DualityBio (9606 HK)

Pioneering ADC + IO 2.0 paradigm with next-generation blockbuster ADC

BUY (Maintain)

Target Price	**HK$383.47**
(Previous TP	HK$367.06)
Up/Downside	**34.9%**
Current Price	**HK$284.20**

DualityBio is rapidly emerging as a premier global ADC player. Its near-term value is anchored by DB-1311, a best-in-class B7-H3 ADC with blockbuster potential in prostate cancer. In addition, the Company is pioneering the novel "ADC + IO 2.0" paradigm through its BioNTech collaboration. With highly anticipated clinical data readouts expected throughout 2026, multiple near-term catalysts are poised to drive significant valuation upside, in our view. We maintain our BUY rating with a revised target price of HK$383.47.

- **DB-1311 (B7-H3 ADC): blockbuster potential in mCRPC with broad indication optionality.** We view metastatic castration-resistant prostate cancer (mCRPC) as DB-1311's primary value driver. The asset has demonstrated striking durability in heavily pretreated cohorts (11.3-month median rPFS; 22.5-month mOS), maintaining robust efficacy even post-Pluvicto. Alongside a highly tolerable safety profile, DB-1311 is favorably positioned against direct competitors like Pluvicto and I-DXd. As it advances into a pivotal global Phase 3 trial aimed at displacing docetaxel, DB-1311 is primed to capture significant share in a multi-billion-dollar prostate cancer market already validated by Pluvicto's commercial trajectory. Beyond mCRPC, expansion into gynecological oncology and lung cancer offers substantial upside. Crucially, we identify the combination of DB-1311 with BNT327 (PD-L1/VEGF) as a major near-term value inflection point, with data readouts in SCLC/NSCLC and other advanced solid tumors in 2026.
- **DB-1310 (HER3 ADC): highly differentiated with early-line expansion potential.** DB-1310 has delivered compelling early-stage efficacy signals in heavily pretreated HR+/HER2- breast cancer (61.5% ORR; 14.78-month mPFS) and post-osimertinib EGFR-mutant NSCLC (8.28-month mPFS). This robust clinical activity is underpinned by a best-in-class safety profile, highlighted by remarkably low interstitial lung disease (ILD) incidence. This favorable therapeutic window provides a strategic pathway for DB-1310 to advance into earlier treatment lines, including 1L EGFR-mutant NSCLC in combination with osimertinib. With DualityBio retaining full global rights, DB-1310 represents an attractive out-licensing opportunity.
- **Pioneering the "ADC + IO 2.0" paradigm**. DualityBio is a first-mover in next-generation combination therapies, partnering with BioNTech to evaluate its proprietary ADCs (DB-1303/HER2, DB-1311/B7-H3, and DB-1305/TROP2) alongside pumitamig (PD-L1/VEGF) across four global Phase 1/2 trials. Initial AACR 2025 data for the DB-1305 combination established strong proof-of-concept for the "ADC + IO 2.0" thesis, demonstrating enhanced anti-tumor activity and a highly manageable safety profile. Looking ahead, we anticipate significant clinical catalysts in 2026 from combination readouts in TNBC (+TROP2 ADC), breast cancer (+HER2 ADC), and SCLC/NSCLC (+B7-H3 ADC).
- **Maintain BUY**. Given the recent positive clinical data of B7H3 ADC in mCRPC reinforcing its potential, we revise our DCF-based TP to HK$383.47 from HK$367.06 (WACC: 9.87%, terminal growth rate: 3.5%).

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	1,941	1,852	1,745	1,259	2,254
YoY growth (%)	8.7	(4.6)	(5.8)	(27.8)	79.1
Net profit (RMB mn)	(1,050.4)	(2,594.8)	(79.7)	(518.7)	(412.9)
EPS (Adjusted) (RMB)	-	(39.82)	(0.88)	(5.75)	(4.58)
R&D expenses (RMB mn)	(837)	(838)	(880)	(924)	(1,240)

Source: Company data, Bloomberg, CMBIGM estimates

China Healthcare

Jill WU, CFA
(852) 3900 0842
jillwu@cmbi.com.hk

Andy WANG
(852) 3657 6288
andywang@cmbi.com.hk

Stock Data

Mkt Cap (HK$ mn)	25,617.1
Avg 3 mths t/o (HK$ mn)	240.3
52w High/Low (HK$)	NA/NA
Total Issued Shares (mn)	90.1

Source: FactSet

Shareholding Structure

LAV Fund	19.0%
King Star Med Lp	7.5%

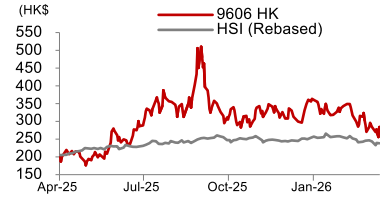
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-9.8%	-3.7%
3-mth	-9.2%	-6.0%
6-mth	-15.4%	-11.4%

Source: FactSet

12-mth Price Performance



Source: FactSet

Content

DB-1311: A best-in-class B7-H3 ADC with massive commercial optionality

We view DualityBio's DB-1311/BNT324 (partnered with BioNTech) as a highly differentiated, potential best-in-class B7-H3 ADC. The primary value driver is metastatic castration-resistant prostate cancer (mCRPC), where DB-1311 recently demonstrated striking durability in heavily pretreated patients (median rPFS of 11.3 months, mOS of 22.5 months), maintaining robust activity even post-Pluvicto. Supported by a highly tolerable safety profile, these data position DB-1311 favorably against direct competitors such as Pluvicto and Daiichi Sankyo's I-DXd. As the asset advances into a global pivotal Phase 3 trial aimed at displacing docetaxel, we believe it is well-positioned to capture significant share in a multi-billion-dollar market already validated by Pluvicto's commercial trajectory.

Beyond prostate cancer, DB-1311 offers significant indication expansion potential. In gynecological oncology, the asset is rapidly emerging as a competitive contender. In advanced cervical cancer, an impressive 33.3% ORR and 7.0-month mPFS position DB-1311 as a direct competitive threat to the approved TF ADC, Tivdak. Additionally, in platinum-resistant ovarian cancer (PROC), it delivered a 58.3% ORR and an 8.2-month mPFS in a biomarker-unselected population, potentially unlocking a vastly larger addressable market than the current standard-of-care, Elahere (FRα ADC). We expect further data update of DB-1311 monotherapy in cervical cancer and PROC in 1H26E. Furthermore, DB-1311 has generated highly competitive monotherapy data in late-line small cell lung cancer (SCLC).

Nevertheless, we view the DB-1311 and BNT327 (PD-L1/VEGF bispecific) combination as the asset's most significant value-inflection point. Rather than competing in highly saturated monotherapy markets such as SCLC, DualityBio is strategically advancing this synergistic ADC/next-generation IO pairing through Phase 2 trials across lung, gynecological, and other solid tumors. We anticipate the initial combination data readouts in 2026 will serve as major catalysts, potentially unlocking lucrative front-line settings in both SCLC and NSCLC. Furthermore, DualityBio retains the right to option into a 50% profit-share for DB-1311 in the US, providing substantial long-term financial upside as the asset advances toward commercialization.

mCRPC: a multi-billion-dollar primary value driver for DB-1311

In our view, the key attraction of DB-1311 lies in its promising efficacy and highly manageable tolerability in a heavily pretreated mCRPC population—a setting where treatment options remain limited and outcomes are typically poor. Across the updated Phase 1/2 dataset, DB-1311 demonstrated a median radiographic rPFS of 11.3 months and a median OS of 22.5 months. We consider this highly notable given the advanced treatment history of the enrolled population. Crucially, robust activity was maintained even in patients previously treated with Pluvicto, suggesting DB-1311 will have significant utility in the increasingly relevant post-Pluvicto treatment landscape.

Striking rPFS and OS in heavily pretreated, post-Pluvicto mCRPC

The updated data of DB-1311 in its Phase 1/2 study (DB-1311-O-1001) was recently released (link), evaluating 146 heavily pretreated mCRPC patients (median of 4 prior lines of therapy; 45% from USA, 34% from East Asia and 21% from Australia). The efficacy readout is highly encouraging, given the refractory nature of the cohort, whether before and after prior treatment with Pluvicto/(177Lu)-PSMA-617.

