SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to invest in the [**REDACTED**]. *There are risks associated with any investment. Some of the particular risks in investing in the* [**REDACTED**] *are set out in "Risk Factors" of this document. You should read that section carefully before you decide to invest in the* [**REDACTED**]. ***In particular, we are a biotech company seeking to*** [**REDACTED**] ***on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules on the basis that we are unable to meet the requirements under Rule 8.05(1), (2) or (3) of the Listing Rules.*** *There are unique challenges, risks and uncertainties associated with investing in companies such as ours. Your investment decision should be made in light of these considerations.*

OVERVIEW

We are a late clinical-stage biotech company exclusively focused on biologic therapies for autoimmune and allergic diseases, with a fully self-developed drug pipeline and an established commercial-scale in-house manufacturing capability. To address significant unmet medical needs in the autoimmune and allergic disease drug market in China, which is forecast by Frost & Sullivan to surpass one hundred billion yuan by 2025, we have built a comprehensive pipeline that covers the four major disease areas in the field, including skin, rheumatic, respiratory and digestive diseases. According to Frost & Sullivan, among Chinese domestic companies, we had one of the most comprehensive biologic drug pipelines in autoimmune and allergic diseases in terms of the number of IND-approved drug candidates and indications, and also one of the most advanced in terms of the overall development status, as of the Latest Practicable Date. As of such date, our pipeline featured QX001S, an IL-12/IL-23p40 inhibitor in Phase III clinical trial for psoriasis (Ps) and potentially China's first approved ustekinumab biosimilar; QX002N, an IL-17A inhibitor in Phase II clinical trial for ankylosing spondylitis (AS) with promising efficacy; and QX005N, a monoclonal antibody (mAb) blocking IL-4Rα, a well-validated, broad-acting target for a wide range of indications. QX005N is one of the most advanced biologic drug candidates for atopic dermatitis (AD), and the first biologic drug candidate developed by a Chinese domestic company in clinical trial for prurigo nodularis (PN), in China. Our mission is to pursue scientific innovation and deliver affordable and quality therapeutics.

Our Market Opportunity

Autoimmune and allergic diseases represent the second-largest therapeutic area globally, only after oncology, and are a hotbed of blockbuster drugs. According to Frost & Sullivan, the market size of autoimmune and allergic disease drugs amounted to US$178.8 billion in 2021, which was 12.8% for all drugs combined. Among the 100 top-selling drugs in 2022, around one fifth were autoimmune or allergic drugs, including two—Humira (adalimumab) (No. 2; US$21.2 billion) and Stelara (ustekinumab) (No. 9; US$9.7 billion)—in the top 10. Humira, in

particular, was the world's best-selling drug for eight years in the last ten (2013-2022). In contrast, market development in China has lagged significantly behind. According to Frost & Sullivan, the total patient population of autoimmune and allergic diseases in China exceeds 420 million, as compared to 100 million in the United States. However, China's autoimmune and allergic drug market was only US$7.2 billion in 2020, approximately 7.5% of the U.S. market of US$95.6 billion. Specifically, biologic drugs dominate developed markets, but their penetration in China remains low. In 2020, biologic drugs made up over 60% of the autoimmune and allergic disease drug market in the United States, but only about 10% of the China market.

The underdevelopment of the China market has historical reasons. Due to an innovation gap, most of the innovative biologic drugs available in China have been expensive blockbuster drugs developed by multinational corporations, or MNCs, typically not covered by public medical insurance. This has had two effects. On the one hand, because autoimmune and allergic diseases are often not fatal, Chinese patients, when they have limited ability to pay and are price-sensitive, are less inclined to address them with significant economic resources as committedly as they might with fatal diseases such as cancer, leading to discontinued treatment, ineffective traditional treatment or no treatment at all. On the other hand, due to limited returns, the MNCs have not invested extensively in physician and patient education in China, which has perpetuated poor awareness. As a result, diagnosis and treatment rates for many diseases in this field have been low. The *status quo* indicates a deep structural misalignment with the unmet medical need. Autoimmune and allergic diseases are serious diseases. They can severely affect patients' quality of life in various manifestations, including great pain, persistent itchiness, disfigurement, disability, severe psychological pressure and social exclusion. They impose profound disease burden on patients and society and require safe and effective treatment.

Despite the historical underdevelopment, China's autoimmune and allergic disease drug market has been changing in recent years, especially since 2021. Several important factors have driven the industry toward more alignment with global trends and more certainty in market prospect:

- *Approvals, NRDL admissions and accelerated sales ramp-up of blockbuster drugs.* A number of blockbuster drugs developed by MNCs were approved in China and admitted to the NRDL. While unit prices dropped, sales soared. For example, Cosentyx (secukinumab) was approved in China for moderate-to-severe plaque Ps in March 2019 and admitted to the NRDL in March 2021. While its unit price (150 mg) decreased from RMB2,998 to RMB1,188, its China sales increased from US$72.5 million in 2020 to US$279.0 million in 2021 and US$601.4 million in 2022. Dupixent (dupilumab) was approved for moderate-to-severe AD in June 2020 and admitted to the NRDL in January 2021, and its China sales increased from US$13.7 million in 2020 to US$87.4 million in 2021 and US$248.1 million in 2022. Apart from the expansion in sales volume, there has also been an evident acceleration in

such expansion. According to Frost & Sullivan, it took seven years for Humira (adalimumab) to achieve annual sales of US$100.0 million in China since its approval in the country in 2010, whereas it took Cosentyx only two years to reach the same milestone.

- *Evolution of treatment paradigm from traditional anti-inflammatory agents to biologics.* Globally, biologic drugs with superior efficacy and safety have been increasingly accepted by physicians and patients. The evolution of treatment paradigm from traditional anti-inflammatory agents to biologics is also accompanied by continuous upgrades in classes of biologic drugs. For example, compared to first-generation inhibitors targeting TNF-α, which have relatively high risk of serious infections, novel biologics targeting interleukins (*e.g.*, IL-17 and IL-23) have demonstrated better efficacy and/or safety for certain indications and are under extensive investigation with more drugs potentially to be approved. The same trend is also found and followed in China, and drives an increasing demand for novel biologic drugs.

- *Rise of domestic developers.* Recognizing the great potential of the therapeutic area, a growing number of Chinese pharmaceutical companies have begun to conduct R&D on autoimmune and allergic disease drugs. Drugs developed by Chinese domestic companies are expected to have a price advantage. Domestic companies may also leverage their in-depth understanding and extensive coverage of local patients and hospitals to, together with MNCs, improve awareness of autoimmune and allergic diseases and biologic therapies through more precise and effective marketing activities and patient education.

