RAINBOW CAPITAL (HK) LIMITED
泓 博 資 本 有 限 公 司

May 15, 2025

To the Independent Board Committee and the Independent Shareholders

JW (Cayman) Therapeutics Co. Ltd
31/F, Tower Two, Times Square
1 Matheson Street, Causeway Bay
Hong Kong

Dear Sir or Madam,

CONNECTED TRANSACTION IN RELATION TO LICENSE AGREEMENT

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the License Agreement and the transactions contemplated thereunder, details of which are set out in the "Letter from the Board" (the "**Letter from the Board**") contained in the circular issued by the Company to the Shareholders dated May 15, 2025 (the "**Circular**"), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

On April 18, 2025 (Eastern Time), the Company entered into the License Agreement with Juno, one of the Substantial Shareholders and a connected person of the Company, pursuant to which the Company grants Juno a non-exclusive license under the JW sLVV Manufacturing Process and under related know-how (and patents, if applicable at any time during the Term) that

are primarily or directly related to, or reasonably necessary or useful for the development, commercialization, manufacturing or having manufactured the Juno Cell Therapy Products in the Field worldwide.

As at the Latest Practicable Date, Juno is one of the Substantial Shareholders and therefore a connected person of the Company under Chapter 14A of the Listing Rules. As a result, the transactions contemplated under the License Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of maximum amount of the consideration under the License Agreement exceeds 5%, the transactions contemplated under the License Agreement are subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Juno and its associates are required to abstain from voting on the resolutions in respect of the License Agreement and the transactions contemplated thereunder at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for Juno, none of the Shareholders has any material interest in the transactions contemplated under the License Agreement, and therefore, no other Shareholder is required to abstain from voting at the EGM in respect of the resolutions approving the License Agreement and the transactions contemplated thereunder.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Kin Cheong Kelvin Ho, Dr. Debra Yu and Mr. Peng Kuan Chan, has been formed to advise the Independent Shareholders on (i) whether the entering into the License Agreement is conducted in the ordinary and usual course of the Group; and (ii) whether the terms of the License Agreement are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole, and as to voting. We, Rainbow Capital (HK) Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

As at the Latest Practicable Date, we did not have any relationships or interests with the Group and Juno that could reasonably be regarded as relevant to our independence. In the last two years, there was no engagement between the Group or Juno and us. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no other arrangements exist whereby we had received any fees or benefits from the Group or any other party to the License Agreement. Accordingly, we are independent from the Company pursuant to the requirement under Rule 13.84 of the Listing Rules and therefore we are qualified to give independent advice in respect of the License Agreement.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all material respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all material respects at the time they were made and continued to be so until the date of the Circular.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group or any of its substantial shareholders, subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation on the terms of the License Agreement, we have taken into account the principal factors and reasons set out below:

1. Information of the Group

The Company is an independent and innovative biotechnology company focusing on developing, manufacturing and commercialising cell immunotherapy products. Since its founding in 2016, the Company has built an integrated platform for product development in cell immunotherapy, as well as a product pipeline covering hematologic malignancies, solid tumors and

autoimmune diseases. The Company is committed to bringing breakthrough and quality cell immunotherapy products and the hope of a cure to patients in China and beyond, and to leading the healthy and standardised development of China's cell immunotherapy industry.

The Company's lead product is Carteyva® (relmacabtagene autoleucel) which is an autologous anti-CD19 CAR-T cell immunotherapy product independently developed by the Company based on a CAR-T cell process platform of Juno. The successful approval of Carteyva® by the National Medical Products Administration of China in September 2021 and the establishment of the commercialisation team marked another major milestone on the Company's journey, as it made the transition from the clinical development stage into commercialisation and confirmed its status as a leading cell therapy company in China.

