured at amortized cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, canceled have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the Historical Financial Information.

Capitalization of research and development expenditure

Development expenditures incurred on the Group's drug product pipelines are capitalised and deferred only when the Group could demonstrate (i) the technical feasibility of completing the development of the relevant intangible asset so that it will be available for use or sale; (ii) the Group's intention to complete and the Group's ability to use or sell the asset; (iii) how the asset will generate future economic benefits; (iv) the availability of resources to complete the pipeline; and (v) the ability to measure reliably the expenditure during the development. Development expenditures which do not meet these criteria are expensed when incurred. Management assesses the progress of each of the research and development projects and determine whether the criteria are met for capitalisation. During the Track Record Period, all research and development expenditures are expensed when incurred.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the coming twelve months, are described below.

Fair value measurement of financial liabilities at FVTPL

The Company issued series of preferred shares to certain investors during the Track Record Period as set out in Note 26. The Group accounted for these financial instruments as financial liabilities at FVTPL.

The fair value of these financial instruments is determined using valuation techniques, namely back-solve method under market approach, discounted cash flow method ("DCF Method") and equity allocation model involving various parameters and inputs. Valuation techniques are certified by an independent qualified professional valuer before being implemented for valuation and are calibrated to ensure that outputs reflect market conditions. However, it should be noted that some inputs, such as possibilities and expected date under different scenarios such as liquidation event, volatility and risk-free interest rate require management estimates.

Management estimates and assumptions are reviewed periodically and are adjusted if necessary. Should any of the estimates and assumptions changed, it may lead to a change in the fair value of the financial liabilities at FVTPL. As at December 31, 2022, 2023 and 2024 and June 30, 2025, the carrying amounts of financial liabilities at FVTPL were USD648,978,000, USD775,111,000, USD766,107,000 and USD889,146,000 respectively, as disclosed in Note 26.

Fair value of share-based compensation

The share-based compensation expense is measured based on the fair value of the share option rewards as calculated under the binomial option pricing model. Management is responsible for determining the fair value of the share options or restricted shares. The key assumptions used to determine the fair value of the share unit awards at the grant date include share price on measurement date, expected volatility and risk-free interest rate. Changes in these assumptions could significantly affect the fair value of share awards.

Revenue recognition of drug discovery and pipeline development

Revenue from drug discovery and pipeline development is recognized either over time, typically by using hours expended or milestone reached to measure progress, or at a point in time upon completion of delivery of promised services based on the nature of the performance obligation. Payments for drug discovery and pipeline development are generally due upon achieving milestones stated in a contract, upfront at the start of a contract, or upon consumption of resources. Revenue may at times include variable consideration in the way of milestone payments and royalty payments. The Group has

estimated the amount of consideration that is variable using the most likely amount method. The Group identified the services promised in the service contracts as performance obligations and recognized revenue based on the service progress of the contract. Changes in these estimations could significantly affect the amount of revenue the Group recognize in the Historical Financial Information.

6. REVENUE

Disaggregation of revenue from contracts with the customers of the Group:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000* *(unaudited)*	*USD'000*
Types of revenue					
Drug discovery	28,648	8,796	3,144	1,993	5,715
Pipeline development	–	39,022	76,589	54,856	18,194
Software solution	1,499	3,362	3,970	1,685	2,018
Other discovery (Note i)	–	–	2,131	1,155	1,529
	30,147	51,180	85,834	59,689	27,456
Geographical market (Note ii)					
United States	9,374	45,906	79,383	55,872	21,851
Mainland China	9,235	3,447	2,140	1,690	2,537
Kingdom of Saudi Arabia	–	–	1,901	1,134	1,055
United Kingdom	59	46	151	122	428
Hong Kong	10,010	23	28	20	415
Japan	207	438	699	317	347
United Arab Emirates	–	6	–	–	256
Denmark	–	270	600	310	90
Korea	2	53	284	15	90
Germany	332	93	32	9	39
Switzerland	766	655	242	10	28
Taiwan	82	34	112	58	9
Others (Note iii)	80	209	262	132	311
	30,147	51,180	85,834	59,689	27,456
Timing of revenue recognition					
Over time	29,399	49,930	85,261	59,689	27,166
At a point in time	748	1,250	573	–	290
	30,147	51,180	85,834	59,689	27,456

Notes:

i Revenues from discovery other than pharmaceuticals, which were not material in prior years and therefore disclosed in combination with drug discovery, are now disclosed separately from 2024.

ii The Group is divided into geographic markets based on the country/region where each client is located.

iii Other geographical markets include Italy, Belgium, Poland, Netherlands, Finland, Canada, Turkey, Chile, Estonia, France, India, Ireland, Kazakhstan, Kyrgyzstan, Latvia, Montenegro, Romania, Spain, Sweden, Austria, Brazil, Portugal, Singapore, Croatia, Australia, Georgia, Indonesia, Israel, Mexico and Slovakia.

Performance obligations for contracts with customers and revenue recognition policies

Drug discovery and pipeline development revenue

Revenue from drug discovery and pipeline development is mainly engaged by the Company to utilize its AI-powered technology to identify suitable or new targets of interest or uncover potent drug candidates with desired drug-like properties for its customers.

Drug discovery and pipeline development revenue is recognized either over time, typically by using hours expended or milestone reached to measure progress, or at a point in time upon completion of delivery of promised services based on the nature of the performance obligation. Payments for drug discovery and pipeline development are generally due upon achieving milestones stated in a contract, upfront at the start of a contract, or upon consumption of resources. Revenue may at times include variable consideration in the way of milestone payments and royalty payments. The Company generally grants customers a credit period of 30 to 60 days.

The Group has estimated the amount of consideration that is variable using the most likely amount method. The Group evaluates milestones on a case by case basis, including whether there are factors outside the Group's control that could result in a significant reversal of revenue, and the likelihood and magnitude of a potential reversal. If achievement of a milestone is not considered probable, the Group constrains (reduces) variable consideration to exclude the milestone payment until it is probable to be achieved.

For the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2024 and 2025, USD41,000, USD39,000, USD30,000, USD21,000 (unaudited) and USD12,000 were recognized as revenue from performance obligations satisfied in prior period respectively.

Software solution revenue

Revenue from software solution is mainly formed from subscription fees for its proprietary drug discovery software, Biology42, Chemistry42, Medicine42 and for its generative research assistant software, Science42. For the software solution services, the Group grant its customers with access to its proprietary drug discovery assistant software and generative research assistant software for a period of time based on the subscription agreement.

The Group's software solution services is provided to a specified customer in one of the two types of arrangements: (1) by providing access to its hosted software platform ("hosted software"), or (2) by granting right to use software installed on the customer's premise ("on-premise software").

Under the hosted software arrangements, the Group charges subscription fees from providing the Group's customers with access to its hosted software and recognizes the fees ratably over the term of the subscription agreement. The subscription agreement is typically of a one-year term, with fees collected upfront. The Group recognized hosted software revenue of USD751,000, USD2,112,000, USD3,397,000, USD1,685,000 (unaudited) and USD1,728,000 for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2024 and 2025 respectively.

Under the on-premise software license arrangements, the Group grants customers the right to use its software on the device or cloud specified and controlled by the customer for a specified term, typically for one year. Revenue from on-premise software is recognized upon completion of software installation, as evidenced by receipt of acceptance by customers. Revenue recognized for on-premise software service of USD748,000, USD1,250,000, USD573,000, nil (unaudited) and USD290,000 for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2024 and 2025 respectively.

Transaction price allocated to the remaining performance obligation for contracts with customers

As at December 31, 2022, 2023 and 2024 and June 30, 2024 and 2025, the Group may receive remaining payments up to an aggregate amount of USD165,039,000, USD203,177,000, USD155,506,000, USD150,400,000 (unaudited) and USD148,321,000, respectively (excluding sales-based royalty arrangement and contingent milestone payments in accordance with relevant contracts), which is expected to be realized at certain milestone as agreed in the contract. The expected amount of revenue recognized in respect of the remaining payments that may receive in aggregate within one year after June 30, 2025 is USD4,106,000. The management of the Group expects the majority of the transaction price allocated to the unsatisfied contracts as of each reporting date during the reporting period will be recognized as revenue within nine years from the reporting date.

As variable considerations are recognized only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future, sales-based royalty arrangement and contingent milestone payments are not included in the transaction price in accordance with the requirements for constraining estimates of variable consideration.

Contract liabilities

When a customer pays consideration before the Group provide services, the Group records its obligation as a contract liability. The Group expects to recognize all of this balance as revenue over the next 12 months.

The contract liabilities of the Group as of December 31, 2022, 2023 and 2024 and June 30, 2025 are listed in the table below.

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
Types of revenue				
Drug discovery	4,361	485	697	1,242
Pipeline development	–	40,978	5,000	–
Software solution	850	679	682	1,325
Other discovery	–	–	485	220
	5,211	42,142	6,864	2,787

The balance of contract liabilities as of December 31, 2022, 2023 and 2024 represents the transaction price allocated to the remaining performance obligations as the service fees for outstanding contracts were charged up-front.

The contract liabilities as of December 31, 2021, 2022, 2023 and 2024 were USD178,000, USD5,211,000, USD42,142,000, USD6,864,000 respectively, in which USD178,000, USD5,211,000, USD42,050,000, and USD6,669,000 were recognized as revenue during the years ended December 31, 2022, 2023, 2024 and six months ended June 30, 2025 respectively. The contract liabilities of USD2,787,000 as of June 30, 2025 is expected to be recognized within one year after June 30, 2025.

The compensation paid to obtain the contracts were immaterial, therefore, the Group has not capitalized any costs for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2024 (unaudited) and 2025.

7. SEGMENTS INFORMATION

Operating segments are identified on the basis of the Group's internal reports that are regularly reviewed by the chief operating decision maker ("CODM"), which is also identified as the chief executive officers of the Group, in order to allocate resources to segments and to assess their performance.

During the Trade Record Period, the CODM reviews the overall results and financial position of the Group as a whole which are prepared based on the same accounting policies as set out in Note 4. Accordingly, the Group has only one single segment and no further analysis of the single segment is presented.

Geographical information

Information about the Group's non-current assets is presented based on the geographical location of the assets. USD12,471,000, USD11,420,000, USD8,524,000 and USD13,153,000 of the Group's non-current assets are located in mainland China as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively. The remaining ones are located in other locations.

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group during the Track Record Period are as follows:

	Relationship	Nature	Year ended December 31,			Six months ended June 30,	
			2022	2023	2024	2024	2025
			USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*
						(unaudited)	
Customer A	Third-party	Drug discovery and pipeline development revenue	–	–	24,594	16,000	18,194
Fosun Industrial Co., Limited (上海復星醫藥(集團)股份有限公司)	Shareholder	Drug discovery and pipeline development revenue	17,066	*	*	*	*
Customer B	Third-party	Drug discovery and pipeline development revenue	8,333	*	*	–	*
Customer C	Third-party	Drug discovery and pipeline development revenue	–	39,022	51,995	39,000	–

* Represents less than 10% of revenue for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2024 (unaudited) and 2025.

8. OTHER INCOME

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000* (unaudited)	*USD'000*
Bank interest income	219	4,116	6,528	3,612	2,962
Subsidy income	56	1,350	4,117	2,330	1,483
Other expense	–	(29)	(12)	(12)	(42)
	275	5,437	10,633	5,930	4,403

9. OTHER GAINS AND LOSSES, NET

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000* (unaudited)	*USD'000*
Net foreign exchange (losses) gains	(571)	(122)	466	335	175
Loss on disposal of property and equipment	–	(8)	–	–	(1)
Loss on disposal of a subsidiary *(Note 32)*	(2,189)	–	–	–	–
(Loss) gain from changes in fair value of financial assets at FVTPL	(1,038)	449	559	546	1,044
Others	23	–	–	–	–
	(3,775)	319	1,025	881	1,218

10. FINANCE COSTS

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000* (unaudited)	*USD'000*
Interest on lease liabilities	(99)	(94)	(91)	(34)	(97)

11. (LOSS) PROFIT BEFORE TAX

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000* (unaudited)	*USD'000*
Loss (profit) before tax for the year/period has been arrived at after charging:					
Depreciation of property and equipment	438	2,922	4,285	2,013	1,162
Depreciation of right-of-use assets	1,086	1,337	1,579	718	1,048
Amortization of other intangible assets	252	222	181	99	64
Total depreciation and amortization	1,776	4,481	6,045	2,830	2,274
Listing expenses	–	7,355	176	102	2,073
Directors' emoluments *(Note 13(a))*	3,077	5,982	4,074	1,828	2,186
Other staff costs:					
– salaries and other benefits	15,150	26,408	24,379	14,085	13,299
– discretionary bonuses *(Note)*	1,727	5,370	7,977	3,223	1,347
– retirement benefit scheme contributions	2,174	3,518	17,236	1,979	1,931
– share-based payments	11,996	8,522	1,281	855	291
Total other staff costs:	31,047	43,818	50,873	20,142	16,868
	34,124	49,800	54,947	21,970	19,054

Note: Discretionary bonuses is determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

12. INCOME TAX EXPENSE

For the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2024 and 2025, current income tax expense were USD13,000, USD84,000, USD161,000, USD52,000 (unaudited) and USD41,000, respectively.

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.

Cayman Islands ("Cayman")

The Company and Subco are incorporated in the Cayman. Under the current laws of the Cayman, the Company and Subco are not subject to tax on income or capital gain. Additionally, the Cayman does not impose a withholding tax on payments of dividends to shareholders.

United States. ("U.S.")

InSilico Medicine US Inc. ("InSilico US") is incorporated in U.S. and is subject to U.S. federal corporate income tax at a rate of 21%. InSilico US is also subject to state income tax in some states, such as California, New Jersey, Connecticut and etc.. InSilico US was slightly profitable in the year ended December 31, 2022, and generated tax provision USD25,000. InSilico US has no taxable income for the year ended December 31, 2023 and 2024 and six months ended June 30, 2024 and 2025, however generated income tax of USD3,000 and USD2,000 in the year ended December 31, 2023 and 2024 according to the US government's minimum tax requirement.

Hong Kong ("HK")

InSilico Medicine Hong Kong Limited ("InSilico HK"), InSilico Medicine IP Limited ("InSilico IP") and Mir Pharma Innovation Limited ("Mir Pharma") are incorporated in Hong Kong. Companies registered in Hong Kong are subject to Hong Kong profits tax on the taxable income as reported in their respective statutory financial statements adjusted in accordance with relevant Hong Kong tax laws. Under the two-tiered profits tax rates regime in Hong Kong, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. For the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2024 and 2025, InSilico HK, InSilico IP and Mir Pharma did not make any provisions for Hong Kong profit tax as there were no assessable profits derived from or earned in Hong Kong for any of the periods presented.

Under the Hong Kong tax law, InSilico HK and InSilico IP are partly exempted from income tax on its foreign-derived income and there are no withholding taxes in Hong Kong on remittance of dividends.

PRC

InSilico Medicine Ltd. ("InSilico SH"), InSilico Medicine Suzhou Ltd. ("InSilico SZ"), InSilico Medicine Beijing Ltd. ("InSilico BJ") and InSilico Medicine Yixing Ltd. ("InSilico YX") are incorporated under PRC's Enterprise Income Tax Law ("EIT Law"), and the statutory income tax rate is 25%. InSilico SH obtained High-New Technology Enterprise Certificate in 2024, which is valid through 2026. So far, the entity is in accumulated loss status and has not enjoyed any income tax benefits from the high and new technology enterprises status.

Taiwan

InSilico Medicine Taiwan Limited ("InSilico Taiwan") is incorporated in Taiwan, and is subject to Taiwan income tax at a rate of 20%. InSilico Taiwan was slightly profitable in the year ended December 31, 2022, and generated tax provision USD19,000 for income taxes. InSilico Taiwan has no taxable income for the year ended December 31, 2023 and 2024 and six months ended June 30, 2024 and 2025, therefore, no provision for income taxes is required.

Canada

InSilico Medicine Canada Inc ("InSilico Canada") is incorporated in Canada and is subject to Canada federal corporate income tax at a rate of 15% plus province corporate income tax at a rate ranging from 8%-16%. InSilico Canada has no taxable income for 2022 presented, therefore, no provision for income taxes is required. InSilico Canada was slightly profitable in the year ended December 31, 2023 and generated tax provision of USD34,000. InSilico Canada has no taxable income for the year ended December 31, 2024, however generated income tax of USD33,000 in the year ended December 31, 2024 according to the Canada government's minimum tax requirement.

United Arab Emirates

InSilico Medicine AI Limited ("InSilico AI") is incorporated in United Arab Emirates. United Arab Emirates Ministry of Finance enact a Federal corporate tax regime, and will become effective for accounting periods beginning on and after 1 June 2023. InSilico AI is in accumulated loss position and not subject to income tax under the current laws of the United Arab Emirates. Therefore, no provision for income taxes is required.

The income tax expense for the Track Record Period can be reconciled to the (loss) profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*
				(unaudited)	
(Loss) profit before tax . . .	(221,815)	(211,556)	(16,935)	8,082	(19,174)
Tax at the applicable tax rate of 16.5% *(Note i)* . .	(36,599)	(34,907)	(2,794)	1,334	(3,164)
Tax effect of expenses that are not deductible for tax purpose	33,430	23,780	664	562	181
Tax effect of non-taxable income	–	(156)	(266)	(82)	(217)

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000* (unaudited)	*USD'000*
Tax effect of super deduction on research and development expenses *(Note ii)*	(1,496)	(5,587)	(5,936)	(2,582)	(2,641)
Tax effect of tax losses not recognized	4,653	16,866	8,297	1,107	6,023
Tax effect of deductible temporary differences not recognized	30	4	1	9	50
Withholding tax on license fee income	(13)	(40)	(90)	(49)	(40)
Utilisation of tax losses not recognized in prior years	(18)	–	–	(348)	(231)
Adjust provision in prior years	–	(44)	(37)	(3)	(2)
Income tax expense	(13)	(84)	(161)	(52)	(41)

Notes:

i. The domestic tax rate in the jurisdiction where the operation of the Company is substantially based (which is Hong Kong) is used.

ii. Pursuant to Caishui 2018 circular No. 99, InSilico SH and InSilico SZ enjoy super deduction of 175% on qualified research and development expenditures throughout the year ended December 31, 2022. Pursuant to Caishui 2023 circular No. 7, InSilico SH and InSilico SZ enjoy super deduction of 200% on qualified research and development expenditures throughout the years ended December 31, 2023 and 2024 and period ended June 30, 2025.

As at December 31, 2022, 2023 and 2024 and June 30, 2025, the Group has unused tax losses of USD37,890,000, USD230,438,000, USD276,596,000 and USD290,529,000, respectively, and deductible temporary differences of USD240,000, USD259,000, USD255,000 and USD434,000 respectively. No deferred tax asset has been recognized in respect of the tax losses or temporary differences due to the unpredictability of future profit streams.

The unused tax losses will be carried forward and expire in years as follows:

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
2024	22	22	22	22
2025	537	537	537	537
2026	8,511	8,511	8,511	8,511
2027	24,675	24,675	24,675	24,675
2028	–	53,705	53,705	53,705
2029	–	–	18,441	18,441
2030	–	–	–	5,076
2031 and indefinite	4,145	142,988	170,705	179,562
	37,890	230,438	276,596	290,529

13. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments paid or payable to the individuals who were appointed as directors and the chief executive officer of the Company during the Track Record Period are as follows:

(a) Executive and non-executive directors

	Date of appointment	Director fees	Salaries and other benefits	Discretionary bonuses	Retirement benefit scheme contributions	Share-based payments	Total
		USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
For the year ended December 31, 2022							
Executive director and chief executive officer:							
Dr. Aleksandrs Zavoronkovs	29 January 2019	–	450	500	–	–	950
Executive director:							
Dr. Feng Ren (任峰)	30 June 2021	–	384	772	23	1,040	2,219
Non-Executive directors:							
Mr. Min Fang (方敏)	30 June 2021	–	–	–	–	–	–
Dr. Kan Chen (陳侃)	26 August 2021	–	–	–	–	–	–
Dr. David Jonathan Madge	21 October 2021	–	–	–	–	–	–
Independent non-executive director:							
Dr. Steven Kenneth Galson *(Note v)*	11 August 2021	20	–	–	–	(112)	(92)
		20	834	1,272	23	928	3,077

	Date of appointment	Director fees	Salaries and other benefits	Discretionary bonuses	Retirement benefit scheme contributions	Share-based payments	Total
		USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
For the year ended December 31, 2023							
Executive director and chief executive officer:							
Dr. Aleksandrs Zavoronkovs	29 January 2019	–	500	1,156	–	–	1,656
Executive director:							
Dr. Feng Ren (任峰). . . .	30 June 2021	–	447	1,586	24	2,269	4,326
Non-Executive directors:							
Mr. Min Fang (方敏) . . .	30 June 2021	–	–	–	–	–	–
Dr. Kan Chen (陳侃) . . .	26 August 2021	–	–	–	–	–	–
Dr. David Jonathan Madge *(Note vi)*	21 October 2021	–	–	–	–	–	–
		–	947	2,742	24	2,269	5,982

	Date of appointment	Director fees	Salaries and other benefits	Discretionary bonuses	Retirement benefit scheme contributions	Share-based payments	Total
		USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
For the year ended December 31, 2024							
Executive director and chief executive officer:							
Dr. Aleksandrs Zavoronkovs	29 January 2019	–	500	500	1	–	1,001
Executive director:							
Dr. Feng Ren (任峰). . . .	30 June 2021	–	501	570	24	1,978	3,073
Non-Executive directors:							
Mr. Min Fang (方敏) . . .	30 June 2021	–	–	–	–	–	–
Dr. Kan Chen (陳侃) . . .	26 August 2021	–	–	–	–	–	–
		–	1,001	1,070	25	1,978	4,074

	Date of appointment	Director fees	Salaries and other benefits	Discretionary bonuses	Retirement benefit scheme contributions	Share-based payments	Total
		USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
For the six months ended June 30, 2024 (unaudited)							
Executive director and chief executive officer:							
Dr. Aleksandrs Zavoronkovs	29 January 2019	–	250	250	–	–	500
Executive director:							
Dr. Feng Ren (任峰). . . .	30 June 2021	–	250	320	12	746	1,328
Non-Executive directors:							
Mr. Min Fang (方敏) . . .	30 June 2021	–	–	–	–	–	–
Dr. Kan Chen (陳侃) . . .	26 August 2021	–	–	–	–	–	–
		–	500	570	12	746	1,828

	Date of appointment	Director fees	Salaries and other benefits	Discretionary bonuses	Retirement benefit scheme contributions	Share-based payments	Total
		USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
For the six months ended June 30, 2025							
Executive director and chief executive officer:							
Dr. Aleksandrs Zavoronkovs	29 January 2019	–	250	250	1	–	501
Executive director:							
Dr. Feng Ren (任峰)	30 June 2021	–	248	248	13	1,176	1,685
Non-Executive directors:							
Mr. Min Fang (方敏) *(Note vii)*	30 June 2021	–	–	–	–	–	–
Dr. Kan Chen (陳侃)	26 August 2021	–	–	–	–	–	–
Mr. Chuen Yan Leung	27 February 2025	–	–	–	–	–	–
Mr. Long Shi	14 March 2025	–	–	–	–	–	–
		–	498	498	14	1,176	2,186

Notes:

(i) None of the directors of the Company waived or agreed to waive any emoluments during the Track Record Period.

(ii) During the Track Record Period, no emoluments were paid by the Group to any of the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

(iii) The executive directors', non-executive director's emoluments shown above were for their services in connection with the management of the affairs of the Group and the Company, respectively.

(iv) The discretionary bonuses were determined with reference to their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

(v) Steven Kenneth Galson was an independent non-executive director of the Group from August 11, 2021 till August 31, 2022.

(vi) David Jonathan Madge was a non-executive director of the Group from October 21, 2021 till March 9, 2023.

(vii) Min Fang (方敏) was a non-executive director of the Group from June 30, 2021 till March 14, 2025.

(b) Five Highest Paid Individuals

The five highest paid individuals of the Group included two directors of the Company for each of the year ended December 31, 2022, 2023 and 2024 and each six-month period ended June 30, 2024 (unaudited) and 2025, respectively, details of whose remuneration are set out above. Details of the remuneration for the remaining three highest paid individuals for each of the year ended December 31, 2022, 2023 and 2024 and each six-month period ended June 30, 2024 (unaudited) and 2025, respectively, are as follows:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000* (unaudited)	*USD'000*
Salaries and other benefits	1,245	1,379	1,634	807	936
Retirement benefit scheme contributions	55	112	96	76	92
Discretionary bonuses *(Note)*	130	1,107	287	132	297
Share-based payments	3,473	2,201	1,289	751	535
	4,903	4,799	3,306	1,766	1,860

Note: Discretionary bonuses were determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

The emoluments of the five highest paid individuals for each of the year ended December 31, 2022, 2023 and 2024 and each six-month period ended June 30, 2024 and 2025 are within the following bands:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	No. of employees	*No. of employees*	*No. of employees*	*No. of employees* (unaudited)	*No. of employees*
HK$3,000,001 to HK$3,500,000	–	–	–	1	–
HK$3,500,001 to HK$4,000,000	–	–	–	2	1
HK$4,000,001 to HK$4,500,000	–	–	–	–	2
HK$5,000,001 to HK$5,500,000	–	–	–	–	1
HK$6,000,001 to HK$6,500,000	1	–	–	–	–
HK$6,500,001 to HK$7,000,000	–	–	1	1	–
HK$7,000,001 to HK$7,500,000	1	–	–	–	–
HK$7,500,001 to HK$8,000,000	–	1	2	–	–
HK$9,500,001 to HK$10,000,000	1	–	–	–	–
HK$10,000,001 to HK$10,500,000	–	–	–	1	–

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	No. of employees	*No. of employees*	*No. of employees*	*No. of employees*	*No. of employees*
				(unaudited)	
HK$11,000,001 to HK$11,500,000	–	–	1	–	–
HK$12,000,001 to HK$12,500,000	–	1	–	–	1
HK$12,500,001 to HK$13,000,000	–	1	–	–	–
HK$17,000,001 to HK$17,500,000	1	–	–	–	–
HK$17,500,001 to HK$18,000,000	–	1	–	–	–
HK$22,000,001 to HK$22,500,000	1	–	–	–	–
HK$23,500,001 to HK$24,000,000	–	–	1	–	–
HK$34,500,001 to HK$35,000,000	–	1	–	–	–

14. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share is based on the following data:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
				(unaudited)	
(Loss) profit for the purpose of calculating basic and diluted (loss) earnings per share:					
(Loss) profit for the year/period attributable to the owners of the Company (USD'000)	(221,828)	(211,640)	(17,096)	8,030	(19,215)
Effect of dilutive potential ordinary shares:					
Effect of fair value change of convertible preferred shares (USD'000)	138,100	126,133	(9,004)	1,122	266
(Loss) earnings for the purpose of calculating diluted (loss) earnings per share (USD'000)	(83,728)	(85,507)	(26,100)	9,152	(18,949)
Number of shares:					
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share ('000) *(Note)*	67,060	67,566	71,845	67,582	77,266

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
				(unaudited)	
Effect of dilutive potential ordinary shares:					
Effect of the convertible preferred shares	16,795	16,795	16,795	16,795	19,172
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share *(Note)*	83,855	84,361	88,640	84,377	96,438
Basic (loss) earnings per share (USD)	(3.31)	(3.13)	(0.24)	0.12	(0.25)
Diluted (loss) earnings per share (USD)	(3.31)	(3.13)	(0.24)	0.11	(0.25)

The weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share for the Track Record Period has been determined on the assumption that the share split as described in the section "Share Capital" of the Prospectus had been effective since January 1, 2021.

Note: The effects of all outstanding Series A Preferred Shares, Series B Preferred Shares, Series C Preferred Shares, Series C+ Preferred Shares, Series D preferred Shares, Series E preferred Shares, share options and unvested restricted shares have been excluded from the computation of diluted loss/earnings per share for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2024 (unaudited) and 2025 as their effects would be anti-dilutive. Accordingly, diluted loss/earnings per share for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2025 are the same as basic loss per share for the respective years. The diluted loss/earnings per share for the six months ended June 30, 2024 (unaudited) is no longer as same as the basic loss/earnings per share as the Company made a profit for the period

15. DIVIDENDS

No dividend was declared or paid by the Company during the Track Record Period.

