*This summary aims to give you an overview of the information contained in 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 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 the section headed "Risk Factors" in this prospectus. You should read that section carefully in full before you decide to invest in the Offer Shares.* ***In particular, we are a biopharmaceutical company seeking to list on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules on the basis that we are unable to meet the requirements under Rule 8.05 (1), (2) or (3) of the Listing Rules.***

## OVERVIEW

We are an RNA therapeutics biopharmaceutical company with product candidates in pre-clinical and clinical stages that focuses on the discovery and development of innovative drugs for indications with medical needs and large market opportunities. We were founded in 2007 with the establishment of US Sirnaomics and currently have a presence in both China and the U.S., with research and development centers in both countries. Our core product STP705 demonstrated efficacy and safety in an oncology Phase I/II clinical trial for non-melanoma skin cancer and we have further advanced STP705 in a Phase IIb clinical trial for squamous cell carcinoma in situ (isSCC), a Phase II clinical trial for treatment of skin basal cell carcinoma (BCC), a Phase II clinical trial for treatment of keloid and a Phase I/II clinical trial for treatment of hypertrophic scar (HTS). In addition, we initiated a Phase I clinical trial using STP705 for treatment of liver cancer (basket) through a local injection based on an independent IND approval from US FDA. As of the Latest Practicable Date, our core product STP705 is covered by two issued patents in the U.S. and seven pending patent applications, including two in China and five in the U.S.. **We may not be able to ultimately develop and market our core product STP705 successfully.**

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


Notes：* denotes our core product

** denotes orphan drug

Abbreviations: isSCC= squamous cell carcinoma in situ; BCC= basal cell carcinoma; cSCC= metastatic cutaneous squamous cell carcinoma; NSCLC= non-small cell lung cancer; CRC= colorectal carcinoma; BC= bladder cancer; PSC= primary sclerosing cholangitis; PNP= our polypeptide nanoparticle (PNP) RNAi delivery platform; PNP-IT= PNP platform formulated for intratumoral administration; PNP-IV= PNP platform formulated for intravenous administration; GalAhead™= our GalNAc RNAi delivery platform that conjugates GalNAc moieties to RNAi triggers; PDoV-GalNAc= our GalNAc RNAi delivery platform that conjugates GalNAc moieties to Peptide Docking Vehicle (PDoV) peptide linkers and up to two siRNAs to the peptide; LNP = lipid nanoparticle (LNP) formulation for delivery of mRNA; HPV= human papilloma virus; HBV= hepatitis B virus; OL China= out licensed mainland China, Hong Kong, Macau and Taiwan rights under agreement with Walvax but we retain the rights for rest of the world; and MRCT= multi regional clinical trial in which we will be the sponsor for all clinical trial sites.

1. Liver cancer (basket) includes cholangiocarcinoma, hepatocellular carcinoma, liver metastases etc.

2. We filed our IND in China in June 2021, which is currently awaiting approval from NMPA, for study sites in China. The study sites will be part of a global multicenter clinical trials for our Phase IIb clinical trial for isSCC.
3. We expect to file the IND in China as part of the global multicenter clinical trials.
4. We expect to file the IND solely for HCC in China as part of the global multicenter clinical trials.
5. Studies in combination with anti-PD-(L)1 inhibitors conducted pursuant to collaborations with Innovent and Shanghai Junshi.
6. Research and development conducted by our subsidiary RNAimmune.

**OUR BUSINESS MODEL**

We have built an international professional team for discovery and development of RNAi therapeutics and mRNA vaccines and therapeutics, based on our proprietary drug delivery technology platforms. Our target market is global with our current focus specifically on the U.S. and China markets, which are supported by our research and development facilities and manufacturing capabilities in both countries. We are adopting a clinical development strategy to conduct clinical trials for our product candidates initially in the U.S. and then to extend those trials into China, based on the differing medical needs of the two markets, for example, some orphan drug indications in the U.S. are more prevalent in the population in China.

Our initial focus is on oncology and fibrosis products, as well as antiviral products and products that leverage liver targeted drug delivery. We have developed in-house and own the global rights to STP705 and STP707, our lead product candidates, which demonstrates our capabilities in designing novel RNA therapeutics based on our proprietary delivery platforms and developing them into drugs to address medical needs. Our proprietary delivery platforms include our PNP delivery platform, useful for local or systemic administration of RNAi therapeutics to targets beyond liver hepatocyte cells, our GalNAc RNAi delivery platforms for systemic administration of RNAi therapeutics to the liver, and our PLNP delivery platform for administration of mRNA vaccines and therapeutics. We exclusively in-licensed core patents covering our PNP delivery platform at an early stage and have conducted research and development in-house to enhance our PNP delivery platform and adapt it for formulating novel RNA therapeutics to treat a range of therapeutic indications. We have developed in-house and own the global rights to GalNAc RNAi delivery platforms. Our GalAhead™ delivery platform conjugates GalNAc moieties to unique RNAi trigger structures while our PDoV-GalNAc delivery platform conjugates GalNAc moieties to Peptide Docking Vehicle (PDoV) peptide linkers and up to two siRNAs conjugated to the peptide linker. Our PNP and GalNAc RNAi delivery platforms serve as a basis to expand our pipeline of early-stage product candidates. Our subsidiary RNAimmune develops mRNA-based vaccines and therapeutics, including an mRNA SARS-CoV-2 vaccine program using Delta variant spike protein-coding mRNA as an antigen with LNP delivery formulation, which is undergoing pre-IND discussion with U.S. FDA and mRNA tumor vaccine and therapeutics programs, which use our proprietary PLNP delivery platform that we developed in-house and to which we own global rights. As of the Latest Practicable Date, we own in aggregate six issued patents, including one in Europe and five in the U.S., and 40 pending patent applications, including seven in China, 21 in the U.S., one in Europe, two under the Patent Cooperation Treaty and nine in other jurisdictions, that cover our 16 product candidates separately from our delivery platforms.

Our long time (since 2008) and dual presence in the U.S and China allows us to navigate between both countries' regulatory systems. We are subject to the regulation of competent authorities from the U.S. and China in light of our dual presence in both countries. In China, NMPA is the primary regulatory agency for pharmaceutical products and businesses, and regulates across the life cycle of pharmaceutical products. In the U.S., FDA represents the counterpart of the NMPA regulating drugs and biologics. For details of relevant regulatory authorities, see "Regulatory Overview – Overview of Laws and Regulations in the PRC" and "Regulatory Overview – Overview of Laws and Regulations in the United States." As of the Latest Practicable Date, we had a regulatory and clinical team with five members in the U.S. and six in China with ample knowledge and experience with regard to regulatory filings in both countries managing the regulatory submission process in the U.S. and China. We plan to commence clinical trials in China for isSCC, HTS, and liver cancer in 2022.

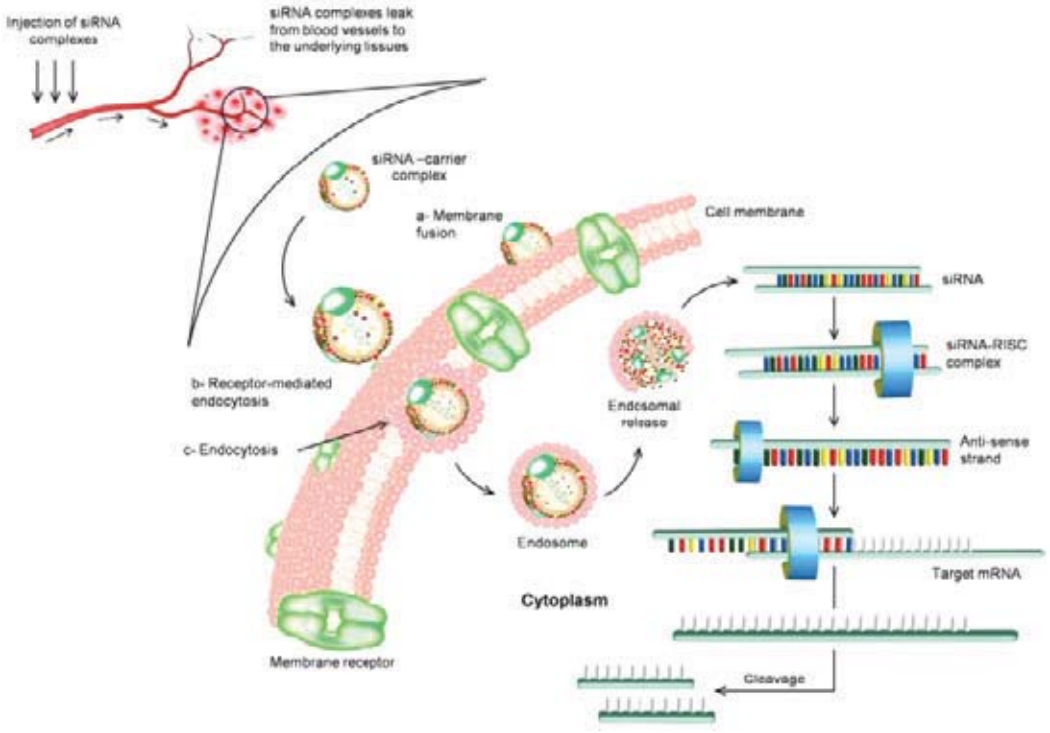
See "Business – Our Business Model."

**STP705 – OUR CORE PRODUCT**

Our core product candidate, STP705, is a dual TGF-ß1/COX-2 inhibitor. TGF-ß1 and COX-2 are known in the scientific literature as gatekeeper targets for oncology and fibrosis disease drug development. TGF-ß1 regulates a broad range of cellular processes, including cell proliferation, differentiation, apoptosis, extracellular matrix production, angiogenesis, inflammation and immune response, while COX-2 is a proinflammatory and proliferative mediator. STP705 leverages our PNP delivery platform in a locally administered formulation for direct administration to diseased tissue. We are developing STP705 for NMSC, including isSCC, dermal fibrosis and solid liver tumors. We are conducting clinical trials for the development of STP705 and our other product candidates. Clinical trials are generally divided into three different stages, but in some cases can be combined (e.g., Phase I/II combined) or subdivided (e.g., Phase IIa or Phase IIb) where appropriate and in consultation with U.S. FDA. Phase IIa clinical trials are generally pilot studies designed to demonstrate clinical efficacy or biological activity, whereas Phase IIb clinical trials are used to determine the optimal dose at which the drug shows biological activity with minimal side-effects. See "Regulatory Overview – Overview of laws and regulations in the United States – Laws and regulations in relation to new drug."

