[REDACTED] *in our H Shares involves significant risks. You should carefully read and consider all of the information in this document, including the risks and uncertainties described below, before deciding to* **[REDACTED]** *in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, results of operations, financial condition and growth prospects. In any such case, the market price of our H Shares could decline, and you may lose all or part of your* **[REDACTED]**. *The risks and uncertainties identified below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business, results of operations and financial condition.*

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We are dependent on our customers' spending on and demand for outsourced biologics development and manufacturing. A reduction in spending or demand could have a material adverse effect on our business, financial condition and results of operations.

The success of our business depends primarily on the number and size of service contracts with our customers, primarily pharmaceutical and biotechnology companies. Over the past several years, we have benefitted from an increased demand for our services as a result of the continued growth of the global biologics market, increasing research and development budgets of our customers, and a greater degree of outsourcing by our customers. For more information on the industry trend, see "Industry Overview." A slowing or reversal of any of these trends could have a significant adverse effect on the demand for our services.

In addition to the foregoing industry trends, our customers' willingness and ability to utilize our services are also subject to, among other things, their own financial performance, changes in their available resources, their decisions to acquire in-house development or commercial manufacturing capacity, their spending priorities, their budgetary policies and practices, and their need to develop new biological products, which, in turn, is dependent upon a number of factors, including their competitors' development and commercial manufacturing initiatives, and the anticipated market uptake, clinical and reimbursement scenarios for specific products and therapeutic areas. In addition, consolidation in the industries in which our customers operate may have an impact on such spending as our customers integrate acquired operations, including research and development departments and their budgets. If our customers reduce their spending on our services as a result of any of these or other factors, our business, financial condition and results of operations would be materially and adversely affected.

The degree of market acceptance of the products we manufacture for our customers may significantly influence our business, results of operations and financial condition.

We are dependent on, and have no control over, market acceptance for the products we manufacture for our customers. If the products we manufacture for our customers do not gain market acceptance, our revenues and profitability may be adversely affected. The degree of market acceptance of our customers' products will depend on a number of factors, including, but not limited to: (i) the ability of our customers to publicly establish and demonstrate the efficacy and safety of such products, including favorably comparing such products to competing products; (ii) regulatory approval of, or regulatory actions taken with respect to, such products; (iii) the costs to potential consumers of using such products and the cost of competing products; (iv) the prevalence and severity of any side effects; (v) product labeling or product insert

requirements of regulatory authorities; (vi) the availability of adequate coverage, reimbursement and pricing by third-party payors and government authorities; (vii) the market acceptance of competing products resulting from their development and advancement; (viii) the emergence, advancement or adoption of new therapies, technologies or treatment modalities that may reduce demand for, or otherwise displace, our customers' products; (ix) marketing and distribution support for such products; and (x) public perception of our customers and our customers' industry. If production volumes of key products that we manufacture for our customers and related revenues are not maintained, we may suffer a material adverse effect on our business, results of operations and financial condition.

Our services and offerings are highly complex, and if we are unable to provide consistently high-quality services and offerings to our customers, or if our services do not meet our customers' evolving needs, our business could suffer.

The services we offer are highly customized, exacting and complex, due in part to strict regulatory requirements and customer-specific technical requirements. Our operating results depend on our ability to execute and, when necessary, improve our quality management strategy and systems, and our ability to effectively train and maintain our employee base with respect to quality management. We have established a quality management function including quality assurance (QA), quality control (QC), process control, change control, deviation management, corrective and preventive action (CAPA) and batch record controls. A failure of our quality management systems in our new and existing business units and facilities could result in problems with facility operations or preparation or provision of products. In each case, such problems could arise for a variety of reasons, including equipment malfunction, failure to follow specific protocols and procedures, problems with the batch variation of raw materials or artificial errors during the manufacturing operations, and failure to comply with regulations strictly enforced by relevant government authorities. Such problems could affect our production process, requiring the destruction of such products or a halt of facility production altogether.

Furthermore, the complexity of our services and offerings stems from the technical uncertainties inherent in process scale-up, where parameters optimized in the laboratory may not seamlessly translate to large-scale production. We cannot eliminate the risks of reduced product purity, excessive impurity levels, or significant inter-batch stability issues, which may lead to extended production cycles and increased costs. Consequently, we may even lose commercial manufacturing orders from clients unless we successfully resolve these technical challenges.

We may not be able to successfully develop and offer new services that meet changing market demands and industry trends.

There have been many advances in treatment modalities based on technological innovations to meet the needs of various complex diseases. In order to compete successfully, we need to offer and develop new services to meet the changing demand of our customers and the trends of the whole industry. Without the timely introduction of enhanced or new services, our services and capabilities may become obsolete over time, in which case, our revenues and operating results would suffer. During the Track Record Period, we have continued to diversify and expand our service offerings. Successful offering of new services depends on several factors, including, but not limited to, our ability to (i) properly anticipate and satisfy customer needs, including increasing demand for lower-cost services; (ii) enhance, innovate, develop and deliver new offerings in an economical and timely manner; and (iii) differentiate our offerings from competitors' offerings.

Even if we were to succeed in creating enhanced or new services, those services may not result in commercially successful offerings or may not produce revenues in excess of the costs of development and capital investment and may be quickly rendered obsolete by changing customer preferences or by technologies or features offered by our competitors. In addition, innovations may not be accepted quickly due to, among other things, entrenched patterns of industry practice, the need for regulatory clearance and uncertainty over market access or government or third-party reimbursement. We may also face challenges integrating any future acquired technologies, service lines or teams if we pursue acquisitions, licensing arrangements or strategic collaborations.

We may not succeed in developing, enhancing or adapting to new technologies and methodologies in a timely or cost-effective manner, which may adversely affect our competitiveness.

The global pharmaceutical outsourcing service industry is characterized by rapid technological changes. Demand for our services may change in ways that we may not be able to anticipate because of evolving industry standards or as a result of evolving customer needs that are increasingly sophisticated and varied or because of the introduction by competitors of new services and technologies. To maintain our technological advantages, we have invested significant amounts of capital and resources into our research and development activities. In 2023, 2024 and 2025, our research and development expenses were RMB57.9 million, RMB37.1 million and RMB45.9 million, respectively, representing 12.7%, 8.6% and 9.5% of our revenue for each year, respectively. We must continue to invest significant amounts of human and capital resources to develop or acquire technologies and methodologies that will allow us to enhance the scope and quality of our services. However, we cannot assure you that we will be able to develop, enhance or adapt to new technologies and methodologies. Any failure to do so may make our techniques and services obsolete, which could significantly reduce demand for our services and harm our business and prospects.

Developing new technologies and methodologies, and improving existing ones, requires a significant amount of capital investment and involves substantial uncertainties. We cannot assure you that, even if we succeed in developing, enhancing, or adapting to new technologies and methodologies, we will be able to generate a sufficient return on our investment. As a result, we may incur substantial losses from our investment in research and development activities, and our future business, results of operations, financial condition, and prospects could be materially and adversely affected.

We operate in a highly competitive market, and if we do not compete effectively, our business, financial condition and results of operations could be harmed.

