SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to [**REDACTED**] *in the* [**REDACTED**]. *There are risks associated with any* [**REDACTED**]. *Some of the particular risks in* [**REDACTED**] *are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**]. ***In particular, we are a biotechnology company seeking a*** [**REDACTED**] ***on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules on the basis that we are unable to meet the requirements under Rule 8.05 (1), (2) or (3) of the Listing Rules.*** *There are unique challenges, risks and uncertainties associated with* [**REDACTED**] *in companies such as ours. Our Core Product (TLL-018) is the product for the purpose of satisfying the eligibility requirements under Chapter 18A of the Listing Rules and Chapter 2.3 of the Guide, and we may continue to incur substantial costs and expenses in relation to R&D activities for the Core Product, and the Core Product may not be successfully developed or marketed. Your* [**REDACTED**] *decision should be made in light of these considerations.*

OVERVIEW

Founded in 2017, we are a clinical-stage biotechnology company focused on the discovery, development, and commercialization of autoimmune/inflammatory disease therapeutics. As of the Latest Practicable Date, we have internally discovered seven small-molecule drug candidates focused on the treatment of autoimmune and neurodegenerative diseases, comprising four clinical-stage candidates and three selected preclinical-stage candidates. Our autoimmune disease franchise features two clinical-stage candidates, including (i) TLL-018 (girocitinib), our Core Product, a selective TYK2/JAK1 inhibitor, which we are currently conducting two Phase III registrational trials in China for chronic spontaneous urticaria ("**CSU**") and rheumatoid arthritis ("**RA**"), and (ii) HL-300, a potent, skin-restricted TYK2/JAK1/JAK2 inhibitor, developed as a topical agent for mild-to-moderate atopic dermatitis ("**AD**"). Our neurodegenerative franchise also features two clinical-stage candidates, including (i) TLL-041/BHV-8000, a brain-penetrant, selective TYK2/JAK1 inhibitor designed for neuroinflammatory conditions including Parkinson's disease and Alzheimer's disease, and (ii) HL-400, a brain-penetrant, selective NLRP3 inhibitor targeting Parkinson's disease. As we have not generated any revenue from commercial product sales to date, we have been loss-making throughout the Track Record Period.

WE MAY NOT BE ABLE TO SUCCESSFULLY DEVELOP, MARKET AND/OR GENERATE MEANINGFUL ECONOMIC VALUE FROM OUR PIPELINE PRODUCTS, INCLUDING OUR CORE PRODUCT TLL-018.

Below is a pipeline diagram setting forth our drug candidates as of the Latest Practicable Date. All of our drug candidates are internally discovered. Except for TLL-041, for which we granted Biohaven an exclusive license to research, develop, manufacture and commercialize TLL-041/BHV-8000 outside Greater China, we independently develop all of our drug candidates.

	Product	Target	Indication	Line(s) of Treatment	Competent Authority	IND Enabling	Clinical Trial: Phase I	Clinical Trial: Phase Ib/IIa /Phase II	Clinical Trial: Registrational Trial	Current Status/ Upcoming Milestone	Targeted Market[5]	Partners
Autoimmune Disease[1]	★ TLL-018[3] /Girocitinib	TYK2/JAK1	Moderate-to-severe Chronic Spontaneous Urticaria	2L	NMPA				[3]	Ongoing Phase III trial in China with primary endpoints met/Phase III trial completion and NDA submission to NMPA in Q1 2027	China	
			Moderate-to-severe Rheumatoid Arthritis	3L	NMPA				[3]	Ongoing Phase III trial in China with primary endpoints met/Phase III trial completion and NDA submission to NMPA in EOY 2026		
			Moderate-to-severe Atopic Dermatitis	N/A	NMPA				[3]	IND approval for Phase II/III trial from the NMPA in May 2026/Phase II/III trial initiation in Q2 2026		
			Moderate-to-severe Systemic Lupus Erythematosus	N/A	NMPA		[3]			Planning IND submission to the NMPA for Phase II/III trial/Clinical trial initiation in Q3 2027		
	HL-300	JAK1/JAK2/ TYK2	Mild-to-moderate AD (Topical)	N/A	NMPA					Phase Ib/II study initiation in May 2026/ Phase Ib/II completion in EOY 2026	China	
	HL-450	NLRP3	Acute Gout and Other Peripheral Diseases	N/A	-					IND-enabling study ongoing/ IND submission in Q1 2027	China	
Neurodegenerative Disease[2]	TLL-041/BHV-8000[4]	TYK2/JAK1	Early-to-mild Alzheimer's Diseases	1L	NMPA			[4]		Phase I bridging study completed in China March 2026/Phase II IND submission in Q3 2026	China	biohaven (outside Greater China)
			Early-to-mild Parkinson's Disease	1L	NMPA				[4]	Planning to join Biohaven-led global registrational trial in China/Data readout in 2028		
	HL-400	NLRP3	Parkinson's Disease	N/A	FDA					Phase I trial initiation in April 2025/ Phase I trial completion in Q2 2026	China	
					NMPA					IND approval from the NMPA in May 2026/ Phase I trial initiation in Q3 2026		
	HL-500	LRRK2	Parkinson's Disease	N/A	-					IND-enabling study ongoing/ IND submission in Q1 2027	China	

★ Core Product Autoimmune Disease Therapies Neurodegenerative Disease Therapies

Abbreviations: INAD = investigational new animal drug, IND = investigational new drug, NDA = new drug application, TYK2 = tyrosine kinase 2, JAK1 = Janus kinase 1, JAK2 = Janus kinase 2, NLRP3 = NLR family pyrin domain containing 3, LRRK2 = leucine rich repeat kinase 2, EOY = end of year, Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, 1L = first line, 2L = second line, 3L = third line, N/A = not applicable

Notes:

1. Within our autoimmune franchise, we have discovered TLL-009, a TYK2/JAK1 inhibitor which we have out-licensed to Shanghai Tenovation Biopharmaceutical Co., Ltd ("**Tenovation**") for its development and commercialization in veterinary applications. See "Business — Our Material Collaboration and Licensing Arrangements — License and Development Agreement with Tenovation for TLL-009" for details.