STP705 is comprised of two distinct siRNA oligonucleotides, which target each of the TGF-ß1 and COX-2 genes through their design as a copy of short regions of each of those genes, and a histidine-lysine polypeptide (HKP). The HKP self-assembles into a polypeptide nanoparticle (PNP) that encapsulates the siRNA and ensures that the siRNA cargo is neither degraded by nucleases nor filtered out by the kidney prior to reaching the intended tissue in the body. The siRNA, which comprise the drug substance, target the TGF-ß1 and COX-2 genes by way of RNA interference, as illustrated in the figure below. When administered to the body, the PNP-siRNA molecules are gradually taken up by the target cells through endocytosis, a cellular process by which substances are brought into the cell. The PNP is initially engulfed in

an endosome within the cytoplasm, but the HKPs disrupt the endosome to aid the escape of the siRNA into the cytoplasm. The siRNA may then activate the RNA-Induced Silencing Complex, or RISC. RISC processes the double-stranded siRNA to release one strand and use the other strand as a guide to locate regions of the mRNA for the TGF-ß1 and COX-2 genes. Ultimately, the entire mRNA for the TGF-ß1 and COX-2 genes is cleaved and the protein that would have been produced from the mRNA is not produced, thereby "silencing" the gene. Silencing of TGF-ß1 and COX-2 expression results in the downregulation of multiple tumor promoting and pro-fibrotic factors. Importantly, simultaneous silencing of TGF-ß1 and COX-2 in the same cell results in increased efficacy compared to silencing of either alone.




*Source: Draz, M. et al. Theranostics, 2014:4(9), 872–892.*

STP705 successfully completed a combined Phase I/II clinical trial in the U.S. for the treatment of NMSC, specifically in isSCC, in October 2020, where the Phase II portion of our clinical trial was a Phase IIa clinical trial. We initiated a Phase IIb clinical trial for isSCC in May 2021 in the U.S. with interim results expected in the first half of 2022. The Phase IIb clinical trial for isSCC is a standalone trial, meaning that U.S. FDA will not require revision of the clinical trial report issued for the completed Phase I/II clinical trial based on the results of the Phase IIb clinical trial. We also initiated Phase II clinical trials for the treatment of non-melanoma basal cell carcinoma (BCC) in the U.S. in December 2020 pursuant to a supplement to the IND covering isSCC. We filed an IND for an isSCC Phase IIb clinical trial in China, where the clinical trial will be part of global multicenter clinical trials, meaning that the study is comprised of clinical trials conducted at multiple sites.

NMSC, including squamous cell carcinoma (SCC) and BCC, comprise the most common forms of neoplasia in the U.S. Conventional and standard treatments for BCC and isSCC are standard surgical excision, Mohs micrographic surgery, topical cream treatments, cryosurgery, laser therapy, electro-desiccation and radiation therapy. Currently, there are two drugs approved by U.S. FDA for pre-metastatic BCC patients, both of which are used off-label for pre-metastatic SCC patients: 5'-fluorouracil and imiquimod topical creams. According to the CIC Report, both can cause skin reactions in some patients. The annual incidence of new cases of BCC and SCC grew by 33% from 2015 to 2020 and is expected to reach over ten million new patients by 2030, representing a substantial financial burden in the U.S. according to the CIC Report. These incidence increases are associated with several factors, including raised awareness of NMSC, improved registration, transition of patient population toward the elderly, increased exposure to UV radiation, and, for SCC, improved diagnosis. The market size of NMSC treatment in the U.S. is expected to increase from US$6.5 billion in 2020 (the isSCC segment was US$1.5 billion, or over 20%) to US$22 billion in 2030. In China, the market size of NMSC treatment was US$38 million in 2020 (the isSCC segment was US$4.3 million, or approximately 11%) and is also expected to grow faster in the coming years, reaching US$149 million in 2030. The value proposition of STP705 for isSCC and BCC is that treatment with STP705 shows benefits in cosmetic appearance, especially for patients with lesions on the head, face or neck, and clinical results demonstrate that STP705 has a high histological clearance compared with currently available topical treatments. According to the CIC Report, the estimated demand for STP705 is expected to be around US$43 million in the U.S. solely with respect to isSCC in the anticipated launch year of 2023 and is projected to reach approximately US$68 million in China with respect to multiple indications including isSCC, BCC, HTS and keloids in the anticipated launch year of 2024. See "Industry Overview – Non-Melanoma Skin Cancer, Liver Cancer and Non-Small Cell Lung Cancer Pharmaceutical Markets – Non-Melanoma Skin Cancers (NMSCs)."

With respect to dermal fibrosis, we initiated Phase I/II clinical trials with STP705 for the treatment of keloid scarless healing in the U.S. in April 2021 and expect to file an IND for a Phase II clinical trial in China. We initiated a Phase I/II clinical trial for HTS in the U.S. in 2017; however, after a modification to the clinical trial protocol was recommended by an independent data safety monitoring board (DSMB), we elected to divert funding to other programs with the intent to move forward the Phase II clinical trial for HTS at a later date. We expect to file an IND for a Phase II clinical trial for HTS in China in the second half of 2022. We are electing to move forward with our HTS clinical trial program in China due to the larger pool of potential clinical trial subjects in China compared to the U.S. Our studies for keloid scarless healing and HTS in the U.S. are conducted pursuant to a supplement to the same IND (IND-124844) covering the NMSC studies. HTS and keloids are common dermatological conditions affecting more than 16 million patients in the U.S. and China annually, which can result in permanent functional loss and disfiguring scarring. While there is no standard of treatment for HTS and keloids, the available treatment options are intralesional injection, cryotherapy, bleomycin, laser therapy and surgical excision. The combined market size for HTS and keloids treatments in the U.S. is projected to grow from US$10.3 billion in 2020 to

US$18.6 billion in 2030, and in China from US$2.9 billion in 2020 to US$5.9 billion in 2030. The value proposition of STP705 for HTS and keloids is that there is no complete cure of HTS and keloid currently and clinical trial results demonstrate that STP705 inhibited TGF-ß1 and COX-2 expression and activated fibroblasts apoptosis within scars, which can effectively reduce HTS.

We are also developing STP705 for treatment of hepatocellular carcinoma and cholangiocarcinoma (HCC/CCA). We initiated a Phase I clinical trial in March 2021 in the U.S. to develop STP705 for the treatment of HCC/CCA using intra-tumoral injection via computerized tomography guided treatment. Our studies for liver cancer are conducted pursuant to a separate IND from that which covers the NMSC and dermal fibrosis indications. We are also developing combination therapies with STP705 and immune checkpoint inhibitors for liver cancer where the proposed therapy would involve separate administration of STP705 and the immune checkpoint inhibitor pharmaceutical product. As of the Latest Practicable Date, there were approximately 11 drugs approved by U.S. FDA for treatment of HCC or CCA; however, five-year survival rates for liver cancer in China and the U.S. are 12% and 18%, respectively. In addition, many patients suffer systemic side effects from the approved drugs. Other available treatment options for liver cancer are surgical excision, liver transplant, ablation therapy, embolization therapy, targeted therapy, immunotherapy and radiation therapy. China alone accounts for more than half of worldwide liver cancer cases with an annual incidence of more than 500,000 new HCC/CCA patients annually according to the CIC Report. The combined market size for HCC/CCA pharmaceuticals in China is projected to grow from US$1.5 billion in 2020 to US$8.5 billion in 2030, and in the U.S. from US$2.2 billion in 2020 to US$6.3 billion in 2030. The value proposition of STP705 for liver cancer is threefold: first, there is no standard target therapy for advanced CCA, so that a large need exists for systemic therapy of advanced CCA; second, STP705 demonstrates inhibition of tumor growth in CCA tumor cell line xenograft models, which is expected to satisfy the needs for CCA treatment; and third, pre-clinical study results demonstrate that STP705 shows inhibition of tumor without loss in body weight compared to chemotherapy.

See “Business – Our Core Drug Candidate.”

**STP707 – CLINICAL DRUG CANDIDATE**

Our key product candidate STP707 is a dual TGF-ß1/COX-2 inhibitor that uses our PNP delivery platform. STP707 is covered by one issued U.S. patent, which also covers STP705, and 13 pending patent applications, which do not also cover STP705. Whereas STP705 uses a formulation of our PNP delivery platform optimized for local administration (i.e., directly to the site of disease), STP707 uses a formulation of our PNP delivery platform optimized for systemic administration. Thus, STP707 may be administered intravenously for treatment systemically, including solid tumors or fibrotic tissue in the liver or lung. We are developing STP707 for the treatment of liver and other cancers and fibrosis of the liver and lung via systemic administrations. We initiated a Phase I clinical trial for solid tumors in November

2021 in the U.S. and plan to submit an IND in China for Phase I clinical trials for HCC as part of the global multicenter clinical trials. We also filed an IND for PSC, a rare form of liver fibrosis, in November 2021 in the U.S. Depending on the response we see in our solid tumor basket study Phase I clinical trial as well as efficacy data obtained in preclinical studies in various tumor models, we could potentially follow the Phase I clinical trial with Phase II clinical trials in multiple tumor types such as metastatic cutaneous squamous cell carcinoma, non-small cell lung cancer (NSCLC), HCC and CCA. Fibrotic disorders affect nearly all tissues and organ systems. The annual incidence of NSCLC in 2020 is larger in China (approximately 757,000 new cases) than in the U.S. (approximately 176,000 new cases), while the market for NSCLC targeted drugs is expected to increase at a CAGR of 13.9% and 13.1%, respectively, in the next ten years to US$12.1 billion in China and US$26.1 billion in the U.S. The prevalence of PSC in China was 190,000 patients in 2020 and in the U.S. was 45,000 patients in 2020. We are also developing combination therapies with STP707 and immune check point inhibitors and other novel oncology drugs currently used as treatments for liver cancer, metastatic cSCC and NSCLC.

See "Business – Clinical Drug Candidate."