16. PROPERTY AND EQUIPMENT

The Group

	Leasehold improvements	Office equipment	Machinery	Construction in process ("CIP")	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*
COST					
As at January 1, 2022	445	612	–	–	1,057
Additions	293	190	–	10,653	11,136
Transfer from CIP	1,929	742	3,239	(5,946)	(36)
Disposals	(139)	–	–	–	(139)
Disposal of a subsidiary *(Note 32)*	–	(214)	–	–	(214)
Exchange adjustments	(41)	(14)	–	(20)	(75)
As at December 31, 2022	2,487	1,316	3,239	4,687	11,729
Additions	–	4	5	2,977	2,986
Transfer from CIP	1,030	664	5,394	(7,407)	(319)
Disposals	–	(138)	(12)	–	(150)
Exchange adjustments	(15)	(12)	(63)	(167)	(257)
As at December 31, 2023	3,502	1,834	8,563	90	13,989
Additions	–	–	–	766	766
Transfer from CIP	267	380	114	(798)	(37)
Disposals	–	(4)	–	–	(4)
Exchange adjustments	(52)	(34)	(129)	(6)	(221)
As at December 31, 2024	3,717	2,176	8,548	52	14,493
Additions	–	–	–	1,087	1,087
Transfer from CIP	–	372	196	(626)	(58)
Disposals	–	(68)	–	–	(68)
Exchange adjustments	29	25	37	1	92
As at June 30, 2025	3,746	2,505	8,781	514	15,546
DEPRECIATION					
As at January 1, 2022	175	258	–	–	433
Provided for the year	171	266	1	–	438
Eliminated on disposals	(139)	–	–	–	(139)
Eliminated on disposal of a subsidiary *(Note 32)*	–	(168)	–	–	(168)
Exchange adjustments	(19)	12	–	–	(7)
As at December 31, 2022	188	368	1	–	557

	Leasehold improvements	Office equipment	Machinery	Construction in process ("CIP")	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*
Provided for the year	1,448	404	1,070	–	2,922
Eliminated on disposals	–	(124)	(12)	–	(136)
Exchange adjustments	(6)	(4)	(11)	–	(21)
As at December 31, 2023	1,630	644	1,048	–	3,322
Provided for the year	2,032	537	1,716	–	4,285
Eliminated on disposals	–	(4)	–	–	(4)
Exchange adjustments	(39)	(17)	(33)	–	(89)
As at December 31, 2024	3,623	1,160	2,731	–	7,514
Provided for the period	46	295	821	–	1,162
Eliminated on disposals	–	(61)	–	–	(61)
Exchange adjustments	25	19	15	–	59
As at June 30, 2025	3,694	1,413	3,567	–	8,674
CARRYING AMOUNT					
As at December 31, 2022	2,299	948	3,238	4,687	11,172
As at December 31, 2023	1,872	1,190	7,515	90	10,667
As at December 31, 2024	94	1,016	5,817	52	6,979
As at June 30, 2025	52	1,092	5,214	514	6,872

The above items of property and equipment are depreciated on a straight-line basis, after taking into account of the residual value, over the following period:

Leasehold improvements	Over the shorter of the remaining lease terms or estimated useful lives of 3 years
Office equipment	3 years
Machinery	5 years

No impairment loss on property and equipment was recognized during the Track Record Period. As the Company's assessment, no indicator was identified at the end of each reporting periods.

17. RIGHT-OF-USE ASSETS

The Group

	Leased properties
	USD'000
Carrying amount	
As at January 1, 2022	1,056
Additions	3,750
Termination of lease	(369)
Disposal of a subsidiary *(Note 32)*	(207)
Depreciation charge for the year	(1,086)
Exchange adjustments	(37)
As at December 31, 2022	3,107
Additions	400
Depreciation charge for the year	(1,337)
Exchange adjustments	(50)
As at December 31, 2023	2,120
Additions	1,939
Depreciation charge for the year	(1,579)
Exchange adjustments	(21)
As at December 31, 2024	2,459
Additions	5,362
Depreciation charge for the period	(1,048)
Exchange adjustments	2
As at June 30, 2025	6,775

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000* *(unaudited)*	*USD'000*
Expenses relating to short-term leases and leases of low-value assets	382	498	466	273	318
Total cash outflow for leases	1,816	2,385	2,277	1,358	1,541

During the Track Record Period, the Group leases various properties for its operations. Lease contracts are entered into for fixed term of 2 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. There were no extension options in the lease contracts. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The amounts of the Group's lease liabilities and interest on lease liabilities are disclosed in Note 25 and Note 10, respectively. At December 31, 2022, 2023 and 2024 and June 30, 2025, lease liabilities of USD3,223,000, USD2,193,000, USD2,561,000 and USD6,945,000 are recognized with related right-of-use assets of USD3,107,000, USD2,120,000, USD2,459,000 and USD6,775,000, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

No impairment loss on right-of-use assets was recognized during the Track Record Period. As the Company's assessment, no indicator was identified at the end of each reporting periods.

18. INVESTMENTS IN SUBSIDIARIES

The Company

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
Cost of investments in subsidiaries	175,395	222,395	222,395	263,395
Share of loss and other comprehensive expense and other equity changes	(126,634)	(196,737)	(221,811)	(239,074)
At the end of the year/period	48,761	25,658	584	24,321

19. FINANCIAL ASSETS AT FVTPL

The Group

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
Financial assets measured at FVTPL:				
Non-current asset:				
Equity Investments with Readily Determinable Fair Value:				
Regent Pacific Group Limited (formerly known as Endurance RP Limited) *(Note 1)*	1,025	414	246	672

Note 1:

Regent Pacific (formerly known as Endurance RP Limited, "Regent Pacific") is an investment company focusing on investment in the healthcare, wellness and life sciences sectors. The Company does not have the ability to significantly influence the operations of the investee and records the investment in Regent Pacific using fair value method of accounting. The Company recognized gains and loss from fair value changes amounting to USD1,038,000 loss, USD611,000 loss, USD168,000 loss, USD39,000 (unaudited) loss and USD426,000 gain for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2024 and 2025 respectively.

20. OTHER NON-CURRENT ASSETS

The Group

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
Deposits	538	562	635	1,109

21. TRADE AND OTHER RECEIVABLES

The Group

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
Trade receivables from contracts with customers – third parties	5,169	1,115	883	5,815
Less: Allowance for credit losses	(273)	(38)	(31)	(198)
	4,896	1,077	852	5,617
Other receivables	7	6	27	23
Value added tax recoverable	1,420	2,331	3,484	4,378
Interest receivables	–	1,495	331	67
Prepayments	819	1,777	1,699	1,554
Deferred issue costs and deferred share issue costs *(Note)*	3,726	4,786	1,074	1,345
	5,965	10,389	6,588	7,344
	10,868	11,472	7,467	12,984

As at 1 January 2021, trade receivables from contracts with customers amounted to USD141,000.

The Company

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
Deferred issue costs and deferred share issue costs *(Note)*	3,726	4,786	1,074	1,345
Interest receivables	–	983	305	59
Prepayments	–	191	–	–
	3,726	5,960	1,379	1,404

Note: The deferred share issue costs were related to a financing activity in other capital market.

The following is an aged analysis of trade receivable net of allowance for credit losses presented based on the date of completion of service at the end of each reporting period:

The Group

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
Within 1 year	4,872	1,077	852	5,617
1-2 years	24	–	–	–
	4,896	1,077	852	5,617

The Group normally grants a credit period of 30 days to 60 days effective from the date when the services have been completed and billed to the customer.

Details of the assessment on the provision of ECL of trade receivables of the Group as at December 31, 2022, 2023 and 2024 and June 30, 2025 are set out in Note 36.

22. AMOUNT(S) DUE FROM/TO A RELATED PARTY/SUBSIDIARIES

The Group

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
Trade payables				
Amounts due to a related party:				
WuXi AppTec Co., Ltd. and subsidiaries ("WuXi Group") *(Note 33)*	8,422	4,903	4,176	4,558

The following is an aged analysis of trade payables due to a related party presented based on the invoice dates at the end of each reporting period, for the trade payables having not received invoice at the end of each reporting period, the aging is within 0-30 days:

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
0-30 days	4,526	1,443	3,104	3,963
31-90 days	1,160	2,444	823	595
91-180 days	2,718	1,016	249	–
181-360 days	18	–	–	–
	8,422	4,903	4,176	4,558

The average credit period on purchases of goods/services of the Group is 45 days.

The Company

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
Other payables				
Amounts due to subsidiaries:				
InSilico SH	247	1,220	2,052	2,879
InSilico HK	50	270	1,112	1,447
SubCo	28	187	187	187
InSilico IP	–	61	66	126
InSilico US	–	–	11	23
InSilico Canada	–	–	1	2
	325	1,738	3,429	4,664

The amounts are non-trade in nature, unsecured, interest free and repayable on demand.

The Company

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
Other receivables				
Amounts due from a subsidiary:				
InSilico HK	–	10,964	10,714	10,714

The amounts are non-trade in nature, unsecured, interest free and repayable on demand.

23. BANK BALANCES AND CASH

The Group

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
Cash at bank and in hand	207,883	177,181	125,942	212,130
Cash and cash equivalents	207,883	177,181	125,942	212,130
Term deposits with initial term of over three months	–	–	–	500
	207,883	177,181	125,942	212,630

The carrying amounts of the Group's bank balances and cash denominated in currencies other than functional currencies of the relevant group entities at the end of each reporting period are as follows:

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
USD	2,084	13,072	359	1,244
RMB	1,257	2,639	142	37
HK$	117	26	13	40
EUR	–	–	–	7

The Company

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
Cash at bank	149,132	89,173	94,704	177,765

Bank balances held by the Group and the Company carry interests at market rates ranging from 0.001% to 0.35%, 0.001% to 5.46%, 0.001% to 4.41% and 0.001% to 4.23% as at December 31, 2022, 2023 and 2024 and June 30, 2025 respectively.

24. TRADE AND OTHER PAYABLES

The Group

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
Trade payables for research and development expenses	10,705	12,920	13,842	10,605
Payroll and related liabilities	3,780	8,542	8,910	4,843
Professional service fees and share issue costs *(Note a)*	2,244	2,592	3,192	1,688
Accrued issue costs	–	364	86	149
Accrued listing expenses	–	2,482	596	1,014
Accrued office expenses	991	505	685	439
Other taxes and surcharge	287	233	229	175
Other payables	488	465	462	119
	18,495	28,103	28,002	19,032

The Company

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
Professional service fees and share issue costs *(Note a)*	1,700	2,218	1,086	595
Accrued issue costs	–	364	86	149
Accrued listing expenses	–	2,482	596	1,014
Other payables	159	–	–	–
	1,859	5,064	1,768	1,758

Note:

a. The share issue costs were related to a financing activity in other capital market.

The following is an aged analysis of trade payables presented based on the invoice dates at the end of each reporting period, for the trade payables having not received invoice at the end of each reporting period, the aging is within 0-30 days:

The Group

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
0-30 days	6,891	9,129	11,997	9,378
31-90 days	1,969	3,532	1,618	1,227
91-180 days	1,535	259	227	–
181 -360 days	310	–	–	–
	10,705	12,920	13,842	10,605

The average credit period on purchases of goods/services of the Group is 45 days.

25. LEASE LIABILITIES

The Group

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
Lease liabilities payable:				
Within one year	1,382	1,267	1,503	2,177
Within a period of more than one year but not exceeding two years	1,173	632	935	1,379
Within a period of more than two years but not exceeding five years	668	294	123	3,389
	3,223	2,193	2,561	6,945
Less: Amount due for settlement within 12 months shown as current liabilities	(1,382)	(1,267)	(1,503)	(2,177)
Amount due for settlement after 12 months shown as non-current liabilities	1,841	926	1,058	4,768

The weighted average incremental borrowing rates applied to the lease liabilities for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2024 and 2025 and range from 2.44% to 4.15%, 2.44% to 4.32%, 2.44% to 4.45%, 2.44% to 4.45% (unaudited) and 3.32% to 4.45%, respectively per annum for the Track Record Period.

Lease obligations that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
HK$	263	163	62	334

26. FINANCIAL LIABILITIES AT FVTPL

26.1 One Preferred Share of Subco

As part of the 2019 Restructuring (see Note 1), on March 15, 2019, Subco issued one preferred share ("Preferred Share of Subco") to InSilico Inc. with par value of USD1, in exchange for the assets and business operations of InSilico Inc. valued at USD17,100,000 with the assistance of an external valuer. The Original Shareholders, including both Series A preferred shareholders and ordinary shareholders, remained their ownership interest in InSilico Inc. and were entitled to distributions by the Group from both the Company and InSilico Inc..

In connection of the issuance of Series B redeemable convertible preferred shares by the Company ("Series B Preferred Shares") in August 7, 2019, the rights associated with the Preferred Share of Subco were amended in order to give priority in distributions to the holders of Series B Preferred Shares, who could obtain their return only through Subco's distribution to the Company. The key terms of the Preferred Share of Subco are as follows:

Voting Rights

The Preferred Share is a non-voting class of share.

Conversion

The Preferred Share is not convertible into ordinary shares.

Preference in dividend distribution and liquidation

In the event the Board of Directors of the Subco declares dividends on any class or series of shares, or in the event of any voluntary or involuntary liquidation, dissolution, winding up, or Deemed Liquidation Event of Subco (as defined below), the sequence of distribution shall be as follows:

(1) ordinary shareholder, i.e., the Company to receive up to the issuance price of Series B Preferred Shares; (2) Preferred Share of Subco, i.e., InSilico Inc. to receive USD6,000,000, which was the issuance price of Series A Preferred Shares (see Note 26.2 below); (3) on a pari passu basis to both ordinary and preferred shares, unless and until the total distribution paid to InSilico Inc. equal to InSilico Delaware Full Redemption Price, which is defined as USD17,100,000 plus an interest at 6% annum from March 15, 2019. Once the InSilico Delaware Full Redemption Price has been paid to InSilico Inc., the Preferred Share of Subco shall be deemed to be simultaneously and automatically fully redeemed and cancelled. Any remaining funds legally available for distribution after the distributions above shall be distributed to the Company.

Deemed Liquidation Events of Subco include: (a) merger or consolidation in which Subco or the Company (or only if Subco issues shares pursuant to the merger or consolidation, a subsidiary of Subco) is a constituent party; (b) the sale, lease, transfer, exclusive license or other disposition of all or substantially all the assets or intellectual property of Subco and its subsidiaries; and (c) initial public offering of the Company or Subco.

In connection with the Series C equity financing in June 2021, the Preferred Share of Subco was fully redeemed. The total redemption price amounting to USD19,433,000 was settled in July 2021.

26.2 Convertible Redeemable Preferred Shares of the Company

In June 2018, InSilico Inc. issued 904,888 shares of Series A convertible redeemable preferred shares with par value of USD0.00001 per share ("Series A Preferred Shares") to investors ("Series A Preferred Shareholders") with total proceeds of USD6,000,000 at the price of USD6.6306 per share ("Series A Issued Price"). On March 15, 2019, in connection with 2019 Restructuring, the Series A Preferred Shareholders obtained preferred shares in the Company with shareholding ratio and shareholder rights identical to the Series A Preferred Shares issued by InSilico Inc..

On August 12, 2019, the Company issued 4,403,933 shares of Series B convertible redeemable preferred shares with par value of USD0.00001 ("Series B Preferred Shares") for a total cash proceed of USD36,762,000 at USD8.3476 per share ("Series B Issue Price"). In connection with the Series C equity financing, 196,329 Series B Preferred Shares were repurchased and re-designated to Series C Preferred Shares in June 2021.

In June 2021, the Company issued 8,909,665 shares of Series C convertible redeemable preferred shares with par value of USD0.00001 ("Series C Preferred Shares") for a total cash proceeds of USD255,023,000 at USD28.6232 per share ("Series C Issue Price"). The total cash proceeds were fully received in July 2021.

As part of the round C financing arrangements, in order to avoid further dilution, the Company repurchased 2,631,231 ordinary shares, 173,805 Series A Preferred Shares and 196,329 Series B Preferred Shares from the respective shareholders (including Founder and certain employees) and re-designate all these shares to Series C Preferred Shares through retirement of repurchased shares accompanied with issuance of same number of Series C preferred shares. The repurchase price was USD22.1322, USD25.2939, and USD28.4557 per share for ordinary share, Series A and Series B preferred share, respectively. Out of total repurchase price, USD12,625,000 was paid by InSilico Inc. using the proceeds received as a result of redemption of the One Preferred Share of Subco, remaining USD47,310,000 was paid by the Company. The share repurchase price paid by the Company of USD8,282,000 approximated the fair value of Series A and Series B preferred share on the repurchase date. The repurchase and redemption payments were fully settled in July 2021.

In January 2022, the Company issued 524,051 shares of Series C+ convertible redeemable preferred shares with par value of USD0.00001 ("Series C+ Preferred Shares") for a total cash proceeds of USD15,000,000 at USD28.6232 per share ("Series C+ Issue Price") to Fosun Industrial Co., Limited ("Fosun"), of which the major terms are consistent with those of Series C convertible redeemable preferred shares. The total cash proceeds were fully received in January 2022.

In 2022, the Topco issued 2,421,692 shares of Series D convertible redeemable preferred shares with par value of US$0.0001 ("Series D Preferred Shares") for a total cash proceed of US$94,204,000 at US$39.1204 per share ("Series D Issue price"). The total cash proceeds were fully received in July 2022.

In 2025, the Topco issued 2,376,830 shares of Series E convertible redeemable preferred shares with par value of US$ 0.0001 ("Series E Preferred Shares") for a total cash proceed of US$ 122,773,000 at US$ 51.6542 per share ("Series E Issue price"). The total cash proceeds were fully received in May 2025.

In connection with the issuance of Series E, the Company and other Series A, B, C, C+ and D Preferred Shareholders agreed to modify certain terms related to shareholders' rights, including the Series B Preferred Shareholders' liquidation price, the updated redemption events, and the definition of a Qualified IPO. The Company deemed the modification did not result in any accounting consequence as it was mainly a transfer of wealth amongst different classes of preferred shareholders and the value transferred between preferred shareholders and ordinary shareholders was not material.

The rights, preferences and privileges of the Series A, Series B, Series C, Series C+, Series D and Series E convertible redeemable preferred shares of the Company (together, "Preferred Shares") after the issuance of Series E Preferred Shares are as follows:

Voting Rights

Preferred shareholders are entitled to vote together with the holders of ordinary shares as a single class and on an as-converted to ordinary shares basis.

Dividends

If the Company declares dividends on any class or series of shares, the sequence of dividend right was as follows:

(1) each holder of the Series E Preferred Shares to receive equal to the Series E Issue Price; (2) each holder of the Series D Preferred Shares to receive equal to the Series D Issue Price; (3) each holder of the Series C and Series C+ Preferred Shares to receive equal to the Series C and Series C+ Issue Price; (4) each holder of the Series B Preferred Shares to receive equal to the Series B Issue Price; (5) each holder of the Series A Preferred Shares to receive equal to the Series A Issue Price;

If there are any dividends remaining after the aggregate dividends have been distributed or paid in full to the applicable holders above, the remaining dividends available for distribution shall be distributed rateably among all shareholders.

Conversion

The holders of the Preferred Shares are entitled to convert into ordinary shares at any time after the issuance date at the then applicable conversion price. The initial conversion ratio shall be 1: 1, and shall be subject to adjustments for diluting issues such as share splits, capital reorganisation or issuance of additional new ordinary stocks. All outstanding Preferred Shares shall automatically be converted, at the applicable conversion ratio at the time of conversion, upon the earlier of a Qualified Public Offering ("Qualified IPO") or the date specified by written consent or agreement approved by holders of the majority of outstanding preferred shares. Qualified IPO means the closing of a firm commitment underwritten public offering of the ordinary shares the Company (or depositary receipts or depositary shares therefor) on the Stock Exchange of Hong Kong Limited, National Association of Securities Dealers Automated Quotation, New York Stock Exchange or another internationally recognized securities exchange with an offering price that implies a market capitalization of the Company immediately prior to such offering of not less than the higher of (1) US$1,200,000,000, multiplied by the sum of (a) one and (b) 10% multiplied by N, where N = (i) the number of full calendar months after the date of the first Closing with any of the Investor(s) in accordance with Purchase Agreement (the "Closing Date") divided by (ii) 12; and (2) US$1,200,000,000 plus the proceeds received by the Company from the issuance of Series E Preferred Shares or the equivalent amount in other currencies.

Redemption

Upon the occurrence of any of the following events, the Series B, Series C, Series C+, Series D and Series E Preferred Shares become redeemable:

(a) the Company fails to complete a Qualified IPO by December 31, 2027;

(b) any other Preferred Shares of the Company become redeemable; (c) any material breach or violation by any Group Company or the Founder or the Co-CEO of any of its representations, warranties or covenants contained in the transaction documents; (d) the Company fails to sign, during the 24-month period after the Closing Date, at least one commercial contract in relation to drug pipeline with the total amount of all such contract(s) being at least US$1 billion; (e) the Company fails to, during the 36-month period after the Closing Date, (i) submit four or more Innovative New Drug (IND) applications in any country or region for innovative drug candidates; or (ii) obtain IND approval for two of the foregoing; (f) any Group Company, the Founder or the Co-CEO is subject to criminal investigation, administrative penalties that affect the IPO, or is found to have major integrity issues such as fraud, in each case, which has a material adverse impact on the normal operation of the Group Companies taken as a whole; (g) any Group Company, the Founder or the Co-CEO engages in activities that damage the interests of the Shareholders, such as occupying or misappropriating the assets of the Group Companies, falsifying financial statements or other financial accounting information, engaging in off-book sales or transfer of benefits to related parties or violating Shareholders' information rights, and the aforementioned activities have a material adverse impact on the normal operation of the Group Companies taken as a whole, or the operation and management of the Company is in a deadlock, which has a material adverse impact on the normal operation of the Group Companies taken as a whole and cannot be resolved through a meeting of the Shareholders or meeting of the Directors; or (h) the Company's business license and other licenses related to its principal business are revoked by the governmental authority for any reason (including but not limited to government actions, commercial actions, material lawsuits, other external or internal issues and force majeure), the Company experiences partial or complete suspension of operations, and the normal operation of the Group Companies is materially and adversely affected.

For Series B Preferred Shares, the redemption price for events (a) or (b) is 150% of Series B Issue Price plus declared but unpaid dividends, and for events (c), (d), (e), (f), (g) or (h), the redemption price is 100% of Series B Issue Price plus declared but unpaid dividends. For Series C, Series C+, Series D and Series E Preferred Shares, for all events, the redemption price shall be equal to 100% of the Series C, Series C+, Series D and Series E Issue Price plus all declared but unpaid dividends thereon, plus an additional amount that will result in an annualized rate of return of 8% on the Series C, Series C+, Series D and Series E Issue Price, respectively.

Liquidation

In the event of any voluntary or involuntary liquidation, dissolution, winding up or Deemed Liquidation Event of the Company, distributions to the shareholders of the Company out of the assets available for distribution to its shareholders of the Company should be made in the following sequence.

(1) each holder of the Series E Preferred Shares to receive the Series E Issue Price plus an 8% annualized interest on the Series E Issue Price and any declared but unpaid dividends; (2) each holder of the Series D Preferred Shares to receive the Series D Issue Price plus an 8% annualized interest on the Series D Issue Price and any declared but unpaid dividends; (3) each holder of the Series C and Series C+ Preferred Shares to receive the Series C and Series C+ Issue Price plus an 8% annualized interest on the Series C and Series C+ Issue Price and any declared but unpaid dividends; (4) each holder of the Series B Preferred Shares to receive the Series B issue price plus an 8% annualized interest and any declared but unpaid dividends; (5) each holder of the Series A Preferred Shares to receive the Series A issue price.

If there are any dividends remaining after the aggregate dividends have been distributed or paid in full to the applicable holders above, the remaining available for distribution shall be distributed rateably among all Series A, B, C, C+, D and E Preferred Shareholders and ordinary shareholders.

Deemed Liquidation Events of the Company include: (a) merger or consolidation in which the Company (or only if the Company issues shares pursuant to the merger or consolidation, a subsidiary of the Company) is a constituent party; (b) (1) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Company or any Subsidiary of the Company of all or substantially all the assets of the Group Companies taken as a whole or all or substantially all of the intellectual property of the Group Companies taken as a whole, or (2) the sale or disposition (whether by merger, consolidation or otherwise, and whether in a single transaction or a series of related transactions) of one or more Subsidiaries of the Company if substantially all of the assets of the Group Companies taken as a whole are held by such Subsidiary or Subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned Subsidiary of the Company.

26.3 Presentation and Classification

The Company recognized both the One Preferred Share of Subco and the Convertible Redeemable Preferred Shares of Company as financial liabilities at FVTPL and classified as current liabilities, because not all triggering payment events mentioned in the key terms above were within the control of the Company and these financial instruments did not meet the definition of equity for the Company. Financial liabilities are measured at fair value and any changes in the fair value of the financial liabilities were recorded in "loss on changes in fair value of financial liabilities at FVTPL" in the consolidated statements of profit or loss and other comprehensive income. The directors of the Company considered that the changes in the fair value of the preferred shares attributable to the change in credit risk of the Group is minimal.

For the One Preferred Share of Subco, the Company estimated the underlying fair value based on the redemption price under redemption scenario.

For the Convertible Redeemable Preferred Shares, the Company used DCF Method to determine the underlying total equity value of the Company at the end of each reporting period and performed an equity allocation method to allocate total equity value to preferred shares and ordinary shares on different bases under three different scenarios: Liquidation Scenario, Redemption Scenario and IPO Scenario. Under the Liquidation Scenario and Redemption Scenario, since the holders of the preferred shares would have priority rights to claim for the equity value over the holders of ordinary shares, the Company applied the option pricing method ("OPM") to allocate the Group's total equity value to these different classes of equity. Under the IPO Scenario, the Group's total equity value is allocated to the ordinary shares and the preferred shares on an as-if-fully-converted basis because all the preferred shares will be converted into ordinary shares upon the consummation of IPO. After deriving the value of the preferred shares and ordinary shares under each of the Liquidation, Redemption and IPO Scenario by the method described above, the Company then assigned the probabilities of each scenario to arrive at the probability weighted average value of each class of equity. The valuation was carried out by the directors of the Company with the assistance of an independent qualified valuer.

The key valuation assumptions used to determine the fair value are as follows:

	As at December 31,			As at June 30,
	2022	2023	2024	2025
Expected IPO date	31/12/2023	30/6/2024	31/12/2025	31/12/2025
Expected liquidation date	20/5/2025	20/5/2025	31/12/2027	31/12/2027
Expected redemption date	20/5/2025	20/5/2025	31/12/2027	31/12/2027
Risk-free interest	4.34%	4.58%	4.27%	3.70%
Probability of IPO scenario	70%	70%	80%	80%
Probability of liquidation scenario	15%	15%	10%	10%
Probability of redemption scenario	15%	15%	10%	10%
Volatility	75.09%	65.57%	70.23%	65.04%

The directors of the Company estimated the risk-free interest rate based on the yield of the United States Treasury Strips with a maturity life equal to the expected terms for a liquidation or redemption event as of the valuation date, sourced from Bloomberg. Volatility was estimated on the average annualized standard deviation of the historical stock price of listed comparable companies for a period with length commensurate to expected time to a liquidation or redemption event as of the valuation date.

The movements of the financial liabilities at FVTPL are set out below:

The Group

	One Preferred Share of Subco	Series A	Series B	Series C	Series C+	Series D	Series E	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
As at January 1, 2022	–	18,600	108,842	273,698	–	–	–	401,140
Issuance of Series C+ Preferred Shares	–	–	–	–	15,000	–	–	15,000
Issuance of Series D Preferred Shares	–	–	–	–	–	94,738	–	94,738
Changes in fair value	–	6,655	38,539	74,393	5,388	13,125	–	138,100
As at December 31, 2022	–	25,255	147,381	348,091	20,388	107,863	–	648,978
Changes in fair value	–	4,951	29,605	72,086	4,210	15,281	–	126,133
As at December 31, 2023	–	30,206	176,986	420,177	24,598	123,144	–	775,111
Changes in fair value	–	784	3,097	(11,080)	(602)	(1,203)	–	(9,004)
As at December 31, 2024	–	30,990	180,083	409,097	23,996	121,941	–	766,107
Issuance of Series E Preferred Shares	–	–	–	–	–	–	122,773	122,773
Changes in fair value	–	84	603	820	48	(1,289)	–	266
As at June 30,2025	–	31,074	180,686	409,917	24,044	120,652	122,773	889,146

The Company

	Series A	Series B	Series C	Series C+	Series D	Series E	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
As at January 1, 2022	18,600	108,842	273,698	–	–	–	401,140
Issuance of Series C+ Preferred Shares	–	–	–	15,000	–	–	15,000
Issuance of Series D Preferred Shares	–	–	–	–	94,738	–	94,738
Changes in fair value	6,655	38,539	74,393	5,388	13,125	–	138,100
As at December 31, 2022	25,255	147,381	348,091	20,388	107,863	–	648,978
Changes in fair value	4,951	29,605	72,086	4,210	15,281	–	126,133
As at December 31, 2023	30,206	176,986	420,177	24,598	123,144	–	775,111
Changes in fair value	784	3,097	(11,080)	(602)	(1,203)	–	(9,004)
As at December 31, 2024	30,990	180,083	409,097	23,996	121,941	–	766,107
Issuance of Series E Preferred Shares	–	–	–	–	–	122,773	122,773
Changes in fair value	84	603	820	48	(1,289)	–	266
As at June 30,2025	31,074	180,686	409,917	24,044	120,652	122,773	889,146

27. DEFERRED INCOME

The Group

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
Government grants related to property and equipment *(Note a)*	–	39	34	25
Other subsidies *(Note b)*	–	462	181	182
	–	501	215	207

Notes:

a. The Group received grants for capital expenditure incurred for the acquisition of plant and equipments. The amounts are deferred and amortized over the estimated useful lives of the respective assets.

b. Other subsidies are generally provided in relation to the R&D activities of the Group. The grants were recognized in profit or loss as other income upon the Group complied with the conditions attached to the grants and the acknowledged acceptance of compliance.

28. SHARE CAPITAL

The Company

	Number of shares	Nominal value of shares
		USD'000
Ordinary shares of USD0.00001 each		
Authorized		
As at January 1, 2022	45,257,463	–*
Increase in authorised ordinary shares	35,817	–*
As at December 31, 2022	45,293,280	–*
As at December 31, 2023	45,293,280	–*
As at December 31, 2024	45,293,280	–*
As at June 30, 2025	45,293,280	–*

	Number of shares	Nominal value of shares
		USD'000
Issued and fully paid		
As at January 1, 2022	3,782,893	–*
Exercise of share options	50,000	–*
As at December 31, 2022	3,832,893	–*
Exercise of share options	1,000	–*
As at December 31, 2023	3,833,893	–*
Exercise of share options	110,791	–*
As at December 31, 2024	3,944,684	–*
Exercise of share options	1,791	–*
As at June 30, 2025	3,946,475	–*

* Amount is less than USD1,000.