The global biologics development and manufacturing services market is highly competitive and we expect this high level of competition to be increasingly fierce. As a comprehensive provider of outsourced biologics development and manufacturing solutions and services, we compete, both domestically and internationally, with other players in this market, such as full-service pharmaceutical outsourcing companies, contract manufacturers with different areas of focus and expertise, and large pharmaceutical companies offering third-party manufacturing services to fill their excess capacity. In addition, some pharmaceutical companies may elect to provide their own development and manufacturing services internally rather than outsourcing those functions to us or any of our competitors. We obtain competitive advantages primarily based on our integrated portfolio of service offerings, cutting-edge technologies, customized

process development capabilities supported by continued investment in R&D, on-time, stable delivery of high-quality services, a customer-centric approach to services, effective quality assurance and EHS policies and procedures, and compliance with good manufacturing practices (GMPs) and regulatory requirements.

Some of our competitors may have substantially greater financial, marketing, technical or other resources than we do. Greater financial, marketing, technical or other resources may allow our competitors to respond to changes in market demand more quickly with new, alternative or emerging technologies. Changes in the nature or extent of our customer requirements may render our service offerings obsolete or non-competitive. In addition, our competitors may improve the performance of their services, introduce new services at lower prices and with improved performance characteristics. Furthermore, increased competition could create pricing pressure on our services, which could reduce our revenue and profitability. There is no assurance that we will be able to compete effectively with existing competitors or new competitors or that the level of competition will not adversely affect our business, financial condition and results of operations.

If any operational lapses occur during our manufacturing process, there could be serious biohazard problems and product contamination and our business and reputation could be significantly harmed.

Our manufacturing involves complex biological and chemical processes that require stringent environmental controls and adherence to standardized operating procedures. Any failure to maintain these standards — particularly regarding the operation and maintenance of our stainless-steel reactors, cleanroom facilities, filling and lyophilization equipment and other specialized equipment, and, where applicable, the handling of cytotoxic or highly potent materials in antibody-drug conjugate (ADC) projects — could lead to significant biohazard problems, occupational safety incidents or product contamination. Such operational lapses may arise from human error, equipment malfunction, or the failure of our sterilization and environmental monitoring systems. If contamination or other material deviations occur during the process, we may face several adverse consequences, including, but not limited to, (i) the mandatory destruction of affected batches that fail to meet our quality specifications or regulatory standards; (ii) temporary or prolonged suspension of manufacturing lines to conduct deep cleaning, environmental re-validation, or root-cause investigations; (iii) the inability to fulfill customer orders on schedule, which could damage our reputation and lead to potential claims for breach of contract; and (iv) increased regulatory scrutiny, fines, or the suspension of manufacturing licenses by relevant authorities. The occurrence of any of these events could have a material adverse effect on our business and reputation.

Any failure to comply with existing regulations and industry standards, or any adverse actions by the regulatory authorities against us could result in significant penalties and materially and adversely affect our business, financial condition and results of operations.

In many countries or regions where a biologics drug is intended to be ultimately sold, such as China, the United States and Europe, the relevant government agencies and industry regulatory bodies impose high standards on the efficacy and safety of such drug, as well as strict rules, regulations and industry standards on how we and our customers develop and manufacture such drug. For example, we may need to obtain clearance from the National Medical Products Administration (NMPA), the U.S. Food and Drug Administration (FDA), European Medicines Agency (EMA), or other regulatory authorities. These regulatory authorities may conduct

scheduled or unscheduled periodic inspections of our facilities to monitor our regulatory compliance. We cannot assure you that we will be able to pass all the inspections and obtain clearance from all the regulatory authorities at all times. Any failure to comply with existing regulations and industry standards could result in fines or other punitive actions against us or our customers, the termination of ongoing biologics projects by our customers and the disqualification of data for submission to regulatory authorities, each of which could have a material adverse impact on our business, financial condition and results of operations. In addition, any action against us for violation of the relevant regulations or industry standards, even if we successfully defend against it, could cause us to incur significant legal expenses, divert our management's attention from the operation of our business and adversely affect our financial results.

Our failure to obtain or renew certain approvals, licenses, permits and certificates required for our business may result in suspension of operations and materially and adversely affect our business, financial condition and results of operations.

Pursuant to the relevant laws and regulations, we are required to obtain and maintain various approvals, licenses, permits and certificates from relevant authorities to operate our business. Any failure to obtain any approvals, licenses, permits and certificates necessary for our operations may result in enforcement actions thereunder, including orders issued by the relevant regulatory authorities causing operations to cease, and may include corrective measures requiring capital expenditure or remedial actions, which in the future could materially and adversely affect our business, financial condition and results of operations. There is also no assurance that the relevant authorities would not take any enforcement action against us. In the event that such enforcement action is taken, our business operations could be materially and adversely disrupted.

In addition, some of these approvals, permits, licenses and certificates are subject to periodic renewal and/or reassessment by the relevant authorities, and the standards of such renewal and/or reassessment may change from time to time. Although we are committed to applying for the renewal and/or reassessment of these approvals, permits, licenses and certificates when required by applicable laws and regulations, there can be no assurance that we will successfully procure such renewals and/or reassessment. Any failure by us to obtain the necessary renewals and/or reassessment and otherwise maintain all approvals, licenses, permits and certificates necessary to carry out our business at any time could severely disrupt our business and prevent us from continuing to carry out our business, which could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, if the interpretation or implementation of existing laws and regulations changes or new regulations come into effect requiring us to obtain any additional approvals, permits, licenses or certificates that were previously not required to operate our existing businesses, we cannot assure you that we will successfully obtain such approvals, permits, licenses or certificates. Our failure to obtain the additional approvals, permits, licenses or certificates may restrict the conduct of our business, decrease our revenues and/or increase our costs, which could materially reduce our profitability and prospects.

Our limited operating history may make it difficult to evaluate our business and future growth prospects.

We began our business in 2018 and have a limited operating history. Since our inception, we have been continuously expanding the breadth of our integrated biologics contract development and manufacturing organization (CDMO) services. As such, our annual and semi-annual revenue and other operating results have fluctuated in the past and may continue to fluctuate depending upon a number of factors, many of which are beyond our control. Accordingly, our operating history, in particular period-to-period comparisons of our historical results of operations, may not be a reliable indicator of our future performance or serve as an adequate basis for evaluating our business prospects and financial performance. We may not be able to expand our business at a profit or at all, maintain our competitive position, satisfy our contractual obligations, or achieve or sustain growth and profitability. In addition, it is possible that our results of operations in some reporting periods will fall below market expectations.

We were loss-making during the Track Record Period and have a history of gross losses, and our path to profitability may not be guaranteed.

We have not yet been profitable, and our business has a track record of incurring gross losses. Our loss for the year was RMB167.8 million, RMB290.9 million and RMB215.5 million in 2023, 2024 and 2025, respectively. In addition, in 2023, 2024 and 2025, our gross loss was RMB33.8 million, RMB65.3 million and RMB18.7 million, respectively. For reasons of our historical losses, see "Financial Information — Business Sustainability and Path to Profitability — Reasons for Historical Loss." There is no guarantee that we will achieve or sustain profitability as we continue to invest in capacity, technologies, personnel and overseas business development. Our path to profitability depends on a number of factors, including customer demand, project mix, pricing, utilization of our manufacturing lines, successful conversion of late-stage projects into commercial manufacturing, cost control, financing costs and competitive dynamics. If we fail to address our loss-making position in the long run, our business, financial condition, and results of operations may be materially and adversely affected.