2. Within our neurodegenerative franchise, TLL-041, HL-400 and HL-500 are separate and distinct drug candidates targeting Parkinson's disease, with different molecular profiles, distinct mechanism of action, and independent development pathways. Each drug candidate targets a separate biological pathway and is being advanced to assess its individual therapeutic contribution. If successfully developed, these candidates may be used as combination, reflecting their complementary mechanisms and the potential for synergistic therapeutic effects. The clinical trials conducted or to be conducted by Biohaven or us for TLL-041 are designed specifically for that product candidate and are not intended to support, and will not be relied upon by, us for the research, development or regulatory advancement of HL-400 or HL-500. Each of HL-400 and HL-500 will be advanced based on its own non-clinical and clinical data package generated independently by us.

3. For TLL-018, we completed two Phase I clinical trials in healthy subjects in the United States and China in December 2020 and November 2021, respectively. Following completion of these Phase I trials, we prioritized the clinical development of TLL-018 in rheumatoid arthritis (RA) and chronic spontaneous urticaria (CSU) in China. The Phase Ib clinical trial in CSU and the Phase IIa clinical trial in RA, each conducted and completed in China in August 2023 and December 2023, respectively, were standalone clinical trials conducted under separate and independent clinical trial protocols, each of which obtained separate IND approvals from the NMPA. Following completion of these trials and based on the safety, tolerability, pharmacokinetic and preliminary efficacy data generated therefrom, we engaged in end-of-Phase II (EOP2) communications with the CDE of the NMPA and subsequently initiated Phase III registrational trials for RA and CSU in China in November 2023 and March 2024, respectively.

   Building on (i) the safety, tolerability and pharmacokinetic data from the Phase I clinical trials in healthy subjects in China and the United States, and (ii) the dose exploration and clinical experience accumulated from the clinical development of TLL-018 in CSU and RA, we believe there is a scientific and clinical basis to support an accelerated development strategy for atopic dermatitis (AD) in China. Accordingly, we submitted an IND application to the NMPA in February 2026 for a Phase II/III registrational trial of TLL-018 in moderate-to-severe AD and received IND approval in May 2026. We expect to initiate such trial in the second quarter of 2026. In parallel, we are also planning indication expansion of TLL-018 into systemic lupus erythematosus (SLE). Prior to initiating any registrational Phase II/III clinical trials for TLL-018 in SLE, we will be required to complete the relevant regulatory communications with the NMPA and obtain the necessary regulatory approvals.

4. For TLL-041, we submitted an IND application to the FDA in November 2022 and received approval in March 2023. In the same month, we entered into a license and development agreement with Biohaven (the "**Biohaven Agreement**"), pursuant to which we granted Biohaven an exclusive, royalty-bearing and sublicensable license to research, develop, manufacture and commercialize TLL-041/BHV-8000 outside Greater China while we retain the full rights to research, develop, manufacture and commercialize TLL-041/BHV-8000 in Greater China. Pursuant to this arrangement, we transferred sponsorship of the FDA IND to Biohaven in April 2023.

   In May 2025, Biohaven initiated a Phase II/III registrational study of TLL-041/BHV-8000 in early Parkinson's disease. To facilitate the inclusion of clinical sites in China in this global program, we consented to Biohaven's conduct of such global studies in our territory and appointed Biohaven as the local sponsor. We act as Biohaven's local agent in China, responsible for regulatory submissions, communications with the PRC regulatory authorities, and import licensing.

   In October 2025, the NMPA granted IND approval for TLL-041/BHV-8000 for the prevention of treatment-emergent amyloid-related imaging abnormalities in patients with Alzheimer's disease. The approved Phase I trial is designed as a bridging pharmacokinetic study to confirm exposure equivalence between Chinese and U.S. populations, and serves as the basis for subsequent clinical development of TLL-041/BHV-8000 in both Parkinson's disease and Alzheimer's disease in China. We initiated this Phase I trial in December 2025 and completed this trial in March 2026.

   We plan to participate in Biohaven's global registrational program in Parkinson's disease. In December 2025, we submitted the clinical protocol for this registrational trial to the NMPA and are currently awaiting feedback. Following positive top-line results, Biohaven will, at our request, submit the marketing approval application in China and, upon approval, transfer the marketing authorization to us. In parallel, after completion of the Phase I bridging study, we also plan to advance TLL-041 into a Phase II clinical trial in Alzheimer's disease in China to address the unmet medical need in this patient population, and expect to submit IND for this trial in the third quarter of 2026. See "Business — Our Material Collaboration and Licensing Arrangements" for details.

5. Our near-term commercial focus is primarily on the China market, while our long-term strategy is to develop innovative therapies with global potential and selectively pursue globalization opportunities where commercially and strategically appropriate. In this regard, we believe that conducting certain early-stage clinical trials in the United States can efficiently establish an initial global clinical development foundation while remaining relatively cost-effective at the Phase I stage. In addition, the U.S. FDA generally adopts a relatively flexible and innovation-supportive approach toward first-in-human and early-stage clinical trials for novel product candidates, such as novel JAK inhibitor applications and NLRP3-targeting therapies, provided that subject safety is adequately supported. Accordingly, conducting Phase I clinical trials in the United States, including for TLL-018 and HL-400, enables us to generate initial human safety, tolerability and pharmacokinetic data that may facilitate subsequent clinical development in China and, where suitable opportunities arise, other jurisdictions in the future. As of the Latest Practicable Date, we do not have any near-term commercialization plans in the United States or other overseas jurisdictions and, accordingly, do not have any near-term plans to independently conduct Phase II or III clinical development activities for our drug candidates in such jurisdictions.