29. TREASURY SHARES

The Company

	Number of shares	Treasury shares
		USD'000
As at January 1, 2022	463,000	11,462
Restricted shares granted through the ordinary shares contributed by the Founder	60,770	1,633
Restricted shares vested	(69,000)	(1,749)
As at December 31, 2022	454,770	11,346
As at December 31, 2023	454,770	11,346
Restricted shares vested	(372,000)	(9,299)
As at December 31, 2024	82,770	2,047
As at June 30, 2025	82,770	2,047

Treasury shares represented unvested restricted shares granted to the directors, employees and consultants of the Group which are from the ordinary shares contributed by Founder as disclosed in Note 31.

30. SHARE PREMIUM AND RESERVES OF THE COMPANY

	Share premium	Share-based compensation reserve	Other reserve	Foreign exchange reserve	Accumulated losses	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
As at January 1, 2022	–	–	–	(184)	(229,995)	(230,179)
Profit (loss) and total comprehensive income (expense) for the year	–	–	–	794	(221,828)	(221,034)
Exercise of share options	208	(136)	136	–	–	208
Restricted shares granted through the ordinary shares contributed by the Founder *(Note 29)*	–	–	1,633	–	–	1,633
Vested restricted shares from the ordinary shares contributed by the Founder	–	(1,749)	–	–	–	(1,749)
Recognition of share-based compensation	–	12,924	–	–	–	12,924
As at December 31, 2022	208	11,039	1,769	610	(451,823)	(438,197)
Profit (loss) and total comprehensive income (expense) for the year	–	–	–	228	(211,640)	(211,412)
Exercise of share options	6	(1)	1	–	–	6
Recognition of share-based compensation	–	10,791	–	–	–	10,791
As at December 31, 2023	214	21,829	1,770	838	(663,463)	(638,812)
Loss and total comprehensive expense for the year	–	–	–	(333)	(17,096)	(17,429)
Exercise of share options	405	(590)	590	–	–	405
Vested restricted shares from the ordinary shares contributed by the Founder	–	(9,299)	–	–	–	(9,299)
Recognition of share-based compensation	–	3,259	–	–	–	3,259
As at December 31, 2024	619	15,199	2,360	505	(680,559)	(661,876)
Profit (loss) and total comprehensive income (expense) for the period	–	–	–	292	(19,215)	(18,923)
Exercise of share options	15	(29)	29	–	–	15
Recognition of share-based compensation	–	1,467	–	–	–	1,467
As at June 30, 2025	634	16,637	2,389	797	(699,774)	(679,317)

31. SHARE-BASED COMPENSATION

31.1 Share options

In order to provide additional incentives to employees and directors and to promote the success of business, InSilico Inc. had issued several batches of options since 2014 according to the share based compensation plan of InSilico Inc. (collectively called "US plan"). On March 15, 2019, as part of the 2019 Restructuring (see Note 1), the Company became the holding company of the Group and established the InSilico Medicine Cayman Topco 2019 Share Incentive Plan to replace the US plan, with no changes on any of the terms of the options. The new plan was subsequently amended and restated on December 31, 2019 and August 13, 2020, respectively (collectively called "2019 Share Incentive Plan"), which permits the granting of share options and restricted share awards to employees, directors and consultants of the Group. The Company authorized a total of 1,192,423 shares for issuance under the 2019 Share Incentive Plan, including 909,000 options inherited from the US plan, and has granted 22,500, 137,453, nil and 33,750 share options in 2022, 2023 and 2024 and six months ended June 30, 2025, respectively.

On December 31, 2019, the Company further established the InSilico Medicine Cayman Topco Equity Incentive Plan as adopted on December 31, 2019 ("2019 Equity Incentive Plan"), which permits the granting of equity-based incentives to attract, motivate, retain and reward certain officers, employees, directors, consultants and other eligible persons. The Company authorized 540,484 shares for issuance under the 2019 Equity Incentive Plan and has granted in total of nil, 45,000, nil, and nil share options for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2025, respectively.

On June 30, 2021, the Company established the InSilico Medicine Cayman Topco 2021 Equity Incentive Plan as adopted on June 30, 2021 ("2021 Equity Incentive Plan"), which permits the granting of incentive share options, nonstatutory share options, share appreciation rights, restricted shares and restricted share units (collectively as "Awards") to attract and retain employees, directors and consultants and to promote the success of the Group's business. The Company authorized 700,867 shares for issuance under the 2021 Equity Incentive Plan and has granted in total of 52,330, 60,375, nil, and nil share options for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2025 respectively. The options granted expire in ten years from the date of grant.

On November 25, 2022, the Company established the InSilico Medicine Cayman Topco 2022 Equity Incentive Plan as adopted on November 25, 2022 ("2022 Equity Incentive Plan"), which permits the granting of incentive share options and restricted share units (collectively as "Awards") to attract and retain employees, directors and consultants and to promote the success of the Group's business. The Company authorized 360,000 shares for issuance under the 2022 Equity Incentive Plan and has granted in total of nil, 36,750, nil, and nil share options for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2025 respectively. The options granted expire in ten years from the date of grant.

Details of the options granted under 2019 Share Incentive Plan, 2019 Equity Incentive Plan, 2021 Equity Incentive Plan and 2022 Equity Incentive Plan are as follows:

Share award plan	Grantee	Grant during the year of	Vesting schedule defined in contract term	Number of share options granted
2019 Share Incentive Plan	Consultant	2014	100% on grant date	84,000
2019 Share Incentive Plan	Employee	2014	100% on grant date	15,000
2019 Share Incentive Plan	Consultant	2015	Note i	20,000
2019 Share Incentive Plan	Employee	2015	Note ii	45,000
2019 Share Incentive Plan	Employee	2015	Note i	40,000
2019 Share Incentive Plan	Consultant	2016	Note iii	30,000
2019 Share Incentive Plan	Employee	2016	Note iv	80,000
2019 Share Incentive Plan	Consultant	2017	Note v	110,000
2019 Share Incentive Plan	Consultant	2017	Note vi	5,000
2019 Share Incentive Plan	Consultant	2017	100% on grant date	30,000
2019 Share Incentive Plan	Employee	2017	Note v	75,000
2019 Share Incentive Plan	Employee	2017	Note vi	75,000
2019 Share Incentive Plan	Consultant	2018	Note vii	15,000
2019 Share Incentive Plan	Consultant	2018	Note viii	60,000
2019 Share Incentive Plan	Consultant	2018	Note ix	30,000
2019 Share Incentive Plan	Employee	2018	Note viii	195,000
2019 Equity Incentive Plan . . .	Employee	2020	Note v	139,860
2019 Share Incentive Plan	Consultant	2020	Note v	50,000
2019 Share Incentive Plan	Consultant	2020	Note x	30,000
2019 Share Incentive Plan	Employee	2020	Note v	130,000
2019 Equity Incentive Plan . . .	Director	2021	Note v	173,291
2019 Equity Incentive Plan . . .	Employee	2021	Note v	265,910
2019 Share Incentive Plan	Consultant	2021	Note v	15,000
2019 Share Incentive Plan	Employee	2021	Note v	35,000
2021 Equity Incentive Plan . . .	Consultant	2021	Note v	25,000
2021 Equity Incentive Plan . . .	Director (Note xi)	2021	Note v	30,000
2021 Equity Incentive Plan . . .	Employee	2021	Note v	352,882
2019 Share Incentive Plan	Employee	2022	Note v	22,500
2021 Equity Incentive Plan . . .	Consultant	2022	Note v	20,000
2021 Equity Incentive Plan . . .	Director	2022	Note v	13,330
2021 Equity Incentive Plan . . .	Employee	2022	Note v	19,000
2019 Share Incentive Plan	Director	2023	Note v	109,703
2019 Share Incentive Plan	Employee	2023	Note xii	27,750
2019 Equity Incentive Plan . . .	Director	2023	Note v	30,000
2019 Equity Incentive Plan . . .	Employee	2023	Note v	15,000
2021 Equity Incentive Plan . . .	Employee	2023	Note v	4,500
2021 Equity Incentive Plan . . .	Employee	2023	Note xii	55,875
2022 Equity Incentive Plan . . .	Director	2023	Note xii	30,000
2022 Equity Incentive Plan . . .	Employee	2023	Note xii	5,250
2022 Equity Incentive Plan . . .	Employee	2023	Note v	1,500
2019 Share Incentive Plan	Employee	2025	Note xii	33,750

Notes:

i The vesting schedule is over 4 years in 4 equal yearly installments from the vesting commencement date as stipulated in respective grant notices.

ii The vesting schedule is over 3 years in 3 equal yearly installments from the vesting commencement date as stipulated in respective grant notices.

iii The vesting schedule is over 6 years in 6 equal yearly installments from the vesting commencement date as stipulated in respective grant notices.

iv The vesting schedule is over 10 years in 10 equal yearly installments from the vesting commencement date as stipulated in respective grant notices.

v The vesting schedule is over 4 years with 25% of the options vesting on the one year anniversary of the vesting commencement date as stipulated in respective grant notices and the remaining 75% of the options vesting in 36 equal monthly installments from such one year anniversary of the vesting commencement date.

vi The vesting schedule is over 4 years in 48 equal monthly installments from the vesting commencement date as stipulated in respective grant notices.

vii The vesting schedule is over 3 years with 1/3 of the options vesting on the one year anniversary of the vesting commencement date as stipulated in respective grant notices and the remaining 2/3 of the options vesting in 24 equal monthly installments from such one year anniversary of the vesting commencement date.

viii The vesting schedule is over 3 years in 36 equal monthly installments from the vesting commencement date as stipulated in respective grant notices.

ix The vesting schedule is over 5 years in 5 equal yearly installments from the vesting commencement date as stipulated in respective grant notices.

x The vesting schedule is over 5 years with 20% of the options vesting on the one year anniversary of the vesting commencement date as stipulated in respective grant notices and the remaining 80% of the options vesting in 48 equal monthly installments from such one year anniversary of the vesting commencement date.

xi The director resigned from the Company in August 2022.

xii The vesting schedule is over 4 years with 50% of the options vesting on the two year anniversary of the vesting commencement date as stipulated in respective grant notices and the remaining 50% of the options vesting in 24 equal monthly installments from such one year anniversary of the vesting commencement date.

The following table summarized the Company's share option activities under 2019 Share Incentive Plan, 2019 Equity Incentive Plan, 2021 Equity Incentive Plan and 2022 Equity Incentive Plan for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2025:

	Number of options	Weighted average exercise price	Weighted average grant date fair value	Weighted average remaining contractual life
		USD	*USD*	*Years*
Outstanding as of December 31, 2021	**1,795,776**	**9.93**	**9.71**	**7.76**
Granted	74,830	24.60	22.65	
Exercised	(50,000)	4.17	2.73	
Forfeited	(184,440)	11.37	11.99	
Outstanding as of December 31, 2022	**1,636,166**	**10.61**	**10.26**	**6.89**
Granted	279,578	29.61	24.30	
Exercised	(1,000)	5.88	1.45	
Forfeited	(84,914)	22.40	16.93	
Outstanding as of December 31, 2023	**1,829,830**	**12.97**	**12.10**	**6.34**
Exercised	(110,791)	3.66	5.33	
Forfeited	(166,497)	22.96	19.35	
Outstanding as of December 31, 2024	**1,552,542**	**12.57**	**11.96**	**5.42**
Granted	33,750	42.32	25.79	
Exercised	(1,791)	8.35	15.99	
Forfeited	(125,583)	9.46	8.26	
Outstanding as of June 30, 2025	**1,458,918.00**	**13.53**	**12.60**	**5.09**

For share options exercised during the years ended December 31, 2022, 2023 and 2024 and six months ended June 30 2025, the weighted average share price at the date of exercise was USD28.192, USD40.681, USD42.137 and USD42.231.

Fair value of share options

For share options granted during the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2025, the weighted average fair value of those options at the measurement date was USD22.647, USD24.301, USD nil, and USD25.791.

The Company applies the binomial option pricing model in determining the fair value of stock options. The key assumptions used to estimate the fair value of the share options granted in 2022, 2023 and 2024 and six months ended June 30, 2024 and 2025 are as follows:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
				(unaudited)	
Risk-free interest rate	2.06%~ 3.89%	3.51%~ 4.43%	N/A *(Note i)*	N/A *(Note i)*	4.42%
Expected dividend yield	0.00%	0.00%	N/A *(Note i)*	N/A *(Note i)*	0.00%
Expected volatility range	69.01%~ 71.68%	68.10%~ 69.49%	N/A *(Note i)*	N/A *(Note i)*	70.91%
Exercise multiples	2.8	2.8	N/A *(Note i)*	N/A *(Note i)*	2.8
Contractual life	10 Years	10 Years	N/A *(Note i)*	N/A *(Note i)*	10 Years
Fair value of underlying ordinary shares	USD27.695~ 34.077	USD33.781~ 40.955	N/A *(Note i)*	N/A *(Note i)*	USD42.231

Note:

i The company did not grant new option in 2024.

The Company estimated expected volatility by reference to the historical price volatilities of ordinary shares of comparable companies over a period close to the contract term of the options. The Company estimated the risk free interest rate based on the yield to maturity of US government bonds at grant date with a maturity period close to the contract term of options. The dividend yield was estimated as zero based on the plan to retain profit for corporate expansion and no dividend will be distributed in the near future. The Company determined the fair value of ordinary shares underlying each share option grant based on estimated equity value and allocation of it to each element of its capital structure. The assumptions used in share-based compensation expenses recognition represent the Company's best estimates, but these estimations involve inherent uncertainties and the application of judgement. If factors change or different assumptions are used, the share-based compensation expenses could be materially different for any period.

Share-based compensation expenses for all share options

Total share-based compensation expenses for all share options recognized for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2024 and 2025 were as follows:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000* *(unaudited)*	*USD'000*
Research and development expenses	1,563	2,708	(557)	163	159
General and administrative expenses	3,798	2,095	989	735	(439)
Selling and marketing expenses	476	113	23	32	21
Total share-based compensation expenses	**5,837**	**4,916**	**455**	**930**	**(259)**

31.2 Restricted shares unit under 2019 Equity Incentive Plan

The Company authorized 540,484 shares for issuance under the 2019 Equity Incentive Plan and has granted in total of nil, nil, nil, nil, and 10,000 restricted shares unit for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2025 respectively.

Details of the restricted shares unit granted under 2019 Equity Incentive Plan are as follows:

Share award plan	Grantee	Grant date	Vesting schedule defined in contract term	Subscribe price	Number of restricted shares unit granted
2019 Equity Incentive Plan	Director	23/04/2025	Note i	–	10,000

Note:

i The restricted shares unit will vest with 1/3 vesting on the day of an IPO after the vesting commencement date as stipulated in respective grant notices and the remaining 2/3 vesting in 24 equal monthly installments from such IPO date.

The following table summarized the Company's restricted shares unit activities under 2019 Equity Incentive Plan for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2025:

	Number of restricted shares unit	Weighted average subscribe price	Weighted average grant date fair value
		USD	*USD*
Outstanding as of December 31, 2022	–	–	–
Outstanding as of December 31, 2023	–	–	–
Outstanding as of December 31, 2024	–	–	–
Granted	10,000	–	42.39
Outstanding as of June 30, 2025	10,000	–	42.39

Fair value of restricted shares under 2019 Equity Incentive Plan

The fair value of the Founder shares granted was determined using the grant date fair value of the underlying ordinary shares of the Company. The Group used the back-solve method or DCF Method to determine the underlying equity fair value of the Company. The foresaid underlying equity fair value of the Company at date of grant was valued by directors of the Company with the assistance of an independent qualified valuer.

Share-based compensation expenses for all restricted shares under 2019 Equity Incentive Plan

Total share-based compensation expenses for all restricted shares under 2019 Equity Incentive Plan recognized for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2024 and 2025 were as follows:

	Year ended December 31,			Six months ended June 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*
				(unaudited)	
Research and development expenses	–	–	–	–	67
Total share-based compensation expenses	–	–	–	–	67

31.3 Restricted shares unit under 2021 Equity Incentive Plan

The Company authorized 700,867 shares for issuance under the 2021 Equity Incentive Plan and has granted in total of 40,000, 110,000, 40,000, and nil restricted shares unit for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2025 respectively.

Details of the restricted shares unit granted under 2021 Equity Incentive Plan are as follows:

Share award plan	Grantee	Grant date	Vesting schedule defined in contract term	Subscribe price	Number of restricted shares unit granted
2021 Equity Incentive Plan.	Director	25/11/2022	Note i	–	40,000
2021 Equity Incentive Plan.	Director	23/08/2023	Note i	–	80,000
2021 Equity Incentive Plan.	Director	01/12/2023	Note i	–	30,000
2021 Equity Incentive Plan.	Director	26/08/2024	Note i	–	40,000

Note:

i The restricted shares unit will vest with 1/3 vesting on the day of an IPO after the vesting commencement date as stipulated in respective grant notices and the remaining 2/3 vesting in 24 equal monthly installments from such IPO date.

The following table summarized the Company's restricted shares unit activities under 2021 Equity Incentive Plan for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2025:

	Number of restricted shares unit	Weighted average subscribe price	Weighted average grant date fair value
		USD	*USD*
Outstanding as of December 31, 2021	**–**	**–**	**–**
Granted.	40,000	–	34.08
Outstanding as of December 31, 2022	**40,000**	**–**	**34.08**
Granted.	110,000	**–**	41.09
Outstanding as of December 31, 2023	**150,000**	**–**	**39.22**
Granted.	40,000	–	42.32
Outstanding as of December 31, 2024	**190,000**	**–**	**39.76**
Outstanding as of June 30, 2025	190,000	–	39.76

Fair value of restricted shares under 2021 Equity Incentive Plan

The fair value of the Founder shares granted was determined using the grant date fair value of the underlying ordinary shares of the Company. The Group used the back-solve method or DCF Method to determine the underlying equity fair value of the Company. The foresaid underlying equity fair value of the Company at date of grant was valued by directors of the Company with the assistance of an independent qualified valuer.

Share-based compensation expenses for all restricted shares under 2021 Equity Incentive Plan

Total share-based compensation expenses for all restricted shares under 2021 Equity Incentive Plan recognized for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2024 and 2025 were as follows:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000 (unaudited)*	*USD'000*
Research and development expenses	–	272	171	(52)	215
General and administrative expenses	78	1,770	922	(343)	1,103
Total share-based compensation expenses	78	2,042	1,093	(395)	1,318

31.4 Restricted shares unit under 2022 Equity Incentive Plan

The Company authorized 360,000 shares for issuance under the 2022 Equity Incentive Plan and has granted in total of nil, 26,250, nil, and nil restricted shares unit for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2025 respectively.

Details of the restricted shares unit granted under 2022 Equity Incentive Plan are as follows:

Share award plan	Grantee	Grant date	Vesting schedule defined in contract term	Subscribe price	Number of restricted shares unit granted
2022 Equity Incentive Plan	Director	23/08/2023	Note i	–	4,000
2022 Equity Incentive Plan	Employee	23/08/2023	Note i	–	22,250

Note:

i The restricted shares unit will vest with 1/3 vesting on the day of an IPO after the vesting commencement date as stipulated in respective grant notices and the remaining 2/3 vesting in 24 equal monthly installments from such IPO date.

The following table summarized the Company's restricted shares unit activities under 2021 Equity Incentive Plan for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2025:

	Number of restricted shares unit	Weighted average subscribe price	Weighted average grant date fair value
		USD	*USD*
Outstanding as of December 31, 2022	**–**	**–**	**–**
Granted	26,250	–	40.96
Outstanding as of December 31, 2023	**26,250**	**–**	**40.96**
Outstanding as of December 31, 2024	**26,250**	**–**	**40.96**
Outstanding as of June 30, 2025	**26,250**	**–**	**40.96**

Fair value of restricted shares under 2022 Equity Incentive Plan

The fair value of the Founder shares granted was determined using the grant date fair value of the underlying ordinary shares of the Company. The Group used the back-solve method or DCF Method to determine the underlying equity fair value of the Company. The foresaid underlying equity fair value of the Company at date of grant was valued by directors of the Company with the assistance of an independent qualified valuer.

Share-based compensation expenses for all restricted shares under 2022 Equity Incentive Plan

Total share-based compensation expenses for all restricted shares under 2022 Equity Incentive Plan recognized for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2024 and 2025 were as follows:

	Year ended December 31,			Six months ended June 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	USD'000	*USD'000*	*USD'000*	*USD'000 (unaudited)*	*USD'000*
Research and development expenses	**–**	196	16	(60)	56
General and administrative expenses	**–**	294	25	(95)	87
Selling and marketing expenses	**–**	82	7	(29)	27
Total share-based compensation expenses	–	572	48	(184)	170

31.5 Restricted shares granted through the ordinary shares contributed by the Founder

To retain the best talents for the Group, and in order to incentivize the directors, employees and non-employee consultants (collectively as "the Purchaser") to provide services of the highest quality to the Group, the Founder of the Company granted 60,770, nil, nil, and nil ordinary shares held by him at par value to the directors, employees and consultants for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2025, respectively. For the shares granted for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2025, 57,000, nil, nil, and nil shares were vested immediately upon grant, while the remaining grants would be vested after requisite service periods. This transaction is in substance, share-based compensation expenses incurred by the Founder on behalf of the Company, and accounted for as a capital contribution by the Founder to the Company accompanied with a simultaneous grant by the Company. The Group recognized compensation expenses based on the fair value of the shares as of the grant dates with a corresponding increase in share-based payments reserve.

Details of the restricted shares granted through the ordinary shares contributed by the Founder are as follows:

Grantee	Grant during the year of	Vesting schedule defined in contract term	Number of restricted shares granted
Consultant	2019	100% on grant date	5,000
Employee	2019	100% on grant date	285,000
Employee	2020	100% on grant date	5,000
Consultant	2021	Note iii	15,000
Consultant	2021	100% on grant date	15,000
Consultant	2021	Note ii	20,000
Consultant	2021	Note iv	342,000
Director	2021	100% on grant date	10,000
Director	2021	Note ii	10,000
Employee	2021	100% on grant date	24,000
Employee	2021	Note i	2,000
Employee	2021	Note ii	56,000
Employee	2021	Note iv	15,000
Employee	2021	Upon the achievement of certain performance conditions	3,000
Consultant	2022	100% on grant date	25,000
Director	2022	Note ii	3,770
Employee	2022	100% on grant date	32,000

Notes:

i The vesting schedule is 18 months following the vesting commencement date or until IPO, whichever is later.

ii The vesting schedule is 2 years following the vesting commencement date or until IPO, whichever is later.

iii The vesting schedule is 1 year following the vesting commencement date or until IPO, whichever is later. In 2024 the IPO condition is waived, and the years of service condition is satisfied, therefore on the modification date the Company recognized the full vesting fee.

iv The vesting schedule is 2 years following the vesting commencement date or until IPO, whichever is later. In 2024 the IPO condition is waived, and the years of service condition is satisfied, therefore on the modification date the Company recognized the full vesting fee.

Fair value of Founder shares grant

The fair value of the Founder shares granted was determined using the grant date fair value of the underlying ordinary shares of the Company.

The Group used the back-solve method or DCF Method to determine the underlying equity fair value of the Company. The foresaid underlying equity fair value of the Company at date of grant was valued by directors of the Company with the assistance of an independent qualified valuer.

The following table summarized the restricted shares granted through the ordinary shares contributed by the Founder during the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2025:

	Number of shares	Weighted average grant date fair value
		USD
Unvested as of December 31, 2021	**463,000**	**24.76**
Granted by the Founder	60,770	
Vested	(69,000)	
Unvested as of December 31, 2022	**454,770**	**24.83**
Unvested as of December 31, 2023	**454,770**	**24.83**
Vested	(372,000)	
Unvested as of December 31, 2024	**82,770**	**24.10**
Unvested as of June 30, 2025	**82,770**	**24.10**

Note: Unvested restricted shares granted to the directors, employees and consultants of the Group which are from the ordinary shares contributed by Founder are recorded in treasury shares as disclosed in Note 29.

Share-based compensation expenses for Founder shares grant

Total share-based compensation expenses for Founder shares grant recognized for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2024 and 2025 were as follows:

	Year ended December 31,			Six months ended June 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	USD'000	*USD'000*	*USD'000*	*USD'000* (unaudited)	*USD'000*
Research and development expenses	4,711	2,653	1,654	1,586	27
General and administrative expenses	1,355	580	19	(307)	133
Selling and marketing expenses	943	28	(10)	(29)	11
Total share-based compensation expenses	7,009	3,261	1,663	1,250	171

32. DISPOSAL OF A SUBSIDIARY

In October 2022, the Group disposed 100% equity interest of its wholly owned subsidiary InSilico LLC to an independent third party in 2022. The aggregate net assets of InSilico LLC at the date of disposal was as follows:

Consideration received:

	USD'000
Cash received	–*

Analysis of assets and liabilities over which control was lost:

	20/10/2022
	USD'000
Assets:	
Property and equipment	46
Right-of-use assets	207
Trade and other receivables and prepayments	50
Cash and cash equivalents	2,215
Liabilities:	
Trade and other payables	(115)
Lease liabilities	(214)
Net assets disposed of	2,189

Loss on disposal of a subsidiary:

	USD'000
Consideration received	–*
Net assets disposed of	(2,189)
Loss on disposal	(2,189)

Net cash outflow arising on disposal

	USD'000
Cash and cash equivalents disposed of	2,215
Less: cash consideration	–*
	2,215

* Amount is less than USD1,000.

33. RELATED PARTY TRANSACTIONS

Other than as disclosed in Notes 13, 22 and 31 in the Historical Financial Information, the Group has the following transactions with its related parties during the Track Record Period.

(1) Names and relationships with related parties

The following companies are significant related parties of the Group that had transactions and/or balances with the Group during the Track Record Period.

Company	Relationship
WuXi Group	A shareholder of the Group

(2) Related party transactions:

(a) R&D expense and Cost of revenue for contract research organizations ("CRO") services

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000* (unaudited)	*USD'000*
WuXi Group . . .	20,611	15,594	12,690	4,222	4,919

(3) Related party balances

Related party balances and nature refer to Note 22.

(4) Compensation of key management personnel

The remuneration of members of key management of the Group during the Track Record Period were as follows:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000* (unaudited)	*USD'000*
Salaries and other benefits	2,310	2,496	2,547	1,269	1,296
Retirement benefit scheme contributions . .	119	138	147	100	106
Discretionary bonuses *(Note)*	1,999	4,264	1,958	1,017	1,152
Share-based payments . . .	4,714	4,980	3,317	1,277	1,769
	9,142	11,878	7,969	3,663	4,323

Note: Discretionary bonuses is determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

34. CAPITAL COMMITMENTS

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
Capital expenditure contracted for but not provided in the Historical Financial Information in respect of:				
– acquisition of intangible assets and equipment	2,460	263	–	–

35. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to investors through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged throughout the Track Record Period.

The capital structure of the Group consists of net debts, which includes lease liabilities disclosed in Note 25 and financial liabilities at FVTPL disclosed in Note 26, net of bank balances and cash disclosed in Note 23 and equity attributable to owners of the Company, comprising share capital, treasury shares, share premium and reserves.

The management of the Group reviews the capital structure regularly. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendation of the management of the Group, the Group will balance its overall capital structure through the new share issues or issue of new debt.

36. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
Financial assets				
Amortized cost	213,324	180,321	127,787	219,446
Financial assets at FVTPL . . .	1,025	414	246	672

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
Financial liabilities				
Amortized cost	21,371	23,261	21,892	18,014
Financial liabilities at FVTPL	648,978	775,111	766,107	889,146
Lease liabilities	3,223	2,193	2,561	6,945

The Company

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
Financial assets				
Amortized cost	149,132	90,156	95,009	177,824
Financial liabilities				
Amortized cost	2,025	6,802	5,197	6,422
Financial liabilities at FVTPL	648,978	775,111	766,107	889,146

(b) Financial risk management objectives and policies

The Group's major financial assets and liabilities include trade and other receivables, financial assets at FVTPL, bank balances and cash, trade and other payables, amounts due to a related party, lease liabilities and financial liabilities at FVTPL. The Company's major financial assets and liabilities include bank balances, trade and other receivables, trade and other payables, amounts due to subsidiaries and financial liabilities at FVTPL. Details of these financial assets and liabilities are disclosed in respective notes.

The risks associated with these financial assets and liabilities include market risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group's and the Company's activities expose it primarily to currency risk, interest rate risk and other price risk. There has been no change in the Group's and the Company's exposure to these risks or the manner in which it manages and measures the risks.

(i) Currency risk

Certain financial assets and liabilities are denominated in foreign currency of respective group entities which are exposed to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of each reporting period are as follows:

The Group

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000*
Assets				
RMB	1,257	2,639	142	37
HK$	117	26	13	40
Liabilities				
HK$	263	163	62	334

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in USD against RMB or HK$, the foreign currency with which the Group may have a material exposure. 5% represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis uses outstanding foreign currency denominated monetary items as a base and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rate. A negative/positive number below indicates an increase/decrease in loss where USD strengthens 5% against RMB or HK$. For a 5% weakening of USD against RMB or HK$, there would be an equal and opposite impact on loss for the year.

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	USD'000	*USD'000*	*USD'000*	*USD'000* *(unaudited)*	*USD'000*
Impact on profit or loss					
The Group					
RMB	(63)	(132)	(7)	(1)	(2)
HK$	7	7	2	2	15

(ii) Interest rate risk

The Group and the Company are primarily exposed to fair value interest rate risk in relation to lease liabilities (Note 25) and cash flow interest rate risk in relation to bank balances (Note 23). The Group currently does not have an interest rate hedging policy to mitigate interest rate risk; nevertheless, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

The Group considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant because the current market interest rates are relatively low and stable.

(iii) Other price risk

The Group and the Company are exposed to other price risk arising from issue of preferred shares, which were classified as financial liabilities at FVTPL for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2024 and 2025.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the reporting date for financial liabilities at FVTPL.