As disclosed in the annual report of the Company for the year ended December 31, 2024 (the "**2024 Annual Report**"), the Group's total revenue slightly decreased from approximately RMB173.9 million for the year ended December 31, 2023 to approximately RMB158.2 million for the year ended December 31, 2024. Such decrease in revenue was primarily attributed to the execution of the Group's optimization strategies in relation to its commercial initiatives, coupled with the pursuit of organization effectiveness program of its commercial personnel, in the second half of 2024, and the intrinsic value derived from these strategies has yet to be reflected in the revenue. The Group recorded loss attributable to the Shareholders of approximately RMB590.6 million for the year ended December 31, 2024, as compared to approximately RMB768.0 million for the year ended December 31, 2023. Such decrease was primarily attributable to (i) the decrease in general and administrative expenses primarily from approximately RMB140.0 million for the year ended December 31, 2023 to approximately RMB120.1 million for the year ended December 31, 2024 primarily due to a decrease in office expenses and professional service fees; (ii) the decrease in R&D expenses from approximately RMB413.6 million for the year ended December 31, 2023 to approximately RMB283.0 million for the year ended December 31, 2024 primarily attributable to the reduction of employee benefit expenses and expenses relating to R&D materials and testing and clinical fees; (iii) the decrease in net foreign exchange losses due to milder weakening of RMB against USD and HKD in 2024 compared with 2023; and (iv) the decrease in the impairment of license related to product JWATM204/214 and JWCAR129.

Going forward, the Group will continue to drive full scale commercialization of Carteyva® and solidify its leadership in hematology by continuing to develop Carteyva® for earlier lines of treatment and additional indications, as well as to further expand clinical development for autoimmune diseases. At the same time, the Group will grow its business through in-licensing opportunities, partnerships and selective acquisitions, as well as in-house R&D.

2. Information of Juno

Juno is a biopharmaceutical company incorporated in the State of Delaware, the U.S. It is a wholly-owned subsidiary of Bristol Myers Squibb Company, a U.S. multinational company listed on the New York stock exchange in the U.S. (NYSE: BMY). As at the Latest Practicable Date, Juno directly held approximately 16.88% equity interests in the Company, and is therefore one of the Substantial Shareholders and a connected person of the Company as defined under the Listing Rules.

Bristol Myers Squibb Company is engaged in the discovery, development, licensing, manufacturing, marketing, distribution and sale of biopharmaceutical products on a global basis. Its principal strategy is to combine the resources, scale and capability of a biopharmaceutical company with the speed and focus on innovation of the biotech industry. Its focus as a biopharmaceutical company is on discovering, developing and delivering transformational medicines for patients facing serious diseases in areas where it believes it has the opportunity to make a meaningful difference: oncology, hematology, immunology, cardiovascular, neuroscience and other areas where it can also deliver attractive returns for shareholders.

3. Reasons for and benefits of entering into of the License Agreement

With reference to the Letter from the Board, the Company has established a collaborative relationship with Juno and BMS prior to its Listing on the Stock Exchange in 2020. For the Company to continue to execute on its business strategy to focus on potential opportunities in the cell therapy space that it deems to possess high growth or breakthrough technology potential, it is critical that the Company be able to leverage its CAR-T research, development, manufacturing and commercialization strengths in order to build on the foundation of this established relationship with BMS, which is one of the few pharmaceutical companies in the world with a track record of completing CAR-T commercialization, and is a preferred partner of the Company.

As disclosed in the 2024 Annual Report, the Company has developed a robust and differentiated cell therapy pipeline covering haematological cancers, solid tumors and autoimmune diseases, a fully integrated cell therapy development platform and a leading commercial manufacturing infrastructure and supply chain with a high manufacturing success rate of 98%. Carteyva® is the first CAR-T product approved as a Category 1 biologics product in China, and currently it is the only CAR-T product in China that has been simultaneously included in the National Significant New Drug Development Program and granted priority review and breakthrough therapy designations. As such, the Company has had stronghold in both products and technologies in the cell therapy space. The non-exclusive out-licensing of the JW sLVV Manufacturing Process pursuant to the License Agreement constitutes a recognition of the Company's research and development capabilities and its strengths in cell therapy technologies.

In addition, we understand that the Company has established a collaborative relationship with Juno prior to its listing, and maintaining a long-term business relationship with Juno is important to the Company's business and development. The Group's lead product Carteyva® as well as other product candidates such as JWCAR129 and JWCAR031, are based on the CAR construct that was in-licensed by the Company from Juno. As discussed in the section headed "1. Information of the Group" above, the ongoing commercialisation of Carteyva® has contributed steady revenue to the Group over the past years. In view of such successful cooperation precedents and the long-term collaborative relationship between the Company and Juno, we consider that the entering into of the License Agreement will strengthen the Group's collaborative relationship with Juno and generate one-off licensing income of no more than US$10 million (including the value of Vector that Juno had already supplied to the Company pursuant to the Material Transfer Agreement) to the Group, so as to further enhance the financial performance of the Group and maximise returns to the Shareholders.