**OUR PRECLINICAL DRUG CANDIDATES**

**STP122G**

Another key product candidate is STP122G, formulated using our GalAhead™ platform and targeting Factor XI, which is being developed for anticoagulant therapy for use in the many different therapeutic settings where anti-thrombotic therapeutics are needed. We plan to file an IND with U.S. FDA in the first half of 2022.

**RIM730**

Instead of applying RNAi technology like the candidates described above, RIM730 is being developed by RNAimmune as a prophylactic mRNA vaccine candidate for prevention of COVID-19 using LNP technology to target certain mutations of the SARS-CoV-2 virus.

**Other Pipeline Candidates**

In addition to those key products, we have a pipeline of at least 12 other products currently in preclinical studies covering a range of therapeutic indications, including treatments for influenza, hepatitis B, HPV and COVID-19 infections; treatments for cardiometabolic disease; pancreatic cancer, colon cancer and other cancer treatments; and fat sculpting for medical aesthetics. Based on the company's strategic planning, we intend to form licensing-out partnerships with MNCs and China pharma companies. In April 2021, we entered into a licensing-out agreement with Walvax for an exclusive China right of our siRNA product candidate STP702, which comprises siRNA targeting conserved gene sequences of influenza

virus. Multiple RNAi therapeutic programs within our product pipeline are currently undergoing negotiations for potential licensing-out partnerships.

See "Business – Preclinical Drug Candidates."

**OUR DELIVERY PLATFORMS**

The primary challenge and the key to success in developing RNA therapeutics is the delivery platform used to protect the RNA from degradation in the blood and deliver the RNA into a cell where it acts. RNAi delivery platforms, including our proprietary delivery platforms, are considered by U.S. FDA to be excipients, or non-active ingredients, in the formulation of the RNAi therapeutic drug product. No additional regulatory approval is required for the delivery platforms separate from the regulatory approvals required for the drug products utilizing the delivery platforms. Our proprietary PNP and GalNAc delivery platforms confer advantages over conventional delivery platforms.

Our PNP delivery platform allows delivery of both siRNA and mRNA to diseased cells via local or systemic administration, providing distinct advantages in low toxicity, easy manufacturing and the capability to reach many targeted organs and certain cell types. The results of our Phase IIa clinical trial in oncology validates both the effectiveness of our PNP delivery platform and the therapeutic targets for isSCC, positioning us to expand our pipeline of products and facilitate our research and development of those pipeline products using the same PNP delivery platform. Our proprietary GalNAc RNAi delivery platforms, GalAhead™ and PDoV-GalNAc, enable specific delivery to liver hepatocytes with enhanced endosome escape properties and dual siRNA target design, resulting in high potency.

Our PNP delivery platform encapsulates multiple distinct siRNAs in a drug product and protects them in the bloodstream while enabling delivery of the siRNAs to cells and tissue where the siRNA acts to silence the target genes. In order for the siRNA to act, it must be able to cross the cell membrane to enter the cell and then escape the cellular machinery, the endosome, which isolates the siRNA within the cell. Our PNP delivery platform can be used for both local delivery or systemic administration for selective targeting of multiple tissue and cell types. Our core product candidate, STP705, as well as our other clinical stage product candidate, STP707, and at least eight other preclinical product candidates utilize our PNP delivery platform. RNAimmune also applies our PNP delivery platform, and a related proprietary delivery platform based on polypeptide-lipid nanoparticles (PLNP), to formulate mRNA-based therapeutics and vaccines. RNAimmune's novel PLNP platform has presented advantages such as lower toxicity and higher efficiency in certain applications.

Our GalNAc-conjugate delivery platforms rely on peptide conjugates and/or unique RNA structures that allow knockdown of single or multiple distinct mRNA targets. Our GalAhead™ delivery platform conjugates GalNAc moieties to unique RNAi trigger structures that can target one or more genes simultaneously. In our PDoV-GalNAc RNAi platform, GalNAc is

conjugated to a peptide linker and up to two siRNAs are also conjugated to the same peptide. We have three pipeline products utilizing our GalAhead™ delivery platform quickly approaching IND-enabling studies.

Apart from our PNP and novel GalNAc RNAi delivery platforms, we believe we also derive growth potential based on a number of delivery platforms we are currently developing, including different approaches of siRNA/chemo-drug conjugates, peptide ligand tumor targeting and respiratory virus treatment via airway delivery. We are committed to investing in research and development in our advanced delivery platforms to enable the expansion and refinement of the range of organs and tissues that can be targeted by our pipeline products and to drive future growth opportunities.

See "Business – Research and Development – Our Research and Development Platforms."

## COMPETITION

Our target market is global with our current focus specifically on the U.S. and China markets, which are supported by our research and development facilities and manufacturing capabilities in both countries. We mainly focus on the research and development of therapeutics in the fields of oncology, fibrosis products, antiviral products and products that leverage liver targeted drug delivery.

### RNA Therapeutics Market

We focus on the RNAi therapeutics and mRNA vaccine market in China and the U.S. Global market size of RNAi therapeutics for all indications increased from US$12 million in 2018 to US$362 million in 2020 with CAGR of 449.2%, and is estimated to reach US$25 billion in 2030. The market size of RNAi therapeutics for common diseases and oncology will account for 54% of the total market size by 2030.

The number of ongoing RNAi clinical trials has increased from 14 in 2013 to more than 50 in July 2021. The RNAi clinical trial pipeline is distributed across different stages of development. More oncology-related trials are in earlier stages of developments. Several approvals have been granted for common and rare diseases. At present, liver-related diseases are the most targeted amongst other types of diseases.

Although the concept of mRNA vaccines has been scientifically prevalent since the early 21st century, it has not been applied in a commercialized product until the Moderna and BioNTech/Pfizer COVID-19 vaccine roll out. In December 2020, each of Moderna and Pfizer-BioNTech received approval for emergency use of their COVID-19 vaccines, Spikevax and Comirnaty, respectively. Pfizer-BioNTech received full approval for Comirnaty on August 23, 2021. Sales of Spikevax were US$11.3 billion for the nine months ended September 30, 2021, while Comirnaty generated US$24.3 billion global revenues during the same period. The size of the global addressable COVID-19 mRNA vaccine market is projected to reach approximately US$100 billion in 2021.

**Competitive Landscape**

Key global players in RNAi therapeutics include Sirnaomics, Alnylam, Arrowhead, Dicerna, Silence Therapeutics, Sylentis, Quark and Brii Biosciences. Most of our competitors rely on GalNAc-based delivery platforms, except for Alnylam which also relies on both lipid nanoparticle (LNP) and GalNAc-based delivery platforms. Alnylam is the only developer with commercialized products, three of which it commercializes in the U.S. and are directed to rare diseases, and one, which is licensed to Novartis and commercialized in Europe, is used for the treatment of elevated cholesterol levels. The first RNAi therapeutic was approved in 2018. As of the Latest Practicable Date, there was no RNAi therapeutic commercialized in China.

**Competitive landscape of RNAi therapeutics market, as of September 2021**

| Major Players | Therapeutic area | Target/organ | Progress as of the Latest Practicable Date | | Location of Clinical Trials |
|---|---|---|---|---|---|
| ***Sirnaomics*** | Oncology, fibrosis | Skin, liver | Two Phase I:<br>Four Phase II: | 2021/03-2021/11<br>2019/05-2021/04 | US |
| ***Alnylam*** | Genetic disease, metabolic disease, viral disease | Liver | Three Phase I:<br>Three Phase II:<br>Four Phase III:<br>One NDA:<br>Three Approval: | 2020/10-2021-08<br>2020/08-2021/07<br>2015/09-2021-09<br>2020/12<br>2018/08-2020/12 | China, US |
| ***Arrowhead*** | Genetic disease, viral disease, hepatic disease, fibrosis, oncology | Liver, tumor, lung | Three Phase I:<br>Four Phase II:<br>One Phase III: | 2020/03-2021/11<br>2018/03-2021/06<br>2021/11 | China, US |
| ***Dicerna**** | Genetic disease, hepatic disease, cardiometabolic, viral disease | Liver | Two Phase I:<br>Two Phase II:<br>One Phase III: | 2020/11-2021/06<br>2020/01-2021/02<br>2019/07 | US |
| ***Silence Therapeutics*** | Genetic disease, oncology | Liver | Two Phase I: | 2020/11-2021/04 | US |
| ***Brii Biosciences*** | Viral disease | Liver | One Phase II: | 2021/04 | China, US |
| ***Sylentis*** | Genetic disease | Eye | One Phase III: | 2017/05 | Global excluding China and US |
| ***Quark*** | Genetic disease | N.A | One Phase III | 2016/03 | US |

Notes: * Dicerna entered into definitive acquisition agreement with Novo Nordisk A/S in November 2021.

Therapeutic areas as well as target/organ are listed for illustration of approved drugs, and ongoing trials. Most of the ongoing clinical trials are still in early stages, whereas only three RNAi drugs approved by FDA as of November 2021. Most of the core products and pipelines primarily target liver, and the therapeutic areas are mainly focused on genetic diseases and hepatic diseases.

*Source: the CIC Report, Clinical Trial, Annual Report*

*Note: Data as of September 2021*

As of the Latest Practicable Date, there are ten siRNA drugs that either are in ongoing or completed Phase III clinical trials. There are numerous verticals within which RNAi therapeutics are developing besides cancer, including cardiovascular, kidney, urologic, genetic diseases, and blood disorders, as well as rare diseases such as amyloidosis, primary hyperoxaluria and hemophilia.