If the equity value of the Company had been changed based on the 5% higher/lower:

The Group and the Company

- the post-tax loss for the year ended December 31, 2022 would increase by approximately USD31,206,000 and decrease by approximately USD31,229,000; and

- the post-tax loss for the year ended December 31, 2023 would increase by approximately USD36,877,000 and decrease by approximately USD36,900,000.

- the post-tax loss for the year ended December 31, 2024 would increase by approximately USD37,113,000 and decrease by approximately USD37,131,000.

- the post-tax loss for the six months ended June 30, 2024 would increase by approximately USD 38,811,000 (unaudited) and decrease by approximately USD38,812,000 (unaudited).

- the post-tax loss for the six months ended June 30, 2025 would increase by approximately USD43,099,000 and decrease by approximately USD43,105,000.

Credit risk

The carrying amounts of trade receivables, other receivables and other non-current assets, bank balances and cash included in the consolidated statements of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets.

Trade receivables

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL.

The ECL on trade receivables are assessed collectively based on the past default experience of the debtor, adjusted for factors that are specific to the debtors, general economic conditions and industry in which the debtor operates and an assessment of both the current as well as the forward-looking information that is available without undue cost or effort at the end of each reporting period. The ECL rate of trade receivables as at December 31, 2022, 2023 and 2024 and June 30, 2025 were insignificant. Management considered the ECL provision of trade receivables is insignificant as these balances are mainly due from a counterparty of good credit quality.

Other receivables and other non-current assets

For other receivables and other non-current assets, the Group has applied 12m ECL in IFRS 9 to measure the loss allowance. The ECL on other receivables and other non-current assets are assessed collectively using a provision matrix based on the past default experience of the debtor, adjusted for factors that are specific to the debtors, general economic conditions and industry in which the debtor operates and an assessment of both the current as well as the forecast direction of conditions at the end of each reporting period. The ECL rate of other receivables and other non-current assets as at December 31, 2022, 2023 and 2024 and June 30, 2025 were insignificant. Management considered the ECL provision of other receivables and other non-current assets is insignificant.

Bank balances and cash

The credit risk on bank balances and cash is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

The tables below detail the credit risk exposures of the Group's and the Company's financial assets, which are subject to ECL assessment:

				The Group				The Company			
				As at December 31, 2022	As at December 31, 2023	As at December 31, 2024	As at June 30, 2025	As at December 31, 2022	As at December 31, 2023	As at December 31, 2024	As at June 30, 2025
	Notes	Internal credit rating	12m or Lifetime ECL	Gross carrying amount	Gross carrying amount	Gross carrying amount	Gross carrying amount	Gross carrying amount	Gross carrying amount	Gross carrying amount	Gross carrying amount
				USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
Financial assets at amortized cost											
Trade and other receivables	*21*	Low risk	Lifetime ECL/ 12m ECL	5,176	2,616	1,241	5,905	–	983	305	59
Other non-current assets	*20*	Low risk	12m ECL	538	562	635	1,109	–	–	–	–
Bank balances and cash	*23*	N/A	12m ECL	207,883	177,181	125,942	212,630	149,132	89,173	94,704	177,765

(a) Internal credit rating

As part of the Group's credit risk management, the Group applies internal credit rating for its customers in relation to its operation. The following table provides information about the exposure to credit risk for trade receivables which are assessed on a collective basis within lifetime ECL (not credit-impaired).

	As at December 31, 2022		As at December 31, 2023		As at December 31, 2024		As at June 30, 2025	
Internal credit rating	Average loss rate	Trade receivables	Average loss rate	Trade receivables	Average loss rate	Trade receivables	Average loss rate	Trade receivables
		USD'000		*USD'000*		*USD'000*		*USD'000*
Low risk	5.28%	5,169	3.41%	1,115	3.51%	883	3.40%	5,815

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

(b) The following table shows the movement in lifetime ECL that has been recognized for trade receivables under the simplified approach.

	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	USD'000	*USD'000*	*USD'000*
As at 1 January 2022	39	–	39
– Transfer to credit-impaired	(3)	3	–
– Impairment losses recognized	162	72	234
As at 31 December 2022	198	75	273
– Impairment losses reversed	(160)	–	(160)
– Write-offs	–	(75)	(75)
As at 31 December 2023	38	–	38
– Impairment losses reversed	(7)	–	(7)
As at 31 December 2024	31	–	31
– Impairment losses recognized	167	–	167
As at June 30, 2025	198	–	198

Liquidity risk

In the management of the liquidity risk, the Group and the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's and the Company's operations and mitigate the effects of fluctuations in cash flows. The Group relies on issuance of preferred shares and ordinary shares as significant sources of liquidity. The directors of the Company are satisfied that the Group will have sufficient financial resource to meet its financial obligation as they fall due and to sustain its operations for the foreseeable future.

The following table details the Group's and the Company's remaining contractual maturity for its financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
	%	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
The Group							
As at December 31, 2022							
Trade and other payables	–	12,949	–	–	–	12,949	12,949
Amounts due to a related party	–	8,422	–	–	–	8,422	8,422
Financial liabilities at FVTPL	–	458,662	–	–	–	458,662	648,978
Lease liabilities	2.44 to 4.15	1,462	1,213	681	–	3,356	3,223
		481,495	1,213	681	–	483,389	673,572
As at December 31, 2023							
Trade and other payables	–	18,358	–	–	–	18,358	18,358
Amounts due to a related party	–	4,903	–	–	–	4,903	4,903
Financial liabilities at FVTPL	–	487,843	–	–	–	487,843	775,111
Lease liabilities	2.44 to 4.32	1,347	648	243	–	2,238	2,193
		512,451	648	243	–	513,342	800,565
As at December 31, 2024							
Trade and other payables	–	17,716	–	–	–	17,716	17,716
Amounts due to a related party	–	4,176	–	–	–	4,176	4,176
Financial liabilities at FVTPL	–	517,023	–	–	–	517,023	766,107
Lease liabilities	2.44 to 4.45	1,533	952	125	–	2,610	2,561
		540,448	952	125	–	541,525	790,560

	Weighted average effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
	%	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
As at June 30, 2025							
Trade and other payables	–	13,456	–	–	–	13,456	13,456
Amounts due to a related party	–	4,558	–	–	–	4,558	4,558
Financial liabilities at FVTPL	–	657,495	–	–	–	657,495	889,146
Lease liabilities	3.32 to 4.45	2,372	1,522	3,646	–	7,540	6,945
		677,881	1,522	3,646	–	683,049	914,105
The Company							
As at December 31, 2022							
Trade and other payables	–	1,700	–	–	–	1,700	1,700
Amounts due to subsidiaries	–	325	–	–	–	325	325
Financial liabilities at FVTPL	–	458,662	–	–	–	458,662	648,978
		460,687	–	–	–	460,687	651,003
As at December 31, 2023							
Trade and other payables	–	5,064	–	–	–	5,064	5,064
Amounts due to subsidiaries	–	1,738	–	–	–	1,738	1,738
Financial liabilities at FVTPL	–	487,843	–	–	–	487,843	775,111
		494,645	–	–	–	494,645	781,913
As at December 31, 2024							
Trade and other payables	–	1,768	–	–	–	1,768	1,768
Amounts due to subsidiaries	–	3,429	–	–	–	3,429	3,429
Financial liabilities at FVTPL	–	517,023	–	–	–	517,023	766,107
		522,220	–	–	–	522,220	771,304
As at June 30, 2025							
Trade and other payables	–	1,758	–	–	–	1,758	1,758
Amounts due to subsidiaries	–	4,664	–	–	–	4,664	4,664
Financial liabilities at FVTPL	–	657,495	–	–	–	657,495	889,146
		663,917	–	–	–	663,917	895,568

(c) Fair value measurements of financial instruments

The fair value of financial assets and financial liabilities (except for those set out below) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the directors of the Company performs the valuation or uses quoted forward exchange rates derived from quoted exchange rates matching maturities of the contracts at the end of each reporting period with the assistance of independent qualified valuers. The finance department of the Group works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

(i) Financial assets and liabilities measured at fair values on a recurring basis

The Group's financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of those financial liabilities are determined (in particular, the valuation techniques and inputs used).

		Fair value							
		As at December 31,			As at June 30	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	Notes	2022	2023	2024	2025				
		USD'000	*USD'000*	*USD'000*	*USD'000*				
Financial assets									
Equity Investments with Readily Determinable Fair Value	*19*	1,025	414	246	672	Level 1	Active market quoted transaction price	N/A	N/A
Financial liabilities									
Financial liabilities at FVTPL	*26*	648,978	775,111	766,107	889,146	Level 3	DCF Model and OPM Model – the key inputs are possibilities under different scenarios as disclosed in Note 26 and volatility (As at December 31, 2022 and 2023) Backsolve Model – the key inputs are possibilities under different scenarios as disclosed in Note 26 and volatility (As at December 31, 2024 and June 30, 2025)	Volatility 2022: 75.09% 2023: 65.57% 2024: 70.23% 2025: 65.04% Probability of IPO scenario 2022: 70.00% 2023: 70.00% 2024: 80.00% 2025: 80.00%	The higher the volatility, the lower the fair value (Note i) The higher the probability of IPO scenario, the lower the fair value (Note ii)

Note i: A 5% increase/decrease in volatility, while all other variables keep constant, would decrease/increase the carrying amount of financial liabilities as at December 31, 2022, 2023 and 2024 and June 30, 2025 by USD602,000, USD283,000, USD511,000 and USD490,000, respectively, increase the carrying amount as at December 31, 2022, 2023 and 2024 and June 30, 2025 by USD598,000, USD255,000, USD509,000 and USD505,000, respectively.

Note ii: A 5% increase/decrease in the probability of IPO scenario, while all other variables keep constant, would decrease the carrying amount of financial liabilities as at December 31, 2022, 2023 and 2024 and June 30, 2025 by USD2,673,000, USD3,460,000, USD2,574,000 and USD3,210,000, respectively, increase the carrying amount as at December 31, 2022, 2023 and 2024 and June 30, 2025 by USD2,673,000, USD3,460,000, USD2,574,000 and USD3,210,000, respectively.

There were no transfers between different levels during the Track Record Period.

(ii) Fair value of financial assets and financial liabilities that are not measured at fair value

The directors of the Company consider that the carrying amount of the Group's and the Company's financial assets and financial liabilities recorded at amortized cost in the Historical Financial Information approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

(iii) Reconciliation of Level 3 fair value measurements

Details of reconciliation of Level 3 fair value measurement for preferred shares is set out in Note 26. Fair value gains or losses on financial liabilities at FVTPL are included in "other gains and losses, net".

37. RETIREMENT BENEFIT PLANS

Full time employees of the Group in the PRC participate in a government mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing fund and other welfare benefits are provided to employees. Chinese labour regulations require that the Group's PRC subsidiaries make contributions to the government for these benefits based on certain percentages of the employees' salaries. The Group has no legal obligation for the benefits beyond the contributions made. The total amounts for such employee benefits, which were expensed as incurred, were USD2,008,000, USD3,018,000, USD3,321,000, USD1,579,000 (unaudited) and USD1,651,000 for the Group's PRC subsidiaries for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2024 and 2025, respectively.

In Taiwan, the government also mandated defined contribution plan including certain pension benefits, medical care, unemployment insurance and other welfare benefits, to be provided to full time employees of the Group. The local regulations require that the Group's Taiwan subsidiary make contributions to the government for these benefits based on certain percentage of the employee's salaries. The Group has no legal obligation for the benefits beyond the contributions made. The total amounts for such employee benefits, which were expensed as incurred, were USD119,000, USD139,000, USD88,000, USD58,000 (unaudited) and USD6,000 for the Group's Taiwan subsidiary for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2024 and 2025, respectively.

In United States, the Group sponsors a defined contribution plan under Section 401(k) of the Internal Revenue Code, which covers US employees who are 21 years of age and over. Under this plan, the Group matches voluntary employee contributions from their annual compensation. The total amounts for such employee benefits, which were expensed as incurred, were USD90,000, USD230,000, USD249,000, USD146,000 (unaudited) and USD179,000 for the Group's US subsidiary for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2024 and 2025, respectively.

38. PARTICULARS OF SUBSIDIARIES

During the Track Record Period and as at the date of this report, the Company has direct or indirect equity interests in the following subsidiaries:

Name of subsidiaries	Region and date of establishment/ incorporation	Issued and fully Paid-in/registered capital				Equity interest attributable to the Company								Principal activities
		As at December 31,			As at June 30,	As at December 31, 2022		As at December 31, 2023		As at December 31, 2024		As at June 30,2025		
		2022	2023	2024	2025	direct	indirect	direct	indirect	direct	indirect	direct	indirect	
SubCo *(Note i)*	Cayman/ November 19, 2018	US$100	US$100	US$100	US$100	100%	–	100%	–	100%	–	100%	–	Holding company
InSilico HK *(Note ii)*	Hong Kong/ January 11, 2019	US$100	US$100	US$100	US$100	–	100%	–	100%	–	100%	–	100%	R&D collaboration and software solution
InSilico Taiwan *(Note iii)*	Taiwan/ April 16, 2018	TWD 29,825,137	TWD 29,825,137	TWD 29,825,137	TWD 29,825,137	–	100%	–	100%	–	100%	–	100%	Business development
InSilico US *(Note i)*	Delaware/ February 11, 2019	US$0.001	US$0.001	US$0.001	US$0.001	–	100%	–	100%	–	100%	–	100%	BD and New drug discovery
InSilico IP *(Note ii)*	Hong Kong/ July 21, 2019	US$100	US$100	US$100	US$100	–	100%	–	100%	–	100%	–	100%	IP ownership
InSilico SH *(Note iv)*	China/ June 13, 2019	US$ 20,000,000	US$ 50,000,000	US$ 50,000,000	US$ 50,000,000	–	100%	–	100%	–	100%	–	100%	New drug discovery
Mir Pharma *(Note ii)*	Hong Kong/ June 1, 2021	US$100	US$100	US$100	US$100	–	100%	–	100%	–	100%	–	100%	Holding company
InSilico LLC *(Note v)*	Russia/June 2, 2016	–	–	–	–	–	100%	–	100%	–	100%	–	100%	AI development
InSilico SZ *(Note iv)*	China/ September 1, 2021	RMB 100,000,000	RMB 122,000,000	RMB 132,500,000	RMB 134,500,000	–	100%	–	100%	–	100%	–	100%	New drug discovery

Name of subsidiaries	Region and date of establishment/ incorporation	Issued and fully Paid-in/registered capital				Equity interest attributable to the Company								Principal activities
		As at December 31,			As at June 30,	As at December 31, 2022		As at December 31, 2023		As at December 31, 2024		As at June 30,2025		
		2022	2023	2024	2025	direct	indirect	direct	indirect	direct	indirect	direct	indirect	
InSilico Canada *(Note i)*	Canada/June 6, 2022	CAD100	CAD100	CAD100	CAD100	-	100%	-	100%	-	100%	-	100%	AI development and Business development
InSilico AI *(Note vi)*	United Arab Emirates/July 29, 2022	AED50,000	AED 14,690,000.00	AED 14,690,000.00	AED 14,690,000.00	-	100%	-	100%	-	100%	-	100%	AI development
InSilico BJ *(Note vii)*	China/December 22, 2023	-	-	-	-	-	-	-	100%	-	100%	-	100%	New drug discovery
InSilico YX *(Note viii)*	China/ March 22, 2024	-	-	-	RMB 7,175,328.25	-	-	-	-	-	100%	-	100%	New drug discovery

Notes:

i No audited financial statements have been prepared since their respective dates of incorporation as they are incorporated in the jurisdiction where there are no statutory audit requirements.

ii The statutory financial statements of these subsidiaries for the years ended December 31, 2022, 2023 and 2024 were prepared in accordance with Hong Kong Financial Reporting Standards issued by HKICPA and were audited by Deloitte Touche Tohmatsu, certified public accountants registered in Hong Kong.

iii The statutory financial statements of this subsidiary for the years ended December 31, 2022, 2023 and 2024 were prepared in accordance with IFRS Accounting Standards and issued into effect by the Financial Supervisory Commission of the Republic of China and were audited by Deloitte & Touche, certified public accountants registered in Taiwan.

iv The statutory financial statements of these subsidiaries for the years ended December 31, 2022, 2023 and 2024 were prepared in accordance with Accounting Standards for Business Enterprises and were audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP, certified public accountants registered in the PRC.

v The subsidiary was disposed of by the Group in October 2022.

vi The statutory financial statements of this subsidiary for the years ended December 31, 2022, 2023 and 2024 were prepared in accordance with IFRS Accounting Standards issued by UAECA and were audited by Deloitte Touche Tohmatsu, certified public accountants registered in UAE.

vii No statutory audited financial statements have been prepared for the years ended December 31, 2023 and 2024 as the subsidiary is newly incorporated. The subsidiary was newly incorporated by the Group in 2023 and was closed and deregistered in August 2025.

viii No statutory audited financial statements have been prepared for the year ended December 31, 2024 as the subsidiary is newly incorporated. The subsidiary was newly incorporated by the Group in 2024.

39. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Lease liabilities	Financial liabilities at FVTPL	Deferred share issue costs and accrued issue costs	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*
As at January 1, 2022	1,108	401,140	1,264	403,512
Financing cash flow	(1,070)	109,738	(1,728)	106,940
Deferred professional service fee accrued	–	–	1,852	1,852
Exchange adjustments	(62)	–	–	(62)
Fair value changes	–	138,100	–	138,100
Finance costs	99	–	–	99
New leases entered	3,750	–	–	3,750
Disposal of a subsidiary	(214)	–	–	(214)
Termination of lease	(388)	–	–	(388)
As at December 31, 2022	3,223	648,978	1,388	653,589
Financing cash flow	(1,495)	–	(694)	(2,189)
Deferred professional service fee accrued	–	–	1,058	1,058
Exchange adjustments	(29)	–	–	(29)
Fair value changes	–	126,133	–	126,133
Finance costs	94	–	–	94
New leases entered	400	–	–	400
As at December 31, 2023	2,193	775,111	1,752	779,056
Financing cash flow	(1,650)	–	(293)	(1,943)
Deferred professional service fee accrued	–	–	16	16
Exchange adjustments	(12)	–	–	(12)
Fair value changes	–	(9,004)	–	(9,004)
Finance costs	91	–	–	91
New leases entered	1,939	–	–	1,939
As at December 31, 2024	2,561	766,107	1,475	770,143
Financing cash flow	(1,063)	121,644	(209)	120,372
Deferred professional service fee accrued	–	–	271	271
Exchange adjustments	(12)	–	–	(12)
Fair value changes	–	266	–	266
Finance costs	97	–	–	97
New leases entered	5,362	–	–	5,362
As at June 30, 2025	6,945	888,017	1,537	896,499

40. MAJOR NON-CASH TRANSACTIONS

During the Track Record Period, the Group entered into new lease agreements for the use of leased properties. On the lease commencement, the Group recognized right-of-use assets and lease liabilities of USD3,750,000, USD400,000, USD1,939,000, and USD5,362,000 for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2025, respectively.

41. SUBSEQUENT EVENTS

Saved as disclosed in the report, subsequent to June 30, 2025, the following significant events took place:

(i) Pursuant to the written resolutions of the shareholders of the Company passed on December 18, 2025, the shareholders resolved to, among other things, conduct the share split pursuant to which each share in the Company's then issued and unissued share capital with a par value of US$0.00001 was split into 20 shares of the corresponding class with a par value of US$0.0000005 each effective upon the conditions of the Hong Kong Public Offering and the International Offering being fulfilled.

42. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to June 30, 2025 and up to the date of this report.

The information set forth in this Appendix does not form part of the accountants' report on the historical financial information of the Group for each of the three years ended December 31, 2024 and the six months ended June 30, 2025 (the "Track Record Period") (the "Accountants' Report") prepared by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I to this Prospectus, and is included herein for information only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this Prospectus and the consolidated financial statements set out in Appendix I to this Prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE LIABILITIES OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY

The following unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company prepared in accordance with paragraph 4.29 of the Listing Rules is for the purpose of illustrating the effect of the proposed Hong Kong public offering and international offering of the Shares of the Company (the "Global Offering") on the unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company as of June 30, 2025 as if the Global Offering had taken place on that date.

This unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible liabilities of the Group attributable to owners of the Company, had the Global Offering been completed as at June 30, 2025 or at any further dates.

The following unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company is prepared based on the audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at June 30, 2025 as derived from the Accountants' Report set out in Appendix I to this Prospectus and adjusted as described below.

	Audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at June 30, 2025	**Estimated net proceeds from the Global Offering**	**Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as at June 30, 2025**	**Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as at June 30, 2025 per Share**	
	U.S. dollars ("USD")'000 *(Note 1)*	*USD'000* *(Note 2)*	*USD'000*	*USD* *(Note 3)*	*Hong Kong dollars ("HK$")* *(Note 4)*
Based on the offer price of HK$24.05 per Share	(681,633)	301,830	(411,681)	(2.37)	(18.41)

Notes:

(1) The consolidated net tangible liabilities of the Group attributable to owners of the Company as at June 30, 2025 is arrived at after deducting other intangible assets of USD269,000 from the audited consolidated net liabilities of USD681,364,000 attributable to owners of the Company as at June 30, 2025 as extracted from the Accountants' Report set out in Appendix I to this Prospectus.

(2) The estimated net proceeds from the issue of the new shares pursuant to the Global Offering are based on 94,690,500 Shares at the fixed offer price of HK$24.05 per Share, after deduction of the estimated underwriting fees and commissions and other listing related expenses not yet recognized in profit or loss up to June 30, 2025. It does not take into account of (i) any share which may be allotted and issued upon the exercise of the over-allotment option; or (ii) any share which may be issued or repurchased by the Company under Pre-IPO Equity Incentive Plans; or (iii) allotment, issue or repurchase of shares under the general mandates granted to the directors of the Company; or (iv) issue of shares upon conversion of the Preferred Shares.

For the purpose of this unaudited pro forma statement, the estimated net proceeds from the Global Offering, the amount denominated in HK$ has been converted into USD at the rate of HK$1 to USD0.1285, which was the exchange rate prevailing on December 10, 2025 with reference to the rate published by the People's Bank of China. No representation is made that the HK$ amounts have been, could have been or may be converted to USD, or vice versa, at that rate or any other rates or at all.

(3) The unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company per Share is arrived at on the basis that 174,000,000 Shares were in issue assuming that the Share Split and the Global Offering had been completed on June 30, 2025 and it does not take into account of (i) any Share which may be allotted and issued upon the exercise of the over-allotment option; or (ii) any share which may be issued or repurchased by the Company under Pre-IPO Equity Incentive Plans; or (iii) allotment, issue or repurchase of shares under the general mandates granted to the directors of the Company or (iv) issue of 383,418,500 shares (after taking into account the effect of the Share Split) upon conversion of the Preferred Shares, as Preferred Shares holders are not entitled to the same rights as the ordinary shareholders. If taking into account the effect of conversion of the Preferred Shares, the total shares will be increased to 557,418,500 shares.

(4) For the purpose of unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company per Share, the amount stated in USD is converted into HK$ at the rate of USD1 to HK$7.7812, which was the exchange rate prevailing on December 10, 2025 with reference to the rate published by the People's Bank of China. No representation is made that the USD amounts have been, could have been or may be converted to HK$, or vice versa, at that rate or any other rates or at all.

(5) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as at June 30, 2025 to reflect any trading result or other transaction of the Group entered into subsequent to June 30, 2025. In particular, the unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as shown on page II-1 have not been adjusted to illustrate the effect of the conversion of 19,170,925 Preferred Shares in issue as at June 30, 2025. The conversion of Preferred Shares upon completion of the Global Offering would then have resulted in a reclassification of financial liabilities at fair value through profit or loss amounting to USD889,146,000 as at June 30, 2025 to equity. The conversion of Preferred Shares would have increased the total share in issue based on the assumption as stated in note 3 by 383,418,500 shares (after taking into account the effect of the Share Split) to a total of 557,418,500 shares (after taking into account the effect of the Share Split) in issue. Assuming the Offer Price is HK$24.05 per Share, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company after taking into effect the conversion of Preferred Shares would have been USD477,465,000, or USD0.86 per Share (equivalent to HK$6.67 per Share).

The following is the text of the independent reporting accountants' assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this Prospectus.

Deloitte. 德勤

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of InSilico Medicine Cayman TopCo

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of InSilico Medicine Cayman TopCo (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 unaudited pro forma statement of adjusted consolidated net tangible liabilities as at June 30, 2025 and related notes as set out on pages II-1 to II-2 of Appendix II to the prospectus issued by the Company dated December 18, 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 proposed Global Offering (as defined in the Prospectus) on the Group's financial position as at June 30, 2025 as if the proposed Global Offering had taken place at June 30, 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's historical financial information for each of the three years ended December 31, 2024 and the six months ended June 30, 2025, on which an accountants' report set out in Appendix I to the Prospectus has been published.

Directors' Responsibilities 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 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including 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 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 unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or 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 event or transaction at June 30, 2025 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 event or 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 event or 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 purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong, December 18, 2025

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of the Companies Act (as amended) of the Cayman Islands (the "**Companies Act**").

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on November 19, 2018 under the Companies Act. The Company's constitutional documents consist of its Eighth Amended and Restated Memorandum of Association ("**Memorandum**") and its Eighth Amended and Restated Articles of Association ("**Articles**").

1 Memorandum of Association

1.1 The Memorandum provides, inter alia, that the liability of members of the Company is limited and that the objects for which the Company is established are unrestricted (and therefore include acting as an investment company), and that the Company shall have and be capable of exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate whether as principal, agent, contractor or otherwise and, since the Company is an exempted company, that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.

1.2 By special resolution the Company may alter the Memorandum with respect to any objects, powers or other matters specified in it.

2 Articles of Association

The Articles were adopted on December 15, 2025. A summary of certain provisions of the Articles is set out below.

2.1 Shares

(a) Classes of shares

The share capital of the Company consists of ordinary shares.

(b) Variation of rights of existing shares or classes of shares

Subject to the Companies Act, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to any class of shares may (unless otherwise provided for by the terms of issue of the shares of that class) be varied, modified or abrogated either with the consent in writing of not less than three-fourths of the voting rights of the holders of that class or with the sanction of a special resolution passed at a separate general meeting of

the holders of the shares of that class. The provisions of the Articles relating to general meetings shall mutatis mutandis apply to every such separate general meeting, but so that the necessary quorum shall be not less than persons together holding (or, in the case of a shareholder being a corporation, by its duly authorized representative) or representing by proxy holding not less than one-third of the issued shares of that class. Every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and any holder of shares of the class present in person or by proxy may demand a poll.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(c) Alteration of capital

The Company may, by an ordinary resolution of its members:

(i) increase its share capital by the creation of new shares of such amount as it thinks expedient;

(ii) consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing shares;

(iii) divide its unissued shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges or conditions;

(iv) subdivide its shares or any of them into shares of an amount smaller than that fixed by the Memorandum;

(v) cancel any shares which, at the date of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so canceled;

(vi) make provision for the allotment and issue of shares which do not carry any voting rights;

(vii) change the currency of denomination of its share capital; and

(viii) reduce its share premium account in any manner authorized and subject to any conditions prescribed by law.

(d) Transfer of shares

Subject to the Companies Act and the requirements of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), all transfers of shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve and may be under hand or, if the transferor or transferee is a Clearing House or its nominee(s), under hand or by machine imprinted signature, or by such other manner of execution as the Board may approve from time to time.

Execution of the instrument of transfer shall be by or on behalf of the transferor and the transferee, provided that the Board may dispense with the execution of the instrument of transfer by the transferor or transferee or accept mechanically executed transfers. The transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register of members of the Company in respect of that share.

The Board may, in its absolute discretion, at any time and from time to time remove any share on the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

Unless the Board otherwise agrees, no shares on the principal register shall be removed to any branch register nor shall shares on any branch register be removed to the principal register or any other branch register. All removals and other documents of title shall be lodged for registration and registered, in the case of shares on any branch register, at the relevant registration office and, in the case of shares on the principal register, at the place at which the principal register is located.

The Board may, in its absolute discretion, decline to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or on which the Company has a lien. It may also decline to register a transfer of any share issued under any share option scheme upon which a restriction on transfer subsists or a transfer of any share to more than four joint holders.

The Board may decline to recognize any instrument of transfer unless a certain fee, up to such maximum sum as the Stock Exchange may determine to be payable, is paid to the Company, the instrument of transfer is properly stamped (if applicable), is in respect of only one class of share and is lodged at the relevant registration office or the place at which the principal register is located accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require is provided to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on their behalf, the authority of that person so to do).

The register of members may, subject to the Listing Rules, be closed on terms equivalent to section 632 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong as amended from time to time) as at the date of the adoption of the Articles (or its equivalent provision from time to time) at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine.

Fully paid shares shall be free from any restriction on transfer (except when permitted by the Stock Exchange) and shall also be free from all liens.

(e) Power of the Company to purchase its own shares

The Company may purchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirement imposed from time to time by the Articles or any code, rules or regulations issued from time to time by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong.

Where the Company purchases for redemption a redeemable Share, purchases not made through the market or by tender shall be limited to a maximum price and, if purchases are by tender, tenders shall be available to all members alike.

(f) Power of any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to the ownership of shares in the Company by a subsidiary.

(g) Calls on shares and forfeiture of shares

The Board may, from time to time, make such calls as it thinks fit upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment of such shares made payable at fixed times. A call may be made payable either in one sum or by installments. If the sum payable in respect of any call or installment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding 20% per annum as the Board shall fix from the day appointed for payment to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the money uncalled and unpaid or installments payable upon any shares held by him, and in respect of all or any of the monies so advanced the Company may pay interest at such rate (if any) not exceeding 20% per annum as the Board may decide.