Figure 1: Phase 1/2 study design and baseline in the prostate cancer cohorts

Key inclusion criteria:
- ≥18 years of age
- ≥1 measurable lesion per RECIST v1.1 (bone-only disease allowed)
- ECOG PS 0–1
- Adequate organ function
- ≥6-week washout for RLT
- Progressive mCRPC (serum testosterone <50 ng/dL and PD defined by PCWG3 criteria)
- Non-progressive advanced/unresectable, or mCSPC with suboptimal PSA response (*Cohort 18 only*)

Key exclusion criteria:
- Prior B7H3-targeted therapy
- Prior topoisomerase I ADC

Study phase/cohort	Additional inclusion criteria	Status
Phase 1 Dose escalation/backfill		**n=27 Complete**
Phase 2:		
Cohort 4 Dose optimization	• Prior docetaxel; docetaxel rechallenge allowed • Prior ARPI	**n=42 Complete**
Cohort 11 Post Lu 177 RLT	• 1–2 lines of systemic chemotherapy, including docetaxel • Prior ARPI • Prior Lu 177 RLT	**n=39 Complete**
Cohort 12 Taxane-naïve	• Taxane-naïve; prior (neo)adjuvant use >12 months earlier allowed • Prior ARPI	**n=38 Complete**
Cohort 16 Taxane-naïve combo enzalutamide	• Taxane-naïve; prior (neo)adjuvant use >12 months earlier allowed • 1 prior ARPI other than enzalutamide	**Enrolling**
Cohort 17 Taxane-naïve combo abiraterone	• Taxane-naïve; prior (neo)adjuvant use >12 months earlier allowed • 1 prior ARPI other than abiraterone	**Enrolling**
Cohort 18 CSPC with suboptimal PSA response, combo enzalutamide/abiraterone	• PSA level ≥5.0 ng/mL prior to ADT • ADT + ARPI for ≥4 months • PSA ≥0.2 ng/mL on 2 occasions within 14 days of enrollment	**Enrolling**

Enrollment into Cohorts 11 and 12 is now complete with 40 patients in each cohort; at data cutoff, 39/40 (Cohort 11) and 38/40 (Cohort 12) patients were enrolled.

Table 1. Baseline patient and disease characteristics

n (%)		Overall N=146	Prior Lu 177 RLT n=52
Race*	White	71 (48.6)	33 (63.5)
	Asian	52 (35.6)	7 (13.5)
	Black or African American	16 (11.0)	8 (15.4)
ECOG PS	0	51 (34.9)	20 (38.5)
	1	95 (65.1)	32 (61.5)
Site of metastasis	Bone	127 (87.0)	44 (84.6)
	Bone only	60 (41.1)	26 (50.0)
	Lymph node	55 (37.7)	15 (28.8)
	Liver	23 (15.8)	6 (11.5)
	Lung	27 (18.5)	6 (11.5)
Prior lines‡	1	15 (10.3)	5 (9.6)
	2	28 (19.2)	4 (7.7)
	3	25 (17.1)	4 (7.7)
	4	27 (18.5)	8 (15.4)
	≥5	44 (30.1)	28 (53.8)
Prior treatment	ARPI	141 (96.6)	50 (96.2)
	1	74 (50.7)	25 (48.1)
	2	49 (33.6)	20 (38.5)
	≥3	18 (12.3)	5 (9.6)
	Docetaxel	101 (69.2)	44 (84.6)
	Cabazitaxel	42 (28.8)	22 (42.3)
	Platinum	24 (16.4)	12 (23.1)
	IO	23 (15.8)	16 (30.8)
	PARPi	20 (13.7)	7 (13.5)

*7 patients had race listed as "Other". ‡Number of prior lines was missing for 7 patients.

Source: Company data, CMBIGM
Note: Trial ID DB-1311-O-1001.

With a median follow-up of 6.5 months, in the overall evaluable cohort (n=129), DB-1311 delivered a median radiographic progression-free survival (rPFS) of 11.3 months and a median overall survival (OS) of 22.5 months. In the post-Pluvicto subgroup (n=52), the median number of prior lines was 5,

and 45 (86.5%) had also received a taxane; 21 (40.4%) had received both docetaxel and cabazitaxel. In the 45 post-Pluvicto efficacy evaluable patients, DB-1311 maintained a median rPFS of 11.3 months, while median OS was not reached. Outcomes remained remarkably durable even in patients who had previously failed both Pluvicto and taxane-based chemotherapy. Meanwhile, in the subgroup without prior Pluvicto treatment, the median rPFS reached 13.6 months, and the median OS maintained as 22.5 months. Additionally, the outcomes were similar among the patients with the longest follow-up in the study (median 14 months for 67 patients from Part 1 and Cohort 4), with median rPFS of 11.3 months and mOS of 22.5 months.

Figure 2: Efficacy outcomes according to prior Pluvicto in the Phase 1/2 study

[95% CI]	Overall population n=129	Prior Lu 177 RLT			No prior Lu 177 RLT n=84
		Overall n=45	+ taxane n=39	+ docetaxel + cabazitaxel n=17	
Median rPFS, months	11.3 [8.1, 16.4]	11.3 [8.1, ne]	11.3 [8.1, ne]	NE [5.7, ne]	13.6 [7.2, 16.8]
12-month rPFS rate, %	49.3	39.1	37.4	56.5	51.0
Median OS, months	22.5 [14.0, ne]	NE [11.7, ne]	NE [11.7, ne]	NE [6.6, ne]	22.5 [12.2, ne]
12-month OS rate, %	68.6	79.1	78.0	80.8	65.8

Evaluable for rPFS defined as having baseline efficacy assessment and ≥1 post-baseline assessment or treatment discontinuation

Source: Company data, CMBIGM
Note: Trial ID DB-1311-O-1001.

DB-1311's data compares highly favorably against both standard-of-care and pipeline competitors in late-line mCRPC settings: 1) Vs. Daiichi Sankyo's I-DXd (B7-H3 ADC): DB-1311's mPFS of 11.3 months and mOS of 22.5 months vastly exceed the mPFS of 4.8 months and mOS of 13.5 months previously reported for I-DXd in heavily pre-treated CRPC (link). 2) Vs. Novartis's Pluvicto: Pluvicto plus standard of care delivered an mPFS of 8.7 months and an mOS of 15.3 months (VISION Ph3 trial, link). DB-1311 not only shows numerically superior absolute months but also proves highly active after Pluvicto failure, positioning it as a vital sequential or alternative therapy.

Clean and differentiated safety profile of DB-1311 in mCRPC

In the cohort receiving the optimized 6 mg/kg Q3W dose (n=110, Ph3 dose), DB-1311 demonstrated a highly tolerable safety profile, a critical differentiator in the competitive ADC space. Grade 3 Treatment-Related Adverse Events (TRAEs) occurred in only 20.0% of patients, far lower than the industry average for ADCs in solid tumors, which primarily consisting of manageable hematological events such as neutrophil count decrease (8.2%) and anemia (7.3%). TRAEs leading to dose reduction and treatment discontinuation were low at 8.2% and 5.5%, respectively. Only one Grade 4 TRAE (platelet count decreased) was reported and TRAE of adjudicated ILD occurred in 1 (0.9%) patient (Grade 2). Crucially, there were zero TRAEs leading to death, and low-grade nausea and fatigue were the most common overall events.

Pivotal Phase 3 aims to displace docetaxel and redefine the mCRPC landscape

DualityBio and BioNTech are rapidly advancing DB-1311 into a global, randomized Phase 3 trial (BNT324-03; NCT07365995) evaluating the ADC against docetaxel in taxane-naïve mCRPC patients who have progressed on 1–2 prior androgen receptor pathway inhibitors (ARPIs). Importantly, the protocol strategically permits the enrollment of post-Pluvicto patients, which broadens the addressable market. The study is powered for dual primary endpoints of rPFS and OS, with first-patient-in (FPI) expected imminently.

We view the head-to-head design against docetaxel as a critical commercial lever. While docetaxel remains the standard-of-care first-line chemotherapy (post ARPIs), its clinical utility is hampered by severe toxicities (e.g., neutropenia, neuropathy) and limited durability. If DB-1311 successfully replicates its favorable Phase 1/2 efficacy and tolerability profile in this pivotal study, it is uniquely positioned to displace docetaxel and establish a new standard of care in taxane-naïve mCRPC, regardless of prior Pluvicto exposure.

Prostate cancer represents a multi-billion-dollar indication

The commercial opportunity in prostate cancer is massive and expanding. Novartis's Pluvicto serves as a strong market proxy, having reached US$2.0 billion in global sales in FY2025 (+42% YoY). Pluvicto's growth has been driven by its label expansion into the pre-taxane mCRPC setting (approved March 2025), in addition to its 2022 post-taxane approval. The drug is also under FDA review for mHSPC (NDA submitted in the US in 4Q25), with approval expected in 2H26—further expanding the PSMA-targeted market.