**siRNA Drugs in Ongoing/Completed Phase III Clinical Trial, as of September 2021**

| Drug name | Company | Indications | Status | Start date | Trial number |
|---|---|---|---|---|---|
| Vutrisiran (ALN-TTRsc02) | Alnylam | • Hereditary amyloidosis | NDA filed with FDA | 4/2021 (Global excluding China) | NCT03759379 |
| Inclisiran (ALN-PCSsc) | Alnylam Novartis | • Hypercholesterolemia, mixed dyslipidaemia | NDA filed with FDA (already approved in EU) | 7/2021 (FDA) 12/2020 (EC) | NCT03397121 |
| Nedosiran (DCR-PHXC) | Dicerna Alnylam | • Primary Hyperoxaluria | Phase III | 7/2019 (Global excluding China) | NCT04042402 |
| Fitusiran (ALN-AT3) | Alnylam Sanofi Genzyme | • Hemophilia A and B | Phase III | 2/2018 (Global) | NCT03417102 |
| Teprasiran (QPI-1002) | Quark Novartis | • Delayed Graft Function | Phase III | 3/2016 (Global excluding China) | NCT02610296 |
| Tivanisiran (SYL 1001) | Sylentis | • Dry Eye Disease | Phase III | 5/2017 (Global excluding US) | NCT03108664 |
| Lumasiran (ALN-GO1) | Alnylam | • Severe Primary Hyperoxaluria Type 1 (PH1) | Phase III | 11/2018 (Global excluding China) | NCT03681184 |
| Patisiran | Alnylam | • ATTR Amyloidosis Label Expansion | Phase III | 3/2019 (Global excluding China) | NCT03862807 |
| Cemdisiran (ALN-CC5) | Alnylam | • Complement-mediated diseases | Phase III | 9/2021 (N.A.) | NCT05070858 |
| ARO-APOC3 | Arrowhead | • Familial Chylomicronemia | Phase III | 11/2021 (US) | NCT05089084 |

*Source: U.S. National Library of Medicine; FDA; NCBI; the CIC report*

**Global mRNA COVID-19 vaccine sales, 2021Q1-Q3**

| Company name | Product name | Emergency use authorization date / Full approval | Target | Global revenue 2021 Q1-Q3 |
|---|---|---|---|---|
| Pfizer-BioNTech | Comirnaty | 2020/12/02/ 2021/08/23 | SARS-CoV-2 Spike protein | US$24.3 billion |
| Moderna | Spikevax | 2020/12/18 | SARS-CoV-2 Spike protein | US$11.3 billion |

*Source: Quarterly Reports of Pfizer and Moderna, the CIC Report*

## RESEARCH AND DEVELOPMENT

We are committed to developing innovative biopharmaceutical drugs leveraging our proprietary delivery platforms in a wide variety of disease indications, including oncology, fibrotic diseases and conditions, viral diseases and cardiometabolic diseases. We are focused on developing new delivery platforms for RNA therapeutics to maintain and broaden the scope of our product pipeline, and to overcome the limitations of conventional RNA delivery tools. Because our executive leadership and scientific advisory board members are top-tier scientists and biopharmaceutical professionals in both China and the U.S., we are able to attract top talents and build strong teams across markets. We had research and development expenses of US$10.2 million and US$14.9 million in 2019 and 2020, respectively, and US$9.8 million and US$22.0 million in the nine months ended September 30, 2020 and 2021, respectively.

See "Business – Research and Development."

## INTELLECTUAL PROPERTY

We have a comprehensive portfolio of patents to protect our drug candidates and technologies. As of the Latest Practicable Date, we owned (i) nine issued patents in China, (ii) nine issued patents in the U.S., (iii) two issued patents in Europe (validated in 11 and eight countries, respectively), and (iv) 119 pending patent applications, including 19 Chinese patent applications, 43 U.S. patent applications (including 32 U.S. provisional patent applications), eight patent applications under the Patent Cooperation Treaty, six patent applications in Europe and 43 patent applications in other jurisdictions. Our patents and patent applications span methods of delivering RNAi triggers and mRNA to cells, compositions of matter and devices used in our RNAi and mRNA delivery platforms, siRNA or RNAi trigger compositions, manufacturing processes, usage and indications. Our owned issued patents and any patents issuing from our pending patent applications are scheduled to expire on various dates from 2024 through 2042, without taking into account any possible patent term adjustments or extensions and assuming payment of all appropriate maintenance, renewal, annuity and other governmental fees.

From the early establishment of our company, we in-licensed patents pursuant to an exclusive, worldwide license under patent rights from Dr. A. James Mixson, a professor at the University of Maryland School of Medicine who also currently serves on scientific advisory board as an independent third party. Of the three patents that were granted during the term of the agreement, all were granted in the U.S. and two out of the three of those patents are now expired. The subject matter of these patents served as a jumping off point for our further development of our PNP delivery platform. Both expired patents broadly covered: (i) branched transport polymers containing a high proportion of histidine residues, (ii) pharmaceutical compositions containing the polymers and a pharmaceutical agent such as a nucleic acid, and (iii) methods of in vivo therapy by injection of the pharmaceutical compositions. The claims of the expired patents also covered the specific polymers used in our products in clinical development. These expired patents had limited claims using the specific polymers for nucleic acid delivery generally. The claims of the third patent (scheduled to expire in 2026) recite methods of transfecting cells (i.e., delivering nucleic acids into the cell or infecting the cell with nucleic acids) with compositions containing siRNA and specific HKP molecules. Patents cannot be extended after expiration. Our products that are currently under development do not contain the specific HKP molecules recited in the claims although we may elect to use such HKP molecules in future products. To strengthen the protection of our PNP technology platform, we have filed multiple patent applications using modifications of peptide polymers with targeting ligands, chemodrugs, other amino acids and improved formulation methods. We also filed a number of patent applications (and have been issued patents) specifically for siRNA therapeutics in defined therapeutic areas, e.g. anti-cancer, anti-fibrosis and anti-viral, and others. Despite the fact that the now expired patents covered compositions that formed the basis of our PNP delivery platform, given that the patents are now in the public domain and that we have filed our own patent applications that aim to protect new developments and advancements built on top of and improving the original technology covered by the expired patents, these expired patents are therefore not material to our PNP delivery platform now enhanced by virtue of our research and development efforts. None of our patent applications conflicts or will conflict with any of our collaboration and licensing arrangements, including our licensing arrangement with Dr. Mixson.

Our PNP delivery platform used for STP705, STP707 and our other product candidates is an enhanced delivery platform built on top of the technology in-licensed from Dr. Mixson. Our research and development efforts built on the in-licensed technology to develop it into a pharmaceutical delivery platform. In essence, the key improvements that have been made to the in-licensed technology were to take technology that is useful as a laboratory tool and develop it into a pharmaceutical delivery platform that can be combined with siRNAs to be safely administered to humans to achieve a therapeutic effect as a pharmaceutical product. We established high purity manufacturing processes and developed pharmaceutical-level formulation technology, including through the use of microfluidic technology. We developed specific formulations for local administration, including topical, intradermal and intratumoral delivery, and systemic administration including intravenous, subcutaneous and airway delivery. We have devoted our research and development efforts to developing improved

pharmaceutical compositions containing the polymers described in the now-expired patents, and improved methods for making those compositions. Our developments covering the PNP delivery platform itself (without regard to any particular product or product family) are covered by three pending patent applications that were filed in 2021 and are exclusively owned by us. We believe that each of these improvements represents a significant advance over the technology described in the Mixson patents.

In addition to our patents and patent applications, we also rely on confidential and proprietary know-how and trade secret protection for proprietary aspects of the manufacturing and pharmaceutical formulation technology and we are also in the process of filing further patent applications on aspects that we deem strategically appropriate for patent protection. Our filings include applications that cover improved manufacturing methods and improved pharmaceutical formulations that relate to our PNP delivery platform. The in-licensed patents that cover our PNP delivery platform expired in 2021 (and the third in-licensed patent will expire in 2026) and therefore have entered the public domain. According to the CIC Report, as of the Latest Practicable Date, no other biopharmaceutical companies are engaged in the research and development of RNA therapeutics using technologies that were formerly protected by the two expired patents. Given that we had the benefit of an exclusive license under the two now-expired patents, no third parties could conduct any activities under those patents without our authorization. As of the Latest Practicable Date, we have not authorized any third parties to conduct any activities under those patents.

As of the Latest Practicable Date, our Directors confirm that we were not involved in any proceedings in respect of, and we had not received notice of any claims of infringements of, any third-party intellectual property that are threatened or pending. Certain risks relating to our intellectual property rights include: (i) if we are unable to obtain and maintain patent and other intellectual property protection for our drug candidates, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us, and our ability to successfully commercialize any product or technology may be adversely affected; (ii) even if we are able to obtain patent protection for our drug candidates, the term of such protection, if any, is limited, and third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us after the expiration of our patent rights, if any, which would have a material adverse effect on our ability to successfully commercialize any product or technology; (iii) claims that our drug candidates or the sale or use of our future products infringe, misappropriate or otherwise violate the patents or other intellectual property rights of third parties could result in substantial legal costs. Intellectual property litigation may lead to unfavorable publicity which may harm our reputation, and any unfavorable outcome of such litigation could limit our research and development activities and our ability to commercialize our drug candidates; and (iv) changes in patent laws of the PRC, the U.S. or other jurisdictions could reduce the value of patents in general, thereby impairing our ability to protect our drug candidates and future drugs. See "Risk Factors – Risks Relating to Our Intellectual Property Rights."

## COLLABORATIONS WITH THIRD PARTIES

### Collaboration with Innovent

In January 2020, US Sirnaomics entered into a collaboration agreement (the "Innovent Agreement") with Innovent to develop a combination therapy consisting of STP705 and sintilimab, an anti-PD-1 monoclonal antibody, for use in advanced cancers, including NSCLC ("Combination Therapy") in the U.S. Commercialization of the Combination Therapy will be the subject of a separate definitive agreement to be negotiated between the parties. Innovent is a biopharmaceutical company that develops and commercializes medicines for the treatment of oncology, autoimmune, metabolic and other major diseases. US Sirnaomics approached Innovent for a potential collaboration after obtaining an understanding of the mechanism of action for STP705 based on its own preclinical research and learning of sintilimab. Preclinical studies prior to the parties entering into the Innovent Agreement showed that US Sirnaomics' siRNA dual-targeted (TGF-ß1 and COX-2) product candidate, STP705, when combined with an anti-PD-L1 antibody demonstrated enhanced anti-tumor activities in the mouse xenograft tumor model of human cholangiocarcinoma and orthotopic mouse liver cancer model. Based on the anti-tumor activities exhibited by the combinations between US Sirnaomics' siRNA therapeutic candidates and the immune checkpoint inhibitory antibody, Innovent and US Sirnaomics entered into an agreement for evaluating the scientific rationales and potential clinical value of a combination therapy that utilizes both parties' products. Since early 2020, US Sirnaomics has completed multiple preclinical combination studies with animal liver cancer models that illustrate potent antitumor activities. The parties are separately advancing clinical trials with their own products, which will necessarily be relied on for future clinical trials evaluating the combination therapy. As of the Latest Practicable Date, no clinical trials under the collaboration have been initiated. See "Business – Collaborations and Licensing Arrangements – Collaboration with Innovent."