If a member fails to pay any call or installment of a call on the day appointed for payment, the Board may, for so long as any part of the call or installment remains unpaid, serve not less than 14 days' notice on the member requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment. The notice shall name a further day (not earlier than the expiration of 14 days from the date of the notice) on or before which the payment required by the notice is to be made, and shall also name the place where payment is to be made. The notice shall also state that, in the event of non-payment at or before the appointed time, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, nevertheless, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by them to the Company in respect of the shares together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding 20% per annum as the Board may prescribe.

2.2 Directors

(a) Appointment, retirement and removal

At any time or from time to time, the Board shall have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director to the existing Board subject to any maximum number of Directors, if any, as may be determined by the members in general meeting. Any Director so appointed to fill a casual vacancy shall hold office only until the first annual general meeting of the Company after their appointment and be subject to re-election at such meeting. Any Director so appointed as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after their appointment and be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

At each annual general meeting, one third of the Directors for the time being shall retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors to retire in each year shall be those who have been in office longest since their last re-election or appointment but, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of their willingness to be elected has been lodged at the head office or at the registration office of the Company. The period for lodgement of such notices shall commence no earlier than the day after despatch of the notice of the relevant meeting and end no later than seven days before the date of such meeting and the minimum length of the period during which such notices may be lodged must be at least seven days.

A Director is not required to hold any shares in the Company by way of qualification nor is there any specified upper or lower age limit for Directors either for accession to or retirement from the Board.

A Director may be removed by an ordinary resolution of the Company before the expiration of their term of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between them and the Company) and the Company may by ordinary resolution appoint another in their place. Any Director so appointed shall be subject to the "retirement by rotation" provisions. The number of Directors shall not be less than two.

The office of a Director shall be vacated if they:

(i) resign;

(ii) die;

(iii) are declared to be of unsound mind and the Board resolves that their office be vacated;

(iv) become bankrupt or has a receiving order made against them or suspends payment or compounds with their creditors generally;

(v) are prohibited from being or ceases to be a director by operation of law;

(vi) without special leave, is absent from meetings of the Board for six consecutive months, and the Board resolves that their office is vacated;

(vii) have been required by the stock exchange of the Relevant Territory (as defined in the Articles) to cease to be a Director; or

(viii) are removed from office by the requisite majority of the Directors or otherwise pursuant to the Articles.

From time to time the Board may appoint one or more of its body to be managing director, joint managing director or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the Board may determine, and the Board may revoke or terminate any of such appointments. The Board may also delegate any of its powers to committees consisting of such Director(s) or other person(s) as the Board thinks fit, and from time to time it may also revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

(b) Power to allot and issue shares and warrants

Subject to the provisions of the Companies Act, the Memorandum and Articles and without prejudice to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached to it such rights, or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Board may determine). Any share may be issued on terms that, upon the happening of a specified event or upon a given date and either at the option of the Company or the holder of the share, it is liable to be redeemed.

The Board may issue warrants to subscribe for any class of shares or other securities of the Company on such terms as it may from time to time determine.

Where warrants are issued to bearer, no certificate in respect of such warrants shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original certificate has been destroyed and the Company has received an indemnity in such form as the Board thinks fit with regard to the issue of any such replacement certificate.

Subject to the provisions of the Companies Act, the Articles and, where applicable, the rules of any stock exchange of the Relevant Territory (as defined in the Articles) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others whose registered addresses are in any particular territory or territories where, in the absence of a registration statement or other special formalities, this is or may, in the opinion of the Board, be unlawful or impracticable. However, no member affected as a result of the foregoing shall be, or be deemed to be, a separate class of members for any purpose whatsoever.

(c) Power to dispose of the assets of the Company or any of its subsidiaries

While there are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries, the Board may exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Companies Act to be exercised or done by the Company in general meeting, but if such power or act is regulated by the Company in general meeting, such regulation shall not invalidate any prior act of the Board which would have been valid if such regulation had not been made.

(d) Borrowing powers

The Board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and uncalled capital of the Company and, subject to the Companies Act, to issue debentures, debenture stock, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(e) Remuneration

The Directors shall be entitled to receive, as ordinary remuneration for their services, such sums as shall from time to time be determined by the Board or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided among the Directors in such proportions and in such manner as they may agree or, failing agreement, either equally or, in the case of any Director holding office for only a portion of the period in respect of which the remuneration is payable, pro rata. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them in attending any Board meetings, committee meetings or general meetings or otherwise in connection with the discharge of their duties as Directors. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

Any Director who, at the request of the Company, performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such special or extra remuneration as the Board may determine, in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the Board may from time to time decide. Such remuneration shall be in addition to their ordinary remuneration as a Director.

The Board may establish, either on its own or jointly in concurrence or agreement with subsidiaries of the Company or companies with which the Company is associated in business, or may make contributions out of the Company's monies to, any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or former Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and former employees of the Company and their dependents or any class or classes of such persons.

The Board may also pay, enter into agreements to pay or make grants of revocable or irrevocable, whether or not subject to any terms or conditions, pensions or other benefits to employees and former employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or former employees or their dependents are or may become entitled under any such scheme or fund as mentioned above. Such pension or benefit may, if deemed desirable by the Board, be granted to an employee either before and in anticipation of, or upon or at any time after, their actual retirement.

(f) Compensation or payments for loss of office

Payments to any present Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with their retirement from office (not being a payment to which the Director is contractually or statutorily entitled) must be approved by the Company in general meeting.

(g) Loans and provision of security for loans to Directors

The Company shall not directly or indirectly make a loan to a Director or a director of any holding company of the Company or any of their respective close associates, enter into any guarantee or provide any security in connection with a loan made by any person to a Director or a director of any holding company of the Company or any of their respective close associates, or, if any one or more of the Directors hold(s) (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

(h) Disclosure of interest in contracts with the Company or any of its subsidiaries

With the exception of the office of auditor of the Company, a Director may hold any other office or place of profit with the Company in conjunction with their office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration for that other office or place of profit, in whatever form, in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director, officer or member of any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration or other benefits received by them as a director, officer or member of such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise in favor of any resolution appointing the Directors or any of them to be directors or officers of such other company.

No Director or intended Director shall be disqualified by their office from contracting with the Company, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship established by it. A Director who is, in any way, materially interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of their interest at the earliest meeting of the Board at which they may practically do so.

There is no power to freeze or otherwise impair any of the rights attaching to any share by reason that the person or persons who are interested directly or indirectly in that share have failed to disclose their interests to the Company.

A Director shall not vote or be counted in the quorum on any resolution of the Board in respect of any contract or arrangement or proposal in which they or any of their close associate(s) has/have a material interest, and if they shall do so their vote shall not be counted nor shall they be counted in the quorum for that resolution, but this prohibition shall not apply to any of the following matters:

(i) the giving of any security or indemnity to the Director or their close associate(s) in respect of money lent or obligations incurred or undertaken by any of them at the request of or for the benefit of the Company or any of its subsidiaries;

(ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or their close associate(s) have themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(iii) any proposal concerning an offer of shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or their close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries, including the adoption, modification or operation of either:

(A) any employees' share scheme or any share incentive or share option scheme under which the Director or their close associate(s) may benefit; or

(B) any of a pension fund or retirement, death or disability benefits scheme which relates to Directors, their close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or their close associate(s) any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(v) any contract or arrangement in which the Director or their close associate(s) is/are interested in the same manner as other holders of shares, debentures or other securities of the Company by virtue only of the interest of such Director or close associate(s) in those shares, debentures or other securities.

2.3 Proceedings of the Board

The Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

2.4 Alterations to the constitutional documents and the Company's name

To the extent that the same is permissible under the Companies Act and subject to the Articles, the Memorandum and Articles of the Company may only be altered or amended, and the name of the Company may only be changed, with the sanction of a special resolution of the Company.

2.5 Meetings of Member

(a) Special and ordinary resolutions

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or by proxy or, in the case of members which are corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given.

Under the Companies Act, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands (the "**Registrar of Companies**") within 15 days of being passed.

An "ordinary resolution", by contrast, is a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of members which are corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given.

A resolution in writing signed by or on behalf of all members shall be treated as an ordinary resolution duly passed at a general meeting of the Company duly convened and held, and where relevant as a special resolution so passed.

(b) Voting rights and right to demand a poll

Subject to any special rights, restrictions or privileges as to voting for the time being attached to any class or classes of shares at any general meeting:

(i) on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorized representative shall have one vote for every share which is fully paid or credited as fully paid registered in their name in the register of members of the Company but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for this purpose as paid up on the share; and

(ii) on a show of hands every member who is present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy shall have one vote. Where more than one proxy is appointed by a member which is a Clearing House (as defined in the Articles) or its nominee(s), each such proxy shall have one vote on a show of hands.

Members shall have the right to:

(i) speak at general meetings of the Company; and

(ii) vote at a general meeting except where a member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.

On a poll, a member entitled to more than one vote need not use all their votes or cast all the votes used in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by poll save that the chairman of the meeting may, pursuant to the Listing Rules, allow a resolution to be voted on by a show of hands. Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded by (in each case by members present in person or by proxy or by a duly authorized corporate representative):

(i) at least two members;

(ii) any member or members representing not less than one-tenth of the total voting rights, on a one vote per share basis, of all the members having the right to vote at the meeting; or

(iii) a member or members holding shares in the Company conferring a right to vote at the meeting on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Should a Clearing House or its nominee(s) be a member of the Company, such person or persons may be authorized as it thinks fit to act as its representative(s) at any meeting of the Company, at any meeting of any class of members, or at any meeting of the creditors of the Company provided that, if more than one person is so authorized, the authorization shall specify the number and class of shares in respect of which each such person is so authorized. A person authorized in accordance with this provision shall be deemed to have been duly authorized without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House or its nominee(s) as if such person were an individual member including the right to speak and vote.

Where the Company has knowledge that any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

(c) Annual general meetings

The Company must hold an annual general meeting each year other than the year of the Company's adoption of the Articles. Such meeting must be held within six months after the end of the Company's financial year, at such time and place as may be determined by the Board.

(d) Notices of meetings and business to be conducted

An annual general meeting of the Company shall be called by at least 21 days' notice in writing, and any other general meeting of the Company shall be called by at least 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify (i) whether the general meeting will be a physical meeting, an electronic meeting or a hybrid meeting, (ii) the time, date and agenda of the general meeting, (iii) save for an electronic meeting, the place of the general meeting and, if there is more than one meeting location for the general meeting, the principal place of the general meeting, (iv) if the general meeting is to be a hybrid meeting or an electronic meeting, a statement to that effect with details of the electronic facilities or platforms for attendance and participation by electronic means at the general meeting or where such details will be made available by the Company prior to the general meeting, (v) the particulars of the resolution(s) to be considered at that general meeting, and (vi) in the case of special business, the general nature of that business.

Except where otherwise expressly stated, any notice or document to be given or issued under the Articles (including any corporate communications within the meaning ascribed thereto under the Listing Rules) shall be in writing, and may be served by the Company on any member personally, by post to such member's registered address or (in the case of a notice) by advertisement in the newspapers. Any member whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which shall be deemed to be their registered address for this purpose. Subject to the Companies Act and the Listing Rules, a notice or document may also be served or delivered by the Company to any member by electronic means to such address as may from time to time be authorised by the Shareholder concerned or by publishing it on the Company's and the HK Stock Exchange's websites and notifying the Shareholder concerned that it has been so published.

Although a meeting of the Company may be called by shorter notice than as specified above, such meeting may be deemed to have been duly called if it can be demonstrated to the Stock Exchange that reasonable written notice can be given in less time, and it is so agreed:

(i) in the case of an annual general meeting, by all members of the Company entitled to attend and vote thereat; and

(ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting holding not less than 95% of the total voting rights in the Company.

All business transacted at an extraordinary general meeting shall be deemed special business. All business shall also be deemed special business where it is transacted at an annual general meeting, with the exception of certain routine matters which shall be deemed ordinary business.

Extraordinary general meetings shall also be convened on the requisition of one or more members holding at the date of deposit of the requisition, not less than one tenth of the voting rights, on a one vote per share basis in the share capital of the Company. The requisitionist(s) may add resolutions to the agenda of a general meeting so requisitioned.

(e) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, and continues to be present until the conclusion of the meeting.

The quorum for a general meeting shall be two members present in person (or in the case of a member being a corporation, by its duly authorized representative) or by proxy and entitled to vote. In respect of a separate class meeting convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third of the issued shares of that class.

(f) Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as their proxy to attend and vote instead of them. A member who is the holder of two or more shares may appoint more than one proxy to represent them and vote on their behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom they act as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which they act as proxy as such member could exercise if it were an individual member. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of their attorney duly authorized in writing, or if the appointor is a corporation, either under seal or under the hand of a duly authorized officer or attorney. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Board may from time to time approve, provided that it shall not preclude the use of the two-way form. Any form issued to a member for appointing a proxy to attend and vote at an extraordinary general meeting or at an annual general meeting at which any business is to be transacted shall be such as to enable the member, according to their intentions, to instruct the proxy to vote in favor of or against (or, in default of instructions, to exercise their discretion in respect of) each resolution dealing with any such business.

2.6 Accounts and audit

The Board shall cause proper books of account to be kept of the sums of money received and expended by the Company, and of the assets and liabilities of the Company and of all other matters required by the Companies Act (which include all sales and purchases of goods by the company) necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions.

The books of accounts of the Company shall be kept at the head office of the Company or at such other place or places as the Board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any account, book or document of the Company except as conferred by the Companies Act or ordered by a court of competent jurisdiction or authorized by the Board or the Company in general meeting.

The Board shall from time to time cause to be prepared and laid before the Company at its annual general meeting balance sheets and profit and loss accounts (including every document required by law to be annexed thereto), together with a copy of the Directors' report and a copy of the auditors' report, not less than 21 days before the date of the annual general meeting. Copies of these documents shall be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles together with the notice of annual general meeting, not less than 21 days before the date of the meeting.

Subject to the rules of the stock exchange of the Relevant Territory (as defined in the Articles), the Company may send summarized financial statements to shareholders who have, in accordance with the rules of the stock exchange of the Relevant Territory, consented and elected to receive summarized financial statements instead of the full financial statements. The summarized financial statements must be accompanied by any other documents as may be required under the rules of the stock exchange of the Relevant Territory, and must be sent to those shareholders that have consented and elected to receive the summarized financial statements not less than 21 days before the general meeting.

The Company shall appoint auditor(s) to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board. The appointment, removal and remuneration of the auditors must be approved by a majority of the Company's shareholders or by another body independent of the Board.

The members may, at any general meeting convened and held in accordance with the Articles, remove the auditors by ordinary resolution at any time before the expiration of the term of office and shall, by ordinary resolution, at that meeting appoint new auditors in its place for the remainder of the term. A body that is independent of the board may also remove the auditors by a simple majority vote before the expiration of the term of office and shall by a simple majority vote appoint new auditors in its place for the remainder of the term.

The auditors shall audit the financial statements of the Company in accordance with generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Stock Exchange.

2.7 Dividends and other methods of distribution

The Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Board.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide:

(a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, although no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share;

(b) all dividends shall be apportioned and paid pro rata in accordance with the amount paid up on the shares during any portion(s) of the period in respect of which the dividend is paid; and

(c) the Board may deduct from any dividend or other monies payable to any member all sums of money (if any) presently payable by them to the Company on account of calls, installments or otherwise.

Where the Board or the Company in general meeting has resolved that a dividend should be paid or declared, the Board may resolve:

(i) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the members entitled to such dividend will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or

(ii) that the members entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit.

Upon the recommendation of the Board, the Company may by ordinary resolution in respect of any one particular dividend of the Company determine that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, bonus or other sum payable in cash to the holder of shares may be paid by check or warrant sent through the post. Every such check or warrant shall be made payable to the order of the person to whom it is sent and shall be sent at the holder's or joint holders' risk and payment of the check or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or installments payable upon any shares held by him, and in respect of all or any of the monies so advanced may pay interest at such rate (if any) not exceeding 20% per annum, as the Board may decide, but a payment in advance of a call shall not entitle the member to receive any dividend or to exercise any other rights or privileges as a member in respect of the share or the due portion of the shares upon which payment has been advanced by such member before it is called up.

All dividends, bonuses or other distributions unclaimed for one year after having been declared may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends, bonuses or other distributions unclaimed for six years after having been declared may be forfeited by the Board and, upon such forfeiture, shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

The Company may exercise the power to cease sending checks for dividend entitlements or dividend warrants by post if such checks or warrants remain uncashed on two consecutive occasions or after the first occasion on which such a check or warrant is returned undelivered.

2.8 Inspection of corporate records

For so long as any part of the share capital of the Company is listed on the Stock Exchange, any member may inspect any register of members of the Company maintained in Hong Kong (except when the register of members is closed) without charge and require the provision to them of copies or extracts of such register in all respects as if the Company were incorporated under and were subject to the Companies Ordinance.

2.9 Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of the Company under Cayman Islands law, as summarized in paragraph 3(f) of this Appendix.

2.10 Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution. The board shall have no authority to present a winding up petition on behalf of the Company without the sanction of a resolution passed by the Company in general meeting.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

(a) if the Company is wound up and the assets available for distribution among the members of the Company are more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, then the excess shall be distributed *pari passu* among such members in proportion to the amount paid up on the shares held by them respectively; and

(b) if the Company is wound up and the assets available for distribution among the members as such are insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up on the shares held by them, respectively.

If the Company is wound up (whether the liquidation is voluntary or compelled by the court), the liquidator may, with the sanction of a special resolution and any other sanction required by the Companies Act, divide among the members in specie or kind the whole or any part of the assets of the Company, whether the assets consist of property of one kind or different kinds, and the liquidator may, for such purpose, set such value as they deem fair upon any one or more class or classes of property to be so divided and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator thinks fit, but so that no member shall be compelled to accept any shares or other property upon which there is a liability.

2.11 Subscription rights reserve

Provided that it is not prohibited by and is otherwise in compliance with the Companies Act, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of the shares to be issued on the exercise of such warrants, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of such shares.

3 Cayman Islands Company Law

The Company was incorporated in the Cayman Islands as an exempted company on November 19, 2018 subject to the Companies Act. Certain provisions of Cayman Islands company law are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all aspects of the Cayman Islands law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

3.1 Company operations

An exempted company such as the Company must conduct its operations mainly outside the Cayman Islands. An exempted company is also required to file an annual return each year with the Registrar of Companies and pay a fee which is based on the amount of its authorized share capital.

3.2 Share capital

Under the Companies Act, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account, to be called the "share premium account." At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangements in consideration of the acquisition or cancelation of shares in any other company and issued at a premium. The share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation, the following:

(a) paying distributions or dividends to members;

(b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;

(c) any manner provided in Section 37 of the Companies Act;

(d) writing-off the preliminary expenses of the company; and

(e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

Notwithstanding the foregoing, no distribution or dividend may be paid to members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

Subject to confirmation by the court, a company limited by shares or a company limited by guarantee and having a share capital may, if authorized to do so by its articles of association, by special resolution reduce its share capital in any way.

3.3 Financial assistance to purchase shares of a company or its holding company

There are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore, a company may provide financial assistance provided the directors of the company, when proposing to grant such financial assistance, discharge their duties of care and act in good faith, for a proper purpose and in the interests of the company. Such assistance should be on an arm's-length basis.

3.4 Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorized by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a member and, for the avoidance of doubt, it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorized to do so by its articles of association, purchase its own shares, including any redeemable shares; an ordinary resolution of the company approving the manner and terms of the purchase will be required if the articles of association do not authorize the manner and terms of such purchase. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, a company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. In addition, a payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless, immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares that have been purchased or redeemed by a company or surrendered to the company shall not be treated as canceled but shall be classified as treasury shares if held in compliance with the requirements of Section 37A(1) of the Companies Act. Any such shares shall continue to be classified as treasury shares until such shares are either canceled or transferred pursuant to the Companies Act.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy, sell and deal in personal property of all kinds.

A subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

3.5 Dividends and distributions

Subject to a solvency test, as prescribed in the Companies Act, and the provisions, if any, of the company's memorandum and articles of association, a company may pay dividends and distributions out of its share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits.

For so long as a company holds treasury shares, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made, in respect of a treasury share.

3.6 Protection of minorities and shareholders' suits

It can be expected that the Cayman Islands courts will ordinarily follow English case law precedents (particularly the rule in the case of *Foss v. Harbottle* and the exceptions to that rule) which permit a minority member to commence a representative action against or derivative actions in the name of a company to challenge acts which are ultra vires, illegal, fraudulent (and performed by those in control of the company) against the minority, or represent an irregularity in the passing of a resolution which requires a qualified (or special) majority which has not been obtained.

Where a company (not being a bank) is one which has a share capital divided into shares, the court may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine the affairs of the company and, at the direction of the court, to report on such affairs. In addition, any member of a company may petition the court, which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

In general, claims against a company by its members must be based on the general laws of contract or tort applicable in the Cayman Islands or be based on potential violation of their individual rights as members as established by a company's memorandum and articles of association.

3.7 Disposal of assets

There are no specific restrictions on the power of directors to dispose of assets of a company, however, the directors are expected to exercise certain duties of care, diligence and skill to the standard that a reasonably prudent person would exercise in comparable circumstances, in addition to fiduciary duties to act in good faith, for proper purpose and in the best interests of the company under English common law (which the Cayman Islands' courts will ordinarily follow).

3.8 Accounting and auditing requirements

A company must cause proper records of accounts to be kept with respect to:

(a) all sums of money received and expended by it;

(b) all sales and purchases of goods by it; and

(c) its assets and liabilities.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

If a company keeps its books of account at any place other than at its registered office or any other place within the Cayman Islands, it shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (as amended) of the Cayman Islands (the "**TIA Act**"), make available, in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

3.9 Exchange control

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

3.10 Taxation

Pursuant to Section 6 of the Tax Concessions Act (as amended) of the Cayman Islands (the "**Tax Concessions Act**"), the Company has obtained an undertaking from the Governor-in-Cabinet that:

(a) no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciation shall apply to the Company or its operations; and

(b) no tax be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable by the Company:

  (i) on or in respect of the shares, debentures or other obligations of the Company; or

  (ii) by way of withholding in whole or in part of any relevant payment as defined in Section 6(3) of the Tax Concessions Act.

The undertaking for the Company is for a period of 30 years from December 5, 2018.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments.

3.11 Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

3.12 Loans to directors

There is no express provision prohibiting the making of loans by a company to any of its directors. However, the company's articles of association may provide for the prohibition of such loans under specific circumstances.

3.13 Inspection of corporate records

The members of a company have no general right to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

3.14 Register of members

A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as the company may determine from time to time. There is no requirement for an exempted company to make any returns of members to the Registrar of Companies. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of member, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the TIA Act.

3.15 Register of Directors and officers

Pursuant to the Companies Act, the Company is required to maintain at its registered office a register of directors, alternate directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies and any change must be notified to the Registrar of Companies within 30 days of any change in such directors or officers, including a change of the name of such directors or officers.

3.16 Winding up

A Cayman Islands company may be wound up by:

(a) an order of the court;

(b) voluntarily by its members; or

(c) under the supervision of the court.

The court has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

A voluntary winding up of a company (other than a limited duration company, for which specific rules apply) occurs where the company resolves by special resolution that it be wound up voluntarily or where the company in general meeting resolves that it be wound up voluntarily because it is unable to pay its debt as they fall due. In the case of a voluntary winding up, the company is obliged to cease to carry on its business from the commencement of its winding up except so far as it may be beneficial for its winding up. Upon appointment of a voluntary liquidator, all the powers of the directors cease, except so far as the company in general meeting or the liquidator sanctions their continuance.

In the case of a members' voluntary winding up of a company, one or more liquidators are appointed for the purpose of winding up the affairs of the company and distributing its assets.

As soon as the affairs of a company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and the property of the company disposed of, and call a general meeting of the company for the purposes of laying before it the account and giving an explanation of that account.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the court for an order for the continuation of the winding up under the supervision of the court, on the grounds that:

(a) the company is or is likely to become insolvent; or

(b) the supervision of the court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors.

A supervision order takes effect for all purposes as if it was an order that the company be wound up by the court except that a commenced voluntary winding up and the prior actions of the voluntary liquidator shall be valid and binding upon the company and its official liquidator.

For the purpose of conducting the proceedings in winding up a company and assisting the court, one or more persons may be appointed to be called an official liquidator(s). The court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one person is appointed to such office, the court shall declare whether any act required or authorized to be done by the official liquidator is to be done by all or any one or more of such persons. The court may also determine whether any and what security is to be given by an official liquidator on their appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the court.

3.17 Reconstructions

Reconstructions and amalgamations may be approved by a majority in number representing 75% in value of the members or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the courts. Whilst a dissenting member has the right to express to the court their view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, the courts are unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management, and if

the transaction were approved and consummated the dissenting member would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of their shares) ordinarily available, for example, to dissenting members of a United States corporation.

3.18 Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may, at any time within two months after the expiration of that four-month period, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the Cayman Islands' courts within one month of the notice objecting to the transfer. The burden is on the dissenting member to show that the court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority members.

3.19 Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, save to the extent any such provision may be held by the court to be contrary to public policy, for example, where a provision purports to provide indemnification against the consequences of committing a crime.

3.20 Scheme of arrangement

Following amendments to the Companies Act that became effective on August 31, 2022, the majority-in-number "headcount test" in relation to the approval of members' schemes of arrangement has been abolished. Section 86(2A) of the Companies Act provides that, if 75% in value of the members (or class of members) of a Cayman Islands company agree to any compromise or arrangement, such compromise or arrangement shall, if sanctioned by the Court, be binding on all members (or class of members) of such company and on the company itself. Where a Cayman Islands company is in the course of being wound up, such compromise or arrangement would be binding on the liquidator and contributories of the company. In contrast, section 86(2) of the Companies Act continues to require (a) approval by a majority in number representing 75% in value and (b) the sanction of the court, in relation to any compromise or arrangement between a company and its creditors (or any class of them).

3.21 General

Walkers (Hong Kong), the Company's legal advisers on Cayman Islands law, have sent to the Company a letter of advice summarizing aspects of Cayman Islands company law. This letter, together with a copy of the Companies Act, is available for inspection as referred to in "Documents Delivered to the Registrar of Companies and Available on Display" in Appendix V. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which that person is more familiar is recommended to seek independent legal advice.

FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation of our Company

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on November 19, 2018. Accordingly, our corporate structure and Articles of Association are subject to the relevant laws of the Cayman Islands. A summary of certain aspects of the Cayman Islands company law and a summary of certain provisions of our Articles of Association are set out in the section headed "Summary of the Constitution of the Company and Cayman Islands Company Law" in Appendix III.

Our registered place of business in Hong Kong is at Unit 310, 3/F, Building 8W, Phase 2, Hong Kong Science Park Pak Shek Kok New Territories, Hong Kong. We were registered as a non-Hong Kong Company under Part 16 of the Companies Ordinance on July 10, 2023. Ms. So Ka Man and Ms. Leung Kwan Wai at Room 1928, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong, have been appointed as our authorized representatives for the acceptance of service of process and notices in Hong Kong.

2. Changes in the Share Capital of our Company

Save as disclosed in the section headed "History, Reorganization and Corporate Structure — Pre-IPO investments", there has been no other alteration in the share capital of our Company during the two years immediately preceding the date of this Prospectus.

3. Reorganization

The companies comprising our Group underwent the Reorganization in preparation for the listing of our Shares on the Stock Exchange. See the section headed "History, Reorganization and Corporate Structure — Reorganization" in this Prospectus for information relating to the Reorganization.

4. Changes in the Share Capital of Our Subsidiaries

Our subsidiaries are referred to in the Accountants' Report, the text of which is set out in Appendix I to this Prospectus.

The following sets out the changes in the share capital of our subsidiaries during the two years immediately preceding the date of this Prospectus:

(a) InSilico Medicine Beijing Ltd. (英矽智能科技(北京)有限公司) ("Insilico Beijing")

On December 22, 2023, Insilico Beijing was established in the PRC with a registered share capital of US$1,000,000.

On August 4, 2025, Insilico Beijing was deregistered voluntarily as it had no business operations.

(b) Insilico Yixing

On March 22, 2024, Insilico Yixing was established in the PRC with a registered share capital of US$1,000,000.

On September 29, 2025, the registered share capital of Insilico Yixing was increased from US$1,000,000 to US$10,000,000.

(c) Insilico Medicine (Shanghai) Investment Co., Ltd. (英矽智能(上海)投資有限公司) ("Insilico Shanghai Investment")

On October 14, 2025, Insilico Shanghai Investment was established in the PRC with a registered share capital of US$30,000,000.

Save as disclosed above, there has been no alteration in the share capital of our subsidiaries within the two years immediately preceding the date of this Prospectus.

5. Resolutions of Our Shareholders

Pursuant to the resolutions passed at a duly convened general meeting of our Shareholders on December 15, 2025, it was resolved, among others:

(a) the Memorandum and Articles of Association were approved and adopted, and will come into effect upon Listing;

(b) conditional on (i) the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this Prospectus; and (ii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and the Underwriting Agreements not being terminated in accordance with the terms therein or otherwise:

- the Share Split and the re-designation and re-classification of each authorized issued and unissued Preferred Share into an Ordinary Share on a one-to-one basis were approved;

- upon completion of the Share Split, the re-designation and re-classification of each authorized issued and unissued Preferred Shares into an Ordinary Share on a one-for-one basis, having the rights and restrictions as set out in the Memorandum and the Articles, and amendment of share capital from US$635 divided into (i) 823,808,860 Ordinary Shares, (ii) 14,621,660 Series A Preferred Shares, (iii) 84,152,080 Series B Preferred Shares, (iv) 63,558,020 Series C1 Preferred Shares, (v) 125,116,300 Series C2 Preferred Shares, (vi) 76,686,340 Series D Preferred Shares and (vii) 82,056,740 Series E Preferred Shares, with a par value of US$0.00001 each, to US$635 divided into 1,270,000,000 Ordinary Shares with a nominal or par value of US$0.0000005 each were approved;

- the Global Offering was approved and our Directors were authorized to effect the same, and to allot and issue the Offer Shares pursuant to the Global Offering;

- the grant of the Over-allotment Option by our Company to the International Underwriters to allot and issue up to 15% of the Offer Shares initially available under the Global Offering to cover, among other things, the over-allocations in the International Offering was approved; and

- the proposed Listing was approved, and our Directors were authorized to implement such Listing;

(c) a general unconditional mandate was granted to our Directors to allot, issue and deal with Shares (including the power to sell or transfer any treasury shares), and to make or grant offers, agreements, or options which might require such Shares to be allotted and issued or dealt with at any time subject to the requirement that the aggregate nominal value of the Shares so allotted and issued or agreed conditionally or unconditionally to be allotted and issued, shall not exceed 20% of the aggregate nominal value of the share capital of our Company in issue (excluding any treasury shares) immediately following completion of the Global Offering.