Figure 3: Ph3 trials of Novartis's Pluvicto in CRPC

Target Indication / Patient Population	Trial Name	NCT Number	Trial Regimen (Experimental vs. Control)	Current Status / Timeline
PSMA+ mCRPC (post-AR pathway inhibition & post-taxane chemotherapy)	VISION	NCT03511664	Pluvicto + Best SoC vs SoC alone	Approved (March 2022)
PSMA+ mCRPC (post-ARPI, pre-chemotherapy/appropriate to delay chemo)	PSMAfore	NCT04689828	Pluvicto vs ARPI switch (Abiraterone or Enzalutamide)	Approved (March 2025)
PSMA+ mHSPC	PSMAddition	NCT04720157	Pluvicto + SoC vs SoC alone (ARPI)	NDA Submitted (Approval expected 2H 2026)
Metachronous PSMA+ oligometastatic prostate cancer	PSMA-DC	NCT05939414	Pluvicto + SoC vs SoC alone (Observation or Metastasis-Directed Therapy)	Ongoing (Data readout expected in 2028)

Source: Novartis, CMBIGM

While multiple B7-H3 ADCs are in global Phase 3 development, most peers are heavily focused on SCLC. DualityBio is strategically targeting differentiated indications, directly challenging MSD's I-DXd in CRPC. Given its post-ARPIs pre-taxane Phase 3 positioning, robust efficacy regardless of prior Pluvicto exposure, and vastly superior Phase 2 data, DB-1311 is uniquely positioned to capture significant market share in CRPC. Furthermore, leveraging its differentiated safety profile, DB-1311 is already being evaluated in combination with ARPIs in taxane-naïve mCRPC and CSPC (Cohorts 16–18 of the ongoing Phase 1/2 DB-1311-O-1001 trial), paving the way for lucrative first-line combination use and cementing its role as a foundational therapy in this high-unmet-need landscape.

Figure 4: Global development of B7-H3 ADC

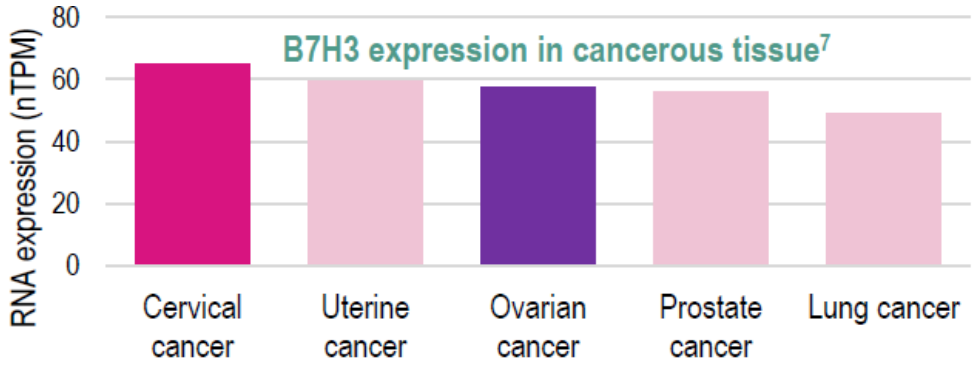
Drug Name	Research Institute	Global Highest Phase	CN Highest Phase	US Highest Phase	Ph3 indications
ifinatamab deruxtecan	Merck & Co.; Daiichi Sankyo	Phase III	Phase III	Phase III	**CRPC**, SCLC, ESCC
MHB088C	Qilu Pharma; Minghui Pharma	Phase III	Phase III	-	SCLC, ESCC
DB-1311	BioNTech; DualityBio	Phase III	Phase II	Phase II	**CRPC**
tambotatug pelitecan	Roche; MediLink	Phase III	Phase III	Phase I/II	SCLC, ESCC, NPC
risvutatug rezetecan	GSK; Hansoh	Phase III	Phase III	Phase III	SCLC, NSCLC, Osteosarcoma
vobramitamab duocarmazine	MacroGenics; Byondis	Phase II/III	-	Phase II	-

Source: PharmCube, CMBIGM

Broad indication expansion potential of DB-1311 beyond prostate cancer

We see significant pan-tumor potential for DB-1311 beyond the prostate cancer indication. Broad B7-H3 overexpression—which correlates with poor prognosis—is notably highest in gynecological malignancies (cervical, uterine, ovarian) and robust in lung cancer. This widespread expression provides a strong biological rationale for a "pipeline-in-a-product" strategy, unlocking significant long-term commercial upside across multiple high-unmet-need solid tumors.

Figure 5: Broad B7-H3 RNA expressions across tumors

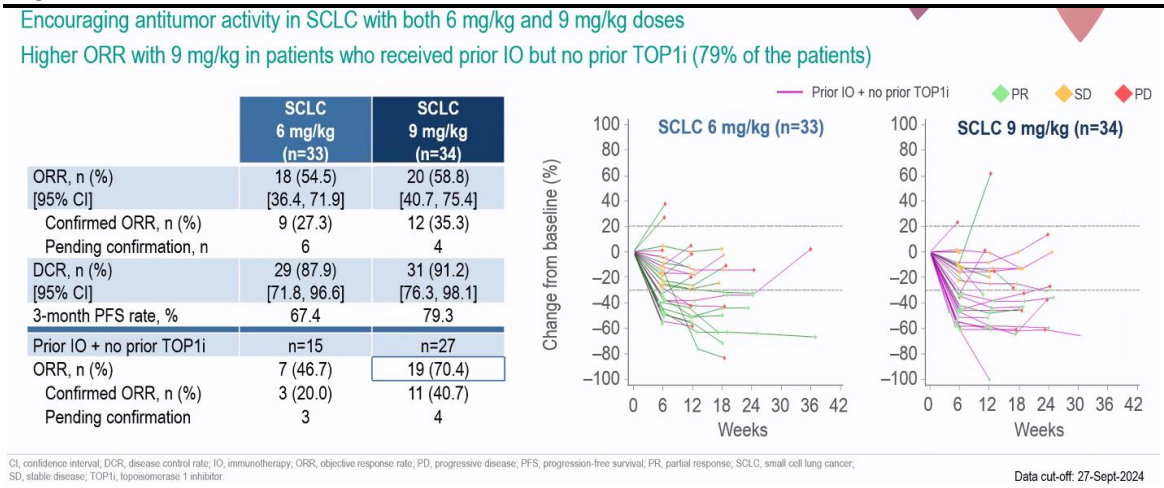


Source: Company data, CMBIGM

Pivoting to high-value first-line combinations in lung cancer

Beyond its primary value driver in mCRPC, DB-1311 has demonstrated highly competitive clinical activity in Small Cell Lung Cancer (SCLC). In the 3L+ SCLC setting (post-immunotherapy), DB-1311 delivered compelling ORR of 54.5% and 58.8% at the 6 mg/kg and 9 mg/kg doses, respectively. Notably, in patients with prior IO but no prior topoisomerase I inhibitor (TOP1i) exposure, the ORR reached an impressive 70.4% in the 9 mg/kg cohort.

Figure 6: DB-1311 in late-line SCLC



	SCLC 6 mg/kg (n=33)	SCLC 9 mg/kg (n=34)
ORR, n (%) [95% CI]	18 (54.5) [36.4, 71.9]	20 (58.8) [40.7, 75.4]
Confirmed ORR, n (%)	9 (27.3)	12 (35.3)
Pending confirmation, n	6	4
DCR, n (%) [95% CI]	29 (87.9) [71.8, 96.6]	31 (91.2) [76.3, 98.1]
3-month PFS rate, %	67.4	79.3
Prior IO + no prior TOP1i	n=15	n=27
ORR, n (%)	7 (46.7)	19 (70.4)
Confirmed ORR, n (%)	3 (20.0)	11 (40.7)
Pending confirmation	3	4

CI, confidence interval; DCR, disease control rate; IO, immunotherapy; ORR, objective response rate; PD, progressive disease; PFS, progression-free survival; PR, partial response; SCLC, small cell lung cancer; SD, stable disease; TOP1i, topoisomerase 1 inhibitor.

Source: Company data, ESMO Asia 2024, CMBIGM

While DB-1311's monotherapy profile in SCLC is undeniably strong, the late-stage B7-H3 ADC landscape in this indication is increasingly crowded. Consequently, we view DualityBio's strategic pivot toward combination regimens as a prudent move to capture first-line market share. We expect the company to focus its lung cancer exploration (across both SCLC and NSCLC) on combinations with BioNTech's pumitamig (BNT327, PD-L1/VEGF bsAb). Initial data readouts for this promising combination strategy are anticipated in 2026.