We incurred net liabilities and net current liabilities during the Track Record Period, and experienced net operating cash outflow in 2024. We may need to obtain additional financing to fund our operations.

As of December 31, 2023, 2024 and 2025, we had net liabilities of RMB267.5 million, RMB558.4 million and RMB768.9 million, respectively. In addition, we had net current liabilities of RMB1,216.8 million, RMB1,226.8 million and RMB1,242.0 million as of the same dates, respectively. For reasons of our net liabilities and net current liabilities positions, see "Financial Information — Discussion of Selected Items of Our Consolidated Statements of Financial Position." A net liabilities position and net current liabilities position can expose us to liquidity and financial risks. This in turn could require us to seek financing from external sources such as debt issuance and bank borrowings, which may not be available on terms favorably or commercially reasonable to us, or at all.

We may experience net cash outflows from our operating activities from time to time. We recorded net cash from operating activities of RMB11.1 million and RMB74.7 million in 2023 and 2025, respectively, and net cash used in operating activities of RMB112.0 million in 2024. For details, see "Financial Information — Liquidity and Capital Resources." There is no assurance that we will be able to achieve positive operating cash flows or secure sufficient external financing to meet our funding needs on favorable terms, or at all. Any failure to

effectively manage our cash position, or any significant delay or shortfall in revenue collection, may adversely affect our liquidity, limit our ability to execute strategic initiatives, and, in turn, materially and adversely impact our financial condition, results of operations, and future growth prospects. Our forecast of the period of time through which our capital resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we currently expect.

If we are unable to maintain adequate working capital or obtain sufficient financings to meet our capital needs, we may be unable to continue our operations according to our plan, default on our payment obligations and fail to meet our capital expenditure requirements, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

Our success depends on our ability to attract, train, motivate and retain highly skilled scientists and other technical personnel, and failure to do so may materially and adversely affect our operations.

Our success depends, to a significant extent, on our team of scientists and other technical personnel and their ability to deliver high-quality and timely services to our customers and keep abreast of cutting-edge technologies and developments in the pharmaceutical market. We compete vigorously with pharmaceutical and biotechnology companies, other CDMO companies and research and academic institutions for qualified and experienced scientists and other technical personnel. As a result, such scientists are highly sought after by our competitors and we may face challenges in attracting and retaining skilled scientists and other technical personnel. We may not be able to hire and retain sufficient skilled and experienced scientists or other technical personnel at our current level of compensation. As a result, we may need to offer higher compensation and other benefits, which could materially and adversely affect our profit margin, financial condition and results of operations. In addition, we may not be successful in training our professionals to keep pace with changes in customer needs and technological and regulatory standards. Any inability to attract, motivate, train or retain qualified scientists or other technical personnel may have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

The loss of the services of our senior management could materially disrupt our business operations and growth strategies.

Our success significantly depends upon the continued service of our senior management. In particular, we are highly dependent on Mr. Li, our founder, executive Director, chairman of the Board and chief executive officer, who is responsible for the overall strategic planning and business direction and day-to-day management of our Company. The loss of any of our senior management could have a material adverse effect on our business and operations. If we lose the services of any senior management members, we may be unable to identify, hire and train suitable qualified replacements and may incur additional expenses and time to recruit and train new personnel, which could severely disrupt our business operations and growth strategies. In addition, we may not be able to successfully enforce the non-compete agreements we entered into with our management members should any of them leave us, which could adversely affect our business operations and growth strategies.

If we fail to effectively manage our anticipated growth or execute on our growth strategies, our business, financial condition and results of operations could be materially and adversely affected.

Our growth strategies include expanding our facilities and biologics development and manufacturing capacity to meet our customers' needs, broadening the breadth of our integrated services, increasing our penetration into overseas markets, including Europe and other emerging markets, and consolidating our talent base. For more information, see "Business — Our Strategies" and "Future Plans and Use of **[REDACTED]**." Pursuing our growth strategies has resulted in, and will continue to result in, substantial demands on capital and other resources. In addition, managing our growth and executing on our growth strategies will require, among other things, our ability to continue to innovate and develop advanced technology in the highly competitive global biologics outsourcing services market, effective coordination and integration of our facilities and teams across different sites, successful hiring and training of personnel, effective cost control, sufficient liquidity, effective and efficient financial and management control, increased marketing and customer support activities, effective quality control, and management of our suppliers to leverage our purchasing power. Any failure to execute on our growth strategies or realize our anticipated growth could adversely affect our business, financial condition and results of operations.

Our expansion plans may require significant capital investment and may not be completed on schedule or utilized as expected.

We plan to expand our Changshu site by constructing additional drug substance modules, dedicated ADC drug product and conjugation facilities, process development and analytical laboratories and an AI data center primarily using the net **[REDACTED]** from the **[REDACTED]**, supplemented by our own funds where necessary. These projects are subject to risks associated with construction, fit-out, equipment procurement, installation, qualification, validation, regulatory readiness, recruitment and customer demand. If construction costs increase, completion or qualification is delayed, expected process performance qualification (PPQ) or commercial projects do not materialize, or utilization is lower than anticipated, we may incur higher depreciation, financing and operating costs and may not realize the expected returns on these **[REDACTED]**. Conversely, if demand grows faster than expected or facility qualification is delayed, we may fail to secure sufficient capacity to meet customer schedules. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

If our expansion into new geographic markets does not progress as planned, our business growth, financial condition and results of operations could be materially and adversely affected.

During the Track Record Period, substantially all of our revenue was generated from customers headquartered in China. We intend to further diversify our customer geographic mix to increase revenue generated by customers based in Europe and other emerging markets. The legal and regulatory frameworks, competitive landscapes and customer preferences of these foreign markets may be different from the China market. We have limited experience working with these overseas customers, and we may encounter unforeseeable barriers and challenges in these markets, including longer customer qualification processes, additional customer audits, different documentation and quality expectations, more complex logistics and customs requirements, or the need to work with local business partners. These factors may result in a

delay to or failure of our expansion plans. In addition, we may invest significant time and resources on promoting brand awareness and acquiring market shares in these foreign markets. We may not be able to manage our costs or generate sufficient revenue to justify the time and resources spent. If our geographic expansion is unsuccessful, our business operation and financial condition could be materially and adversely affected.

Changes in government regulations or in practices relating to the pharmaceutical and biotech industry may adversely affect our business.

Changes in government regulations or in practices relating to the pharmaceutical and biotech industries, including reform of the drug approval process in relevant jurisdictions, could decrease demand for the services we provide, and compliance with new regulations may result in additional costs. Changes that result in a relaxation in regulatory requirements, or the introduction of simplified approval procedures which will lower the entry barrier for potential competitors, or an increase in regulatory requirements which may increase the difficulty for us to satisfy such requirements or may make our services less competitive, could eliminate or substantially reduce the demand for our services.