Due to these favorable changes, the autoimmune and allergic disease drug market in China expanded from US$7.2 billion in 2020 to US$8.5 billion in 2021, representing a 18.8% growth year on year, with the proportion of biologic drugs increased to about 15%. The market is expected to continue to unlock. According to Frost & Sullivan, it is expected to grow to US$44.0 billion in 2030, at a CAGR of 20.0% from 2021, and with the proportion of biologic drugs increased to about 60%. The market has significant further, long-term growth potential. On the demand side, although usually not fatal, autoimmune and allergic diseases are also usually incurable, and are classic chronic diseases that require long-term or even life-long care. Accordingly, patients have stable need for medication over long periods of time, resulting in high lifetime value (LTV). In addition, long-term medication causes drug resistance and adherence issues, creating a need for alternative therapies. Furthermore, the pathogenic mechanisms of many autoimmune and allergic diseases are not fully understood. One drug is often used for multiple indications, with varying response rates, indicating that the development of precision medicine and individualized treatment is still at a very early stage. On the supply side, compared with oncology, which is crowded with many international and domestic pharmaceutical companies, competition in the autoimmune and allergic drug market is relatively less intense and more rational. As indicated in the 2021 Drug Evaluation Report released by the NMPA, among 764 IND approvals granted in 2021, fewer than 130 were in the autoimmune and allergic field, compared with more than 440 in oncology.

We are well positioned to take advantage of this market opportunity. Since our establishment in 2015, we have exclusively focused on the autoimmune and allergic field and built a comprehensive pipeline covering the four major disease areas in the field, namely, skin, rheumatic, respiratory and digestive diseases.

- *Skin diseases.* Inflammatory skin diseases have large patient populations in China. According to Frost & Sullivan, there are expected to be 6.9 million Ps patients in China by 2030, 20% to 30% of whom having moderate-to-severe disease, indicating an estimated drug market of US$9.5 billion. In the same year, there are expected to be 81.3 million AD patients, 30% of whom having moderate-to-severe disease, indicating an estimated drug market of US$7.2 billion, and 2.1 million PN patients with no approved biologic therapies, indicating a market with substantial unmet medical needs.

- *Rheumatic diseases.* Inflammatory rheumatic diseases are multiple immune diseases, such as ankylosing spondylitis (AS), systemic lupus erythematosus (SLE) and lupus nephritis (LN). In addition to persistent and mysterious pain, rheumatic conditions can cause patients to develop deformities so severe that daily tasks like walking or getting dressed feel impossible. In 2030, there are expected to be 4.0 million AS patients in China, with an estimated drug market of US$6.7 billion, and 1.1 million SLE patients, with an estimated drug market of US$4.0 billion.

- *Respiratory diseases.* Inflammatory respiratory diseases, such as asthma, chronic rhinosinusitis with nasal polyps (CRSwNP) and chronic obstructive pulmonary disease (COPD), have large patient populations in China. In 2030, there are expected to be 78.1 million asthma patients in China, about 10% of whom having severe disease, indicating an estimated drug market of US$10.7 billion. In the same year, there are expected to be 23.1 million CRSwNP patients, with an estimated drug market of US$0.6 billion, and 110.8 million COPD patients, with an estimated drug market of US$7.4 billion.

- *Digestive diseases.* Inflammatory digestive diseases, such as ulcerative colitis (UC) and Crohn's disease (CD), are conditions characterized by chronic inflammation of the gastrointestinal tract, which can be aggressive and significantly impact the patient's quality of life. In 2030, there are expected to be 1.2 million UC and CD patients in China, with an estimated drug market of US$5.3 billion.

OUR DRUG CANDIDATES

The following chart summarizes our portfolio of drug candidates as of March 31, 2023.

Drug	Target	Indication	Preclinical	IND Approval	Phase I		Phase II	Phase III	Commercialization Rights		Expected Near-term Milestone
					Ia	Ib			China	Ex-China	
QX001S	IL-12/ IL-23p40	moderate-to-severe plaque Ps[1]							华东医药[2]	QYuns	Phase III completion in Q2 2023; BLA submission to NMPA in Q3 2023
		UC/CD									
QX002N★	IL-17A	AS							QYuns		Pre-Phase III consultation with NMPA in Q2 2023
		LN									
QX005N★	IL-4Rα	moderate-to-severe AD							QYuns		Phase II data readout and Pre-Phase III consultation with NMPA in Q3 2023
		PN[3]									Pre-Phase III consultation with NMPA in Q3 2023
		CSU[4]									
		CRSwNP[5]									Phase II commencement in Q2 2023
		moderate-to-severe asthma[5]									
QX004N	IL-23p19	Ps							QYuns		Phase Ib completion in 1H 2024
		CD									Phase Ia completion and Phase Ib commencement in Q4 2023
QX006N	IFNAR1	SLE							QYuns		Phase Ib completion in 1H 2024
QX008N	TSLP	asthma							QYuns		Phase Ib commencement in Q2 2023
		severe asthma[6]									
		moderate-to-severe COPD[7]									
QX007N	IL-33	COPD							QYuns		
QX013N	c-kit	CSU							QYuns		
QX010N	IL-31R	pruritus							QYuns		

Skin Rheumatic Respiratory Digestive

China United States Effective status as we may leverage completed Phase I trial results. See notes (4) and (5)

★ Core Product

AD: atopic dermatitis
AS: ankylosing spondylitis
CD: Crohn's disease
COPD: chronic obstructive pulmonary disease
CRSwNP: chronic rhinosinusitis with nasal polyps
CSU: chronic spontaneous urticaria
LN: lupus nephritis
PN: prurigo nodularis
Ps: psoriasis
SLE: systemic lupus erythematosus
UC: ulcerative colitis

IFNAR1: interferon-alpha/beta receptor subunit 1
IL-4Rα: interleukin-4 receptor subunit α
IL-12/IL-23p40: interleukin-12/interleukin-23 subunit p40
IL-17A: interleukin-17A
IL-23p19: interleukin-23 subunit p19
IL-31R: interleukin-31 receptor
IL-33: interleukin-33
TSLP: thymic stromal lymphopoietin

Notes:

(1) We directly commenced the Phase III clinical trial of QX001S for Ps after completion of the Phase I clinical trial as Phase II clinical trials are not required for biosimilars.

(2) In August 2020, we entered into a collaboration agreement with Zhongmei Huadong, a subsidiary of Huadong Medicine, with respect to the joint development and commercialization of QX001S in China. We retain the exclusive development and commercialization rights of QX001S outside China. For further details, please refer to "Business—Collaboration with Huadong Medicine."

(3) We directly commenced a Phase II clinical trial of QX005N for PN by leveraging the Phase Ia clinical trial results of QX005N for AD.