Emerging as a best-in-class contender in gynecological cancers

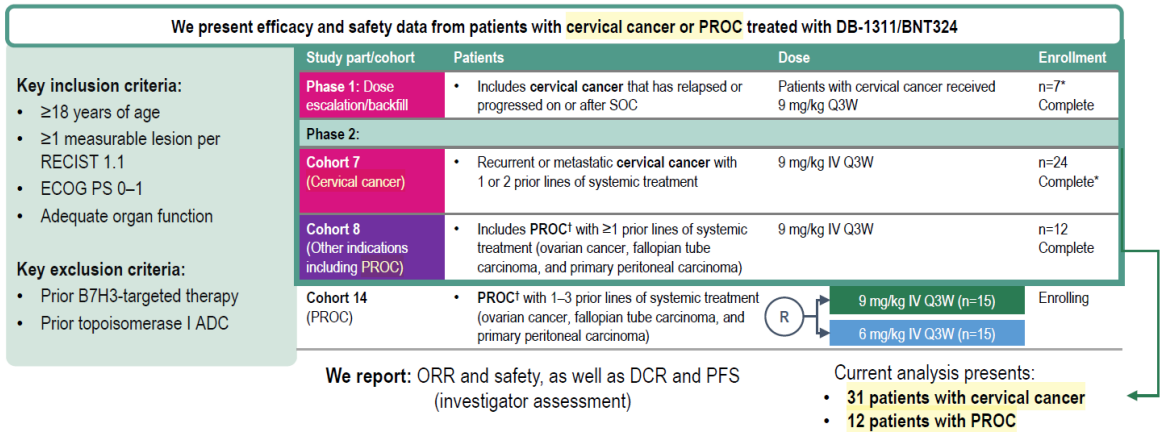
DB-1311 is establishing itself as a highly compelling candidate in gynecological oncology, with early data suggesting significant efficacy and market-sizing advantages over current standard-of-care (SoC) ADCs. Data presented at ESMO Asia 2025 (link) revealed that in a heavily pretreated cohort of 12 patients with platinum-resistant ovarian cancer (PROC) (median 3 prior lines of therapy; 66.7% prior bevacizumab, 58.3% prior PARP inhibitors), DB-1311 at 9 mg/kg Q3W delivered a cORR of

58.3% and a median PFS of 8.2 months. For context, Elahere (FRα ADC), the current SoC for PROC, demonstrated a 42% ORR and an mPFS of 5.6 months in its pivotal trial (link).

Crucially, Elahere's label is strictly restricted to patients with high FRαexpression, limiting its use to approximately 35–40% of the PROC population. DB-1311's ability to drive robust efficacy in a biomarker-unselected population potentially will translate to a significantly larger total addressable market and a distinct commercial advantage in the PROC space, upon further verification in larger clinical trials. A DB-1311 monotherapy dose-optimization study cohort (NCT05914116) targeting PROC is underway.

Figure 7: Study design and baseline of Phase 1/2 trial of DB-1311 in gynecological cancers

Phase 1/2 multicenter study of DB-1311/BNT324 in patients with advanced/metastatic solid tumors unselected for B7H3 expression (N=582)



n (%)		Cervical cancer (N=31)	PROC (N=12)
Prior lines	Median (range)	2 (1–4)	3 (1–7)
	1	11 (35.5)	1 (8.3)
	2	16 (51.6)	2 (16.7)
	3	1 (3.2)	4 (33.3)
	4	2 (6.5)	2 (16.7)
	≥5	0	3 (25.0)

n (%)		Cervical cancer (N=31)	PROC (N=12)
Prior treatment	Chemotherapy	31 (100)	12 (100)
	Bevacizumab	20 (64.5)	8 (66.7)
	Immunotherapy*	17 (54.8)	4 (33.3)
	PARPi	0	7 (58.3)
	Tisotumab vedotin	6 (19.4)	0
	FolRα ADC	0	1 (8.3)

Source: Company data, CMBIGM
Note: Trial ID DB-1311-O-1001.

Similarly, DB-1311 demonstrated strong clinical activity in advanced cervical cancer. Among 30 efficacy-evaluable, heavily pretreated patients (median 2 prior lines; 100% prior chemotherapy, 64.5% prior bevacizumab, 54.8% prior IO), the asset achieved a cORR of 33.3% and an mPFS of 7.0 months. We view this durability and response profile as highly favorable compared to Tivdak (TF ADC), which posted an 18% cORR and a 4.2-month mPFS in its pivotal Phase 3 study (link).

Looking ahead, the asset's clinical strategy is advancing smoothly; an ongoing Phase 2 trial NCT06953089 evaluating DB-1311 in combination with pumitamig (BNT327, PD-L1/VEGF bsAb) in both cervical and ovarian cancers could unlock further upside by establishing a highly active, chemo-free regimen suitable for earlier lines of therapy. In the near term, we expect DualityBio to release updated data of DB-1311 monotherapy in PROC and cervical cancer in 1H26.

DB-1310: A highly differentiated HER3 ADC with best-in-class potential

DB-1310, a novel HER3-targeted ADC, has delivered highly encouraging early-stage efficacy signals across both HR+/HER2- breast cancer and post-osimertinib EGFR-mutant NSCLC. This robust clinical activity is underpinned by a highly differentiated and well-tolerated safety profile, most notably characterized by a remarkably low incidence of interstitial lung disease (ILD). Given this favorable therapeutic window, we see a viable strategic pathway for DB-1310 to advance into earlier lines of therapy, including the front-line EGFR-mutant NSCLC setting in combination with osimertinib. Furthermore, with DualityBio retaining full global rights to the asset, DB-1310 represents an attractive out-licensing opportunity in the competitive ADC landscape.

Disrupting the HR+/HER2- breast cancer space with striking early efficacy signals and differentiated tolerability

DB-1310 is emerging as a highly compelling HER3-ADC asset. In heavily pretreated HR+/HER2- breast cancer, DB-1310 demonstrated potentially best-in-class efficacy, highlighted by a 61.5% confirmed ORR at optimal dosing and an unprecedented (though early) 14.78-month mPFS. Coupled with a benign safety profile featuring zero severe ILD events, DB-1310 is well-positioned to disrupt the crowded ADC treatment paradigm, pending validation in larger cohorts.

Best-in-class potential in efficacy, albeit early

In the Phase 1 evaluation of heavily pretreated HR+/HER2- breast cancer patients (N=15), DB-1310 demonstrated striking, potentially best-in-class anti-tumor activity, highlighted by a 53.3% cORR across all doses that improved to 61.5% within the optimal 5-5.5 mg/kg dosing window (N=13). Furthermore, the reported mPFS of 14.78 months compares highly favorably against established and late-stage ADC benchmarks in similar settings. This includes its direct HER3-targeted competitor, HER3-DXd (ORR 53.5%, mPFS 9.4 months, ICARUS-BREAST01), as well as Enhertu (ORR 52.6%, mPFS 10.1 months, DESTINY-Breast04), Sac-TMT (ORR 41.5%, mPFS 8.3 months, OptiTROP-Breast02), Dato-DXd (ORR 36.4%, mPFS 6.9 months, TROPION-Breast01), and Trodelvy (ORR 21.0%, mPFS 5.5 months, TROPiCS-02). However, we must heavily caveat DB-1310's exceptional top-line figures due to the extremely small sample size, which is inherently subject to statistical volatility—as evidenced by the mPFS marginally exceeding the median overall survival (14.69 months) in this specific data cut. While we fully expect the mPFS to regress to the mean in larger, randomized trials, settling even in the 9- to 10-month range would position DB-1310 as highly competitive against both the Trop-2 directed therapies and HER3-DXd.

Manageable hematological toxicity and low-grade ILD

On the safety front, data derived from the broader Phase 1 solid tumor population (N=207) provides a much more robust and encouraging dataset, characterized by manageable toxicities and a notably benign interstitial lung disease (ILD) profile. The incidence of Grade ≥ 3 TRAEs stood at 43.0%, placing DB-1310 comfortably between the safety profiles of Dato-DXd (20.8%) and Sac-TMT (62.0%), while also appearing favorable relative to HER3-DXd (55.6% Grade ≥3 AEs). This tolerability profile drove a remarkably low discontinuation rate of just 4.3% for DB-1310, which compares well against HER3-DXd's 12.1% discontinuation rate. Crucially, DB-1310's overall ILD rate was contained at 4.8% with zero Grade 3 or higher events reported (all cases were Grade 1, barring a single Grade 2 event). While this represents a slightly higher overall incidence than Sac-TMT (1.5%), it aligns closely with the low-grade ILD profile observed with HER3-DXd (~6.1% incidence, no Grade ≥ 3, Ph2 data in breast cancer). Ultimately, the complete absence of severe or fatal ILD serves as a major de-risking factor for the asset, comparing highly favorably against the historical pulmonary toxicities often associated with the broader DXd payload platform.