Our therapeutic approach is anchored by a proprietary kinase chemistry platform that enables the design of highly selective and/or brain-penetrant kinase inhibitors, setting us apart in small-molecule drug discovery, a field with inherently higher barriers to entry compared to modalities like antibodies or antibody drug conjugates. Most kinase inhibitors, including all approved or investigational JAK inhibitors, contain a typical hydrogen bond donor ("**H-donor**"). By removing this H-donor, our proprietary scaffold enables the development of kinase inhibitors with greater selectivity and the ability to cross the blood-brain-barrier — capabilities that no other JAK inhibitor has achieved to date. These capabilities allow us to address critical challenges, including safety risks and blood-brain barrier penetration, which are particularly relevant for central nervous system ("**CNS**") disorders such as Alzheimer's disease and Parkinson's disease, both representing areas of significant unmet medical need.

Driving these scientific and strategic advances is a leadership team with deep industry expertise and a proven track record of innovation. At the helm is Dr. Chris Congxin Liang, our founder, chairman of the Board, and CEO. Dr. Liang is a serial entrepreneur with a track record of founding pharmaceutical companies in both China and the United States. This unique experience, particularly his entrepreneurial success, sets him apart from many biotech founders who typically transition from corporate roles to entrepreneurship. With over 30 years in the field, Dr. Liang is recognized as the key inventor behind several approved drugs, including sunitinib, ensartinib, and vorolanib. His expertise underpins our strategic R&D direction and our continued focus on high-value therapeutic areas.

OUR PIPELINE

Our core business model is to discover, develop and commercialize small-molecule therapies in the field of autoimmune and neurodegenerative diseases. As of the Latest Practicable Date, we have internally discovered seven drug candidates focused on the treatment of autoimmune and neurodegenerative diseases, comprising four clinical-stage candidates and three selected preclinical-stage candidates.

- ***Autoimmune franchise.*** We are committed to the discovery and development of safe and effective therapeutics for global autoimmune/inflammatory disease patients. TLL-018 (girocitinib), our Core Product, is a highly selective TYK2/JAK1 inhibitor in Phase III clinical development for CSU and RA. TLL-018 is designed to address a broad spectrum of autoimmune diseases, including CSU, RA, AD and SLE.

  TLL-018's differentiated profile is supported by clinical data. In CSU, it is the world's first JAK inhibitor to demonstrate promising efficacy, with Phase Ib results showing rapid and significant itch reduction and a notable Urticaria Activity Score (UAS7) improvement alongside a favorable tolerability profile. The efficacy and safety have been further confirmed by the primary analysis of the Phase III CSU trial with a large sample size. In RA, a completed head-to-head Phase IIa trial against tofacitinib achieved ACR50 response rates of 65.4% and 72.0% at 20 mg and 30 mg doses, respectively, both statistically superior to tofacitinib (41.7%). Notably, TLL-018 demonstrated efficacy in patients who had failed tofacitinib, with no unexpected safety signals. In the ongoing Phase III RA trial, TLL-018 demonstrated superior efficacy over tofacitinib in terms of the primary endpoint and key secondary endpoints ($P<0.0001$). As of the Latest Practicable Date, no therapy has been approved for patients who have failed both biological disease-modifying anti-rheumatic drugs and JAK inhibitors – representing a difficult to treat population with significant unmet medical need. TLL-018 has shown potential efficacy in this patient group in the Phase III RA trial, where patients who did not reach ACR50 in the tofacitinib group achieved better efficacy after being transferred to the TLL-018 group. These data, together with encouraging preclinical results in AD and SLE, position TLL-018 as an optimal treatment option for a broad range of autoimmune diseases. Although TLL-018 has demonstrated encouraging efficacy and safety results in clinical trials to date, including superior clinical benefit over tofacitinib in our completed Phase IIa head-to-head clinical trial for RA and statistically significant superior efficacy over tofacitinib with respect to the primary endpoint and key secondary endpoints in the primary efficacy analysis of our ongoing Phase III RA trial performed in April 2026 ($P<0.0001$), except for such studies against tofacitinib, we have not completed head-to-head clinical trials comparing TLL-018 against other approved or clinical-stage JAK inhibitors, and the overall competitive profile, long-term efficacy, safety and market positioning of TLL-018 relative to other standard-of-care therapies will continue to be evaluated based on future clinical experience.

The global autoimmune disease drug market has demonstrated steady and resilient growth, expanding from US$120.6 billion in 2020 to US$154.9 billion in 2025, and is projected to reach US$218.8 billion by 2030 and US$272.8 billion by 2035, representing a forecasted CAGR of 7.2% from 2025 to 2030 and 4.5% from 2030 to 2035. This sustained market expansion, coupled with the increasing demand for targeted, orally available therapies, underscores the significant commercial opportunity for differentiated candidates such as TLL-018. As of the Latest Practicable Date, TLL-018 is undergoing two Phase III registrational trials in CSU and RA in China, with expected NDA submissions for RA by the end of 2026 and for CSU in the first quarter of 2027. The primary efficacy analysis for the Phase III CSU trial was performed in January 2026, and the trial met both primary endpoints. On this basis, we submitted pre-NDA and priority review applications for TLL-018 for the treatment of CSU to the NMPA in January 2026. The primary efficacy analysis for the Phase III RA trial was performed in April 2026, and the trial met its primary endpoint and all secondary endpoints. Further, building on the completion of Phase I clinical trials in healthy subjects in both China and the United States, together with the dose exploration foundation established in clinical trials of TLL-018 for CSU and RA, we intend to proceed directly to a Phase II/III registrational trial in China for moderate-to-severe AD in the second quarter of 2026, for which IND approval was obtained in May 2026. In parallel, we are planning for indication expansion of TLL-018 for SLE.