This mandate does not cover Shares to be allotted, issued, or dealt with under a rights issue or scrip dividend scheme or similar arrangements, or a specific authority granted by our Shareholders, or upon the exercise of the Over-allotment Option, or under the Pre-IPO Equity Incentive Plans and the Post-IPO Equity Incentive Plans. This general mandate to issue Shares will remain in effect until:

- the conclusion of the next annual general meeting of our Company;

- the expiration of the period within which the next annual general meeting of our Company is required to be held under the applicable laws or the Articles of Association; or

- it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting of our Company;

whichever is the earliest;

(d) a general unconditional mandate was granted to our Directors to exercise all power of our Company to repurchase Shares with an aggregate nominal value of not more than 10% of the aggregate nominal value of the share capital of our Company in issue (excluding any treasury shares) immediately following completion of the Global Offering (excluding any Shares which may be allotted and issued upon the exercise of the Over-allotment Option and excluding any Shares which may be allotted and issued under the Pre-IPO Equity Incentive Plans and the Post-IPO Equity Incentive Plans).

This mandate only relates to repurchase made on the Stock Exchange or on any other stock exchange on which the Shares may be listed (and which is recognized by the SFC and the Stock Exchange for this purpose) and made in accordance with all applicable laws and regulations and the requirements of the Listing Rules. This general mandate to repurchase Shares will remain in effect until:

- the conclusion of the next annual general meeting of our Company;
- the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws or the Articles of Association; or
- it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting of our Company;

whichever is the earliest;

(e) the general unconditional mandate as mentioned in paragraph (d) above would be extended by the addition to the aggregate nominal value of the Shares which may be allotted and issued or agreed to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the Shares purchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (d) above (up to 10% of the aggregate nominal value of the Shares in issue (excluding any treasury shares) immediately following completion of the Global Offering, excluding any Shares which may fall to be allotted and issued pursuant to the exercise of the Over-allotment Option and excluding any Shares to be allotted and issued under the Pre-IPO Equity Incentive Plans and the Post-IPO Equity Incentive Plans).

6. Restrictions on Repurchase of Our Own Securities

This section sets out information required by the Stock Exchange to be included in this Prospectus concerning the repurchase by us of our own Shares.

Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their own Shares on the Stock Exchange subject to certain restrictions, the more important of which are summarized below:

(a) Shareholders' Approval. All proposed repurchases of Shares (which must be fully paid up) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the Shareholders in general meeting, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to a written Shareholder's resolution of our Company dated December 15, 2025, a general unconditional mandate (the "**Repurchase Mandate**") was given to the Directors authorizing any repurchase by our Company of Shares on the Stock Exchange or on any other stock exchange on which the securities may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, of not more than 10% of the number of Shares in issue (excluding any treasury shares) immediately following the completion of the Share Split and the Global Offering but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option until the conclusion of our next annual general meeting, or the date by which our next annual general meeting is required by the Articles of Association or any applicable law to be held, or the passing of an ordinary resolution by the Shareholders revoking or varying the authority given to the Directors, whichever occurs first.

(b) Source of Funds. Repurchases must be funded out of funds legally available for the purpose in accordance with our Articles of Association and the applicable laws of Hong Kong. A listed company may not repurchase its own 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.

(c) Trading Restrictions. The total number of Shares which our Company may repurchase is up to 10% of the total number of our Shares in issue (excluding any treasury shares) immediately after the completion of the Share Split and the Global Offering (but not taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option). Our Company may not issue new Shares, or a sale or transfer of any treasury shares, or announce a proposed issue of new Shares, or a sale or transfer of any treasury shares for a period of 30 days immediately following a repurchase of Shares without the prior approval of the Stock Exchange. For the avoidance of doubt, this restriction will not apply to (i) a new issue of Shares, or a sale or transfer of treasury shares under a capitalization issue, (ii) a grant of share awards or options under a share scheme that complies with Chapter 17 of the Listing Rules or a new issue of Shares or a transfer of treasury shares upon vesting or exercise of share awards or options under the share scheme

that complies with Chapter 17 of the Listing Rules, and (iii) a new issue of Shares or a transfer of treasury shares pursuant to the exercise of warrants, share options or similar instruments requiring the issuer to issue securities which were outstanding prior to the repurchase. Our Company is also prohibited from repurchasing Shares on the Stock Exchange if the repurchase would result in the number of listed Shares which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. Our Company is required to procure that the broker appointed by our Company to effect a repurchase of Shares discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require. As required by the prevailing requirements of the Listing Rules, an issuer shall not purchase its shares on the Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange.

(d) Status of Repurchased Shares. Our Company may cancel any repurchased Shares (upon which the certificates for such shares must be cancelled and destroyed) 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.

(e) Suspension of Repurchase. Pursuant to the Listing Rules, our Company may not make any repurchases of Shares after inside information has come to its knowledge until the information is made publicly available. In particular, under the requirements of the Listing Rules in force as of the date hereof, 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 our 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 our Company to publish an announcement of our Company's 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), and in each case ending on the date of the results announcement, our Company may not repurchase Shares on the Stock Exchange unless the circumstances are exceptional.

(f) Procedural and Reporting Requirements. As required by the Listing Rules, repurchases of Shares on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the Stock Exchange business day following any day on which our Company may make a purchase of Shares. The report must state the total number of Shares purchased the previous day, the purchase price per Share or the highest and lowest prices paid for such

purchases, and whether the purchased Shares are cancelled following settlement of any such purchase or held as treasury shares, and where applicable, the reasons for any deviation from the intention statement previously disclosed by the Company. In addition, our Company's annual report is required to disclose details regarding repurchases of Shares made during the year, including a monthly analysis of the number of shares repurchased, the purchase price per Share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate prices paid.

(g) Connected Parties. A company is prohibited from knowingly repurchasing securities on the Stock Exchange from a core connected person (as defined in the Listing Rules) and a core connected person shall not knowingly sell its securities to the company on the Stock Exchange.

Reasons for Repurchase

Our Directors believe that it is in the best interest of us and our Shareholders for our Directors to have general authority from the Shareholders to enable us to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where our Directors believe that such repurchases will benefit us and our Shareholders.

Funding of Repurchases

In repurchasing securities, we may only apply funds legally available for such purpose in accordance with the Memorandum of Association and Articles of Association, the Companies Act or other applicable laws of Cayman Islands and the Listing Rules. On the basis of our current financial condition as disclosed in this Prospectus and taking into account our current working capital position, our Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on our working capital and/or our gearing position as compared with the position disclosed in this Prospectus. However, our Directors do not propose to exercise the repurchase mandate to such an extent as would, in the circumstances, have a material adverse effect on our working capital requirements or the gearing levels which in the opinion of our Directors are from time to time appropriate for us.

Exercise in full of the current repurchase mandate, on the basis of 557,418,500 Shares in issue after completion of the Share Split and the Global Offering (without taking into account of the Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and any Shares to be allotted and issued under the Pre-IPO Equity Incentive Plans and the Post-IPO Equity Incentive Plans), could accordingly result in up to 55,741,850 Shares being repurchased by us during the period prior to:

(a) the conclusion of our next annual general meeting;

(b) the expiration of the period within which the next annual general meeting of our Company is required by any applicable law or the Articles of Association to be held; or

(c) the date on which the repurchase mandate is varied or revoked by an ordinary resolution of our Shareholders in general meeting,

whichever is the earliest.

General

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) currently intends to sell any Shares to us or our subsidiaries. Our Directors have undertaken with the Stock Exchange that, so far as the same may be applicable, they will exercise the repurchase mandate in accordance with the Listing Rules, the Memorandum of Association and Articles of Association, the Companies Act or any other applicable laws of the Cayman Islands.

If, as a result of a repurchase of our Shares pursuant to the repurchase mandate, a Shareholder's proportionate interest in our voting rights is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of us 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 repurchase mandate.

No core connected person, as defined in the Listing Rules, has notified us that he/she or it has a present intention to sell his/her or its Shares to us, or has undertaken not to do so, if the repurchase mandate is exercised.

FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this Prospectus that are or may be material:

(a) the cornerstone investment agreement dated December 17, 2025 entered into among the Company, Eli Lilly and Company, Morgan Stanley Asia Limited, China International Capital Corporation Hong Kong Securities Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited and BNP Paribas Securities (Asia) Limited pursuant to which Eli Lilly and Company agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$5,000,000;

(b) the cornerstone investment agreement dated December 17, 2025 entered into among the Company, Huang River Investment Limited, Morgan Stanley Asia Limited, China International Capital Corporation Hong Kong Securities Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited and BNP Paribas Securities (Asia) Limited pursuant to which Huang River Investment Limited agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$5,000,000;

(c) the cornerstone investment agreement dated December 17, 2025 entered into among the Company, Oaktree Capital Management, L.P., Morgan Stanley Asia Limited, China International Capital Corporation Hong Kong Securities Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited and BNP Paribas Securities (Asia) Limited pursuant to which Oaktree Capital Management, L.P. agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$15,000,000;

(d) the cornerstone investment agreement dated December 17, 2025 entered into among the Company, Schroder Investment Management (Hong Kong) Limited (solely in its capacity as agent and discretionary investment manager on behalf of certain underlying funds and/or clients), Schroder Investment Management (Singapore) Ltd (solely in its capacity as agent and discretionary investment manager on behalf of certain underlying funds and/or clients), Morgan Stanley Asia Limited, China International Capital Corporation Hong Kong Securities Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited and BNP Paribas Securities (Asia) Limited pursuant to which Schroder Investment Management (Hong Kong) Limited (solely in its capacity as agent and discretionary investment manager on behalf of certain underlying funds and/or clients) and Schroder Investment Management (Singapore) Ltd (solely in its capacity as agent and discretionary investment manager on behalf of certain underlying funds and/or clients) agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$15,000,000;

(e) the cornerstone investment agreement dated December 17, 2025 entered into among the Company, TAIBAI INVESTMENTS PTE. LTD., Morgan Stanley Asia Limited, China International Capital Corporation Hong Kong Securities Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited and BNP Paribas Securities (Asia) Limited pursuant to which TAIBAI INVESTMENTS PTE. LTD. agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$15,000,000;

(f) the cornerstone investment agreement dated December 17, 2025 entered into among the Company, UBS Asset Management (Singapore) Ltd. (as the delegate of the investment manager for and on behalf of certain investors), Morgan Stanley Asia Limited, China International Capital Corporation Hong Kong Securities Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited and BNP Paribas Securities (Asia) Limited pursuant to which UBS Asset Management (Singapore) Ltd. (as the delegate of the investment manager for and on behalf of certain investors) agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$15,000,000;

(g) the cornerstone investment agreement dated December 17, 2025 entered into among the Company, China Asset Management (Hong Kong) Limited (華夏基金(香港)有限公司), Morgan Stanley Asia Limited, China International Capital Corporation Hong Kong Securities Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited and BNP Paribas Securities (Asia) Limited pursuant to which China Asset Management (Hong Kong) Limited agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$5,000,000;

(h) the cornerstone investment agreement dated December 17, 2025 entered into among the Company, Pacific Asset Management Co., Ltd. (太平洋資產管理有限責任公司), Morgan Stanley Asia Limited, China International Capital Corporation Hong Kong Securities Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited and BNP Paribas Securities (Asia) Limited pursuant to which Pacific Asset Management Co., Ltd. agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$5,000,000;

(i) the cornerstone investment agreement dated December 17, 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, China International Capital Corporation Hong Kong Securities Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited and BNP Paribas Securities (Asia) Limited pursuant to which E Fund Management Co., Ltd. agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$4,000,000;

(j) the cornerstone investment agreement dated December 17, 2025 entered into among the Company, Fullgoal Asset Management (HK) Limited, Morgan Stanley Asia Limited, China International Capital Corporation Hong Kong Securities Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited and BNP Paribas Securities (Asia) Limited pursuant to which Fullgoal Asset Management (HK) Limited agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$2,340,000;

(k) the cornerstone investment agreement dated December 17, 2025 entered into among the Company, Fullgoal Fund Management Co., Ltd. (富國基金管理有限公司), Morgan Stanley Asia Limited, China International Capital Corporation Hong Kong Securities Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited and BNP Paribas Securities (Asia) Limited pursuant to which Fullgoal Fund Management Co., Ltd. (富國基金管理有限公司) agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$2,660,000;

(l) the cornerstone investment agreement dated December 17, 2025 entered into among the Company, Harvest Global Investments Limited (嘉實國際資產管理有限公司), Morgan Stanley Asia Limited, China International Capital Corporation Hong Kong Securities Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited and BNP Paribas Securities (Asia) Limited pursuant to which Harvest Global Investments Limited (嘉實國際資產管理有限公司) agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$5,000,000;

(m) the cornerstone investment agreement dated December 17, 2025 entered into among the Company, Taikang Life Insurance Co., Ltd (泰康人壽保險有限責任公司), Morgan Stanley Asia Limited, China International Capital Corporation Hong Kong Securities Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited and BNP Paribas Securities (Asia) Limited pursuant to which Taikang Life Insurance Co., Ltd (泰康人壽保險有限責任公司) agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$5,000,000;

(n) the cornerstone investment agreement dated December 17, 2025 entered into among the Company, RTW Master Fund, Ltd., RTW Innovation Master Fund, Ltd., RTW Biotech Opportunities Ltd, Morgan Stanley Asia Limited, China International Capital Corporation Hong Kong Securities Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited and BNP Paribas Securities (Asia) Limited pursuant to which RTW Master Fund, Ltd., RTW Innovation Master Fund, Ltd. and RTW Biotech Opportunities Ltd agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$4,000,000;

(o) the cornerstone investment agreement dated December 17, 2025 entered into among the Company, Emerging Markets Healthcare Partners LLC, Morgan Stanley Asia Limited, China International Capital Corporation Hong Kong Securities Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited and BNP Paribas Securities (Asia) Limited pursuant to which Emerging Markets Healthcare Partners LLC agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$2,000,000;

(p) the cornerstone investment agreement dated December 17, 2025 entered into among the Company, Infini Global Master Fund, Morgan Stanley Asia Limited, China International Capital Corporation Hong Kong Securities Limited, GF Capital (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited and BNP Paribas Securities (Asia) Limited pursuant to which Infini Global Master Fund agreed to subscribe for Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$10,000,000; and

(q) the Hong Kong Underwriting Agreement.

2. Intellectual Property Rights

Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be material to our Group's business:

No.	Trademark
1 . . .	INSILICO MEDICINE
2 . . .	
3 . . .	PANDAOMICS
4 . . .	CHEMISTRY42
5 . . .	inClinico
6 . . .	BIOLOGY42
7 . . .	GOLDEN CUBES
8 . . .	Medicine42
9 . . .	英矽智能

Domain Names

As of the Latest Practicable Date, the following was the key domain name registration of our Group: **insilico.com**

Patents

For a discussion of the details of the material filed patent applications by our Group, please refer to the section headed "Business — Intellectual Property" in this Prospectus.

Save as disclosed above, as of the Latest Practicable Date, there were no other trade or service marks, patents, intellectual or industrial property rights which were material in relation to our Group's business.

FURTHER INFORMATION ABOUT OUR DIRECTORS, CHIEF EXECUTIVES AND SUBSTANTIAL SHAREHOLDERS

1. Interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of our Company and our associated corporations

The following table sets out the interests and short positions of our Directors and chief executive of our Company as of the Latest Practicable Date and immediately following completion of the Share Split and the Global Offering (without taking into account the Shares which may be issued pursuant to the exercise of the Over-allotment Option and any Shares to be issued under the Pre-IPO Equity Incentive Plans and the Post-IPO Equity Incentive Plans) in our Shares, underlying Shares or debentures of our Company 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 (including interests and short positions in 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 to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, once our Shares are listed:

Name	Position	Nature of Interest	Number of Shares held as of the Latest Practicable Date[1]	Approximate percentage of shareholding in the total issued share capital of our Company	
				As of the Latest Practicable Date	Upon the completion of the Share Split and the Global Offering
				(%)	(%)
Mr. Alex Zhavoronkov, Ph.D.	Chairman of the Board, executive Director, founder, CEO and CBO	Beneficial owner	2,129,175	9.20	7.64
Mr. Feng Ren, Ph.D.[2]	Executive Director, CEO and CSO	Beneficial owner	437,041	1.89	1.57

Notes:

(1) Assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued under the Pre-IPO Equity Incentive Plans and the Post-IPO Equity Incentive Plans and assuming all Preferred Shares are converted into Ordinary Shares on 1:1 basis, the number of Shares held as of the Latest Practicable Date is subject to adjustments as a result of the Share Split.

(2) As of the Latest Practicable Date, Mr. Feng Ren, Ph.D. held 23,770 Shares through his wholly-owned company and were granted 253,271 options and 160,000 restricted share units by our Company, upon the exercise or vesting, respectively, of which the same number of Shares will be issued to him.

2. Interests of the substantial shareholders in the Shares and underlying Shares of our Company

Save as disclosed in the section headed "Substantial Shareholders", immediately following the completion of the Global Offering and without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and any Shares which may be allotted and issued under the Pre-IPO Equity Incentive Plans and the Post-IPO Equity Incentive Plans, our Directors are not aware of any other person (not being a Director or chief executive of our Company) who will have an interest 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 who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company and any other member of our Group.

3. Directors' Service Contracts and Letters of Appointment

Each of Mr. Alex Zhavoronkov, Ph.D. and Mr. Feng Ren, Ph.D., being our executive Directors, has entered into a letter of appointment with us for an initial term of three years commencing from the Listing Date, which may be terminated by not less than 30 days' notice in writing served by either the executive Director or our Company.

Each of Mr. Kan Chen, Ph.D., Mr. Chuen Yan Leung, Ph.D. and Mr. Long Shi, being our non-executive Directors, has entered into a letter of appointment with us for an initial term of three years commencing from the Listing Date, which may be terminated by not less than 1 month's notice in writing served by either the non-executive Director or our Company.

Each of Mr. Jingsong Wang, Ph.D., Ms. Denitsa Milanova, Ph.D. and Mr. Roman Kyrychynskyi, being our independent non-executive Directors, has entered into a letter of appointment with us for an initial term of three years commencing from the Listing Date, which may be terminated by not less than 30 days' notice in writing served by either the independent non-executive Director or our Company.

Save as disclosed above, none of our Directors has entered, or has proposed to enter, a service contract with any member of our Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

4. Director's Remuneration

Save as disclosed in "Directors and Senior Management" and note 13 to the Accountants' Report in Appendix I for the three financial years ended December 31, 2022, 2023 and 2024, none of our Directors received other remunerations or benefits in kind from us.

5. Disclaimers

Save as disclosed in this Prospectus:

(a) there are no existing or proposed service contracts (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between the Directors and any member of the Group;

(b) none of the Directors or the experts named in the section headed "— Other Information — Qualifications and consents of experts" below has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this Prospectus, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group;

(c) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any Shares in or debentures of the Company within the two years ended on the date of this Prospectus;

(d) none of the Directors is materially interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Group taken as a whole;

(e) taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and any Shares to be allotted and issued under the Pre-IPO Equity Incentive Plans and the Post-IPO Equity Incentive Plans, so far as is known to any Director or chief executive of the Company, no other person (other than a Director or chief executive of the Company) will, immediately following completion of the Global Offering, have interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or (not being a member of the Group), be interested, directly or indirectly, 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 member of the Group;

(f) none of the Directors or chief executive of the Company has any interests or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is 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 into the register referred to therein, or will be required, pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange once the Shares are listed thereon;

(g) there is no restriction affecting the remittance of profits or repatriation of capital of our Company into Hong Kong from outside Hong Kong; and

(h) none of the Directors has been or is interested in the promotion of, or in the property proposed to be acquired by, our Company, and no sum has been paid or agreed to be paid to any of them in cash or shares or otherwise by any person either to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by him in connection with the promotion or formation of our Company.

PRE-IPO EQUITY INCENTIVE PLANS

Our Company adopted the Pre-IPO Equity Incentive Plans, which included;

(i) 2019 Share Plan (as amended and restated on December 31, 2019) adopted on March 15, 2019;

(ii) 2019 Equity Incentive Plan adopted on December 31, 2019;

(iii) 2021 Equity Incentive Plan adopted on June 30, 2021; and

(iv) 2022 Equity Incentive Plan adopted on November 25, 2022, as amended on February 21, 2025.

The terms of the Pre-IPO Equity Incentive Plans are not subject to the provisions of Chapter 17 of the Listing Rules, given none of them involves any grant of options or awards by our Company after the Listing.

Details of the terms of the Pre-IPO Equity Incentive Plans are set out below:

1. 2019 Share Plan

(i) *Purpose* — To advance the interest of our Group and our Shareholders by providing an incentive to attract, retain and reward persons performing services for our Group and by motivating such persons to contribute to the growth and profitability of our Group.

(ii) *Participants* — Employees, consultants and Directors.

(iii) *Administration* — Administered by the Board, with all questions of interpretation of the 2019 Share Plan, of any award agreement or of any other form of agreement or other document employed by the Company in the administration of the 2019 Share Plan, or of any award determined by the Board.

(iv) *Grant of Options* — Options shall be evidenced by award agreements specifying the number of Shares covered thereby, in such form as the Board shall establish. Such award agreements may incorporate all or any of the terms of the 2019 Share Plan by reference and shall comply with and be subject to the following terms and conditions.

(v) *Option Period* — Options shall be exercisable at such times, or upon the occurrence of such events, and subject to such terms, conditions, performance criteria and restrictions as shall be determined by the Board and set forth in the award agreement evidencing such option; provided, however, that (a) no option shall be exercisable after the expiration of 10 years after the effective date of grant of such option, (b) no incentive share option (as defined in the 2019 Share Plan) granted to a 10% Shareholder shall be exercisable after the expiration of five years after the effective date of grant of such option, and (c) no option granted to an employee who is a non-exempt employee for purposes of the relevant laws and regulations, as amended, shall be first exercisable until at least six months following the date of grant of such option (except in the event of such employee's death, disability or retirement, upon a change in control, or as otherwise permitted by the relevant laws and regulations). Subject to the above, unless otherwise specified by the Board in the grant of an option, each option shall terminate ten years after the effective date of grant of the option, unless earlier terminated in accordance with its provisions.

(vi) *Exercise Price* — The exercise price for each option shall be established in the discretion of the Board, subject to certain limitations under the 2019 Share Plan.

(vii) *Exercise of Options* — Options shall be exercisable at such times, or upon the occurrence of such events, and subject to such terms, conditions, performance criteria and restrictions as shall be determined by the Board and set forth in the award agreement evidencing such option, subject to certain limitations under the 2019 Share Plan.

(viii) *Transferability* — During the lifetime of the participant, an option shall be exercisable only by the participant or the participant's guardian or legal representative. An option shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the participant or the participant's beneficiary, except transfer by will or by the laws of descent and distribution, save for certain exceptions as provided under the 2019 Share Plan.

(ix) *Maximum Number of Shares subject to the 2019 Share Plan* — The maximum number of Shares underlying the options or other awards granted under the 2019 Share Plan shall be 1,192,423 Shares (or 23,848,460 Shares as adjusted after the Share Split).

2. 2019 Equity Incentive Plan

(i) *Purpose* — To promote the success of our Company and the interests of our Shareholders by providing a means through which our Company may grant equity-based incentives to attract, motivate, retain and reward certain officers, employees, directors, consultants and other eligible persons and to further link the interests of award recipients with those of our Shareholders generally.

(ii) *Participants* — Any person who qualifies as one of the following at the time of grant of the respective award: (a) an officer (whether or not a director) or employee of our Company or any of our Affiliates; (b) any member of the Board; or (c) any director of one of our Company's affiliates, or any individual consultant or advisor who renders or has rendered bona fide services to our Company or one of our affiliates.

(iii) *Administration* — Administered by the Board, or one or more committees appointed by the Board or another committee (within its delegated authority) to administer all or certain aspects of the 2019 Equity Incentive Plan.

(iv) *Grant of Options* — Options shall be evidenced by an award agreement in the form approved by the administrator. The award agreement evidencing an option shall contain the terms established by the administrator for that award and any other terms, provisions, or restrictions that the administrator may impose on the option or any Ordinary Shares subject to the option, in each case subject to the applicable provisions and limitations of the 2019 Equity Incentive Plan.

(v) *Option Period* — Each option shall expire not more than 10 years after its date of grant.

(vi) *Exercise Price* — The administrator will determine the purchase price per share of the ordinary Shares covered by each option (the "exercise price" of the option) at the time of the grant of the option, which exercise price will be set forth in the applicable award agreement. In no case will the exercise price of an option be less than the greatest of: (a) the par value of an Ordinary Share; (b) subject to clause (c) below, 100% of the fair market value of an Ordinary Share on the date of grant; or (c) in the case of an incentive stock option granted to a participant, 110% of the fair market value of an ordinary Share on the date of grant.

(vii) *Transferability* — Unless otherwise expressly provided under the 2019 Equity Incentive Plan, by applicable law and by the award agreement, (a) all options are non-transferable and will not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge; (b) options will be exercised only by the participant; and (c) amounts payable or shares issuable pursuant to an option will be delivered only to (or for the account of), and, in the case of ordinary Shares, registered in the name of, the participant.

(viii) *Grant of RSUs* — RSUs shall be evidenced by an award agreement in the form approved by the administrator. The vesting conditions applicable to each RSU (which may be based on performance criteria, passage of time or other factors or any combination thereof) will be set forth in the applicable award agreement.

(ix) *Maximum Number of Shares subject to the 2019 Equity Incentive Plan* — The maximum number of Shares underlying the options or other awards granted under the 2019 Equity Incentive Plan shall be 540,484 Shares (or 10,809,680 Shares as adjusted after the Share Split).

3. 2021 Equity Incentive Plan

(i) *Purpose* — To attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to employees, directors and consultants, and to promote the success of the Company's business.

(ii) *Participants* — Employees, directors and consultants.

(iii) *Administration* — Administered by (a) the Board or (b) a committee, which committee will be constituted to satisfy the applicable articles of association and applicable laws.

(iv) *Grant of Options* — Each award of an option will be evidenced by an award agreement that will specify the exercise price, the term of the option, the number of Shares subject to the option, the exercise restrictions, if any, applicable to the option, and such other terms and conditions as the administrator, in its sole discretion, will determine.

(v) *Option Period* — The term of each option will be stated in the award agreement; provided, however, that the term will be no more than ten years from the date of grant thereof, subject to restrictions under the 2021 Equity Incentive Plan.

(vi) *Exercise Price* — The per Share exercise price for the Shares to be issued pursuant to the exercise of an option will be determined by the administrator, but will be no less than 100% of the fair market value per Share on the date of grant save for exceptions provided in the 2021 Equity Incentive Plan.

(vii) *Grant of RSUs* — RSUs may be granted at any time and from time to time as determined by the administrator. After the administrator determines that it will grant RSUs, it will advise the participant in an award agreement of the terms, conditions, and restrictions related to the grant, including the number of RSUs. The administrator will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of RSUs that will be paid out to the participant. The administrator may set vesting criteria based upon the achievement of Company-wide, business unit, or individual goals (including, but not limited to, continued employment or service), or any other basis determined by the administrator in its discretion.

(viii) *Maximum Number of Shares subject to the 2021 Equity Incentive Plan* — The maximum number of Shares underlying the options or other awards granted under the 2021 Equity Incentive Plan shall be 700,867 Shares (or 14,017,340 Shares as adjusted after the Share Split).

4. 2022 Equity Incentive Plan

(i) *Purpose* — To attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to employees, directors and consultants, and to promote the success of the Company's business.

(ii) *Participants* — Employees, directors and consultants.

(iii) *Administration* — Administered by (a) the Board or (b) a committee, which committee will be constituted to satisfy the applicable articles of association and applicable laws.

(iv) *Grant of Options* — Each award of an option will be evidenced by an award agreement that will specify the exercise price, the term of the option, the number of Shares subject to the option, the exercise restrictions, if any, applicable to the option, and such other terms and conditions as the administrator, in its sole discretion, will determine.

(v) *Option Period* — The term of each option will be stated in the award agreement; provided, however, that the term will be no more than ten years from the date of grant thereof. In the case of an incentive share option granted to a participant who, at the time the incentive share option is granted, owns Shares representing more than 10% of the total combined voting power of all classes of Shares of the Company or any parent, subsidiary or affiliate, the term of the incentive share option will be five years from the date of grant or such shorter term as may be provided in the award agreement.

(vi) *Exercise Price* — The per Share exercise price for the Shares to be issued pursuant to the exercise of an option will be determined by the administrator, but will be no less than 100% of the fair market value per Share on the date of grant save for exceptions provided in the 2022 Equity Incentive Plan.