Any delays, cancellations and non-renewals of our contracts may materially and adversely affect our revenue and business.

Although we have many long-term contracts, the volume under each contract is subject to change, sometimes significantly, based on the forecasted demand from our customers. In addition, certain contracts may be cancelled or delayed by customers on short notice for various reasons. While we, as a CDMO company, are required to arrange our manufacturing capacity in advance (e.g., the construction of new bioreactors and the expansion of cleanroom facilities), our clients may cancel, delay, or refuse to renew contracts for different reasons, which could render the capacity we have already commissioned idle and underutilized, thereby increasing the depreciation cost of our assets and harming our profitability. Possible reasons include, but are not limited to, delayed regulatory approvals, shifts in market demand, and the emergence of successful competing products. Multiple cancellations, non-renewals, or renewals on less favorable terms of significant contracts could have a material adverse effect on our business, results of operations, and financial condition.

In addition, clinical development is a high-risk endeavor, as the results of preclinical studies and early clinical trials may not be predictive of the success of later-phase clinical trials, and favorable initial or interim results do not necessarily predict successful final outcomes. Even if a client's drug candidate demonstrates promising safety and efficacy in preclinical studies and early clinical trials, subsequent clinical trials may fail to meet primary endpoints or be terminated due to unforeseen factors. These include, but are not limited to, variability in patient populations, insufficient dosage optimization, or unexpected adverse reactions when used in combination with other therapies. Such scientific setbacks or serious adverse events may lead customers to suspend or terminate projects on short notice. Multiple cancellations or failures of this nature could result in significant order losses and the inability to recover our initial resource investments, thereby materially affecting our revenue and business.

A payment delay or failure by any of our large customers could materially and adversely affect our cash flows and profitability.

We generally grant our customers a credit term ranging from 30 to 90 days. As of December 31, 2023, 2024 and 2025, our trade receivables were RMB163.0 million, RMB217.4

million and RMB232.1 million, respectively. If any of our large customers' cash flow, working capital, financial condition or results of operations deteriorates, such customer may be unable, or it may otherwise be unwilling, to pay trade receivables owed to us promptly or at all. Any substantial default or delay of a customer's payment obligations may materially and adversely affect our working capital, financial condition and results of operations.

Failure to fulfill our obligations related to our contract liabilities could adversely affect our results of operations, liquidity and financial position.

Our contract liabilities represented advances from customers and billings in excess of revenue recognized, primarily arising from the timing difference between our milestone-based billing schedules and the satisfaction of performance obligations under our CDMO service contracts. As of December 31, 2023, 2024 and 2025, our contract liabilities amounted to RMB113.1 million, RMB105.9 million and RMB193.2 million, respectively. There can be no assurance that we will be able to fulfil our obligations in respect of our contract liabilities, as the fulfilment of our performance obligations is subject to various factors beyond our control. If we are unable to fulfil our obligations with respect to our contract liabilities, such amounts may not be recognized as revenue and we may be required to refund advance payments received from our customers. As a result, our liquidity and financial condition could be adversely affected.

We rely on a stable and adequate supply of quality raw materials from our suppliers, and any price increases or supply interruptions could materially and adversely impact our business.

Our business operations require a substantial amount of raw materials, chemical compounds and consumable materials. During the Track Record Period, our key raw materials and consumables included cell culture media and feeds, chromatography resins, filtration membranes, single-use bioprocess components, buffer and process chemicals, formulation excipients, primary packaging materials and, for ADC projects, linker/payload and related reagents. In 2023, 2024 and 2025, our cost of raw materials accounted for approximately 36.0%, 29.5% and 34.4% of our total cost of sales, respectively. We generally source these raw materials, chemical compounds and consumable materials locally. Most of the materials required by us are readily available from multiple sources. If our suppliers do not supply raw materials on a timely basis at reasonable prices, we may be unable to manufacture products for our customers. A sustained disruption in the supply chain involving multiple customers or vendors could have a material adverse effect on our results of operations.

Furthermore, suppliers may fail to provide us with raw materials and other components that meet the qualifications and standards required by us or our customers. If suppliers are not able to provide us with products that meet our or our customers' specifications on a timely basis, we may be unable to manufacture products, or products may be available only at a higher cost or after a long delay, which could prevent us from delivering products to our customers within required timeframes. Any such inability to manufacture products or any delay in delivering our products may create liability for us to our customers for breach of contract or cause us to experience order cancellations and loss of customers. In the event that we manufacture products with inferior quality, we may become subject to product liability or warranty claims caused by defective raw materials or components from a supplier, or our customer may be required to recall its products from the market.

The discontinuation of any of the financial incentives currently available to us in China could adversely affect our financial position and results of operations.

Since our inception, we have benefited from government grants and subsidies. In 2023, 2024 and 2025, we recorded under other income RMB9.0 million, RMB2.2 million and RMB14.9 million of government grants, respectively. We also enjoyed certain preferential tax treatment during the Track Record Period. Our eligibility to receive these financial incentives requires that we continue to qualify for them. The incentives are subject to the discretion of the central government or relevant local government authorities, which could determine at any time to eliminate or reduce these financial incentives, generally with prospective effect. Since our receipt of the financial incentives is subject to periodic time lags and inconsistent government practice, as long as we continue to receive these financial incentives, our financial performance in a particular period may be higher or lower relative to other periods depending on the potential changes in these financial incentives in addition to any business or operational factors that we may otherwise experience. The discontinuation of financial incentives currently available to us could have a material adverse effect on our financial condition, results of operations, cash flows and prospects.

Our property valuation is based on certain assumptions which, by their nature, are subjective and uncertain and may materially differ from actual results.

Valuations of our properties as of April 30, 2026 prepared by AVISTA Valuation Advisory Limited, an independent property valuer, are set forth in the Report set out as Appendix III to this document. The valuations are made based on assumptions which, by their nature, are subjective and uncertain and may differ from actual results. In addition, unforeseeable changes in general and local economic conditions or other factors beyond our control may affect the value of our properties. As a result, the valuation of our properties may differ materially from the price we could receive in an actual sale of the properties in the market and should not be taken as their actual realizable value or an estimation of their realizable value.

We are exposed to risks associated with concentration of customers.

We derived a substantial portion of our revenue from a relatively small number of customers during the Track Record Period and expect to continue to do so in the near future. For example, revenue generated from our five largest customers in each year during the Track Record Period amounted to RMB224.4 million, RMB175.4 million and RMB269.9 million in 2023, 2024 and 2025, respectively, representing 49.3%, 40.5% and 55.8% of our total revenue for the respective years. Revenue generated from our largest customer in each year during the Track Record Period amounted to RMB114.9 million, RMB43.0 million and RMB162.4 million in 2023, 2024 and 2025, respectively, representing 25.3%, 9.9% and 33.6% of our total revenue for the respective years. See "Business — Our Customers" for further details. We cannot assure you that we will be able to maintain or strengthen our relationships with our major customers, or that they will continue to enter into long-term collaboration agreements or place large work orders with us. If there is any significant cutback in the spending on our services by our major customers due to industry competition, deterioration of their financial conditions, procurement budget cuts, denial or delayed regulatory approvals or other reasons, and we are unable to obtain work orders or service contracts of a comparable size and on similar terms from other customers as replacements, our business, financial condition and results of operations may be materially and adversely affected.