In addition to TLL-018, our autoimmune disease franchise includes HL-300, a clinical-stage highly potent, skin-restricted TYK2/JAK1/JAK2 inhibitor developed as a topical agent for mild-to-moderate AD, as well as preclinical assets including TLL-009 and HL-450.

- ***Neurodegenerative franchise.*** We are actively developing drug candidates that target the complex challenge of neuroinflammation. TLL-041, discovered in-house, is the first and only selective TYK2/JAK1 inhibitor globally reported to achieve brain penetration for neurodegenerative applications, positioning us at the forefront of innovation in this field.

  In March 2023, we entered into a license and development agreement with Biohaven, granting them exclusive rights to develop and commercialize TLL-041 outside Greater China. We retain rights to develop and commercialize TLL-041 in Greater China. Biohaven initiated a Phase II/III registrational study in early Parkinson's disease in May 2025, representing the first known application of a TYK2/JAK1 inhibitor in neurodegeneration and a significant milestone in the evolution of targeted therapies for CNS disorders. In August 2025, we received the first milestone payment of US$15 million in connection with this program. In China, we initiated a pharmacokinetic bridging study for TLL-041 in December 2025 and completed this trial in March 2026. As the next step, we plan to participate in Biohaven's global registrational program in Parkinson's disease. We submitted the clinical protocol for this registrational trial to the NMPA in December 2025 and are currently awaiting feedback.

  The addressable market for TLL-041 spans the broader neurodegenerative disease segment, valued at approximately US$61.0 billion in 2025 and projected to reach US$114.1 billion by 2035, driven by aging populations, rising prevalence, and the lack of disease-modifying therapies. With no approved treatments directly targeting neuroinflammation via TYK2/JAK1 inhibition, TLL-041's unique combination of CNS penetration, high kinase selectivity, and biomarker-driven proof of mechanism positions it to address a large and growing unmet medical need in neurodegenerative diseases.

  Our neurodegenerative franchise also includes HL-400, a brain-penetrant NLRP3 inhibitor for CNS diseases, with Phase I trial completed in the United States, and HL-500, a preclinical, brain-penetrant, highly selective inhibitor of leucine-rich repeat kinase 2 ("**LRRK2**") for Parkinson's disease. These assets, together with TLL-041, reflect the breadth of our CNS pipeline and our strategy to expand into both kinase and non-kinase targets, with the goal of capturing significant growth in the neurodegenerative therapeutics market.

COMPETITION

The market for autoimmune disease and neurodegenerative drugs is evolving and highly competitive. In the global autoimmune disease drug market in 2025, the top five products were DUPIXENT commercialized by Regeneron and Sanofi, with a market share of approximately 11.5%; Skyrizi commercialized by AbbVie, accounted for approximately 11.3%; Rinvoq commercialized by Abbvie, accounted for approximately 5.4%; Cosentyx commercialized by

Novartis, accounted for approximately 4.3%; and ENTYVIO commercialized by Takeda, accounted for approximately 4.1%. In the global neurodegenerative disease drug market, leading products in 2025 included Ocrevus commercialized by Roche, with a market share of approximately 13.8%; Vyndaqel commercialized by Pfizer, accounted for approximately 10.5%; Kesimpta commercialized by Novartis, accounted for approximately 7.3%; REXULTI/RXULT commercialized by Otsuka Holdings and Lundbeck, accounted for approximately 5.2%; and AUSTEDO commercialized by Teva, accounted for approximately 3.7%. We face competition from both international and domestic biopharmaceutical companies, as well as specialty pharmaceutical and biotechnology firms of varying sizes, along with academic and research institutions. As of the Latest Practicable Date, based on publicly available information, there were no direct competitors globally developing inhibitors designed to simultaneously inhibit both TYK2 and JAK1 for the treatment of CSU, RA, Alzheimer's disease or Parkinson's disease. For more information on the competitive landscape of our drug candidates, please refer to the paragraphs headed "Industry Overview" and "Business — Competition."

In light of the competitive landscape, our commercialization strategy will focus on achieving clear clinical differentiation, generating clinical and real-world evidence, and demonstrating a compelling benefit-risk profile to physicians and patients. We plan to support market acceptance through targeted medical education, engagement with key opinion leaders, and evidence-based positioning that highlights the differentiated attributes of our products. In parallel, we intend to pursue appropriate pricing, reimbursement and market access strategies, and to leverage efficient commercial execution to drive demand following commercialization.

OUR MATERIAL LICENSING AND COLLABORATION ARRANGEMENTS

License and Development Agreement with Biohaven for TLL-041/BHV-8000

On March 21, 2023, we entered into a development and license agreement with Biohaven Therapeutics Ltd., a wholly owned subsidiary of Biohaven Ltd. (NYSE: BHVN) ("**Biohaven**"), where we granted Biohaven exclusive rights to research, develop, manufacture and commercialize our brain penetrant dual TYK2/JAK1 inhibitor program, known as TLL-041 to us, for the treatment of diseases, disorders or conditions in humans in all territories worldwide excluding mainland China, Hong Kong, Macau and Taiwan. For more details, see "Business — Our Material Collaboration and Licensing Arrangements — License and Development Agreement with Biohaven for TLL-041/BHV-8000."

License and Development Agreement with Tenovation for TLL-009

On July 3, 2023, we entered into a license and development agreement with Shanghai Tenovation Biopharmaceutical Co., Ltd. (上海建毅騰創生物醫藥科技有限公司) ("**Tenovation**") where we granted Tenovation an exclusive, royalty-bearing license worldwide for Tenovation to research, develop, manufacture, and commercialize TLL-009 and any veterinary drug product comprising TLL-009 for the diagnosis, treatment and/or prevention of diseases in animals, excluding any applications for human use. For more details, see "Business — Our Material Collaboration and Licensing Arrangements — License and Development Agreement with Tenovation for TLL-009."