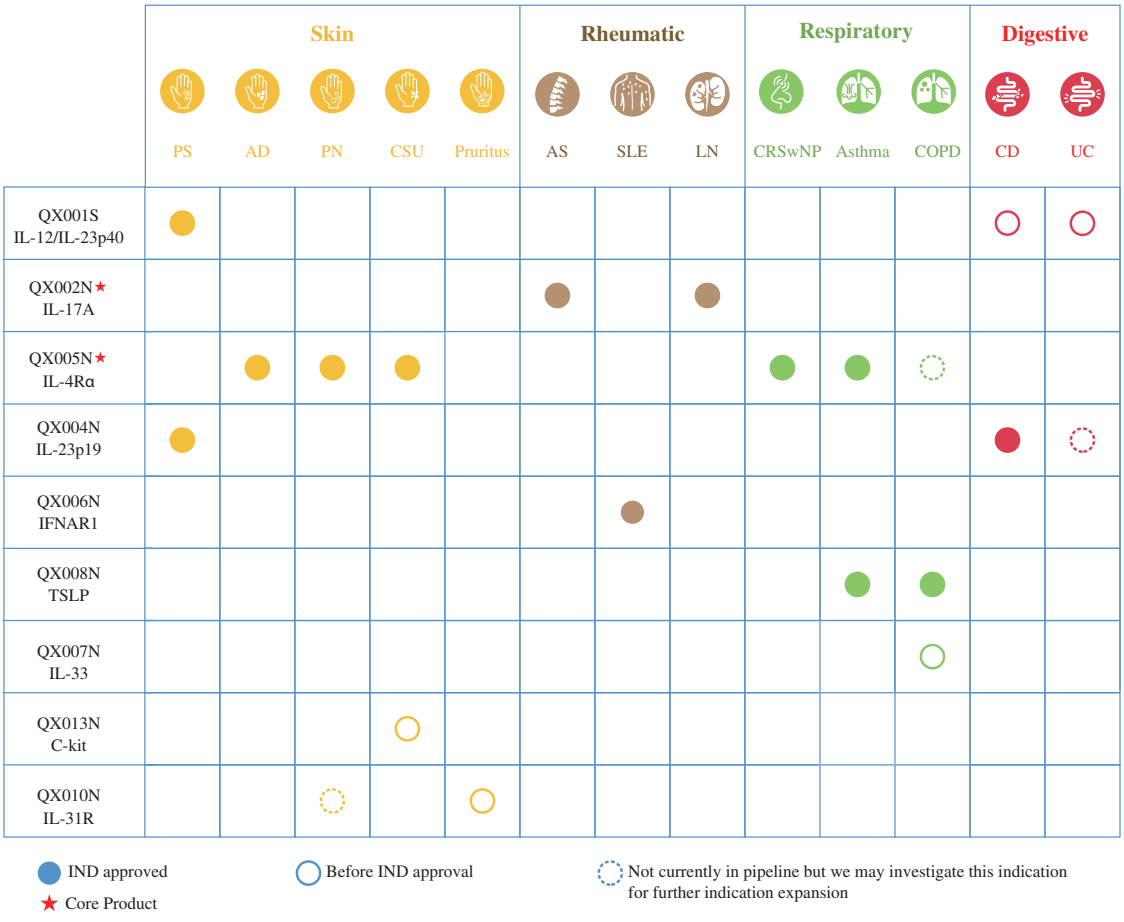
(4) We plan to consult with the NMPA about directly initiating a Phase III clinical trial of QX005N for CSU by leveraging the Phase I clinical trial results of QX005N for AD as well as the Phase II clinical trial results of QX005N for AD and/or PN.

(5) We expect QX005N to directly enter the Phase II clinical trial stage for CRSwNP and asthma by leveraging the Phase Ia clinical trial results of QX005N for AD.

(6) We obtained an IND approval of QX008N for the treatment of severe asthma from the FDA in September 2022 and intend to formulate a clinical development plan for QX008N in the United States depending on the data from our Phase Ia and Phase Ib clinical trials in China.

(7) We plan to consult with the NMPA about directly initiating a Phase III clinical trial of QX008N for COPD by leveraging the Phase I and Phase II clinical trial results of QX008N for asthma.

In the autoimmune and allergic disease field, there are often complex relationships between and among various targets and indications across disease areas. The chart below illustrates the position of our pipeline assets in context.



Our Core Products

QX002N

One of our Core Products, QX002N, is a high-affinity mAb targeting IL-17A, a key player in the pathological mechanism of various autoimmune diseases. IL-17A inhibitors, together with TNF-α inhibitors, are recommended by prevailing clinical guidelines as second-line treatment for AS patients with high disease activity after receiving first-line traditional treatments. Between the two classes of biologics, IL-17A inhibitors have shown clear clinical benefit in patients who are intolerant to or fail to achieve adequate disease control with TNF-α inhibitors.

We have obtained IND approval for QX002N for AS and LN and plan to prioritize the development of the former indication. QX002N demonstrated promising efficacy in our Phase Ib and Phase II clinical trials for AS. In our phase Ib clinical trial, 62.5% and 37.5% of subjects receiving QX002N (160 mg) once every 2 weeks achieved ASAS20 and ASAS40 responses at week 16, respectively. In March 2023, our Phase II clinical trial reached its primary endpoint as reviewed by the independent data monitoring committee (IDMC), which recommended that we proceed to a Phase III clinical trial. We expect to consult with the NMPA in the second quarter of 2023 for the commencement of such trial.

According to Frost & Sullivan, the prevalence of AS in China was 3.9 million in 2021, and is estimated to reach 4.0 million in 2030. The AS drug market in China was US$1.6 billion in 2021, and is estimated to reach US$6.7 billion in 2030, at a CAGR of 17.1%. Approved biologic drugs and drug candidates in clinical development in China for AS are exclusively TNF inhibitors and IL-17 inhibitors. The TNF inhibitors include adalimumab and numerous adalimumab biosimilars and proposed biosimilars. As of the Latest Practicable Date, there were two IL-17A antibody drugs approved for AS treatment in China, namely, secukinumab and ixekizumab, both of which had also been approved by the FDA. As of the same date, in addition to our QX002N, there were eight IL-17-targeting biologic candidates indicated for AS in the clinical stage in China. See "Industry Overview—Overview of the Autoimmune Disease Drug Market—Major Autoimmune Diseases—Ankylosing Spondylitis" for details.