Our customer agreements may contain provisions that run counter to our interests or expose us to potential liability.

Our long-term service agreements generally provide that a customer can terminate the agreement or any work order under the agreement without cause by giving prior written notice. Many of our project-based service contracts also allow customers to unilaterally terminate the contract without cause by giving prior written notice. If a customer terminates a work order or project-based service contract without cause, typically we are only entitled to receive service fees for work already performed, without prejudice to accrued rights and remedies. For more information, see "Business — Our Customers." Therefore, cancellation or modification of a large work order or project-based service contract, or proximate cancellation or modification of multiple smaller work orders or project-based service contracts, could materially and adversely affect our business, financial condition, results of operations and prospects.

We may not be able to continue to serve our customers if we fail to meet our customers' standards in audits and inspections.

Our customers regularly audit and inspect our facilities, processes and practices to ensure that our services are meeting their standards in the biologics development and manufacturing process. However, we cannot assure you that we will be able to pass all the customer audits and inspections. Failure to pass any of these audits or inspections to our customers' satisfaction could significantly harm our reputation and result in the termination of ongoing biologics projects by our customers, which could materially and adversely affect our business, financial condition, results of operations and prospects.

In conducting biologics development and manufacturing, we face potential liabilities, in particular, product liability risks that may expose us to substantial claims.

In providing our services, we face a range of potential liabilities. In particular, we may face product liability risks if the biologics we help to develop or manufacture are subject to product liability claims. Our liability may not be always capped under our long-term service agreements or project-based service contracts. We provide services in the development and manufacturing of biologics that are intended ultimately to be used in humans, either in clinical trials or as marketed products, although we do not commercially market or sell these products to end users. If any of these biologics harms people due to our negligence, willful misconduct, unlawful activities or material breach, we may be subject to litigation and may be required to pay damages. Damages awarded in a product liability action could be substantial and could have a material and adverse impact on our reputation, business, financial condition, results of operations and prospects. Although we currently maintain product liability insurance, our insurance coverage may be inadequate or may become unavailable on terms acceptable to us.

Our reputation is key to our business success. Negative publicity may materially and adversely affect our reputation, business and growth prospects.

Any negative publicity concerning us, our affiliates or any entity that shares the "Intellective Bio" name, even if untrue, could adversely affect our reputation and business prospects. We cannot assure you that negative publicities about us or any of our affiliates or any entity that shares the "Intellective Bio" name would not damage our brand image or have a material adverse effect on our business, results of operations and financial condition. In addition, in light of our specialized customer base, customer referrals and word-of-mouth marketing have significantly contributed to our ability to acquire customers. As a result, any

negative publicity about us or any of our affiliates or any entity that shares the "Intellective Bio" name could adversely affect our ability to retain our existing customers or attract new customers.

Illegal actions, misconduct, or any failure by our suppliers could result in potential liabilities and materially and adversely affect our business, financial condition and results of operations.

We have established supplier management processes, including qualification procedures, ongoing performance monitoring and compliance reviews, however, our suppliers remain outside of our direct control. Their illegal actions, misconduct or unsatisfactory performance may still harm our reputation, financial condition and results of operations. We caution that we cannot guarantee our suppliers will comply with applicable laws, and any non-compliance may result in claims against us. In addition, failure by our suppliers to ensure the high quality of their goods and services could interrupt our operations. Such circumstances may give rise to claims and could materially affect our business, reputation, financial condition and results of operations.

In the event that we suffer claims caused by illegal actions, misconduct or any failure by our suppliers, we may attempt to seek compensation from the relevant parties. However, we may ultimately have to bear such losses and compensation ourselves if no claims can be asserted against a supplier, or if the amounts we claim cannot be fully recovered from the supplier or subcontractor. This could have a material adverse effect on our business, financial condition, results of operations and reputation.

We may not be successful in protecting our customers' or our own intellectual property.

Our success depends on the protection of our customers' and our own intellectual property. We rely on our own know-how, trade secrets and other intellectual property to carry out our biologics CDMO services. In addition, due to the nature of our services, we typically have access to a significant amount of intellectual property and confidential technical information owned by or licensed to our customers. Our customers typically retain ownership of all intellectual property associated with their projects, including the intellectual property provided to us and the intellectual property arising from the services we provide, except that we retain certain independently developed improvements derived from our own pre-existing intellectual property, methods or self-funded service processes.

Despite the measures we take to protect our customers' or our own intellectual property, unauthorized parties may attempt to obtain and use them. Failure to protect our customers' intellectual property may subject us to liability for breach of contract, as well as significantly damage our reputation, which is fundamental to our business. Failure to protect our own intellectual property may severely disrupt our business operation and reduce or eliminate any competitive advantage we have developed. Either could materially harm our business, financial condition, results of operations and prospects, and any remediation may significantly divert management's attention and resources from other activities.

Our services and our customers' products may infringe on or misappropriate the intellectual property rights of third parties.

We cannot be certain that we do not infringe on the intellectual rights of third parties. Any claims that our services infringe third parties' rights, including claims arising from our contracts with our customers, regardless of their merit or resolution, could be costly and may divert the

efforts and attention of our management and technical personnel. We may not prevail in such proceedings given the complex technical issues and inherent uncertainties in intellectual property litigation. If such proceedings result in an adverse outcome, we could be required, among other things, to pay substantial damages, discontinue the use of the infringing technology, expend significant resources to develop non-infringing technology, license such technology from the third party claiming infringement (which license may not be available on commercially reasonable terms or at all) and/or cease the manufacture, use or sale of the infringing processes or offerings, any of which could have a material adverse effect on our business.

In addition, our customers' products may be subject to claims of intellectual property infringement and such claims could materially affect our business if their products cease to be manufactured and they have to discontinue the use of the infringing technology which we may provide. Any of the foregoing could affect our ability to compete or could have a material adverse effect on our business, financial condition and results of operations.

Our future investments, acquisitions or strategic partnerships may not achieve the intended benefits and could have a material adverse effect on our business, financial condition and results of operations.

From time to time, we may evaluate various investments, acquisitions, joint ventures and strategic partnerships, including licensing or acquiring intellectual property rights, technologies or businesses. Any completed, in-process or potential acquisition or strategic partnership may entail numerous risks, including: (i) increased operating expenses and cash requirements; (ii) the assumption of additional indebtedness or contingent or unforeseen liabilities; (iii) the issuance of our equity securities; (iv) assimilation of operations, intellectual property and products of an acquired company, including difficulties associated with integrating new personnel; (v) the diversion of our management's attention from our existing service offerings and initiatives in pursuing such a strategic merger or acquisition; (vi) the loss of key employees and personnel, and uncertainties in our ability to maintain key business relationships; (vii) risks and uncertainties associated with the other party to such a transaction; and (viii) our inability to generate revenue from acquired technology or businesses sufficient to meet our objectives in undertaking the acquisition or even to offset the associated acquisition and maintenance costs.