Strong potential in post-TKI NSCLC with a favorable safety window

DB-1310 shows robust, dose-dependent anti-tumor activity in the challenging post-osimertinib, post-chemotherapy EGFR-mutant NSCLC setting. With an 8.28-month mPFS in the 5 mg/kg cohort and

a highly differentiated safety profile (35.5% Grade ≥3 TRAEs, zero severe ILD), it compares favorably against HER3-DXd and other emerging modalities, offering a compelling chemotherapy-free alternative. Given this favorable therapeutic window, we see a viable strategic pathway for DB-1310 to advance into earlier lines of therapy, including the front-line EGFR-mutant NSCLC setting in combination with osimertinib.

Competitive efficacy positioning in a crowded post-TKI/chemo space

Data from the Phase 1/2a study (NCT05785741) highlight DB-1310's highly promising anti-tumor efficacy in a heavily pretreated cohort of patients with EGFR-mutant NSCLC (N=46). In this challenging population—where 86% had previously progressed on a third-generation TKI and 92% on platinum-based chemotherapy—DB-1310 achieved an unconfirmed objective response rate (uORR) of 43.5% (28.3% confirmed), a median progression-free survival (mPFS) of 7.03 months, and an impressive median overall survival (mOS) of 18.89 months. A closer look at the specific dose cohorts reveals that the 5 mg/kg group (n=16), which has relatively mature follow-up, yielded a 37.5% uORR and an 8.28-month mPFS. Furthermore, the efficacy appears to be dose-dependent; the 5.5 mg/kg cohort (n=12) demonstrated a remarkable 66.7% uORR, although mPFS data for this group remains immature.

These findings establish DB-1310 as a strong emerging candidate in the post-osimertinib, post-chemotherapy treatment landscape for EGFR-mutant NSCLC. When compared to the competing HER3-directed ADC HER3-DXd (which posted a 5.5-month mPFS and fell short on overall survival, link), DB-1310's 8.28-month mPFS in the 5 mg/kg cohort compares highly favorably. This 8.28-month mPFS also stands strong against other emerging modalities, closely matching the Trop-2 ADC Sac-TMT in the OptiTROP-Lung04 trial (8.3 months) and outperforming the PD-1/VEGF bsAb ivonescimab plus chemotherapy in HARMONi-A (~7.1 months). Additionally, it offers a compelling, chemotherapy-free ADC alternative to the EGFR/MET bispecific amivantamab plus chemotherapy evaluated in MARIPOSA-2 (6.3 months). Nevertheless, given the early-phase nature of these data and the small sample sizes within the individual dose cohorts, these encouraging results must be interpreted with caution until validated in larger, randomized clinical trials.

Highly differentiated tolerability and low-grade ILD

The safety profile of DB-1310 in the EGFR-mutant NSCLC cohort (N=62) is a significant differentiator. The incidence of Grade ≥ 3 treatment-related adverse events (TRAEs) was restricted to 35.5%, which is notably lower than the severe toxicity burdens often associated with bispecific-plus-chemotherapy regimens like those in MARIPOSA-2 or HARMONi-A. This favorable tolerability translated into an exceptionally low TRAE-driven discontinuation rate of just 3.2%.

Crucially, DB-1310 continues to exhibit a de-risked pulmonary safety profile. Across the broader solid tumor population (N=172), unadjudicated ILD/pneumonitis was reported in only 5.2% of patients. Most importantly, all reported ILD events were low-grade (Grade 1–2), with zero Grade ≥ 3 or fatal respiratory events. This absence of severe ILD provides DB-1310 with a distinct potential safety advantage over other topoisomerase-I inhibitor ADCs.

Pioneering the "ADC + IO 2.0" paradigm: a first-mover advantage in next-generation combinations

Strategic alignment and broad pipeline integration

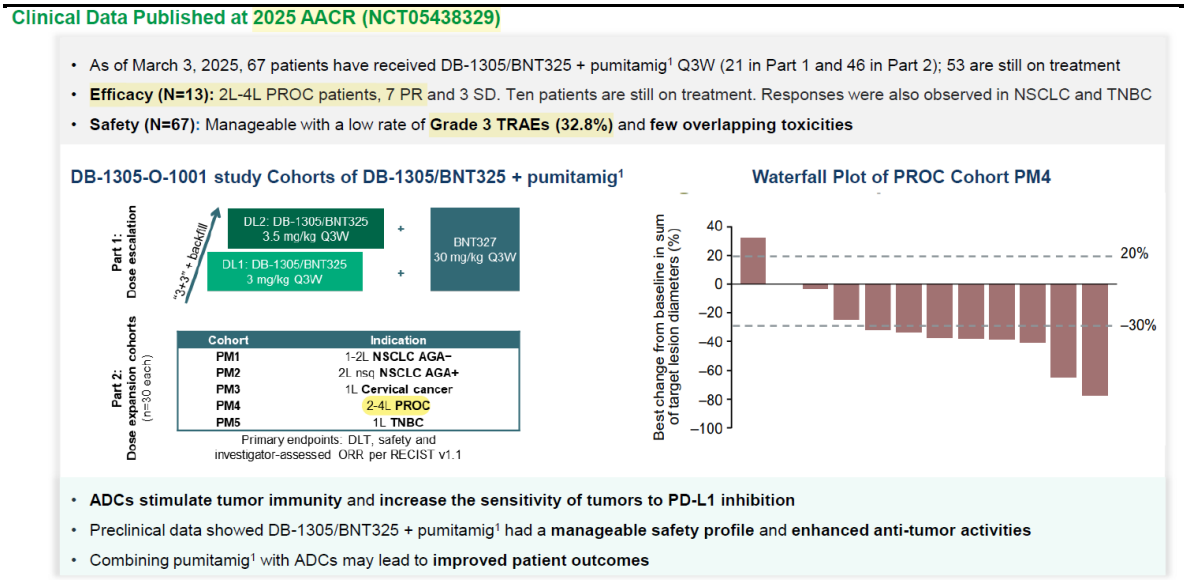
DualityBio is aggressively advancing a novel "ADC + IO 2.0" combination strategy in partnership with BioNTech, pairing its proprietary ADCs with pumitamig (BNT327), BioNTech's investigational PD-L1/VEGF-A bispecific antibody. This combination approach is a cornerstone of BioNTech's broader oncology strategy, alongside their commitment to advancing pumitamig into eight global Phase 3 trials by year-end 2026 (in collaboration with BMS).

As an early mover in this next-generation space, DualityBio and BioNTech are currently advancing four global Phase 1/2 trials evaluating pumitamig alongside DualityBio's HER2 (DB-1303), B7-H3 (DB-1311), and TROP2 (DB-1305) ADCs across various solid tumors. Importantly, despite the announced year-end departure of BioNTech's founding CEOs, we anticipate the clinical execution and strategic development of these joint ADC + IO 2.0 programs to continue seamlessly.

AACR 2025 data validates the approach as a clinical proof of concept

Initial clinical data presented at AACR 2025 for DB-1305 (TROP2 ADC) in combination with pumitamig provided strong proof-of-concept for the ADC + IO 2.0 thesis, demonstrating enhanced anti-tumor activity and a highly manageable safety profile. In a heavily pretreated cohort of 13 patients with Platinum-Resistant Ovarian Cancer (PROC) (2L–4L), the combination achieved a compelling 53.8% ORR (7 Partial Responses). Meaningful clinical responses were also observed in NSCLC and TNBC cohorts. On the safety side, among 67 solid tumor patients, the combination regimen demonstrated few overlapping toxicities. The rate of Grade ≥3 TRAEs was manageable at 32.8%, with a notably low TRAE-driven discontinuation rate of just 4.5%. These clinical findings align with prior preclinical studies, which demonstrated that this combination yields superior tumor growth inhibition compared to either monotherapy alone, driven by the ADC's ability to stimulate tumor immunity and sensitize the tumor microenvironment to PD-L1 inhibition.

