

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
GYRE THERAPEUTICS, INC. (FKA CATALYST BIOSCIENCES, INC.)		56-2020050	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
RUOYU CHEN	(858) 567-7770	INFO@GYRETX.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact	
12770 HIGH BLUFF DRIVE, SUITE 150		SAN DIEGO, CA 92130	
8 Date of action		9 Classification and description	
10/30/2023		COMMON STOCK - STOCK FOR STOCK EXCHANGED	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
403783103		GYRE	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ ON OCTOBER 30, 2023, GYRE THERAPEUTICS, INC., FORMERLY KNOWN AS CATALYST BIOSCIENCES, INC. (THE "COMPANY") COMPLETED ITS BUSINESS COMBINATION WITH GNI GROUP LTD AND RELATED ENTITIES. AS A RESULT OF THE BUSINESS COMBINATION, BEIJING CONTINENT PHARMACEUTICALS CO., LTD BECAME A MAJORITY-OWNED SUBSIDIARY OF GYRE.

IMMEDIATELY PRIOR TO AND IN CONNECTION WITH THE MERGER, CATALYST EFFECTED A NAME CHANGE AND A REVERSE STOCK SPLIT OF CATALYST'S COMMON STOCK AT A RATIO OF 1-FOR-15 SHARES. IN THE REVERSE STOCK SPLIT, EVERY 15 SHARES OF CATALYST COMMON STOCK OUTSTANDING WAS COMBINED AND RECLASSIFIED INTO ONE SHARE OF GYRE COMMON STOCK. THE SHARES OF CATALYST COMMON STOCK LISTED ON THE NASDAQ CAPITAL MARKET, PREVIOUSLY TRADING THROUGH THE CLOSE OF BUSINESS ON OCTOBER 30, 2023 UNDER THE TICKET SYMBOL "CBIO", WILL COMMENCE TRADING ON THE NASDAQ CAPITAL MARKET, ON A POST-REVERSE STOCK SPLIT ADJUSTED BASIS, UNDER THE TICKER SYMBOL "GYRE", ON OCTOBER 31, 2023.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ AS A RESULT OF THE MERGER, GYRE SHAREHOLDERS WILL BE REQUIRED TO ALLOCATE THE TAX BASIS OF THEIR ORIGINAL GYRE SHARES HELD IMMEDIATELY PRIOR TO THE MERGER, TO THEIR COMPANY (FKA CATALYST BIOSCIENCES, INC.) SHARES HELD AFTER THE MERGER.

THE TAX BASIS OF EACH WHOLE SHARE RECEIVED IN THE EXCHANGE WILL EQUAL THE TAX BASIS OF THE 15 SHARES SURRENDERED IN THE EXCHANGE. A SHAREHOLDER WHO RECEIVES CASH IN LIEU OF A FRACTIONAL SHARE SHOULD RECOGNIZE GAIN OR LOSS IN AN AMOUNT EQUAL TO THE DIFFERENCE BETWEEN THE AMOUNT OF CASH RECEIVED AND THE HOLDER'S TAX BASIS IN THE SHARES OF STOCK SURRENDERED THAT IS ALLOCATED TO SUCH FRACTIONAL SHARE.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ THE FAIR MARKET VALUE OF THE SHARES HELD IMMEDIATELY AFTER THE MERGER EQUALS THE FAIR MARKET VALUE OF THE SHARES HELD IMMEDIATELY PRIOR TO THE MERGER. EACH GYRE SHAREHOLDER WILL NOT RECOGNIZE GAIN OR LOSS UPON THE EXCHANGE OF GYRE COMMON STOCK PURSUANT TO THE MERGER OR REVERSE STOCK SPLIT, EXCEPT TO THE EXTENT OF CASH RECEIVED IN LIEU OF FRACTIONAL SHARES OF THE COMPANY COMMON STOCK. SHAREHOLDERS WHO RECEIVED CASH IN LIEU OF FRACTIONAL SHARES WILL BE TREATED AS HAVING SOLD FRACTIONAL SHARES FOR CASH. THE AMOUNT OF GAIN OR LOSS RECOGNIZED AS A RESULT OF SUCH EXCHANGE WILL BE EQUAL TO THE DIFFERENCE BETWEEN THE RATABLE PORTION OF THE BASIS THAT IS ALLOCATED TO THE FRACTIONAL SHARES AND THE CASH RECEIVED IN LIEU.

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► TAX TREATMENT OF THE REVERSE STOCK SPLIT IS BASED ON THE FOLLOWING INTERNAL REVENUE CODE (IRC) SECTIONS: 354(a), 358(a), and 368(a). SEE ALSO TREASURY REGULATION §1.358-2(a) AND (c).

18 Can any resulting loss be recognized? ► NO, THE EXCHANGE OF GYRE COMMON STOCK FOR THE COMPANY (FKA CATALYST BIOSCIENCES, INC) COMMON STOCK SHOULD NOT RESULT IN A TAXABLE TRANSACTION, EXCEPT TO THE EXTENT OF ANY CASH RECEIVED IN LIEU OF A FRACTIONAL SHARE OF THE COMPANY COMMON STOCK.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► THE REPORTABLE TAX YEAR IS 2023 FOR CALENDAR YEAR TAXPAYERS. FOR SHAREHOLDERS REPORTING ON A BASIS OTHER THAN A CALENDAR YEAR, THE REPORTABLE TAX YEAR IS THEIR YEAR THAT INCLUDES OCTOBER 30, 2023.

THE ABOVE INFORMATION DOES NOT CONSTITUTE TAX ADVICE, NOR DOES IT PURPORT TO BE COMPLETE OR TO DESCRIBE THE CONSEQUENCES THAT MAY APPLY TO PARTICULAR CATEGORIES OF SHAREHOLDERS. THEREFORE, SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN LEGAL, FINANCIAL, AND/OR TAX ADVISORS WITH RESPECT TO THEIR INDIVIDUAL TAX CONSEQUENCES RELATING TO THIS STOCK EXCHANGE.

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ► A SIGNED COPY IS MAINTAINED BY THE ISSUER. Date ► _____

Print your name ► _____ Title ► _____

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ►	Firm's EIN ►			
	Firm's address ►	Phone no.			