Based on the above, we concur with the Directors that the entering into of the License Agreement and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole.

4. Principal terms of the License Agreement

For details of the terms of the License Agreement, please refer to the section headed "The License Agreement" in the Letter from the Board. Set out below are the principal terms of the License Agreement.

Date	:	April 18, 2025 (Eastern Time)
Parties	:	(i) the Company; and (ii) Juno As of the Latest Practicable Date, Juno directly held approximately 16.88% equity interests in the Company, therefore, Juno is one of the Substantial Shareholders and a connected person of the Company as defined under the Listing Rules.

Grant of license to Juno : Pursuant to the terms and conditions set forth in the License Agreement, the Company grants Juno a non-exclusive license under the JW sLVV Manufacturing Process and under related know-how (and patents, if applicable at any time during the Term) that are primarily or directly related to, or reasonably necessary or useful for, the exploitation of the JW sLVV Manufacturing Process, solely to develop, commercialize, manufacture or have manufactured the Juno Cell Therapy Products in the Field worldwide.

Consideration : *Upfront Payment*

In partial consideration for the grant of license to Juno, Juno shall make an aggregate non-refundable, non-creditable, one-time fixed upfront payment to the Company (or to an affiliate of the Company as designated by the Company in writing) within forty-five (45) days from the License Agreement Effective Date (the "**Upfront Payment**").

Vector Credit and Vector Supply

In respect of the remaining consideration,

(i) upon occurrence of the License Agreement Effective Date, Juno will waive all applicable charges, fees and expenses with respect to the specified quantity of Vector that Juno had already supplied to the Company pursuant to the Material Transfer Agreement prior to the execution of the License Agreement;

(ii) upon delivery by Juno of the Information Completion Notice, Juno will (a) waive all applicable charges, fees and expenses with respect to a specified additional quantity of Vector that Juno had already supplied to the Company pursuant to the Vector Supply Agreement prior to the execution of the License Agreement, and (b) pay to the Company (or to an affiliate of the Company as designated by the Company in writing) an additional non-refundable, non-creditable, one-time payment within forty-five (45) days after the delivery of the Information Completion Notice (the "**Additional Payment**"); and

(iii) upon delivery by Juno of the Assistance Completion Notice, Juno will waive all applicable charges, fees and expenses with respect to a specified further quantity of Vector that Juno had already supplied to the Company pursuant to the Vector Supply Agreement prior to execution of the License Agreement; provided, that, in the case of this clause (iii), in the event of excessive delay or inability to provide know-how assistance as described under the heading "Know-How Transfer; Know-How Assistance" below due to circumstances out of both parties' control, the parties shall use commercially reasonable efforts to reach a mutually acceptance alternative plan.

Aggregate Value of the Consideration

The aggregate value of the consideration payable by Juno to the Company under the License Agreement (i.e., (i) the Upfront Payment, (ii) the Additional Payment and (iii) the total value of the Vector with respect to which Juno has agreed to waive applicable charges, fees and expenses as described above under the heading "— Vector Credit and Vector Supply", including the Vector supplied pursuant to the Material Transfer Agreement (the "**Total Vector Value**") will not be more than US$10 million (the "**Total Consideration**").

For purposes of determining the Total Vector Value, the price of the Vector was established in accordance with the terms and conditions of the Vector Supply Agreement, which provide that the price of the Vector shall be determined on a cost-plus basis reflecting principally (i) the relevant costs incurred by Juno for such Vector which Juno from time to time determines to charge to the Company, up to Juno's fully loaded costs, including the normal manufacturing costs of Juno and its third party manufacturers with respect to such Vector, taking into account quality requirements and other specifications mutually agreed by the parties, and (ii) a profit mark-up. Such terms and conditions was approved by the Shareholders at an extraordinary general meeting held on June 26, 2023.