QX005N

Our other Core Product, QX005N, is designed to inhibit IL-4Rα, a well-validated, broad-acting target for a wide range of indications. Because IL-4Rα controls the signaling of both IL-4 and IL-13, which is critical in the initiation of type 2 inflammation, it has emerged as a key target for new drug development in related indications. According to Frost & Sullivan, IL-4Rα inhibitors had been approved or were under development for 20 indications globally as of the Latest Practicable Date. Dupilumab, the first FDA-approved IL-4Rα inhibitor, is one of the best-selling biologic drugs globally for allergic diseases, with annual sales of US$8.7 billion in 2022.

As of the Latest Practicable Date, we had obtained IND approval for QX005N for five indications (namely, AD, PN, CRSwNP, CSU and asthma), one of the most among IL-4Rα-targeting drug candidates in China. QX005N demonstrated favorable safety and efficacy results in our Phase Ia and Phase Ib clinical trials for AD. In the Phase Ib clinical trial in patients with moderate-to-severe AD, in each of the 300 mg and 600 mg groups, 75.0% of subjects achieved EASI-75 responses and 50.0% of subjects reached IGA scores (0 or 1) at week 12 without significantly increased safety risks. We have started a Phase II clinical trial for AD and completed patient enrollment in February 2023. In addition, we commenced a Phase II clinical trial for PN in February 2023. According to Frost & Sullivan, QX005N was the first biologic drug candidate developed by a Chinese domestic company to start a clinical trial for PN in China. We also plan to commence a Phase II clinical trial of QX005N for CRSwNP in the second quarter of 2023.

The industry landscapes of the indications in China are as follows:

- *AD*. According to Frost & Sullivan, the prevalence of AD in China was 68.9 million in 2021, and is expected to reach 81.3 million in 2030. The AD drug market in China was US$0.8 billion in 2021, and is estimated to grow rapidly to reach US$7.2 billion in 2030, at a CAGR of 27.5%. As of the Latest Practicable Date, dupilumab was the only biologic drug approved in China for AD, which had also been admitted to the NRDL. As of the same date, there were 14 biologic candidates for AD in the clinical stage in China, among which 10 were IL-4Rα inhibitors. Biologics targeting IL-13, TSLP and IL-33 are also being developed for AD and CRSwNP. See "Industry Overview—Overview of the Allergic Disease Drug Market—Major Allergic Diseases—Atopic Dermatitis" for details.

- *PN*. According to Frost & Sullivan, the prevalence of PN in China was 1.9 million in 2021, and is estimated to reach 2.1 million in 2030. Development of the PN drug market in China is still at an early stage with no biologic drug approved as of the Latest Practicable Date. As of the same date, there were only three biologic candidates for PN in the clinical stage in China, all of which were IL-4Rα inhibitors. See "Industry Overview—Overview of the Allergic Disease Drug Market—Major Allergic Diseases—Prurigo Nodularis" for details.

- *CRSwNP*. According to Frost & Sullivan, the prevalence of CRSwNP in China was 20.1 million in 2021, and is estimated to reach 23.1 million in 2030. The CRSwNP drug market in China was US$130.6 million in 2021, and is expected to reach US$622.3 million in 2030, at a CAGR of 18.9%. As of the Latest Practicable Date, no biologic drug had been approved for the treatment of CRSwNP in China. As of the same date, there were nine biologic candidates for CRSwNP in the clinical stage in China, including three IL-4R inhibitors. Biologics targeting IL-5 and TSLP are also being developed for CRSwNP. See "Industry Overview—Overview of the Allergic Disease Drug Market—Major Allergic Diseases—Chronic Rhinosinusitis with Nasal Polyposis" for details.

Our Other Key Drug Candidates

- QX001S: QX001S is our first expected commercial drug and potentially China's first approved ustekinumab biosimilar. Initially approved by the FDA in 2009, ustekinumab was the first biologic treatment to selectively inhibit the IL-23 and IL-12 pathways and has been widely regarded as one of the major treatments for Ps worldwide. In 2021, it recorded sales of US$9.1 billion globally and ranked the ninth best-selling drug worldwide in the same year, according to Frost & Sullivan. In our preclinical studies and Phase I clinical trial for Ps, QX001S demonstrated a safety and PK profile comparable to that of ustekinumab. We are currently conducting a Phase III clinical trial of QX001S for Ps. In October 2022, this trial reached its primary endpoint as reviewed by the IDMC. We understand that Zhongmei Huadong, a subsidiary of Huadong Medicine and our commercialization partner for QX001S, plans to submit a BLA in China in the third quarter of 2023 and begin commercializing QX001S in the second half of 2024. We expect QX001S to be an affordable drug for a broad section of Ps patients. We also plan to develop QX001S for the treatment of UC and CD.

  According to Frost & Sullivan, the prevalence of Ps in China was 6.7 million in 2021 and is anticipated to reach 6.9 million in 2030. The Ps drug market in China was US$1.1 billion in 2021, and is estimated to grow to US$9.5 billion in 2030, at a CAGR of 27.1%. There are two main types of biologic drugs approved for Ps in China, namely, TNF inhibitors and IL inhibitors. As TNF inhibitors have significant limitations, including multiple adverse effects and a high rate of non-responsiveness, IL inhibitors are considered second-generation biologic treatments for Ps that will become mainstream. Among IL inhibitors, IL-23 is expected to be one of the mainstream targets for Ps treatment given its key role in the alleviation of inflammation and its superior efficacy

and safety profile in comparison with IL-17 inhibitors in clinical studies. As of the Latest Practicable Date, there were seven IL-targeting biologic drugs for Ps approved in China, among which ustekinumab and guselkumab were the only approved IL-12/IL-23 inhibitor and IL-23 inhibitor, respectively. As of the same date, there were four IL-12/IL-23 inhibitors as well as ten IL-17 inhibitors, five IL-23 inhibitors and two IL-36R inhibitors in clinical development in China. See "Industry Overview—Overview of the Autoimmune Disease Drug Market—Major Autoimmune Diseases—Psoriasis" for details.

- QX004N: We are developing QX004N, an IL-23p19 inhibitor, for Ps and CD. IL-23p19 has emerged as a key target associated with superior efficacy for Ps patients with more severe symptoms or inadequate response to existing treatments. QX004N showed a good safety profile based on preliminary results from our Phase Ia clinical trial. It also demonstrated a good safety profile and potency comparable to risankizumab, an FDA-approved IL-23 inhibitor for moderate-to-severe plaque Ps, in our preclinical studies. As of the Latest Practicable Date, we had commenced a Phase Ia and a Phase Ib clinical trial in China to evaluate QX004N for the treatment of Ps and expect to complete these trials in the second quarter of 2023 and the first half of 2024, respectively. We plan to initiate a Phase II clinical trial of QX004N for the treatment of Ps in China in the fourth quarter of 2023. We also commenced a Phase Ia clinical trial for the treatment of CD in China in February 2023.