Figure 8: Clinical evidence of ADC + IO 2.0



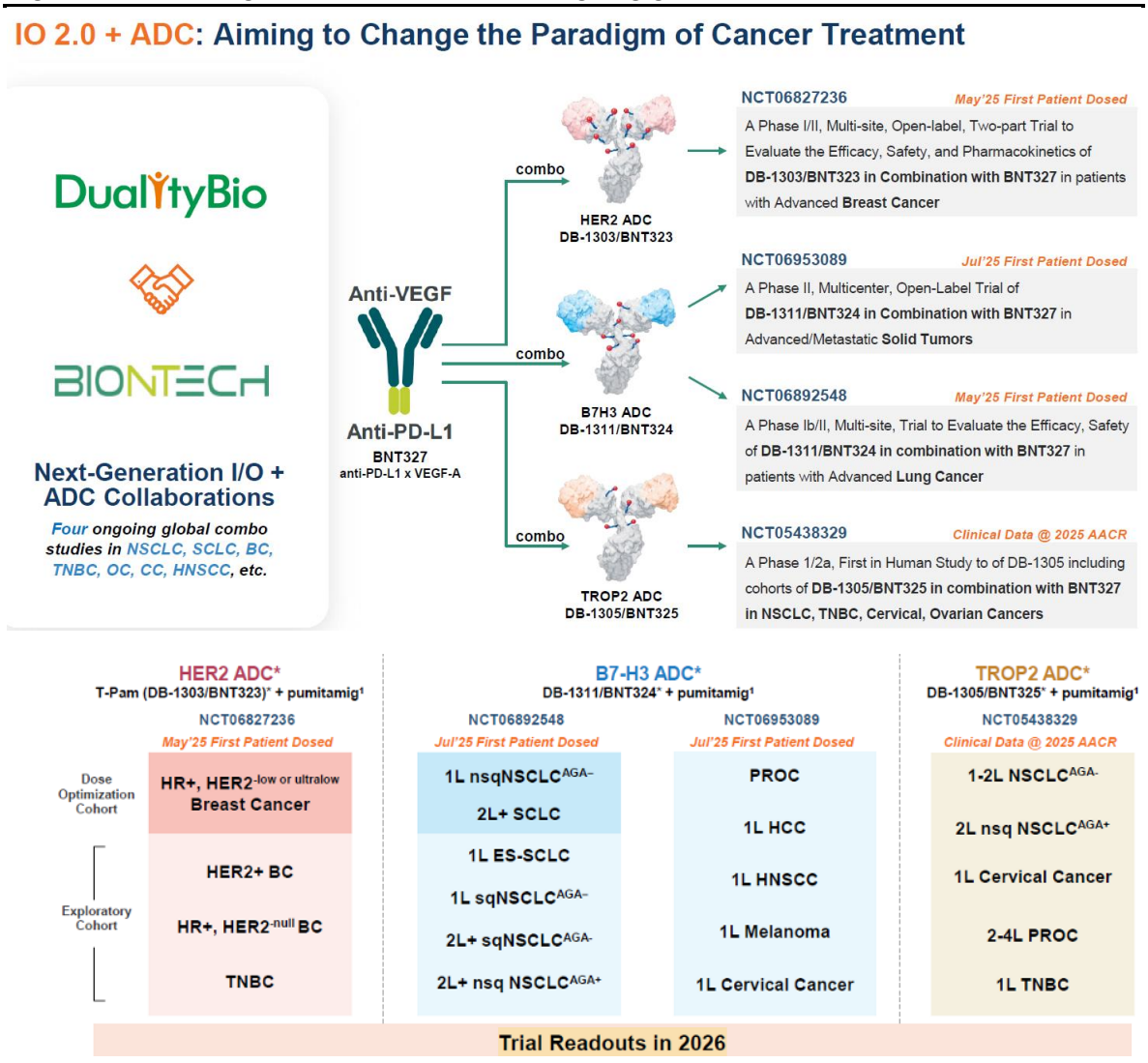
Source: Company data, CMBIGM

Multiple major ADC + IO 2.0 readouts expected in 2026

DualityBio's rapidly advancing combination pipeline positions 2026 as a highly catalyst-rich year, characterized by a steady cadence of critical clinical readouts across its portfolio. Near-term visibility is anchored by the anticipated May 2026 Phase 1/2 readout for the DB-1305 (TROP2) and pumitamig

combination in 1L TNBC, which is expected to be presented at the ESMO Breast Cancer congress (link). Momentum will continue into the second half of the year with Phase 1/2 data for DB-1303 (HER2) plus pumitamig in advanced breast cancer. Furthermore, the DB-1311 (B7-H3) program is slated to deliver multiple milestones throughout 2026, including a 2H26 Phase 2 readout in advanced lung cancers (SCLC and NSCLC) and additional Phase 1/2 data in advanced solid tumors, potentially highlighting early efficacy signals in cervical and ovarian indications.

Figure 9: Pioneering ADC + IO 2.0 with four ongoing global studies



Source: Company data, CMBIGM

First-mover advantage in the emerging ADC + IO 2.0 landscape

DualityBio, alongside its partner BioNTech, commands a distinct first-mover advantage in the highly anticipated ADC + PD-(L)1/VEGF combination space, strategically positioning the company to define the emerging "ADC + IO 2.0" treatment paradigm. A review of the competitive landscape underscores this significant temporal lead, as DualityBio is already generating clinical data across multiple high-value targets (TROP2, HER2, and B7-H3) while peers remain in the nascent stages of development. Notably, Summit and Akeso are not slated to initiate combination trials for ivonescimab (AK112) with GSK/Hansoh's B7-H3 ADC until mid-2026. Similarly, Pfizer has only recently registered early-stage Phase 1/2 studies for its PD-1/VEGF asset (PF-08044404) combined with Padcev in 1L urothelial carcinoma (UC, NCT07421700) and IB6 ADC in NSCLC (NCT07227298), with Phase 3 pivotal trial in 1L UC not anticipated until later in 2026. With major PD-(L)1/VEGF players like MSD, BMS and AbbVie yet to even disclose active clinical plans for this specific combination modality, DualityBio's

accelerated clinical execution establishes a formidable strategic moat, allowing it to set early efficacy benchmarks and capture mindshare well ahead of the broader industry.

Driving the next wave of innovation via novel targets, bispecifics, and autoimmune ADCs

Beyond its clinically validated "Duality 1.0" assets, the company is aggressively advancing its "Duality 2.0" pipeline. This next-generation portfolio focuses on first-in-class (FIC) targets, bispecific ADCs (BsADCs), novel payloads, and a strategic pivot into immunology, providing a clear pathway for sustainable, long-term growth and pipeline differentiation.

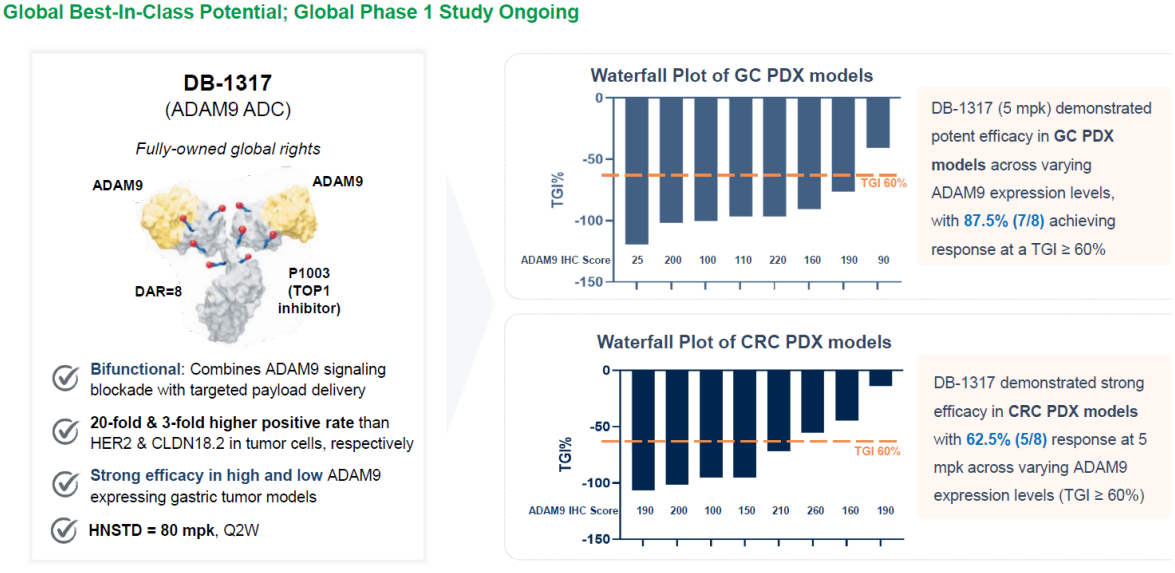
Given the highly innovative nature of the "Duality 2.0" pipeline—particularly in the autoimmune and novel payload spaces—we view these assets as highly attractive for future business development. We expect the company to actively pursue additional strategic partnerships and out-licensing agreements to accelerate clinical development and unlock further shareholder value.