RESEARCH AND DEVELOPMENT

Our R&D team consists of experienced scientists with proven track records of successful drug discovery and full clinical development from Phase I to NDA approval. The research and development of our Core Product, TLL-018, is led and undertaken by our core R&D team, with each member responsible for a key aspect of its development. In particular, Dr. Liang discovered and conducted early research and leads the overall R&D strategy for TLL-018. Dr. Tang is primarily responsible for the clinical pharmacology strategy and execution. Dr. Huang oversees the manufacturing-related activities, including CMC and production planning. Clinical development of TLL-018 is conducted under the leadership and supervision of Mr. Yong Liu, Ms. Donghua Liu, Dr. Peiyu Sun, Ms. Lina Wang and Mr. Guang Yang. See "Business — Research and Development — In-house R&D Team" for more details. As of the Latest Practicable Date, our in-house research and development team consisted of 80 members, including 12 for research, 57 for clinical development and 11 for CMC and regulatory affairs. 34% of our R&D members held a master's or higher degree.

In addition to our in-house R&D activities, we also collaborate with reputable CROs, clinical trial sites (i.e., hospitals) and principal investigators (PIs) to support our preclinical research and clinical trials under our close oversight and management. In 2024, 2025 and the three months ended March 31, 2025 and 2026, our research and development expenses amounted to RMB127.3 million, RMB150.8 million, RMB24.8 million and RMB37.1 million, respectively, accounting for 90.4%,

81.8%, 88.3% and 82.8% of the total operating expenses (which equal the sum of research and development expenses and administrative expenses) for the corresponding years/periods. In 2024, 2025 and the three months ended March 31, 2025 and 2026, research and development expenses incurred for our Core Product, TLL-018, were RMB97.9 million, RMB110.7 million, RMB18.3 million and RMB22.0 million, respectively, accounting for 76.9%, 73.4%, 73.9% and 59.4% of our total research and development expenses for the corresponding periods. For more details, see "Business — Research and Development."

MANUFACTURING

To date, our manufacturing activities are conducted through CDMOs to support our drug development process. We currently outsource our manufacturing activities to a number of globally recognized CDMOs with extensive expertise in research, development and production. During the Track Record Period and up to the Latest Practicable Date, all the CDMOs that we collaborate with are independent third parties. For more details, see "Business — Manufacturing."

COMMERCIALIZATION

We currently have no drugs approved or at the commercial stage; however, we have been strategically developing our commercial planning and portfolio management capabilities since our pipeline drug candidates entered the late stages of clinical trials. TLL-018, our Core Product, is projected to file for NDA with the NMPA in 2026. We plan to seek collaborations with contract sales organizations ("**CSOs**") to promote the marketing and sales of TLL-018 upon its commercialization in China. We aim to achieve fast market access for our products in a cost-effective way by leveraging CSOs' established distribution channels, sales and marketing capabilities, capital resources and market intelligence and insights. Our near-term commercial focus is primarily on the China market, while our long-term strategy is to develop innovative therapies with global potential and selectively pursue globalization opportunities where commercially and strategically appropriate. As of the Latest Practicable Date, we do not have any near-term commercialization plans in the United States or other overseas jurisdictions. Should we pursue commercialization opportunities in overseas markets in the future, we currently expect to do so primarily through external partnerships and collaboration arrangements. Furthermore, as we identify favorable market opportunities, we may explore to assemble a dedicated sales and marketing force with extensive experience in our focused therapeutic areas. For details, see "Business — Commercialization."

INTELLECTUAL PROPERTY

We have a global portfolio of patents to protect our drug candidates and technologies. As of the Latest Practicable Date, we own (i) seven issued patents in China, (ii) three issued patents in the U.S., (iii) 48 issued patents in other jurisdictions, and (iv) 76 pending patent applications, including two in China, four in the U.S., and 70 in other jurisdictions. As of the Latest Practicable Date, with respect to our Core Product, TLL-018, we own three issued patents in China, one issued patent in the U.S., and 16 issued patents in other jurisdictions, along with 15 patent applications, including one in China and 14 in other jurisdictions. For more details, see "Business — Intellectual Property."

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our revenue was primarily derived from out-licensing and collaboration arrangements with Biohaven. For 2025, revenue generated from our largest customer amounted to RMB107.4 million, representing 100.0% of our total revenue for the same year. We recorded revenue of nil and nil in 2024, and the three months ended March 31, 2026, respectively. For more details, see "Business — Customers."

During the Track Record Period, our suppliers primarily consisted of CROs, CDMOs, and suppliers of R&D materials. Purchases from our five largest suppliers in each year/period for the years ended December 31, 2024 and 2025 and the three months ended March 31, 2026 were RMB35.9 million, RMB47.6 million and RMB16.3 million, respectively, representing 34.8%, 35.4% and 51.5% of our total purchases for the respective periods. Purchases from our single largest supplier in each year/period for the years ended December 31, 2024 and 2025 and the three months ended March 31, 2026 were RMB18.2 million, RMB15.1 million and RMB8.7 million, respectively, representing 17.6%, 11.2% and 27.6% of our total purchases for the respective years/periods. We believe that we maintain strong and stable relationships with our major suppliers. For more details, see "Business — Suppliers and Procurement."

OUR STRENGTHS

We believe the following strengths have contributed to our success and differentiated us from our competitors: (i) we are a key player in global innovation for autoimmune and neurodegenerative drug development; (ii) we have an advanced molecule design platform and capabilities enabling breakthroughs in autoimmune and neurodegenerative drug development; (iii) we are an innovator in developing autoimmune disease therapies with an established kinase inhibitor portfolio highlighted by our Core Product TLL-018; (iv) we have built a differentiated pipeline for neuroinflammation therapies that address the unmet medical needs in Alzheimer's disease and Parkinson's disease; (v) we have established partnership with global leading player to drive global development and long-term value; and (vi) we have seasoned leadership driving innovation and growth, backed by premier healthcare investors. For more details, see "Business — Our Strengths."