  For the competitive landscape of Ps drugs in China, see QX001S above. According to Frost Sullivan, the prevalence of CD in China was 160,500 in 2021, and is estimated to reach 281,400 in 2030. The significantly overlapping UC/CD drug market in China was US$885.1 million in 2021, and is estimated to reach US$5,281.9 million in 2030, at a CAGR of 22.0%. As of the Latest Practicable Date, there were 11 biologic drugs for CD approved in China, including 9 TNF-α inhibitors (including infliximab, three infliximab biosimilars and five adalimumab biosimilars), 1 integrin α4/integrin β7 inhibitor and 1 IL-12/IL-23 inhibitor, namely, ustekinumab. The TNF-α inhibitors, integrin α4/integrin β7 inhibitors and IL-12/IL-23 inhibitors are expected to continue to be mainstream biologic treatments for CD in the near future. As of the same date, there were eight biologic candidates for CD in the clinical stage in China, five of which were IL-12/IL-23 inhibitors or IL-23 inhibitors. See "Industry Overview—Overview of the Autoimmune Disease Drug Market—Major Autoimmune Diseases" for details.

- QX006N: We are developing QX006N, an IFNAR1-targeting mAb, for the treatment of SLE. SLE has been a difficult indication for new drug development. SAPHNELO (anifrolumab), a first-in-class IFNAR1 inhibitor, was approved by the FDA in 2021, making it the only new SLE treatment in more than 10 years. (The previous approved SLE drug, belimumab, was, at its time, the first approved SLE drug in 50 years.) Anifrolumab demonstrated clear clinical benefit in patients with moderate-to-severe SLE in a Phase III study (TULIP-2) and a Phase IIb study (MUSE). As of the Latest Practicable Date, there were no approved IFNAR1 inhibitors in China for the treatment of SLE, indicating a huge underserved market. As of the same date, our QX006N was one of the only two IFNAR1 inhibitors developed by Chinese domestic companies that had entered the clinical stage

for SLE in China. QX006N showed a good safety profile based on preliminary results from our Phase Ia clinical trial, and promising potency and affinity comparable to those of an internally prepared anifrolumab analog in our preclinical studies. We expect to complete our ongoing Phase Ia clinical trial in healthy subjects in the second quarter of 2023. We also initiated a Phase Ib clinical trial in SLE patients in March 2023.

According to Frost & Sullivan, the prevalence of SLE in China is relatively stable, which was approximately 1 million in 2021 and is estimated to increase to 1.1 million in 2030. The SLE drug market in China was US$0.4 billion in 2021 and is estimated to reach US$3.4 billion in 2030, at a CAGR of 26.8%. As of the Latest Practicable Date, there were two approved biologics in China indicated for SLE, namely, belimumab and telitacicept. As of the same date, in addition to our QX006N, there were ten biologic candidates for SLE in the clinical stage in China, two of which were IFNAR1 inhibitors. See "Industry Overview—Overview of the Autoimmune Disease Drug Market—Major Autoimmune Diseases—Systemic Lupus Erythematosus" for details.

- QX008N: We are developing QX008N, a humanized IgG1 mAb targeting TSLP, for asthma and moderate-to-severe COPD. TSLP-targeting therapy is the only class of biologic drugs globally approved for asthma that can slow disease progression for asthma patients with low-level or no expression of type 2 biomarkers. QX008N demonstrated a potency superior to an internally prepared tezepelumab analog and exhibited a good safety profile based on preliminary results from our Phase Ia clinical trial. We are conducting a Phase Ia clinical trial in healthy subjects, which we expect to complete in the second quarter of 2023, and plan to initiate a Phase Ib clinical trial in the meantime.

  According to Frost & Sullivan, the prevalence of asthma and COPD in China was 65.9 million and 105.7 million in 2021, respectively, and is estimated to reach 78.1 million and 110.8 million in 2030, respectively. The asthma drug market in China was US$4.0 billion in 2021, and is estimated to reach US$10.7 billion in 2030, at a CAGR of 11.6%. The COPD drug market in China was US$3.3 billion in 2021, and is estimated to reach US$7.4 billion in 2030, at a CAGR of 9.6%. As of the Latest Practicable Date, omalizumab was the only biologic drug for asthma approved in China and no biologic drug had been approved for the treatment of COPD in China. As of the Latest Practicable Date, there were 28 biologic candidates for asthma in the clinical stage in China, including 7 TSLP inhibitors and 7 IL-4Rα inhibitors. Biologics targeting IgE and IL-5 are also being developed for asthma. As of the same date, there were six biologic candidates for COPD in the clinical stage in China, including two IL-33 inhibitors, one IL-4Rα inhibitor, one IL-5 inhibitor, one IL-5Rα inhibitor and one ST2 inhibitor, but none of them targets TSLP. See "Industry Overview—Overview of the Allergic Disease Drug Market—Major Allergic Diseases" for details.

OUR STRENGTHS

We believe our strengths are:

- Exclusive focus on autoimmune and allergic diseases, with comprehensive coverage of four major disease areas and deep knowledge of key therapeutic pathways;
- One of China's most comprehensive and advanced pipelines of biologics in autoimmune and allergic diseases;
- Commercial-scale in-house manufacturing capacity ensuring stable and cost-controllable supply of our products;
- Practical commercialization model leveraging strategic partnership to secure early product launch; and
- A visionary management team with rich industry experience and successful entrepreneurial track records.

OUR STRATEGIES

We plan to pursue the following strategies:

- Build leadership in dermatology, advance other drug candidates and strategically expand our pipeline;
- Continue to optimize CMC quality management system and improve production efficiency and enhance manufacturing capacity utilization;
- Cooperate with established pharmaceutical companies in commercialization;
- Explore international expansion opportunities; and
- Continue to recruit and develop talent.

RESEARCH AND DEVELOPMENT

We are a late clinical-stage biotech company exclusively focused on biologic therapies for autoimmune and allergic diseases, with a fully self-developed drug pipeline. We believe research and development is critical to our ability to grow into a biopharmaceutical company and remain competitive in the industry. We have established an integrated R&D platform as the foundation for our continuous innovation. The platform comprises five R&D components, including (i) innovative mAb screening and function verification; (ii) antibody structure analysis; (iii) cell line screening and process development; (iv) drug formulation development; and (v) preclinical and clinical sample analysis and testing. We also have established a

commercial-scale in-house manufacturing facility which seamlessly supports our R&D activities from preclinical and clinical trial drug manufacturing to future commercial manufacturing. As a result, we are able to conduct our R&D with high efficiency, having obtained 15 IND approvals over the past 7 years. We have developed all of our biologic drug candidates in-house and received a number of awards recognizing our R&D capabilities. We have set up two clinical development centers in Beijing and Shanghai and conduct our R&D activities through an in-house team, as well as engagement of external CROs, as is in line with industry practice. See "Business—Research and Development" for further details.