Building a formidable gastrointestinal (GI) franchise: ADAM9 and CDH17

DualityBio is targeting highly unmet needs of GI malignancies with highly differentiated, potentially First-in-Class/Best-in-Class (FIC/BIC) ADCs:

DB-1317 (ADAM9 ADC): Currently in a global Phase 1 study, DB-1317 utilizes a unique bifunctional mechanism that combines ADAM9 signaling blockade with targeted TOP1i payload delivery. The asset boasts a massive addressable patient population, demonstrating a 20-fold and 3-fold higher expression rate in tumor cells compared to HER2 and CLDN18.2, respectively. Preclinical data is highly compelling: in PDX models, DB-1317 (at 5 mpk) achieved an 87.5% response rate in gastric cancer and a 62.5% response rate in colorectal cancer, showing robust efficacy even in low-ADAM9 expressing models.

Figure 10: Preclinical data of DB-1317 (ADAM9 ADC)



Source: Company data, CMBIGM

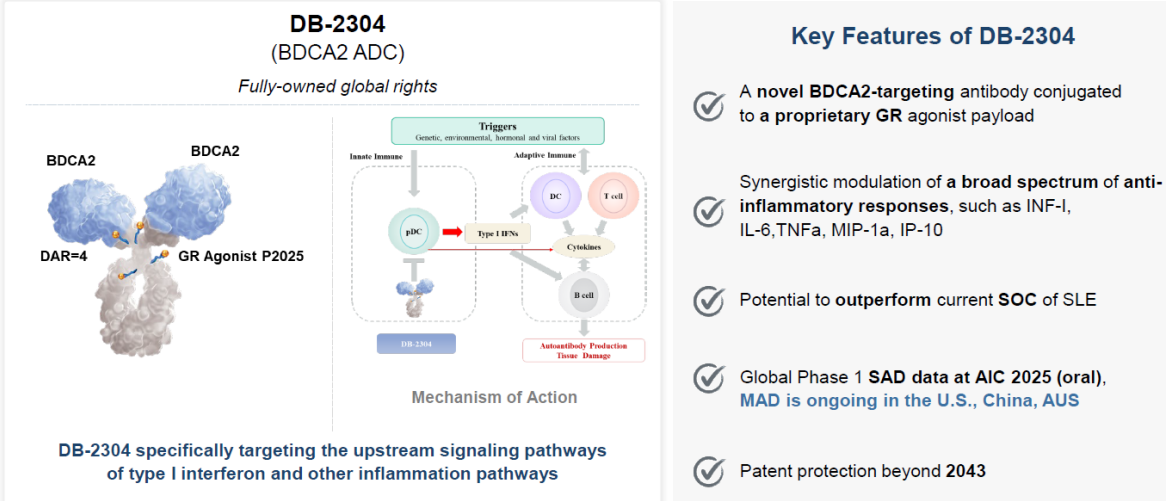
DB-1324 (CDH17 ADC): Developed in collaboration with GSK, this asset targets CDH17 to precisely engage GI tumors while sparing normal tissue, positioning it as a key strategic program for colorectal and other digestive system cancers.

DB-2304: favorable phase 1 data derisks first-in-class autoimmune ADC

Representing a strategic pipeline expansion into immunology, DB-2304 is a globally patented, potential first-in-class BDCA2-targeted ADC designed to disrupt the standard of care in Systemic and Cutaneous Lupus Erythematosus (SLE/CLE). The asset offers near-term clinical visibility following its Phase 1 Single Ascending Dose (SAD) oral presentation at AIC 2025, which evaluated 50 healthy Australian volunteers across five dose cohorts (1–20 mg/kg) against prednisone and placebo controls. These initial results successfully validated the drug's pharmacological mechanism, demonstrating a linear pharmacokinetic profile, effective target binding, and an approximate 10-day half-life that supports a highly convenient once-every-four-weeks (Q4W) dosing regimen. Crucially, DB-2304 exhibited an exceptionally clean safety profile, being well-tolerated with no drug-related serious adverse events (SAEs) and only four Grade 1 TRAEs reported. Building on this strong foundational data, the company is advancing its global clinical footprint across the U.S., Australia, mainland China, and Taiwan, with Multiple Ascending Dose (MAD) cohorts currently enrolling and the Phase IIa portion already underway following the successful dosing of the first SLE patient in the U.S.

Figure 11: Preclincial data of DB-2304 (BDCA2 ADC)

Potential Global First-In-Class Autoimmune ADC for SLE/CLE and Other Indications



Source: Company data, CMBIGM

Advancing next-generation dual-targeting bispecific ADCs

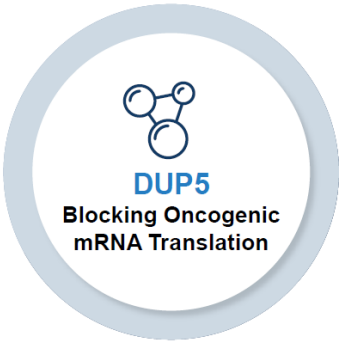
DualityBio is advancing its next-generation bispecific ADC (BsADC) portfolio, leveraging dual-targeting mechanisms to enhance tumor specificity and overcome traditional therapeutic resistance. A key pipeline asset is DB-1418 (EGFR x HER3), partnered with Avenzo Therapeutics and currently in global Phase 1 trials. Engineered specifically to overcome EGFR-TKI resistance in NSCLC with a highly promising preclinical safety profile, DB-1418 represents a notable pipeline catalyst with initial clinical data expected from Avenzo in 2H26. Concurrently, the company is progressing DB-1419 (B7-H3 x PD-L1), an innovative "ADC + IO in a single molecule" designed to simultaneously deliver a cytotoxic payload while activating T-cells. Currently undergoing Phase 1/2 trials across the U.S., China, and Australia, DB-1419 has demonstrated superior preclinical efficacy compared to traditional B7-H3 monotherapy ADCs, underscoring DualityBio's potential to establish a new efficacy bar in the treatment of solid tumors.

Proprietary DUP5 payload: a novel approach to overcome TOP1i resistance

To address the escalating clinical bottleneck of resistance to standard-of-care Topoisomerase 1 inhibitors (TOP1i), such as DXd, DualityBio is advancing its proprietary next-generation DUP5

payload. Differentiating itself from traditional cytotoxic payloads, DUP5 utilizes a novel mechanism of action that exerts anti-tumor activity by directly blocking oncogenic mRNA translation. Recent preclinical data presented at the 2025 AACR and ENA conferences highlighted the payload's highly potent activity across a spectrum of hard-to-treat solid tumors, specifically demonstrating its ability to effectively overcome established TOP1i resistance. Furthermore, DUP5-based ADCs exhibited a highly favorable safety profile, proving well-tolerated in non-human primates with a maximum tolerated dose (MTD) of ≥ 20mg/kg. This robust preclinical package indicates a wide and sufficient therapeutic window, effectively de-risking the asset as it transitions toward initial clinical exploration and positioning DualityBio to capture significant value in the refractory solid tumor market. We expect the DUP5-based ADCs to enter clinical stage in 2027.

Figure 12: Highlight of DUP5 ADC



- ✓ DUP5 is an ADC payload, which **exerts anti-tumor activity** through inhibiting mRNA translation
- ✓ ADCs with DUP5 demonstrated **potent activity for multiple solid tumors**, and have the potential to **overcome TOP1i resistance**
- ✓ DUP5 ADC is **well-tolerated** in monkey (MTD ≥ 20mg/kg)
- ✓ DUP5 has a **sufficient therapeutic window** to support initial clinical exploration

Source: Company data, CMBIGM

Figure 13: Risk-adjusted DCF valuation

DCF Valuation (RMB mn)	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
EBIT	**-78**	**-515**	**-408**	**483**	**967**	**1,483**	**2,264**	**3,217**	**3,842**	**4,369**
Tax rate	*0%*	*0%*	*0%*	*15%*	*15%*	*15%*	*15%*	*15%*	*15%*	*15%*
EBIT*(1-tax rate)	-78	-515	-408	411	822	1,261	1,924	2,734	3,266	3,714
+ D&A	45	76	71	67	63	61	58	57	55	54
- Change in working capital	-62	-711	-170	11	-322	-235	-235	-122	-74	-58
- Capex	-200	-200	-50	-50	-50	-50	-50	-50	-50	-50
FCFF	**-295**	**-1,350**	**-558**	**438**	**513**	**1,036**	**1,698**	**2,619**	**3,197**	**3,659**
Terminal value										**59,505**