OUR STRATEGIES

We intend to capitalize on our competitive strengths by pursuing the following strategies: (i) advance the registrational trials of TLL-018 for CSU and RA, expand into additional indications to unlock its full potential, and forge strategic commercialization partnerships to support product launch; (ii) drive strategic advancement of neurodegenerative disease pipeline with TLL-041 and HL-400; (iii) unlock pipeline value through strategic partnerships; and (iv) strengthen talent strategy to expand capabilities and support global growth. For more details, see "Business — Our Strategies."

SUMMARY OF KEY FINANCIAL INFORMATION

The summary of the key financial information set forth below have been derived from and should be read in conjunction with our historical financial information, including the accompanying notes, set forth in the Accountant's Report in Appendix I to this document, as well as the information set forth in the section headed "Financial Information."

Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets forth summary data from our consolidated statements of profit or loss and other comprehensive income for the periods indicated:

	Year Ended December 31,		Three Months Ended March 31,	
	2024	2025	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000) (unaudited)*	*(RMB'000)*
Revenue	**–**	**107,379**	**–**	**–**
Cost of sales	–	–	–	–
Gross profit	**–**	**107,379**	**–**	**–**
Research and development expenses	(127,288)	(150,786)	(24,827)	(37,051)
Administrative expenses	(13,569)	(33,589)	(3,278)	(7,721)
Other net income	6,366	20,351	10,090	(981)
Finance costs	(120)	(94)	(14)	(15)
Changes in fair value of financial instruments issued to investors	(93,962)	(154,879)	(27,023)	(27,765)
Changes in fair value of other financial instruments	3,320	(100,961)	(54,642)	412
Loss before taxation	**(225,253)**	**(312,579)**	**(99,694)**	**(73,121)**
Income tax	(1,118)	94	–	–
Loss for the year/period attributed to equity shareholders of our Company	**(226,371)**	**(312,485)**	**(99,694)**	**(73,121)**

Non-HKFRS Measure

To supplement our consolidated statements of profit or loss and other comprehensive income which are presented in accordance with HKFRS Accounting Standards, we also use adjusted net loss (non-HKFRS measure) as a non-HKFRS measure, which is not required by, or presented in accordance with, HKFRS Accounting Standards. We believe that the presentation of the non-HKFRS measures when shown in conjunction with the corresponding HKFRS measures provides useful information to management and [**REDACTED**] in facilitating a comparison of our operating performance from period to period. In particular, the non-HKFRS measure eliminates the impact of certain expenses, including equity-settled share-based payments, changes in fair value of financial instruments issued to investors and [**REDACTED**]. Such non-HKFRS measure allows [**REDACTED**] to consider metrics used by our management for evaluating our performance.

We define adjusted net loss (non-HKFRS measure) as loss for the year/period adjusted by adding back (i) equity-settled share-based payments, (ii) changes in fair value of financial instruments issued to investors, and (iii) [**REDACTED**]. Equity-settled share-based payments represent expenses arising from our grant of share options and incentive shares to eligible individuals, which are non-cash in nature. Changes in fair value of instruments issued to investors represented losses from changes in fair value of instruments with special rights we issued to our pre-[**REDACTED**] investors in previous financings. These instruments with special rights we issued to our pre-[**REDACTED**] investors will be transferred to equity upon the [**REDACTED**], and we do not expect to record further gains or losses in relation to valuation changes in such instruments after the [**REDACTED**]. [**REDACTED**] are the expenses arising from activities in relation to the proposed [**REDACTED**]. The adjustments were consistently made during the Track Record Period. The following table sets forth the reconciliations of our adjusted net loss (non-HKFRS measure) for the years ended December 31, 2024 and 2025 and the three months ended March 31, 2025 and 2026 to the nearest measure prepared in accordance with HKFRS Accounting Standards:

	Year Ended December 31,		Three Months Ended March 31,	
	2024	2025	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000) (unaudited)*	*(RMB'000)*
Loss for the year/period	(226,371)	(312,485)	(99,694)	(73,121)
Add:				
Equity-settled share-based payments	490	3,440	221	1,633
Changes in fair value of financial instruments issued to investors	93,962	154,879	27,023	27,765
[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Adjusted net loss (non-HKFRS measure)	**(131,919)**	**(138,437)**	**(72,450)**	**(41,687)**

During the Track Record Period, our revenue was primarily derived from out-licensing and collaboration arrangements with Biohaven. Our revenue increased from nil in 2024 to RMB107.4 million in 2025, primarily due to recognition of a development milestone under our out-licensing and collaboration arrangements with Biohaven. We recorded revenue of nil in the three months ended March 31, 2025 and 2026. Our research and development expenses increased during the Track Record Period primarily due to increases in clinical trial expenses, mainly driven by the progression of our clinical trials and the expansion of our pipeline.

In 2024, 2025 and the three months ended March 31, 2025 and 2026, we incurred losses for the year/period of RMB226.4 million, RMB312.5 million, RMB99.7 million and RMB73.1 million, respectively. Such losses primarily resulted from (i) our operating expenses, which equal to the sum of research and development expenses and administrative expenses, (ii) changes in fair value of financial instruments issued to investors, and (iii) changes in fair value of other financial instruments. We recorded adjusted net loss (non-HKFRS measure) of RMB131.9 million, RMB138.4 million, RMB72.5 million and RMB41.7 million in 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively.