### Collaboration with Shanghai Junshi

In January 2020, US Sirnaomics entered into a collaboration agreement (the "Shanghai Junshi Agreement") with Shanghai Junshi to develop a combination therapy consisting of STP705 and Shanghai Junshi's anti-PD-1 monoclonal antibody, toripalimab (the "Shanghai Junshi Product") for use in advanced melanoma, squamous cell carcinoma and other agreed clinical applications ("Combination Therapy") in mainland China, Hong Kong, Macau, Taiwan and the United States. Commercialization of the Combination Therapy will be the subject of a separate definitive agreement to be negotiated between the parties. Shanghai Junshi is a biopharmaceutical company that develops and commercializes medicines for the treatment of oncology, and other major diseases and is mainly engaged in the research and development of therapeutic antibodies. US Sirnaomics approached Shanghai Junshi for a potential collaboration after obtaining an understanding of the mechanism of action for STP705 based on its own preclinical research and learning of the Shanghai Junshi Product. Preclinical studies prior to the parties entering into the Shanghai Junshi Agreement showed that US Sirnaomics'

siRNA dual-targeted (TGF-ß1 and COX-2) product candidate, STP705, when combined with an anti-PD-L1 antibody demonstrated enhanced anti-tumor activities in the mouse xenograft tumor model of human cholangiocarcinoma and orthotopic mouse liver cancer model. Based on the anti-tumor activities exhibited by the combinations between US Sirnaomics' siRNA therapeutic candidates and the immune checkpoint inhibitory antibody, Shanghai Junshi and US Sirnaomics entered into an agreement for evaluating the scientific rationales and potential clinical value of a combination therapy that utilized both parties' products. Since early 2020, US Sirnaomics has completed multiple preclinical combination studies with animal liver cancer models that illustrate potent antitumor activities. The parties are separately advancing clinical trials with their own products, which will necessarily be relied on for future clinical trials evaluating the combination therapy. As of the Latest Practicable Date, no clinical trials under the collaboration have been planned or initiated. See "Business – Collaborations and Licensing Arrangements – Collaboration with Shanghai Junshi."

**Licensing Arrangement with Walvax**

In April 2021, Suzhou Sirnaomics, US Sirnaomics (Suzhou Sirnaomics and US Sirnaomics together, the "Sirnaomics Party") and Walvax entered into a co-development and license agreement (the "Walvax Agreement") to co-develop siRNA drugs targeting the influenza virus (the "Target Drug"). Walvax is a biopharmaceutical company specialized in research and development, manufacturing and distribution of vaccines and is an investor in our Series D Financing in 2020. As of the Latest Practicable Date, no clinical trials related to STP702 been planned or initiated.

Under the Walvax Agreement, the Sirnaomics Party granted to Walvax the exclusive rights in the Target Drug in mainland China, Hong Kong, Macau and Taiwan (the "Territory"), including but not limited to clinical development, registration, manufacturing, and commercialization. The Sirnaomics Party retains non-exclusive rights to the relevant technologies developed in relevant fields of the Target Drugs and to apply those technologies in the Territory for research purposes only. The Sirnaomics Party retains the exclusive rights for the Target Drug outside the Territory. See "Business – Collaborations and Licensing Arrangements – Licensing Arrangement with Walvax."

**Licensing Arrangement with the University of Maryland**

In December 2020, US Sirnaomics and the University of Maryland entered into a patent license agreement to license to US Sirnaomics certain patent rights related to a provisional patent application for improved delivery of mRNA with polymers. See "Business – Collaborations and Licensing Arrangements – Licensing Arrangement with the University of Maryland."

**Licensing Arrangement with Mixson**

In 2015 and 2019, US Sirnaomics and A. James Mixson ("Mixson") entered into a patent license agreements (the "Mixson Agreement") granting US Sirnaomics a license to certain

patent rights relating to polymers used in the PNP formulations of US Sirnaomics (the "Patent Rights"). The Mixson Agreement replaced earlier agreements between the parties on the same subject matter. Dr. Mixson is a professor at the University of Maryland School of Medicine and serves on the scientific advisory board for US Sirnaomics as an independent third party. See "Business – Collaborations and Licensing Arrangements – Licensing Arrangement with Mixson."

**Collaboration Agreement with Guangzhou Xiangxue**

In October 2010, Suzhou Sirnaomics and US Sirnaomics entered into a collaboration agreement with Guangzhou Xiangxue regarding the joint development of a small interfering RNA drug (STP705) for the treatment of Hypertrophic Scar (HTS) with a market right for greater China territory, including mainland China, Hong Kong, Macau and Taiwan. Under the collaboration agreement, Guangzhou Xiangxue was committed to an investment into the project, while Suzhou Sirnaomics agreed to provide the relevant intellectual property and research and development team support.

In order to strategically seek full control over the project rights for STP705 in China and reach a full closure of the collaboration efforts between Suzhou Sirnaomics and Guangzhou Xiangxue, in October 2020, we entered into a termination agreement with Guangzhou Xiangxue, where Guangzhou Xiangxue agreed to surrender all its relevant project rights regarding STP705 for the treatment of HTS in mainland China, Hong Kong, Macau and Taiwan. Pursuant to the termination agreement, we agreed to pay Guangzhou Xiangxue certain payments and as a result we now have 100% of the rights and interests for STP705 for the treatment HTS in mainland China, Hong Kong, Macau and Taiwan under the agreement. See "Business – Collaborations and Licensing Arrangements – Collaboration Agreement with Guangzhou Xiangxue."

**MANUFACTURING**

We have developed manufacturing processes that are capable of large, commercial-scale GMP-compliant manufacturing of our product candidates. Our manufacturing technology uses microfluidic technology that is scalable from research and development level to commercialization, delivering high-quality products at low cost. We have sufficient capacity in the U.S. for our current and anticipated needs through our well-established network of contract manufacturers and have built a manufacturing facility in Guangzhou to further enhance our in-house manufacturing capacity and provide flexibility for optimizing our clinical strategy in China by quickly adapting production to our then-current needs. Our manufacturing facility in Guangzhou will commence operations in the first quarter of 2022. Our Guangzhou manufacturing facility will be capable of GMP-compliant manufacturing of our pipeline product candidates, including formulation, fill and finish, test and release for clinical applications. The supplies from this facility will be sufficient to support our Phase II clinical trials in China, and potentially to supply our Phase III clinical trials in China and our clinical trials globally.

See "Business – Manufacturing and Quality Control."

## COMMERCIALIZATION AND BUSINESS DEVELOPMENT

### Commercialization

We believe the scale and effectiveness of our commercial operation will be crucial to our business. We intend to commercialize our drug candidates, if approved, by utilizing both direct sales force and strategic partnerships to achieve geographical and channel coverage.

We will conduct marketing activities in both China and the U.S. We expect to facilitate academic engagement and education around our products by establishing relationships with KOLs, hospitals, and renowned doctors through clinical trials, R&D collaboration, and academic conferences. We also intend to enter into strategic partnerships with biopharmaceutical companies with advantages in sales and marketing networks. We plan to build up our sales and marketing team by recruiting professionals with extensive industry knowledge and biopharmaceutical marketing skills to engage in the academic promotion, marketing, commercialization and channel management of our pipeline products. Along with the clinical development of our pipeline products, we will schedule the recruitment, training and evaluation of our sales and marketing team in accordance with the clinical development progress of our pipeline products, aiming to ensure the timely commercialization of our pipeline products once we obtain relevant approvals.

We are also evaluating partnership options to maximize market potential of our products. We intend to seek partners by setting comprehensive selection criteria, primarily including commercialization teams with extensive biopharmaceutical industry backgrounds, superior track record in commercialization partnership, and recognition of our vision and commitment to our pipeline products. We aim to gain market coverage by leveraging our current and future business partners' expertise and business network.

See "Business – Commercialization and Business Development."

### Business Development

Our strategy and business development team explores global and local cooperation opportunities with other industry players. These opportunities may include co-development, in-licensing and out-licensing arrangements. We have a proven track record of collaborating with biopharmaceutical and biotechnology companies across the globe which underscores our industry recognition and paves the way for long-term collaborations.

See "Business – Commercialization and Business Development."

**SUPPLIERS**

Our suppliers are primarily reputable CROs, CMOs, CDMOs and research and medical institutions with whom we collaborate on preclinical studies and clinical trials in China and overseas, and from whom we procure raw materials and equipment to support the manufacturing of our drug products. We select our suppliers by taking into account a number of factors, including their qualifications, industry reputation, cost competitiveness and compliance with relevant laws and regulations. In 2019, 2020 and the nine months ended September 30, 2021, our purchases from our five largest suppliers in the aggregate accounted for 35.3%, 42.7% and 38.5% of our total purchases, respectively, while purchases from our largest supplier in each period accounted for 11.2%, 16.7% and 12.0% of our total purchases, respectively.

See "Business – Suppliers."

**CUSTOMERS**

During the Track Record Period and up to the Latest Practicable Date, we had not generated any revenue from product sales and do not expect to generate any revenue from product sales before the commercialization of one or more of our drug candidates.

See "Business – Customers."

**OUR STRENGTHS**

- Major player in rapidly growing and transformative RNA therapeutics market with strong presence in China and the U.S.
- Proprietary RNA delivery platforms, including platforms that solve principal challenges to RNAi therapeutics and an alternative platform with tremendous potential for mRNA therapeutics and vaccines
- Broad and deep product pipeline with candidates intended to breach the limitations on conventional RNAi indications to further address current clinical needs
- Potential first-in-class dual-targeted RNAi therapeutics that inhibit both TGF-ß1 and COX-2 for high therapeutic potency in skin cancer, liver cancer and fibrosis indications
- Comprehensive intellectual property portfolio driven by independent research and development capability
- Seasoned management team and world-class industry expertise

See "Business – Our Strengths."

## OUR STRATEGIES

- Enhance and apply our proprietary delivery platforms to advance the development of innovative therapeutic modalities for the treatment of a broad range of disease states and strengthen our intellectual property position

- Rapidly advance development of our core product candidate STP705 through clinical trials toward market approvals in a broad range of indications in China and the U.S.