Present value (RMB mn)	27,540
Net debt (RMB mn)	-2,878
Equity value (RMB mn)	**30,418**
Equity value (HK$ mn)	**34,565**
No. of shares (mn)	**90**
DCF per shares (HK$)	**383.47**
Terminal growth rate	**3.5%**
WACC	**9.87%**
Cost of equity	13.0%
Cost of debt	3.0%
Equity beta	1.0
Risk free rate	3.0%
Market risk premium	10.0%
Target debt to asset ratio	30.0%
Effective corporate tax rate	15.0%

Source: CMBIGM estimates

Figure 14: Sensitivity analysis (HK$)

		WACC				
		8.87%	**9.37%**	**9.87%**	**10.37%**	**10.87%**
Terminal growth rate	**4.5%**	568.46	498.16	**441.41**	394.73	355.73
	4.0%	517.89	458.67	409.97	369.29	334.87
	3.5%	476.74	425.92	**383.47**	347.56	316.83
	3.0%	442.61	398.31	360.84	328.78	301.10
	2.5%	413.84	374.73	**341.27**	312.39	287.24

Source: Company data, CMBIGM estimates

Figure 15: CMBIGM estimates: New vs Old

	New			Old			Diff (%)		
RMB mn	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	1,745	1,259	2,254	1,686	1,284	2,368	4%	-2%	-5%
Gross profit	889	717	1,419	783	699	1,478	14%	3%	-4%
Attributable net profit	-80	-519	-413	-133	-354	-130	NA	NA	NA
EPS (RMB)	(0.88)	(5.75)	(4.58)	(1.51)	(4.02)	(1.47)	NA	NA	NA
Gross margin	50.96%	56.96%	62.96%	46.42%	54.42%	62.42%	+4.54 ppt	+2.54 ppt	+0.54 ppt
Net margin	-4.57%	-41.20%	-18.32%	-7.87%	-27.54%	-5.47%	+3.30 ppt	-13.67 ppt	-12.85 ppt

Source: Company data, CMBIGM estimates

Figure 16: CMBIGM estimates vs consensus

	CMBI			Consensus			Diff (%)		
RMB mn	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	1,745	1,259	2,254	1,513	1,585	2,545	15%	-21%	-11%
Gross profit	889	717	1,419	761	965	1,577	17%	-26%	-10%
Attributable net profit	-80	-519	-413	-420	-418	15	NA	NA	NA
EPS (RMB)	(0.88)	(5.75)	(4.58)	(3.80)	(4.80)	5.60	NA	NA	NA
Gross margin	50.96%	56.96%	62.96%	50.31%	60.88%	61.97%	+0.65 ppt	-3.92 ppt	+0.99 ppt
Net margin	-4.57%	-41.20%	-18.32%	-27.76%	-26.37%	0.59%	+23.19 ppt	-14.83 ppt	-18.91 ppt

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Revenue	**1,787**	**1,941**	**1,852**	**1,745**	**1,259**	**2,254**
Cost of goods sold	(428)	(1,157)	(1,263)	(856)	(542)	(835)
Gross profit	**1,359**	**785**	**589**	**889**	**717**	**1,419**
Operating expenses	**(622)**	**(995)**	**(1,052)**	**(1,110)**	**(1,362)**	**(1,928)**
Selling expense	0	0	0	0	(188)	(350)
Admin expense	(63)	(159)	(215)	(230)	(250)	(338)
R&D expense	(559)	(837)	(838)	(880)	(924)	(1,240)
Operating profit	**781**	**(189)**	**(487)**	**(220)**	**(644)**	**(508)**
Other income	3	7	8	0	0	0
Gain/loss on financial assets at FVTPL	(1,018)	(873)	(2,206)	0	0	0
Other gains/(losses)	41	14	(32)	0	0	0
Interest income	34	48	99	143	129	100
Interest expense	(0)	(0)	(1)	(2)	(4)	(4)
Pre-tax profit	**(202)**	**(1,015)**	**(2,595)**	**(80)**	**(519)**	**(413)**
Income tax	(155)	(36)	0	0	0	0
Minority interest	0	0	0	0	0	0
Net profit	**(358)**	**(1,050)**	**(2,595)**	**(80)**	**(519)**	**(413)**

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Current assets	**1,334**	**1,910**	**3,834**	**3,759**	**3,462**	**3,203**
Cash & equivalents	1,131	1,209	1,276	1,479	626	64
Restricted cash	43	227	2,048	2,048	2,048	2,048
Receivables	101	379	278	0	51	128
Inventories	0	0	0	0	505	732
Prepayment	27	25	59	59	59	59
Other current assets	33	70	173	173	173	173
Non-current assets	**166**	**180**	**59**	**214**	**338**	**317**
PP&E	12	13	20	175	299	278
Right-of-use assets	5	6	9	9	9	9
Intangibles	54	46	4	4	4	4
Other non-current assets	94	116	26	26	26	26
Total assets	**1,500**	**2,090**	**3,893**	**3,973**	**3,800**	**3,520**
Current liabilities	**2,561**	**3,872**	**911**	**571**	**416**	**549**
Payables	235	671	762	422	267	400
Other current liabilities	2,263	2,959	(94)	(94)	(94)	(94)
Lease liabilities	3	3	5	5	5	5
Contract liabilities	60	238	239	239	239	239
Non-current liabilities	**63**	**241**	**555**	**1,055**	**1,555**	**1,555**
Long-term borrowings	0	0	141	641	1,141	1,141
Other non-current liabilities	63	241	414	414	414	414
Total liabilities	**2,624**	**4,112**	**1,466**	**1,626**	**1,971**	**2,105**
Share capital	0	0	0	0	0	0
Retained earnings	(1,156)	(2,245)	(4,855)	(4,934)	(5,453)	(5,866)
Other reserves	32	223	7,281	7,281	7,281	7,281
Total shareholders equity	**(1,124)**	**(2,022)**	**2,427**	**2,347**	**1,828**	**1,415**
Minority interest	0	0	0	0	0	0
Total equity and liabilities	**1,500**	**2,090**	**3,893**	**3,973**	**3,800**	**3,520**

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	**(202)**	**(1,015)**	**(2,595)**	**(80)**	**(519)**	**(413)**
Depreciation & amortization	1	3	5	45	76	71
Tax paid	(249)	(55)	0	0	0	0
Change in working capital	240	261	183	(62)	(711)	(170)
Others	1,026	1,091	2,207	2	4	4
Net cash from operations	**816**	**286**	**(200)**	**(95)**	**(1,150)**	**(508)**
Investing						
Capital expenditure	(11)	(4)	(100)	(200)	(200)	(50)
Others	(1,289)	(196)	(100)	150	150	0
Net cash from investing	**(1,300)**	**(200)**	**(200)**	**(50)**	**(50)**	**(50)**
Financing						
Dividend paid	0	0	0	0	0	0
Net borrowings	0	0	0	500	500	0
Proceeds from share issues	0	0	1,538	0	0	0
Others	11	(8)	(1)	(2)	(4)	(4)
Net cash from financing	**11**	**(8)**	**1,537**	**498**	**496**	**(4)**
Net change in cash						
Cash at the beginning of the year	376	1,131	1,209	1,276	1,479	626
Exchange difference	6	11	0	0	0	0
Cash at the end of the year	**1,131**	**1,209**	**1,276**	**1,479**	**626**	**64**

GROWTH	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Revenue	111,558.8%	8.7%	(4.6%)	(5.8%)	(27.8%)	79.1%
Gross profit	84,830.3%	(42.3%)	(24.9%)	50.9%	(19.3%)	97.9%

PROFITABILITY	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Gross profit margin	76.1%	40.4%	31.8%	51.0%	57.0%	63.0%
Operating margin	43.7%	(9.7%)	(26.3%)	(12.6%)	(51.2%)	(22.5%)
Return on equity (ROE)	na	na	(1,282.1%)	(3.3%)	(24.8%)	(25.5%)

GEARING/LIQUIDITY/ACTIVITIES	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Current ratio (x)	0.5	0.5	4.2	6.6	8.3	5.8
Receivable turnover days	na	na	na	100.0	80.0	80.0
Inventory turnover days	0.0	0.0	na	0.0	340.0	320.0
Payable turnover days	155.5	142.9	207.1	180.0	180.0	175.0

VALUATION	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
P/E	ns	ns	ns	ns	ns	ns
P/E (diluted)	ns	ns	ns	ns	ns	ns
P/B	ns	na	6.7	9.6	12.4	16.0

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

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CMB International Global Markets Limited

Address: 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888 Fax: (852) 3900 0800

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