In the event that the License Agreement is not approved by the Independent Shareholders pursuant to Chapter 14A of the Listing Rules on or before September 30, 2025, the Company (or its designated affiliate(s)) will pay for the Vector previously delivered by Juno (as described above under the heading "— Vector Credit and Vector Supply") in accordance with the terms of the Vector Supply Agreement.

Know-how transfer; Know-how assistance : Promptly following the License Agreement Effective Date (and no later than fifteen (15) days thereafter), the Company shall provide the JW Licensed Know-How to Juno as specified by the parties to the License Agreement. Upon confirmation by Juno that all JW Licensed Know-How has been provided to Juno in the form and manner specified by the License Agreement, Juno will promptly deliver a written notice of completion to the Company (such notice, the "**Information Completion Notice**").

During the term of the License Agreement, the Company shall reasonably cooperate with Juno to assist Juno in understanding the JW Licensed Know-How and the JW sLVV Manufacturing Process. Juno may consult with applicable Company employees or independent contractors having experience with the JW Licensed Know-How for this purpose. The Company will provide Juno with a capped number of hours of support for this purpose at no additional cost or expense to Juno, and thereafter Juno will pay the Company for any additional support services requested by Juno. Upon confirmation by Juno that the requisite amount of the Know-How assistance has been substantially completed, Juno will promptly deliver a written notice of completion to the Company (such notice, the "**Assistance Completion Notice**").

Term : Juno may terminate the License Agreement upon thirty (30) days' written notice to the Company:

(i) if the Independent Shareholders have not approved, or have rejected, the License Agreement in accordance with the Listing Rules and applicable law by September 30, 2025; or

(ii) at any time following the License Agreement Effective Date, provided that (among others) the provisions of the License Agreement that relate to payments accrued or triggered, but not paid as of the effective date of termination will survive such termination.

The License Agreement otherwise will continue in effect indefinitely unless terminated (i) by one party for uncured material breach by, or for specified compliance issues or new legislation relating to, the other party; (ii) by one party upon the occurrence of specified bankruptcy, insolvency or similar events with respect to the other party; or (iii) by mutual written agreement of the parties.

Condition precedent	:	The License Agreement shall become effective on the date when the Company obtains the requisite approval from the Independent Shareholders at the EGM in respect of the transactions contemplated thereunder pursuant to the Listing Rules (the "**License Agreement Effective Date**").

5. Assessment on the terms of the License Agreement

As disclosed in the Letter from the Board, the amount of the Upfront Payment, the amount of the Additional Payment and the quantity of Vector previously supplied by Juno with respect to which Juno will waive applicable charges, fees and expenses (the "**Non-cash Consideration**") as remaining consideration under the License Agreement were negotiated on an arm's length basis between the parties on normal commercial terms. In arriving at its decision concerning these matters, the Board considered a range of factors, including: (i) the technologies and expertise possessed by the Company; (ii) the future potential for the development of the JW sLVV Manufacturing Process on a global scale by virtue of its broad applicability; and (iii) the required investment and associated risks for the further development of the JW sLVV Manufacturing Process.

In determining the reasonableness and fairness of the Total Consideration, we have independently conducted research, on a best effort basis, on the website of the Stock Exchange on announcements published by all listed biotech companies on the Stock Exchange that are currently listed under Chapter 18A of the Listing Rules that have entered into technology and/or know-how license-out agreements not related to the commercialisation of relevant licensed products. Based on our research, we did not find any comparable transaction. Alternatively, we have considered the following factors:

(i) the JW Licensed Know-How and the JW sLVV Manufacturing Process is primarily developed for the Group's own domestic use. The Total Consideration represents additional earnings and positive cash flows to the Group, which is beneficial to the Group's financial performance.