If we cannot identify, execute or successfully integrate acquisitions or strategic investments, we may incur significant costs, distraction and integration challenges. Any such failure could disrupt our business and materially and adversely affect our reputation, financial condition, results of operations and prospects.

We are subject to environmental protection and health and safety laws and regulations and may be exposed to potential costs for compliance and liabilities, including consequences of accidental contamination, biological hazards or personal injury.

Our past and present business operations are subject to national and local laws and regulations of the PRC pertaining to protection of the environment and health and safety, including but not limited to the treatment and discharge of pollutants into the environment and the use of highly toxic and hazardous chemicals in our biologics development and manufacturing process. In addition, our construction projects can only be put into operation after the relevant administrative authorities in charge of environmental protection and health and safety have examined and approved the relevant facilities. Any failure by us to control the use or discharge of hazardous substances could have a material and adverse impact on our business, financial condition, results of operations and prospects.

In addition, we cannot fully eliminate the risk of accidental contamination, biological hazards or personal injury at our facilities during the biologics development and manufacturing process. In the event of such accident, we could be held liable for damages and clean-up costs which, to the extent not covered by existing insurance or indemnification, could harm our business. Other adverse effects could result from such liability, including reputational damage resulting in the loss of business from customers. We may also be forced to close or suspend operations at certain of our affected facilities temporarily, or permanently. As a result, any accidental contamination, biological hazards or personal injury could have a material and adverse impact on our business, financial condition, results of operations and prospects.

Any future litigation, legal disputes, claims or administrative proceedings against us could be costly and time-consuming to defend.

We may become, from time to time, subject to legal proceedings and claims that arise in the ordinary course of business or pursuant to governmental or regulatory enforcement activity. Actions brought against us, with or without merit, may result in the imposition of administrative measures, settlements, injunctions, fines, penalties, negative publicity, or other results that could have a material adverse effect on our reputation, business, financial condition, results of operations, and prospects. Even if we are successful in defending ourselves against these actions, we may incur significant costs and divert management's attention and resources in such defense. During the Track Record Period, we were not involved in any material litigation, legal disputes, claims or administrative proceedings.

Our insurance might not cover claims brought against us, or might not provide sufficient payments to cover all of the costs to resolve one or more such claims and might not continue to be available on terms acceptable to us. In particular, any claim could result in unanticipated liability to us if the claim is outside the scope of the indemnification arrangement we have with our customers, our customers do not abide by the indemnification arrangement as required, or the liability exceeds the amount of any applicable indemnification limits or available insurance coverage. A claim brought against us that is uninsured or underinsured could result in unanticipated costs and could have a material adverse effect on our financial condition, results of operations or reputation.

Any claims beyond our insurance coverage may result in us incurring substantial costs and a diversion of resources.

We maintain insurance policies to support our operations and manage potential risks. These include all-risks property insurance, machinery breakdown insurance, employers' liability insurance, work safety liability insurance, public liability insurance, product liability insurance and erection all-risks insurance, among others. However, our insurance coverage may be insufficient to cover all claims, and we cannot assure you that there will not be claims against us in the future which are beyond our insurance coverage. Any liability or damage caused by or relating to our facilities or personnel that exceeds our insurance coverage may result in substantial costs and a diversion of our resources.

We are subject to risks associated with our leased properties.

According to applicable PRC laws and regulations, the lessor and the lessee of a lease agreement are required to file the lease agreement with relevant governmental authorities within 30 days after the execution of the lease agreement. If the filing is not made, the governmental authorities may require that the filing be made within a stated period of time, failing which they

may impose a fine ranging from RMB1,000 to RMB10,000 for each agreement that has not been properly filed. As of the Latest Practicable Date, we had not registered eight lease agreements with the relevant government authorities. According to applicable PRC administrative regulations, lessors of the related leases need to provide us with certain documents (such as their business licenses or identification information) in order to complete the administrative filing. There can be no assurance that the lessors of our leased properties will be cooperative in the process of completing the filings. If we fail to complete the administrative filings within the period required by the relevant governmental authorities and the relevant authorities determine that we shall be liable for failing to complete the administrative filings of all the relevant lease agreements, the aggregate amount of maximum fine will be approximately RMB80,000.

In addition, we cannot assure you that the lessors of our current or future leased properties have all the valid title or legal rights to such leased properties or have complied with all the necessary property leasing procedures at all times. In addition, as our leases expire, we may fail to obtain renewals, either on commercially acceptable terms or at all, which could compel us to close such offices or facilities, or to seek for new leases. Our inability to enter into new leases or renew existing leases on terms acceptable to us could materially and adversely affect our business, results of operations or financial condition.

Our failure to fully comply with labor-related laws may expose us to potential penalties.

Pursuant to the relevant PRC laws and regulations, employers in the PRC are required to make social insurance and housing provident fund contributions for their employees, and entities failing to make such contributions may be ordered to settle the outstanding contributions within a prescribed time limit and subject to late payments or fines.

During the Track Record Period and up to the Latest Practicable Date, we had not made full social insurance and housing provident fund contributions for our PRC employees as required under the relevant PRC laws and regulations. If the relevant PRC authorities determine that we shall make supplemental social insurance and housing fund contributions or that we are subject to fines and legal sanctions in relation to our failure to make social insurance and housing fund contributions in full for our employees, our business, financial condition and results of operations may be adversely affected.

Pursuant to the Notice of the General Office of the State Administration of Taxation on the Work Relating to the Collection and Administration of Social Insurance in a Steady and Orderly Manner (《國家税務總局辦公廳關於穩妥有序做好社會保險費徵管有關工作的通知》) issued by the General Office of the State Administration of Taxation on September 13, 2018 and the Notice of the State Administration of Taxation on Implementing the Several Measures to Further Support and Serve the Development of the Private Economy (《國家税務總局關於實施進一步支持和服務民營經濟發展若干措施的通知》) issued by the State Taxation Administration on November 16, 2018, local governmental authorities are prohibited from requiring enterprises to make a one-off repayment of historically underpaid or unpaid social insurance contributions.

During the Track Record Period and as of the Latest Practicable Date, no administrative penalties or enforcement actions had been imposed on us by the relevant regulatory authorities in connection with our social insurance and housing provident fund contributions. We also had not received any notice or demand from the authorities requiring us to rectify any shortfall in these contributions. We had not received any material complaints from our employees regarding our social insurance and housing provident fund contributions. We also had no disputes or disagreements with the relevant regulatory authorities. We undertake to settle any outstanding

contributions and related overdue charges upon receipt of a formal request from the relevant government authorities or in the event of a formal complaint from our employees. Based on the foregoing, our PRC Legal Advisor is of the view that, assuming that there are no material changes to the current laws and regulations and the practice in regulatory policies implementation and inspection of local governments concerning social insurance and housing provident fund, in the absence of material employee complaints, and further subject to the competent authorities' discretion, the risk of our Group being required to make contribution of unpaid social insurance premium and housing provident fund or being subject to material administrative penalties for failure to make full social insurance contributions and housing provident fund contributions is remote.

However, we cannot assure you that the competent authorities will not require us to rectify any non-compliance by making contribution of unpaid social insurance premium and housing provident fund or impose fine or penalty related thereto, under which circumstances our financial condition and results of operations may be adversely affected.