- Develop and commercialize a diverse portfolio of transformative RNA products in a broad range of therapeutic areas, including both rare diseases and diseases with large patient populations

- Build a fully integrated biopharmaceutical company by advancing our capabilities in product development, expanding our internal GMP manufacturing capabilities, and developing commercialization abilities, if our product candidates are approved

- Selectively pursue synergistic collaboration opportunities to maximize the potential of our clinical product candidates

See "Business – Our Strategies."

## SHARE INCENTIVE PLAN

The Pre-IPO Equity Incentive Plan was adopted on January 21, 2021 to, among others, attract and retain outstanding individuals to serve as directors, officers, employees, consultants, and advisors to the Company. The maximum number of Shares underlying the Pre-IPO Equity Incentive Plan is 13,300,000 Shares and as of the Latest Practicable Date, the number of outstanding options underlying the Pre-IPO Equity Incentive Plan is 12,770,000, representing approximately 14.50% of our total share capital (assuming the Over-allotment Option is not exercised) or approximately 14.32% of our total share capital (assuming the Over-allotment Option is exercised in full). The terms of the Pre-IPO Equity Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules. See "Statutory and General Information – D. Incentive Plans" in Appendix IV to this prospectus.

## OUR SINGLE LARGEST SHAREHOLDER

As of the Latest Practicable Date, Dr. Lu was interested in 12,649,625 Shares, representing approximately 15.71% of the total issued share capital of our Company (on a fully diluted basis). Immediately following the completion of the Global Offering, Dr. Lu will be interested in approximately 14.36% of our total share capital (assuming the Over-allotment Option is not exercised) or approximately 14.18% of our total share capital (assuming the Over-allotment Option is exercised in full).

## PRE-IPO INVESTMENTS

We have completed the Pre-IPO Investments in 2009, 2017, 2019, 2020 and 2021. Our Pre-IPO Investors include conglomerates and funds focusing on investing in portfolios in the healthcare sectors such as Rotating Boulder Fund, Shanghai Walga and Sangel Investment. See "History, Reorganization and Corporate Structure – Pre-IPO Investments".

## SUMMARY OF KEY FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountants' Report set out in Appendix I to this prospectus. The summary financial data set forth below should be read together with our consolidated financial statements and the accompanying notes, as well as the section headed "Financial Information."

### Selected Results of Operation Data

The following table sets out a summary of our consolidated statements of profit or loss and other comprehensive income for the periods indicated:

| | Year ended December 31, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | **2019** | **2020** | **2020** | **2021** |
| | *US$'000* | *US$'000* | *US$'000 (unaudited)* | *US$'000* |
| Other income | 440 | 771 | 206 | 205 |
| Other gains and losses | 368 | 255 | 118 | (177) |
| Changes in fair value of financial liabilities at fair value through profit or loss | (2,584) | (17,574) | (19,773) | (13,112) |
| Administrative expenses | (4,667) | (5,157) | (3,661) | (8,412) |
| Research and development expenses | (10,213) | (14,894) | (9,814) | (22,014) |
| Impairment losses (recognized) reversed under expected credit loss model, net | (242) | 242 | – | – |
| Listing expenses | – | (885) | – | (5,617) |
| Other expenses | – | (8,943) | (27) | (672) |
| Finance costs | (229) | (243) | (184) | (202) |
| Loss before tax | (17,127) | (46,428) | (33,135) | (50,001) |
| Income tax expense | – | – | – | – |
| **Loss for the year/period** | **(17,127)** | **(46,428)** | **(33,135)** | **(50,001)** |
| Loss for the year/period attributable to: | | | | |
| Owners of the Company | (16,381) | (43,772) | (31,947) | (48,071) |
| Non-controlling interests | (746) | (2,656) | (1,188) | (1,930) |

Our loss for the period increased from US$33.1 million in the nine months ended September 30, 2020 to US$50.0 million in the nine months ended September 30, 2021,

primarily because (i) our changes in fair value of financial liabilities at fair value through profit or loss decreased from US$19.8 million in the nine months ended September 30, 2020 to US$13.1 million in the nine months ended September 30, 2021. The fair value change in the nine months ended September 30, 2021 is primarily due to the increase in the valuation of our financial liabilities, driven by the increase in the valuation of our company and the issuance of Series E Preferred Shares, during which the incremental rate of the valuation is lower compared with the nine months ended September 30, 2020; (ii) our research and development expenses increased from US$9.8 million in the nine months ended September 30, 2020 to US$22.0 million in the nine months ended September 30, 2021, mainly due to the increase in directors' emolument and staff costs in relation to our research and development staff, and the increase in clinical trials expenses and preclinical test expenses, corresponding to our continuous research and development efforts to support our steadily advancing and expanding pipeline of drug candidates; and (iii) our administrative expenses increased from US$3.7 million in the nine months ended September 30, 2020 to US$8.4 million in the nine months ended September 30, 2021, primarily due to the increase in directors' emolument and staff costs in relation to our administrative staff to support business expansion, and the increase in professional and consultancy fee.

Our loss for the year increased from US$17.1 million in 2019 to US$46.4 million in 2020, primarily because (i) our changes in fair value of financial liabilities at fair value through profit or loss increased from US$2.6 million in 2019 to US$17.6 million in 2020, primarily due to the higher increase in the valuation of our financial liabilities at fair value through profit or loss, mainly in relation to our preferred shares and Series C Warrants, as a result of a higher increase in the valuation of our Company; (ii) we did not have other expenses in 2019, while we incurred other expenses of US$8.9 million in 2020, primarily due to our loss on the termination of a collaboration agreement; and (iii) our research and development expenses increased from US$10.2 million in 2019 to US$14.9 million in 2020, mainly due to the increases in chemistry, manufacturing and controls expenses and preclinical test expenses relating to the continuous development of drug candidates, and the increase in directors' emolument and staff costs relating to our research and development staff, corresponding to our continuous research and development efforts to support our steadily advancing and expanding pipeline of drug candidates. We had research and development expenses of US$6.0 million, US$9.2 million and US$8.1 million attributable to our core product STP705 in 2019, 2020 and the nine months ended September 30, 2021, respectively.

See "Financial Information – Description of Major Components of Our Results of Operations."

**Selected Data from Consolidated Statements of Financial Position**

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

| | As of December 31, | | As of September 30, |
|---|---|---|---|
| | **2019** | **2020** | **2021** |
| | *US$'000* | *US$'000* | *US$'000* |
| Total current assets | 21,413 | 105,137 | 180,385 |
| Total non-current assets | 3,410 | 5,047 | 10,491 |
| **Total assets** | **24,823** | **110,184** | **190,876** |
| Total current liabilities | 2,797 | 94,099 | 6,245 |
| Total non-current liabilities | 70,978 | 110,265 | 324,907 |
| **Total liabilities** | **73,775** | **204,364** | **331,152** |
| **Net Liabilities** | **(48,952)** | **(94,180)** | **(140,276)** |
| Deficits attributable to owners of the Company | (51,754) | (94,433) | (139,879) |
| Non-controlling interests | 2,802 | 253 | (397) |

The following table sets out our current assets and liabilities as of the dates indicated:

| | As of December 31, | | As of September 30, | As of October 31, |
|---|---|---|---|---|
| | 2019 | 2020 | 2021 | 2021 |
| | *US$'000* | *US$'000* | *US$'000* | *US$'000 (unaudited)* |
| **Current assets** | | | | |
| Prepayments, deposits and other receivables | 1,458 | 1,954 | 5,945 | 7,268 |
| Structured deposits | 9,949 | – | – | – |
| Restricted bank balances | 57 | 61 | 62 | 62 |
| Bank balances and cash | 9,949 | 103,122 | 174,378 | 168,474 |
| **Total current assets** | **21,413** | **105,137** | **180,385** | **175,804** |
| **Current liabilities** | | | | |
| Trade and other payables | 2,429 | 4,667 | 4,282 | 4,435 |
| Contract liability | – | – | 770 | 782 |
| Lease liabilities | 368 | 443 | 1,193 | 1,260 |
| Financial liabilities at fair value through profit or loss | – | 88,989 | – | – |
| **Total current liabilities** | **2,797** | **94,099** | **6,245** | **6,477** |
| **Net current assets** | **18,616** | **11,038** | **174,140** | **169,327** |

The following table sets out our non-current assets and liabilities as of the dates indicated:

| | As of December 31, | | As of September 30, |
|---|---|---|---|
| | 2019 | 2020 | 2021 |
| | *US$'000* | *US$'000* | *US$'000* |
| **Non-current assets** | | | |
| Property and equipment | 1,342 | 2,931 | 4,934 |
| Right-of-use assets | 1,824 | 1,520 | 3,116 |
| Intangible assets | 125 | 349 | 1,080 |
| Deposits | 119 | 247 | 1,361 |
| **Total non-current assets** | **3,410** | **5,047** | **10,491** |
| **Non-current liabilities** | | | |
| Financial liabilities at fair value through profit or loss | 69,361 | 107,827 | 321,278 |
| Bank borrowings | – | 1,134 | 1,443 |
| Lease liabilities | 1,617 | 1,304 | 2,186 |
| **Total non-current liabilities** | **70,978** | **110,265** | **324,907** |
| **Net non-current liabilities** | **(67,568)** | **(105,218)** | **(314,416)** |

Our net liabilities increased from US$49.0 million as of December 31, 2019 to US$94.2 million as of December 31, 2020, primarily reflecting changes in equity comprising (i) loss for the year of US$46.4 million; (ii) recognition of share-based payment of US$1.2 million; and (iii) issuance of shares of US Sirnaomics under share option scheme of US$0.7 million. Our net liabilities increased from US$94.2 million as of December 31, 2020 to US$140.3 million as of September 30, 2021, primarily reflecting changes in equity comprising (i) loss for the period of US$50.0 million; (ii) effect of conversion of SAFE (as defined in Note i of the consolidated statements of changes in equity of Appendix I to this prospectus) to a subsidiary's ordinary shares of US$2.8 million; and (iii) recognition of share-based payment of US$1.4 million. See Consolidated Statements of Changes in Equity of Appendix I to this prospectus.