(vii) *Grant of RSUs* — RSUs may be granted at any time and from time to time as determined by the administrator. After the administrator determines that it will grant RSUs, it will advise the participant in an award agreement of the terms, conditions, and restrictions related to the grant, including the number of RSUs. The administrator will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of RSUs that will be paid out to the participant. The administrator may set vesting criteria based upon the achievement of Company-wide, business unit, or individual goals (including, but not limited to, continued employment or service), or any other basis determined by the administrator in its discretion.

(viii) *Maximum Number of Shares subject to the 2022 Equity Incentive Plan* — The maximum number of Shares underlying the options or other awards granted under the 2022 Equity Incentive Plan shall be 511,595 Shares (or 10,231,900 Shares as adjusted after the Share Split).

5. Outstanding Grants under the Pre-IPO Equity Incentive Plans

(i) Options

As of the Latest Practicable Date, outstanding options to subscribe for an aggregate of 1,579,776 Shares (or 31,595,520 Shares as adjusted after the Share Split) have been granted by our Company under the Pre-IPO Equity Incentive Plans, representing 6.83% of the total issued Shares of our Company immediately before the Share Split and the Global Offering and 5.67% immediately after the completion of the Share Split and the Global Offering (assuming that the Over-allotment Option is not exercised and without taking into any Shares to be issued pursuant to the Pre-IPO Equity Incentive Plans). As of the Latest Practicable Date, none of such outstanding options granted under the Pre-IPO Equity Incentive Plans have been exercised. The Company will not grant further options under the Pre-IPO Equity Incentive Plans after the Listing.

As of the Latest Practicable Date, the grantees of outstanding Options under the Pre-IPO Equity Incentive Plans include one Director, two members of the senior management, two connected persons, 17 consultants and 95 other grantees under the Pre-IPO Equity Incentive Plans. Details of the outstanding options granted under the Pre-IPO Equity Incentive Plans as of the Latest Practicable Date are set out below:

Name of Grantee	Position held at our Group	Address	Exercise price as adjusted after the Share Split (US$ per Share)	Number of Shares underlying the options granted as adjusted after the Share Split	Date of grant	Exercise period Vesting period	Approximate shareholding percentage immediately following the Share Split and the Global Offering
Director							
Mr. Feng Ren, Ph.D.	Executive Director, CEO, CSO	Room 601, Building 1, Lane 219 Jinan East Road Pudong, Shanghai China	0.42 1.08 2.12	5,065,420	February 14, 2021, February 21, 2022 and December 1, 2025	Note 1	0.91%
Senior Management							
Mr. Aleksandr Aliper, Ph.D.	President	Al Kawkab street 10, West Yas, Yas Island, Abu Dhabi, UAE	0.01 0.29 0.42 0.42	3,000,000	September 1, 2016, May 18, 2018, April 18, 2020 and April 26, 2021	Note 2	0.54%
Mr. Peng Dai.	Head of Finance, Vice President	Room 702, No. 2, Lane 619, Yaohong Road, Changning District, Shanghai, China	1.08 2.12	399,900	November 15, 2021 and December 1, 2025	Note 3	0.07%

Name of Grantee	Position held at our Group	Address	Exercise price as adjusted after the Share Split (US$ per Share)	Number of Shares underlying the options granted as adjusted after the Share Split	Date of grant	Exercise period Vesting period	Approximate shareholding percentage immediately following the Share Split and the Global Offering
Connected Persons							
Petrin Kamya	Director of Insilico Canada	3725 St Andre Street, Montreal, H2L3V6, Canada	0.42 1.08	850,000	August 18, 2020 and November 25, 2022	Note 4	0.15%
Min Xie	Director of Insilico Canada	Room C, 12/F, No. 288 Huanghe Road, Huangpu District, Shanghai, China	1.08 2.12	799,800	November 15, 2021 and December 1, 2025	Note 5	0.14%
Consultants[15]							
Bud Mishra	Science Advisory Board	16 Dunster Road, Great Neck, NY 11021	0.01	300,000	April 28, 2014	Fully vested upon grant	0.05%
Michael Levitt	Consultant	60 Pearce Mitchell Place, Stanford, CA, USA	0.01	600,000	September 1, 2014	Fully vested upon grant	0.11%
Kristen Fortney	Consultant	1426 Flora St, Crockett CA 94525	0.01	180,000	September 1, 2014	Fully vested upon grant	0.03%
Mikhail Korzinkin	Consultant	Suite 3710-1250, René-Lévesque Blvd. West Montréal, Québec H3B 4W8	0.01	300,000	December 11, 2015	Note 6	0.05%
Anton Buzdin	Consultant	Level 6, Unit 08, Block A, IRENA HQ Building, Masdar City, Abu Dhabi, United Arab Emirates	0.13	200,000	September 1, 2016	Note 7	0.04%
Charles Cantor	Science Advisory Board	Unit E, 26 Stratford Ct, Del Mar CA 92014	0.01	300,000	April 28, 2017	Fully vested upon grant	0.05%
Alex Pickett	Business Advisor	47 Gingerbread Hill, Marblehead, MA 01945	0.29	200,000	August 19, 2017	Note 4	0.04%
David Giampaolo	Business Advisor	Flat 3, 4 Upper Brook Street, London W1K 6PA	0.29	300,000	August 19, 2017	Note 4	0.05%

Name of Grantee	Position held at our Group	Address	Exercise price as adjusted after the Share Split (US$ per Share)	Number of Shares underlying the options granted as adjusted after the Share Split	Date of grant	Exercise period Vesting period	Approximate shareholding percentage immediately following the Share Split and the Global Offering
Declan Doogan	Business Advisor	16 Hammock Beach Ct., Palm Coast, FL 31237	0.29	300,000	August 19, 2017	Note 4	0.05%
Donald Small	Science Advisory Board	8419 Stevenson Road, Pikesville, MD 21208	0.01	300,000	April 28, 2017	Fully vested upon grant	0.05%
James Mellon	Consultant	Burnbrae, Vikinghouse, Nelson Street, Douglas, Isle of Man, UK	0.29	600,000	August 19, 2017 and May 18, 2018	Note 8 and Note 9	0.11%
Gregory Bailey	Business Advisor	18 Athol Street, Douglas, Isle of Man IM1 1JA	0.29	300,000	May 18, 2018	Note 10	0.05%
Alan Aspuru-Guzik	Science Advisory Board	247 Brunswick Ave, Toronto, ON, M5S 2M6, Canada	0.29	600,000	May 18, 2018	Note 11	0.11%
Ksenia Stroykova	Consultant	907-50 rue des Seigneurs, Montréal, QC, Canada, H3J 0B1	0.29	300,000	May 18, 2018	Note 9	0.05%
Tudor Oprea	Science Advisory Board	12031 Coral Dawn Road West, Albuguergue NM 87122	0.42	600,000	June 18, 2020	Note 12	0.11%
Victoriia Sarkisova	Consultant	Unit 310, 3/F, Building 8W, Phase 2, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong	0.42	60,000	April 26, 2021	Note 4	0.01%
Mikolaj Mizera	Consultant	11, Kazimierza Odnowiciela, 62-010, Pobiedziska, Poland	2.12	2,000	December 1, 2025	Note 13	0.00%

Name of Grantee	Position held at our Group	Address	Exercise price as adjusted after the Share Split (US$ per Share)	Number of Shares underlying the options granted as adjusted after the Share Split	Date of grant	Exercise period Vesting period	Approximate shareholding percentage immediately following the Share Split and the Global Offering
Grantee with options to subscribe for an aggregate of 700,000 Shares (as adjusted after the Share Split) or more							
Hongfu Lu (陆洪福) . .	Senior Director of Chemistry	Room 1402, Building No. 90, Lane 1859, Sanquan Road, Baoshan District, Shanghai, China	0.42 2.12	799,800	July 19, 2021 and December 1, 2025	Note 8 and Note 13	0.14%
Jun Wang (王君) . . .	General Counsel and Board Secretary	Suite 901, Tower C, Changtai Plaza, 2889 Jinke Road, Pudong New District, Shanghai, China	0.42	1,140,000	September 23, 2020 and April 26, 2021	Note 4	0.20%
Michelle Chen	Former employee	301 Barclay Court, Palo Alto, CA 94306, USA	1.08 1.41	3,658,320	November 15, 2021 and April 6, 2023	Note 4	0.66%
Nirav Suresh Jhaveri . . .	Former employee	813 Franklin Street, Chattanooga, TN 37405, USA	1.08	996,280	November 15, 2021	Note 4	0.18%
Vladimir Aladinskii .	Head of Computational Chemistry	Unit 2-509, Building 2, Oasis 1, Masdar City, Abu Dhabi, United Arab Emirates	0.29 0.42 1.08	1,100,000	August 19, 2017, May 18, 2018, April 26, 2021 and November 15, 2021	Note 8 and Note 9	0.20%
Xiao Ding (丁晓) . . .	SVP, Head of Chemistry & DMPK	Room 401, No. 13, Lane 461, Nienjiabang Road, Pudong New Area, Shanghai, China	0.42 2.12	799,800	May 13, 2021 and December 1, 2025	Note 8 and Note 13	0.14%
6 other grantees with options to subscribe for an aggregate of 400,000 to 699,999 Shares (as adjusted after the Share Split) or more	—	—	0.42 to 2.12	3,062,500	From December 1, 2020 to April 23, 2025	Note 14 or Note 8	0.55%

Name of Grantee	Position held at our Group	Address	Exercise price as adjusted after the Share Split (US$ per Share)	Number of Shares underlying the options granted as adjusted after the Share Split	Date of grant	Exercise period Vesting period	Approximate shareholding percentage immediately following the Share Split and the Global Offering
7 other grantees with options to subscribe for an aggregate of 200,000 to 399,999 Shares (as adjusted after the Share Split) or more	—	—	0.29 to 2.12	2,339,700	From May 18, 2018 to December 1, 2025	Note 8, Note 9, Note 13 or Note 14	0.42%
76 other grantees with options to subscribe for an aggregate of 1 to 199,999 Shares (as adjusted after the Share Split) or more	—	—	0.42 to 2.12	2,142,000	April 26, 2021 to December 1, 2025	Note 14 Note 8 or Note 13	0.38%
Total:				**31,595,520**			**5.67%**

Notes:

(1) The vesting schedules for these grants are: (i) vested upon one-year anniversary of the on-boarding date; (ii) 1/4 to be vested one year from the vesting commencement date and 1/48 to be vested every month thereafter; and (iii) 1/3 to be vested on the day of the IPO after the vesting commencement date as stipulated in the respective grant notices, and the remaining 2/3 to be vested in 24 equal monthly installments from the IPO date.

(2) The vesting schedules for these grants are: (i) 1/10 to be vested every year from the vesting commencement date; (ii) 1/36 to be vested every month from the vesting commencement date; (iii) 1/4 to be vested one year from the vesting commencement date and 1/48 to be vested every month thereafter; and (iv) 1/4 to be vested one year from the vesting commencement date and 1/48 to be vested every month thereafter.

(3) The vesting schedule for these grants are: (i) 1/4 to be vested one year from the vesting commencement date and 1/48 to be vested every month thereafter; and (ii) 1/3 to be vested on the day of the IPO after the vesting commencement date as stipulated in the respective grant notices, and the remaining 2/3 to be vested in 24 equal monthly installments from the IPO date.

(4) The vesting schedules for both grants are 1/4 to be vested one year from the vesting commencement date and 1/48 to be vested every month thereafter.

(5) The vesting schedule for for these grants are: (i) 1/4 to be vested one year from the vesting commencement date and 1/48 to be vested every month thereafter; and (ii) 1/3 to be vested on the day of the IPO after the vesting commencement date as stipulated in the respective grant notices, and the remaining 2/3 to be vested in 24 equal monthly installments from the IPO date.

(6) The vesting schedule for these grants are 1/3 to be vested every year from the vesting commencement date.

(7) The vesting schedule for these grants are 1/6 to be vested every year from the vesting commencement date.

(8) The vesting schedule for these grants are 1/4 to be vested one year from the vesting commencement date and 1/48 to be vested every month thereafter.

(9) The vesting schedule for these grants are 1/36 to be vested every month from the vesting commencement date.

(10) The vesting schedule for these grants are 1/3 to be vested one year from the vesting commencement date and 1/36 to be vested every month thereafter.

(11) The vesting schedule for these grants are 1/5 to be vested every year from the vesting commencement date.

(12) The vesting schedule for these grants are 1/5 to be vested one year from the vesting commencement date and 1/60 to be vested every month thereafter.

(13) The vesting schedule for these grants are 1/3 to be vested on the day of the IPO after the vesting commencement date as stipulated in the respective grant notices, and the remaining 2/3 to be vested in 24 equal monthly installments from the IPO date.

(14) The vesting schedule for these grants are 1/2 to be vested two year from the vesting commencement date and 1/48 to be vested every month thereafter.

(15) The consultants provide services to the Company related to drug development, computational chemistry, and advisory services in the field of AI, as well as business planning.

(16) All options listed in the table above were granted for nil consideration.

(17) Provided that the options have been vested according to their respective vesting periods, all options listed in the table may be exercised within 10 years after the date of grant, subject to certain customary exceptions for circumstances where the grantee no longer works at the Company as provided under the relevant grant letters.

In respect of the outstanding options granted under the Pre-IPO Equity Incentive Plans, we have applied to the Stock Exchange and the SFC, respectively for, (i) a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A to the Listing Rules; and (ii) an exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with the disclosure requirements of paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. See "Waivers and Exemptions" for details.

(ii) RSUs

As of the Latest Practicable Date, 270,336 RSUs have been granted by our Company under the Pre-IPO Equity Incentive Plans, corresponding to 270,336 underlying Shares (or 5,406,720 Shares as adjusted after the Share Split) and representing 1.17% of the total issued Shares of our Company immediately before the Share Split and the Global Offering and 0.97% immediately after the completion of the Share Split and the Global Offering (assuming that the Over-allotment Option is not exercised and without taking into any Shares to be issued pursuant to the Pre-IPO Equity Incentive Plans). As of the Latest

Practicable Date, none of the RSUs granted under the Pre-IPO Equity Incentive Plans have been vested. The Company will not grant further RSUs under the Pre-IPO Equity Incentive Plans after the Listing.

As of the Latest Practicable Date, there are 82 grantees of unvested RSUs under the Pre-IPO Equity Incentive Plans, including one Director, one member of senior management, two connected persons, 1 consultant and 77 other grantees under the Pre-IPO Equity Incentive Plans. Details of such unvested RSUs as of the Latest Practicable Date are set out below:

Name of Grantee	Position held at our Group	Address	Price (as adjusted after the Share Split) (US$ per Share)	Number of Shares underlying the RSUs granted as adjusted after the Share Split	Date of grant	Vesting period	Approximate shareholding percentage immediately following the Share Split and the Global Offering
Director							
Mr. Feng Ren, Ph.D.	Executive Director, CEO, CSO	Room 601, Building 1, Lane 219 Jinan East Road Pudong, Shanghai China	nil	3,200,000	Note 1	Note 2	0.57%
Senior Management							
Mr. Peng Dai	Head of Finance, Vice President	Room 702, No. 2, Lane 619, Yaohong Road, Changning District, Shanghai, China	nil	258,300	August 23, 2023 and October 10, 2025	Note 2	0.05%
Connected Persons							
Min Xie	Director of Insilico Canada	Room C, 12/F, No. 288 Huanghe Road, Huangpu District, Shanghai, China	nil	80,000	August 23, 2023	Note 2	0.01%
Petrin Kamya	Director of Insilico Canada	3725 St Andre Street, Montreal, H2L3V6, Canada	nil	50,000	December 1, 2025	Note 2	0.01%
Consultant[(3)]							
Mikolaj Mizera	Consultant	11, Kazimierza Odnowiciela, 62-010, Pobiedziska, Poland	nil	2,000	December 1, 2025	Note 2	0.00%
1 other grantee with RSUs in relation to an aggregate of 400,000 to 699,999 Shares (as adjusted after the Share Split) or more	—	—	nil	400,000	April 23, 2025 and December 1, 2025	Note 2	0.07%

Name of Grantee	Position held at our Group	Address	Price (as adjusted after the Share Split) (US$ per Share)	Number of Shares underlying the RSUs granted as adjusted after the Share Split	Date of grant	Vesting period	Approximate shareholding percentage immediately following the Share Split and the Global Offering
1 other grantee with RSUs in relation to an aggregate of 200,000 to 399,999 Shares (as adjusted after the Share Split) or more	—	—	nil	200,000	December 1, 2025	Note 2	0.04%
75 other grantees in relation to an aggregate of 1 to 199,999 Shares (as adjusted after the Share Split) or more	—	—	nil	1,216,420	August 23, 2023 or December 1, 2025	Note 2	0.22%
Total:				**5,406,720**			**0.97%**

Notes:

(1) The RSUs granted to Mr. Feng Ren, Ph.D. includes 800,000 RSUs as adjusted after the Share Split granted on November 25, 2022, 1,200,000 RSUs as adjusted after the Share Split granted on August 23, 2023, 600,000 RSUs as adjusted after the Share Split granted on December 1, 2023 and 600,000 RSUs as adjusted after the Share Split granted on August 26, 2024.

(2) The vesting schedule for these grants are 1/3 to be vested on the day of the IPO after the vesting commencement date as stipulated in the respective grant notices, and the remaining 2/3 to be vested in 24 equal monthly installments from the IPO date.

(3) The consultant provides AI related technical development services to the Company.

In respect of the outstanding RSUs granted under the Pre-IPO Equity Incentive Plans, we have applied to the Stock Exchange for a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules. See "Waivers and Exemptions" for details.

(iii) Dilution Effect and Impact on Earnings per Share

As of the Latest Practicable Date, there are 1,579,776 outstanding options and 270,336 unvested RSUs granted under the Pre-IPO Equity Incentive Plans, amounting to a total of 1,850,112 underlying Shares (or 37,002,240 Shares as adjusted after the Share Split) which may be issued to the grantees representing 6.64% of the total issued Shares of our Company immediately after the completion of the Share Split and the Global Offering (assuming that the Over-allotment Option is not exercised and without taking into any Shares to be issued pursuant to the Pre-IPO Equity Incentive Plans). No further grant will be made pursuant to the Pre-IPO Equity Incentive Plans after the Listing.

Assuming the full exercise of the options granted and vesting of the RSUs granted prior to the Listing, the shareholding of our Shareholders immediately following completion of the Share Split and the Global Offering (assuming the Over-allotment Option is not exercised) will be diluted by approximately 6.64%. The consequent impact on the earnings per ordinary Share for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025 is nil, nil, nil and nil, respectively, being the incremental impact to diluted earnings per share, since the options would not be included in the calculation of diluted earnings per share due to anti-dilution.

Application has been made to the Stock Exchange for the listing of and permission to deal in the 37,002,240 Shares (as adjusted after the Share Split) which will be allotted and issued upon the exercise of the outstanding options and vesting of RSUs granted under the Pre-IPO Equity Incentive Plans.

POST-IPO EQUITY INCENTIVE PLANS

Our Company adopted the Post-IPO Equity Incentive Plans, which include:

(i) the Post-IPO RSU Scheme; and

(ii) the Post-IPO Share Option Scheme.

Post-IPO RSU Scheme

A summary of the principal terms of the Post-IPO RSU Scheme conditionally approved and adopted in compliance with Chapter 17 of the Listing Rules by an extraordinary general meeting of our Shareholders on December 15, 2025 is as follows.

(a) Purpose

The purpose of the Post-IPO RSU Scheme is to align the interests of Eligible Persons (as defined below) with those of the Group and to encourage and retain Eligible Persons to make contributions to the long-term growth and profits of the Group.

(b) Eligible Persons

The Board (which expression shall, for the purpose of this paragraph, include the Board or such duly authorized person(s) by the Board) may, at its absolute discretion, offer to grant RSUs to an Eligible Person, namely (i) an "Employee Participant", i.e. any person who is an employee (whether full-time or part-time employee) or a director (including any executive director, non-executive director or independent non-executive director) of any member of the Group; (ii) a "Related Entity Participant", i.e. any person who is an employee or a director of any of the holding companies, fellow subsidiaries (other than members of the Group) or associated companies of the Company; and (iii) a "Service Provider", i.e. any person or

corporate entity (other than an employee or a director of any member of the Group) who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group.

(c) Maximum number of Shares

The Company shall not make any further grant of RSUs which will result in the aggregate number of Shares to be issued and/or transferred by the Company in respect of all grants made after the date on which the Post-IPO Share Incentive Plans are approved ("**Approval Date**") pursuant to this Scheme (excluding Shares issued and/or otherwise transferred to a grantee pursuant to an RSU ("**RSU Shares**") that have been forfeited in accordance with the Scheme) and any other share schemes adopted by the Company to exceed 5% of the total number of Shares in issue immediately following the completion of the Global Offering (excluding any treasury shares or Shares which may be issued pursuant to the exercise of the Over-allotment Option and excluding any Shares which may be allotted and issued under the Pre-IPO Equity Incentive Plans), being 27,870,925 Shares. Furthermore, the total number of new Shares which may be issued and/or transferred pursuant to RSUs granted and to be granted to Service Providers after the Approval Date under this Scheme and any other share scheme shall not exceed 0.5% of the total number of Shares in issue immediately following the completion of the Global Offering (excluding any treasury shares or Shares which may be issued pursuant to the exercise of the Over-allotment Option and excluding any Shares which may be allotted and issued under the Pre-IPO Equity Incentive Plans) (the "**Service Provider Sublimit**"), being 2,787,092 Shares.

The Company may refresh the Scheme Limit and/or the Service Provider Sublimit (1) from the later of three years after the Approval Date or three years after the date of the last refreshment of the Scheme Limit or the Service Provider Sublimit (as the case may be) by obtaining Shareholders' approval, or (2) within any of the aforementioned three-year period by obtaining Shareholders' approval and subject to compliance with the applicable additional requirements set out in Rule 17.03C of the Listing Rules, provided that the total number of new Shares which may be issued and/or transferred pursuant to all grants to be made under the Post-IPO RSU Scheme and other share schemes of the Company under the Scheme Limit as refreshed must not exceed 10% of the relevant class of Shares in issue (excluding any treasury shares) as at the date of such Shareholders' approval, and subject further to compliance with other requirements prescribed under the Listing Rules from time to time.

The Company may seek separate approval by its Shareholders in general meeting for granting RSUs beyond the Scheme Limit, provided that the RSUs in excess of the Scheme Limit are granted only to Eligible Persons specifically identified by the Company before such approval is sought and subject to compliance with other relevant requirements prescribed under the Listing Rules.

(d) Maximum entitlement of a grantee

The total number of Shares issued and to be issued or transferred and to be transferred pursuant to grants made and to be made under the Post-IPO RSU Scheme and other shares schemes of the Company to each grantee (excluding RSUs lapsed in accordance with the Post-IPO RSU Scheme) in any 12-month period up to (and including) the date of the latest grant shall not exceed 1% of the total number of Shares in issue (excluding any treasury shares) at the relevant time (the "**Individual Limit**"). Any further grant of RSUs to a grantee which would exceed the Individual Limit shall be subject to separate approval of the Shareholders in general meeting in accordance with the Listing Rules, including that at such general meeting such participant and his/her close associates (or associates if the participant is a connected person as defined under the Listing Rules) shall abstain from voting.

(e) Vesting of RSUs

The Board or its delegates may from time to time while the Post-IPO RSU Scheme is in force and subject to all applicable laws, rules and regulations, determine such vesting criteria and conditions or periods for the RSU to be vested hereunder.

However, the vesting period in respect of any RSU shall not be less than 12 months from the grant date, except that with respect to a grantee who is an Employee Participant, a shorter vesting period may be permitted in circumstances set out below:

(i) grants as "make whole" RSUs to a new Employee Participant upon joining the Group to replace the share awards such grantee forfeited when leaving his/her previous employer;

(ii) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;

(iii) grants of RSUs which are subject to the fulfilment of performance targets as determined in the conditions of his/her grant;

(iv) grants of RSUs the timing of which is set due to administrative and/or compliance reasons unrelated to the performance of the Employee Participant, in which case the Vesting Date may be adjusted to take account of the time from which the RSU would have been granted if not for such administrative and/or compliance reasons;

(v) grants of RSUs with a mixed vesting schedule such that the RSUs may vest evenly over a period of 12 months; or

(vi) grants of RSUs with a total vesting and holding period of more than 12 months, such as where the RSUs may vest by several batches with the first batch to vest within 12 months of the grant date and the last batch to vest 12 months after the grant date.

The Company shall issue a letter to each grantee in such form as the Board or its delegate(s) may from time to time determine, specifying the grant date, the period within which it must be accepted before lapsing (if any), the number of RSU Shares underlying the RSU, the vesting criteria and conditions, the Purchase Price (if any) for the RSU Shares (including the method of payment and the period(s) within which any such Purchase Price must be made), and the Vesting Date and such other details as the they may consider appropriate and necessary (an "**RSU Letter**"). Vesting of RSUs shall be subject to performance targets, if any, to be satisfied by the grantees as determined by the Board or its delegates from time to time, provided that such performance targets shall be set out in the RSU Letter.

Any RSU granted hereunder but not yet vested shall be personal to the grantee to whom it is made and shall not be assignable or transferable and no grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any other person over or in relation to any RSU, or enter into any agreement to do so, except for when a waiver is obtained from the Stock Exchange and express written consent is obtained from the Board or its delegates.

(f) RSUs granted to connected persons

Any grant of RSUs or other form of awards to any director, chief executive or substantial shareholder of the Company or any of their respective associates shall be subject to the prior approval of the independent non-executive directors of the Company (excluding any independent non-executive director who is a proposed recipient of the grant of RSUs). Furthermore, where:

(i) any grant of RSUs or other form of awards to any director (other than an independent non-executive director) or chief executive of the Company would result in the Shares issued and to be issued or transferred and to be transferred in respect of all RSUs granted (excluding RSUs lapsed in accordance with the terms of the Post-IPO RSU Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue (excluding any treasury shares); or

(ii) any grant of RSUs, options, or other form of awards pursuant to the Post-IPO RSU Scheme or any other concurrent share schemes to an independent non-executive director or substantial shareholder of the Company or any of their respective associates would result in the number of Shares issued and to be issued or transferred and to be transferred (excluding RSUs lapsed in accordance with the terms of the Post-IPO RSU Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue (excluding any treasury shares),

such further grant of RSUs must be approved by the Shareholders in general meeting in the manner required and subject to the requirements set out in the Listing Rules.

(g) Restriction of RSUs

No RSU shall be granted under the Post-IPO RSU Scheme:

(i) where the Company has come to knowledge of any inside information (as defined in the SFO), until (and including) the trading day after the Company has announced the information; and

(ii) during the period of commencing thirty (30) calendar days immediately before the earlier of (1) the date of the board meeting (as such date is first notified to the Stock Exchange) for approving the Company's results for any full-year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (2) the deadline for the Company to announce its results for any full-year, half-year, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcements, provided that such period will also cover any period of delay in the publication of any results announcement.

(h) Lapse of RSUs

Any granted RSU shall automatically lapse and not be vested in the grantee on the earliest of:

(i) seven (7) business days after the date of the commencement of the mandatory winding-up of the Company;

(ii) seven (7) business days after the date on which the proposed compromise or arrangement between the Company and its Shareholders or creditors in connection with a scheme for the reconstruction or amalgamation of the Company (other than any relocation schemes as contemplated under Rule 7.14(3) of the Listing Rules) becomes effective;

(iii) the date on which the grantee ceases to be an Eligible Person (as determined by the Board or its delegate(s) on or prior to the relevant Vesting Date;

(iv) the date on which the grantee commits a breach of any terms or conditions (if any) attached to the grant of the RSU, unless otherwise resolved to the contrary by the Board or its delegate(s);

(v) the date on which there is an actual or purported breach of the restriction with respect to the transferability of the RSU Shares by the grantee as determined by the Board or its delegate(s); or

(vi) the date on which the Board or its delegate(s) makes a determination to claw back the RSU.

(i) Voting and dividend rights

No grantee shall exercise any voting rights in respect of any RSU Shares held, directly or indirectly, that have not been vested.

RSU shares to be allotted and issued or transferred for the RSUs shall be subject to all the provisions of the Articles and are to rank *pari passu* with the fully paid Shares then in issue and accordingly will be entitled to dividends and other distributions paid or made on or after the date of the allotment or transfer, other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date therefore falls before the date of the allotment or transfer.

(j) Effects of alterations in the capital structure of our Company

In the event the Company undertakes a capitalisation issue, rights issue, sub-division or consolidation of the Shares or reduction of capital of the Company (other than an issue of Shares, or transfer of treasury shares, as consideration in respect of a transaction to which the Company is a party), corresponding changes will be made to the number and Purchase Price (if applicable) of any unvested RSUs (together with any outstanding RSU Shares subject thereunder) that have been granted provided that:

(i) any such adjustments must be made so that each grantee is given the same portion of the share capital of the Company, rounded to the neatest whole share, as that to which they were previously entitled;

(ii) all fractional shares (if any) arising out of such consolidation or sub-division in respect of the RSU Shares of a grantee shall be deemed as Returned Shares and shall not be transferred to the relevant grantee on the relevant Vesting Date;

(iii) no such adjustments shall be made which would result in the Purchase Price (if applicable) for a Share being less than its nominal value, provided that in such circumstances the Purchase Price shall be reduced to the nominal value;

(iv) any such adjustments shall be made on the basis that the aggregate Purchase Price (if applicable) payable by a grantee for the vesting of the RSU Shares granted thereto shall remain as nearly as possible the same (but shall not be greater than) as it was before such event; and

(v) any adjustments to be made will comply with the Listing Rules and any guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time.