Our facilities may be exposed to risks such as electricity shortages, natural disasters, or other unforeseen catastrophic events, any of which could disrupt our operations.

We conduct our biologics development and manufacturing activities in our facilities located in Suzhou, PRC. We depend on these facilities for continued business operations. Natural disasters or other unanticipated catastrophic events that affect our facilities, including power interruptions, water shortages, storms, fires, earthquakes, terrorist attacks and wars, could significantly impair our ability to operate our business. Our facilities and certain equipment located in these facilities would be difficult to replace in any such event and could require substantial replacement lead time and cost. The occurrence of any such event could materially and adversely affect our business operations.

RISKS RELATING TO GOVERNMENT REGULATIONS

Changes in China's economic, political and social conditions could adversely affect our business, financial condition and results of operations.

Our business, financial condition and results of operations may be influenced by the general political, economic and social conditions in China, where we operate and conduct our R&D activities. Governments worldwide have implemented, and may continue to introduce, among others, various policies and measures to encourage the economic growth and guide the allocation of resources. The biologics CDMO industry in general is affected by macro-economic factors, including international, national, regional and local economic conditions, consumer demand and discretionary spending. Any changes in these factors may have material and adverse effect on our business, financial condition and prospects.

Fluctuations in exchange rates may result in foreign exchange losses and adversely impact our profitability.

During the Track Record Period, substantially all of our expenditures were denominated in Renminbi, and substantially all of our financial assets were also denominated in Renminbi. Any significant change in the exchange rate of the Hong Kong dollar against the Renminbi may materially and adversely affect our cash flows, earnings and financial position, as well as the value of, and any dividends payable on, our H Shares in Hong Kong dollars. For instance, an appreciation of the Renminbi against the Hong Kong dollar would increase the cost of any new

Renminbi-denominated investments or expenditures to the extent that we need to convert Hong Kong dollars into Renminbi for such purposes. An appreciation of the Renminbi would also result in foreign currency translation losses for financial reporting purposes when we translate our Hong Kong dollar-denominated financial assets, including the **[REDACTED]** from the **[REDACTED]**, into Renminbi, which is the functional currency of our business operations in China. Conversely, if we convert Renminbi into Hong Kong dollars for the purpose of paying dividends on our Shares or for other business needs, any depreciation of the Renminbi against the Hong Kong dollar would negatively affect the value of, and any dividends payable on, our H Shares.

Our operations are subject to and may be affected by changes in PRC tax laws and regulations.

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. Although we believe that in the past we had acted in compliance with the requirements under the relevant PRC tax laws and regulations in all material respects and had established effective internal control measures in relation to accounting regularities, we cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or actions that could adversely affect our business, financial condition and results of operations, as well as our reputation. Furthermore, the PRC government from time to time adjusts or changes its tax laws and regulations. Such adjustments or changes, together with any uncertainty resulting therefrom, could have an adverse effect on our business, financial condition and results of operations.

It may be difficult to effect service of process upon us or our Directors and management that reside in China or to enforce against them or us in China any judgments obtained from foreign courts.

We are a company incorporated under the laws of the PRC, and substantially all of our assets are located in China. In addition, substantially all of our Directors and senior management reside within the PRC.

The PRC does not have treaties or agreements providing for the reciprocal recognition and enforcement of judgments awarded by courts of the United States and many other countries. Consequently, it may be difficult for you to enforce against us or our Directors and senior management in China any judgements obtained from non-PRC courts.

On July 14, 2006, the Supreme People's Court of China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) (the "**2006 Arrangement**"). Pursuant to the 2006 Arrangement, a party with a final judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in China, and vice versa. However, it is subject to the parties in the dispute agreeing to enter into a choice of court agreement in writing under the 2006 Arrangement.

On January 18, 2019, the Supreme People's Court of China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and

Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the "**2019 Arrangement**") and the 2019 Arrangement was issued on January 25, 2024 and became effective on January 29, 2024. The 2019 Arrangement will supersede the 2006 Arrangement and afford greater clarity and certainty for reciprocal recognition and enforcement of judgments in civil and commercial matters. The 2006 Arrangement will remain applicable to a "choice of court agreement in writing" entered into before the 2019 Arrangement taking effect.

We are subject to risks associated with doing business globally.

During the Track Record Period, we generated a limited portion of our revenue from customers located in foreign countries and regions. Our business is therefore subject to constantly changing international economic, regulatory, social and political conditions, and local conditions in those foreign countries and regions. Against this backdrop, China's political relationships with those foreign countries and regions may affect the demand for our services and our ability to serve foreign customers or joint venture customers set up by foreign companies. There can be no assurance that such customers will not alter their perception of us or their preferences as a result of adverse changes to the state of political relationships between China and the relevant foreign countries or regions. Any tensions and political concerns between China and the relevant foreign countries or regions may cause a decline in the demand for our services and adversely affect our business, financial condition and results of operations.

Recently, trade frictions continue between the United States and China. Tensions in trade relations between the United States and China could delay the global economic recovery in recent years, threatening the ongoing economic development and the increasing cross-border transactions trend. For instance, the BIOSECURE Act as Sec. 851 of the FY26 National Defense Authorization Act, which was signed into a law in December 2025, reflect escalating focus on, among others, China's pharmaceutical outsourcing service industry. We cannot assure you that we will not be negatively influenced by the trade frictions between the United States and China as well as by adverse changes in U.S. laws and regulations toward diplomatic relations. As a result, our business, financial condition, results of operations and business prospects could be materially and adversely affected.

RISKS RELATING TO THE [REDACTED]

No public market currently exists for our Shares and an active [REDACTED] for our H Shares may not develop or be sustained.

No public market currently exists for our Shares. The initial **[REDACTED]** for our Shares to the public will be the result of negotiations between our Company and the Overall Coordinators (for themselves and on behalf of the **[REDACTED]**), and the **[REDACTED]** may differ significantly from the market price of the Shares following the **[REDACTED]**. We have applied to the Stock Exchange for the **[REDACTED]** of, and permission to **[REDACTED]**, the H Shares to be converted from the **[REDACTED]** Shares and the H Shares to be **[REDACTED]** pursuant to the **[REDACTED]** (including any H Shares which may be **[REDACTED]** pursuant to the exercise of the **[REDACTED]**).

We cannot assure you that a public market for our H Shares with adequate liquidity will develop and be sustained following the completion of **[REDACTED]**. In addition, the **[REDACTED]** of our H Shares may not be indicative of the **[REDACTED]** price of our H Shares following the completion of the **[REDACTED]**. If an active public market for our H Shares does not develop following the completion of the **[REDACTED]**, the market price and liquidity of our H Shares could be materially and adversely affected.

The price and [REDACTED] of our H Shares may be volatile, which could lead to substantial losses to [REDACTED].

The price and **[REDACTED]** of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. In particular, the business and performance and the market price of the shares of other companies engaging in similar business may affect the price and **[REDACTED]** of our H Shares. In addition to market and industry factors, the price and **[REDACTED]** of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Stock Exchange with significant operations and assets in China have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance.