MANUFACTURING

We are one of only a few Chinese biotech companies that are focused on autoimmune and allergic diseases and have an established commercial-scale in-house manufacturing capability, according to Frost & Sullivan. Our state-of-the-art manufacturing facility was established according to the cGMP standards of China, the United States and the EU. Our drug substance manufacturing site has four 2,000L single-use bioreactors and one downstream purification/production line with an annual manufacturing capacity of approximately 300 kg therapeutic antibodies. Our drug product manufacturing site has one vial fill-finish and packaging production line and one prefilled syringe production line. We have completed the manufacturing of multiple batches of drug substance and drug products for various clinical trials, scale-up research and BLA-required process validation. We believe that our self-owned cGMP-standard manufacturing capability, coupled with our strong R&D capability, will allow us to achieve reliable cost control and ensure stable clinical and commercial drug supply to weather any supply chain disruptions.

COMMERCIALIZATION

In order to ensure the successful launch of our first expected commercial drug, QX001S, we entered into a strategic collaboration agreement with Zhongmei Huadong, a subsidiary of Huadong Medicine, in August 2020, with respect to the joint development and commercialization of QX001S in China. Huadong Medicine is experienced in chronic disease management and has strong sales networks for autoimmune and allergic drugs. As we are at an early stage of preparation for future commercialization of our drug candidates, building a large commercialization team would be time-consuming and expensive, which would increase our commercial risk and distract us from our R&D efforts. To address this conundrum, we strategically choose to cooperate with established pharmaceutical companies to quickly and cost-effectively commercialize selected products. We believe that the strategic cooperation with Huadong Medicine will help ensure effective and efficient commercialization of QX001S. Going forward, we also plan to leverage the strong physician resources and networks of established pharmaceutical companies to build connections with participants in the drug sales and distribution chain, to prepare us for future commercial launches of our other drug candidates. In the future, we plan to build a relatively small, indication-specialized in-house commercialization team, beginning with indications with relatively limited patient populations treated in a small number of key hospitals, leveraging our deep understanding of these indications and physician resources.

COLLABORATION WITH HUADONG MEDICINE

On August 14, 2020, we entered into a collaboration agreement (the "QX001S Agreement") with Zhongmei Huadong, a subsidiary of Huadong Medicine, with respect to the joint development and commercialization of QX001S in China. Huadong Medicine is a leading PRC pharmaceutical company listed on the Shenzhen Stock Exchange, whose business covers the whole pharmaceutical industrial chain, integrating R&D, manufacturing and sales of medicine. Pursuant to the QX001S Agreement, we agree to grant Zhongmei Huadong joint clinical development, manufacturing and exclusive commercialization rights of QX001S in China. We retain the full development and commercialization rights of QX001S outside China. Jiangsu Cellularforce Biopharma Co., Ltd. ("Cellularforce"), our CMC-focused subsidiary, shall be solely responsible for the commercial production of QX001S. On September 28, 2022, Zhongmei Huadong and Cellularforce entered into a supply agreement (the "QX001S Supply Agreement") with respect to the production of QX001S. To ensure that the production of QX001S is in compliance with the relevant regulations and technical specifications, Zhongmei Huadong and Cellularforce further entered into a production quality agreement (together with the QX001S Agreement and QX001S Supply Agreement, the "QX001S Agreements") on October 25, 2022. Zhongmei Huadong shall make an upfront payment of RMB30 million to us within ten days upon the execution of the QX001S Agreement and also make a milestone payment of RMB20 million to us within ten days after we complete the sample production of QX001S for a Phase III clinical trial and have, upon a consultation with the CDE, obtained consent to proceed with such trial. As of the Latest Practicable Date, we had received the upfront payment and milestone payment in a total of RMB50 million from Zhongmei Huadong under the QX001S Agreement. As of the same date, Zhongmei Huadong had completed the onsite assessment and verification of the manufacturing facility. We believe this collaboration with Huadong Medicine will enable us to leverage its market access, nationwide sales and marketing network targeting the autoimmune and allergic disease field as well as its extensive experience in chronic disease management, which will be crucial to ensure rapid commercialization of QX001S. For further details, please refer to "Business—Collaboration with Huadong Medicine."

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we held 27 patents in China, including 24 invention patents and 3 utility models, as well as 6 patents overseas. As of the same date, we also had 34 patent applications pending in China and overseas. As of the Latest Practicable Date, we had registered 79 trademarks and 4 trademark applications in the PRC and Hong Kong. As of the same date, we were also the registered owner of 21 domain names in the PRC. See "Business—Intellectual Property" for details. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material proceeding in respect of, and we had not received notice of any material claim of infringement of, any intellectual property rights that may be threatened or pending, in which we may be a claimant or a respondent that may have a material adverse impact on us.

RAW MATERIALS AND SUPPLIERS

During the Track Record Period, we primarily procured raw materials and consumables for the development and manufacture of our drug candidates from reputable suppliers. Our purchases mainly include third-party contracting services for preclinical and clinical studies of our drug candidates as well as raw materials, consumables and equipment. In 2021 and 2022, our purchases from our five largest suppliers in the aggregate accounted for 26.3% and 27.4% of our total purchases, respectively, while purchases from our largest supplier accounted for 8.3% and 12.1% of our total purchases, respectively. See "Business—Raw Materials and Suppliers" for further details.

OUR CONTROLLING SHAREHOLDERS AND CONTINUING CONNECTED TRANSACTIONS

Immediately upon completion of the [**REDACTED**] and without taking into account any Shares which may be issued pursuant to the exercise of the [**REDACTED**], Mr. Qiu will, directly or through Hangzhou Quanyi, Shanghai Quanyou and Xinfu Tongxin, control the voting rights of approximately [**REDACTED**]% of the total share capital of our Company.

Hangzhou Quanyi is an investment holding general partnership owned as to 50% by Mr. Qiu and 50% by Mr. Yu as its general partners. Pursuant to the supplemental partnership agreement of Hangzhou Quanyi entered into between Mr. Qiu and Mr. Yu on February 5, 2022, Mr. Qiu and Mr. Yu agreed and confirmed, among others, that since the date of establishment of our Company, they have been and would continue to be parties acting in concert and they have agreed to consult with each other and reach a consensus between themselves before making the decisions and exercising their voting rights through Hangzhou Quanyi at the Board and Shareholders' meetings and in the event that they are unable to reach consensus on any matter presented, the decisions of Mr. Qiu shall prevail. Shanghai Quanyou is an investment holding limited partnership whose general partner is Mr. Qiu. Xinfu Tongxin is one of our employee share incentive platforms whose general partner is Mr. Qiu. Accordingly, Mr. Qiu, Mr. Yu, Hangzhou Quanyi, Shanghai Quanyou and Xinfu Tongxin constitute a group of our Controlling Shareholders under the Listing Rules.