Our net current assets decreased from US$18.6 million as of December 31, 2019 to US$11.0 million as of December 31, 2020, mainly due to: (i) an increase in current financial liabilities at fair value through profit or loss, representing convertible loans issued to the Series D Investors; and (ii) a decrease in the structured deposits; despite (iii) an increase in bank balances and cash, representing the receipt of cash generated from our equity financing. Our net current assets increased significantly from US$11.0 million as of December 31, 2020 to US$174.1 million as of September 30, 2021, primarily due to our increase in current assets mainly in relation to the increase in our prepayments, deposits and other receivables from US $2.0 million as of December 31, 2020 to US$5.9 million as of September 30, 2021; and our

decrease in current liabilities, primarily because we had current financial liabilities at fair value through profit or loss of US$89.0 million as of December 31, 2020 and we did not have such financial liabilities as of September 30, 2021, as the convertible loans issued to Series D Investors were converted into the preferred shares of our Company in the nine months ended September 30, 2021.

We had current financial liabilities at fair value through profit or loss of nil, US$89.0 million and nil as of December 31, 2019 and 2020 and September 30, 2021, respectively. The current financial liabilities at fair value through profit or loss of US$89.0 million as of December 31, 2020 were all convertible loans issued by Suzhou Sirnaomics to the Series D Investors, which were classified as current liabilities as of December 31, 2020 as the holders have the option to convert their convertible loans into the preferred shares of the Company within 12 months from December 31, 2020. Such convertible loans were converted into the preferred shares of our Company in the nine months ended September 30, 2021. As of September 30, 2021, we had preferred shares of US$321.3 million recorded under our non-current financial liabilities at fair value through profit or loss. As all outstanding preferred shares would be automatically converted into ordinary shares of the Company upon the Listing, such conversion will be enough to cover our net liabilities position as of September 30, 2021 of US$140.3 million and we will turn into net assets position.

See "Financial Information – Discussion of Key Items of Consolidated Statements of Financial Position."

**Selected Consolidated Cash Flow Statements Data**

The following table sets out our cash flows for the periods indicated:

| | Year ended December 31, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | **2019** | **2020** | **2020** | **2021** |
| | *US$'000* | *US$'000* | *US$'000 (unaudited)* | *US$'000* |
| Cash used in operating activities before changes in working capital | (13,129) | (18,849) | (12,024) | (34,079) |
| Changes in working capital | (1,274) | (150) | (104) | (2,832) |
| Net cash used in operating activities | (14,403) | (18,999) | (12,128) | (36,911) |
| Net cash from/(used in) investing activities | 1,102 | 8,393 | 5,015 | (3,386) |
| Net cash from financing activities | 11,546 | 100,368 | 2,783 | 110,389 |
| Net (decrease)/increase in cash and cash equivalents | (1,755) | 89,762 | (4,330) | 70,092 |
| Cash and cash equivalents at the beginning of the year/period | 11,688 | 9,949 | 9,949 | 103,122 |
| Effect of foreign exchange rate changes | 16 | 3,411 | 28 | 1,164 |
| Cash and cash equivalents at the end of the year/period | 9,949 | 103,122 | 5,647 | 174,378 |

See "Financial Information – Liquidity and Capital Resources – Cash Flow."

Since the commencement of our business operation, we have incurred negative cash flows from our operations. Substantially all of our operating cash outflows have resulted from our cash used in our operations. We expect to improve our net operating cash outflows position by: (i) reducing cash outflows by taking comprehensive measures to effectively control costs and operating expenses, including engaging and retaining experienced industry experts in our research and development team, advancing our capabilities in product development by expanding our research and development centers, manufacturing facilities and business development offices and investing in our technology and manufacturing processes; (ii) fast-tracking the commercialization of our product candidates by hiring competent marketing and sales personnel to improve our sales, marketing or commercial product distribution capabilities, with the goal to generate revenues from product sales; and (iii) exploring collaboration and licensing opportunities to generate positive cash inflows from upfront payment from our licensing-out arrangement, for example, the licensing-out arrangement with regard to STP702 with Walvax, with the expectation to further improve our cash flow with milestone payment upon achieving the agreed research and development milestones.

In the nine months ended September 30, 2021, our net cash used in operating activities was US$36.9 million, which was primarily attributable to our loss for the period of US$50.0 million, as adjusted by: (i) the add back of non-operating items and non-cash items, primarily comprising changes in fair value of financial liabilities at fair value through profit or loss of US$13.1 million; and (ii) changes in working capital, mainly including an increase in prepayments, deposits and other receivables of US$4.3 million.

In 2020, our net cash used in operating activities was US$19.0 million, which was primarily attributable to our loss for the year of US$46.4 million, as adjusted by: (i) the add back of non-operating items and non-cash items, primarily comprising changes in fair value of financial liabilities at fair value through profit or loss of US$17.6 million, loss on terminating a collaboration agreement of US$7.7 million, share-based payment expense of US$1.0 million, as well as issuance costs of financial liabilities at fair value through profit or loss of US$1.2 million; and (ii) changes in working capital, including a decrease in trade and other payables of US$0.2 million, partially offset by a decrease in prepayments, deposits and other receivables of US$0.09 million.

In 2019, our net cash used in operating activities was US$14.4 million, which was primarily attributable to our loss for the year of US$17.1 million, as adjusted by: (i) the add back of non-operating items and non-cash items, primarily comprising changes in fair value of financial liabilities at fair value through profit or loss of US$2.6 million; and (ii) changes in working capital, primarily including an increase in prepayments, deposits and other receivables of US$0.9 million.

While we had net operating cash outflows and net losses during the Track Record Period, going forward we believe our liquidity requirements will be satisfied by using funds from a

combination of our cash and cash equivalents, unutilized loan facilities, net proceeds from the Global Offering and other funds raised from the capital markets from time to time. As of October 31, 2021, we had unutilized banking facilities of US$8.6 million. Other than the bank borrowings that we have obtained or may obtain, we currently do not have any plans for material external debt financing. Taking into account the above, together with the estimated net proceeds from the Global Offering, our Directors are of the opinion that we have sufficient working capital to cover at least 125% of our costs, including research and development expenses, administrative expenses, finance costs and other expenses for at least the next 12 months from the date of this prospectus.

Our cash burn rate refers to the average monthly aggregate amount of (i) net cash used in operating activities, including research and development expenses; (ii) purchase amounts and deposits paid for property and equipment; (iii) repayment of lease liabilities; (iv) purchase of intangible assets; and (v) payment of interests. Assuming that the average cash burn rate going forward of 3.9 times the level in the 21 months ended September 30, 2021, which is primarily based on the difference between the average monthly burn rate in the 21 months ended September 30, 2021 and the prospective burn rate based on the average monthly net cash used in operating activities and capital expenditure in 2022, we estimate that our cash and cash equivalents will be able to maintain our financial viability for approximately 14.9 months or, if we also take into account the estimated net proceeds (based on the low-end of the indicative offer price), approximately 19.8 months. Our Directors and our management team will continue to monitor our working capital, cash flows, and our business development progress.

**Key Financial Ratio**

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

| | As of December 31, | | As of September 30, |
|---|---|---|---|
| | 2019 | 2020 | 2021 |
| | % | % | % |
| Current ratio[(1)] | 765.6 | 111.7 | 2,888.5 |

*Note:*

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

## GLOBAL OFFERING STATISTICS

The statistics in the following table are based on the assumptions that the Global Offering has been completed and 7,540,000 Shares are issued pursuant to the Global Offering.

| | Based on an Offer price of HK$65.90 per Share | Based on an Offer price of HK$72.70 per Share |
|---|---|---|
| Market capitalization of our Shares[(1)] | HK$5,804 million | HK$6,402 million |
| Unaudited pro forma adjusted consolidated net tangible assets less liabilities per Share[(2)(3)] | HK$(29.09) | HK$(26.91) |

*Notes:*

(1) The calculation of market capitalization is based on 88,066,780 Shares expected to be in issue immediately upon completion of the Global Offering, assuming the Over-allotment Option is not exercised.

(2) The unaudited pro forma adjusted consolidated net tangible assets less liabilities of our Group attributable to owners of our Company per Share is calculated after making the adjustments referred to in "Financial Information – Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets less Liabilities of our Group Attributable to Owners of our Company" and on the 22,419,638 Shares expected to be in issue immediately after completion of the Global Offering.

(3) The effect of the conversion of preferred shares excluding the series seed preferred shares issued by RNAimmune into ordinary shares of the Company (collectively referred to as the "Subsequent Transactions") would have adjusted the unaudited pro forma adjusted consolidated net tangible assets less liabilities of the Group attributable to owners of the Company as of September 30, 2021 by US$314,018,000 to unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company of US$230,334,000 based on an Offer Price of HK$65.90 (equivalent to US$8.45) per Share and unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company of US$236,616,000 based on an Offer Price of HK$72.70 equivalent to US$9.33) per Share and would have increased the total Shares in issue by 52,877,142 Shares to a total of 75,296,780 Shares in issue (which represents the number of issued share capital of 88,066,780 less the 12,770,000 ordinary shares to be issued to a professional trustee which will hold such shares, upon issue before the Listing, on trust under the Pre-IPO Equity Incentive Plan for employees). Had the Subsequent Transactions been taken into account, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of September 30, 2021 per Share would be US$3.06 (equivalent to HK$23.84) based on an Offer Price of HK$65.90 (equivalent to US$8.45) per Share and US$3.14 (equivalent to HK$24.49) based on an Offer Price of HK$72.70 (equivalent to US$9.33 per Share, respectively.

## FUTURE PLANS AND USE OF PROCEEDS

We estimate that we will receive the net proceeds of approximately HK$420.2 million from the Global Offering after deducting the underwriting fees and other estimated expenses in connection with the Global Offering, assuming no Over-allotment Option is exercised and assuming an Offer Price of HK$69.30 per Offer Share, being the mid-point of the indicative Offer Price range of HK$65.90 to HK$72.70 per Offer Share in this prospectus.