We have discussed with the management of the Group and understood that an appropriate viral vector is a central and indispensable factor in the process whereby a CAR-T therapy is manufactured, and therefore the Company cannot manufacture Carteyva®, whether for commercial sale or for clinical use, without an appropriate viral vector. Manufacturing of viral vector, on the other hand, is a highly advanced biotechnological process involving the transfer of gene sequences for the relevant CAR construct into the viral DNA using plasmids. The Company has procured vector from Juno since the commencement of clinical manufacturing of Carteyva® in July 2018. However, due to its lower production yield as a result of Good Manufacturing Practice ("**GMP**")

QC testing and sample retention requirements, additional costs for GMP qualification and maintenance, as well as prevailing high inflation rate and rising labour costs, the price of GMP-grade vector required by the Company for commercial products was relatively high and has increased over the years. Accordingly, the Group has commenced the research and development on the vector technology to produce the appropriate viral vectors for its own use, resulting in building and cumulating the JW Licensed Know-How and the JW sLVV Manufacturing Process over the years. In this regard, we have obtained and reviewed the development costs breakdown of the JW Licensed Know-How and the JW sLVV Manufacturing Process prepared by the Company and noted that the total relevant development costs, including capital expenditure, material costs, research and development costs and etc. incurred by the Company so far was higher than the Total Consideration.

Although the aforesaid total development costs are greater than the Total Consideration, the JW Licensed Know-How and the JW sLVV Manufacturing Process is primarily developed for the Group's own domestic use rather than being developed for Juno or other third parties and was not intended for sale. As advised by the management of the Group, once the Group's own manufacturing of the domestic vector getting approved by the regulatory authorities, the Group could save significant costs per patient by using its own manufactured vector as compared to procuring from Juno. It is expected by the Company that it could recoup all the development costs within two to three years. Therefore, the total development costs in relation to the JW Licensed Know-How and the JW sLVV Manufacturing Process should have been incurred by the Company regardless whether the Company would license it out under the License Agreement and it is inappropriate to directly compare the amount of total relevant development costs to the Company with the Total Consideration. The Total Consideration to be received from licensing-out the JW Licensed Know-How and the JW sLVV Manufacturing Process represents a good opportunity for the Company to realise extra income from its cumulated research and development efforts, which would generate additional earnings and positive cash flows to the Group and is beneficial to the Group's financial performance;

(ii) the Total Consideration is close to the consideration (i.e. not exceeding US$10 million) for the similar arrangement under the 2022 License Agreement (as defined below) which has been approved by the then independent shareholders of the Company.

Based on our review on the Company's announcement dated December 20, 2022, we noted that the Company entered into a license and collaboration agreement between the Company and Juno on December 19, 2022 (the "**2022 License Agreement**"), pursuant to which, among others, the Company has agreed to provide to Juno technology transfers with respect to the JW manufacturing process for one or more one-time, non-refundable, non-creditable payments of not exceeding US$10 million in aggregate. Such agreement has been approved by the then independent shareholders of the Company on January 17, 2023. The JW manufacturing process under the 2022

License Agreement comprises any proprietary manufacturing process controlled by the Company or any of its affiliates that is used by or on behalf of the Company or any of its affiliates for the manufacture of a CAR-T product specifically directed to DLL3.

On the other hand, as disclosed in the Letter from the Board, the JW sLVV Manufacturing Process under the License Agreement is the proprietary manufacturing process developed by JW that is used for the manufacture of a suspension vector for incorporation into the product(s) restricted by the Company. Accordingly, the nature of the JW Licensed Know-How and the JW sLVV Manufacturing Process to be granted by the Company to Juno under the License Agreement is similar to the nature of the technology transfers with respect to the JW manufacturing process agreed to be provided by the Company to Juno under the 2022 License Agreement, both of which are technology related to the manufacturing process of a specific product. The Total Consideration, which is determined in a level close to the consideration (i.e. not exceeding US$10 million) for the aforesaid similar arrangement under the 2022 License Agreement, is therefore considered to be reasonable;

(iii) the license-out under the License Agreement is not exclusive to Juno and the Company is allowed to further grant such license to other companies.

As stipulated under the License Agreement, the license-out under the License Agreement is not exclusive to Juno and the Company retains all right, title, interest and ownership of the JW Licensed Know-How and the JW sLVV Manufacturing Process, which allows the Company to further grant such license to other companies and realise further income from its cumulated research and development efforts.