We have entered into certain agreements with Zhongmei Huadong, one of our substantial shareholders, who will become a connected person of our Company upon [**REDACTED**] and the transactions contemplated under such agreements will constitute connected transactions of our Company under Chapter 14A of the Listing Rules upon [**REDACTED**]. For details, see "Connected Transactions."

PRE-[REDACTED] INVESTMENTS

We have concluded several rounds of Pre-[**REDACTED**] Investments. Our broad and diverse base of Pre-[**REDACTED**] Investors include certain Sophisticated Investors, such as Zhongmei Huadong, Hongtai Aplus, Matrix Partners China, Triwise Capital, Efung Capital, Cowin Weiye and Everest VC. For details, see "History and Corporate Structure—Pre-[**REDACTED**] Investments."

SUMMARY OF KEY FINANCIAL INFORMATION

This summary historical financial information set forth below is derived from, and should be read in conjunction with, our consolidated financial information, together with the accompanying notes, set forth in "Appendix I—Accountants' Report" to this document, as well as the information set forth in "Financial Information" of this document. Our consolidated financial information has been prepared in accordance with IFRS.

Summary Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets forth a summary of our consolidated statements of profit or loss for the periods indicated.

	Year ended December 31,	
	2021	**2022**
	(Renminbi in thousands)	
Other income	34,886	25,726
Other net (loss)/gain	(2,817)	14,402
Administrative expenses	(48,804)	(76,603)
Research and development expenses	(151,887)	(257,214)
Loss from operations	(168,622)	(293,689)
Finance costs	(17,842)	(18,692)
Changes in the carrying amount of financial instruments issued to investors	(240,080)	—
Loss before taxation	(426,544)	(312,381)
Income tax	73	73
Loss for the year	(426,471)	(312,308)

Summary of Consolidated Statements of Financial Position

	As of December 31,	
	2021	**2022**
	(Renminbi in thousands)	
Total non-current assets	419,232	399,152
Total current assets	648,261	635,948
Total current liabilities	69,673	122,190
Net current assets	578,588	513,758
Total assets less current liabilities	997,820	912,910
Total non-current liabilities	293,654	251,497
Net assets	704,166	661,413

Summary Consolidated Statements of Cash Flows

	Year ended December 31,	
	2021	**2022**
	(Renminbi in thousands)	
Net cash used in operating activities	(122,576)	(225,212)
Net cash used in investing activities	(247,416)	(5,704)
Net cash generated from financing activities	281,482	211,494
Net decrease in cash and cash equivalents	(88,510)	(19,422)
Cash and cash equivalents at beginning of the year	309,287	218,055
Effect of foreign exchange rate changes	(2,722)	14,457
Cash and cash equivalents at ending of the year	218,055	213,090

Our primary uses of cash during the Track Record Period were funding our research and development of our biologic candidates, purchase of raw materials, settlement of construction fees of our manufacturing facility in Taizhou, as well as other working capital needs. During the Track Record Period, we primarily funded our working capital requirement through equity financing and loans and other borrowings. We monitor and maintain a level of cash and cash equivalents we consider adequate to finance our operations and mitigate the effects of fluctuations in cash flows. Going forward, we believe our liquidity requirements will be satisfied by using funds from a combination of bank balances, [**REDACTED**] from the [**REDACTED**], bank and other borrowings and cash generated from our operations.

Our Directors are of the opinion that, taking into account the financial resources available to our Group, including cash and cash equivalents, short-maturity financial products we purchased, unutilized bank facilities and the estimated [**REDACTED**] from the [**REDACTED**], we have sufficient working capital to cover at least 125% of our costs, including general, administrative and operating costs and research and development costs, for at least the next 12 months from the date of this document.

Our cash burn rate refers to our average monthly (i) net cash used in operating activities, which includes research and development expenses, and (ii) capital expenditures. Taking into account our cash and cash equivalents and short-maturity financial products we purchased, and assuming average monthly net cash used in operating activities and capital expenditures going forward of 1.5 times the average level in 2021 and 2022, we estimate we will be able to maintain our financial viability for 22.6 months from the date of this document without considering [**REDACTED**] from the [**REDACTED**]; or, if we also take into account the [**REDACTED**] from [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the low-end of the indicative [**REDACTED**] range), 30.7 months from the date of this document. Our Directors and our management team will continue to monitor our working capital, cash flows and our business development status.

KEY FINANCIAL RATIO

Our current ratio, which equals current assets divided by current liabilities, was 9.3 and 5.2 as of December 31, 2021 and 2022, respectively. See "Financial Information—Key Financial Ratio" for details.

[**REDACTED**] STATISTICS

The [**REDACTED**] by us consists of:

- the [**REDACTED**] by us of initially [**REDACTED**] H Shares, or [**REDACTED**], for subscription by the public in Hong Kong, referred to in this document as the [**REDACTED**]; and

- the [**REDACTED**] by us of initially [**REDACTED**] H Shares, or [**REDACTED**], outside the U.S. (including to professional, institutional and other investors within Hong Kong) in offshore transactions in reliance on Regulation S and in the U.S. to qualified institutional buyers in reliance on Rule 144A or another exemption from the registration requirements under the U.S. Securities Act, referred to in this document as the [**REDACTED**].

The number of [**REDACTED**] and [**REDACTED**], or together, [**REDACTED**], is subject to reallocation as described in the section headed "Structure of the [**REDACTED**]" in this document.

RECENT DEVELOPMENT

Completion of Clinical Trials

Phase Ib Clinical Trial of QX005N for AD

We completed a Phase Ib clinical trial of QX005N for the treatment of AD in China in February 2023. In this trial, similar response rates of QX005N were observed in the 300 mg and 600 mg groups, with 75.0% of subjects in each group reaching EASI-75 and 50.0% of subjects in each group reaching IGA score (0 or 1) at week 12 without significantly increased safety risks. See "Business—Our Drug Candidates—Our Skin Disease Drug Pipeline—Atopic Dermatitis—QX005N—Summary of Clinical Trial Results—Phase Ib Clinical Trial" for details.