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated:

	As of December 31,		As of March 31,
	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Total non-current assets	13,402	10,283	9,571
Total current assets	350,998	418,774	374,117
Total current liabilities	877,708	1,240,480	1,262,502
Net current liabilities	(526,710)	(821,706)	(888,385)
Total assets less current liabilities	(513,308)	(811,423)	(878,814)
Total non-current liabilities	16,509	26,696	30,870
Net liabilities	(529,817)	(838,119)	(909,684)

Our net current liabilities increased from RMB526.7 million as of December 31, 2024 to RMB821.7 million as of December 31, 2025, and further to RMB888.4 million as of March 31, 2026, primarily attributable to an increase in our financial instruments issued to investors. These instruments with special rights we issued to our pre-[**REDACTED**] investors will be transferred to equity upon [**REDACTED**], after which the amount of our financial instruments issued to investors, which were recorded as our current liabilities during the Track Record Period, will be derecognized from our liabilities and recorded as equity, which can result in our Group turning into net current assets and net assets position. See "Financial Information — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position" for details. The fluctuation of our net liabilities during the Track Record Period was also largely due to the effect of financial instruments issued to investors. See "Financial Information — Indebtedness — Financial Instruments Issued to Investors" for details.

Our net liabilities increased from RMB529.8 million as of December 31, 2024 to RMB838.1 million as of December 31, 2025, primarily due to loss for the year of RMB312.5 million and recognition of financial instruments issued to investors of RMB182.0 million, partially offset by capital contributions by investors of RMB182.9 million. Our net liabilities increased from RMB838.1 million as of December 31, 2025 to RMB909.7 million as of March 31, 2026, primarily due to loss for the period of RMB73.1 million.

Summary of Consolidated Statements of Cash Flows

The following table sets forth the components of our consolidated statements of cash flows for the periods indicated:

	Year Ended December 31,		Three Months Ended March 31,	
	2024	2025	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000) (unaudited)*	*(RMB'000)*
Net cash used in operating activities	(119,420)	(11,105)	(28,002)	(44,378)
Net cash generated from/(used in) investing activities	84,093	(84,394)	(8,960)	46,882
Net cash generated from/(used in) financing activities	128,468	180,095	19,934	(1,286)
Net increase in cash and cash equivalents	**93,141**	**84,596**	**(17,028)**	**1,218**
Cash and cash equivalents at the beginning of the year/period	76,976	170,183	170,183	254,636
Effect of foreign exchange rate changes	66	(143)	(13)	(76)
Cash and cash equivalents at the end of the year/period	**170,183**	**254,636**	**153,142**	**255,778**

Our primary uses of cash during the Track Record Period were to fund the research and development of our Core Product and other pipeline programs. We recorded net cash used in operating activities of RMB119.4 million, RMB11.1 million, RMB28.0 million and RMB44.4 million in 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. Substantially all operating cash outflows during the Track Record Period resulted from our research and development expenses and administrative expenses. For more details, see "Financial Information — Liquidity and Capital Resources — Cash Flows."

Our Directors are of the opinion that, taking into account the financial resources available to our Group, including cash and bank balances and the estimated [**REDACTED**] from the [**REDACTED**], we have sufficient working capital to cover at least 125% of our costs, including research and development expenses and administrative expenses, for at least the next 12 months from the expected date of this document.

Our cash burn rate refers to the average monthly amount of net cash used in operating activities, capital expenditures and lease payments. We had cash and cash equivalents, financial assets at FVPL and time deposits of RMB341.6 million as of April 30, 2026. We estimate that we will receive [**REDACTED**] of approximately HK$[**REDACTED**] million, equivalent to RMB[**REDACTED**] million, after deducting the [**REDACTED**] fees and expenses payable by us in the [**REDACTED**], assuming no [**REDACTED**] are exercised and assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the low-end of the [**REDACTED**] in this document. Assuming an average cash burn rate going forward of 1.3 times of the level in the four months ended April 30, 2026 and without taking into account any cash inflows from milestone payments, we estimate that our cash and bank balances, financial assets at FVPL and time deposits as of April 30, 2026 will be able to maintain our financial viability for [**REDACTED**] months or, if we take into account the estimated [**REDACTED**] from the [**REDACTED**], [**REDACTED**] months. We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing.

Key Financial Ratios

Our current ratio was 0.4, 0.3 and 0.3 as of December 31, 2024 and 2025 and March 31, 2026, respectively. The current ratio is calculated by dividing the current assets by current liabilities. For more details, see "Financial Information — Key Financial Ratio."

RISK FACTORS

Our business and the [**REDACTED**] involve certain risks, key aspects of which are discussed in details in the "Risk Factors" section. As different [**REDACTED**] may have different interpretations and criteria when determining the significance of a risk, you should read the "Risk Factors" section in its entirety before you decide to [**REDACTED**] in our Company.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

On September 30, 2021, Dr. Liang and Dr. Liu Xiangdong (劉向東) ("**Dr. Liu**") entered into a voting proxy agreement, pursuant to which Dr. Liu voluntarily granted Dr. Liang a voting proxy over all equity interests held by him in our Company. On February 1, 2021, Dr. Liang and Mr. Tang Yilong (唐亦龍) ("**Mr. Tang**") entered into an acting-in-concert agreement, pursuant to which Dr. Liang and Mr. Tang agreed to act in concert on all proposals and resolutions presented at Board meetings and Shareholders meetings. On February 7, 2024, Dr. Liang and Mr. Tang entered into a voting proxy agreement, pursuant to which Mr. Tang voluntarily granted Dr. Liang a voting proxy over all equity interests held by him in our Company. For details, see "History, Development and Corporate Structure — Voting Proxy and Acting-in-concert Arrangements."