We intend to use the net proceeds we will receive from the Global Offering for the following purposes and in the amounts set out below, subject to changes in light of our evolving business needs and changing market condition:

(a) Approximately HK$243.3 million (equivalent to approximately US$31.2 million, representing 57.9% of the net proceeds) will be allocated to fund the development and commercialization of STP705, and specifically:

- Approximately 14.4% of the net proceeds, or HK$60.5 million (equivalent to approximately US$7.8 million), is expected to be used for completing multiple sites of STP705 Phase IIb and Phase III clinical trials for the treatment of isSCC;

- Approximately 6.7% of the net proceeds, or HK$28.1 million (equivalent to approximately US$3.6 million), is expected to be used for conducting other STP705 clinical trials;

- Approximately 16.4% of the net proceeds, or HK$68.9 million (equivalent to approximately US$8.8 million), is expected to be used for completing the CMC and process development for STP705;

- Approximately 14.8% of the net proceeds, or HK$62.4 million (equivalent to approximately US$8.0 million), is expected to be used for operation of pilot plant and construction of commercial product manufacturing facility in Guangzhou. The pilot plant of our Guangzhou facility will be capable of cGMP-compliant manufacturing and will cover formulation, fill and finish, test and release for clinical application;

- Approximately 5.6% of the net proceeds, or HK$23.4 million (equivalent to approximately US$3.0 million), is expected to be used for efforts in sales and marketing of STP705;

(b) Approximately HK$65.7 million (equivalent to approximately US$8.4 million, representing 15.6% of the net proceeds) will be allocated to fund the development of STP707, and specifically:

- Approximately 9.4% of the net proceeds, or HK$39.5 million (equivalent to approximately US$5.1 million), is expected to be used for the preclinical research and development for STP707;

- Approximately 2.6% of the net proceeds, or HK$11.0 million (equivalent to approximately US$1.4 million), is expected to be used for STP707 clinical trials;

- Approximately 3.6% of the net proceeds, or HK$15.2 million (equivalent to approximately US$1.9 million), is expected to be used for completing the CMC and process development for STP707;

(c) Approximately HK$64.5 million (equivalent to approximately US$8.3 million, representing 15.4% of the net proceeds) will be allocated to fund our GalNAc Program yielded products such as STP122G, STP133G, and STP144G and other preclinical stage product candidates, and where such research and development will further advance our proprietary GalAhead and PDoV-GalNAc delivery platforms for development of novel product candidates, and specifically:

- Approximately 7.3% of the net proceeds, or HK$30.5 million (equivalent to approximately US$3.9 million), is expected to be used for the preclinical research and development for our GalNAc Program;

- Approximately 1.8% of the net proceeds, or HK$7.7 million (equivalent to approximately US$1.0 million), is expected to be used for conducting clinical trials for our GalNAc Program;

- Approximately 6.3% of the net proceeds, or HK$26.3 million (equivalent to approximately US$3.4 million), is expected to be used for completing the CMC and process development for our GalNAc Program;

(d) Approximately HK$30.8 million (equivalent to approximately US$4.0 million, representing 7.3% of the net proceeds) will be allocated to fund the research and development of our other preclinical drug candidates.

(e) Approximately HK$15.9 million (equivalent to approximately US$2.0 million, representing 3.8% of the net proceeds) will be allocated for general corporate and working capital purposes.

**DIVIDEND**

We are a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividend will depend on the availability of dividends received from our subsidiaries. PRC laws require a foreign-invested enterprise to make up for its accumulative losses out of its after-tax profits and allocate at least 10% of its remaining after-tax profits, if any, to fund its statutory reserves until the aggregate amount of its statutory reserves exceeds 50% of its registered capital.

Any amount of dividend we pay will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors which our Directors consider relevant. Any

declaration and payment as well as the amount of dividend will be subject to our constitutional documents and the Cayman Companies Act. Subject to the Cayman Companies Act and the Articles of Association, our Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Directors. No dividend may be declared or paid other than out of profits and reserves of the Company lawfully available for distribution, including share premium. Our future declarations of dividends may or may not reflect our historical declarations of dividends and will be at the absolute discretion of the Board.

Historically, we have not declared or paid any dividend to our Shareholders and there is no assurance that dividends of any amount will be declared or be distributed in any year. Currently, we do not have a formal dividend policy or a fixed dividend distribution ratio.

As advised by the Cayman Islands legal advisors to our Company, a Cayman Islands exempted company may pay dividends out of profits, retained earnings or share premium account, subject to the provisions of the company's memorandum and articles of association and 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. Our Directors must satisfy their fiduciary duties when the dividends are declared and paid, and are satisfied that our Company will continue to be able to pay its debts as they fall due in the ordinary course of business after the payment of the dividend. According to our Cayman Islands legal advisors, there is no provision under the Cayman Companies Act which expressly prohibits our Company from declaring and paying dividends out of the share premium account where our Company is loss making or is in a net liabilities position.

**LISTING EXPENSES**

Listing expenses represent professional fees, underwriting commissions and other fees incurred in connection with the Global Offering. We incurred listing expenses of US$0.9 million in 2020 and US$5.6 million in the nine months ended September 30, 2021. We expect to incur listing expenses of approximately US$6.6 million (assuming the Over-allotment Option is not exercised and based on the Offer Price of HK$69.30 per Offer Share, being the mid-point of the Offer Price range). The listing expenses we incurred in the Track Record Period and expect to incur would consist of approximately US$3.0 million underwriting fees and approximately US$10.1 million non-underwriting fees (including fees and expenses of legal advisor(s) and accountant(s) of approximately US$6.6 million and other fees and expenses of approximately US$3.6 million). Among the total listing expenses which we expect to incur, approximately US$2.8 million is expected to be charged to profit or loss, and approximately US$3.8 million is expected to be capitalized, which will be deducted from equity upon the Listing. Our total listing expenses are estimated to account for 19.6% of the gross proceeds of the Global Offering. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

## IMPACT OF THE COVID-19 PANDEMIC

Since the end of December 2019, the COVID-19 pandemic has materially and adversely affected the global economy. Different degrees of travel restrictions have been imposed and our operations may be impacted by potential delays in business activities, commercial transactions and general uncertainties surrounding the duration of the government's extended business and travel restrictions. As of the Latest Practicable Date, the outbreak of COVID-19 has not caused any early termination of our clinical trials or necessitated removal of any enrolled patients. We have employed various measures to mitigate impacts of the COVID-19 outbreak may have on our currently ongoing trials in the U.S. We worked closely with our CROs to monitor the situation and manage the process of our clinical trials. We maintained contact with our patients to ensure that they remain on the trials and that any information they need will be readily available. In addition, we believe the COVID-19 outbreak has not significantly impacted our ability to carry out our obligations under existing contracts or disrupted any supply chains that we rely upon.

Since late July in 2021, there is a recurrence of the COVID-19 pandemic in several provinces in China. Our Directors confirmed that the COVID-19 pandemic did not have any material adverse impact on our business operations and financial performance as of the Latest Practicable Date, primarily because: (i) there had been no material disruption of our ongoing clinical or preclinical trials, including the clinical trials plans of STP705; and (ii) we had not encountered any material supply chain disruption. In particular, we are of the view that the recurrence will not have a material adverse effect on our business operations and financial performance because (i) the PRC government has taken swift and effective counter measures to successfully control the COVID-19 recurrence and mitigate its impact and (ii) the COVID-19 recurrence affected a limited number of regions in China. We cannot foresee when the COVID-19 pandemic will become completely under control or whether COVID-19 will have a material and adverse impact on our business going forward. See "Risk Factors – Risks Relating to Our Operations – We may be subject to disasters, health epidemics such as COVID-19, 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." We are continually monitoring the COVID-19 situation as well as various regulatory and administrative measures adopted by local governments to prevent and control the pandemic. We will continue to monitor and evaluate any impact of the COVID-19 pandemic on us and adjust our precautionary measures according to the latest developments of the pandemic.

## RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGES

### Expected Net Loss Increase

We incurred losses during the Track Record Period and expect the losses to increase significantly in 2021, primarily due to our continuous investment in our research and

development activities to expand our development of and seek regulatory approvals for our product candidates, as well as the changes in fair value of financial liabilities at fair value through profit or loss and administrative expenses.

**Industry Overview**

Alnylam presented positive results of a Phase III clinical trial of Lumasiran in patients with advanced primary hyperoxaluria type 1 in November 2021, and presented positive results from Helios-A phase III study of Vutrisiran in patients with hATTR Amyloidosis with Polyneuropathy in October 2021. In September 2021, Alnylam submitted a marketing authorization application to the European Medicines Agency for investigational Vutrisiran for the treatment of hereditary ATTR amyloidosis with polyneuropathy. Dicerna initiated a Phase I clinical trial to assess DCR-AUD for the treatment of alcohol use disorder (AUD) in September 2021. The company also announced positive top-line results from PHYOX™2 pivotal clinical trial of Nedosiran for the treatment of primary hyperoxaluria (PH) in August 2021. In November 2021, Dicerna announced it had entered into a definitive agreement with Novo Nordisk under which Novo Nordisk will acquire Dicerna. Arrowhead announced in October 2021 that it has filed an application for clearance to begin a Phase I/IIa clinical trial of ARO-C3, and the company initiated Phase IIb clinical trial of ARO-APOC3 for Treatment of Mixed Dyslipidemia in September 2021. Arrowhead received breakthrough therapy designation from U.S. FDA for ARO-AAT for the treatment of Alpha-1 antitrypsin deficiency associated liver disease in July 2021.

**No Material Adverse Changes**

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since September 30, 2021, being the end date of the periods reported on in Appendix I to this prospectus, and there has been no event since September 30, 2021 that would materially affect the information as set out in Appendix I to this prospectus.

**RISK FACTORS**

Our business and the Global Offering involve certain risks as set out in the section headed "Risk Factors" in this prospectus. You should read that section in its entirety carefully before you decide to invest in our Shares. Some of the major risks we face include:

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

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

- Clinical drug development involves a costly and time-consuming process with an uncertain outcome, and we may encounter unexpected difficulties executing our clinical trials. Results of earlier studies and trials may not be predictive of future trial results.

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

- We incurred net losses during the Track Record Period and anticipate that we will continue to incur net losses for the foreseeable future.

- We had net cash outflow from operating activities since our inception. Even if we consummate the Global Offering, we may need to obtain additional financing to fund our operations. If we are unable to obtain such financing, we may be unable to complete the development and commercialization of our major drug candidates.

See "Risk Factors."