(k) Effect of cessation of employment, dismissal or misconduct

In the event that:

(i) the grantee commits a breach of confidentiality obligations as set out in the terms of the Post-IPO RSU Scheme and/or the respective RSU Letter (if applicable);

(ii) the grantee secures a part-time job in an industry or field that competes or is likely to compete, directly or indirectly, with the business of the Group;

(iii) the grantee ceases to be an Eligible Person by reason of the termination of his/her/its employment or contractual engagement with any member of the Group or any Related Entity for misconduct or without notice or with payment in lieu of notice;

(iv) the grantee has contravened the relevant laws and regulations of the PRC, Hong Kong and/or any other jurisdiction to which such grantee is subject and thereby has been convicted of any criminal offence;

(v) the grantee has been involved in acceptance or solicitation of bribery, corruption, theft, leakage of any trade or technical secrets, or conducted any connected transactions or other unlawful acts or misconduct which, in the reasonable opinion of the Board or its delegate(s), prejudiced the interest or reputation of or caused significant negative impact to the Group;

(vi) in the reasonable opinion of the Board or its delegate(s), the grantee has failed to discharge, or failed to discharge properly, his/her/its duties and thereby resulting in serious and adverse consequences, directly or indirectly, to the Group's interest or reputation; or

(vii) in the reasonable opinion of the Board or its delegate(s), the grantee has engaged in any serious misconduct or breach of the terms of the Post-IPO RSU Scheme or any terms or conditions attached to the grant of the RSU in any material respect,

the Board or its delegate(s) may make a determination at its sole and absolute discretion that (1) any RSUs granted to that grantee but not yet vested shall immediately lapse; and (2) with respect to any Shares issued and/or transferred to that grantee, the grantee shall be required to transfer back, in whole or in part as determined by the Board or Board Delegate(s), to the Company or its nominee(s): (A) the equivalent number of Shares so issued and/or transferred to such grantee, (B) an amount in cash equal to the market value of such Shares, or (C) a combination of (A) and (B); and/or (3) with respect to any RSU Shares held by the Trustee for the benefit of that grantee, those RSU Shares shall no longer be held on trust for nor inure to benefit of the grantee.

(l) Effect of open offer and rights issue

In the event the Company undertakes an open offer of new securities, the Trustee shall not subscribe for any new Shares. In the event of a rights issue, the Trustee shall seek instruction from the Company on the steps or actions to be taken in relation to the nil-paid rights allotted to it.

(m) Ranking of Shares

RSU Shares to be allotted and issued or transferred for the RSUs shall be subject to all the provisions of the Articles and are to rank *pari passu* with the fully paid Shares then in issue and accordingly will be entitled to dividends and other distributions paid or made on or after the date of the allotment or transfer, other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date therefore falls before the date of the allotment or transfer.

(n) Duration

The Post-IPO RSU Scheme shall be valid and effective for ten years (after which no further RSUs will be granted), and thereafter for so long as there are any non-vested RSU Shares granted hereunder prior to the expiration of the Post-IPO RSU Scheme, in order to give effect to the vesting of such RSU Shares or otherwise as may be required in accordance with the provisions of the rules of the Post-IPO RSU Scheme.

(o) Alteration of the Plan

The Post-IPO RSU Scheme may be altered in any respect by a resolution of the Board provided that no such alteration shall operate to affect adversely any subsisting rights of any grantee unless otherwise provided for in the rules of the Post-IPO RSU Scheme, except:

(i) with the consent in writing of grantees amounting to three-fourths in nominal value of all RSU Shares held by the Trustee on that date; or

(ii) with the sanction of a special resolution that is passed at a meeting of the grantees amounting to three-fourths in nominal value of all RSU Shares held by the Trustee on that date.

(p) Cancelation of RSUs

All or part of RSUs granted but not yet vested may be cancelled by the Board or its delegate(s) in the event of any serious misconduct of the grantee or other specific circumstances as the Board or its delegate(s) deems appropriate. The RSUs so cancelled will

be regarded as utilized for the purpose of calculating the relevant Scheme Limit and the Service Provider Sublimit. Issuance of new RSUs to the same grantee whose RSUs have been cancelled may only be made with RSUs available under the Scheme Limit and in compliance with the Listing Rules.

(q) Termination

The Post-IPO RSU Scheme shall terminate on the earlier of:

(i) the end of the tenth anniversary of the adoption of the Post-IPO RSU Scheme except in respect of any non-vested RSU Shares granted hereunder prior to the expiration of the Post-IPO RSU Scheme, for the purpose of giving effect to the vesting of such RSU Shares or otherwise as may be required in accordance with the provisions of the Post-IPO RSU Scheme; and

(ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any grantee hereunder; provided further that for the avoidance of doubt, the change in the subsisting rights of a grantee in this clause refers solely to any change in the rights in respect of the RSU Shares already granted to a grantee.

Post-IPO Share Option Scheme

A summary of the principal terms of the Post-IPO Share Option Scheme conditionally approved and adopted in compliance with Chapter 17 of the Listing Rules by an extraordinary general meeting of our Shareholders on December 15, 2025 is as follows.

(a) Purpose

The purpose of the Post-IPO Share Option Scheme is to align the interests of Eligible Persons (as defined below) with those of the Group and to encourage and retain Eligible Persons to make contributions to the long-term growth and profits of the Group.

(b) Eligible Persons

The Board (which expression shall, for the purpose of this paragraph, include the Board or such duly authorized person(s) by the Board) may, at its absolute discretion, offer to grant options ("**Options**") to an Eligible Person, namely (i) an "Employee Participant", i.e. any person who is an employee (whether full-time or part-time employee) or a director (including any executive director, non-executive director or independent non-executive director) of any member of the Group; (ii) a "Related Entity Participant", i.e. any person who is an employee or a director of any of the holding companies, fellow subsidiaries (other than members of the Group) or associated companies of the Company; and (iii) a "Service Provider", i.e. any person

or corporate entity (other than an employee or a director of any member of the Group) who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group.

(c) Maximum number of Shares

The total number of Shares which may be issued (or transferred, in the case of treasury shares) upon exercise of all Options/vesting of all other awards that may be granted under the Post-IPO Share Option Scheme and any other share scheme involving the issue or grant of options or awards over Shares by the Company or any of its Subsidiaries shall not in aggregate exceed 5% of the total number of Shares in issue immediately following the completion of the Global Offering (excluding any treasury shares or Shares which may be issued pursuant to the exercise of the Over-allotment Option and excluding any Shares which may be allotted and issued under the Pre-IPO Equity Incentive Plans) ("**Scheme Limit**"), being 27,870,925 Shares, unless the Company obtains the approval of the Shareholders. Options lapsed in accordance with the terms of the Post-IPO Share Option Scheme or any other scheme shall not be counted for the purpose of calculating the Post-IPO Share Option Scheme Limit. Furthermore, the total number of new Shares which may be issued and/or transferred pursuant to Options or other awards (if applicable) granted and to be granted to Service Providers after the Approval Date under this Post-IPO Share Option Scheme and any other share scheme shall not exceed 0.5% of the total number of Shares in issue immediately following the completion of the Global Offering (excluding any treasury shares or Shares which may be issued pursuant to the exercise of the Over-allotment Option and excluding any Shares which may be allotted and issued under the Pre-IPO Equity Incentive Plans) (the "**Service Provider Sublimit**"), being 2,787,092 Shares.

The Company may seek the approval of the Shareholders in general meeting to refresh the Post-IPO Share Option Scheme Limit and/or the Service Provider Sublimit such that the total number of Shares which may be issued (or transferred, in the case of treasury shares) upon exercise of all Options that may be granted under the Post-IPO Share Option Scheme and any other option scheme/plan involving the issue or grant of options over Shares or other securities by the Company shall be refreshed, (i) from the later of three years after the Approval Date or three years after the date of the previous refreshment of the Post-IPO Share Option Scheme Limit or the Service Provider Sublimit (as the case may be) by obtaining Shareholders' approval, or (ii) within any of the aforementioned three-year period by obtaining Shareholders' approval and subject to compliance with any applicable additional requirements set out in Rule 17.03C of the Listing Rules; provided that the total number of new Shares which may be issued (or transferred, in the case of treasury shares) pursuant to all grants to be made under the Post-IPO Share Option Scheme and other share schemes of the Company under the Post-IPO Share Option Scheme Limit as refreshed shall not exceed 10% of the issued share capital (excluding any treasury shares) of the Company as at the date of approval of the refreshed limit, and subject further to compliance with other requirements prescribed under the Listing Rules from time to time.

The Company may seek the approval of the Shareholders in general meeting to grant Options which will result in the number of Shares in respect of all the Options granted under the Post-IPO Share Option Scheme and all the options granted under any other option scheme

exceeding 10% of the issued share capital (excluding any treasury shares) of the Company, provided that such Options are granted only to Eligible Persons specifically identified by the Company before the approval of the Shareholders is sought and subject to compliance with other relevant requirements prescribed under the Listing Rules.

(d) Maximum entitlement of a grantee

No Options or awards (if applicable) may be granted to any Eligible Person which, if exercised or vested in full, would result in the total number of Shares issued and to be issued (or transferred and to be transferred, in the case of treasury shares) in respect of all Options and awards granted or to be granted to such Eligible Person under the Post-IPO Share Option Scheme and other share schemes of the Company (excluding any Options lapsed in accordance with the Post-IPO Share Option Scheme) in the 12-month period up to and including the grant date of such new grant exceeding 1% in aggregate of the issued share capital (excluding any treasury shares) of the Company as at the grant date of such new grant (the "**Individual Limit**"). Any grant of further Options which would exceed the Individual Limit shall be subject to the requirements provided under the Listing Rules, including (1) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by resolution of the Shareholders in general meeting, at which the relevant Eligible Person and his close associates (or his associates if the relevant Eligible Person is a connected person (as defined under the Listing Rules)) shall abstain from voting; (2) a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and (3) the number and terms (including the Exercise Price) of such Share Option are fixed before the general meeting of the Company at which the same are approved.

(e) Vesting of Options

Unless otherwise determined by the Board or its delegate(s), the Options granted shall vest 25% per year within four (4) anniversary years, and the vesting period shall commence on the grant date and shall last for no less than twelve (12) months, except that any Options granted to a grantee who is an Employee Participant may be subject to a shorter vesting period, which may be permitted in circumstances set out below:

(i) grants of "make whole" Options to a new Employee Participant upon joining the Group to replace the options such grantee forfeited when leaving his/her previous employer;

(ii) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;

(iii) grants of Options which are subject to the fulfilment of performance targets as determined in the conditions of his/her grant;

(iv) grants of Options the timing of which is set due to administrative and/or compliance reasons unrelated to the performance of the Employee Participant, in which case the Vesting Date may be adjusted to take account of the time from which the Option would have been granted if not for such administrative and/or compliance reasons;

(v) grants of Options with a mixed vesting schedule such that the Options may vest evenly over a period of 12 months; or

(vi) grants of Options with a total vesting and holding period of more than 12 months, such as where the Options may vest by several batches with the first batch to vest within 12 months of the grant date and the last batch to vest 12 months after the grant date.

The Company shall issue a letter ("**Grant Letter**") to each grantee in such form as the Board or its delegate(s) may from time to time determine, specifying, among others, the number of Shares under the Options, the exercise price, the exercise period, the vesting date of the Options and any conditions in respect of which an offer of the Options are made.

Any Options shall be personal to the grantee and shall not be assignable or transferable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise create any interest whether legal or beneficial in favour of any third party over or in relation to any Options, except for when (i) a waiver is obtained from the Stock Exchange and express written consent is obtained from the Board or its delegate(s), or (ii) the transmission of an Option on the death of the grantee to their personal representative(s) according to the Post-IPO Share Option Scheme Rules, and in each case, subject to compliance with the Listing Rules.

(f) Exercise Price and Exercise Period

The exercise price shall be a price determined by the Board or its delegate(s) and notified to any grantee and will be the highest of:

(a) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the grant date of the relevant Options, which must be a business day;

(b) an amount equivalent to the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five (5) business days immediately preceding the grant date of the relevant Options; and

(c) the nominal value per Share on the grant date.

The Board its delegate(s) may specify the exercise period of the Options in the Grant Letter, and in all circumstances the Exercise Period shall not expire later than ten years from the grant date.

(g) Options granted to connected persons

If Options, any other awards pursuant to the Post-IPO Share Option Scheme or any other concurrent share schemes of the Company are granted to a director, chief executive or substantial shareholder of the Company or any of their respective associates, such grant shall be subject to the approval by the independent non-executive directors of the Company (and in the event that the Board or its delegate(s) offers to grant Options to an independent non-executive director of the Company, the vote of such independent non-executive director shall not be counted for the purposes of approving such grant).

If Options, any other awards pursuant to the Post-IPO Share Option Scheme or any other concurrent share schemes of the Company are granted to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates and that grant would result in the Shares issued and to be issued (or transferred and to be transferred, in the case of treasury shares) (excluding any Options lapsed in accordance with terms of the Post-IPO Share Option Scheme) to such person under the Post-IPO Share Option Scheme and any other schemes by the Company in the 12-month period up to and including the grant date, representing in aggregate over 0.1%, or such other percentage as may from time to time be provided under the Listing Rules, of the Shares in issue on the grant date, such grant shall be subject to, in addition to the approval of the independent non-executive directors of the Company, the issue of a circular by the Company to the Shareholders and the approval of the independent Shareholders in general meeting by way of a poll convened and held in accordance with the Articles and the Listing Rules at which general meeting the grantee, their associate(s) and all core connected persons (as defined under the Listing Rules) of the Company shall abstain from voting in favour of the resolution concerning the grant of such Options at the general meeting, and/or such other requirements prescribed under the Listing Rules from time to time.

(h) Restriction of Options

For as long as the Shares are listed on the Stock Exchange, an Option must not be made after inside information has come to the knowledge of the Company until (and including) the trading day after such inside information has been announced in accordance with the requirements of the Listing Rules. In particular, an Option must not be made during the period commencing one month immediately preceding the earlier of:

(i) the date of the meeting of the Board (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 Company to publish an announcement of 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),

and ending on the date of the results announcement, provided that such period will also cover any period of delay in the publication of any results announcement.

(i) Lapse of Options

Without prejudice to the authority of the Board or its delegate(s) to provide additional situations when an Option shall lapse in the terms of any Grant, an Option shall automatically lapse on the earliest of:

(i) the expiry of the tenth (10th) anniversary date of the grant date;

(ii) the expiry of the period for accepting the Options;

(iii) the expiry of the Exercise Period provided in the Grant Letter;

(iv) the expiry of any of the periods for exercising the Options;

(v) the date on which there is an actual or purported breach the restriction with respect to the transferability of the Options by the grantee as determined by the Board or its delegate(s);

(vi) subject to the compromise or arrangement (for the purpose of or in connection with reconstruction or amalgamation) becoming effective, the expiry of the period commencing with such date and ending with the earlier of the date 2 months after the compromise or arrangement;

(vii) the date of the commencement of the voluntary winding-up of the Company;

(viii) seven (7) business days after the date of the commencement of the mandatory winding-up of the Company;

(ix) the date on which the grantee ceases to be an Eligible Person (as determined by the Board or its delegate(s)) on or prior to the relevant Vesting Date;

(x) the date on which the grantee commits a breach of any terms or conditions (if any) attached to the grant of the Option, unless otherwise resolved to the contrary by the Board or its delegate(s); and

(xi) the date on which the Board or its delegate(s) makes a determination to claw back the Options.

provided that a resolution of the Board or its delegate(s) to the effect that the Options shall lapse and not be vested on one or more of the grounds as specified above shall be conclusive and binding on the grantee and that in each case above the Board or its delegate(s) in its absolute discretion may decide that such Options shall not so lapse or

determine subject to such conditions or limitations as it may decide; and that any of such decision shall be conclusive and binding on the grantee. For the avoidance of doubt, any Options lapsed in accordance with the terms of the Post-IPO Share Option Scheme will not be regarded as utilized for the purpose of calculating the Post-IPO Share Option Scheme Limit.

(j) Voting and dividend rights

No dividends (including distributions made upon the liquidation of the Company) will be payable and no voting rights will be exercisable in relation to any Options that have not been exercised.

(k) Effects of alterations in the capital structure of our Company

If there is any alteration in the capital structure of the Company while any Options remains exercisable, whether by way of capitalisation issue, rights issue, sub-division or consolidation of the Shares or reduction of the share capital of the Company (other than an issue of Shares (or a transfer of treasury shares) as consideration in respect of a transaction to which the Company is a party), corresponding changes will be made to the number and Exercise Price of any unvested and/or unexercised Options (together with any outstanding Options subject thereunder) that have been granted provided that:

(i) any such adjustments must be made so that each grantee is given the same portion of the share capital of the Company, rounded to the neatest whole share, as that to which they were previously entitled;

(ii) all fractional shares (if any) arising out of such consolidation or sub-division in respect of the Options of a grantee shall not be transferred to the relevant grantee on the relevant Vesting Date;

(iii) no such adjustments shall be made which would result in the Exercise Price (if applicable) for a Share being less than its nominal value, provided that in such circumstances the Exercise Price shall be reduced to the nominal value;

(iv) any such adjustments shall be made on the basis that the aggregate Exercise Price (if applicable) payable by a grantee for the exercise of the Options granted thereto shall remain as nearly as possible the same (but shall not be greater than) as it was before such event; and

(v) any adjustments to be made will comply with the Listing Rules and any guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time.

Except alterations made on a capitalisation issue, any alteration to the number of Shares which is the subject of the Options and/or the Exercise Price shall be conditional on the Auditors or the independent financial adviser appointed by the Company confirming by the

issue of certificate to the Board or its delegate(s) that the alteration is in their opinion fair and reasonable. The capacity of the Auditors or an independent financial adviser appointed by the Company is that of experts and not of arbitrators and their certification shall be final and binding on the Company and the grantees in the absence of manifest error. The costs of the Auditors or an independent financial adviser appointed by the Company in so certifying shall be borne by the Company.

(l) Effect of cessation of employment, dismissal or misconduct

In the event that:

(i) the grantee commits a breach of confidentiality obligations and/or the respective Grant Letter (if applicable);

(ii) the grantee secures a part-time job in an industry or field that competes or is likely to compete, directly or indirectly, with the business of the Group;

(iii) the grantee ceases to be an Eligible Person by reason of the termination of his/her/its employment or contractual engagement with any member of the Group or a Related Entity for misconduct or without notice or with payment in lieu of notice;

(iv) the grantee has contravened the relevant laws and regulations of the PRC, Hong Kong and/or any other jurisdiction to which such grantee is subject and thereby has been convicted of any criminal offence involving his/her/its integrity or honesty;

(v) the grantee has been involved in acceptance or solicitation of bribery, corruption, theft, leakage of any trade or technical secrets, or conducted any connected transactions or other unlawful acts or misconduct which, in the reasonable opinion of the Board or its delegate(s), prejudiced the interest or reputation of or caused significant negative impact to the Group;

(vi) in the reasonable opinion of the Board or its delegate(s), the grantee has failed to discharge, or failed to discharge properly, his/her/its duties and thereby resulting in serious and adverse consequences, directly or indirectly, to the Group's interest or reputation; or

(vii) in the reasonable opinion of the Board or its delegate(s), the grantee has engaged in any serious misconduct or breach of the terms of the Post-IPO Share Option Scheme or any terms or conditions attached to the grant of the Option in any material respect,

the Board or its delegate(s) may make a determination at its sole and absolute discretion that (1) any Options granted to that grantee but not yet exercised shall immediately lapse, regardless of whether such Options have vested or not; and (2) with respect to any Shares issued and/or transferred to that grantee, the grantee shall be required to transfer back, in

whole or in part as determined by the Board or its delegate(s), to the Company or its nominee(s): (A) the equivalent number of Shares so issued and/or transferred to such grantee, (B) an amount in cash equal to the market value of such Shares, or (C) a combination of (A) and (B).

(m) Effect of takeovers or scheme or arrangements

In the event a general offer for Shares (whether by way of voluntary offer, takeover, scheme of arrangement or otherwise) is made to all holders of Shares (or all such holders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror), the Board or its delegate(s) may, prior to or immediately upon the offer becoming or being declared unconditional, determine at its absolute discretion whether any Option shall vest and the period within which such Option shall vest and be exercisable. If the Board or its delegate(s) determines that such Option shall vest, it shall notify the grantees that such Option shall vest and the period within which such Option shall vest and be exercisable. In the absence of such determination by the Board or its delegate(s), the Options shall continue to vest in accordance with their respective vesting timetable.

(n) Ranking of Shares

Shares to be allotted and issued (or transferred, in the case of treasury shares) on the exercise of any Options will be subject to all provisions of the Articles and will rank *pari passu* with the fully paid Shares then in issue and accordingly will be entitled to dividends and other distributions paid or made on or after the date of the allotment or the transfer, other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date therefore falls before the date of the allotment (or transfer, in the case of treasury shares).

(o) Duration

The Post-IPO Share Option Scheme shall be valid and effective for ten years commencing on the Adoption Date, after which period no further Options will be granted under the Post-IPO Share Option Scheme, but the provisions of the Post-IPO Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the Post-IPO Share Option Scheme.

(p) Alteration of the Plan

Approval of the Shareholders in general meeting (with grantees and their respective associates abstaining from voting) is required for any amendment to the terms of the Post-IPO Share Option Scheme which are of a material nature or to any provisions of the Post-IPO Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules to the extent that such amendment operates to the advantage of grantees.

(q) Cancelation of Options

All or part of Options granted but not yet vested or exercised may be cancelled by the Board or its delegate(s) in the event of any serious misconduct of the grantee or in other specific circumstances as the Board or its delegate(s) deems appropriate. The Options so cancelled will be regarded as utilized for the purpose of calculating the relevant Scheme Limit and the Service Provider Sublimit. Issuance of new Options to the same grantee whose Options have been cancelled may only be made with Options available under the Post-IPO Share Option Scheme Limit and in compliance with the Listing Rules.

(r) Termination

The Board may at any time terminate the operation of the Post-IPO Share Option Scheme before the end of its life and in such event no further Options will be offered but the provisions of the Post-IPO Share Option Scheme shall remain in all other respects in full force and effect in respect of Options granted prior thereto but not yet exercised at the time of termination, which shall continue to be exercisable in accordance with their terms of grant. Details of the Options granted, including Options exercised or outstanding, under the Post-IPO Share Option Scheme, and (if applicable) Options that become void or non-exercisable as a result of termination must be disclosed in the circular to the Shareholders seeking approval for the first new scheme to be established after such termination.

Our Directors consider it inappropriate to disclose the value of options and/or RSUs which may be granted under the Post-IPO Share Incentive Plans as if they had been granted as of the Latest Practicable Date. Any such valuation will have to be made on the basis of a certain option and/or RSUs pricing model or other method that depends on various assumptions including the exercise price, the exercise period, interest rate, expected volatility and other variables. As no options or RSUs have been granted, certain variables are not available for calculating the value of options or RSUs. Our Directors believe that any calculation of the value of options and RSUs granted as of the Latest Practicable Date would be based on a number of speculative assumptions that are not meaningful and would be misleading to investors.

As of the Latest Practicable Date, no options or RSUs had been granted or agreed to be granted under the Post-IPO Share Incentive Plan.

OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to impose on our Company or any of the subsidiaries of the Company.

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 both satisfy the independence criteria applicable to sponsor set out in Rule 3A.07 of the Listing Rules. The Joint Sponsors will receive an aggregate fee of US$1,200,000 for acting as joint sponsors for the Listing.

The Joint Sponsors have made an application on our Company's behalf to the Stock Exchange for the granting of the approval for the listing of, and permission to deal in, all the Shares in issue and to be issued as mentioned in this Prospectus. All necessary arrangements have been made for the Shares to be admitted into CCASS.

4. Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses.

5. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of the Group since June 30, 2025 (being the date to which the latest audited consolidated financial statements of our Group were prepared).

6. Promoter

Our Company has no promoter for the purpose of the Listing. Within the two years preceding the date of this Prospectus, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to any promoter in connection with the Global Offering and the related transactions described in this Prospectus.

7. Taxation of holders of Shares

Hong Kong

The sale, purchase and transfer of Shares registered with our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty, the current rate charged on each of the purchaser and seller is 0.1% of the consideration or, if higher, the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

Cayman Islands

Under the present Cayman Islands law, there is no stamp duty payable in the Cayman Islands on transfer of Shares save for those which hold interests in land in the Cayman Islands.

Consultation with professional advisers

Intending holders of the Shares are recommended to consult their professional advisers if they are in doubt as to the taxation implications of holding or disposing of or dealing in the Shares. It is emphasized that none of our Company, our Directors or the other parties involved in the Global Offering can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their holding or disposal of or dealing in Shares or exercise of any rights attaching to them.

8. Qualifications and Consents of Experts

The following are the qualifications of the experts who have given opinions or advice which are contained in this Prospectus:

Name	Qualification
Morgan Stanley Asia Limited	A licensed corporation to conduct 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 under the SFO
China International Capital Corporation Hong Kong Securities Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
GF Capital (Hong Kong) Limited	A licenced corporation to conduct Type 6 (advising on corporate finance) regulated activity under the SFO
Jingtian & Gongcheng	Legal advisers to our Company as to PRC law
Walkers (Hong Kong)	Legal advisers to our Company as to Cayman Islands law
Deloitte Touche Tohmatsu	Certified Public Accountants under Professional Accountants Ordinance (Chp. 50) Registered Public Interest Entity Auditor under Financial Reporting Council Ordinance (Cap. 588)

Name	Qualification
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

Each of the experts named above has given and has not withdrawn its consent to the issue of this Prospectus with the inclusion of its report, letter, summary of valuations, valuation certificates and/or legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

9. 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 so far as applicable.

10. 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). In case of any discrepancies between the English language version and Chinese language version of this Prospectus, the English language version shall prevail.

11. Miscellaneous

Save as disclosed in this Prospectus:

(a) within the two years preceding the date of this Prospectus, no share or loan capital of the Company or any of its subsidiaries has been issued or has been agreed to be issued fully or partly paid either for cash or for a consideration other than cash;

(b) no share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(c) no founder, management or deferred shares of the Company or any of its subsidiaries have been issued or have been agreed to be issued;

(d) none of our Directors or experts referred to in the paragraph headed "Other Information — Qualifications and Consents of Experts" in this section has any direct or indirect interest in the promotion of us, or in any assets which have within the two

years immediately preceding the date of this Prospectus been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(e) none of our Directors or experts referred to in the paragraph headed "Other Information — Qualifications and Consents of Experts" in this section is materially interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of our Group taken as a whole;

(f) none of the equity and debt securities of the Company is listed or dealt in on any stock exchange (other than the Stock Exchange) nor is any listing or permission to deal being or proposed to be sought;

(g) the Group has no outstanding convertible debt securities or debentures;

(h) within the two years preceding the date of this Prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of any member of our Group;

(i) within the two years preceding the date of this Prospectus, no commission has been paid or is payable (except commissions to sub-underwriters) for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any Shares in our Company;

(j) there is no arrangement under which future dividends are waived or agreed to be waived; and

(k) there has not been any interruption in the business of the Group which may have or has had a significant effect on the financial position of the Group in the 12 months preceding the date of this Prospectus.

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, among other documents:

(a) the written consents referred to in the section headed "Statutory and General Information — Other information — Qualifications and Consents of Experts" in Appendix IV to this Prospectus; and

(b) a copy of each of the material contracts referred to in the section headed "Statutory and General Information — Further Information about our Business — 1. Summary of Material Contracts" in Appendix IV to this Prospectus.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the Company's website (**insilico.com**) and the Stock Exchange's website (**https://www.hkexnews.hk**) up to and including the date which is 14 days from the date of this Prospectus:

(a) the Memorandum and Articles of Association of our Company;

(b) the audited consolidated financial statements of our Company for the three financial years ended December 31, 2022, 2023 and 2024 and six months period ended June 30, 2025;

(c) the Accountants' Report from Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this Prospectus;

(d) the report on the unaudited pro forma financial information from Deloitte Touche Tohmatsu, the text of which is set out in Appendix II to this Prospectus;

(e) the legal opinion issued by Jingtian & Gongcheng, our PRC Legal Advisor in respect of general matters and property interests of our Group in the PRC;

(f) the letter of advice from Walkers (Hong Kong), our legal advisor as to the law of the Cayman Islands, summarizing the constitution of the Company and certain aspects of the Cayman Islands company law referred to in Appendix III to this Prospectus;

(g) the report issued by Frost & Sullivan, a summary of which is set forth in the section headed "Industry Overview";

(h) the material contracts referred to in the section entitled "Statutory and General Information — Further Information about Our Business — Summary of Material Contracts" in Appendix IV to this Prospectus;

(i) the written consents referred to in the section entitled "Statutory and General Information — Other Information — Qualifications and Consents of Experts" in Appendix IV to this Prospectus;

(j) the service contracts and the letters of appointment with our Directors referred to in the section headed "Statutory and general information — Further information about our Directors, Chief Executives and Substantial Shareholders — Director's Service Contracts and Letters of Appointment" in Appendix IV to this Prospectus;

(k) the 2019 Share Plan;

(l) the 2019 Equity Incentive Plan;

(m) the 2021 Equity Incentive Plan;

(n) the 2022 Equity Incentive Plan;

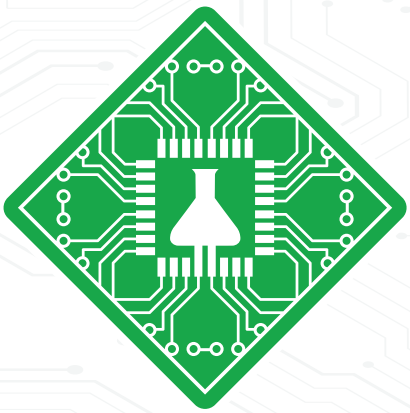
(o) the Post-IPO RSU Scheme;

(p) the Post-IPO Share Option Scheme; and

(q) the Cayman Companies Act.

DOCUMENT AVAILABLE FOR INSPECTION

A copy of a list of grantees under the Pre-IPO Equity Incentive Plans, containing all details as required under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance, will be available for inspection at the office of Davis Polk & Wardwell at 10th Floor, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this Prospectus.



Insilico Medicine