Although the granted license to Juno is sublicensable and transferable to a limited extent as provided in the License Agreement, we noted in the License Agreement that Juno's sub-license right is limited to the Juno Cell Therapy Product, which refers to the product that involves the use of genetically engineered cells for treatment of any diseases or conditions, of which the intellectual property rights are owned or obtained licenses rights by Juno or any of its affiliates. In other words, Juno cannot sub-license the JW Licensed Know-How and the JW sLVV Manufacturing Process to any third party in a manner not associated with the Juno Cell Therapy Product. As such, the sub-license right granted to Juno under the License Agreement will not affect the Group to license the JW Licensed Know-How and the JW sLVV Manufacturing Process to other third parties for their application of such technology for their own products.

On the other hand, Juno is a biopharmaceutical company wholly-owned by Bristol Myers Squibb Company, a U.S. multinational company listed on the New York stock exchange in the U.S. (NYSE: BMY). In view of Juno and Bristol Myers Squibb's leading position in the global cell therapy field, this license-out of the JW Licensed Know-How and the JW sLVV Manufacturing

Process to Juno represents Juno's recognition of the Company's research and development capabilities which would promote the Company's image in the market and is beneficial to the Group's future license-out and collaborations with third parties; and

(iv) the continuation of collaborative relationship with Juno is critical and beneficial to the Company's business and development.

As discussed in the section headed "3. Reasons for and benefits of entering into of the License Agreement" above, the Company has established a collaborative relationship with Juno prior to its listing. Juno is a leader in the field of cell therapy and has applied its scientific expertise in extensive pre-clinical research to generate the licensed construct. The Group's lead product Carteyva® as well as other product candidates such as JWCAR129 and JWCAR031, were developed using the Company's own optimised processes which the Company originally established in collaboration with Juno and based on the CAR construct that was in-licensed by the Company from Juno. The Company's own expertise in process development, cell therapy manufacturing and clinical research (including access to patient populations for clinical studies) have been demonstrated by its successful development and commercialisation of Carteyva® in China. In view of such successful cooperation precedents, we concur with the Directors that the combination of Juno's expertise with the Company's own expertise will enable it to compete effectively with other biotech companies and maintaining a long-term business relationship with Juno is critical and beneficial to the Company's business and development. This license-out of the the JW Licensed Know-How and the JW sLVV Manufacturing Process to Juno is an integral part of the collaboration arrangements between Juno and the Company. Accordingly, the net benefits and costs of such license-out to the Company and the Independent Shareholders should not be evaluated in monetary terms only but also in the context of the overall benefits that the Company may receive from the mutual collaboration with Juno, in particular the Company's in-licensing of intellectual property rights owned by Juno that have significant potential.

Based on the above factors, we consider the Total Consideration to be fair and reasonable.

In respect of the Non-cash Consideration, based on our review on the Company's prospectus dated October 22, 2020 and the Company's announcement dated May 21, 2023, we noted that Juno is the owner of the proprietary CAR construct and technology which are used for the development and manufacturing of Carteyva® and has repeatedly demonstrated its ability to provide Vector that could meet the quality requirements and other specifications specified by the Company for clinical development and commercialisation of Carteyva® at a reasonable price. Furthermore, as at the Latest Practicable Date, Juno has not authorised any third parties, for their own behalf, to undertake the comprehensive manufacturing process (including production and quality control) relating to Vector. Accordingly, the Company has procured Vector from Juno since the commencement of clinical manufacturing of Carteyva® in July 2018 and the Company has not

procured any Vector from any supplier other than Juno. It is considered to be effectively necessary for the Company to purchase such Vector from Juno before the Company is able to independently replaces Juno's Vector with the Company's self-manufactured Vector, which is expected to take place no earlier than the end of 2025 and hence the purchases of Vector from Juno would be essential in the short term. As such, the Company has purchased the number of units of Vector required for its use in operations in 2025 and the arrangement of the Non-cash Consideration could save the relevant cost and cash outflow for the purchase.

As advised by the management of the Group, for the three years ended December 31, 2022, 2023 and 2024, the total amount paid by the Group to Juno for the purchase of Vector represented a considerable portion of the production costs incurred by the Group. Having considered the significance of the Vectors purchased from Juno, the supply of Vector by Juno is of vital strategic significance for the success of the Company's commercial production and market share. Against this backdrop, the Company has recently ordered such number of units of Vector required for its use in operations in 2025 pursuant to the Vector Supply Agreement prior to the execution of the License Agreement so as to accommodate the Company's manufacturing schedule for Carteyva®. Based on our enquiry, we noted that the total consideration of such batch of Vector was generally equivalent to the total amount of the Non-cash Consideration.