You will incur immediate and significant dilution and may experience further dilution if we issue additional Shares in the future.

The **[REDACTED]** of our H Shares is higher than the net tangible asset value per Share immediately prior to the **[REDACTED]**. Therefore, purchasers of our H Shares in the **[REDACTED]** will experience an immediate dilution in **[REDACTED]** adjusted consolidated net tangible asset. There can be no assurance that if we were to immediately liquidate after the **[REDACTED]**, any assets will be distributed to Shareholders after the creditors' claims. To expand our business, we may consider **[REDACTED]** and issuing additional H Shares in the future. In addition, purchasers of our H Shares may experience further dilution of their interest if the **[REDACTED]** exercise the **[REDACTED]** or if we issue additional shares in the future to raise additional capital.

Future sales or perceived sales of our H Shares in the public market by major Shareholders following the [REDACTED] could materially and adversely affect the price of our H Shares.

Future sales or perceived sales by our existing Shareholders of our H Shares after the **[REDACTED]** could result in a significant decrease in the prevailing market price of our H Shares. Only a limited number of our H Shares currently outstanding will be available for sale or issuance immediately after the **[REDACTED]** due to contractual and regulatory restrictions on disposal and new issuance. Nevertheless, after these restrictions lapse or if they are waived, future sales of significant amounts of our H Shares in the public market or the perception that these sales may occur could significantly decrease the prevailing market price of our H Shares and our ability to raise equity capital in the future.

Share-based payments may impact our financial performance and cause shareholding dilution to our existing Shareholders.

We adopted the Pre-**[REDACTED]** Share Incentive Scheme to ascertain the contribution made by our employees to our Group, incentivize our Directors, employees and other eligible participants to enhance the competitiveness of our Group to ensure realization of our Group's future development strategy and business targets. For details, please refer to "Statutory and General Information — D. Pre-**[REDACTED]** Share Incentive Scheme" in Appendix V to this document. To further incentivize our management and key employees, we may grant additional share-based

compensation in the future. Expenses incurred with respect to such share-based payments may increase our operating expenses and therefore have an adverse effect on our financial performance. Issuance of additional Shares with respect to such share-based payments may also dilute the shareholding percentage of our existing Shareholders.

Our Controlling Shareholders have significant influence over our Company and their interests may not be aligned with the interest of our other shareholders.

Immediately upon the completion of the **[REDACTED]** without taking into account any Shares which may be issued pursuant to the exercise of the **[REDACTED]**, our Controlling Shareholders will collectively control approximately **[REDACTED]**% of our Company's enlarged share capital. Our Controlling Shareholders will, through their voting power at the Shareholders' meetings and their delegates on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management. Our Controlling Shareholders may not act in the best interests of our minority Shareholders. In addition, without the consent of our Controlling Shareholders, we could be prevented from entering into transactions that could be beneficial to us. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as part of a sale of our Company and may significantly reduce the price of our Shares.

There can be no assurances that we will declare and distribute any amount of dividends in the future.

Under PRC laws and regulations, we may only pay dividends out of distributable profits. Distributable profits are our after-tax profits as determined under PRC GAAP, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including in periods for which our financial statements indicate we are profitable. Any distributable profit not distributed in a given year is retained and available for distribution in subsequent years. See "Financial Information — Dividends" for further details of our dividend.

Moreover, our operating subsidiaries in China may not have distributable profit as determined under PRC GAAP. Accordingly, we may not receive sufficient distributions from our subsidiaries for us to pay dividends. Failure by our operating subsidiaries to pay us dividends could adversely impact our ability to make dividend distributions to our Shareholders and our cash flow, including periods in which we are profitable.

In addition, there can be no assurances that future dividends will be declared or paid. The declaration, payment and amount of any future dividends are subject to the discretion of our Directors depending on, among other considerations, our operations, earnings, financial condition, cash requirements and availability, our constitutional documents and applicable law.

Restrictions on the remittance of Renminbi into and out of the PRC and governmental control of currency conversion may limit our ability to pay dividends and meet other obligations, and may affect the value of your [REDACTED].

Procedures on the remittance of Renminbi into and out of the PRC are required under the relevant PRC laws and regulations. A significant portion of our future revenue is expected to be denominated in Renminbi and we will need to convert Renminbi into foreign currencies for the payment of dividends, if any, to holders of our H Shares. Shortages in the availability of foreign currency to us may restrict our ability to remit sufficient foreign currency to pay dividends or other payments, or otherwise satisfy our foreign currency denominated obligations.

Under the relevant PRC laws and regulations, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from China's State Administration of Foreign Exchange (SAFE), but we are required to present relevant documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business. Approval from appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies.

Facts, forecasts and statistics obtained from official government sources in this document relating to the pharmaceutical industry may not be fully reliable.

Facts, forecasts and statistics in this document relating to the biologics CDMO industry in and outside China are obtained from various sources, comprising information provided or published by government agencies. We can guarantee neither the quality nor reliability of any source materials from official government policies. We have no reason to believe that information from official government sources is false or misleading or that any fact has been omitted that would render information from official government sources false or misleading. However, neither we, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, and the **[REDACTED]** nor our or their respective affiliates or advisors have verified the facts, forecasts and statistics nor ascertained the underlying economic assumptions relied upon in those facts, forecasts and statistics obtained from official governmental sources. Therefore, we make no representation as to the accuracy of such facts, forecast and statistics.

This document contains forward-looking statements relating to our plans, objectives, expectations and intentions, which may not represent our actual performance for the periods of time to which such statements relate.

This document contains certain statements and information that are "forward-looking" and uses forward-looking terminology such as "anticipate," "believe," "could," "estimate," "expect," "may," "ought to," "should" or "will" or similar terms. Those statements include, among other things, the discussion of our Company's growth strategy and expectations concerning our future operations, liquidity and capital resources. **[REDACTED]** of the H Shares are cautioned that reliance on any forward-looking statements involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could also be incorrect. The uncertainties in this regard include, but are not limited to, those identified in this section, many of which are not within our Company's control. In light of these and other uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations by our Company that our plans or objectives will be achieved and **[REDACTED]** should not place undue reliance on such

forward-looking statements. Our Company does not undertake any obligation to update publicly or release any revisions of any forward-looking statements, whether as a result of new information, future events or otherwise. Please refer to "Forward-looking Statements" in this document for further details.

You should read the entire document carefully and only rely on the information included in this document to make your [REDACTED] decision, and we strongly caution you not to rely on any information contained in press articles or other media coverage relating to us, our H Shares or the [REDACTED].

There had been, prior to the publication of this document, and there may be, subsequent to the date of this document but prior to the completion of the **[REDACTED]**, press and media coverage regarding us and the **[REDACTED]**. We have not authorized the disclosure of any information concerning the **[REDACTED]** in the press or media. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our H Shares, the **[REDACTED]** or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. You should rely solely upon the information contained in this document, the **[REDACTED]** and any formal announcements made by us in Hong Kong in making your **[REDACTED]** decision regarding our H Shares. By applying to purchase our H Shares in the **[REDACTED]**, you will be deemed to have agreed that you will not rely on any information other than that contained in this document and the **[REDACTED]**.