Commencement of Clinical Trials

Phase Ib for QX006N for SLE

We commenced a Phase Ib clinical trial of QX006N for the treatment of SLE in China in March 2023. As of March 28, 2023, we had enrolled the first patient. We expect to complete such trial in the first half of 2024. See "Business—Our Drug Candidates—Our Rheumatic Disease Drug Pipeline—Systemic Lupus Erythematosus—QX006N—Summary of Clinical Trial Results—Ongoing Phase Ib Clinical Trial" for details.

Phase II Clinical Trial of QX005N for PN

We commenced a Phase II clinical trial of QX005N for the treatment of PN in China in February 2023. As of the Latest Practicable Date, we had enrolled 29 subjects. We expect to complete this trial in the first half of 2024. See "Business—Our Drug Candidates—Our Skin Disease Drug Pipeline—Prurigo Nodularis—QX005N—Summary of Clinical Trial Results—Ongoing Phase II Clinical Trial" for details.

Phase Ib Clinical Trial Clinical Trial of QX004N for Ps

We commenced a Phase Ib clinical trial of QX004N for the treatment of Ps in China in February 2023. As of the Latest Practicable Date, we had enrolled 10 subjects. We expect to complete this trial in the first half of 2024. See "Business—Our Drug Candidates—Our Skin Disease Drug Pipeline—Psoriasis—QX004N—Summary of Clinical Trial Results—Ongoing Phase Ib Clinical Trial" for details.

Phase Ia for QX004N for CD

We commenced a Phase Ia clinical trial of QX004N for the treatment of CD in China in February 2023. As of the Latest Practicable Date, we had enrolled 16 subjects. We expect to complete such trial in the fourth quarter of 2023. See "Business—Our Drug Candidates—Our Digestive Disease Drug Pipeline—Inflammatory Bowel Disease—QX004N—Summary of Clinical Trial" for details.

Impact of the COVID-19 Outbreak

We have not experienced any material disruption since the outbreak of the COVID-19 pandemic for our clinical activities, such as patient recruitment and clinical trials. Although the COVID-19 outbreak has caused some delays in our ongoing clinical trials of QX002N, QX004N, QX005N, QX006N and QX008N in China, the COVID-19 pandemic has not had a material impact on our overall clinical activities and development timeline. As of the Latest Practicable Date, the outbreak of COVID-19 had not caused any early termination of our clinical trials. We have employed various measures to mitigate any impact of the COVID-19 pandemic on our ongoing clinical trials and patient participation, including engaging new clinical trial sites to diversify the geographical location of clinical trials, adopting a variety of

remote working tools in clinical trials, including remote monitoring, video and/or phone call visits, electronic consent and electronic health records, engaging in frequent communications with our CROs and principal investigators to identify and address any issues that may arise and suggesting the investigators to encourage enrolled patients to visit qualified local hospitals for follow-up evaluations if necessary. Given that the PRC government has substantially lifted its COVID-19 prevention and control policies since December 2022, our Directors are of the view that it is unlikely that the COVID-19 pandemic will have a material adverse effect on our business going forward.

During the Track Record Period and up to the Latest Practicable Date, the COVID-19 pandemic did not have any material adverse effect on our results of operations and financial position. However, we cannot assure you that the COVID-19 pandemic will not further escalate or have material adverse effect on our performance in the future. Please see "Risk Factors—Risks Relating to Our Operations—We may experience additional challenges related to the COVID-19 pandemic" for details.

No Material Adverse Change

Our Directors confirm that, as of the date of this document, there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since December 31, 2022, the end of the period reported on in the Accountants' Report set out in Appendix I to this document.

FUTURE PLANS AND [REDACTED]

We estimate that we will receive [**REDACTED**] of approximately HK$[**REDACTED**] after deducting the [**REDACTED**] fees and expenses payable by us in the [**REDACTED**], assuming no exercise of the [**REDACTED**] and assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the mid-point of the indicative [**REDACTED**] range of HK$[**REDACTED**] to HK$[**REDACTED**] per [**REDACTED**] set out in this document. We intend to use the [**REDACTED**] from the [**REDACTED**] for the following purposes:

(a) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be allocated for the development and registration of our Core Product, QX002N;

(b) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be allocated for the development and registration of our other Core Product, QX005N;

(c) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be allocated for the development and registration of QX004N;

(d) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be allocated for clinical development of our other clinical-stage products, including QX006N and QX008N; and

(e) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be allocated for the research and development of our early-stage assets, including QX007N, QX010N and QX013N, and drug discovery.

RISK FACTORS

There are certain risks and uncertainties involved in investing in our H Shares, some of which are beyond our control. These risks are set out in "Risk Factors" in this document. Some of the major risks we face include: (i) we depend substantially on the success of our drug candidates, all of which are undergoing preclinical or clinical development and if we are unable to successfully complete clinical development of our drug candidates, or experience significant delays in doing so, our business prospects will be significantly impacted; (ii) our drug candidates will be subject to intense competition after commercialization and may fail to compete effectively against their competitors; (iii) we have no track record in commercializing our drug candidates and our collaboration with pharmaceutical companies to market our drug candidate and our plan to establish an indication-specialized in-house commercialization team may not materialize as we expected; (iv) if we are unable to obtain and maintain patent protection for our drug candidates through intellectual property rights, third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us, and the commercial prospects of our drug candidates would be materially and adversely affected; and (v) we have incurred significant operating losses since our inception and anticipate that we will continue to incur operating losses for the foreseeable future and may never become profitable.

[**REDACTED**] EXPENSES

Our [**REDACTED**] expenses include [**REDACTED**], professional fees and other fees incurred in connection to the [**REDACTED**] and the [**REDACTED**]. [**REDACTED**] expenses to be borne by us are estimated to be approximately RMB[**REDACTED**] (including [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the mid-point of the indicative [**REDACTED**] range of HK$[**REDACTED**] to HK$[**REDACTED**] per [**REDACTED**]), and assuming no Shares are issued pursuant to the [**REDACTED**]. In 2021, the [**REDACTED**] expenses charged to profit or loss were RMB[**REDACTED**] (HK$[**REDACTED**]) and the [**REDACTED**] expenses capitalized to deferred [**REDACTED**] expenses were RMB[**REDACTED**] (HK$[**REDACTED**]). In 2022, the [**REDACTED**] expenses charged to profit or loss were RMB[**REDACTED**] (HK$[**REDACTED**]) and the [**REDACTED**] expenses capitalized to deferred [**REDACTED**] expenses were RMB[**REDACTED**] (HK$[**REDACTED**]). Approximately RMB[**REDACTED**] is expected to be charged to our consolidated statements of profit or loss for the year ending December 31, 2023, and approximately RMB[**REDACTED**] is expected to be accounted for as a deduction from equity upon the [**REDACTED**]. The [**REDACTED**] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.