Immediately before the completion of the [**REDACTED**], Dr. Liang, both directly and indirectly (as general partner of Highlightll Enterprise Management and through voting proxy arrangements with Dr. Liu and Mr. Tang), and Mr. Tang collectively control approximately 36.99% of the voting rights in our Company. Immediately following the completion of the [**REDACTED**], the acting-in-concert agreement and the voting proxy agreement between Dr. Liang and Mr. Tang will automatically terminate, and Dr. Liang, both directly and indirectly (as general partner of Highlightll Enterprise Management and through voting proxy arrangement with Dr. Liu) will continue to control approximately [**REDACTED**]% of the voting rights in our Company (assuming that the [**REDACTED**] is not exercised). Therefore, Dr. Liang and Highlightll Enterprise Management will constitute our single largest group of Shareholders upon the [**REDACTED**]. See "Relationship with Our Single Largest Group of Shareholders" for details.

PRE-[REDACTED] INVESTMENTS

Since the establishment of our Group, we have received six rounds of Pre-[**REDACTED**] Investments from a number of Pre-[**REDACTED**] Investors. The aggregate proceeds from the Pre-[**REDACTED**] Investments amounted to RMB661.9 million. The post-money valuation of our Group upon the completion of the Series C Financing was approximately RMB2.46 billion. Our Pre-[**REDACTED**] Investors include certain Sophisticated Investors, namely Hankang Capital and AZ-CICC. For the principal terms of the Pre-[**REDACTED**] Investments and background information of the Pre-[**REDACTED**] Investors, see "History, Development and Corporate Structure — Pre-[**REDACTED**] Investments."

DIVIDEND

We did not declare or pay any dividend during the Track Record Period. We do not currently have a formal dividend policy or a pre-determined dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. [**REDACTED**] should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with its articles of association and relevant laws and regulations in China.

As advised by our PRC Legal Advisor, taking into account the aforesaid, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our accumulated losses, or even if we become profitable, as we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered by our after-tax profits, and (ii) sufficient statutory and other reserves are drawn in accordance with the relevant laws, regulations and our constitutional documents. In light of our accumulated losses as disclosed in this document, it is unlikely that we will be eligible to pay dividends out of our profits in the foreseeable future.

[**REDACTED**]

USE OF [REDACTED]

We estimate that we will receive [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], after deducting [**REDACTED**], fees and estimated expenses payable by us in connection with the [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the [**REDACTED**] stated in this document, and assuming the [**REDACTED**] is not exercised. We currently intend to apply these [**REDACTED**] for the following purposes: (i) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to fund the clinical development of our Core Product, TLL-018; (ii) approximately [**REDACTED**]%, or

HK$[**REDACTED**], will be used to fund the ongoing and planned clinical trials of HL-400 in Parkinson's disease; (iii) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to fund the planned clinical trials of HL-450 in acute gout and other peripheral diseases; (iv) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to fund the planned commercialization of TLL-018 after it is approved for sale; (v) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to fund the exploration and discovery of new drug candidates in autoimmune and neurodegenerative franchises; and (vi) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for working capital and general corporate purposes. For more details, see "Future Plans and Use of [**REDACTED**]."

[**REDACTED**]

[**REDACTED**] to be borne by us are estimated to be approximately RMB[**REDACTED**] (including [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the [**REDACTED**] of HK$[**REDACTED**] to HK$[**REDACTED**] per Share), which represent [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**], assuming no Shares are issued pursuant to the [**REDACTED**]. The above [**REDACTED**] are comprised of (i) [**REDACTED**]-related expenses of RMB[**REDACTED**], and (ii) non-[**REDACTED**]-related expenses of RMB[**REDACTED**], including (a) the legal advisors and the reporting accountants' expenses of RMB[**REDACTED**], and (b) other fees and expenses of RMB[**REDACTED**]. During the Track Record Period, we incurred [**REDACTED**] of RMB[**REDACTED**], RMB[**REDACTED**] of which was charged to our consolidated statements of profit or loss and other comprehensive income, and RMB[**REDACTED**] of which was attributable to the [**REDACTED**] of Shares and will be deducted from equity. We expect to incur additional [**REDACTED**] of approximately RMB[**REDACTED**] after the Track Record Period, approximately RMB[**REDACTED**] of which is expected to be charged to our consolidated statements of profit or loss and other comprehensive income, and approximately RMB[**REDACTED**] of which is attributable to the [**REDACTED**] of Shares and will be deducted from equity upon [**REDACTED**]. The [**REDACTED**] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

RECENT DEVELOPMENTS

Business Updates

Since the end of the Track Record Period, we have been continuously developing our business and advancing our pipeline.

In April 2026, we performed the primary efficacy analysis for the Phase III RA trial of TLL-018, and the trial met its primary endpoint and all secondary endpoints. In May 2025, we received the IND approval for the Phase II/III registrational trial of TLL-018 for the treatment of moderate-to-severe AD. In the same month, we received IND approval for HL-400 for the treatment of Parkinson's disease. In addition, we initiated a Phase Ib/II clinical trial of HL-300 for the treatment of mild-to-moderate AD and enrolled the first patient in May 2026.

We expect that we will record net losses in 2026, primarily because (i) we expect to incur research and development expenses as we continue to advance the clinical development of our drug candidates, and (ii) we will incur changes in fair value of financial instruments issued to investors in relation to special rights issued to Pre-[**REDACTED**] investors prior to the [**REDACTED**].

No Material Adverse Change

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since March 31, 2026, the end of the period reported in the Accountants' Report set out in Appendix I to this document, and there has been no event since March 31, 2026 that would materially affect the information contained in the Accountants' Report set out in Appendix I to this document.

IMPACT OF COVID-19

During the Track Record Period and up to the Latest Practicable Date, we had not experienced material disruptions in our operations as a result of the COVID-19. Through effective coordination with our CRO and CDMO partners across various locations, we sustained the smooth progress of our research activities and achieved key regulatory milestones. As COVID-19 has come under control as of the Latest Practicable Date, our Directors do not expect COVID-19 to have a material adverse impact on our business going forward.