Taking into account that (i) Vector constitutes an essential component for the manufacturing of Carteyva®, the only revenue-generating product of the Company at present. As such, the stable supply and price of Vector is critical to the commercialisation of Carteyva® and market share of the Group; (ii) Juno has consistently supplied Vector that meets the quality requirements and other specifications of the Company for clinical development and commercialisation of Carteyva®. As such, Juno is the optimal supplier of Vector for the Company; (iii) the arrangement of the Non-cash Consideration enables the Company to save the cash outflow required for the purchase of such number of units of Vector required for its use in operations in 2025; and (iv) the Non-cash Consideration is generally equivalent to the total value of Vector recently ordered and required by the Company, we consider the arrangement of the Non-cash Consideration to be fair and reasonable.

Pursuant to the License Agreement, the Total Consideration consists of the Upfront Payment, the Additional Payment and the Non-cash Consideration. Taking into account that (i) the Upfront Payment represents nearly 90% of the cash consideration of the License Agreement, indicating that the majority of the cash consideration will be settled within 45 days from the License Agreement Effective Date; (ii) both of the Upfront Payment and the Additional Payment are non-refundable, non-creditable and one-time; and (iii) the Non-cash Consideration was reached by arm's length negotiation and is generally equivalent to the total value of Vector recently ordered and required

by the Company, we consider each of the amount of the Upfront Payment, the Additional Payment and the Non-cash Consideration to be fair and reasonable and in the interest of the Company and its Shareholders as a whole.

In respect of the payment terms, Juno shall make the Upfront Payment within 45 days from License Agreement Effective Date and make the Additional Payment within 45 days after delivery of the Information Completion Notice. Based on our independent research on the terms of license agreements as announced by the companies listed on the Stock Exchange in 2024 and 2025, we noted that it is a normal business practice to make payments by stages under a license agreement and certain companies have disclosed their payment terms. For instance, Sirnaomics Ltd. (2257.HK) shall receive milestone payments comprising three one-time payments which are payable within 10 business days following the fulfillment of certain conditions under a patent assignment and license agreement (https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0801/2024080100092.pdf). In addition, ClouDr Group Limited (9955.HK) shall make upfront payment in two installments which are payable within 90 calendar days after the effective date and an annual maintenance fee which are payable within 30 calendar days of receipt of the invoice (https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0624/2024062400015.pdf). Taking into account that (i) the payment terms of the License Agreement of 45 days are in line with the market practice; (ii) the payment terms of the License Agreement are determined based on arm's length negotiation between the Company and Juno; and (iii) the Company has established a collaborative relationship with Juno prior to its listing, and maintaining a long-term business relationship with Juno is important to the Company's business and development, we consider the payment terms to be fair and reasonable and in the interest of the Company and its Shareholders as a whole.

In respect of the know-how transfer and assistance, the Company shall reasonably cooperate with Juno to assist Juno in understanding the JW Licensed Know-How and the JW sLVV Manufacturing Process. The Company will provide Juno with a capped number of hours of support for this purpose at no additional cost or expense to Juno, and thereafter Juno will pay the Company for any additional support services. As advised by the management of the Group, the cost for the provision of support services includes the related salary, benefits, laboratory supplies and other similar expenses associated with such full-time employee performing know-how transition and transfer services, which are generally insignificant. As the provision of support services is capped by a limited number of hours and the costs for the provision of the services are immaterial as compared to the Total Consideration, we consider the terms of know-how transfer and assistance to be acceptable.

Having considered all the factors above, we are of the view that the terms of the License Agreement, including the consideration arrangement, are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned.

OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that (i) the entering into of the License Agreement is conducted in the ordinary and usual course of business of the Group; and (ii) the terms of the License Agreement are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favor of the relevant resolutions to be proposed at the EGM to approve the License Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited

Larry Choi
Managing Director

Mr. Larry Choi is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over ten years of experience in the corporate finance industry.